



Almarai Company

2014 Q3 Earnings Presentation

Disclaimer

Information contained in this presentation is subject to change without further notice, its accuracy is not guaranteed and it may not contain all material information concerning the company. Neither we nor our advisors make any representation regarding, and assume no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, to any information contained herein.

In addition, the information contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected.

This presentation is strictly not to be distributed without the explicit consent of Almarai Company management under any circumstances.

Business Highlights

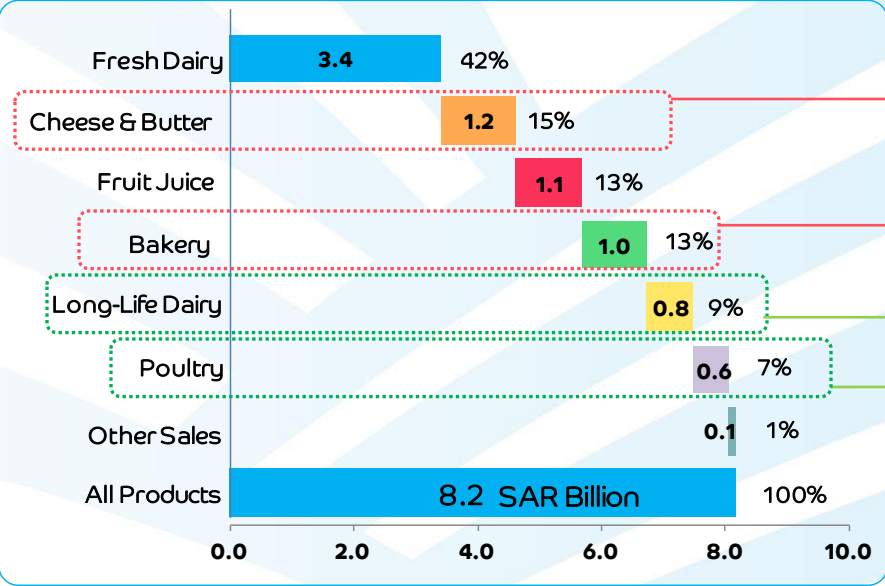
Key Highlights – Q3 2014

SAR Million	3rd Quarter			Q3 YTD		
	2014	2013	Growth	2014	2013	Growth
Sales Revenue	3,269	2,926	11.7%	9,275	8,211	13.0%
EBIT	625	554	12.9%	1,443	1,338	7.8%
Net Income	539	476	13.4%	1,246	1,129	10.4%
Operating Cashflow	930	773	20.2%	2,241	1,792	25.1%
Capital Expenditure	650	690	-5.8%	2,334	2,256	3.4%
Number of Employees				37 K	32 K	15.8%
Net Debt				8,782	7,879	11.5%
Net Debt to Equity				76.8%	75.8%	1.3%
EBITDA (rolling 12 months)				2,892	2,660	8.7%
Net Debt to EBITDA				2.9	3.1	-6.2%

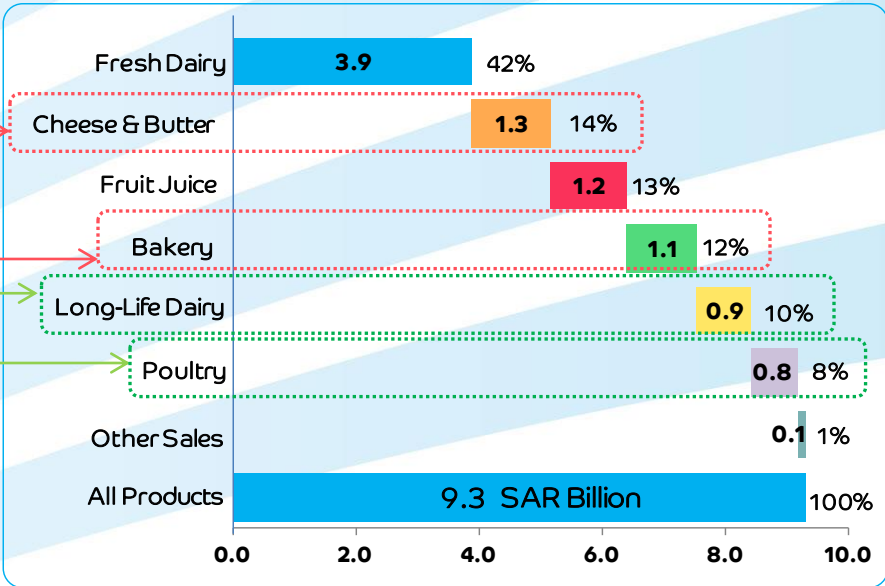
Sales Highlights

Sales Analysis by Product – 9 months

By Product 2013

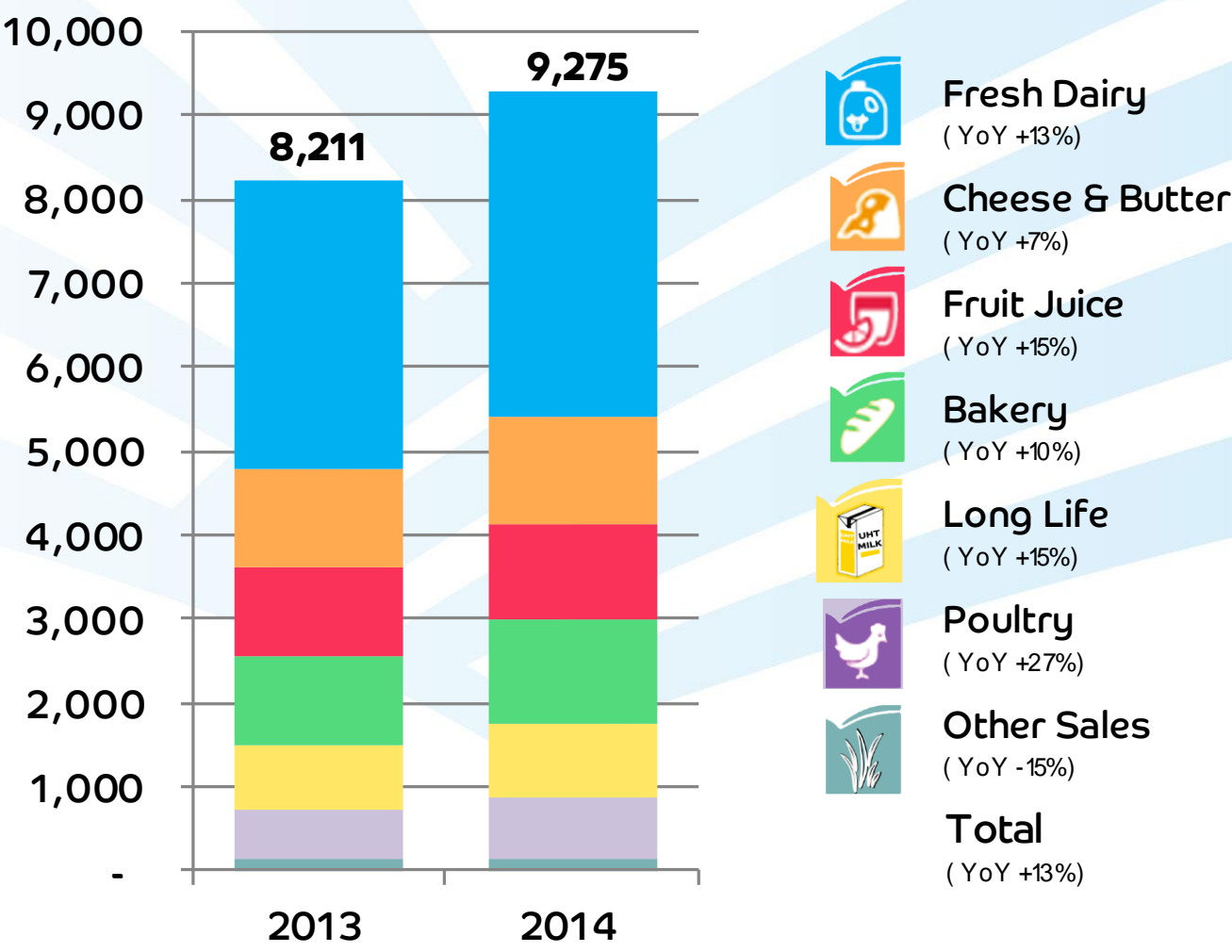


By Product 2014



Growth Driven by Poultry, Long-Life and Juice – 9 months

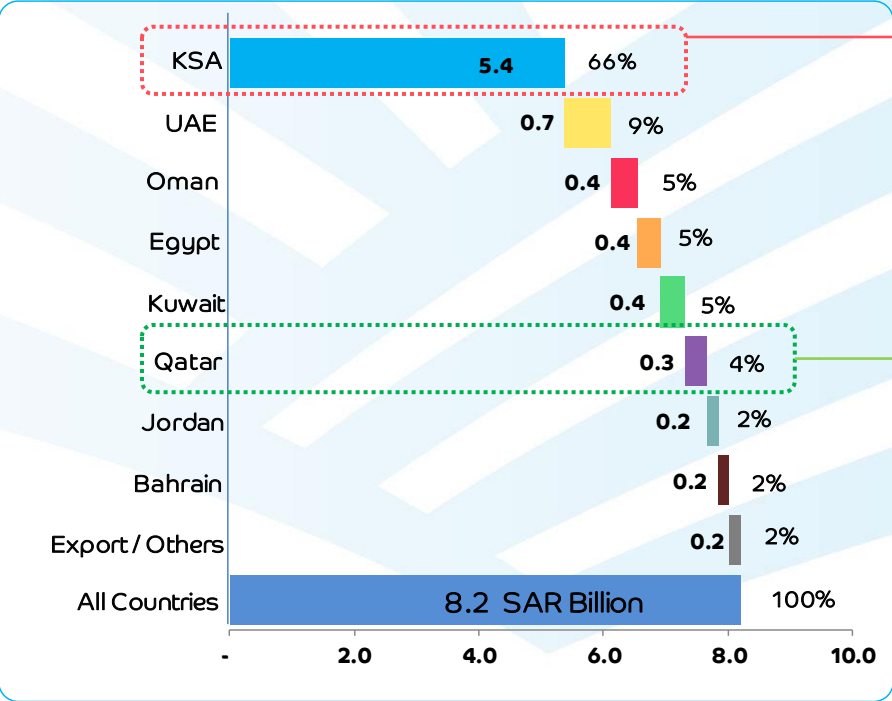
Revenue in SAR Million



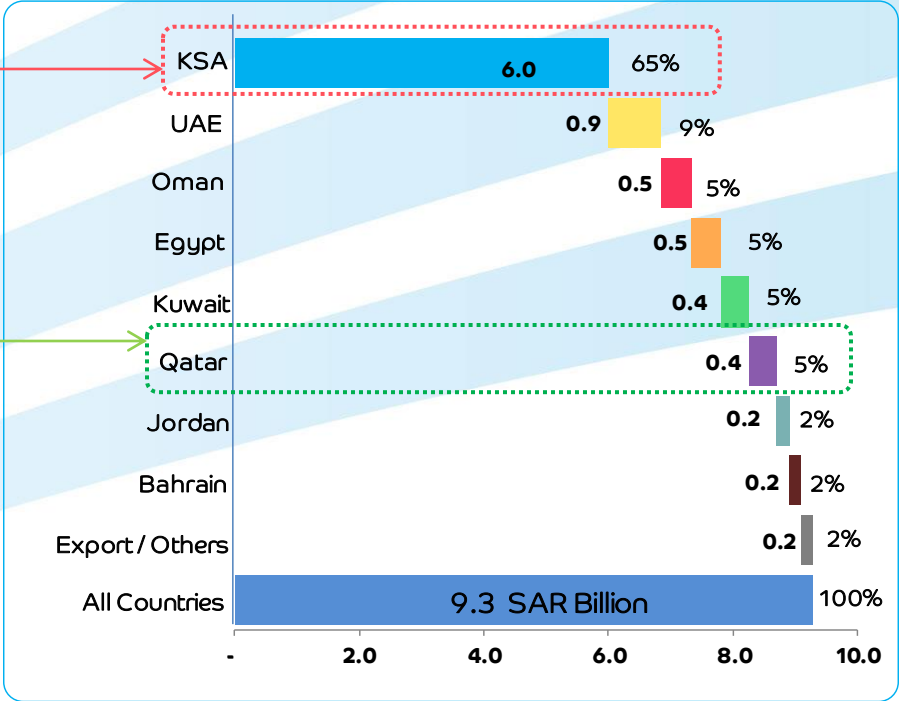
Growth 2014 v 2013	% of Total Growth
456	43%
87	8%
164	15%
103	10%
118	11%
157	15%
(22)	-2%
1,064	100%

Sales Analysis by Country – 9 months

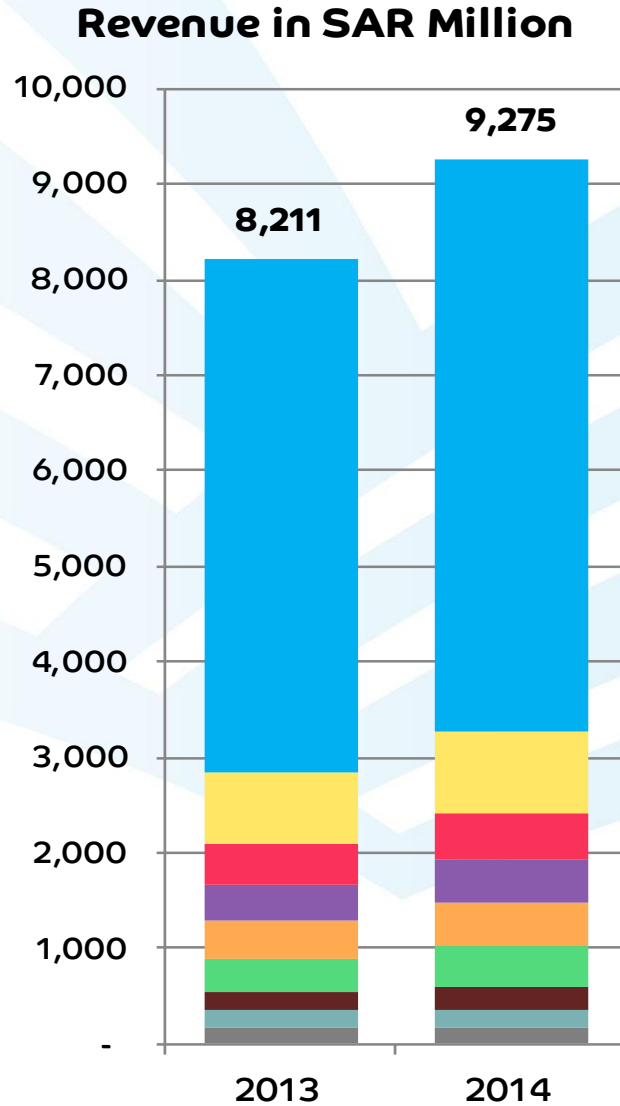
By Geography 2013












By Geography 2014



Sales Analysis by Country – 9 months



	KSA (YoY +11%)
	UAE (YoY +16%)
	Oman (YoY +19%)
	Egypt (YoY +23%)
	Kuwait (YoY +9%)
	Qatar (YoY +26%)
	Jordan (YoY +8%)
	Bahrain (YoY +15%)
	Others (YoY 0%)
Total (YoY +13%)	

Growth 2014 v 2013	% of Total Growth
614	58%
117	11%
81	8%
85	8%
37	3%
88	8%
17	2%
25	2%
(0)	0%
1,064	100%

Financial Performance

Strong pipeline of innovation continues in 2014



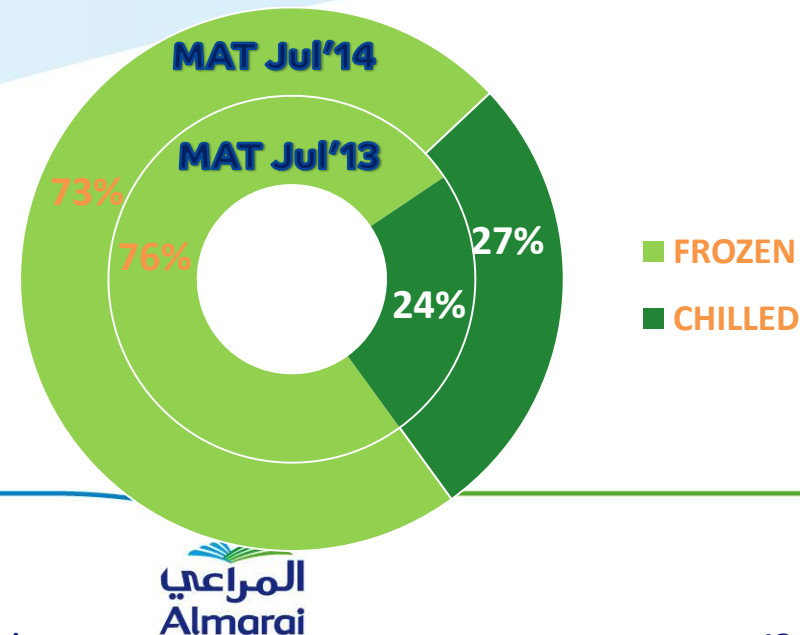
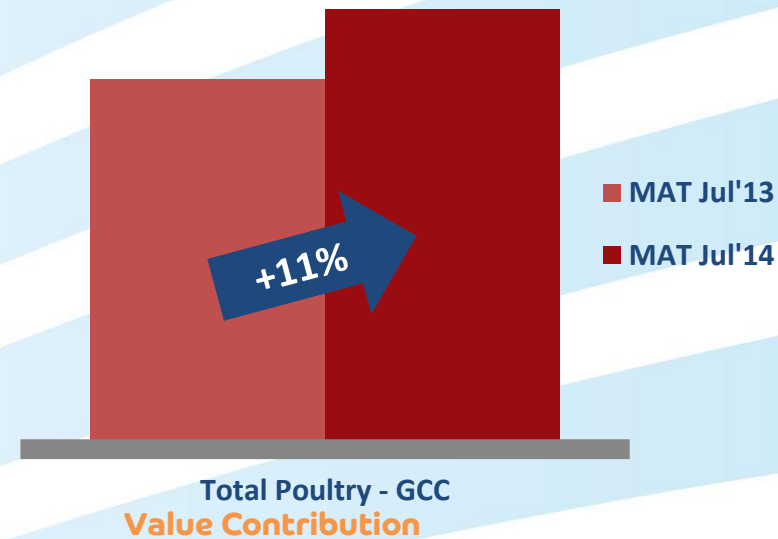
Segment Reporting

SAR Million	Dairy & Juice	Bakery	Poultry	Other Activities	Almarai Consolidated
Q3 YTD 2014					
Sales	7,307	1,139	735	403	9,584
Third Party Sales	7,276	1,139	735	125	9,275
Depreciation	(662)	(125)	(213)	(61)	(1,060)
Income / (loss) before NCI	1,547 *	110 *	(325)	(74)	1,259
Total Assets	14,557	1,971	5,221	2,471	24,220
Return on Sales	21.3%	9.7%	(44.3%)	(59.0%)	13.6%
Growth versus Q3 2013					
- Third Party Sales	12.6%	10.0%	27.2%	(6.6%)	13.0%
Q3 2014					
Sales	2,614	366	274	220	3,474
Third Party Sales	2,603	366	274	27	3,269
Depreciation	(189)	(58)	(74)	(15)	(335)
Income / (loss) before NCI	649 *	44 *	(89)	(58)	546
Return on Sales	24.9%	11.9%	(32.5%)	(217.2%)	16.7%
Growth versus Q3 2013					
- Third Party Sales	10.6%	12.7%	28.5%	(22.5%)	11.7%

* Income/(loss) before NCI is calculated on proforma basis based on revised cost allocation done in Q3, 2013

Alyoum (Poultry) Performance – Q3 Update

- GCC Poultry Market growth is +11%
 - Fresh chicken market grows **3 times faster** than frozen (Fresh chicken market grows 23% Vs Frozen chicken market grows 7%)
 - **3 times faster** growth in Fresh chicken market resulting in additional 3% contribution gain
- ALYOUM is leading in driving this change in past 3 years. ALYOUM is growing 27% Vs 11% for total Poultry market (Fresh and Frozen Chicken market)
- Within KSA, Fresh chicken value share for ALYOUM is 42.2% and volume share of 36.8% - market leader.
- ALYOUM is a market leader in KSA, Qatar and Bahrain.



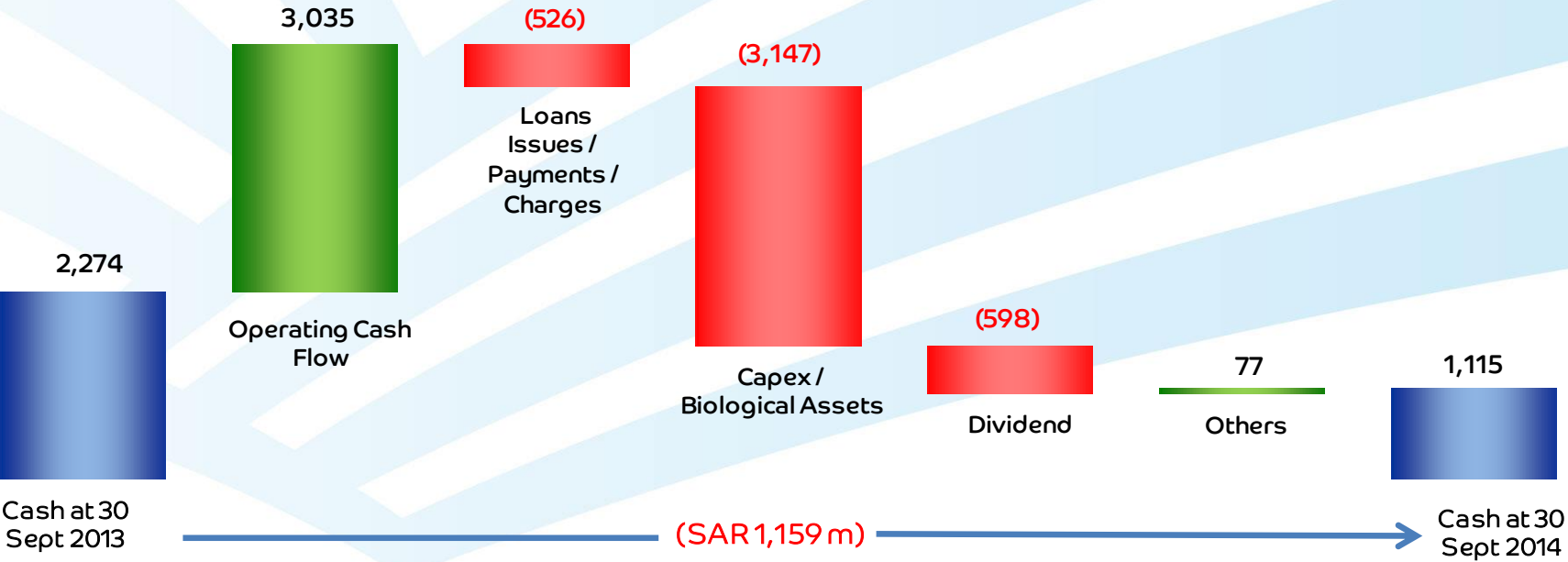
GCC = KSA, UAE, KUW, QAT, BAH

Statement of Income – Q3 2014

<i>SAR million</i>	<i>3rd Quarter</i>			<i>YTD 3rd Quarter</i>		
	<i>2014</i>	<i>2013</i>	<i>Change</i>	<i>2014</i>	<i>2013</i>	<i>Change</i>
Sales	3,269.4	2,926.1	11.7%	9,274.8	8,211.0	13.0%
Cost of sales	(2,018.2)	(1,821.1)	10.8%	(5,973.9)	(5,243.8)	13.9%
Gross Profit	1,251.2	1,105.0	13.2%	3,301.0	2,967.2	11.2%
Selling and Distribution Expenses	(553.1)	(470.9)	17.5%	(1,592.4)	(1,378.4)	15.5%
General and Administration Expenses	(72.8)	(80.5)	(9.6%)	(265.4)	(250.4)	6.0%
EBIT	625.3	553.6	12.9%	1,443.2	1,338.4	7.8%
Share of Results of Associates	(5.7)	(3.4)	66.2%	12.7	(25.2)	(150.5%)
Funding Costs	(67.7)	(67.2)	0.7%	(191.8)	(179.2)	7.0%
Exchange and Currency Gains/(Losses)	16.8	4.3	287.7%	40.5	19.4	108.4%
Income from Main Operations	568.7	487.3	16.7%	1,304.5	1,153.4	13.1%
Zakat and Foreign Income Tax	(22.7)	(8.8)	157.2%	(45.9)	(28.5)	61.2%
Income before Non Controlling Interest	546.0	478.5	14.1%	1,258.6	1,124.9	11.9%
Non Controlling Interest	(6.6)	(2.9)	129.8%	(12.3)	4.0	n.a
Net Income	539.4	475.6	13.4%	1,246.3	1,128.9	10.4%
 Earnings Per Share	 <i>0.88</i>	 <i>0.80</i>	 <i>10.0%</i>	 <i>2.03</i>	 <i>1.89</i>	 <i>7.4%</i>
<i>Net Income %</i>	<i>16.5%</i>	<i>16.3%</i>		<i>13.4%</i>	<i>13.7%</i>	

Balance Sheet & Cash Flows

Cash Flow Bridge – Rolling 12 months



Capex spend in line with 5YP guidance...

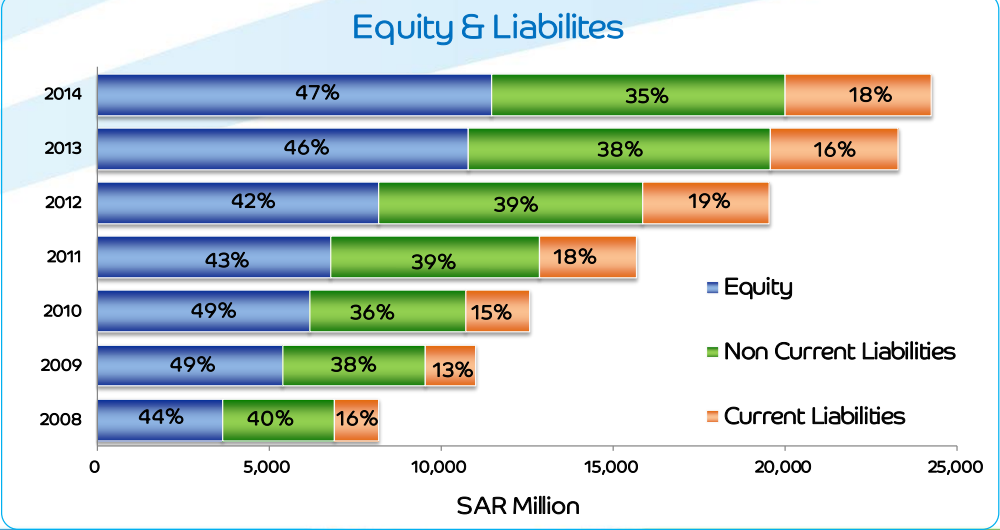
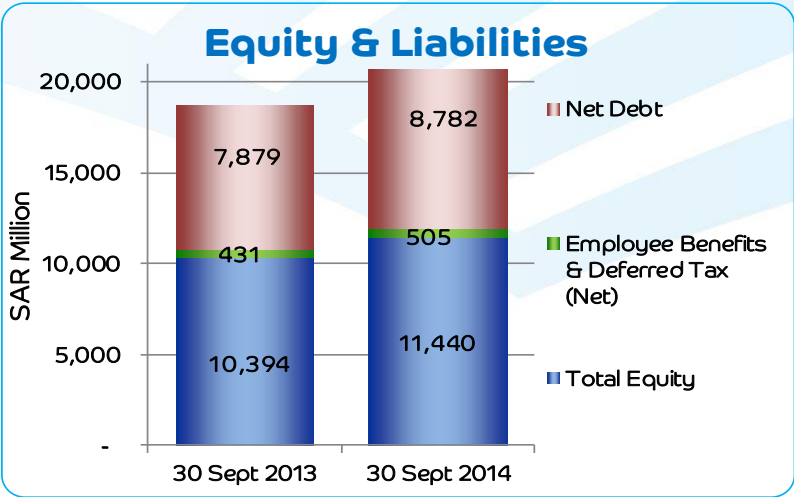
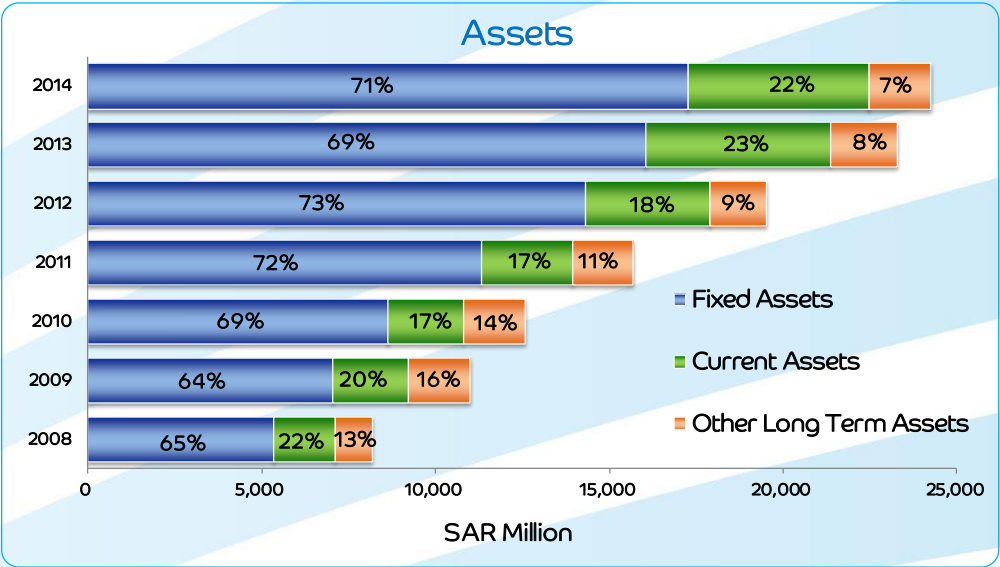
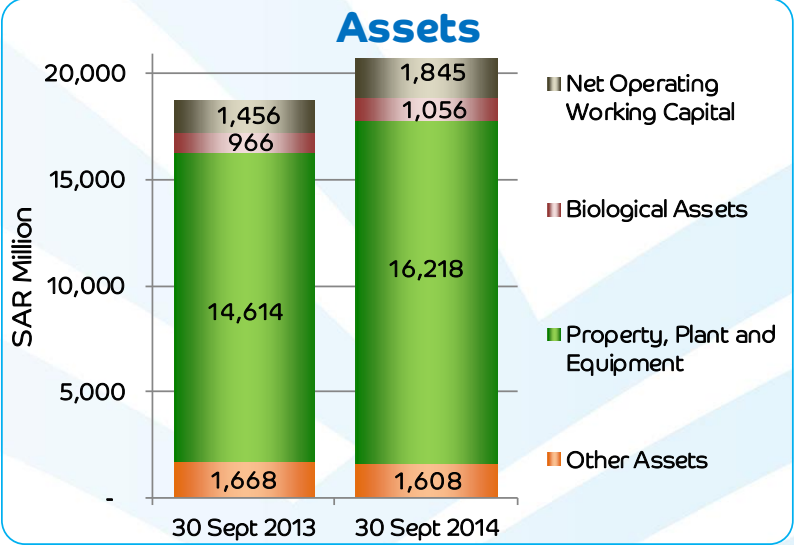
- Capex spend for the three quarters of 2014 was 2.1B SAR. Our current year Capex guidance remains at 3.0-3.2B SAR which is in line with our 5 year capital expenditure guidance of 15.7B SAR.
 - Manufacturing and Farming spent Capex of ~0.8B SAR for various capacity expansion projects.
 - Sales depot and logistics expansion accounted for ~0.5B SAR.
 - Replacement and other capex including IDJ and US land acquisition, accounted for another ~0.4B SAR.
 - Poultry capex spend for the year reached ~ 0.4B SAR.



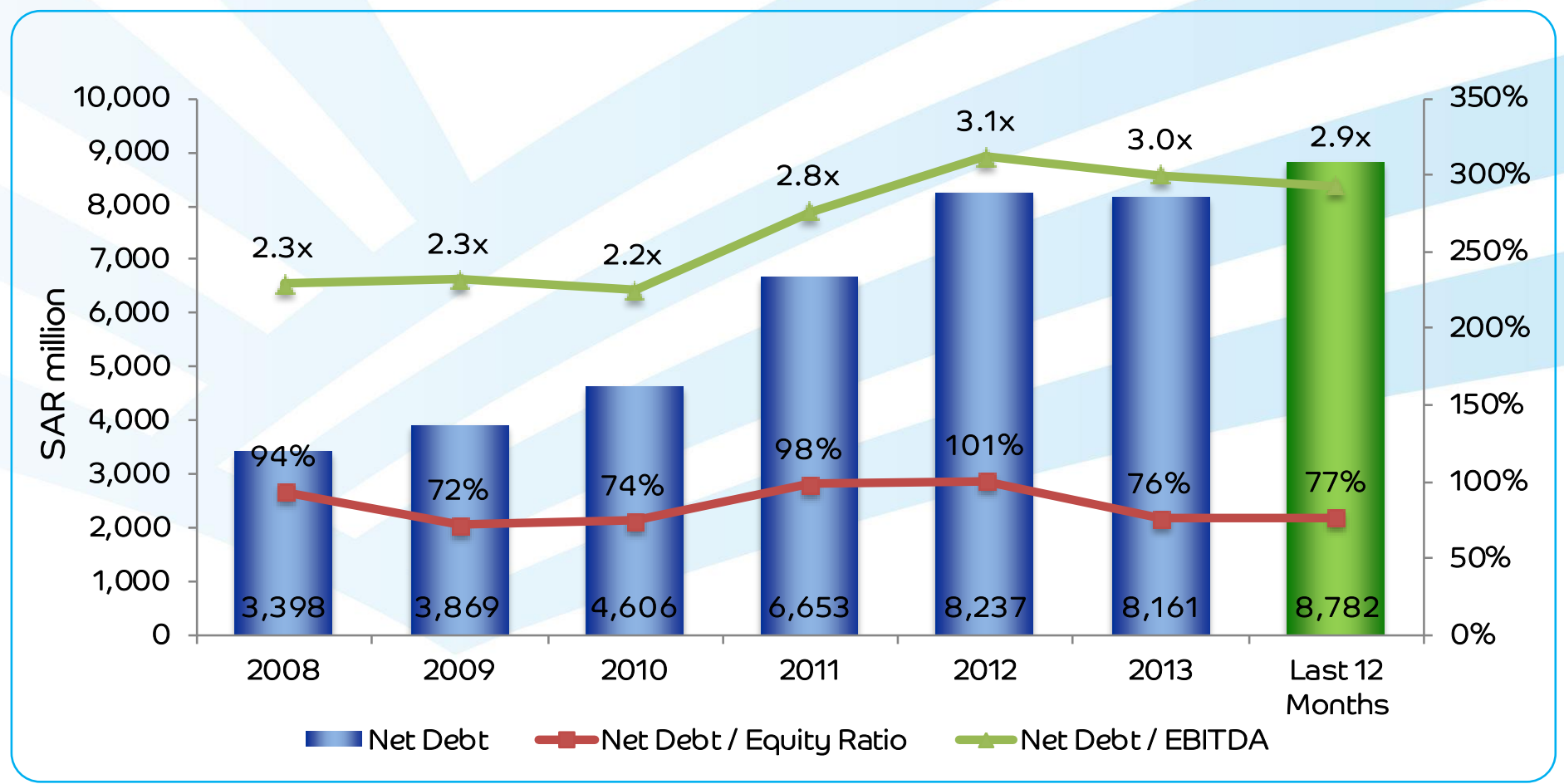
Almarai continues to invest in strategic arable assets across the globe...



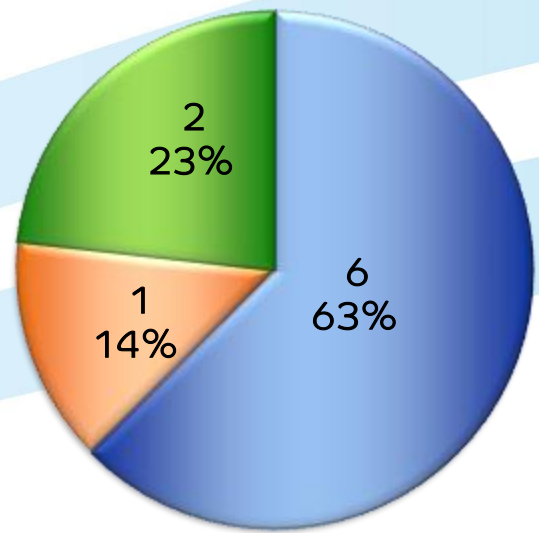
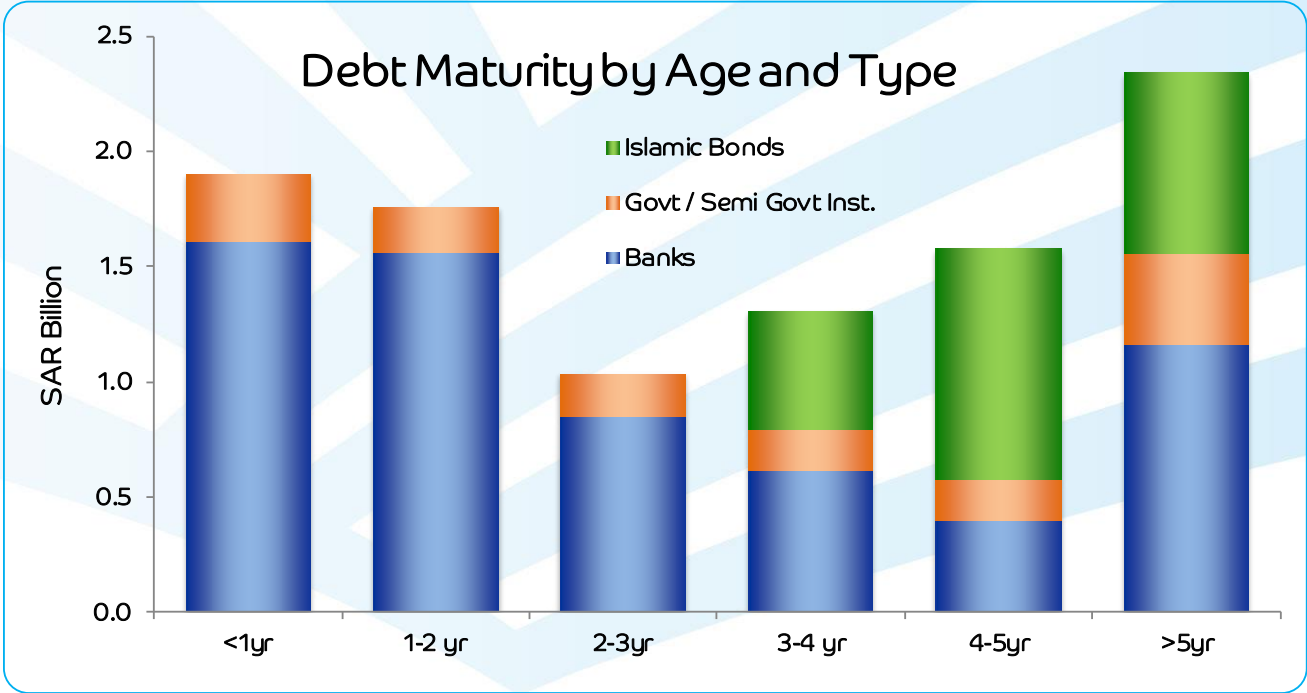
Balance Sheet



Net Debt

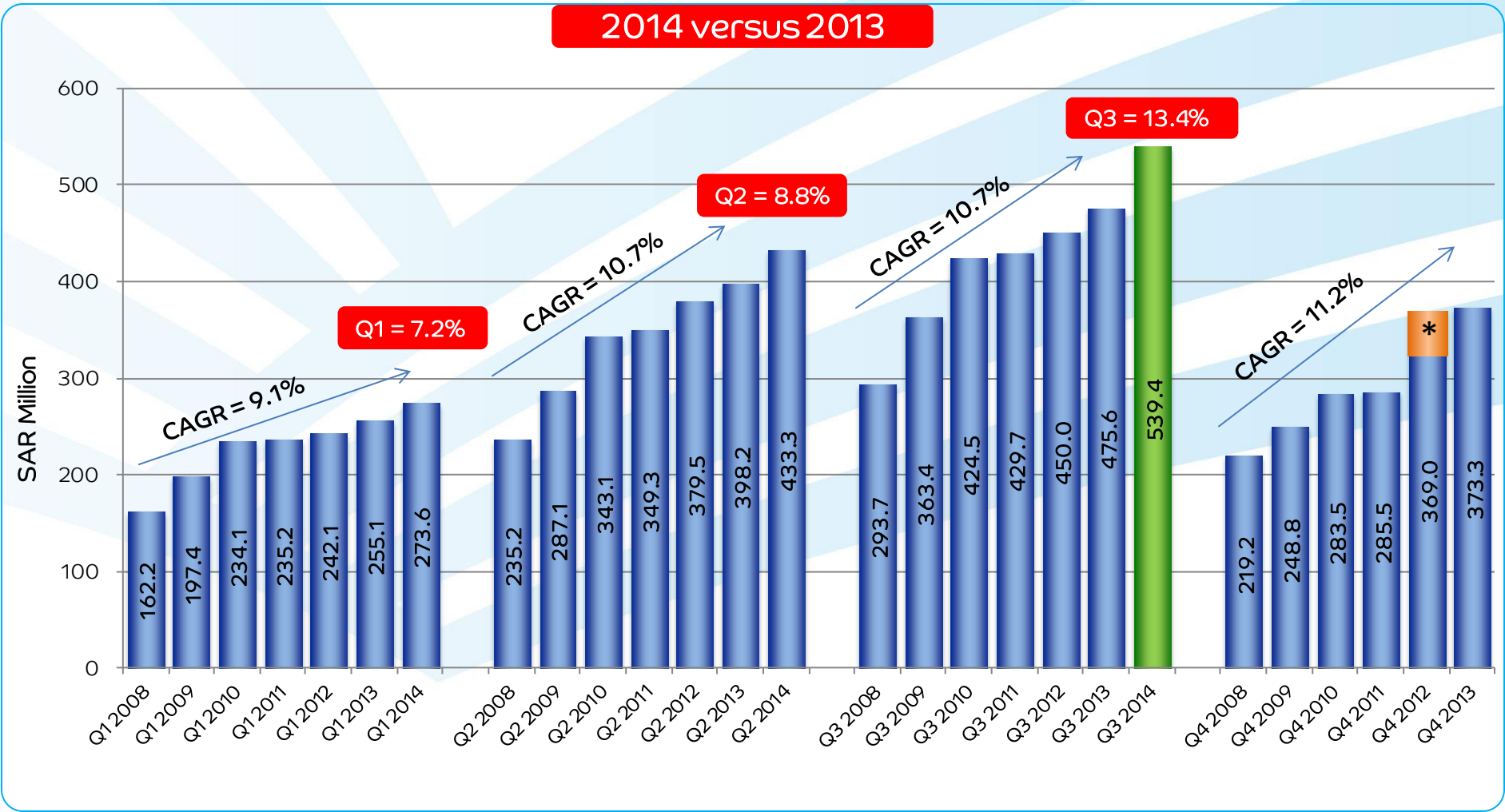


Deferred maturity profile of debt, along with diversification of funding source.....



Trend charts

Quarterly Performance – Net Income

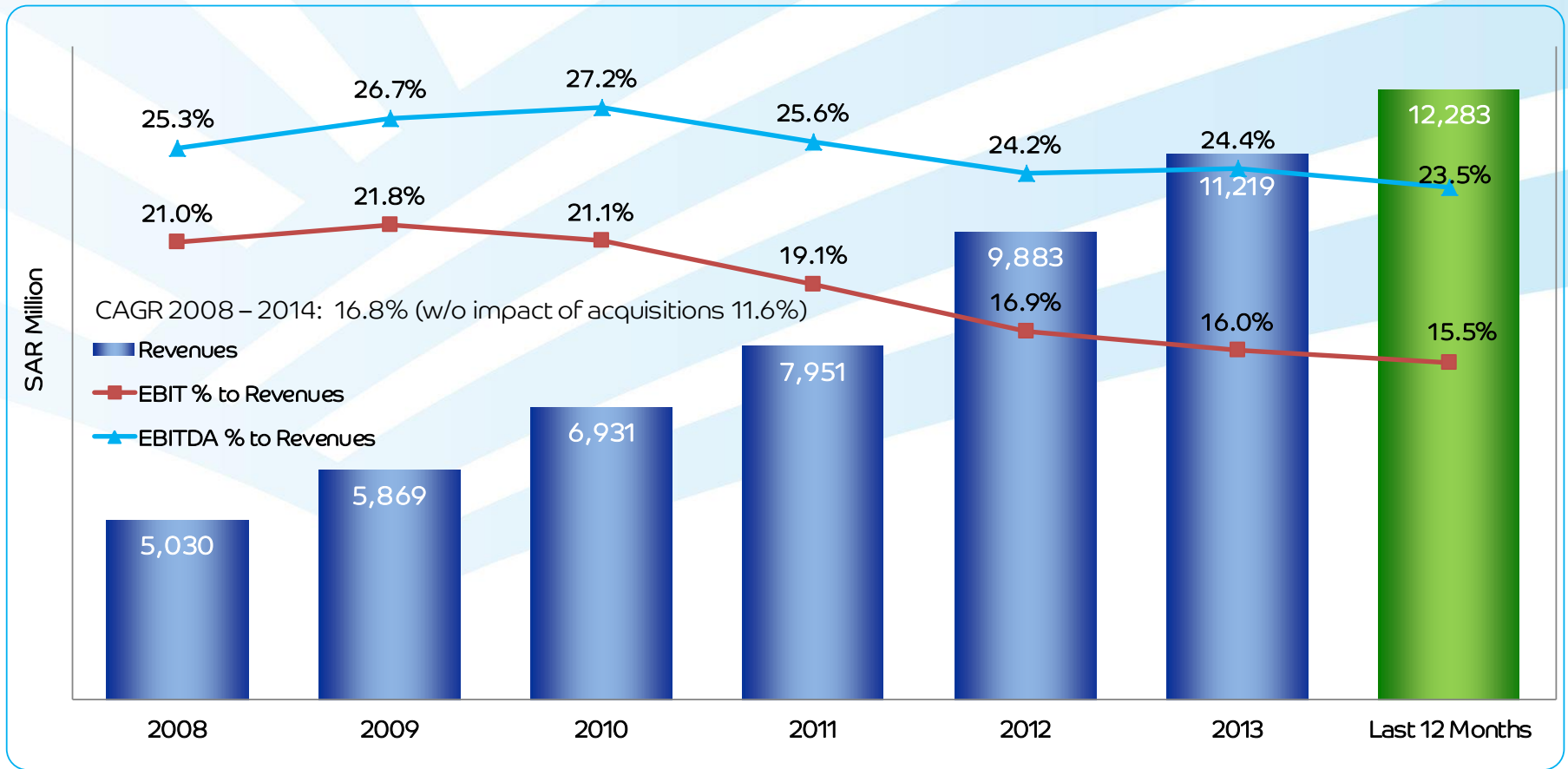


* Q4 income growth is 16.0% after excluding the effect of capital gain of SAR 47.2m in Q4 2012



Revenue growth continues but EBIT trend yet to stabilise....

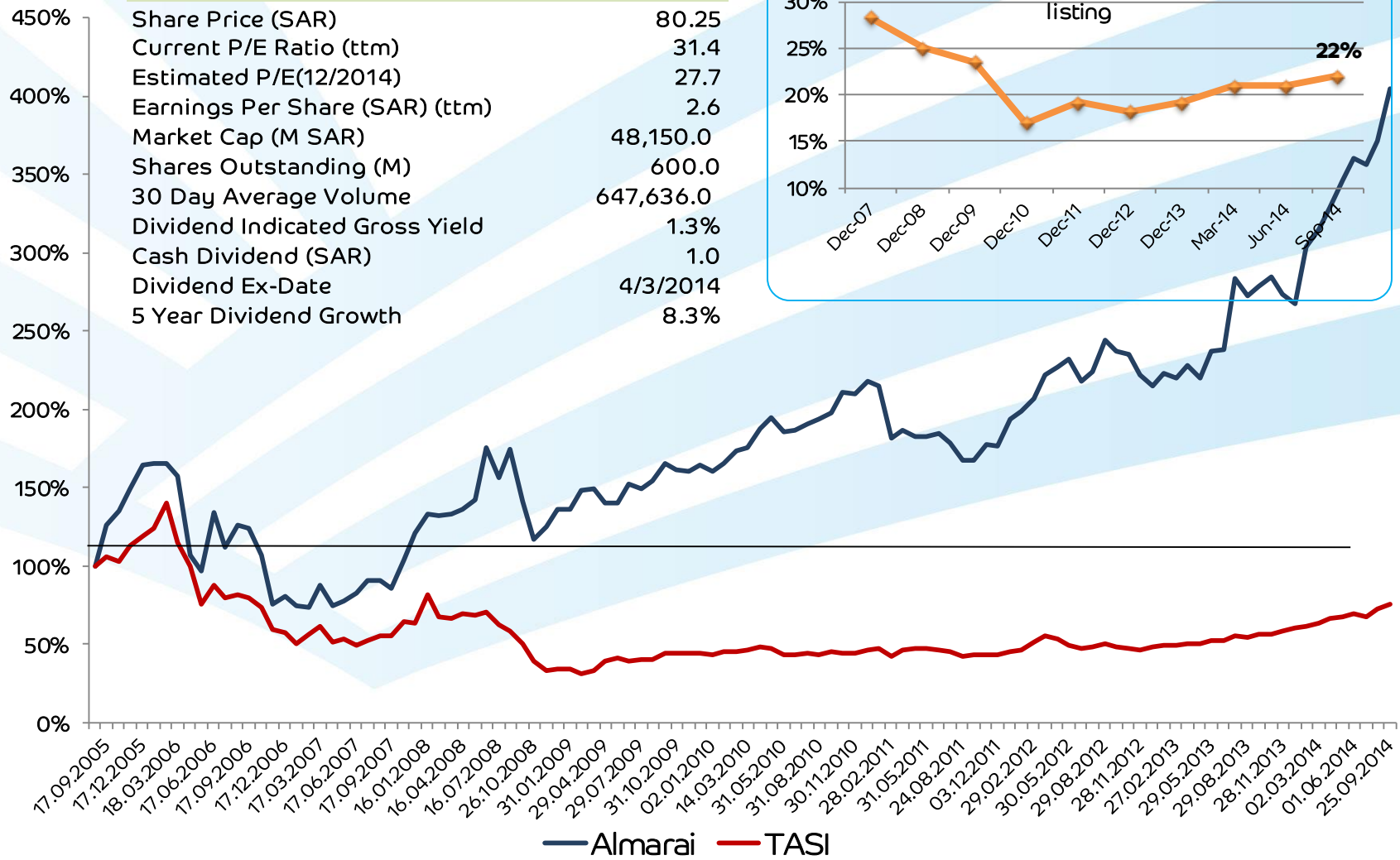
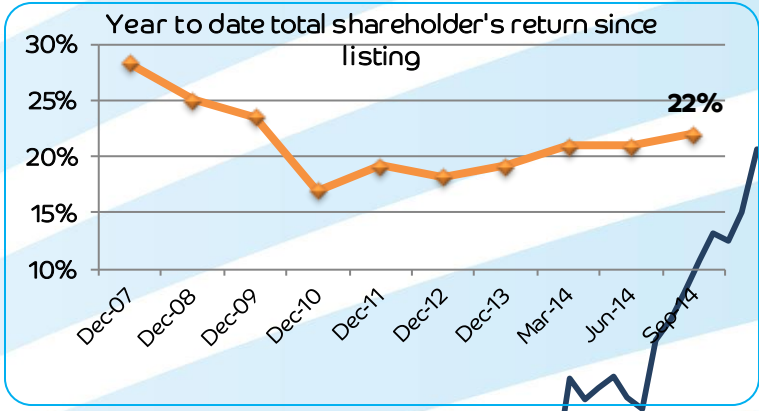
Revenue, EBITDA and EBIT Evolution



Key Share Data

Key Statistics for Almarai (30 Sept. 2014)

Share Price (SAR)	80.25
Current P/E Ratio (ttm)	31.4
Estimated P/E(12/2014)	27.7
Earnings Per Share (SAR) (ttm)	2.6
Market Cap (M SAR)	48,150.0
Shares Outstanding (M)	600.0
30 Day Average Volume	647,636.0
Dividend Indicated Gross Yield	1.3%
Cash Dividend (SAR)	1.0
Dividend Ex-Date	4/3/2014
5 Year Dividend Growth	8.3%



Thank you



middle east
investor relations
society

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

المراعي
Almarai