

OUR INVESTMENTS IN THE FOOD  
VERTICAL CONTINUED TO  
DELIVER HEALTHY FINANCIAL  
RESULTS IN 2022, DESPITE AN  
UNSETTLING YEAR IN TERMS OF  
CONTINUED COMMODITY AND  
OPERATING EXPENSES INCREASES  
DUE TO GEOPOLITICAL  
DISRUPTIONS ELSEWHERE.



# FOOD INVESTMENTS

Savola Foods Company

Almarai

Al Kabeer



الأغذية  
Savola Foods

Savola Foods Company (SFC) reported strong financial performance during 2022, as it was able to successfully navigate the challenging global macroeconomic environment, high commodity prices, supply chain constraints, and geopolitical impacts on the sector. The company continued to expand its brands, with new product launches and innovation on existing products.

SAVOLA  
SHAREHOLDING

100%





SAVOLA FOODS COMPANY

Net revenue SAR	Gross profit SAR	Net profit SAR
16.44b	1.99b	405m
↗ 30.2%	↗ 30%	↗ 28.3%

**Financial Highlights**  
Notwithstanding the challenges of 2022, SFC achieved another year of positive results, recording net revenues of SAR 16.44 billion, compared to SAR 12.63 billion in 2021, gross profit of SAR 1.99 billion compared to SAR 1.53 billion in 2021, while net income reached SAR 405 million, compared to SAR 316 million in 2021.

**Strategic Highlights**  
SFC has continued to execute various initiatives under its “4 Pillar Strategy of Transformation” as highlighted below. The strategy focuses on strengthening its core, expanding in new categories, diversifying through early-stage investments in promising regional companies, and transforming through digital and offline disruption.

A-B-C-D:  
The 4 Pillar Strategy of Transformation

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**ANCHOR**  
How can we grow  
Current categories to new Geographies Growing today's businesses via youth focused line extensions
- 

**BET**  
How can we diversify  
Placing VC investment in nascent, high-growth youth-focused categories e.g.: snack bars, alternative protein.
- 

**CONQUER**  
How can we ingress  
Entering large and established categories in KSA, Egypt and Turkey. Target youth via new product lines and branding like snacks, confectionary, biscuits, spreads, herbs and spices, processed meats, etc.
- 

**DISRUPT**  
How can we transform  
B2B platform (digital and offline) to capture growing eating out + delivery youth trend (convenience). Capitalize on increasing Food Service spend due to the convenience youth trend.



FOOD INVESTMENTS

Strengthening the Anchor Pillar

Within its Anchor pillar, SFC continued its innovations in 2022, especially in the B2C segment, wherein it successfully launched 25 new product developments, in oils, ghee and bakery categories across Saudi Arabia, Egypt, Central Asia, Algeria, Turkey, and Sudan.

Afia launched its innovative, immunity-boosting edible oils, which is a global first-of-its-kind initiative featuring zinc in cooking oils. It also launched other health-focused variations of edible oil, such as Afia Corn Plus with Omega 3 and 6.

SFC brands achieved significant growth across regional territories, particularly in the GCC. Market share for edible oils in all markets are strong and continues to be the number 1 or 2 brands in all its markets. Afia Sunflower Oil became the segment leader in the UAE for the first time since its launch.

In its sugar segment, SFC ventured into the low-calorie sweetener category with launch of the “Sweet and Fit” brand in Saudi Arabia.

Conquering for Next Growth Phase

Following the acquisition of Bayara in 2021, SFC continued to strengthen its Conquer strategic pillar through the acquisition of bakery assets in Egypt during 2022 to diversify further into new categories and product portfolios. Through this acquisition, SFC intends to enter the manufacturing and distribution of bakery snacks, such as croissants, sandwiches and cakes, and leverage the platform to distribute seafood, nuts, spices and pulses products in Egypt in the future.

To further diversify and drive growth, SFC also relaunched the Bayara product range in Saudi Arabia under its “Afia” brand, extending SFC’s power-brand name into new categories of nuts, spices, and pulses beyond the traditional edible oil products.

Nurturing New Enterprise

SFC’s investment in Munchbox in 2021, as part of its strategy to cater to youth and healthy product categories, demonstrated promising results. Munchbox, with its offerings of high protein, KETO, and low-calorie snacks, has strengthened its presence in the UAE and expanded its reach in Saudi Arabia.

Working Towards B2B Transformation

Within its Business-to-Business (B2B) segment, SFC launched 11 new product developments. It also set a new platform under the umbrella of “Savola Professional” which will exclusively cater to SFC’s B2B initiatives and efforts, across various markets.

Revenue Breakdown  
(SAR million)



Edible Oil and Fats

12,046



Sugar

3,226



Pasta

528



Others

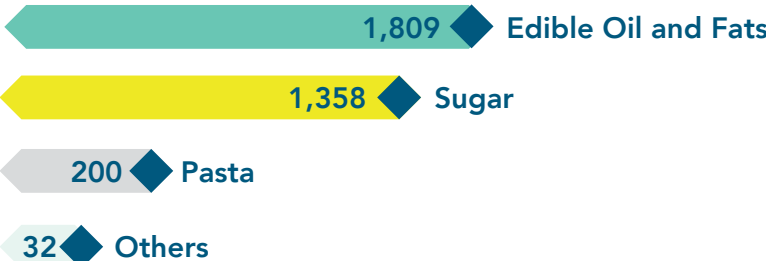
641

Total  
16,441

SAVOLA FOODS COMPANY



2022 Sales Volume  
by Business Line  
(KMT)



Total  
3,399



Almarai remains at the forefront of innovation in the sector, introducing new product offerings that cater to the evolving needs of the local population while playing a key role in the Kingdom’s food security.

SAVOLA  
SHAREHOLDING

34.52%



**Market Share**  
Almarai preserved its leading market share across multiple segments, including dairy, juice, and poultry



ALMARAI

Revenue SAR billion	Net income SAR billion	Gross profit SAR billion
202218.72	20221.76	20225.62
202115.85	20211.56	20215.06

About Almarai

Founded in 1977, Almarai is the world’s largest vertically integrated dairy company. It is a leading food group in MENA, with a presence in the dairy, juices, bakery, poultry, and infant nutrition categories.

Savola Group is the largest shareholder, with a 34.52% holding in the company.

Almarai remains at the forefront of innovation in the sector, introducing new product offerings that cater to the evolving needs of the local population while playing a vital role in the Kingdom’s food security.

Financial and Strategic Highlights

Almarai delivered strong results driven mainly by poultry and bakery products. Post COVID-19, the full resumption of educational and tourism activities also played a favorable role in improving the overall performance.

The company’s strategy continues to expand its poultry business and enter into new protein categories in beef and seafood.

Almarai, in FY 2022, achieved revenues of SAR 18.72 billion, compared to SAR 15.85 billion in 2021. Gross profit reached SAR 5.62 billion compared to SAR 5.06 billion in 2021 and net profits of SAR 1.76 billion, compared to SAR 1.56 billion in 2021.





Savola Group acquired 51% of Al Kabeer in 2018 to diversify and enter into the frozen food space and value-added product categories.

SAVOLA  
SHAREHOLDING

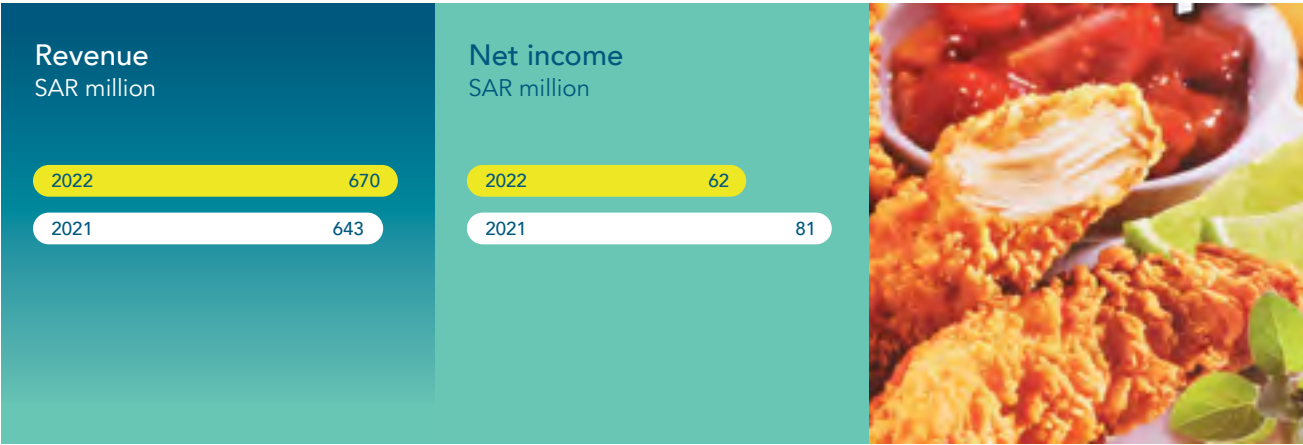
51%



10 cold storage  
facilities and  
20,000 outlets  
across the GCC



AL KABEER



About Al Kabeer

Al Kabeer is a leading frozen food supplier and a household name in the Middle East, having served the people of the GCC since 1974. Al Kabeer manufactures and distributes a portfolio of more than 300 SKUs, from frozen poultry, beef, vegetables, and seafood to snacks and ready-to-eat meals. It operates 3 manufacturing facilities located in the UAE and Saudi Arabia. In addition, the company has a strong distribution network operating through 10 cold storage facilities to around 20,000 outlets across the GCC.

Savola Group acquired 51% of Al Kabeer in 2018 to diversify and enter the frozen food space and value-added product categories.

During 2022, Al Kabeer continued to focus on strengthening its foundation to execute its next 5-year growth plan supported by product enhancement and innovation, brand development strategies, and further institutionalizing the company.

Financial Highlights

In 2022, Al Kabeer's financial performance remained resilient, despite global macro factors that led to high raw material costs and supply chain issues, including local regulatory changes. The company continued to perform driven largely by its key markets and strong recovery in HORECA channels.

The company reported revenues of SAR 670 million, compared to SAR 643 million in 2021. Gross profit reached SAR 211 million, compared to SAR 230 in 2021, and net income was SAR 62 million compared to SAR 81 million in 2021.

OUR INVESTMENT IN THE  
RETAIL VERTICAL FACED  
SIMILAR CHALLENGES TO THE  
FOOD VERTICAL, AS WELL AS  
INTENSIFIED LOCAL PRICING  
COMPETITION IN THE SECTOR.



# RETAIL INVESTMENTS

Panda Retail

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Herfy Food Services Company





Panda Retail Company (Panda) continued its transformation journey in 2022. The company's Customer Experience Revival program (CXR) is reshaping the look and feel of its stores and enhancing the overall customer shopping experience. The program has resulted in complete upgrades of 45 stores, setting the stage for positive momentum going forward.

SAVOLA  
SHAREHOLDING

98.87%



PANDA RETAIL



Financial Performance

Overall, in 2022, there was a decline in the Panda's financial performance. While Panda successfully added a new store in Egypt, the 2022 financial results were a result of partial store closures related to disruption of CXR implementation program and the final closure of 9 stores in addition to the stores closed towards the end of 2021; bringing the footprint down to 187 stores in total, 5 of which are in Egypt. Panda recorded revenues of SAR 10.11 billion in 2022, compared to SAR 10.48 billion in 2021, primarily driven by the decline in basket size and the customer count compared to last year.

Strategic Focus

Despite short-term challenges and longer-term trends, Panda has been able to maintain its market leadership role in the hypermarket and supermarket segment in terms of market share.

Through the CXR program, Panda is working towards elevating the customer experience with not only a revamped look and feel inside the stores but also optimized backend systems that include shelf and availability planning. The result is a combination of enhanced visual appeal and experiential delight. Early results of the program are indicative of improved key operating metrics.

Transforming for Impact

CXR is creating an environment in line with Panda's vision to be the leading sustainable retailer, constantly innovating to provide for the communities it serves every day. The CXR program is on track to be rolled out to all stores.

Panda's overarching strategy is to transform the shopping experience, catering to its current customer base, as well as new prospects, while providing a totally refreshed experience to its customers. In response to this, Panda's most recent market research indicates that customer satisfaction is high, with a Net Promoter Score reaching global benchmarks.

The Digital Journey

Panda has initiated its digital transformation to enable better customer experiences in this ever-evolving technological era. The company has completed merchandising and financial system overhauls which are now enabled with optimized business processes via cloud technology.

To prepare for the future, Panda has increased investment into its CRM capabilities, which gathered data from more than 9 million customers in 2022. This outstanding response provides a significant advantage in delivering more targeted and direct promotions.

Furthermore, Panda has implemented an advanced forecasting and replenishment platform, to help manage the supply chain and provide better product availability.

Panda in 2023

Panda will continue to execute on its CXR program in 2023 and look at opportunities to build on the foundations of the transformation program. This will allow the company to continuously optimize key assets to deliver the best possible return per square meter in sales and margins.



Herfy is one of Saudi Arabia’s leading fast-food brands and a key player in the nation’s Quick Service Restaurant (QSR) space. Savola Group is the largest shareholder in Herfy, with a 49% holding in the company.

SAVOLA  
SHAREHOLDING

49%



For over 2 decades, Herfy has provided Savola Group with a well-loved and trusted brand in the growing QSR sector



About Herfy

Established in 1981, Herfy Food Services Company is Saudi Arabia’s leading fast-food chain, with 387 branches serving communities across the Kingdom and an international franchise in Kuwait, Bangladesh and Nigeria. Herfy also operates a network of pastry shops in the Kingdom and creates value as a diversified and integrated company, operating its bakery, cake, rusk, and meat processing facilities.

Financial Highlights

In 2022, Herfy faced several challenges as competition increased significantly along with the global macro factors resulting in high input costs and supply chain issues, which impacted the company’s performance. In addition to this, the overall QSR sector witnessed intensified competition by local and global brands via aggressive promotions and pricing campaigns.

Herfy’s revenues reached SAR 1,244 million compared to SAR 1,319 million in 2021. Gross profit landed at SAR 307 million compared to SAR 418 million over 2021, while the company’s net profit reached SAR 3.546 million compared to SAR 151.791 million in 2021.