

Our Business Model and Strategy

A Rebuilding Model that aims for Sustainable Growth

As a strategic shareholder focused on the consumer, we aim to manage, build and buy into businesses that maximize our share of the consumer wallet.

Our Strengths

Strategic Focus

Savola views businesses through a long-term consumer trend-driven lens, aiming to allocate and re-allocate capital to generate long-term value growth.

Strong Governance Framework

A robust governance and transparency framework, prioritized throughout the Group's history, building shareholder trust.

Infrastructure and Consumer Access

Through our holdings, we control Saudi Arabia's largest distribution network, retail space and brand portfolio in the country's consumer space and touch millions of consumers across all of our markets.

Our Challenges

- **Challenging macro-environment in operating countries**
- **Change in consumer behaviour**

How we add Value

Capability Building

In an increasingly evolving market and on its path of rebuilding for the future that started with the launch of our new identity in 2016, value creation capability building has remained a high strategic priority for Savola.

We have succeeded in bolstering our teams, building a strong strategic and investment function, bolstering communications and Investor Relations and setting up a risk function. At the subsidiary level Panda's leadership overhaul has allowed us to affect our turnaround strategy with a view to build long term sustainability.

Performance Monitoring and Management

As a strategic holding Group it is imperative for Savola to build the tools required for effective performance management across the portfolio.

Over the course of our rebuilding journey we have augmented our portfolio boards with representation from Savola as well as carefully selected industry veterans. We have improved monthly, quarterly and annual reporting and budgeting processes that are reflective of an active holding company and appointed dedicated portfolio managers to support our role.

Dynamic Capital Allocation

As a strategic investment holding Savola aims to maximize return on investment and deploying or redeploying capital with a view to enhance shareholders returns by gaining access to segments with long term potential within the consumer space.

Our recent rebuilding journey has been focused largely on recovery of returns by investing in the turnaround of Panda and allocating capital to a vertical which we believe, despite recent challenges, is a core and robust segment within our Group. We, also, looked at and studied various possible opportunities to ensure the best capital allocation.

Transformative M&A

As part of our strategy as an investment holding company we aim to focus on acquisitions to establish new business verticals and to enrich the Savola offerings to consumers across our markets, thereby continuing to maximize our share of consumer spend.

Our recent acquisition of Al Kabeer Group, cementing our position in the frozen foods segment with one of the market leaders in the GCC. Propelled by an increased focus on convenience, female participation in the workforce and expected growth in consumption through the HORECA channel, we expect Al Kabeer to provide a growth avenue for Savola in years to come, as its revenues witnessed an increase of more than 7% during 2019.

Long-term Strategic Planning

Savola believes that in addition to managing our capital and operating companies for performance and long-term sustainability at the subsidiary level, our role is to look at our markets, our holdings and our operations with a view to realize our ambition of maximizing our share of consumer spend across our markets profitably over the long-term horizon.

To affect this, we dedicate time and effort to very long-term strategic thinking, pulling leadership teams out of the current situation to debate and align on the upcoming year's vision, expectations and risks which provide the framework through which we activate other strategic imperatives.

Our Corporate Values

Our values underpin everything we do, they are a blueprint for concrete actions we take as individuals, as a team and as a company, every day. Since the Group was founded in 1979, this is how we do business:

Personal Values

Tawado: Confident Humility; Having the confidence to perform our responsibilities while having the humility to minimize our ego

It'qan: Relentless pursuit of perfection; The ability, willingness desire and intention to do our best to ensure that work is completed to the best standards

Azm: Fierce Resolve; Apply what we learn to improve ourselves

Iq'tida: Apprenticeship; To seek out, interact with, and learn from those who are more knowledgeable than us

Group Values

Ihsan Al-Dhan: Trusting; Trusting others intentions without doubting it

Qabool: Acceptance; Endure the views of others by going beyond tolerance or acceptance

Iq'bal: Approaching; Improve what we do by using what we have learned from the interaction with others

Mu'azarah: Caring; Provide support to our colleagues to help enable their success

Corporate Values

Amanah: Honesty; Is the fulfillment of our responsibilities towards investors

Taqwa: Conscientiousness; Fulfillment of our responsibility toward external parties

Birr: Caring Justice; Fulfillments to our responsibility toward our colleagues and the employee of the company

Mujahadah: Personal control; Achieving the personal discipline necessary to fulfill our responsibilities

