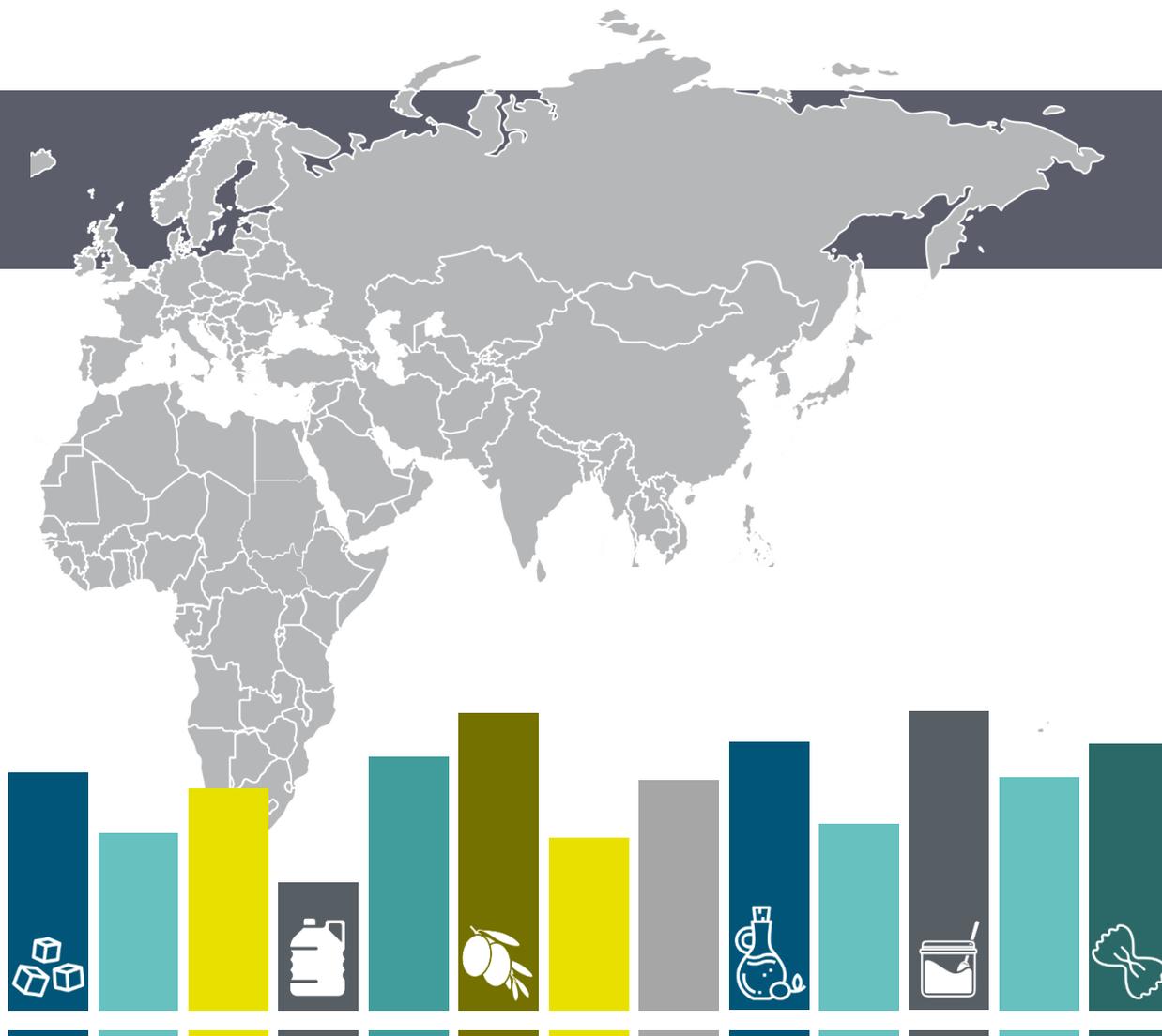


Earnings Presentation

Q4 2019

www.savola.com



سافولا
SAVOLA



DISCLAIMER

This presentation contains forward-looking statements which may be identified by the use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, market position, expenditures, and financial results, are forward looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The Savola Group (Savola or Group), its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

FY2019 Key Highlights

Business Highlights

- Management focus on delivery of key turnaround milestones in our retail business; whilst managing a challenging macroeconomic environment in foods

Financial Performance

- Savola Group has witnessed 2.0% growth in topline during 2019
- Net Income stood at SAR 475.6 mn in 2019 compared to a net loss of 520.4 mn last year, driven by recovery in foods profitability and lower retail losses

Capital Structure

- Successfully refinanced existing Sukuk, issuing a SAR 1.0 billion 7-year bullet tranche which was oversubscribed and priced attractively

Dividends

- Savola Board recommended a 3% cash dividend for FY 2019, of par value, at SAR 0.30 per share, amounting to SAR 160.2 million

Long-term Incentive Program

- Savola Board approved repurchase of 700,000 shares and retaining them as treasury shares under the Employees Long Term Incentive Program (LTIP)





SNAPSHOT

Q4 2019

GROUP

- Q4 2019 Revenue of SAR 5.5 bn (Q4 2018: SAR 5.3 bn)
- Q4 2019 Net Income of SAR 137.3 mn (Q4 2018: Net Loss of SAR 526.0 mn)

RETAIL

- Q4 2019 Revenue of SAR 2.8 bn (Q4 2018: SAR 2.9 bn)
- Q4 2019 Net loss of SAR 11.3 mn (Q4 2018: Net Loss of SAR 285.4 mn)

FOODS

- Q4 2019 Revenue of SAR 2.3 bn (Q4 2018: SAR 2.2 bn)
- Q4 2019 Net Income of SAR 39.8 mn (Q4 2018: Net Loss SAR 116.4 mn)

HERFY

- Q4 2019 Revenue of SAR 326.5 mn (Q4 2018: SAR 325.2 mn)
- Q4 2019 Net Income of SAR 47.9 mn (Q4 2018: SAR 52.4 mn)

FROZEN FOOD

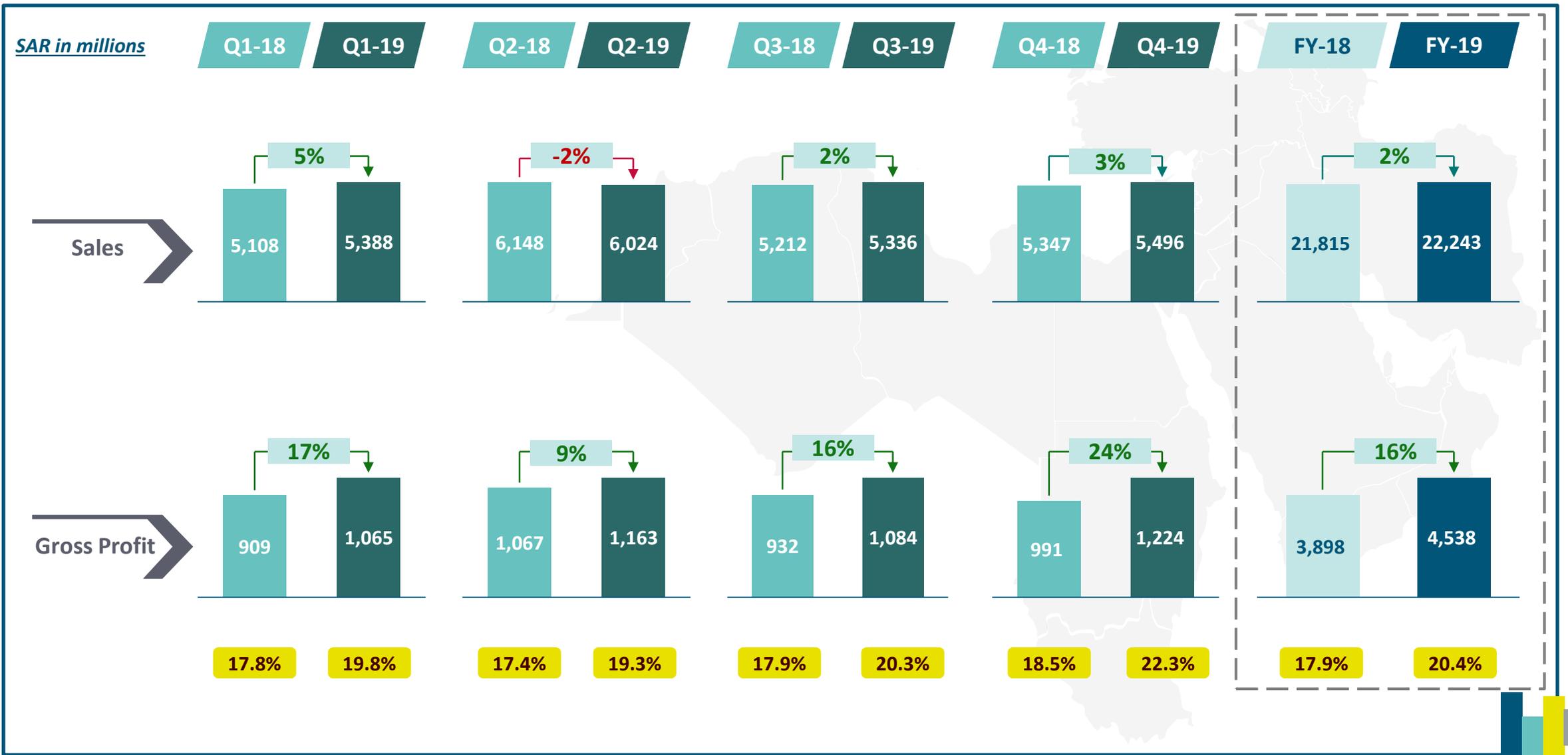
- Q4 2019 Revenue of SAR 206.0 mn
- Q4 2019 Net Income of SAR 12.8 mn

INVESTMENTS

- Share of Almarai Net Income of SAR 107.7 mn in Q4 2019 (Q4 2018: SAR 127.6 mn)

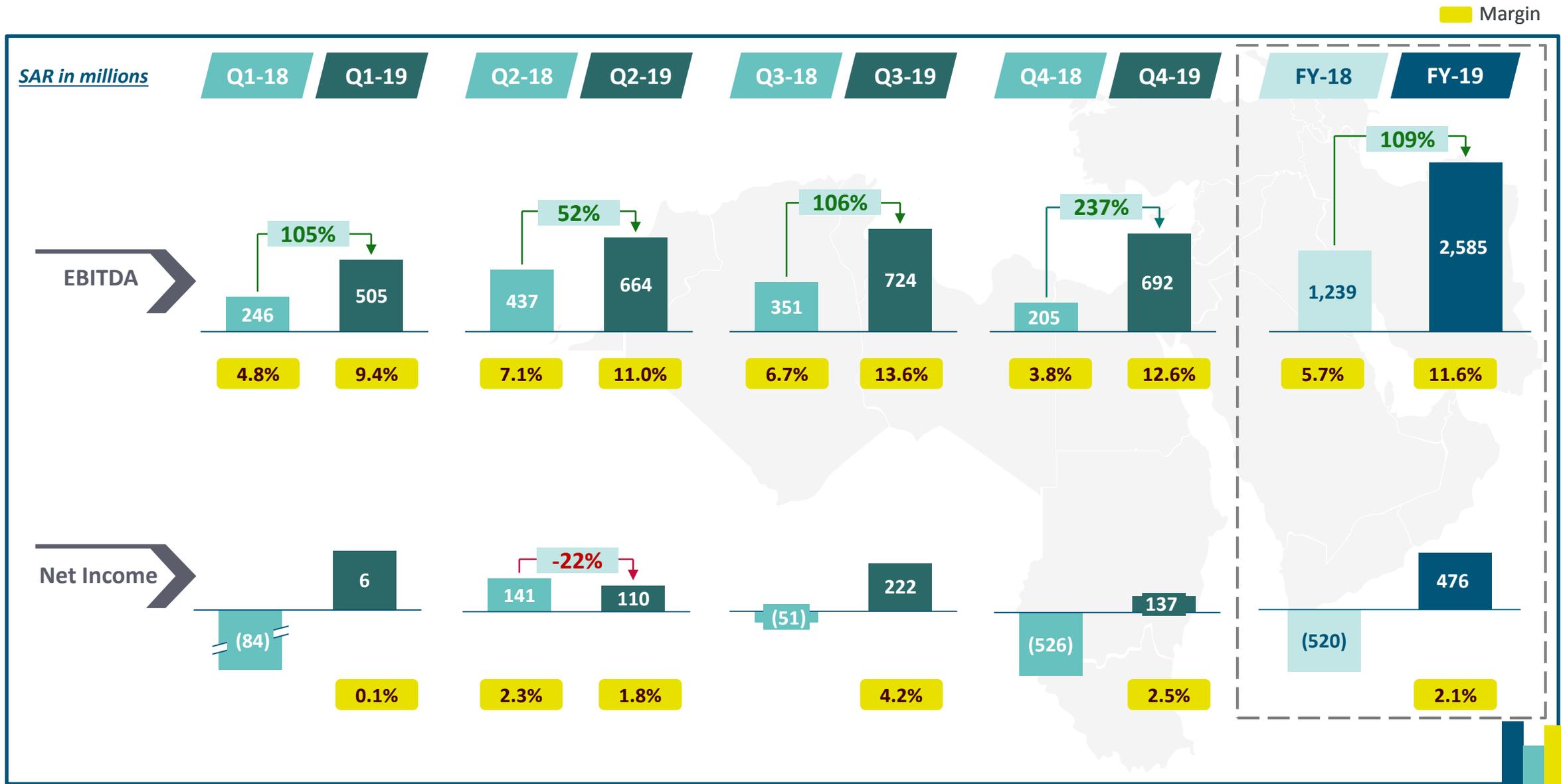
GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: 2018 numbers are pre-IFRS 16, numbers are rounded

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS



Note: 2018 numbers are pre-IFRS 16, numbers are rounded

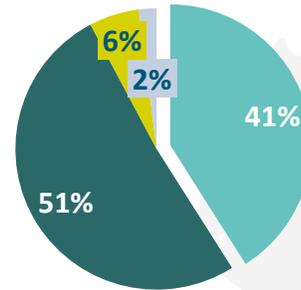
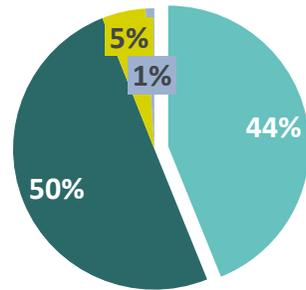
GROUP – REVENUE MIX, NET DEBT & CAPEX

SAR in millions

Revenue by Business

FY-18

FY-19

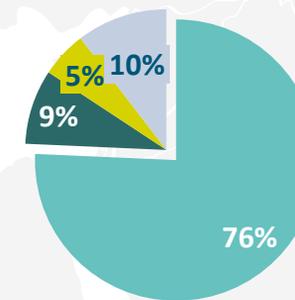
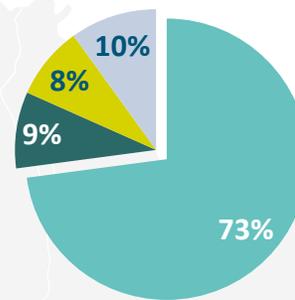


Food Processing Retail Food Services Frozen Food

Revenue by Geography

FY-18

FY-19

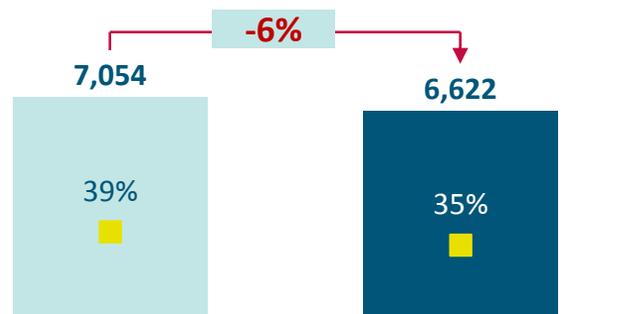


KSA Egypt Central Asia Others

Net Debt and Net Debt to Liquid Assets (%)*

FY-18

FY-19

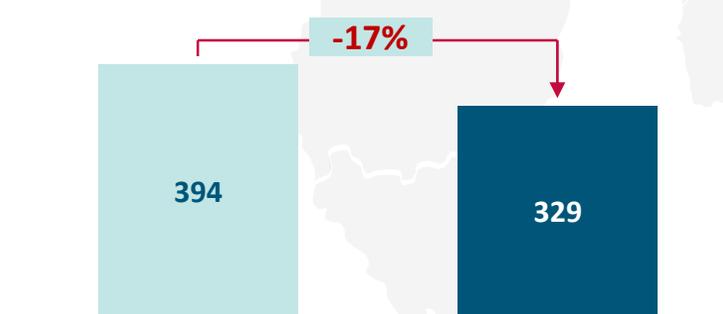


Net Debt to Liquid Assets (%)
Net Debt (SAR mn)

CAPEX

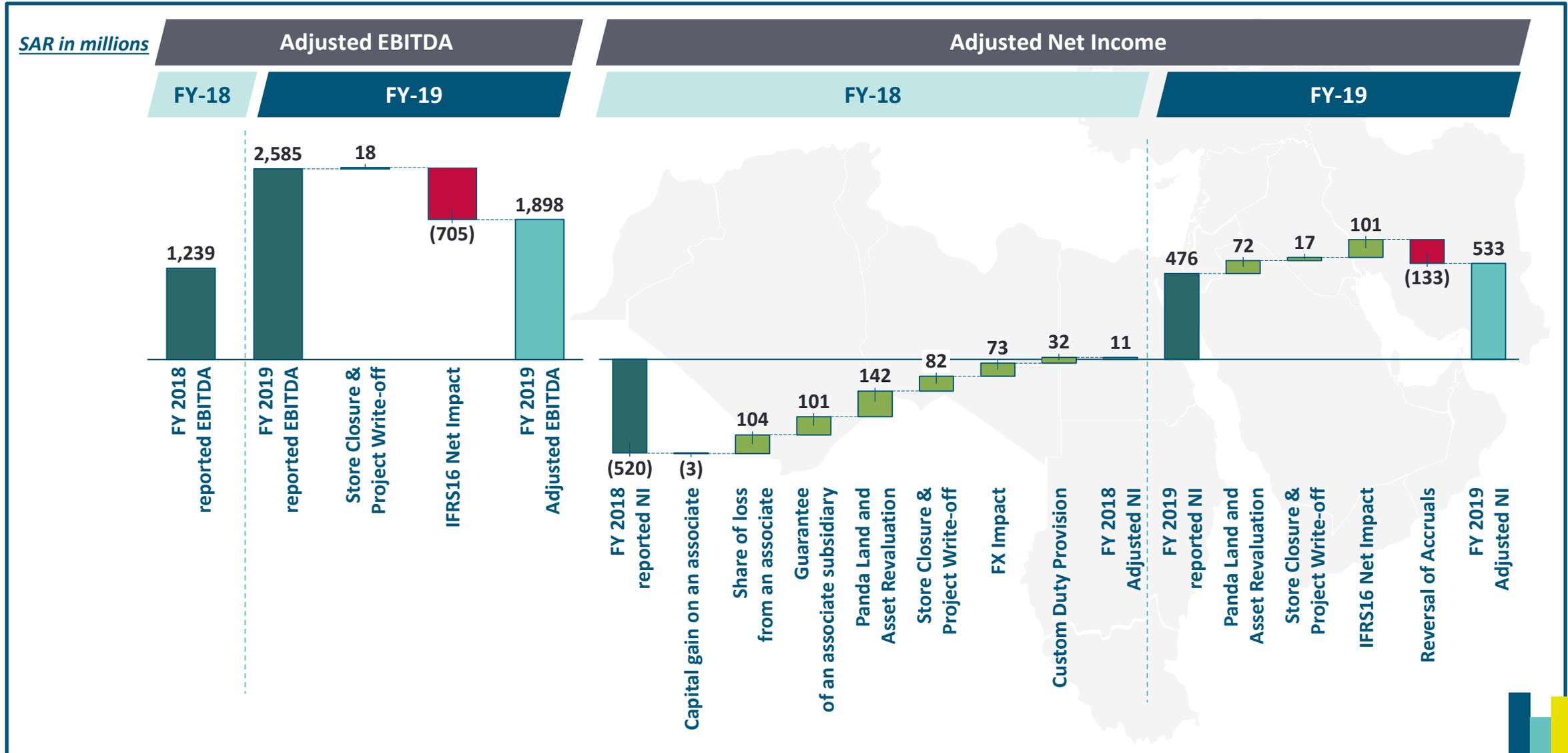
FY-18

FY-19



*Net debt excludes lease liabilities, liquid assets refers to the market value of Savola Group's investment in Almarai and Herfy.
Note: Numbers are rounded

IMPLICATIONS OF EXCEPTIONAL ITEMS



Note: Numbers are rounded



PANDA RETAIL COMPANY

Q4 2019



RETAIL - HIGHLIGHTS

Key Highlights

- The performance of our retail business has significantly improved over last year, as management continues to focus on key turnaround milestones

Store Count

- Store count reached 205 stores by end of Q4, including 4 stores in Egypt
- As part of our ongoing portfolio review, we continue to evaluate our store footprint keeping in view catchment area demographics and competitive landscape

Revenues

- The segment recorded revenues of SAR 11.5 bn during FY 2019, a growth of 3.4% compared to the same period last year; despite YoY ~8% reduction in selling space
- The growth is mainly driven by like-for-like growth in customer count and basket size

Profitability

- FY 2019 adjusted EBITDA of SAR 243.7 mn (adjusted for IFRS-16 and store closure costs)
- Reported net loss improved to SAR 342.4 mn in FY 2019 mainly driven by improvement in gross margins and operating leverage, despite IFRS 16 negative impact



RETAIL – FINANCIAL HIGHLIGHTS

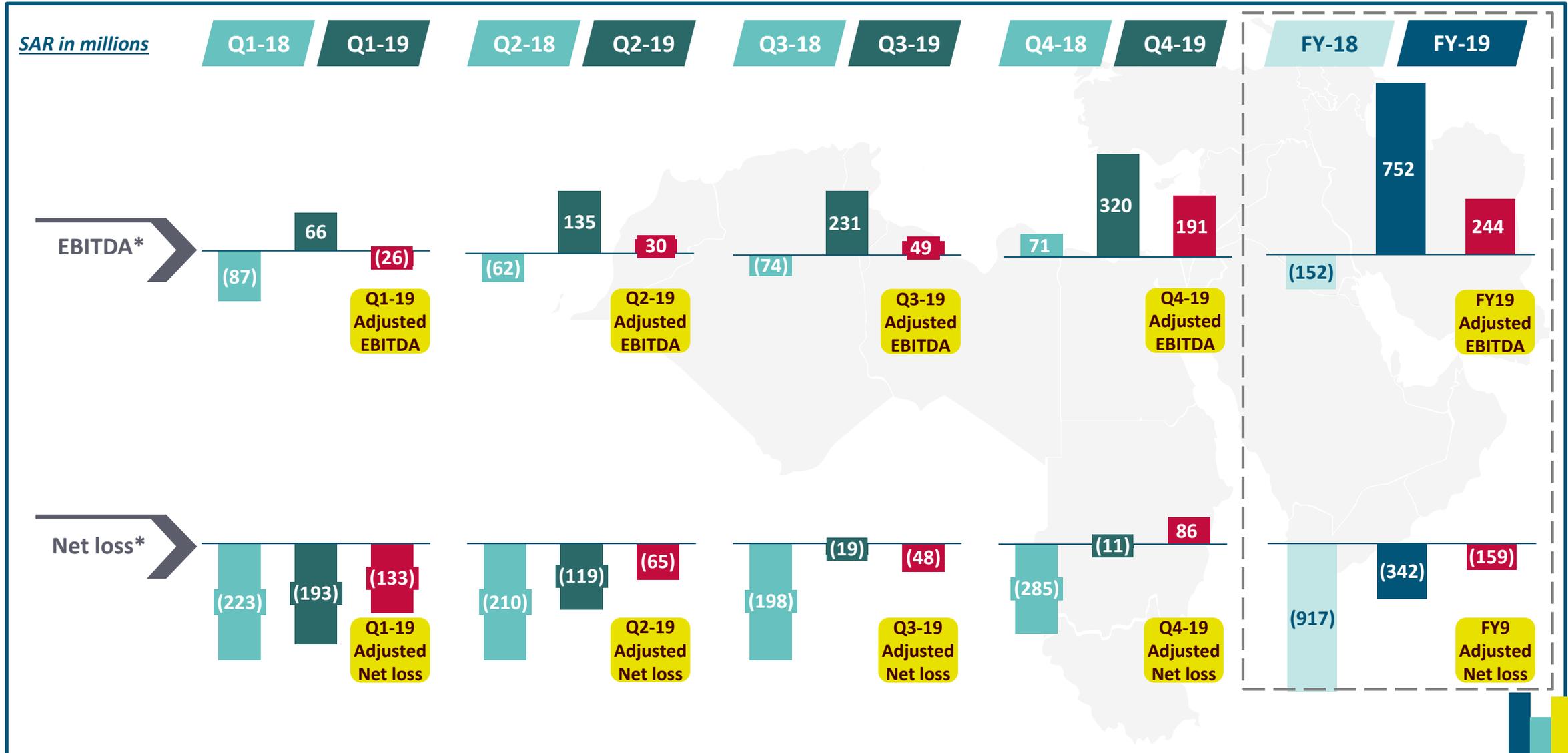
Margin



Note: 2018 numbers are pre-IFRS 16, numbers are rounded

RETAIL – FINANCIAL HIGHLIGHTS

Margin



Note: 2018 numbers are pre-IFRS 16, numbers are rounded

*2019 adjusted numbers include the reversal of IFRS 16 impact, land revaluation, store impairment as well as store closures and project write offs

RETAIL – NUMBER OF STORES BY QUARTER



*Closures include 1 store in Egypt which is temporarily closed due to operational issues, as well as, one additional hypermarket in Saudi Arabia during Q4 2019.



SAVOLA FOODS COMPANY

Q4 2019



FOODS - HIGHLIGHTS

Key Highlights

- The performance of our foods segment, improved over last year, despite pressure on volumes and top-line on our edible oil business
- Strong recovery in margins and profitability of our edible oils and sugar operations

Volume

- Volume has declined by 1.5% to 3,312 KMT in FY 2019, driven primarily by a ~2% reduction in edible oils (due to Central Asia)
- Pasta volumes declined by 6.5% to 279 KMT in FY 2019

Revenues

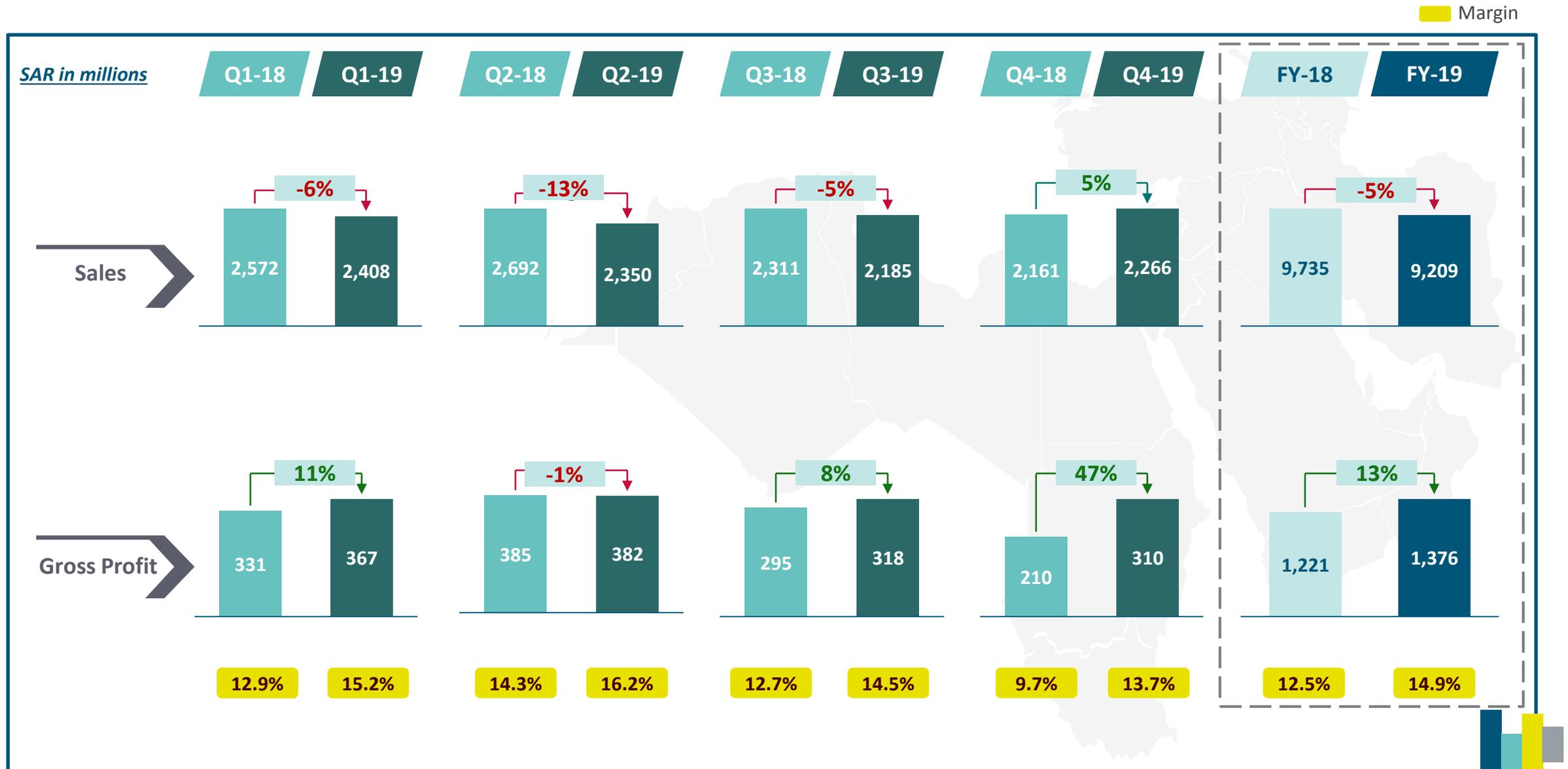
- FY 2019 revenues are 5.4% lower than last year reaching SAR 9,209 mn primarily due to weakness in edible oils, which is largely driven by Central Asia.
- Strong improvement in pasta segment with 8.3% growth, despite volume decline

Profitability

- Despite the top-line decrease, EBITDA improved to SAR 741 mn in FY 2019 compared to SAR 552 mn last year, with EBITDA margins improving to ~8% (from ~6% last year)
- FY 2019 net income is SAR 292.4 mn, compared to SAR 17.3 mn losses last year



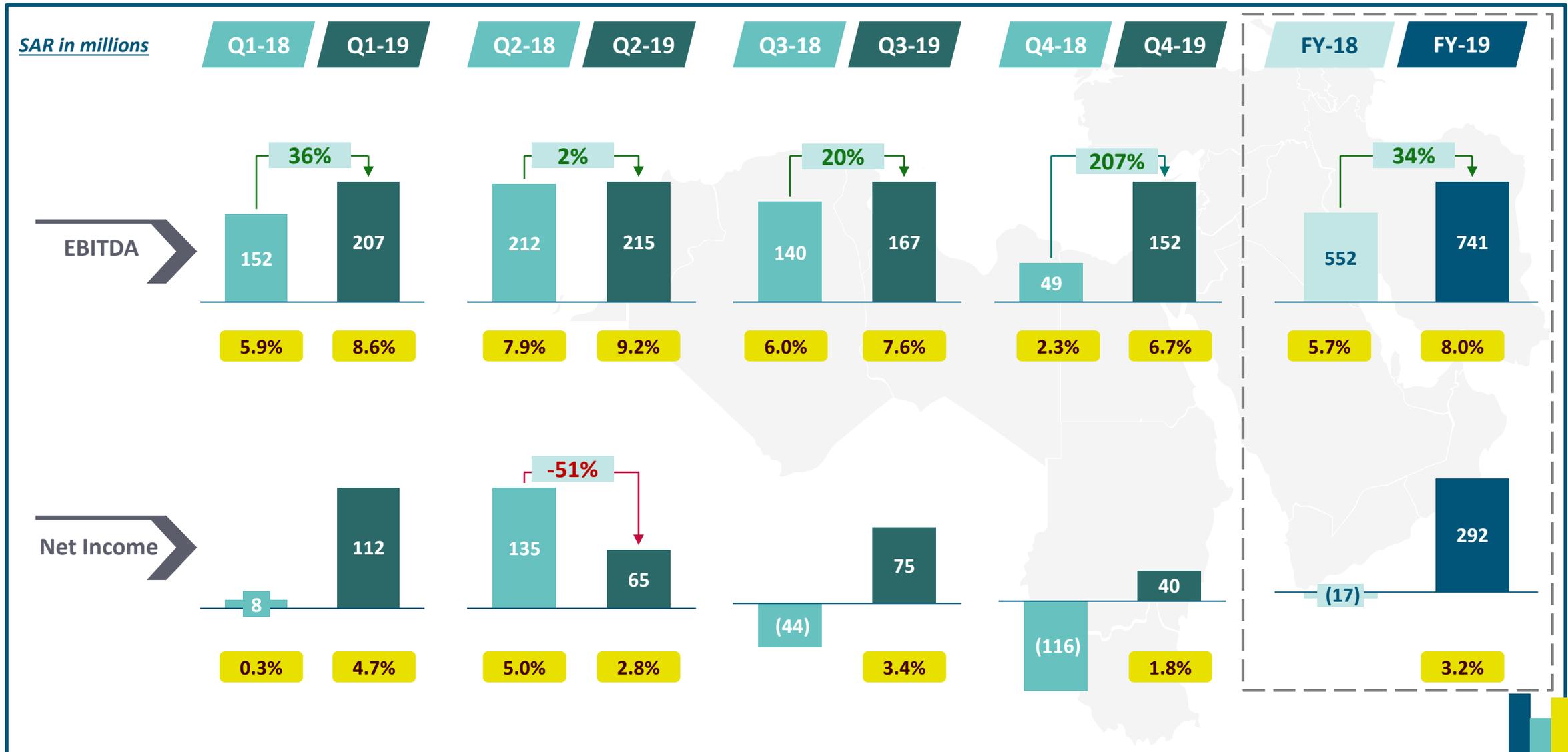
FOODS – FINANCIAL HIGHLIGHTS



Note: 2018 numbers are pre-IFRS 16, numbers are rounded

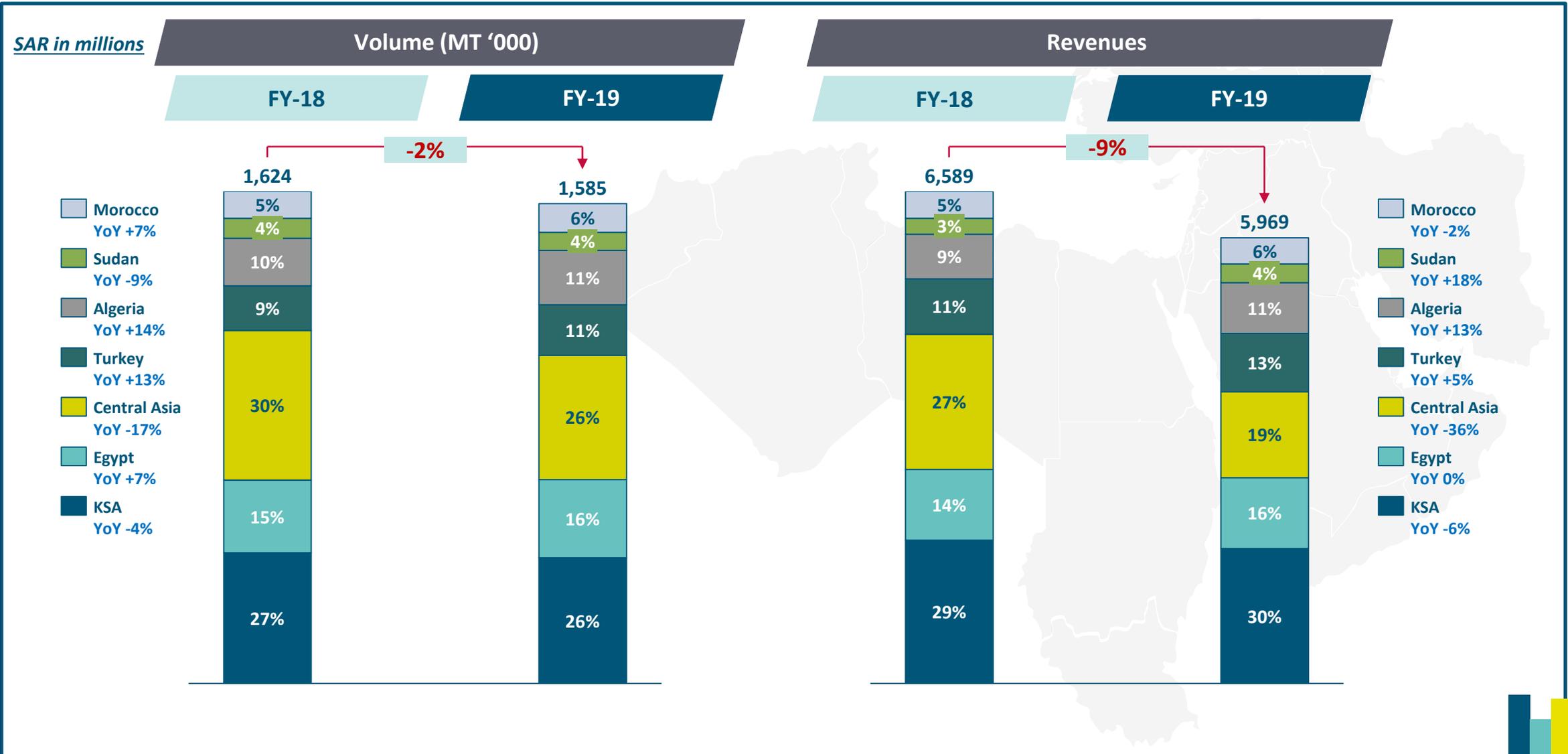
FOODS – FINANCIAL HIGHLIGHTS

Margin



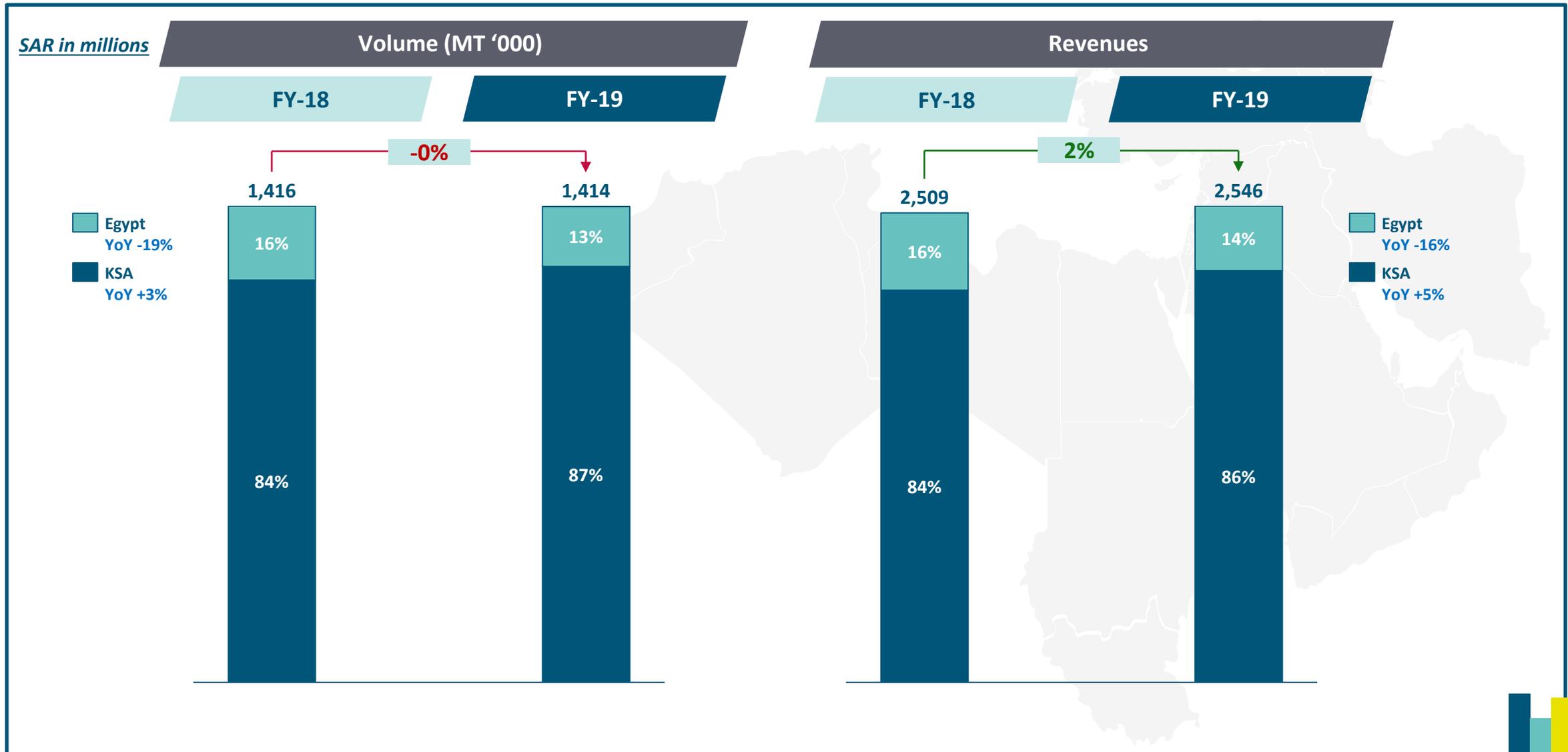
Note: 2018 numbers are pre-IFRS 16, numbers are rounded

FOODS – OIL SEGMENT ANALYSIS



Note: The above includes net distribution volume and excludes specialty fat business that used to be combined with the edible oil category and is now part of the emerging categories shown in slide 20

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

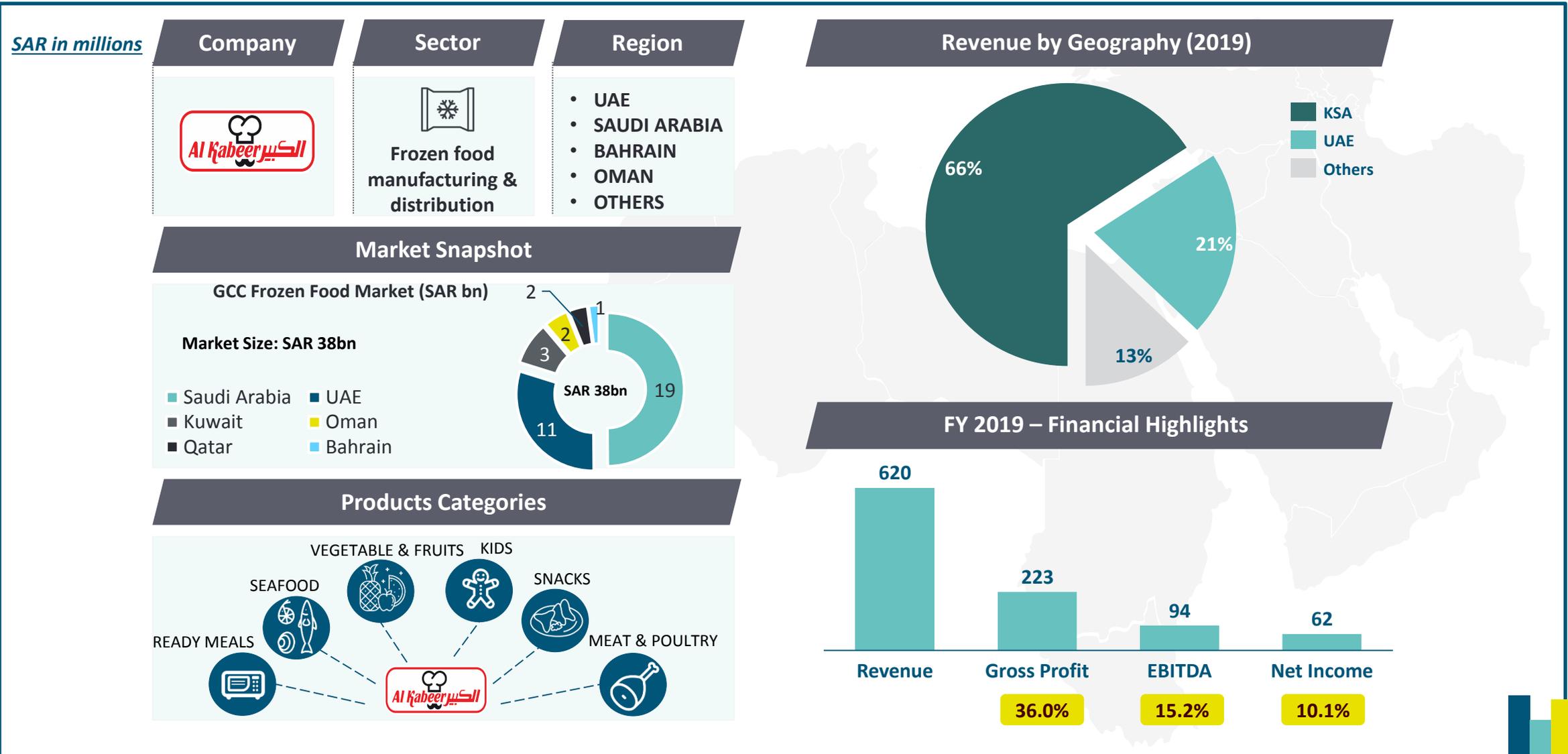
Al Kabeer

Q4 2019

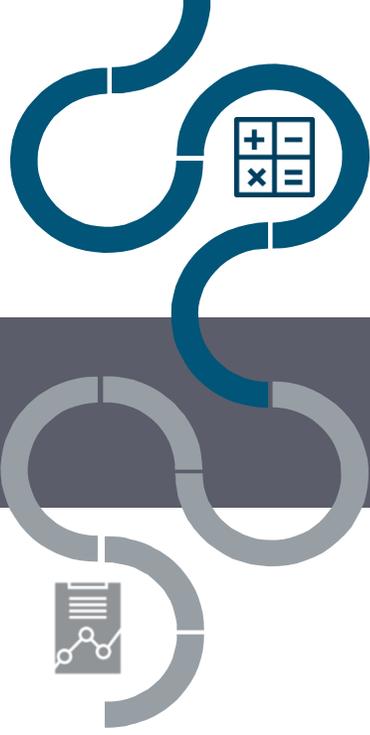


FROZEN FOOD – AL KABEER

Margin



Source: Market research conducted by Savola Group and Al Kabeer



FINANCIAL SUMMARY

(all figures are in SAR millions)

Segment Wise Financials										
	FY2019					FY 2018				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	4,690	792	262	115	350	5,420	726	181	(38)	249
Oil-Start-up Markets**	1,279	121	44	37	57	1,169	125	51	30	63
Total Oil	5,969	913	307	152	408	6,589	852	232	(8)	312
Sugar	2,546	390	217	169	298	2,509	317	153	22	213
Pasta	510	65	21	4	38	471	59	27	9	43
Emerging Categories***	184	8	(21)	(32)	(3)	167	(6)	(33)	(41)	(16)
Total Foods	9,209	1,376	524	292	741	9,735	1,221	379	(17)	552
Retail										
KSA	11,395	2,526	2	(334)	749	11,016	2,296	(609)	(889)	(133)
Egypt	102	18	(12)	(9)	3	98	14	(27)	(29)	(19)
Total Retail	11,497	2,544	(10)	(342)	752	11,114	2,311	(636)	(917)	(152)
Herfy	1,288	394	239	194	403	1,227	345	221	204	299
Frozen Food	620	223	71	62	94	94	21	1	(4)	3
Real Estate	-	-	6	6	6	-	-	(98)	(98)	(98)
Al Marai-Savola Share	-	-	625	625	625	-	-	693	693	693
HQ/Elimination/Impairments	(371)	0	(71)	(362)	(36)	(357)	0	(83)	(381)	(58)
Total	22,243	4,538	1,384	476	2,585	21,815	3,898	477	(520)	1,239
Adjustments										
Gain on Sale of Dar Al Tamleek									(3)	
FX Impact									73	
Store Closure and Project Write-off				17					82	
Panda Land and Asset Revaluation				72					142	
Reversal of Accruals				(133)					32	
Share of loss from an associate									104	
Guarantee of an associate subsidiary									101	
Net Impact of IFRS16				101						
Adjusted Profit				533					11	

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

** Start-up markets include Algeria, Morocco and Sudan

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