



Almarai Company

2013 Q4 Earnings Presentation

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Business Highlights

Highlights – 2013

Financial Highlights

Sales Revenue

2013
SAR 11.2 B

2012
SAR 9.9 B

+13.5%



EBITDA

2013
SAR 2.7 B

2012
SAR 2.4 B

+14.5%



EBIT

2013
SAR 1.8 B

2012
SAR 1.7 B

+7.4%



Operational Achievements

Employees

2013
34 K

2012
29 K

+19.8%



Operating Cash Flow

2013
SAR 2.6 B

2012
SAR 2.7 B

-5.5%



Acquisition Road Map

- 25% interest of Teeba
- 33% interest in UFHC and 100% acquisition of CFG by UFHC.
- 50% share of IPNC

Balance Sheet / Market Changes

Capital Expenditure

2013
SAR 2.8 B

2012
SAR 3.0 B

-9.4%



Sukuk Issuance

- Sukuk issuance of 1.3B in Apr 2013
- Perpetual Sukuk of 1.7B in Sep 2013

Market Capitalization

2013
SAR 32 B

2012
SAR 25 B

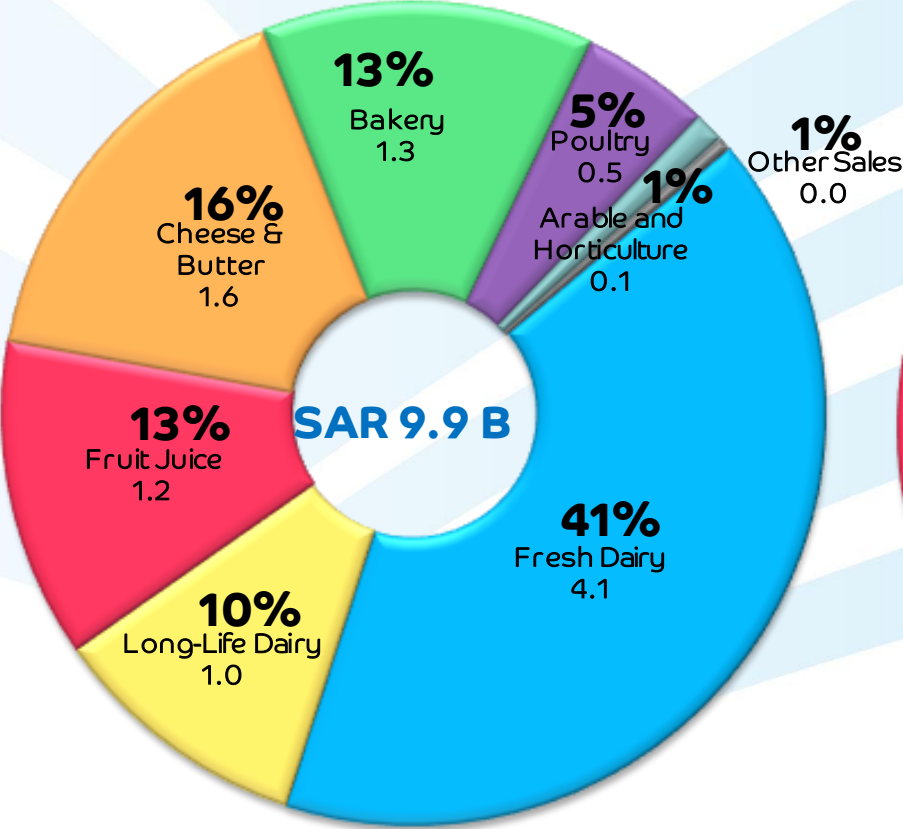
+28.0%



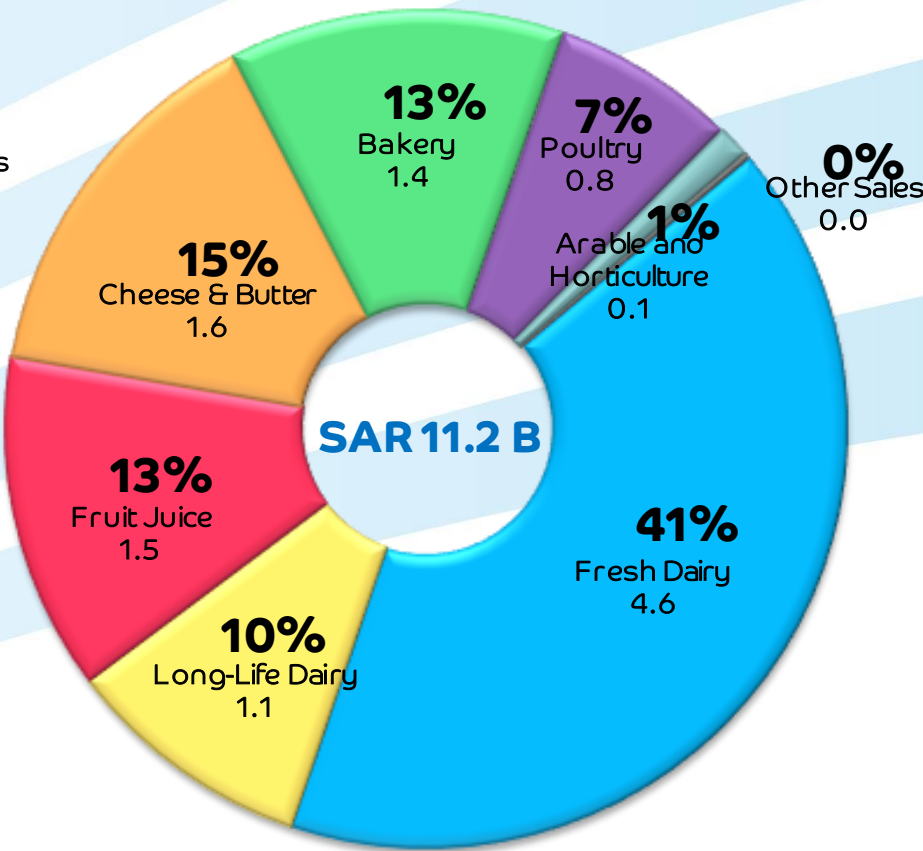
Sales Highlights

Sales Analysis by Product

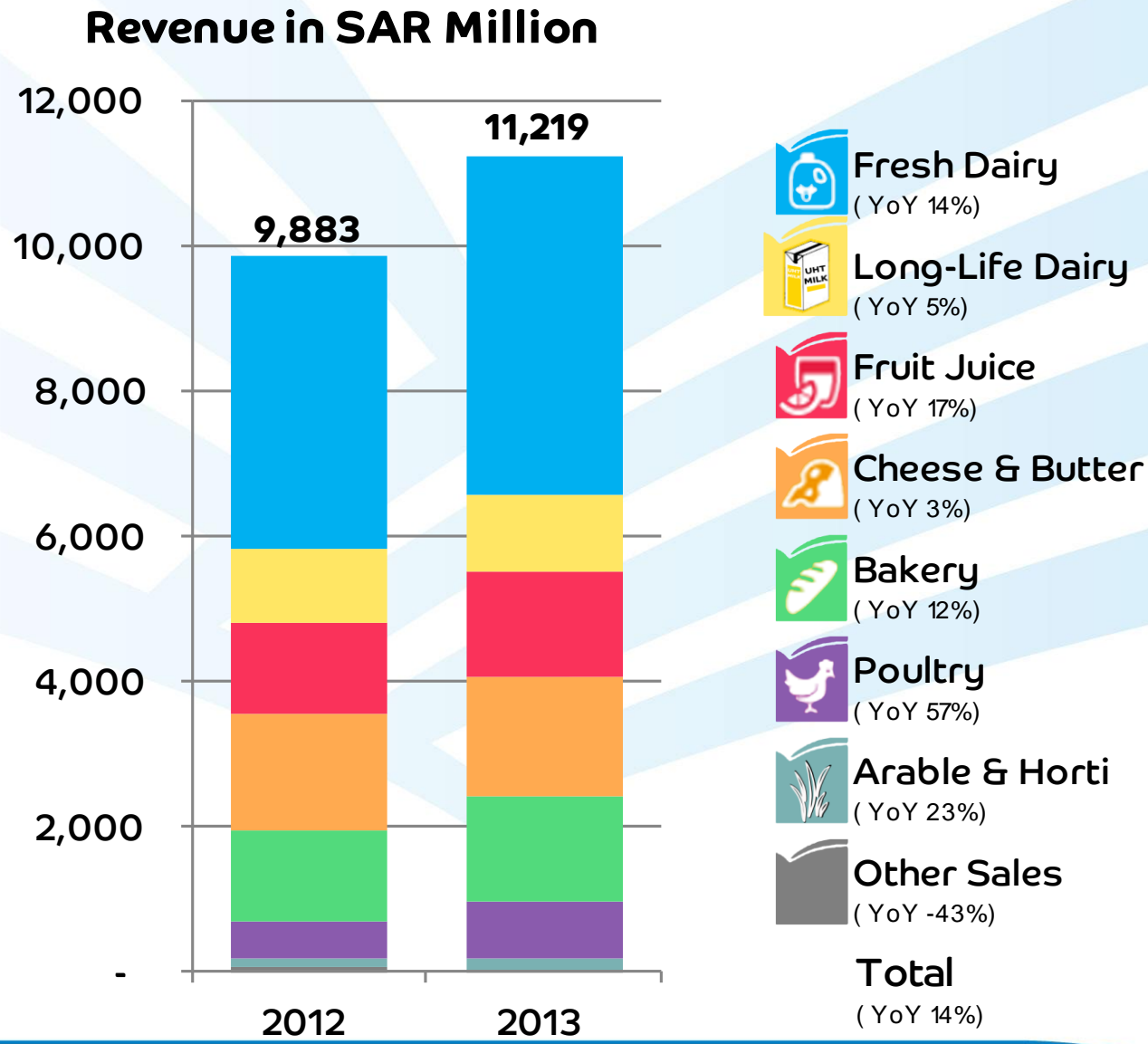
By Product 2012



By Product 2013



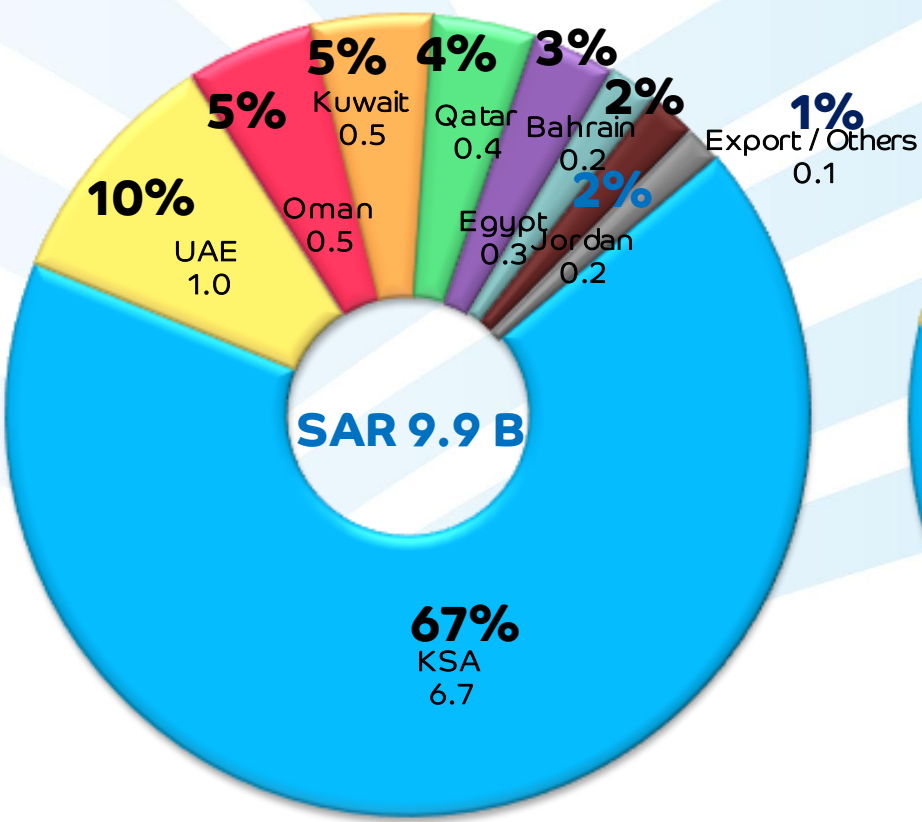
Growth Driven by Poultry, Juice and Fresh Dairy



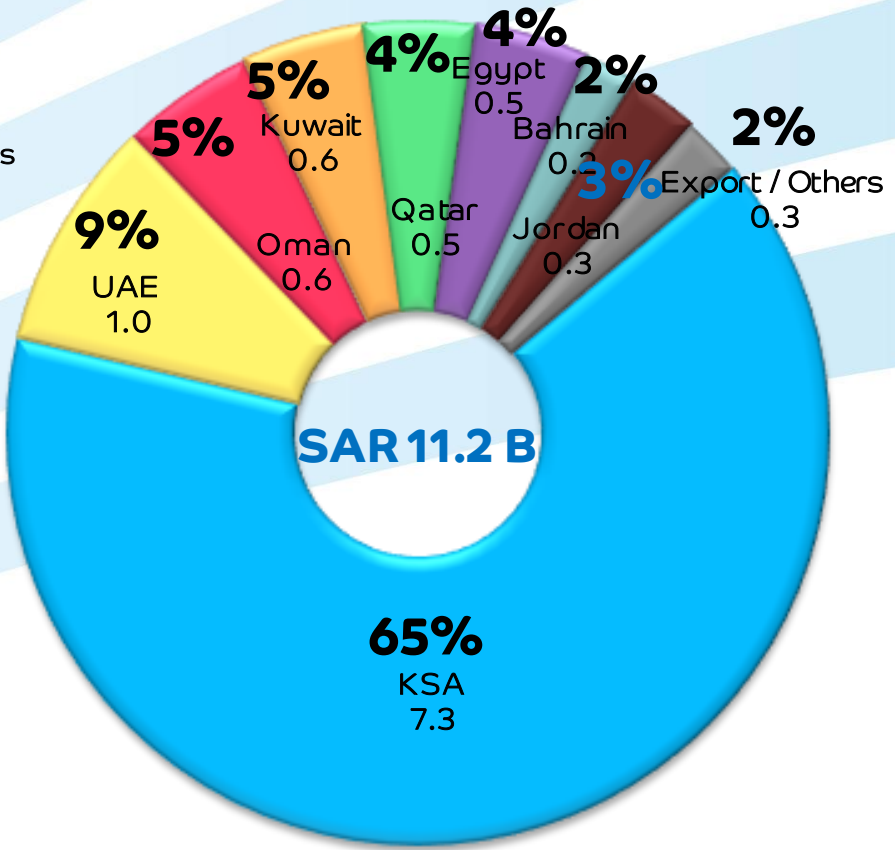
Growth 2012 v 2013	% of Total Growth
574	43%
54	4%
213	16%
47	4%
154	12%
288	22%
26	2%
(21)	-2%
1,336	100%

Sales Analysis by Country

By Geography 2012

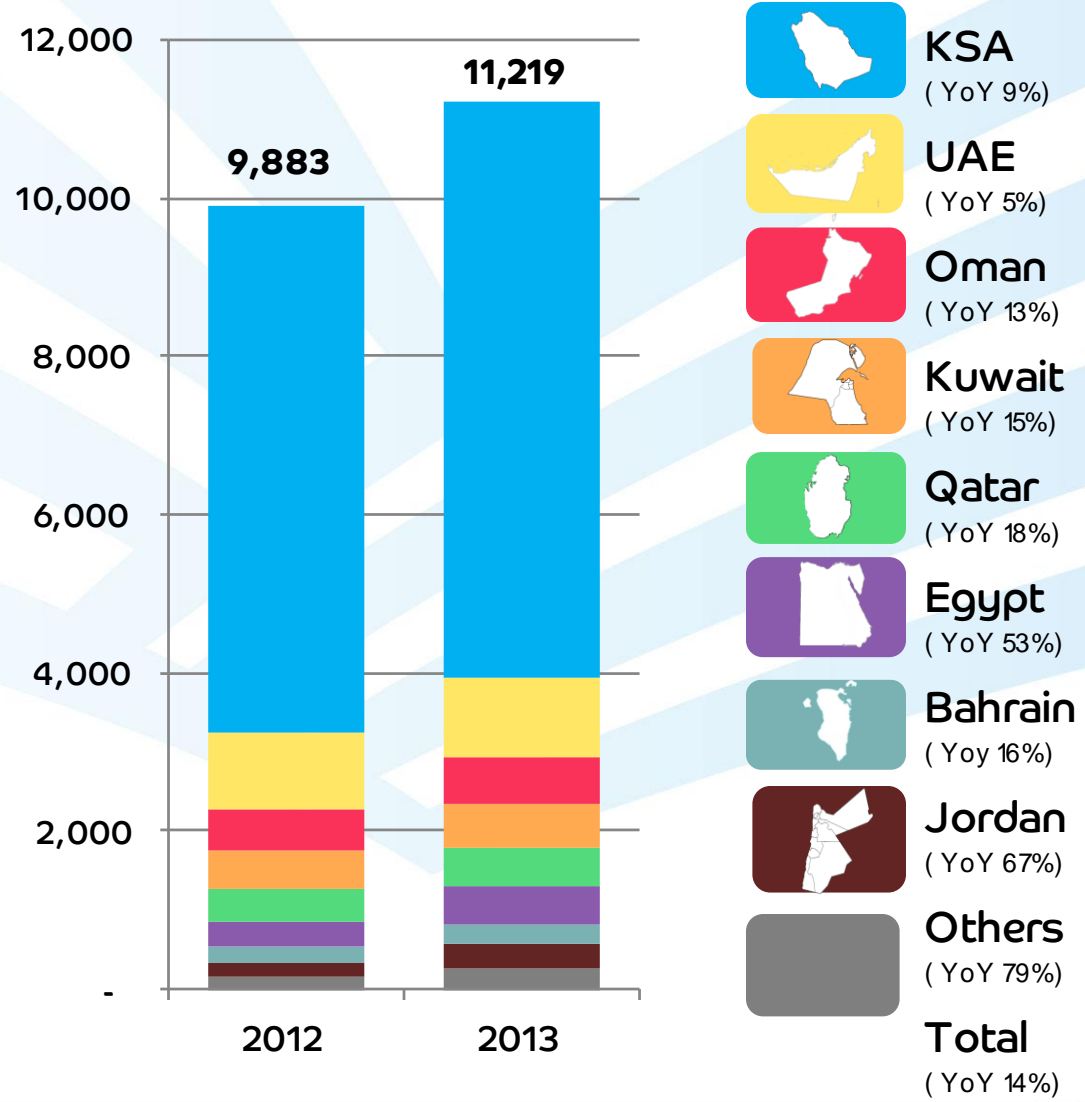


By Geography 2013



Sales Analysis by Country

Revenue in SAR Million



Growth 2012 v 2013	% of Total Growth
626	47%
52	4%
68	5%
71	5%
75	6%
173	13%
32	2%
126	9%
112	8%
1,336	100%

Sales growth achieved via our expanding footprints across the globe...



Financial Performance

Segment Reporting – Dairy & Juice

Growth

- In Dec 2013, achieved the 1-billion litres mark on saleable milk.
- First shipment of Fondomonte feed was shipped for Almarai in Q4, 2013
- Market share in nearly all markets either stable or growing

Challenges

- Purchase price of key feed / dairy commodities continue to climb
- Dairy segment gain in IDJ entities are yet to contribute significantly
- Expansion of SKUs in Juice range
- Lower growth in foods category

Opportunities

- Gain economies of scale via Lean methodology
- Expand source of feed supply via internal resources
- Expansion of capacity in both juice and dairy filling lines



SAR Million	Dairy & Juice
Full Year 2013	
Sales	8,868.2
Third Party Sales	8,835.8
Depreciation	(930.1)
Income / (loss) before Non Controlling Interest	1,705.4
Total Assets	13,398.9
Return on Sales	19.3%
Growth versus Q4 YTD 2012	
- Third Party Sales	10.8%
- Income / (loss) before Non Controlling Interest	18.7%
Q4 2013	
Sales	2,390.7
Third Party Sales	2,371.3
Depreciation	(240.9)
Income / (loss) before Non Controlling Interest	441.2
Return on Sales	18.6%
Growth versus Q4 2012	0.0%
- Third Party Sales	12.8%
- Income / (loss) before Non Controlling Interest	13.8%

Segment Reporting – Bakery

Growth

- Continue to expand on bread & bun growth
- NPD are driving volume & revenue growth
- Capacity and GCC expansion are the main driver of growth

Challenges

- Continuous supply of quality raw materials
- Managing rollout of full range of bakery in gulf countries
- Plant expansion to meet increased demand

Opportunities

- Higher van utilization across GCC
- Further expansion of bread & bun line
- NPDs to help gain volume share



SAR Million	Bakery
Full Year 2013	
Sales	1,445.1
Third Party Sales	1,445.1
Depreciation	(136.7)
Income / (loss) before Non Controlling Interest	139.4
Total Assets	2,035.1
Return on Sales	9.6%
<i>Growth versus Q4 YTD 2012</i>	
- Third Party Sales	12.0%
- Income / (loss) before Non Controlling Interest	30.2%
Q4 2013	
Sales	410.0
Third Party Sales	410.0
Depreciation	(36.1)
Income / (loss) before Non Controlling Interest	62.1
Return on Sales	15.2%
<i>Growth versus Q4 2012</i>	
- Third Party Sales	11.0%
- Income / (loss) before Non Controlling Interest	55.8%

Segment Reporting – Poultry

Growth

- Bird sales increased to 65M birds from 35M birds last year
- Doubled the retail shops serve you to more than 10K
- Line 1 and Line 2 were commissioned during Q1 and Q2

Challenges

- Secure bird supply (in terms of number of birds and optimal weight)
- Phased launch in selected GCC markets.
- Retain skilled and experienced workforce.

Opportunities

- Expand on NPD launched in 2013 (pictured below) and focus on value added products
- Expand geographical expansion for the full suite of poultry range
- Commercial production of Line 3 in Q1, 2014



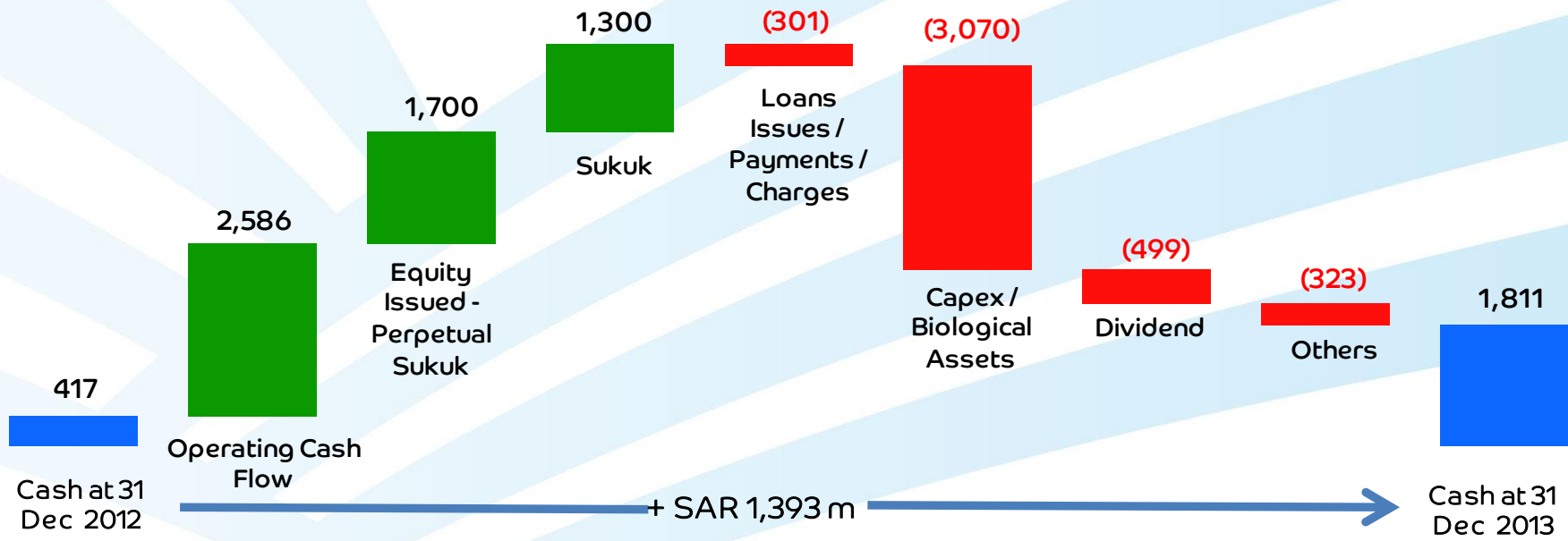
SAR Million	Poultry
Full Year 2013	
Sales	792.3
Third Party Sales	792.3
Depreciation	(174.6)
Income / (loss) before Non Controlling Interest	(338.6)
Total Assets	4,993.9
Return on Sales	(42.7%)
Growth versus Q4 YTD 2012	
- Third Party Sales	57.1%
- Income / (loss) before Non Controlling Interest	249.8%
Q4 2013	
Sales	214.6
Third Party Sales	214.6
Depreciation	(64.5)
Income / (loss) before Non Controlling Interest	(126.4)
Return on Sales	(58.9%)
Growth versus Q4 2012	
- Third Party Sales	32.1%
- Income / (loss) before Non Controlling Interest	285.5%

Statement of Income – Full Year 2013

<i>SAR million</i>	<i>Q4</i>			<i>Full Year</i>		
	<i>2013</i>	<i>2012</i>	<i>Change</i>	<i>2013</i>	<i>2012</i>	<i>Change</i>
Sales	3,008.2	2,645.5	13.7%	11,219.2	9,883.0	13.5%
Cost of sales	(2,023.6)	(1,775.7)	14.0%	(7,267.3)	(6,371.9)	14.1%
Gross Profit	984.6	869.9	13.2%	3,951.8	3,511.1	12.6%
Selling and Distribution Expenses	(492.1)	(450.3)	9.3%	(1,870.5)	(1,616.7)	15.7%
General and Administration Expenses	(34.3)	17.8	(293.2%)	(284.8)	(221.4)	28.6%
EBIT	458.2	437.3	4.8%	1,796.6	1,672.9	7.4%
Share of Results of Associates	(4.8)	(3.0)	61.1%	(30.0)	(24.6)	21.9%
Funding and Currency Costs	(64.5)	(46.6)	38.4%	(224.3)	(157.5)	42.4%
Income from Main Operations	388.9	387.8	0.3%	1,542.4	1,490.9	3.5%
Zakat and Income Tax	(13.5)	(15.4)	(12.2%)	(42.0)	(50.9)	(17.6%)
Income before Non Controlling Interest	375.4	372.4	0.8%	1,500.4	1,439.9	4.2%
Non Controlling Interest	(2.2)	(3.4)	n.a	1.8	0.7	155.6%
Net Income	373.3	369.0	1.2%	1,502.2	1,440.6	4.3%
Earnings Per Share	0.63	0.62		2.50	2.41	
Net Income %	12.4%	13.9%		13.4%	14.6%	

Balance Sheet & Cash Flows

Cash Flow Bridge



Capex spend in line with 5YP guidance...

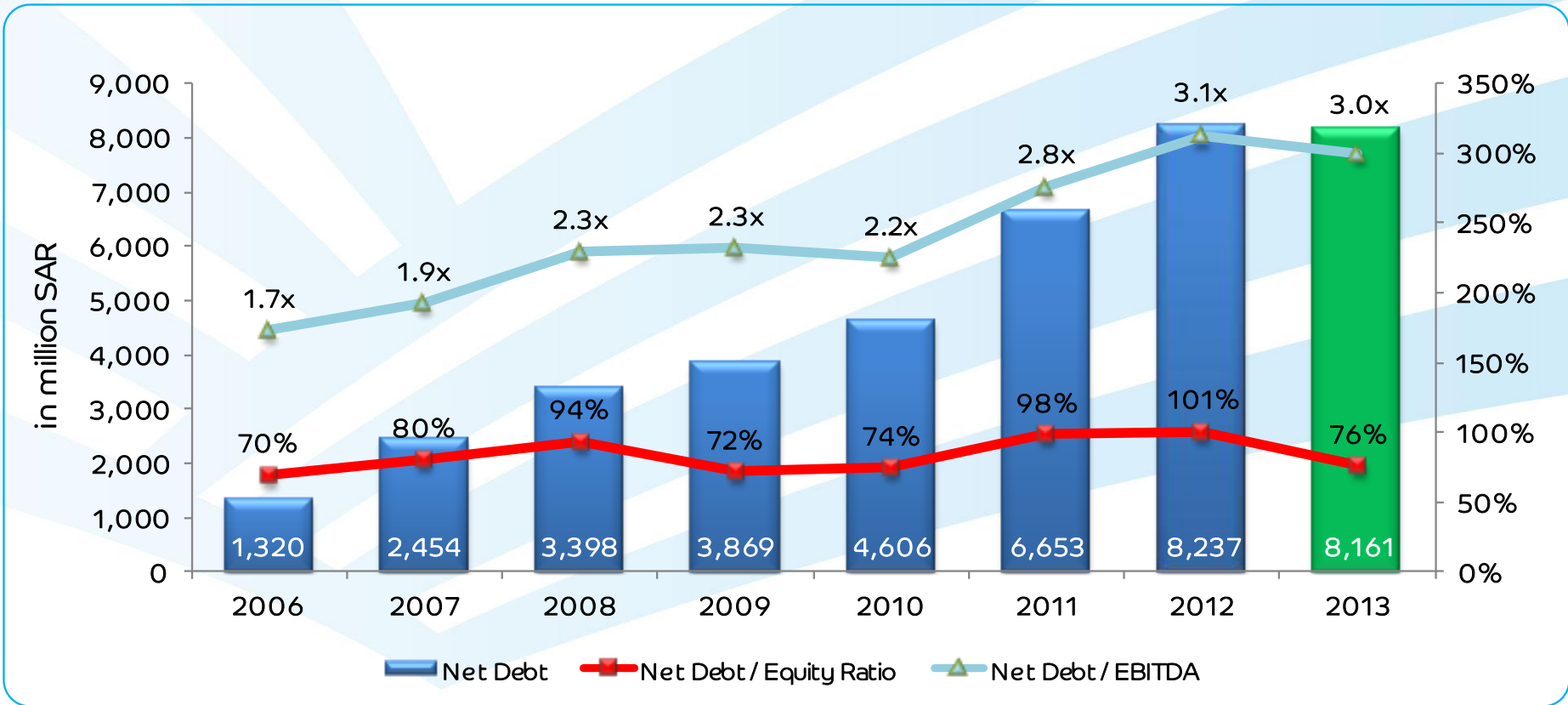
- Capex spend for the year 2013 was 2.8B SAR, which is in line with our 5 year capital expenditure guidance. We remain committed to the 15.7B spend over the current 5 year period.
- Poultry capex spend for the year reached 1.0B SAR. The key highlight for the year was the commercial start of the first line in Q1 and second line in Q2 as well as availability of 3rd line for commercial testing in Q4.
- Sales depot and logistics expansion accounted for ~0.8B SAR for the year, resulting in our growing foot print across the GCC.
- Manufacturing and Farming consumed capex of ~0.3B SAR each for various capacity expansion projects
- Replacement and other capex including IDJ, accounted for another ~0.4B SAR.



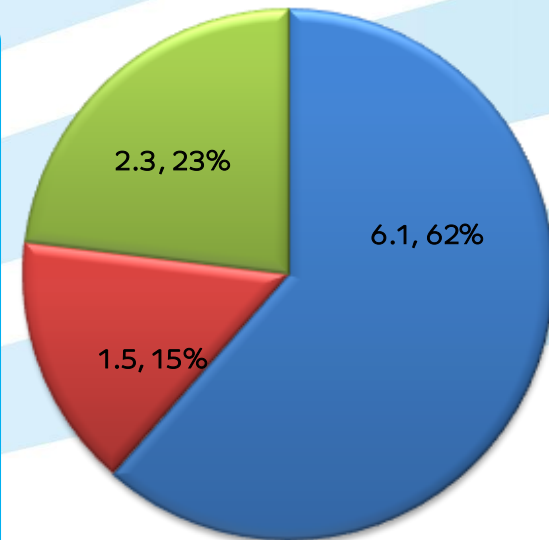
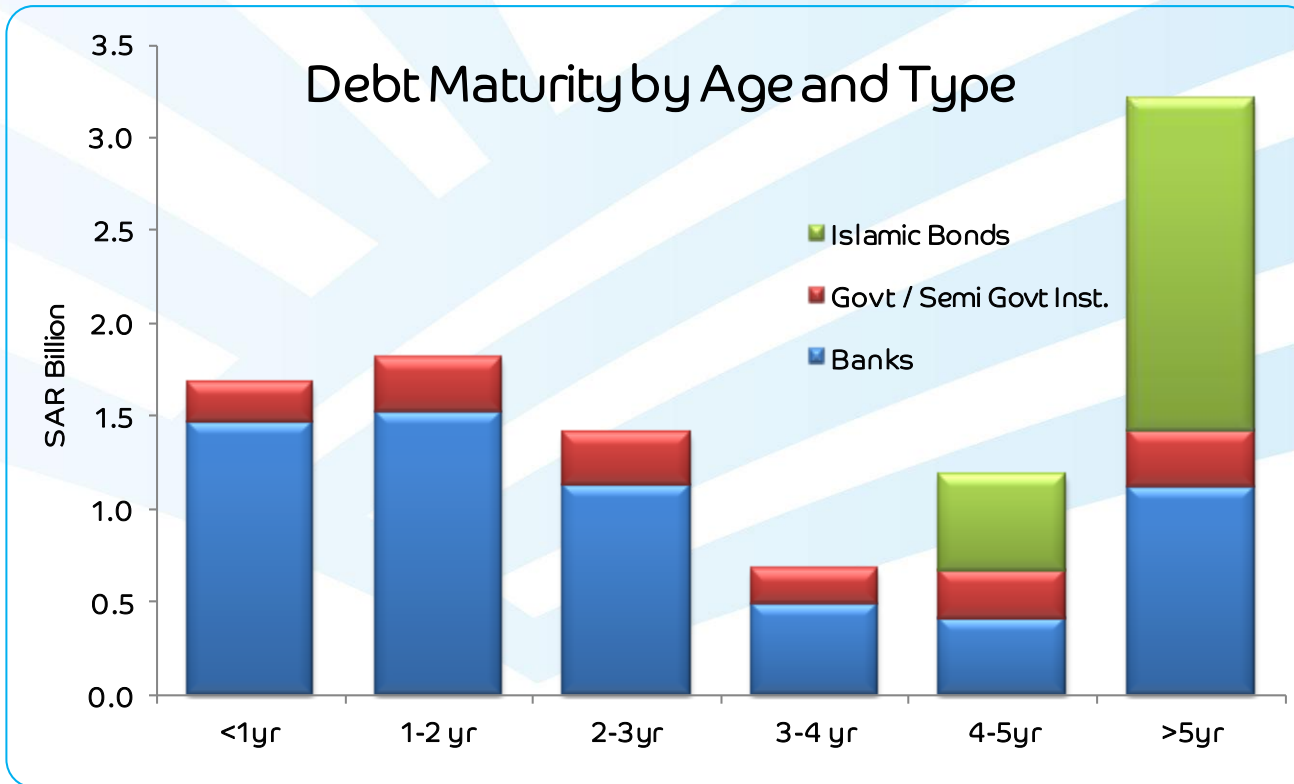
Balance Sheet

SAR Million	31 Dec 2013	31 Dec 2012
Net Operating Working Capital	1,535	932
Biological Assets	992	901
Property, Plant and Equipment	15,028	13,416
Net Operating Assets	17,555	15,249
Intangible Assets - Goodwill	1,310	1,335
Investment & Financial Assets, Deferred Charges and Derivatives	519	227
	19,384	16,812
Net Debt	8,161	8,237
Employee Benefits	340	287
Deferred Tax (Net)	118	116
Total Equity	10,764	8,171
Net Capital Employed	19,384	16,812
<i>Net Debt to Equity Ratio</i>	<i>75.8%</i>	<i>100.8%</i>

Net Debt

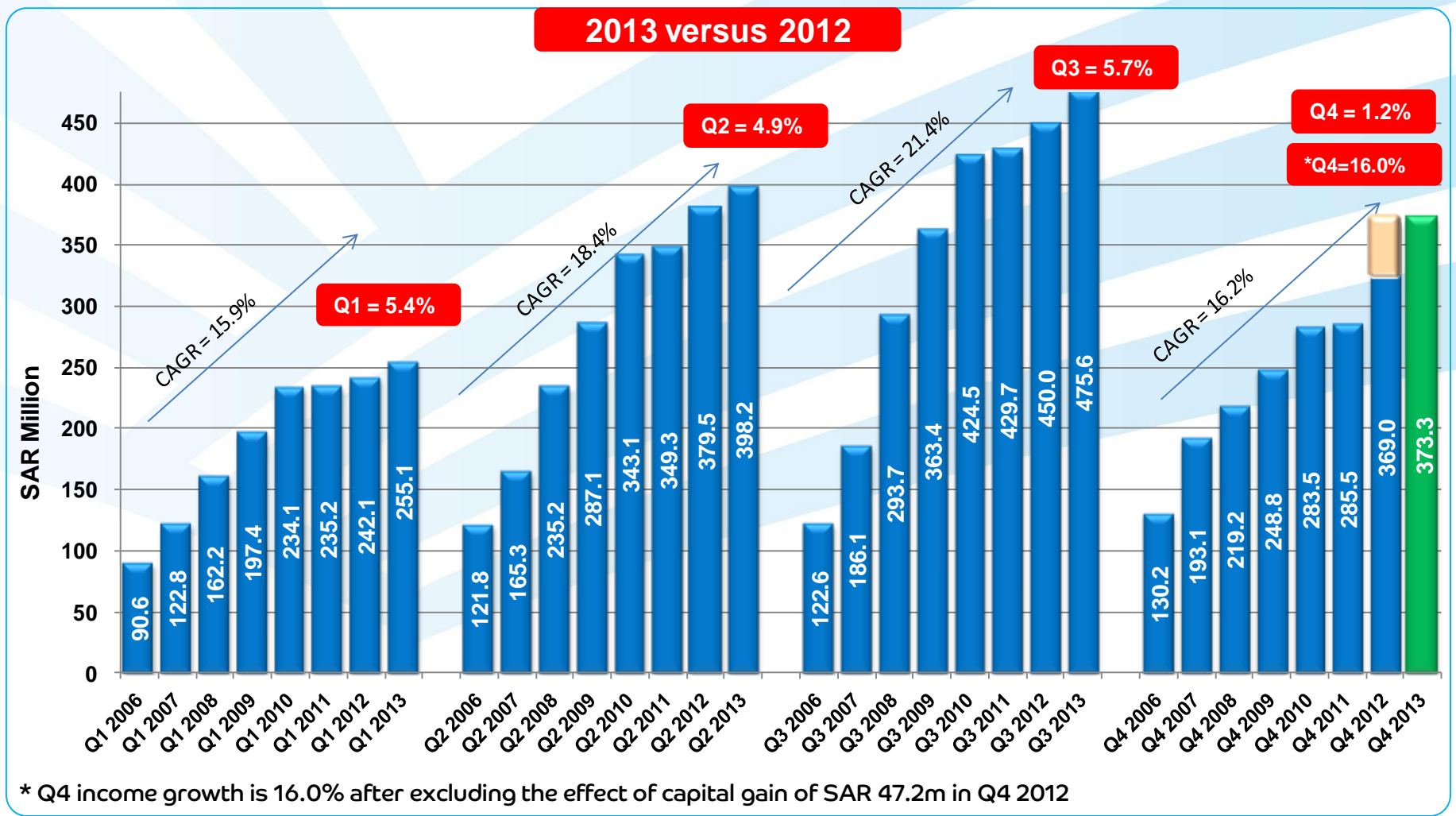


Debt Profile highlights balanced approach for funding....



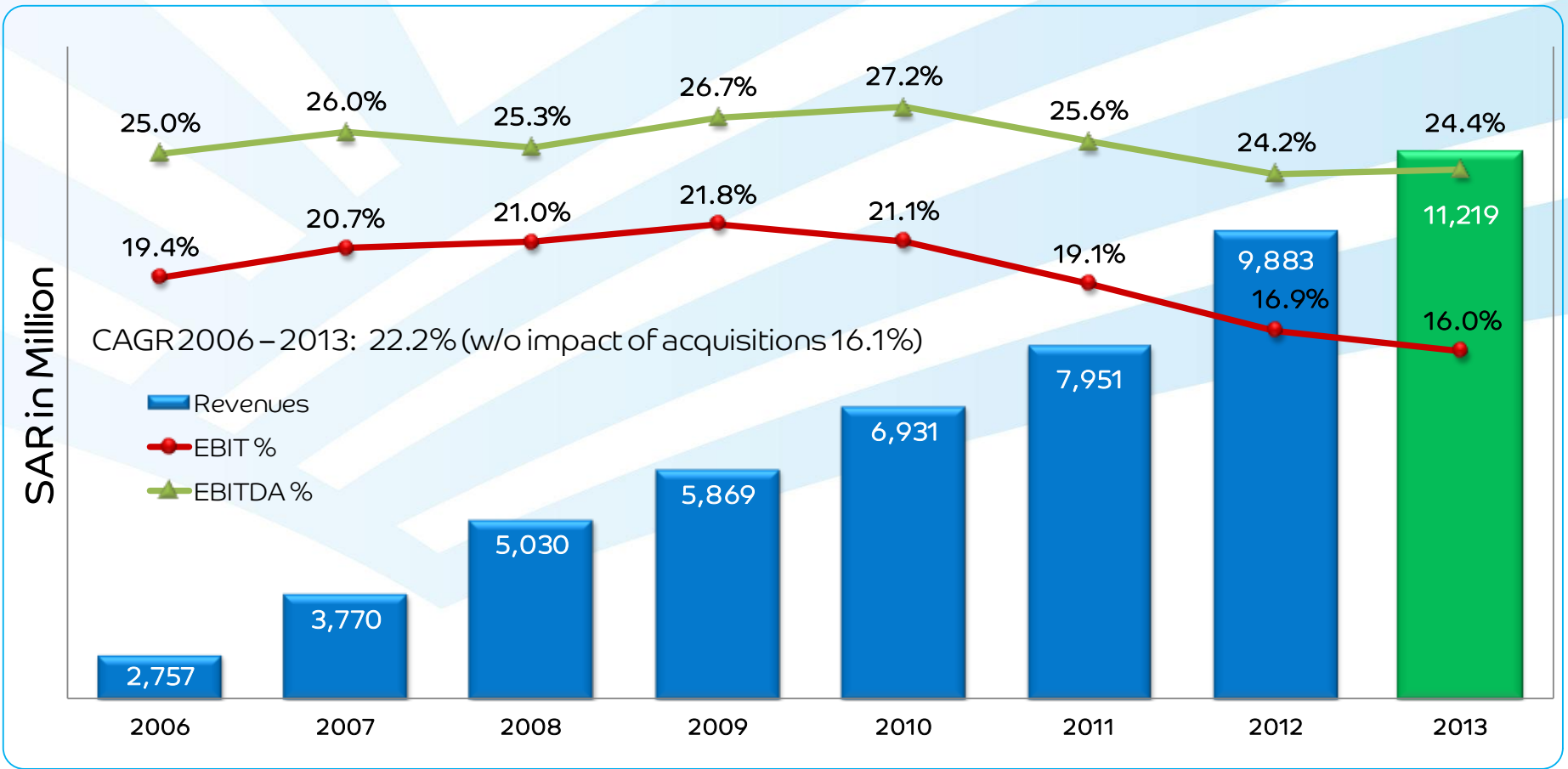
Trend charts

Quarterly Performance – Net Income



Robust revenue growth with challenging – but anticipated – EBITDA & EBIT trend

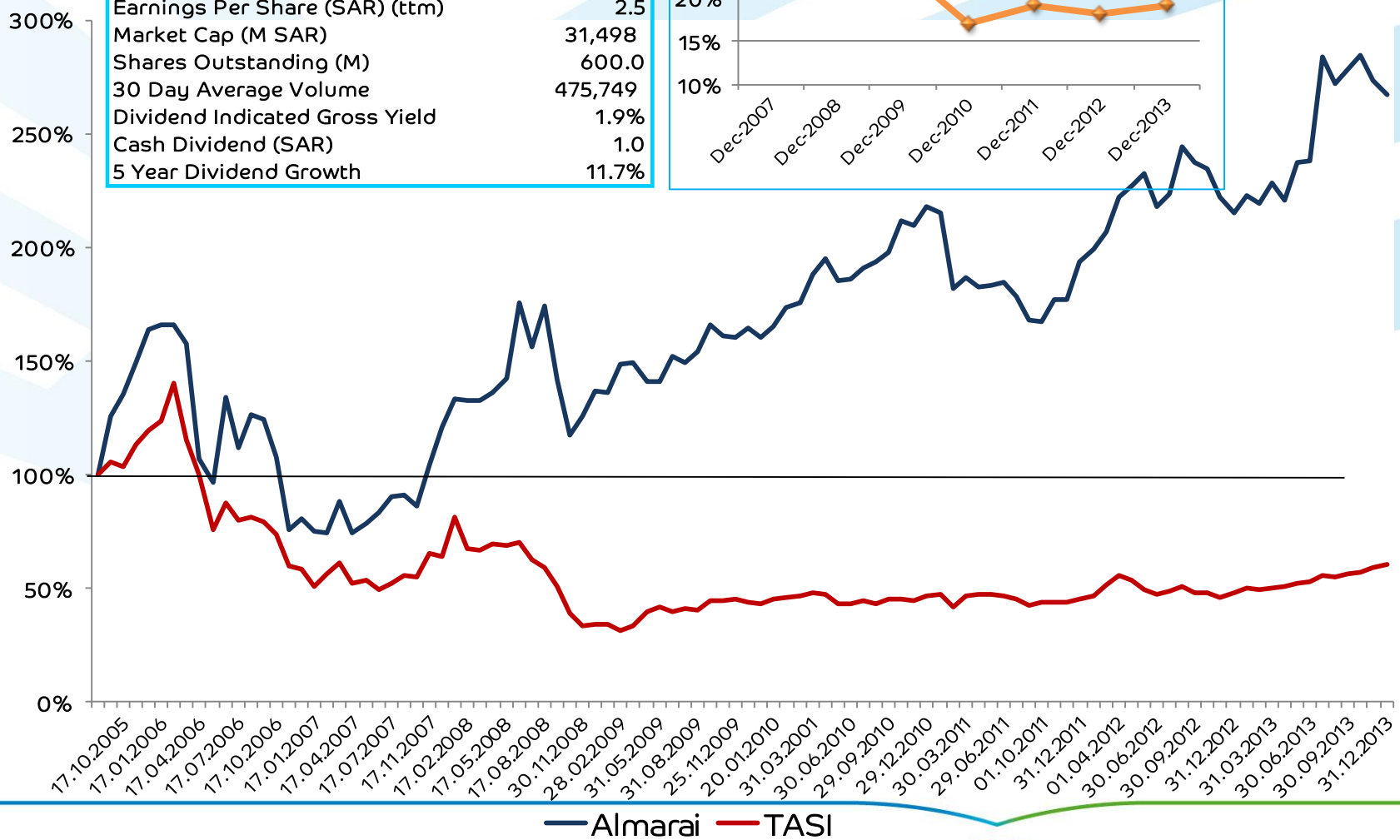
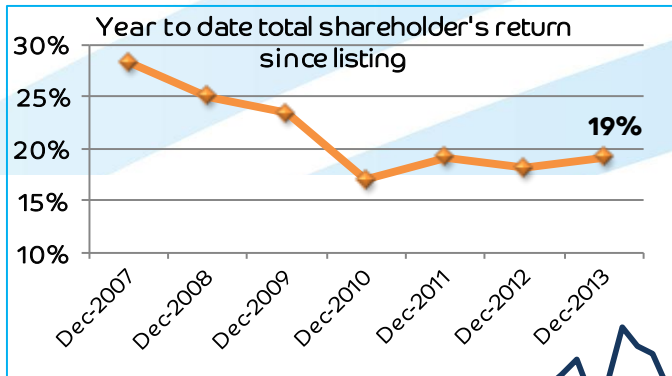
Revenue, EBITDA and EBIT Evolution



Key Share Data

Key Statistics for Almarai (1 Jan 2014)

Current P/E Ratio (ttm)	20.9
Estimated P/E(12/2013)	21.0
Earnings Per Share (SAR) (ttm)	2.5
Market Cap (M SAR)	31,498
Shares Outstanding (M)	600.0
30 Day Average Volume	475,749
Dividend Indicated Gross Yield	1.9%
Cash Dividend (SAR)	1.0
5 Year Dividend Growth	11.7%



Thank you



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AWARD WINNER 2013

www.almarai.com

Almarai Company
Exit 7, North Circle Road
Al Izdihar District
P.O. Box 8524
Riyadh, 11492
Saudi Arabia

Contact for investor relations matters:
Khalid M. Al Nasser
+966 11 470 00 05 ext 1280
investor.relations@almarai.com

