Savola Group Reports 36% Increase in First-Half Net Profit

Volume Growth, Supply Continuity and Operational Efficiencies Support Resilient Performance Across Core Segments

Jeddah, Kingdom of Saudi Arabia – 6 August 2026:

Savola Group ("Savola" or "the Group"), an integrated food platform in the food and retail sectors across the MENA region, today announced its financial results for the three-month and six-month periods ended 30 June 2026.

In the second quarter, revenue increased by 8.6% to SAR 6.3 billion and net profit attributable to shareholders increased by almost 10% to SAR 117 million, and almost 67% to SAR 129 million on a recurring basis.

For the first half, revenue increased 3.9% to SAR 13.6 billion and net profit attributable to shareholders increased 36% to SAR 401 million, and 40% to SAR 372 million on a recurring basis, excluding the one-off items set out below.

Performance was driven by solid results across the different sectors. In Food Processing, growing volumes, disciplined cost control and supply-chain agility kept Savola's range of staple food and everyday products reliably available across our markets despite higher freight, insurance and energy-linked logistics costs. In retailing, Panda continued to grow revenue and market share of the Hypermarkets and e-commerce segments. The Frozen Food and Food Service sectors both reported improved profitability behind strict cost optimization programs. This strong operating performance lifted first-half EBITDA margin by 70 basis points to 9.7% and reduced operating expenses to 14.5% of revenue from 15.2%.

Sameh Hassan, Savola Group CEO, said: "*Our first-half performance reflects the resilience of Savola's food and retail platforms and the discipline of our teams. Our priority throughout the period for foods sector was clear: to maintain dependable availability of staple food products for consumers across the markets we serve while navigating a more complex regional geopolitical and logistics environment. In retail, the expansion of our store network progressed as planned, while our digitalization and e-commerce initiative continued to scale up — broadening how and where we serve our customers. Overall, disciplined commercial execution and fit-for-purpose efficiency initiatives helped us improve underlying earnings while continuing to invest in supply-chain resilience, local manufacturing capability and the customer proposition.*"

Savola Group - Key highlights for the six-month period ended June 30, 2026:

- **Food Processing led growth:** First-half revenue increased by 7.5% to SAR 6.9 billion, with volume contributing SAR 757 million (+11.7%), offsetting the impact of lower average selling prices linked to softer global prices for some commodities, especially in sugar.
- **Panda maintained resilient performance in a value-focused retail market:** revenue increased almost 1% to SAR 5.9 billion and EBITDA rose approximately 4.5% to SAR 524 million, supported by operating efficiencies, continued investment in the customer proposition and e-commerce scaling approximately 2.5x year-on-year.
- **Balance sheet strength was maintained:** net debt was SAR 851 million at 30 June 2026, compared with SAR 960 million a year earlier, after funding SAR 385 million of capital expenditure and dividend of SAR 524 million, including to non-controlling interests, were paid, during the period.
- **Portfolio focus advanced during the period where the Group completed its exit from Sudan** for a total consideration of SAR 52.5 million and, subsequent to the period end, acquired Al Mehbaj Al Shamiya for Trading LLC to support the development of its Nuts, Spices and Pulses platform in Saudi Arabia.

Financial Highlights

	Second quarter			First half		
SAR million (unless stated)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Revenue	6,295	5,799	+8.6%	13,588	13,080	+3.9%
Gross profit	1,223	1,191	+2.7%	2,625	2,568	+2.2%
EBITDA	594	528	+12.6%	1,316	1,179	+11.6%
Net profit attributable to shareholders (IFRS)	**117**	**106**	**+10.3%**	**401**	**295**	**+36.0%**
Adjustments to arrive at recurring net income						
Gain on disposal of Sudan operations	—	—		(41)	—	
Write-off of certain intangibles (Retail)	13	—		13	—	
Reversal of accruals no longer required	—	(53)		—	(53)	
Loss on derecognition of non-current assets	—	8		—	8	
Discontinued operations impact	—	20		—	19	
Non-controlling interests	—	(3)		—	(3)	
Recurring net income (non-IFRS)	**129**	**78**	**+66.8%**	**372**	**266**	**+40.0%**
Capital expenditure and net debt						
Capital expenditure				385	355	+8.5%
Net debt (period end)				851	960	(11.4)%

Recurring net income (net profit attributable to shareholders, adjusted as above) and EBITDA (operating income before depreciation and amortization) are non-IFRS measures and not substitutes for IFRS. Comparatives reclassified for discontinued operations; figures rounded.

Food Processing - volume-led growth, resilient supply and margin improvement

First half revenue increased 7.5% to SAR 6.9 billion. Volume contributed SAR 757 million (+11.7%), while lower average selling prices, reflecting softer global benchmarks, reduced revenue by SAR 275 million (-4.3%). Gross margin improved to 13.9% from 13.6%, EBITDA reached SAR 592 million at an 8.5% margin, and segment net profit increased to SAR 313 million from SAR 167 million.

Retail (Panda) - resilient performance and digital growth

Panda's revenue rose 0.9% to SAR 5.9 billion in a highly competitive, value-focused Saudi grocery market, while EBITDA grew approximately 4.5% to SAR 524 million on a broadly stable 23.2% gross margin. Segment net profit was SAR 33 million; excluding a one-off SAR 13 million asset write-off, recurring net income of SAR 46 million was broadly stable, as improved operating performance and cost discipline offset higher costs from new store openings.

Online revenue grew approximately 2.5x year-on-year, driven by the scaled Ocado platform integration, a broader assortment, and expanded aggregator and loyalty engagement.

Frozen Food (Al Kabeer) - margin-led improvement

Frozen Food revenue was SAR 411 million, 1.4% lower year-on-year, reflecting the impact of the regional geopolitical situation on trading conditions in Saudi Arabia. Despite this, Al Kabeer recovered net income from the first to the second quarter, supported by a stronger, higher-margin product mix. Gross margin rose to 35.8% from 34.8%, EBITDA reached SAR 56 million at a 13.7% margin, and net profit increased 19.9% to SAR 36 million.

Food Services (Herfy) - net loss narrowed

Food Services revenue was SAR 516 million, 6.8% lower year-on-year, while profitability improved substantially through tighter cost control. Gross margin rose to 28.6% and EBITDA reached SAR 96 million at an 18.7% margin. The segment narrowed its net loss to SAR 1 million for the half, from SAR 18 million a year earlier, supported by disciplined cost management across the network.

Associate Performance

The Group's share of results from equity-accounted investees increased to SAR 34 million from SAR 18 million, driven by Kinan International for Real Estate Development.

Portfolio Developments and Financial Position

Completion of exit from Sudan

During the period, the Group completed the disposal of its operations in Sudan for a total consideration of SAR 52.5 million, recognising a gain of SAR 43 million (Savola share: SAR 41 million), reported within profit from discontinued operations. The transaction completes a multi-year portfolio rationalisation programme and further concentrates the Group's capital on its core Saudi and regional food and retail platforms.

Acquisition of Al Mehbaj Al Shamiya for Trading LLC

Subsequent to period end, the Group acquired a 100% interest in Al Mehbaj Al Shamiya for Trading LLC, a Saudi food processing business, to build greater scale in the sizeable but fragmented Nuts, Spices and Pulses category. The acquisition strengthens manufacturing and route-to-market capability for the "Afia" and "Al Mehbaj" branded ranges and complementing the plans for new Jeddah processing facility, supporting Savola's move towards an integrated in-house processing and packaging model.

Financial position and capital allocation

Net debt stood at SAR 851 million at 30 June 2026, down from SAR 960 million in the prior year, after funding SAR 385 million of capital expenditure and SAR 524 million of dividend payments during the period. Net financing costs on net debt reduced to SAR 39 million for the first half from SAR 56 million previously, reflecting continued balance sheet discipline.

Notes:

- The Interim Condensed Consolidated Financial Statements for the period ended 30 June 2026 will be available on Savola's website following submission to the relevant authorities at https://www.savola.com/en/investors/financial-statements.
- The quarterly investor presentation will be available at savola.com/en/investors/earnings-presentations.

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