

UNLOCKING SUSTAINABLE VALUE

Savola Group revenues in 2022 reached

SAR 28b

14% ↗

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Once again, Savola showed admirable resilience as the world faced an uncertain year, delivering significant strategic achievements and solid overall financial results. Equally as important for our long-term interests, our investments are enabling the Group to unlock the value of our existing assets and bolster business growth for the future.

During a turbulent year, many of the region's food and retail organizations faced strong headwinds, with rapidly rising inflation, increased interest rates and global economic volatility brought about by conflicts that affected the supply of goods.

Savola Group navigated hurdles largely through deliberate capital allocation, astute strategizing, operational agility, and long-established supplier and distributor relationships.

Solid Performance and Results
With a focus on driving our core business, the Group continued to broaden its portfolio, reinforce its presence in existing markets and extend its reach and appeal in new territories.

Savola Group's revenues for 2022 reached SAR 28 billion, representing an impressive 14% increase over 2021 and a

gross profit of SAR 4.87 billion compared to SAR 4.48 billion the previous year. The Group recorded EBTIDA of SAR 2.7 billion with a margin of 9.5%, while net income reached SAR 743 million compared to SAR 222 million last year, largely due to the performance of the Foods Processing segment and share of profit from associates.

As expected, the Retail segment reported a decline in its financial performance, largely due to partial store closures and renovation works as Panda continues its CXR program.

Accelerating Strategic Progress
As we continue our strategy, our primary goals in 2022 were to reinvest in our core businesses, monetize our assets and commit to sustainable profits for the longer term.

To unlock value, Savola Group Company completed the disposal of its investment in Knowledge Economic City which generated cash proceeds amounting to SAR 459 million and realized an overall gain amounting to SAR 81 million. Similarly, SFC is in the final process of divesting 100% of its shares in its Moroccan unit, which is scheduled for completion in 2023.

By exiting non-core sectors, we are able to build, expand and refocus our fundamental operations, while creating growth opportunities both domestically and internationally. One example of this is the SFC's purchase of bakery assets this year in Egypt, one of the biggest snacking markets in the region, which established the strategic direction for accelerated expansion into new categories and products.

SFC's acquisition of Bayara has also proven to add strategic value and support performance. With a distribution network spanning Saudi Arabia, the UAE and more than thirty other countries across the region, the company is beginning to take full advantage of its networks and expand into value-added categories directed towards a younger demographic.

Finally, SFC's innovations in 2022 included the launch of 25 new B2C product developments, including oils, ghee and bakery goods across our key markets and 11 new B2B products, under the 'Savola Professional' umbrella.

"In the year ahead, we will continue to unlock value of our holdings and strengthen our key brands, while seeking opportunities to enhance our market position and share. Growth in core segments will continue to be our key strategic focus, as we identify prime opportunities to grow Savola Group's ecosystem and enhance shareholder value."

Waleed Khalid Fatani
Group Chief Executive Officer



As we double down on our core business philosophy, Panda's CXR program continues to remodel the appeal of its supermarkets and hypermarkets, creating an entirely new shopping experience for its customers at the 45 stores that have been renovated so far.

Savola Group's investment in Almarai paid dividends in 2022, with yet another solid performance from the Middle East's leading food manufacturer and distributor. As for Al Kabeer, we are focusing on transforming and increasing its presence in Saudi Arabia, maintaining its position as one of the leading frozen foods distributors in the Kingdom.

Promoting a Strong People Culture
While each of our companies and investments may have very different areas of expertise and sector leadership, we are dedicated to ensuring we all perform to the same standards, ethics and corporate goals. This approach is vital to achieving collective success and creating a culture of contribution and belonging.

We are committed to the people who work with us and the pivotal role they play in our success. In return, we ensure that we operate in an environment of trust, respect, integrity and responsibility. We abide by our People Pillars Program which guarantees a caring, healthy and safe place to work with a work-life balance and a program of shared values.

In 2022, we were certified and recognized for the third year in a row by the Great Place to Work Institution, the global authority on workplace culture, that provides a high-profile program recognizing outstanding, reliable and high-performing work environments worldwide. We were also named as Employer of Choice in the MENA region by the Chartered Institute of Personnel and Development for our outstanding achievements in people management, talent development and rewarding culture.

Looking Forward
In the year ahead, we will continue to unlock value of our holdings and strengthen our key brands, while seeking opportunities to enhance our market position and share. Growth in core segments will continue to be our key strategic focus, as we identify prime opportunities to grow Savola Group's ecosystem and enhance shareholder value.

We look forward to an exciting and exceptional year ahead, building on SFC's strong performance this year, and fast-tracking Panda's transformation with rollout of the new look and feel across its range of supermarkets and hypermarkets to revolutionize the way its customers shop.

Acknowledgements
I would like to thank our customers for their continued trust and belief in Savola's ability to deliver on our promises and create sustainable value. We remain committed to providing the best products, the best customer experience and the best value for all our stakeholders.

I would also like to express my sincere gratitude to our Chairman and Board for their guidance and support, and to our Executive team for their expertise and acumen in navigating a tumultuous market.

As always, I am thankful to our employees across the Group for their loyalty, dedication and unwavering commitment to our success.