



Almarai Company

2014 Q4 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

Highlights – 2014

Financial Highlights

Sales Revenue

2014
SAR 12.6 B

2013
SAR 11.2 B

+12.4%



EBITDA

2014
SAR 3.0 B

2013
SAR 2.7 B

+8.4%



EBIT

2014
SAR 2.0 B

2013
SAR 1.8 B

+8.5%



Operational Highlights

Acquisition & Milestones

- 50% share of IPNC
- US Arable Farm Acquisition
- Free Cashflow positive



Work Force / Balance Sheet

Employees

2014
38 K

2013
34 K

+12.4%



Capital Expenditure

2014
SAR 2.7 B

2013
SAR 2.8 B

-2.1%



Operating Cash Flow

2014
SAR 3.2 B

2013
SAR 2.6 B

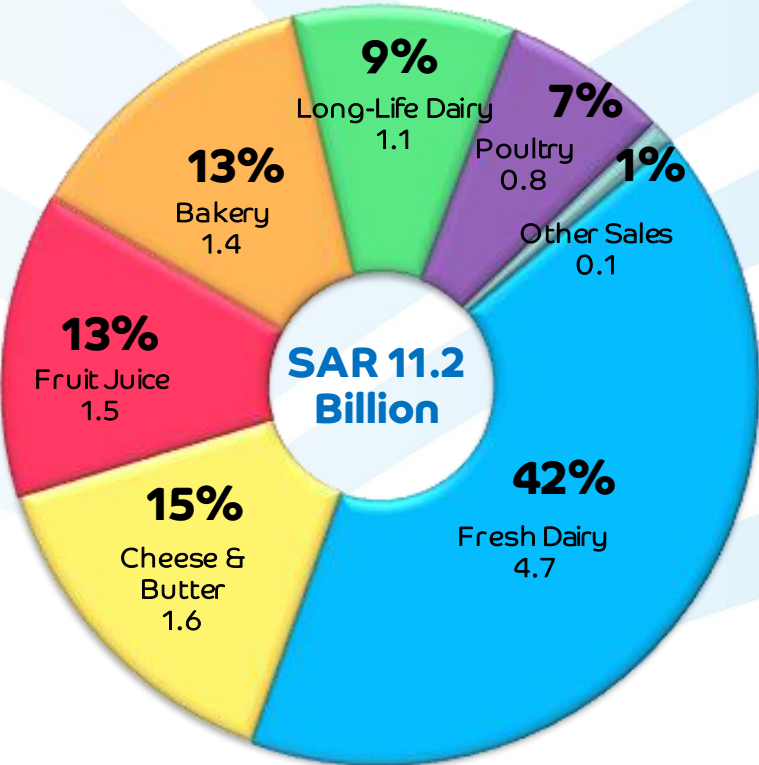
+23.7%



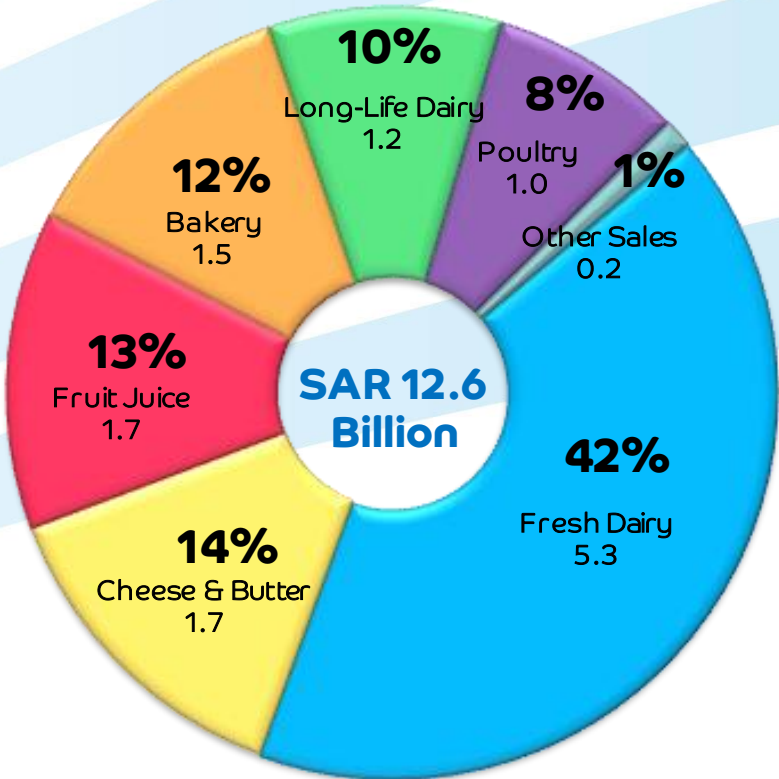
Sales Highlights

Sales Analysis by Product – Full Year

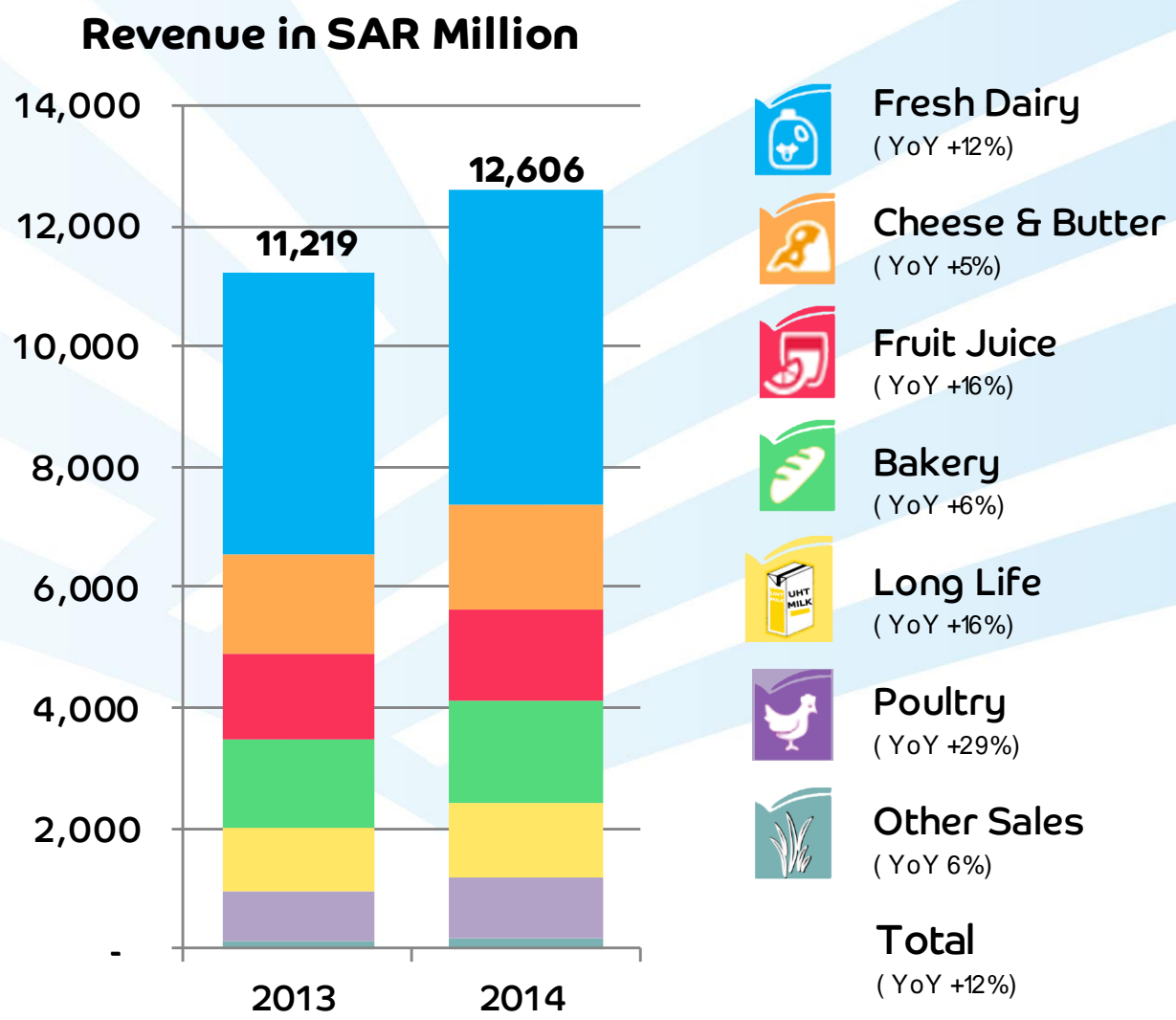
By Product 2013



By Product 2014



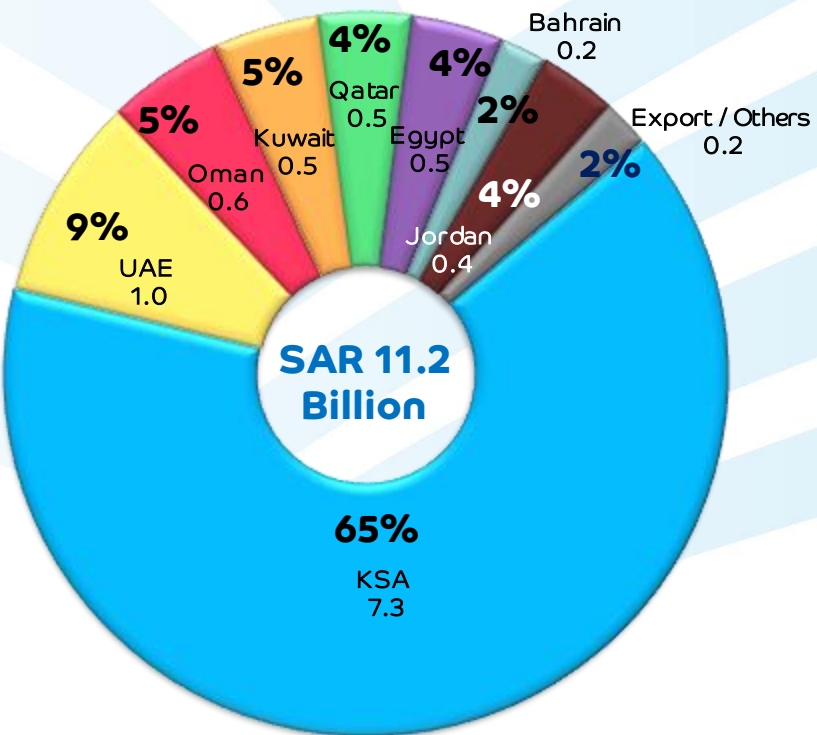
Growth Driven by Poultry, Long-Life and Juice – Full Year



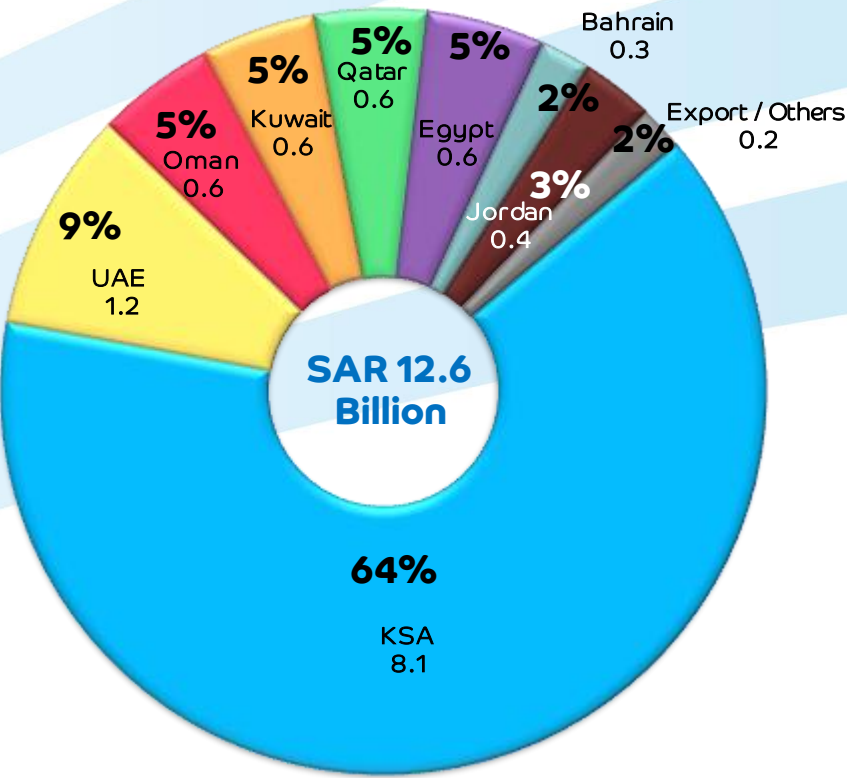
Growth 2014 v 2013	% of Total Growth
582	42%
74	5%
235	17%
88	6%
169	12%
230	17%
9	1%
1,386	100%

Sales Analysis by Country – Full Year

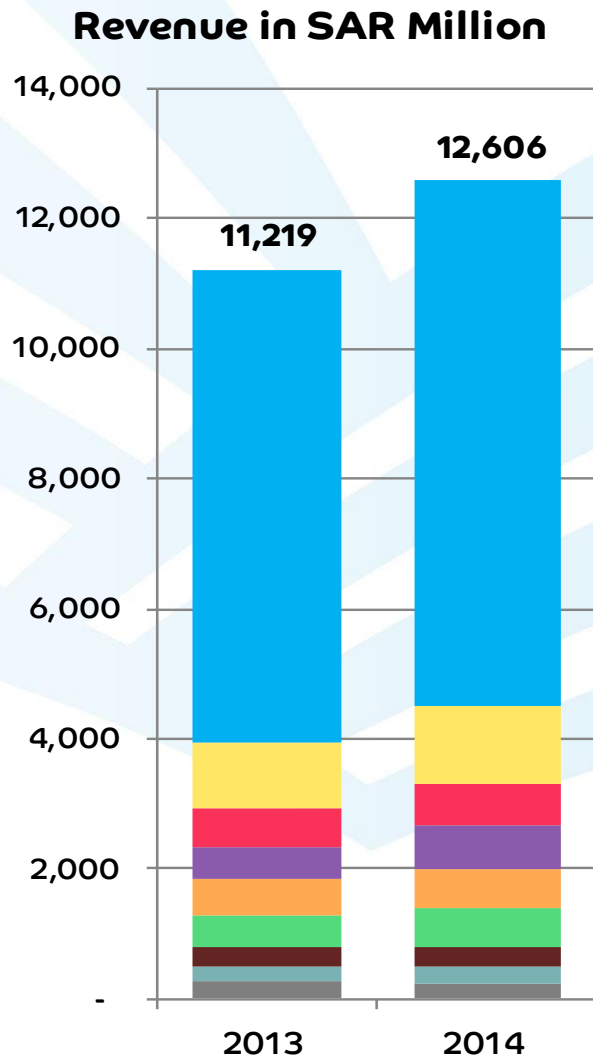
By Geography 2013












By Geography 2014



Sales Analysis by Country – Full Year



	KSA (YoY +11%)
	UAE (YoY +15%)
	Oman (YoY +16%)
	Egypt (YoY +30%)
	Kuwait (YoY +10%)
	Qatar (YoY +23%)
	Jordan (YoY -5%)
	Bahrain (Yoy +14%)
	Others (YoY -10%)
	Total (YoY +12%)

Growth 2014 v 2013	% of Total Growth
830	60%
155	11%
92	7%
151	11%
54	4%
112	8%
(17)	-1%
33	2%
(25)	-2%
1,386	100%

Financial Performance

Strong pipeline of innovation continues in 2014

1st Quarter



2nd Quarter



3rd Quarter



4th Quarter



Segment Reporting

SAR Million	Dairy & Juice	Bakery	Poultry	Other Activities	Almarai Consolidated
Q4 YTD 2014					
Sales	9,942.8	1,532.9	1,022.8	514.3	13,012.7
Third Party Sales	9,901.9	1,532.9	1,022.8	148.0	12,605.6
Depreciation	(913.0)	(161.0)	(298.1)	(81.8)	(1,453.9)
Income / (loss) before NCI	2,009.2	168.3	(397.3)	(96.3)	1,683.9
Total Assets	14,943.9	1,815.7	5,229.8	1,959.5	23,948.9
Return on Sales	20.3%	11.0%	(38.8%)	n.a.	13.4%
Return on Assets	13.4%	9.3%	(7.6%)	(4.9%)	7.0%
Growth versus Q4 YTD 2013					
- Third Party Sales	12.1%	6.1%	29.1%	1.4%	12.4%
- Income / (loss) before NCI	17.8%	20.8%	17.3%	1,595.0%	12.2%
Q4 2014					
Sales	2,636.0	394.3	287.7	111.0	3,429.0
Third Party Sales	2,625.5	394.3	287.7	23.3	3,330.8
Depreciation	(251.5)	(35.9)	(85.6)	(20.7)	(393.6)
Income / (loss) before NCI	462.1	57.9	(72.0)	(22.7)	425.3
Return on Sales	17.6%	14.7%	(25.0%)	(97.4%)	12.8%
Growth versus Q4 2013					
- Third Party Sales	10.7%	(3.8%)	34.1%	608.3%	10.7%

Dairy and Juice:

- Market share in nearly all markets either stable or growing
- Dairy Herd numbers crossed 150,000 mark for the first time.
- In addition to Soya bean and Corn shipment from Fondomonte Argentina, Fondomonte USA started shipping Alfalfa in Q4, 2014.

Bakery:

- Fire incident in Q4 impacted growth for both revenue and profit adversely
- Bread and buns have fueled the growth this year till Q4.
- Focus will be on bakery plant recovery and gain any lost market share speedily.

Poultry:

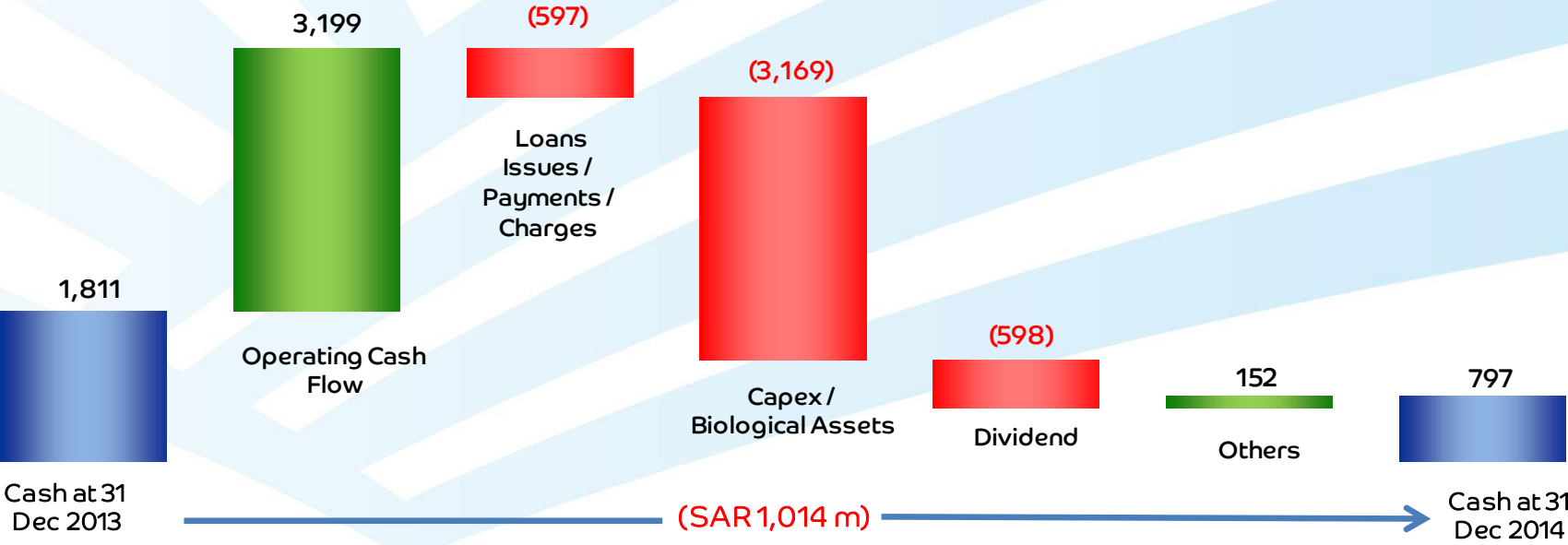
- Bird sales increased to 72M birds from 64M birds last year
- Retail shops served increased to 14K and the investment in fridges has now resulted in 16K fridges under Alyoum
- Plant efficiencies continues to improve each quarter
- Bird supply is improving and stabilised markedly in Q4. The trend is expected to continue in Q1, 2015.

Statement of Income – Full Year 2014

<i>SAR million</i>	<i>4th Quarter</i>			<i>Full Year</i>		
	<i>2014</i>	<i>2013</i>	<i>Change</i>	<i>2014</i>	<i>2013</i>	<i>Change</i>
Sales	3,330.8	3,008.2	10.7%	12,605.6	11,219.2	12.4%
Cost of sales	(2,096.7)	(2,012.7)	4.2%	(8,070.5)	(7,256.5)	11.2%
Gross Profit	1,234.1	995.5	24.0%	4,535.0	3,962.7	14.4%
Selling and Distribution Expenses	(653.9)	(492.1)	32.9%	(2,246.2)	(1,870.5)	20.1%
General and Administration Expenses	(73.3)	(45.2)	62.0%	(338.7)	(295.7)	14.6%
EBIT	506.9	458.2	10.6%	1,950.1	1,796.6	8.5%
Share of Results of Associates / Other Income	0.0	(4.8)	(100.1%)	12.7	(30.0)	(142.5%)
Funding Costs	(73.9)	(70.4)	4.9%	(265.7)	(249.6)	6.4%
Exchange and Currency Gains/(Losses)	17.3	5.9	192.8%	57.8	25.3	128.2%
Income from Main Operations	450.4	388.9	15.8%	1,755.0	1,542.4	13.8%
Zakat and Foreign Income Tax	(25.2)	(13.5)	86.3%	(71.1)	(42.0)	69.3%
Income before Non Controlling Interest	425.3	375.4	13.3%	1,683.9	1,500.4	12.2%
Non Controlling Interest	2.7	(2.2)	n.a	(9.6)	1.8	n.a
Net Income	428.0	373.3	14.7%	1,674.3	1,502.2	11.5%
 Earnings Per Share (Basic)	 0.70	 0.60		 2.72	 2.50	
<i>Net Income %</i>	<i>12.9%</i>	<i>12.4%</i>		<i>13.3%</i>	<i>13.4%</i>	

Investments & Cash Flows

Cash Flow Bridge

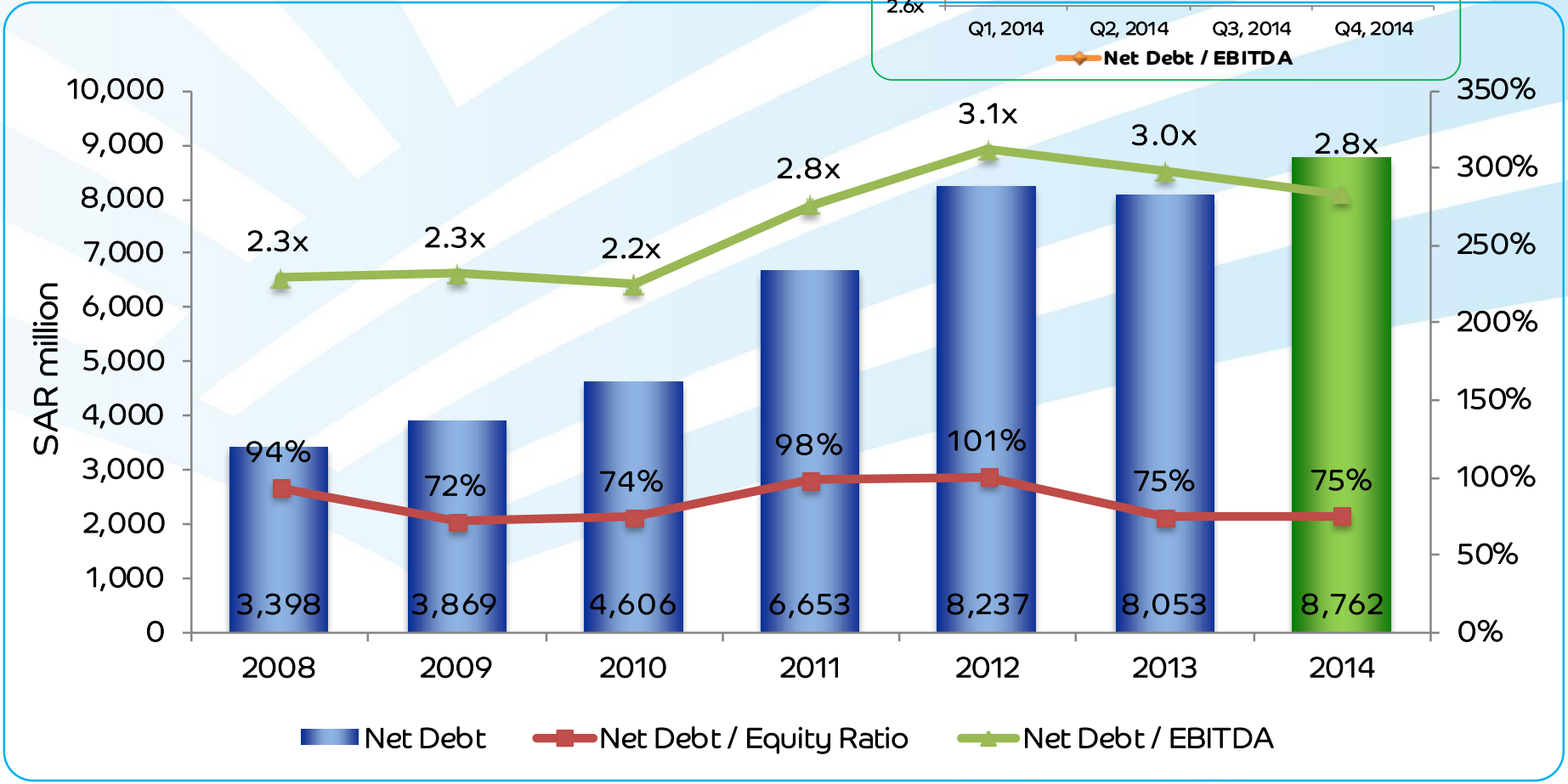


Capex spend slightly below the annual run rate within 5YP guidance...

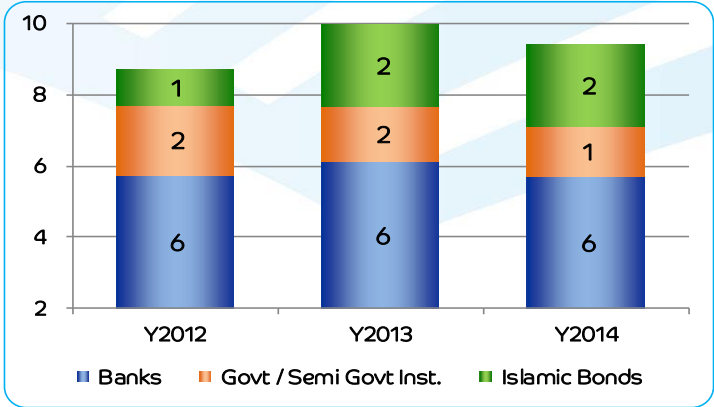
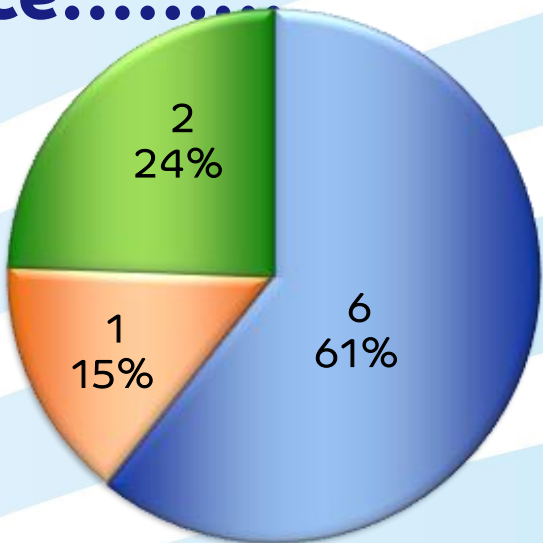
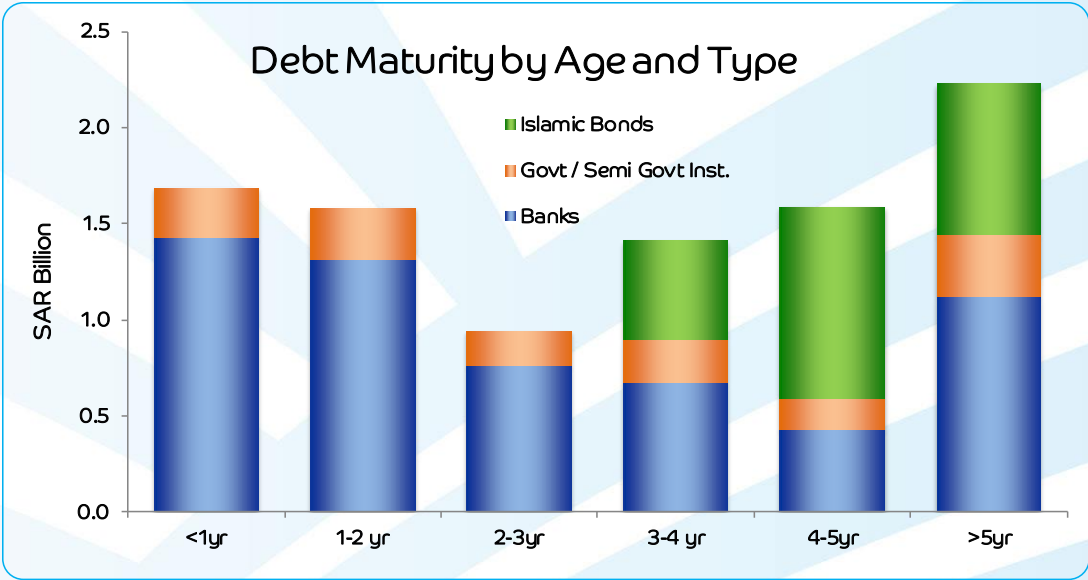
- Capex spend for the four quarters of 2014 was 2.7B SAR which is slightly below our annual run rate of 3.0 to 3.2B SAR stipulated in our total 5 year plan spend of 15.7B.
 - Manufacturing and Farming spent Capex of ~1.2B SAR for various capacity expansion projects.
 - Sales depot and logistics expansion accounted for ~0.6B SAR.
 - Replacement and other capex including IDJ and US land acquisition, accounted for another ~0.5B SAR.
 - Poultry capex spend for the year reached ~ 0.4B SAR.



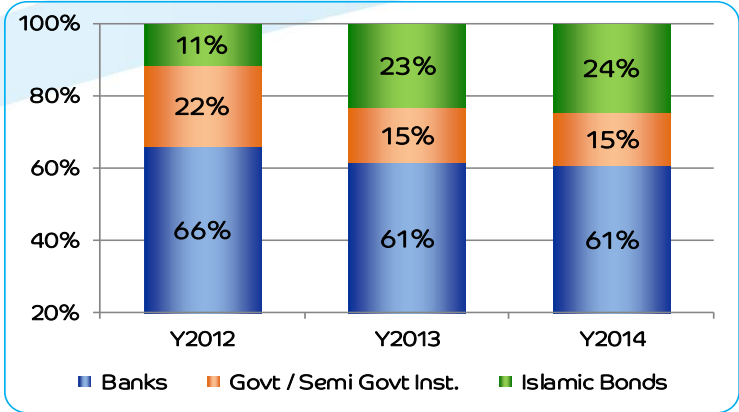
Net Debt



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



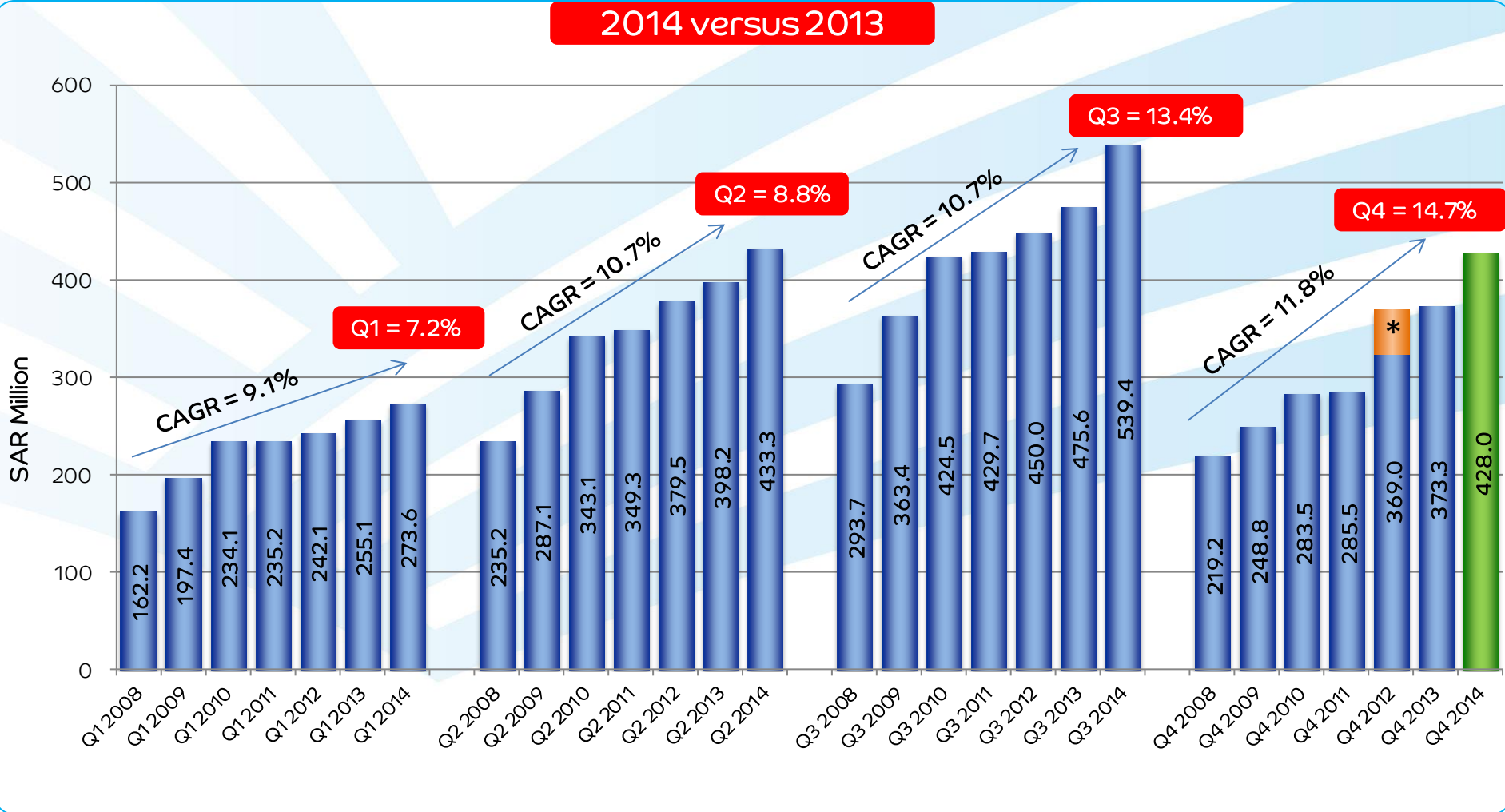
Absolute Value



Percentage

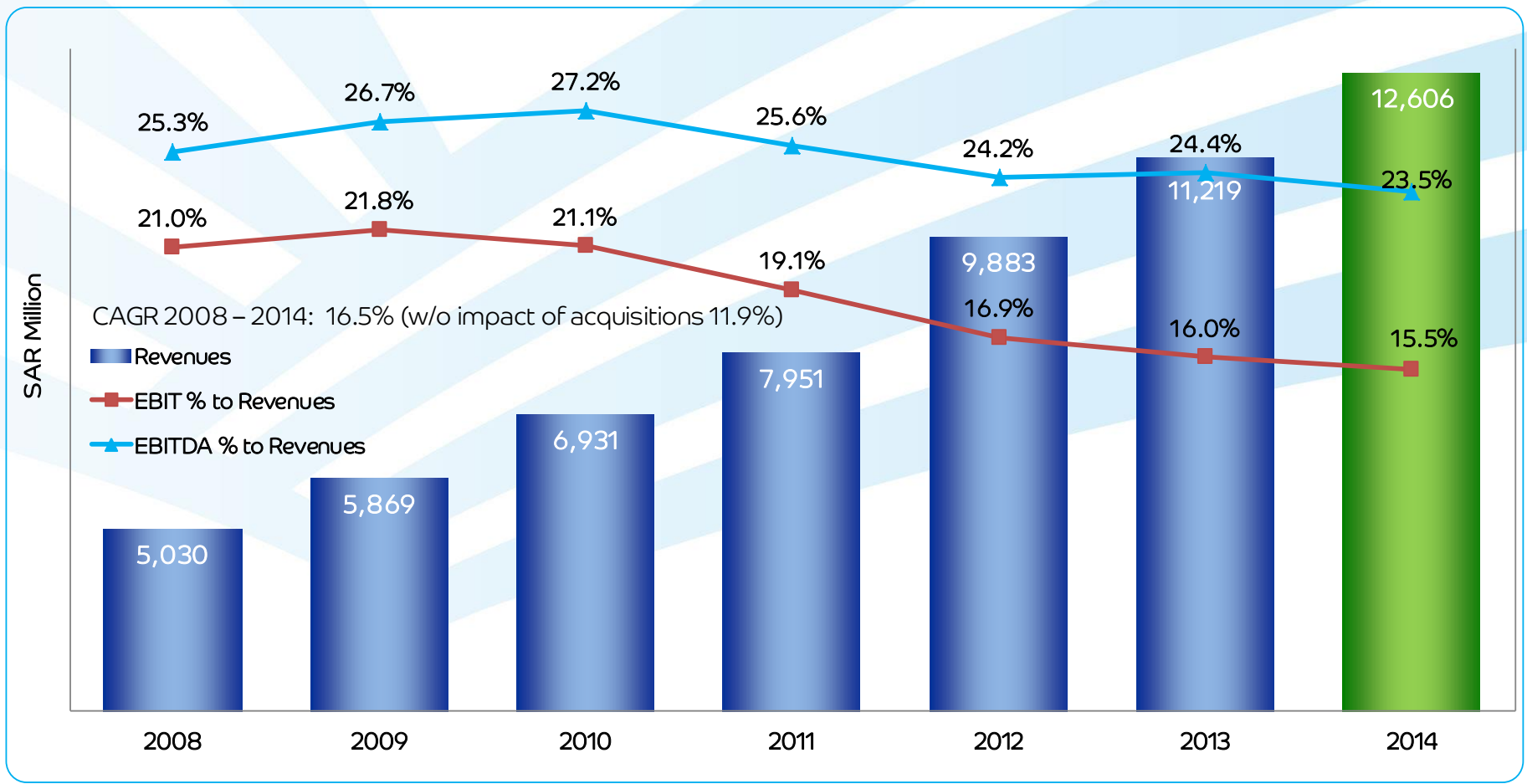
Trend charts

Quarterly Performance – Net Income



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

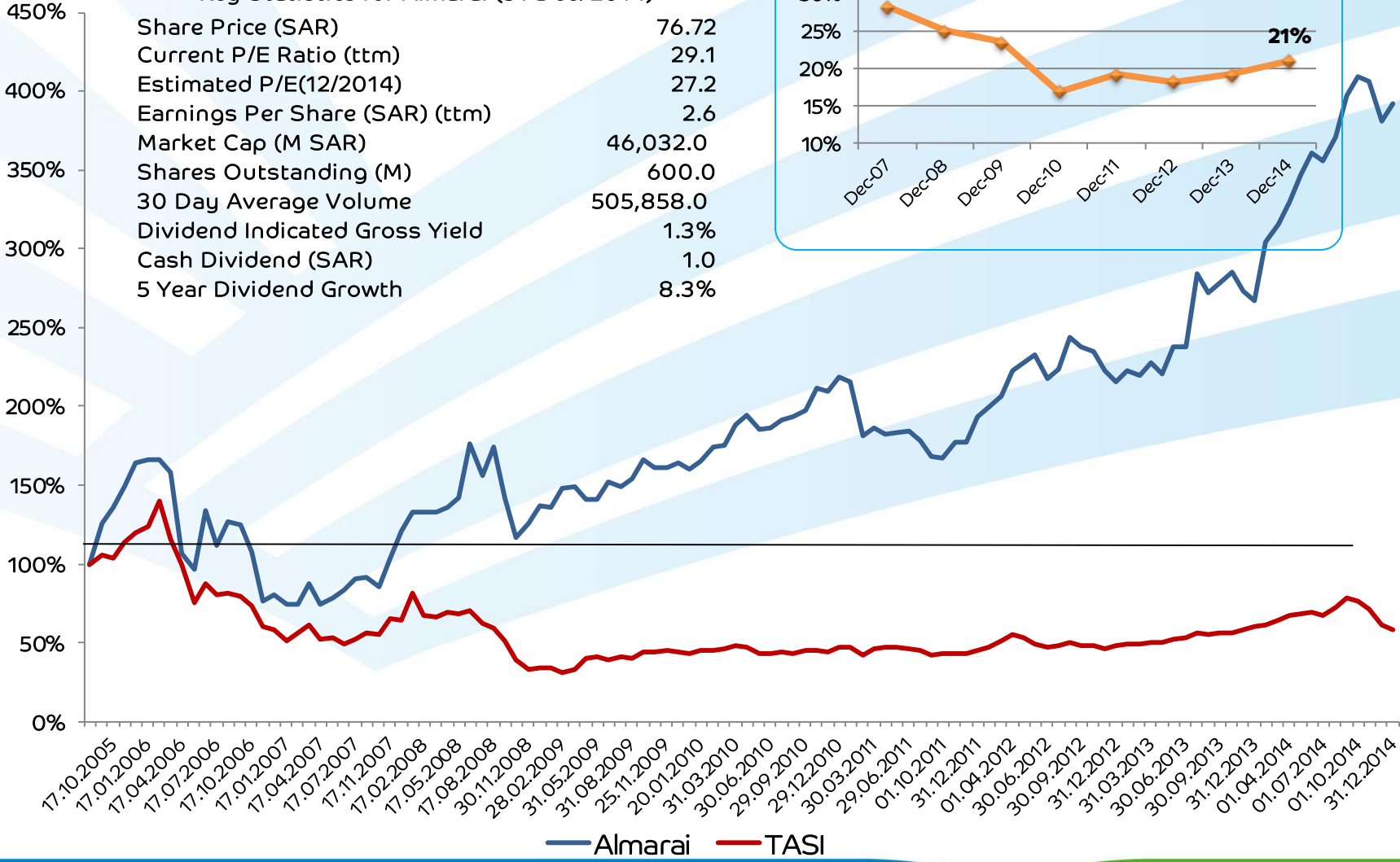
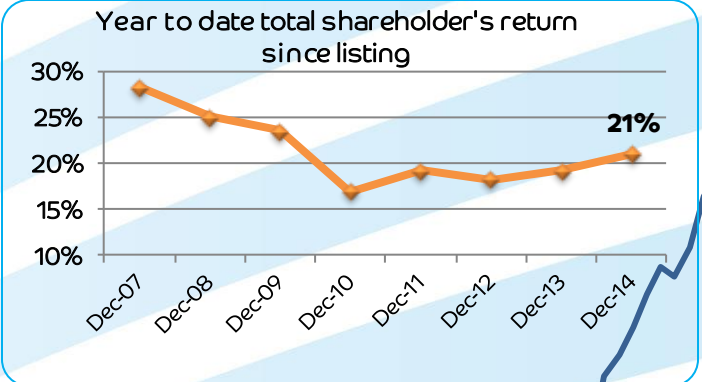
Revenue, EBITDA and EBIT Evolution



Key Share Data

Key Statistics for Almarai (31 Dec. 2014)

Share Price (SAR)	76.72
Current P/E Ratio (ttm)	29.1
Estimated P/E(12/2014)	27.2
Earnings Per Share (SAR) (ttm)	2.6
Market Cap (M SAR)	46,032.0
Shares Outstanding (M)	600.0
30 Day Average Volume	505,858.0
Dividend Indicated Gross Yield	1.3%
Cash Dividend (SAR)	1.0
5 Year Dividend Growth	8.3%



Thank you



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