

Savola Group

Earnings Presentation | YTD Q3 2021

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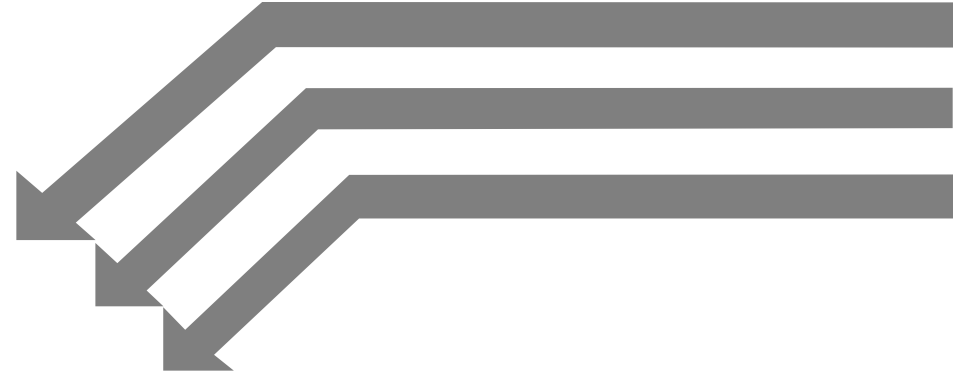
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1. Group Key Financial Highlights

2. Performance by Segment



GROUP - HIGHLIGHTS

Business Highlights

- The Group witnessed a higher topline performance during YTD & Q3 2021 despite the higher base of last year driven mainly by higher commodity prices and recovery in food services segment
- In the foods segment, higher volumes, better pricing of edible oil and sugar and recovery of B2B channel contributed to a resilient performance
- In the retail segment, sales have been lower YoY due to high base effect of last year witnessed during lockdown and relatively weaker consumer sentiment, VAT impact and expat exodus

Revenues

- Savola Group topline performance during YTD September 2021 period was mainly driven by growth in foods segment and recovery in the B2B channel
- Our foods business grew by about 36% in revenues with recovery in B2B volumes and higher pricing of products
- Our food services segment reported 27% growth compared to last year
- Our retail segment reported an 11% decline mainly due to lower basket size

Profitability

- **Gross profit reached SAR 3.4 billion with a margin of around 19%**; lower than last year driven by lower margins in the retail, and higher commodity prices & B2B volumes in the foods segment. Gross profit in absolute value terms increased in foods segment vs. last year
- **The Group recorded EBTIDA of SAR 1.9 billion with a margin of 11%**
- **Net Income is reported SAR 476 million compared to SAR 866 million last year**; the decline is primarily attributable to decline in share of profit from associates in addition to the above-mentioned reasons

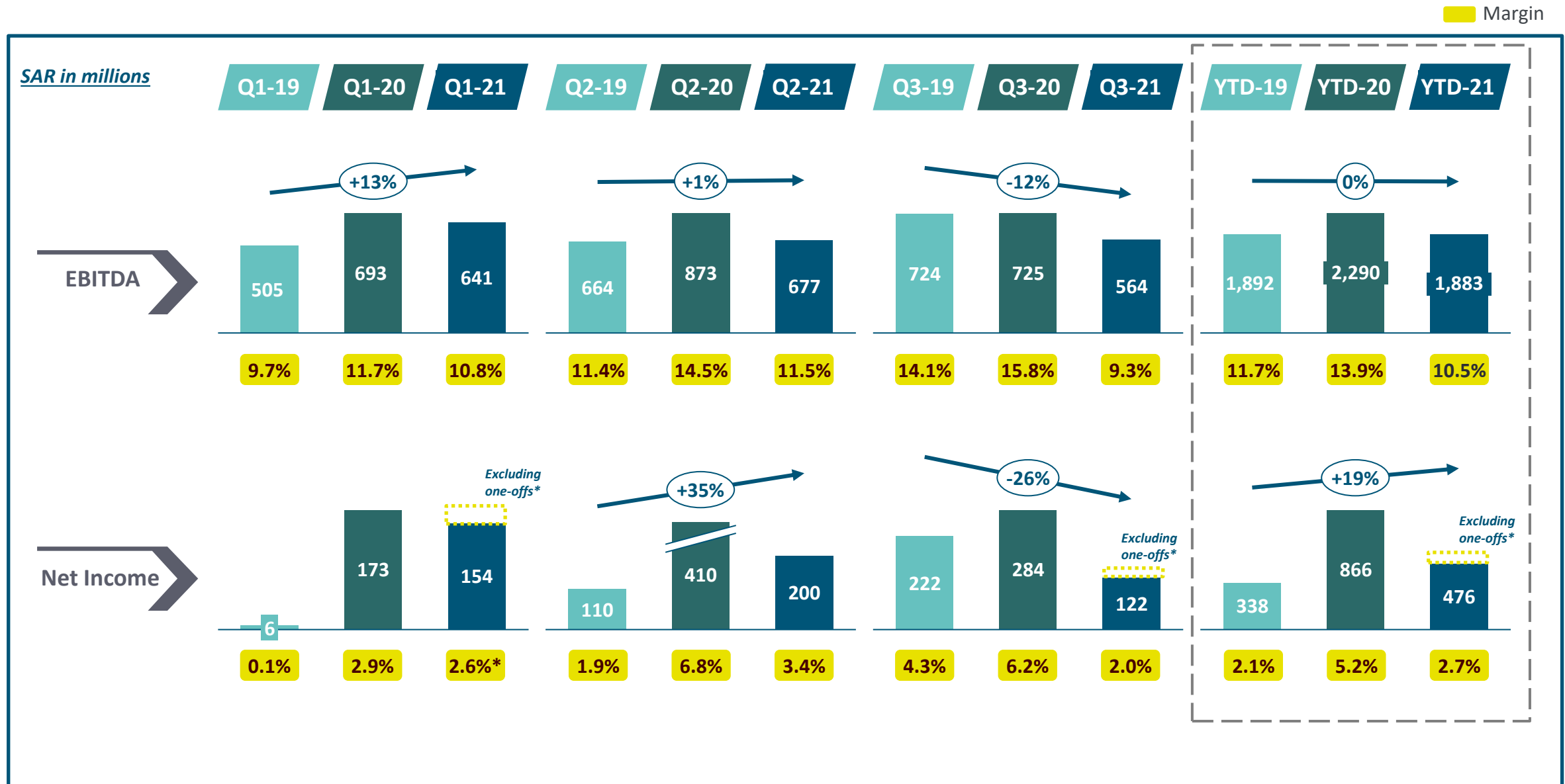
GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

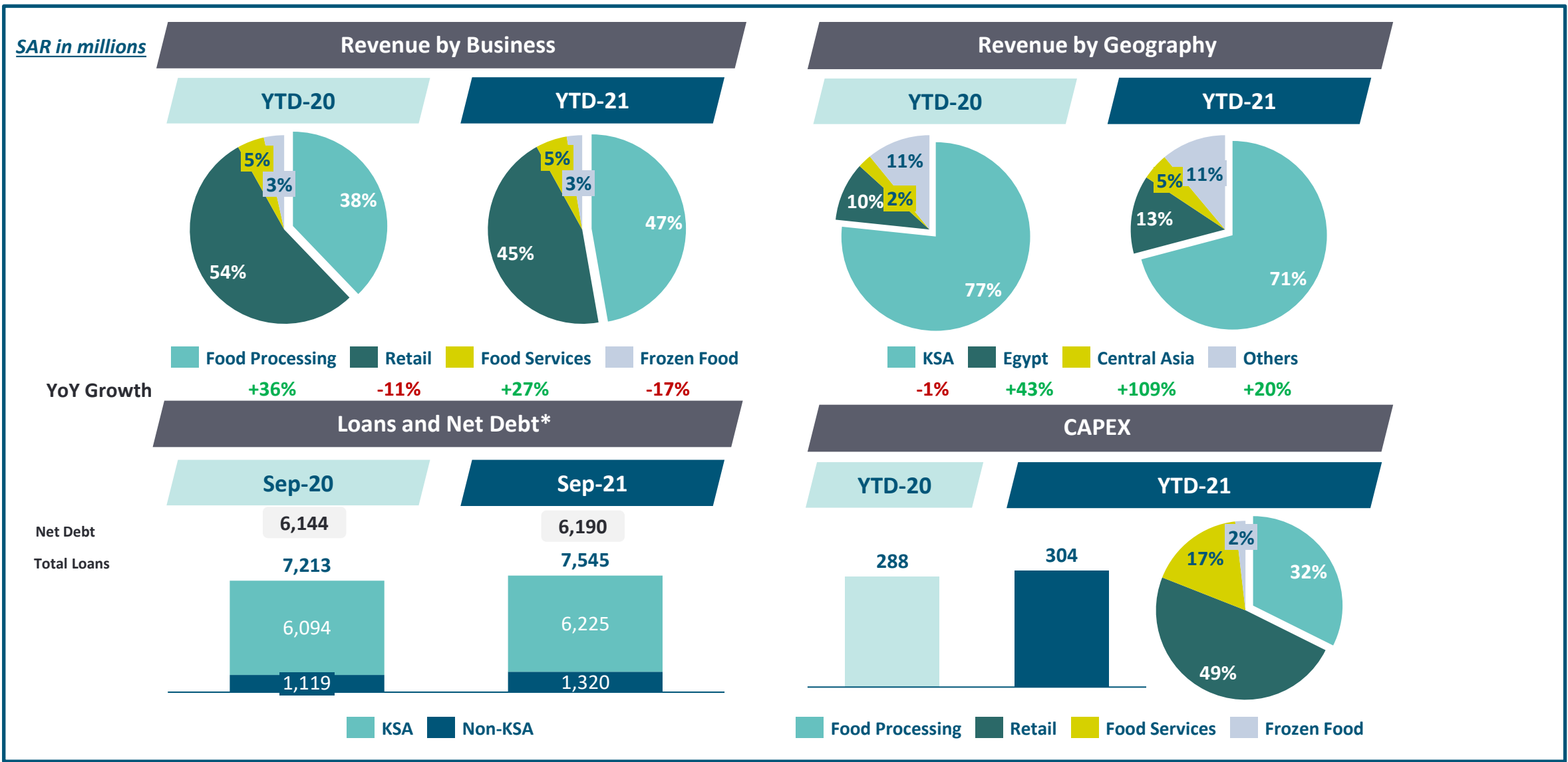
GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS



*One-off expenses of SAR 32 million during YTD 2021 including emerging markets provision, M&A and other transaction expenses related to Savola Foods

Note: numbers are rounded

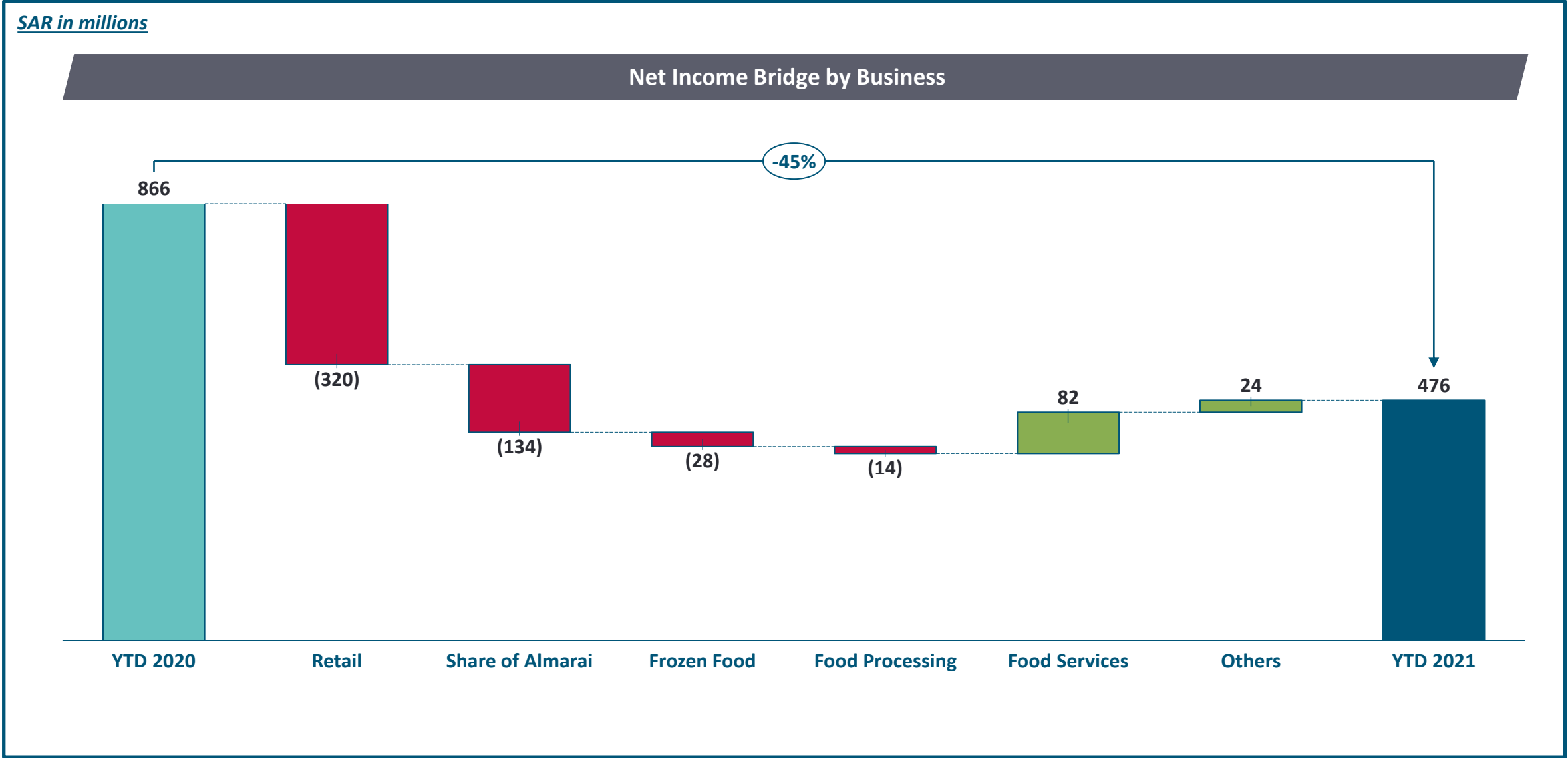
GROUP – REVENUE MIX, NET DEBT & CAPEX



*Net debt excludes lease liabilities

Note: numbers are rounded

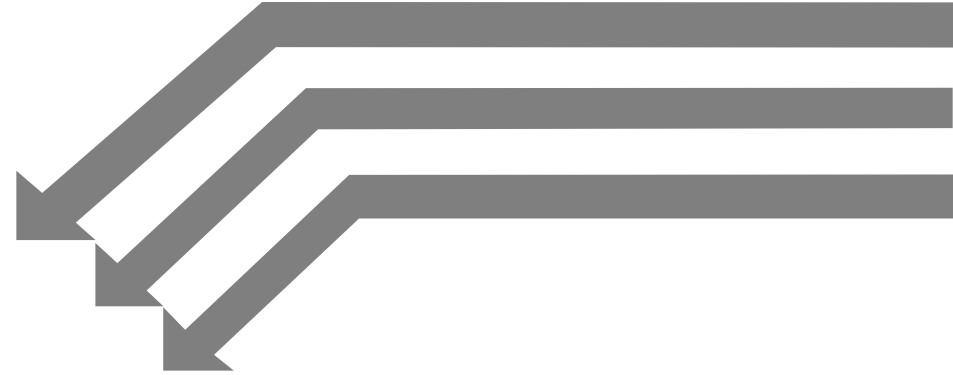
GROUP – YTD Net Income Bridge



Note: numbers are rounded

1. Group Key Financial Highlights

2. Performance by Segment



Panda Retail Company



RETAIL - HIGHLIGHTS

Key Highlights

- The retail segment reported weaker performance in YTD 2021, driven by weaker consumer sentiment, higher VAT, expat exodus and higher base of last year during lockdown

Store Count

- Store count is maintained at 205 stores, including 4 stores in Egypt

Revenues

- **Our retail business recorded Revenue of SAR 8.1 billion YTD, 11% lower than last year, given the high base from last year during lockdown. Revenues are largely in-line with 2019 levels**
- The decline was primary driven by lower basket size compared to last year

Profitability

- The segment reported a gross margin of about 22% YTD, lower than last year but slightly higher than 2019 levels
- Reported EBITDA of SAR 481 million YTD, compared to SAR 844 million last year; the decline is driven by lower revenues and lower gross profit despite lower overhead costs

RETAIL – FINANCIAL HIGHLIGHTS

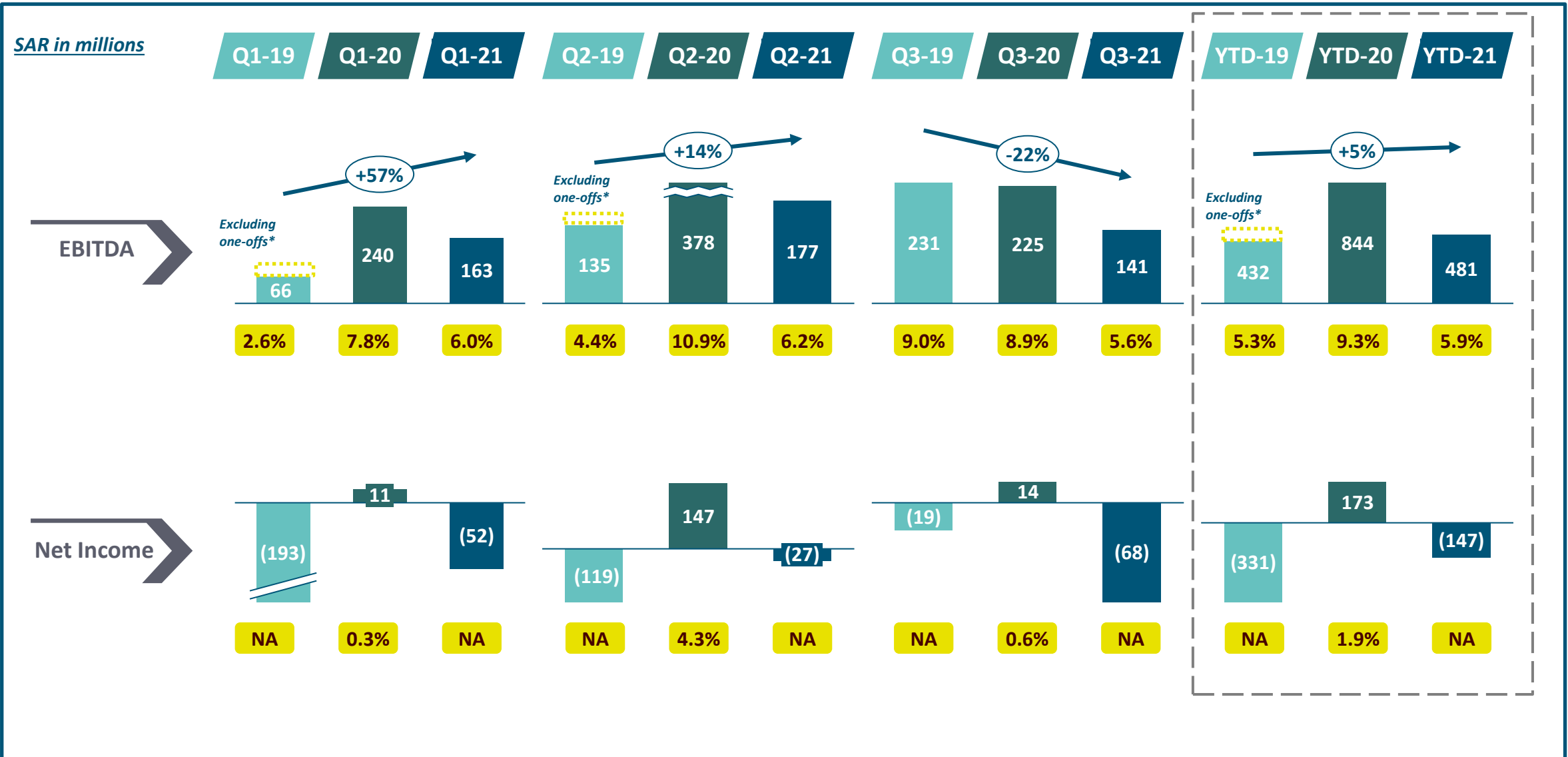
Margin



Note: numbers are rounded

RETAIL – FINANCIAL HIGHLIGHTS

Margin



*2019 include a one-off store closure costs of SAR 35 million for Q1 and SAR 30 million for Q2 (SAR 65 million for YTD period)

Note: numbers are rounded

RETAIL – NUMBER OF STORES



Savola Foods Company

Key Highlights

- Our foods segment reported resilient performance during YTD despite challenging market dynamics, continued commodity price increases and challenges in overseas markets
- Successfully completed the acquisition of Bayara in October 2021

Volume

- **Volumes increased by about 10% compared to same period last year – primarily attributable to significant increase in Sugar volume in Egypt and recovery in B2B segment**
- Edible oils volumes also increased by 8% driven by Saudi Arabia, Egypt and Central Asia; while Pasta volumes declined by 9% compared to last year

Revenues

- **Revenues increased by 36% compared to the same period last year**, driven by higher volumes and better pricing in the edible oils and sugar categories

Profitability

- **Gross profit reached SAR 1.1 billion in YTD 2021**; YoY growth of ~9% despite decline in % margins
- EBITDA improved to SAR 655 million YTD, about 6% higher than last year
- Reported net income of SAR 242 million YTD, ~5% lower than last year on reported basis and ~7% increase on like-for-like basis

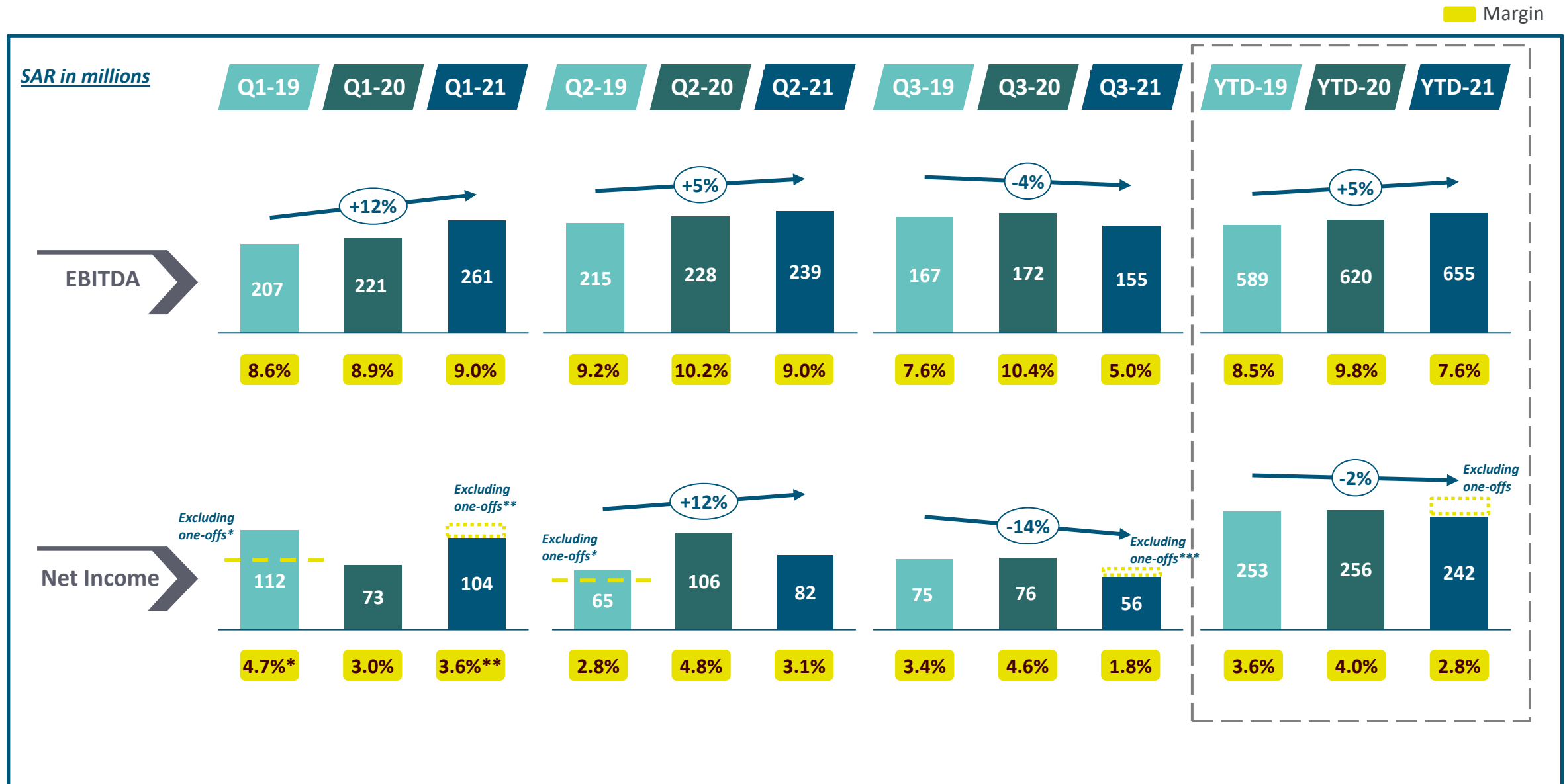
FOODS – FINANCIAL HIGHLIGHTS

Margin

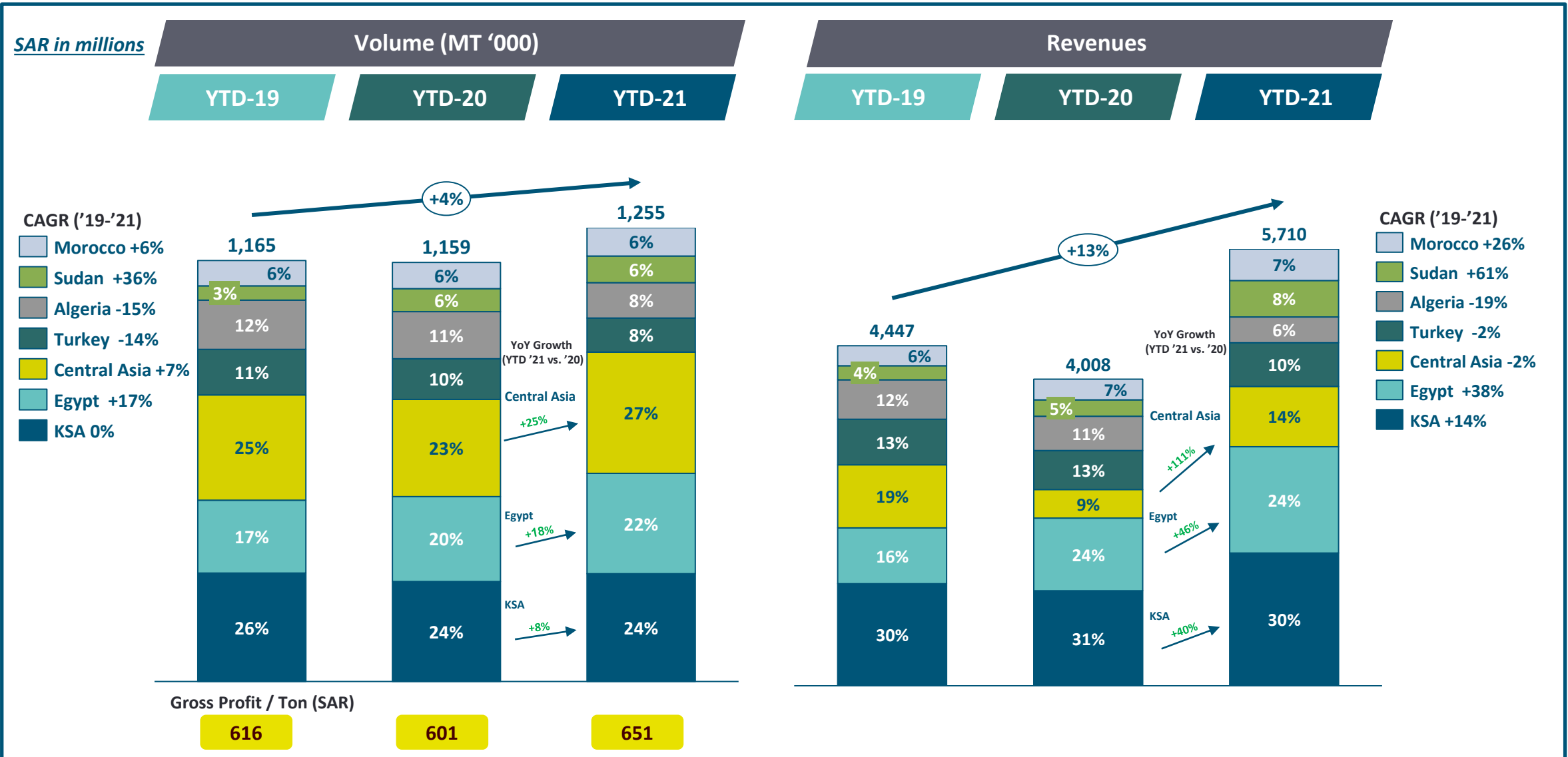


Note: numbers are rounded

FOODS – CONSOLIDATED FINANCIAL HIGHLIGHTS

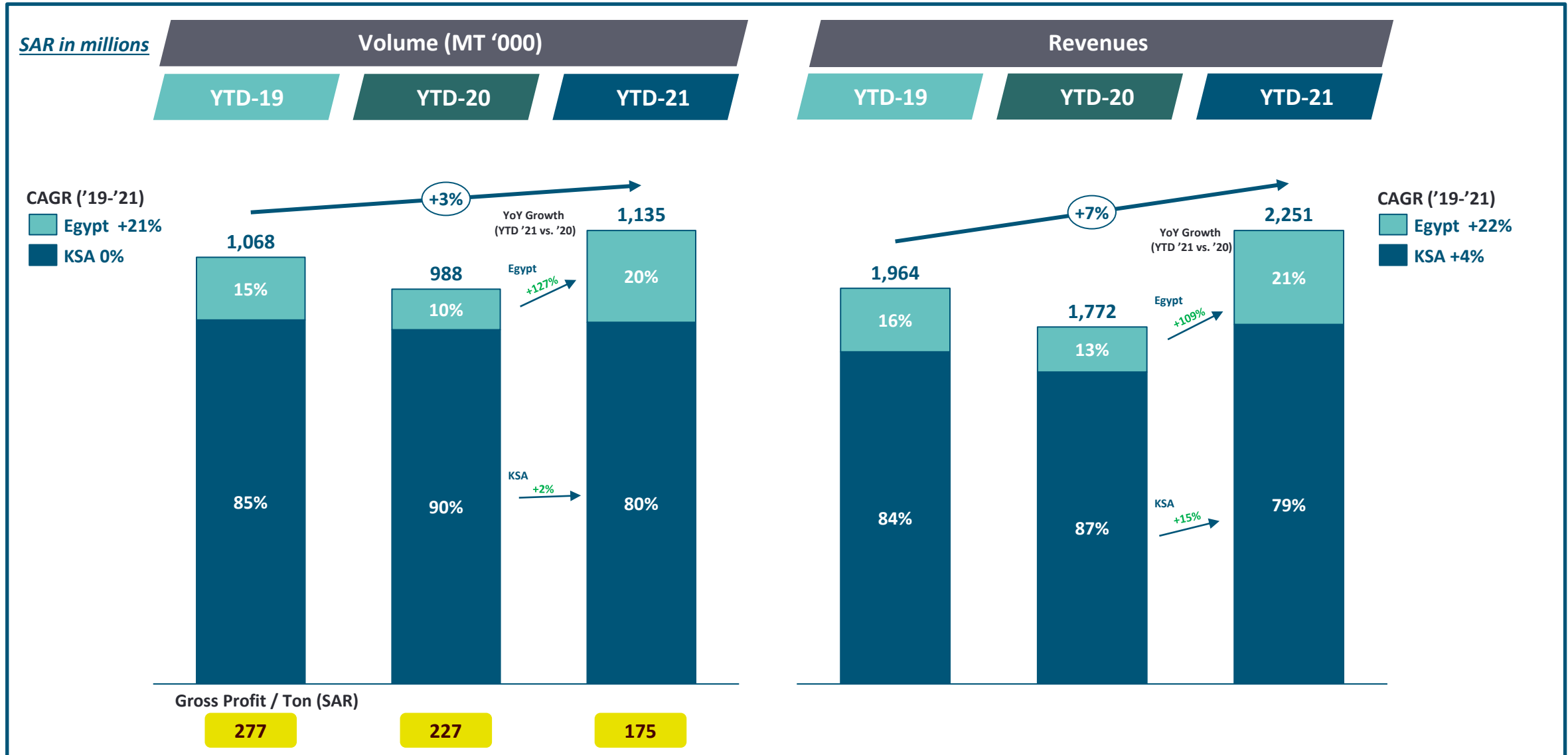


FOODS – OIL SEGMENT ANALYSIS



Note: numbers might not add up to 100% due to rounding

FOODS – SUGAR SEGMENT ANALYSIS



Note: Sugar volumes and revenues include only the contribution from our consolidated sugar operations (USC and ASC), and include the net volume and revenue from our KSA sugar distribution operations

Note: numbers might not add up to 100% due to rounding

Recap of Savola Foods Strategy

- Health, convenience, and youth driven trends are the fastest-growing and future focus segments in our markets
- Savola Foods has activated its strategy to enter large and established categories with attractive prospects via M&A

1) Anchor

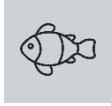
- Growing today's businesses via focused line extensions



Edible oils
focusing on olive oil



Pasta & couscous
youth's main source of carbs



Seafood
ambient | ready-to-eat

- ✓ **Expand existing brands**, expand into new formats and occasions
- ✓ **Develop line extensions**, health and wellness focus, functional benefits, sustainable packaging

2) Disrupt

- Capitalize mainly on increasing Foodservice spend due to secular trends driving shift to convenience



Product Line Expansion



Geographical Expansion



Digital presence e-commerce

3) Conquer

- Entering large, established categories in the region and disrupt them by targeting health, convenience and youth via new product lines and innovative / targeted branding

Prioritized categories



Chocolate confectionery
(healthy & artisanal)



Packaged cakes/pastries
(nutritional and on-the-go)



Sweet biscuits
(replace breakfast)



Savory snacks
(fourth meal opportunity)



Herbs & spices
(youth love for flavors)

Indicative Criteria

Size

Growth Potential

EBIT margin

Presence

- ✓ Alignment w/ trends
- ✓ Competitive position



4) Bet

- Placing VC investment on nascent, high-growth youth-focused categories



Snack Bars
(multiple snacks a day trend)




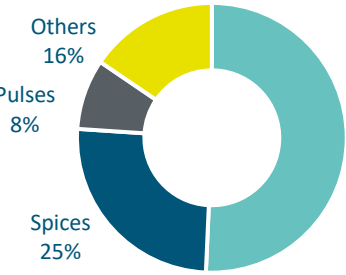
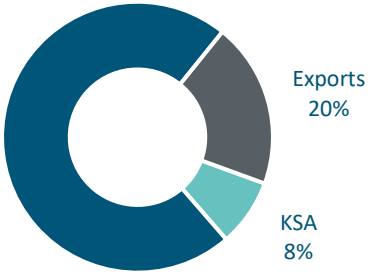


Alternative protein
(reduced meat consumption)



munchbox™
MUNCH BETTER

Savola Foods acquisition of Bayara Holding

Key Highlights															
Overview	<ul style="list-style-type: none"> Savola Foods successfully completed the acquisition of Bayara Holding for approximately SAR 975 million on October 14, 2021. <ul style="list-style-type: none"> The acquisition is pivotal to Savola Foods' growth strategy focused on expansion into high growth, value-added food categories with propositions directed towards healthier trends and younger population. It comes within the strategy framework of the company which aims to diversify its business through focused expansion, primarily benefitting from increased spending on healthy trends. Established in 1992 in UAE, Bayara manufactures and sells healthy snacks (raw and roasted nuts, dates, seeds, dried fruits) and cooking ingredients (herbs, spices, pulses) across 29 countries. The company entered the KSA market in 2017 and is currently in a ramp up mode. 														
Financials	<p><i>SAR in millions</i></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>FY 2020</p> <p>Gross Sales →</p> <p>495</p> </div> <div style="text-align: center;"> <p>FY 2020</p> <p>EBITDA →</p> <p>78</p> <p>15.8%</p> </div> <div style="text-align: right;"> <p>Margin</p> </div> </div>														
Other Information	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Key Distribution/Sales Channels</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Shop-in-Shops</p>  <ul style="list-style-type: none"> Through souk type shop in shop set ups in large retail format outlets </div> <div style="width: 30%;"> <p>Consumer Goods</p>  <ul style="list-style-type: none"> Direct in UAE & KSA, and through distributors in rest of GCC </div> <div style="width: 30%;"> <p>Food Service</p>  <ul style="list-style-type: none"> Distribution across catering, airlines hotels and others </div> </div> </div> <div style="width: 35%;"> <p>Sales Split by Products (FY 2020)</p>  <table border="1"> <tr><td>Nuts</td><td>51%</td></tr> <tr><td>Spices</td><td>25%</td></tr> <tr><td>Others</td><td>16%</td></tr> <tr><td>Pulses</td><td>8%</td></tr> </table> </div> <div style="width: 30%;"> <p>Sales Split by Geography (FY 2020)</p>  <table border="1"> <tr><td>UAE</td><td>72%</td></tr> <tr><td>Exports</td><td>20%</td></tr> <tr><td>KSA</td><td>8%</td></tr> </table> </div> </div>	Nuts	51%	Spices	25%	Others	16%	Pulses	8%	UAE	72%	Exports	20%	KSA	8%
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Al Kabeer Group of Companies



FROZEN FOOD - HIGHLIGHTS



Key Highlights

- The frozen food segment witnessed YTD decline due to supply chain challenges and changing regulatory environment in Saudi Arabia
- The above factors have led to higher input costs for the business segment as well as supply disruptions

Revenues

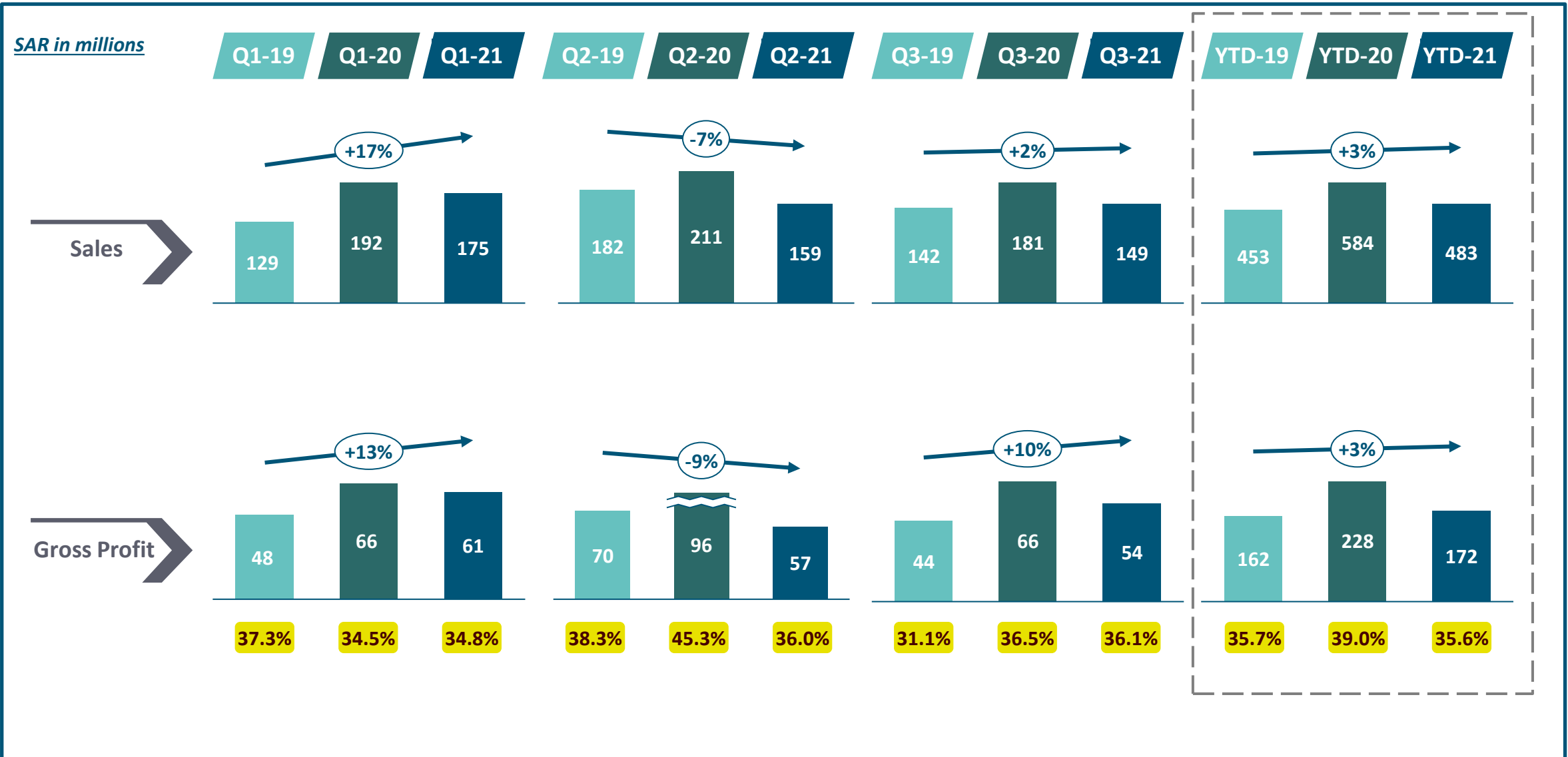
- Revenues witnessed 17% YoY decline YTD, however, did witness some growth from the 2019 levels
- The revenue decline in YTD period was largely driven by lower sales in Saudi Arabia on account of supply disruptions

Profitability

- Gross profit reached SAR 172 million YTD, YoY decline of 25%; however, YTD gross margins are largely in line with 2019 (pre-COVID) levels
- Reported EBITDA reached SAR 81 million YTD with ~17% margins; while net income reached SAR 54 million with a 11% net margin

FROZEN FOODS – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

FROZEN FOODS – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

Financial Summary

(all figures are in SAR millions)

Segment Wise Financials										
	YTD September 2021					YTD September 2020				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	4,486	724	329	167	405	3,075	594	285	171	352
Oil-Other Markets**	1,224	93	32	16	43	933	103	48	20	58
Total Oil	5,710	817	361	183	448	4,008	697	333	192	410
Sugar	2,251	198	109	60	168	1,772	224	115	72	178
Pasta	445	63	21	12	32	423	73	21	11	33
Emerging Categories***	240	14	(5)	(14)	7	154	8	(14)	(19)	(1)
Total Foods	8,646	1,092	486	242	655	6,358	1,002	454	256	620
Retail										
KSA	7,991	1,788	18	(148)	471	9,003	2,138	332	182	838
Egypt	104	22	2	1	10	86	17	(7)	(9)	5
Total Retail	8,095	1,811	20	(147)	481	9,089	2,156	326	173	844
Herfy	985	279	136	111	259	778	182	60	30	190
Frozen Food	483	172	66	54	81	584	228	93	83	108
Real Estate	-	-	21	21	21	-	-	(7)	(7)	(7)
Al Marai-Savola Share	-	-	435	435	435	-	-	569	569	569
HQ/Elimination/Impairments	(294)	(3)	(75)	(240)	(49)	(291)	(1)	(62)	(236)	(33)
Total	17,914	3,351	1,089	476	1,883	16,517	3,566	1,432	866	2,290
Adjustments										
Emerging markets provision and M&A expenses				32						
Adjusted Profit				508					866	

* All the numbers are rounded for the purpose of presentation and have been represented under different categories

** Other markets include Algeria, Morocco and Sudan

*** Includes specialty fats, seafood, croissant...etc.

INVESTOR RELATIONS APPLICATION



Views Savola Group share price, charts and performance on the go



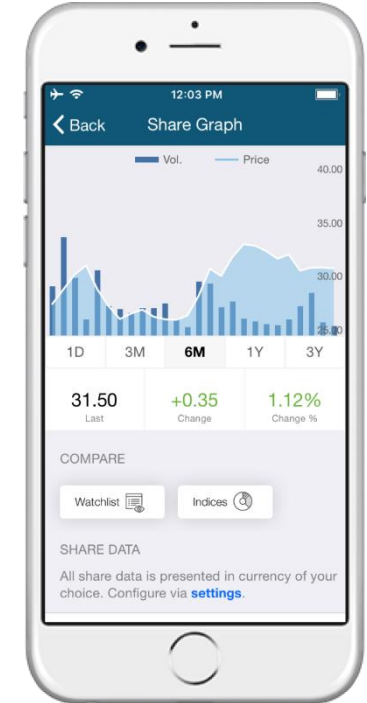
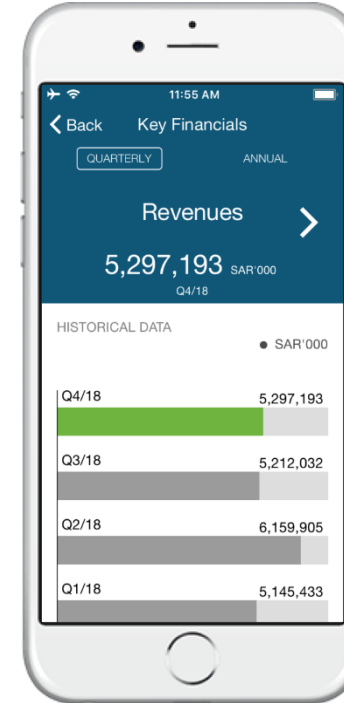
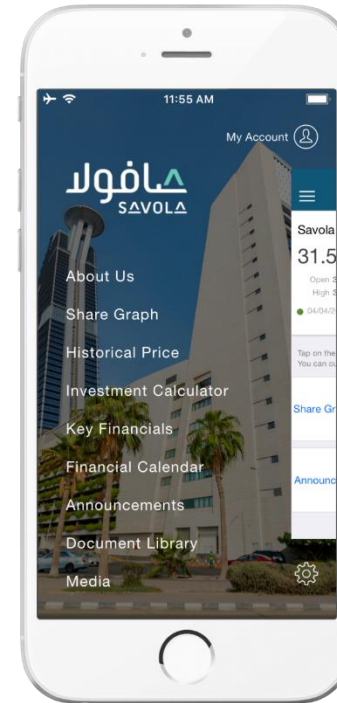
Savola Group Annual & Quarterly figures



Savola Group News releases from Tadawul



Annual/Quarterly Reports accessible offline



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Thank you