

Retail Investments

Herfy Food Service Company



With a 49% stake, Savola Group is the largest shareholder in Herfy Food Services Company. Herfy is one of Saudi Arabia's most popular and recognised fast food restaurant brands.

About Herfy

Established in 1981, Herfy Food Services Company owns and operates Saudi Arabia's leading fast food chain, "Herfy", with 383 branches in the Kingdom. Also, the company franchises restaurants in Kuwait and Bangladesh. In addition, it operates pastry shops and has established itself as one of the Kingdom's first fully-integrated food services companies, with its own bakery, cake, rusk and meat processing factories.

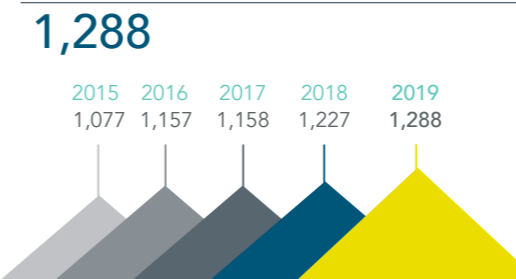
taxation on fizzy drinks. Gross profit of SAR 392.6 million was 13.8% higher than the previous year, while net profit reached to SAR 196.1 million impacted by higher selling & marketing expenses, general & administration expenses and finance cost due to IFRS 16 implementation.

2019 Financial and Strategic Highlights

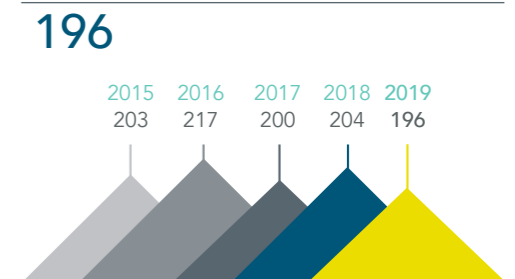
In 2019, Herfy recorded sales of SAR 1.3 billion, a 5.0% increase over 2018. The top line boost came in a competitive environment where F&B operators were struggling with increased raw material costs and

Herfy maintained its excellent brand equity through 2019 by investing in product and menu innovation along with promotional campaigns. Despite a rising cost base and new market dynamics, Herfy's organizational transformation, cost rationalization and menu innovations hold it in good stead as it looks to the 2020 and beyond.

Revenues (SAR millions)



Net Profits (SAR millions)



49%

Savola Group shareholding

3.03

Earnings per Share SAR