



Quality you can trust



Earnings Presentation

Q3 - 2023

5th October 2023

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. We do not 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.

Q3
2023

Earnings
Presentation

Market Dynamics

Financial Performance

Appendix

Business Performance

Question & Answer

Market Dynamics

Q3 | Earnings
2023 | Presentation

3rd Quarter Innovation Pipeline 2023



Whilst Almarai maintaining Market Share Leadership in KSA

Category	Almarai Value Share %			Almarai Rank Aug-23
	Dec-21	Dec-22	Aug-23	
Dairy	51	50	49	1
Food	35	32	30	1
Juice	47	46	44	1
Bakery	55	56	55	1
Poultry (Fresh Chicken)	34	35	36	1



Business Performance

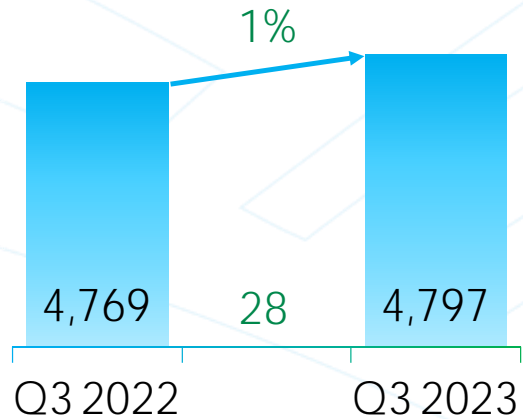
Q3 | Earnings
2023 | Presentation

Q3 2023 Key highlights

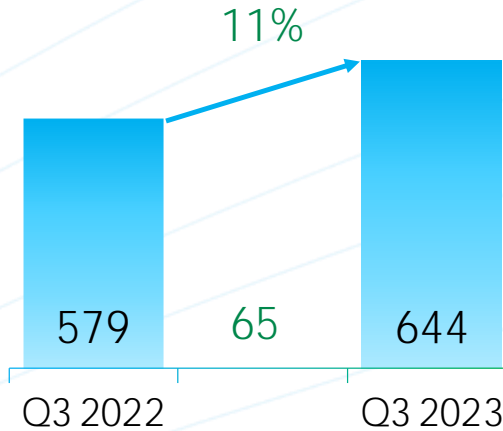
SAR Million

P&L Highlights

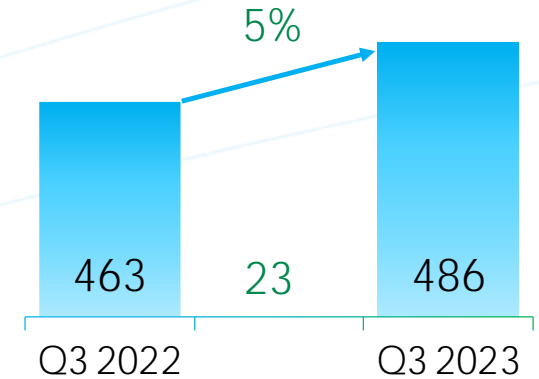
Revenue



Operating Profit

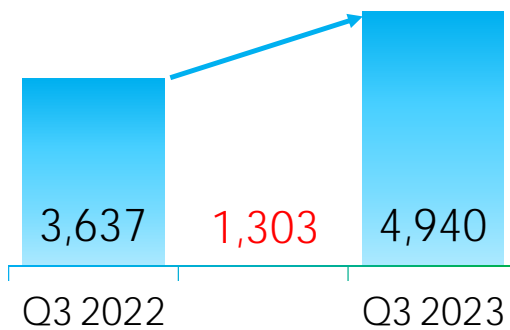


Net Income

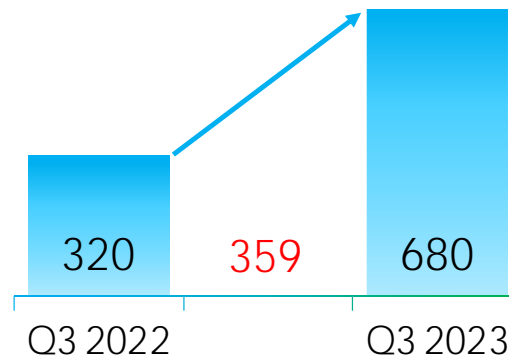


BS & CF Highlights

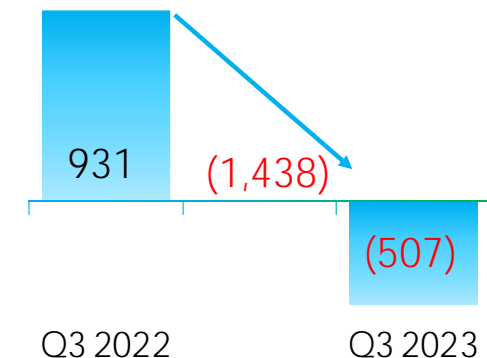
Working Capital



CAPEX



Free Cash Flow



P&L – Profit and Loss Statement

BS – Balance Sheet

CF – Cash Flow

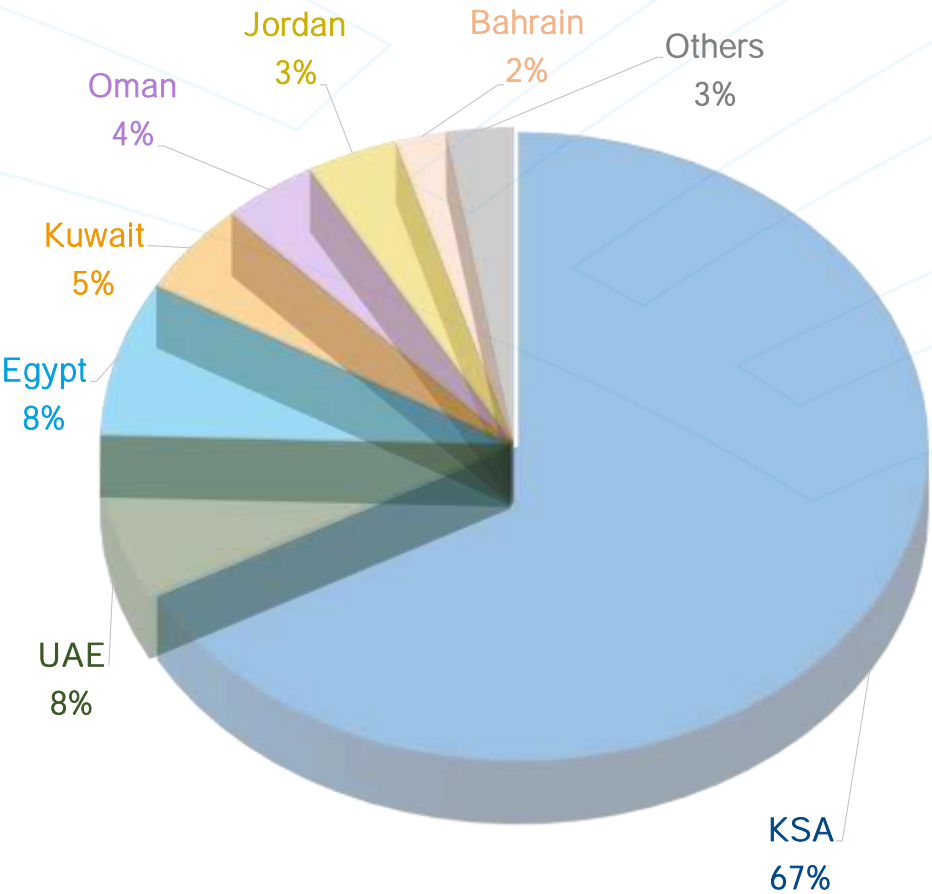
YoY% / (YoY%)

Earnings Presentation – Q3 2023

Strong growth in core markets of KSA and GCC countries

SAR Million

Q3 2023 Revenue is SAR 4,797 M with a total growth of SAR 28 M or 1%

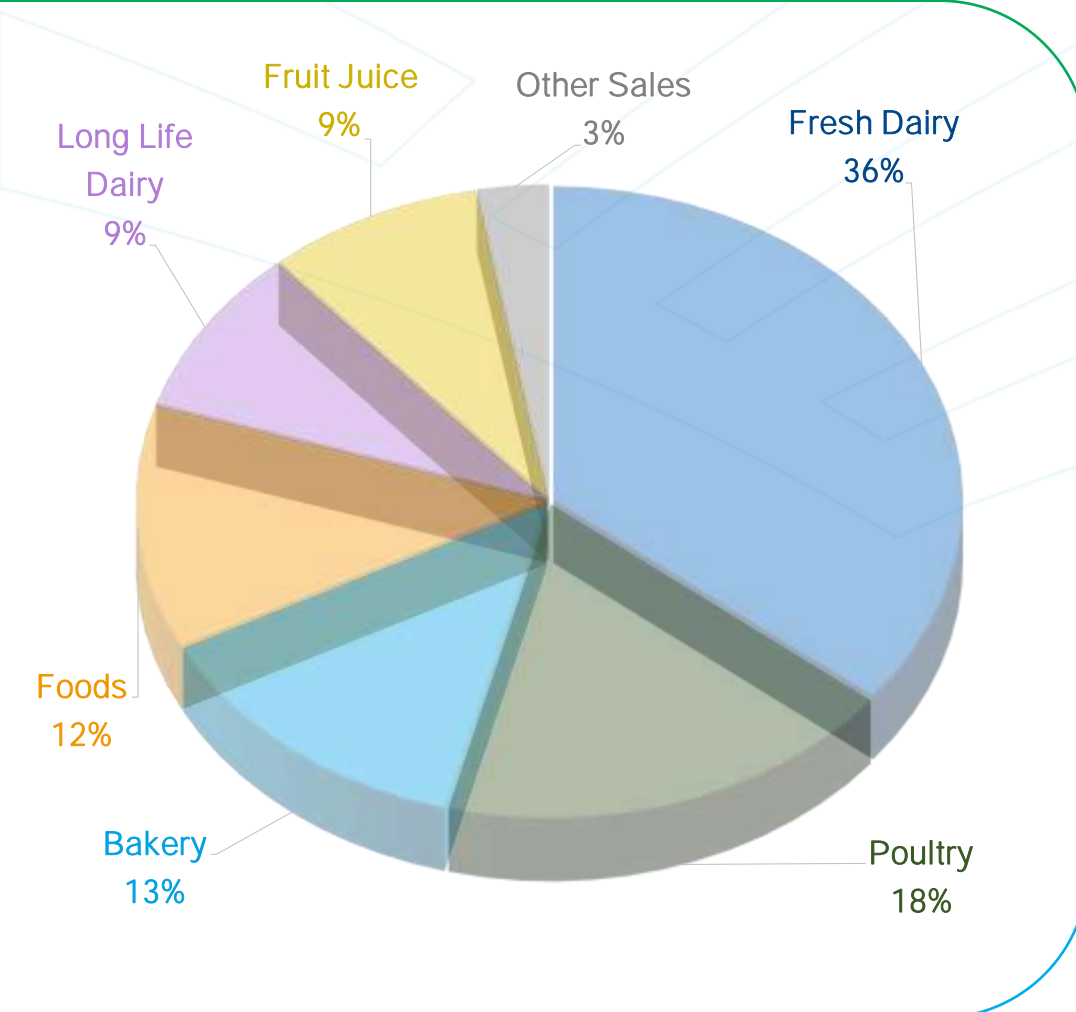


Country	Current Performance		Q3 2022 Growth
	Growth	Growth %	
KSA	191	6%	22%
UAE	7	2%	20%
Oman	6	3%	15%
Kuwait	5	2%	15%
Bahrain	3	3%	7%
Jordan	(19)	(10%)	27%
Egypt	(42)	(10%)	15%
Others	(122)	(49%)	29%
Total	28	1%	21%

... driven by Fresh Dairy, Poultry, Foods and Bakery

SAR Million

Q3 2023 Revenue is SAR 4,797 M with a total growth of SAR 28 M or 1%

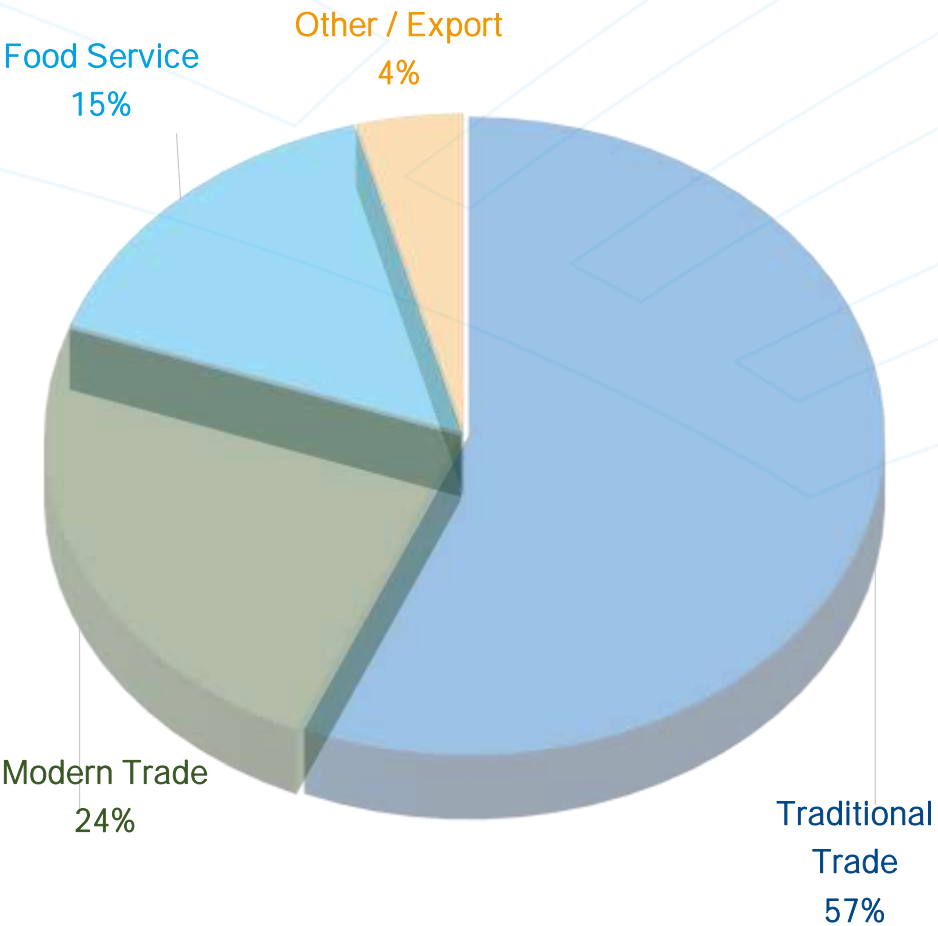


Product	Current Performance		Q3 2022 Growth
	Growth	Growth %	
Fresh Dairy	151	10%	16%
Poultry	100	13%	43%
Foods	31	5%	12%
Bakery	25	4%	32%
Fruit Juice	(70)	(15%)	9%
Long Life Dairy	(105)	(20%)	26%
Other Sales	(103)	(43%)	13%
Total	28	1%	21%

...and growth observed in all channels

SAR Million

Q3 2023 Revenue is SAR 4,797 M with a total growth of SAR 28 M or 1%



Channel	Current Performance		Q3 2022 Growth
	Growth	Growth %	
Traditional Trade	97	4%	21%
Modern Trade	31	3%	13%
Food Service	5	1%	33%
Other / Export	(105)	(34%)	19%
Total	28	1%	21%

The image shows the exterior of a modern, multi-story building with a light-colored stone or concrete facade. Large glass windows and doors are visible. Two men in traditional white thobes and red-and-white checkered ghutras are walking down a set of stairs in the foreground. The Almarai logo, featuring a stylized green and blue bird-like graphic above the word 'Almarai' in Arabic and English, is prominently displayed on the building's facade.

المراعي
Almarai

The Almarai logo is located in the top right corner. It consists of a stylized graphic of a bird or a fan with green and blue segments, followed by the word 'المراعي' in Arabic and 'Almarai' in English.

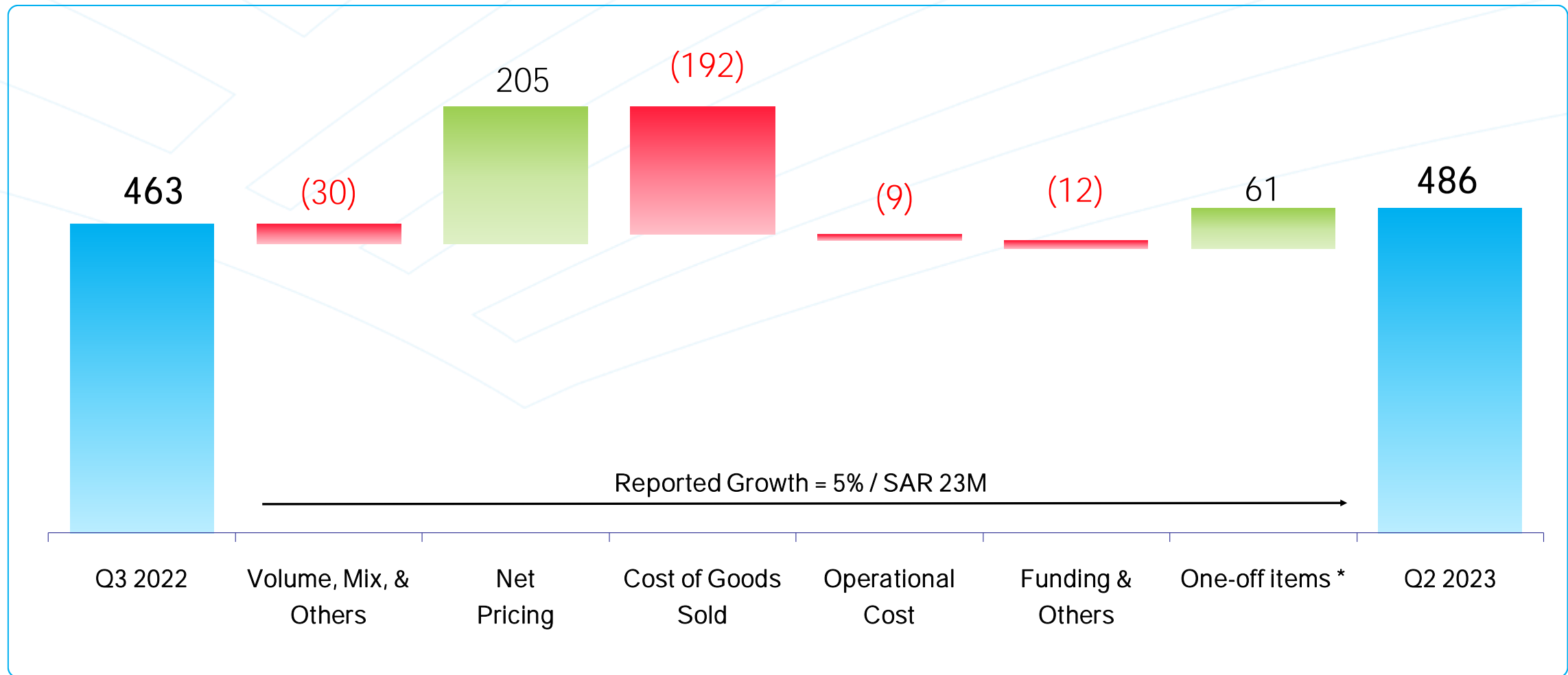
المراعي
Almarai

Financial Performance

Q3 | Earnings
2023 | Presentation

Q3 2023 Net Income Bridge

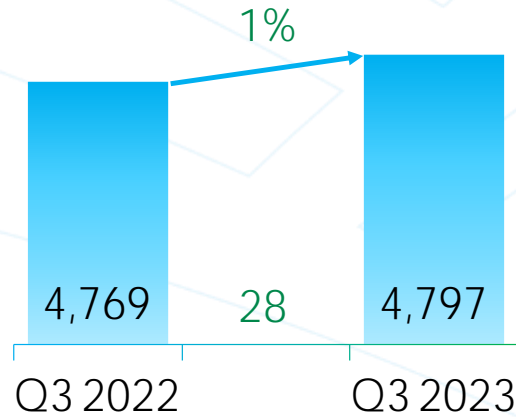
SAR Million



* Food security support in current year & investment write-off in last year

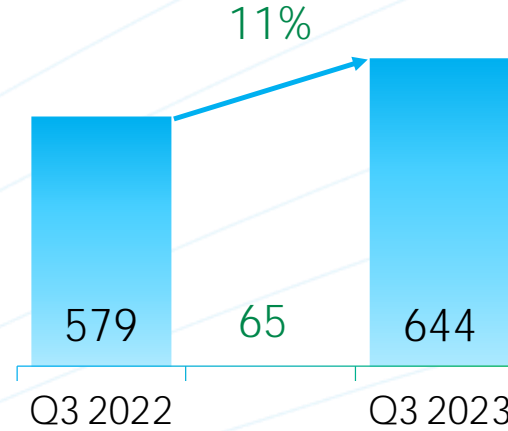
Q3 2023 Financial Performance

Revenue



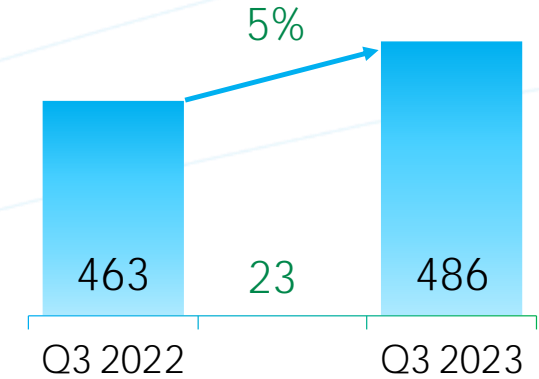
- ❖ Core GCC markets continued their positive momentum from prior quarters in Q3, led by KSA.
- ❖ Growth rate was the highest for Poultry category, followed by fresh dairy
- ❖ Negative impact of EGP devaluation and lower alfalfa sales from USA, reduced the group growth rate by 4%.

Operating Profit



- ❖ Key dairy and feed commodities purchase prices remained stable, however higher inventory cover will result in this benefit to be realized later
- ❖ In addition, strong overhead cost control contributed significantly towards higher operating profit growth

Net Income

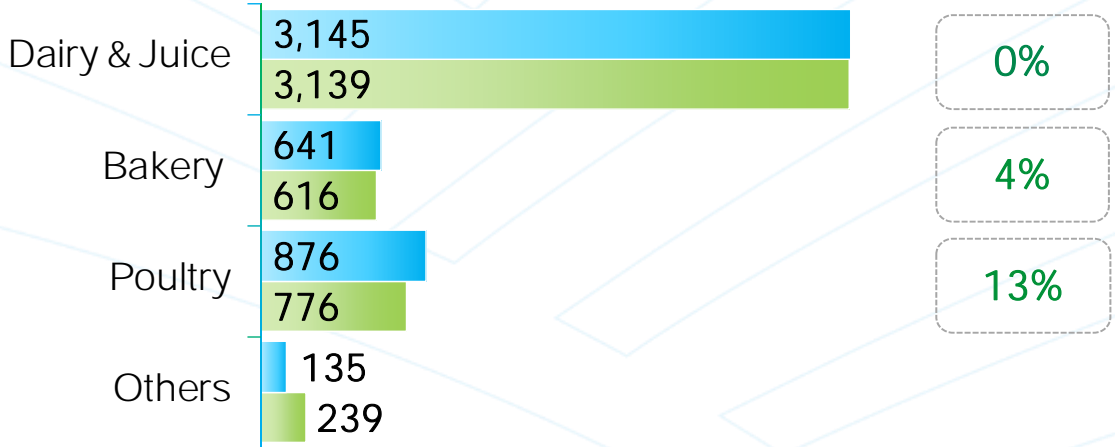


- ❖ Funding cost increased in line with current increase in SAIBOR interest rates, reduced partly by existing fixed debt portfolio.
- ❖ Zakat and income tax expense are higher than last year due to a one-off benefit recorded in 2022 after prior year zakat settlement

Q3 2023 Results by Segment

SAR Million

Revenue by Segment



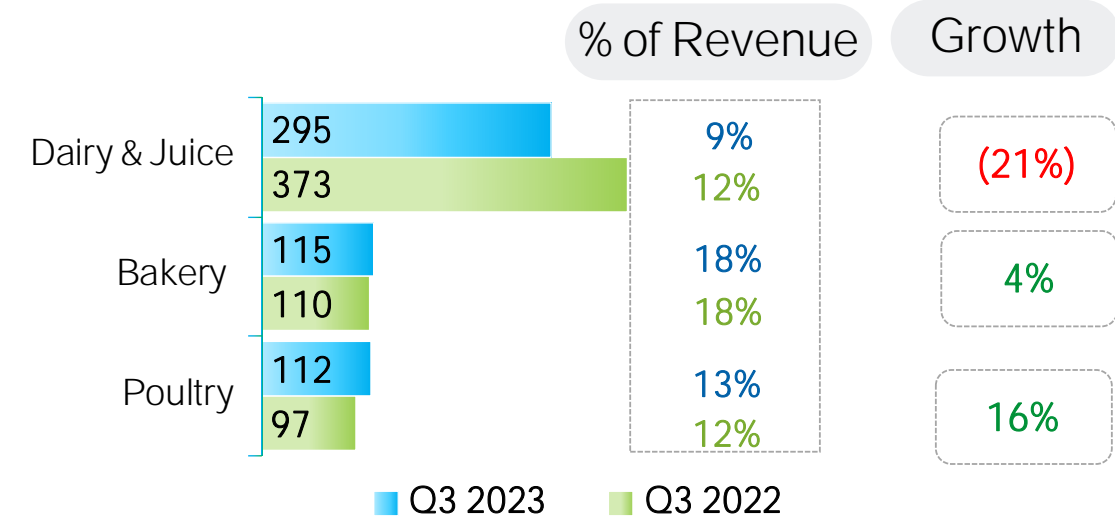
Dairy & Juice

- ❖ Revenue growth was adversely affected by Egypt devaluation and lower export sales
- ❖ Additional marketing investments to increase consumer awareness
- ❖ Higher inventory cover will result in delayed release of stable commodity prices

Bakery

- ❖ Continued growth of both bread and single serve product sales resulted in higher profit growth

Net Profit Margin By Segment



Poultry

- ❖ Volume growth remains high driven by additional capacity.
- ❖ Strong cost control at Farm and Operations level continue to assist strong profit growth

YoY% / (YoY%)



Business Performance
YTD

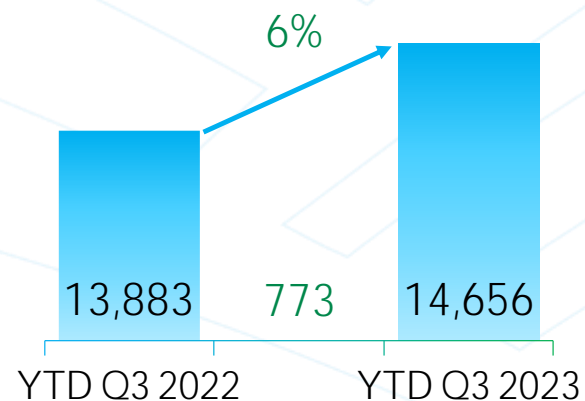
Q3 | Earnings
2023 | Presentation

YTD Q3 2023 Key highlights

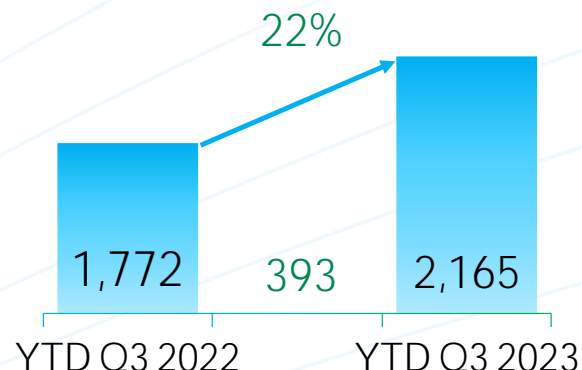
SAR Million

P&L Highlights

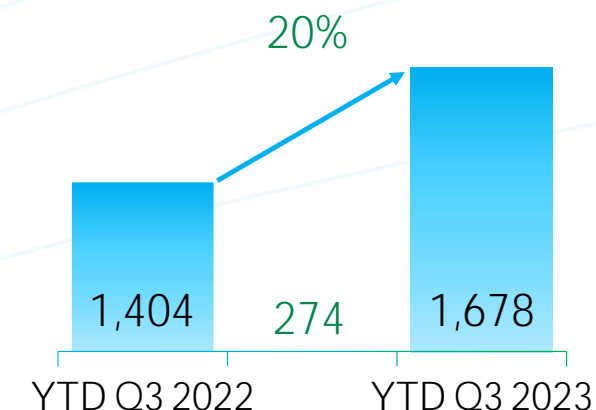
Revenue



Operating Profit

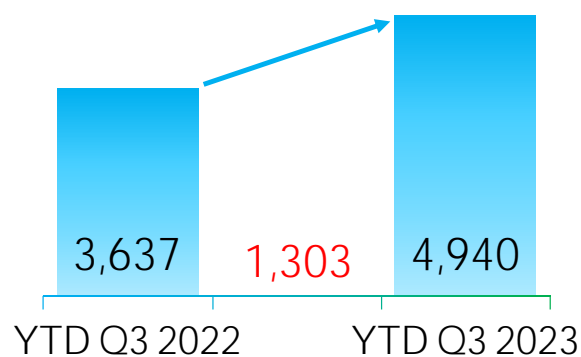


Net Income

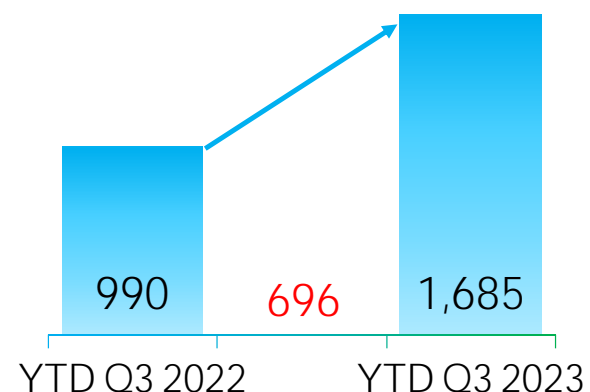


BS & CF Highlights

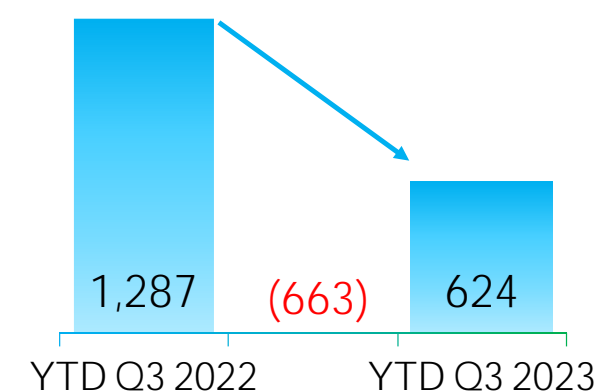
Working Capital



CAPEX



Free Cash Flow



P&L – Profit and Loss Statement

BS – Balance Sheet

CF – Cash Flow

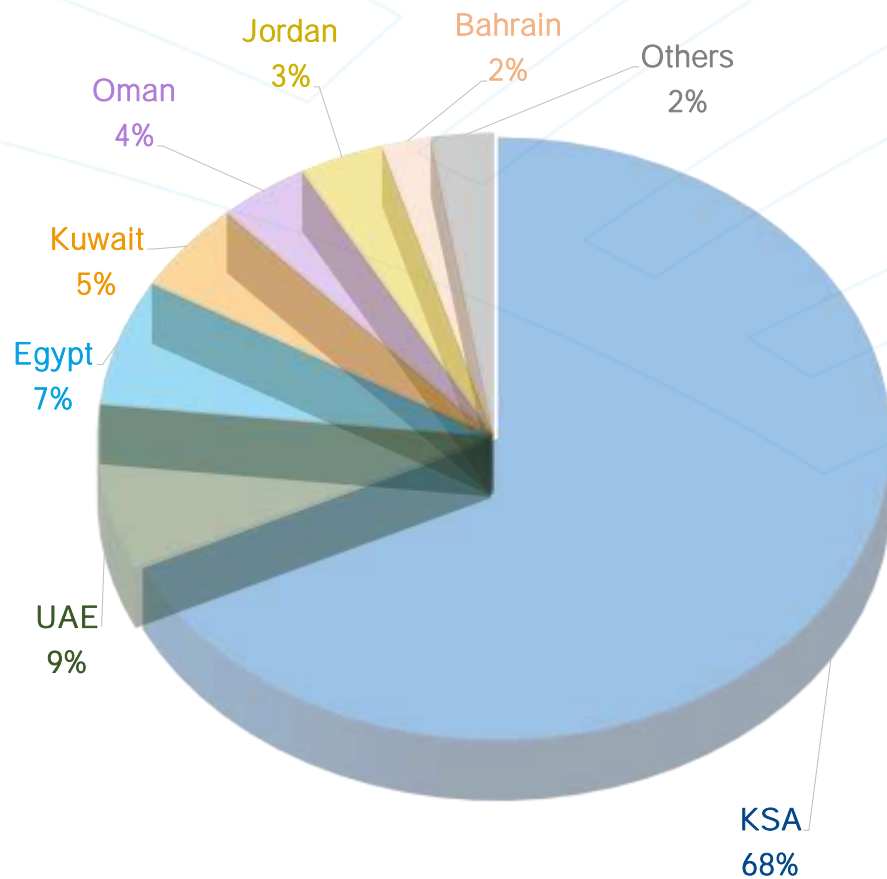
YoY% / (YoY%)

Earnings Presentation – Q3 2023

...Growth in all countries except Egypt

SAR Million

YTD Q3 2023 Revenue is SAR 14,656 M with a total growth of SAR 773 M or 6%

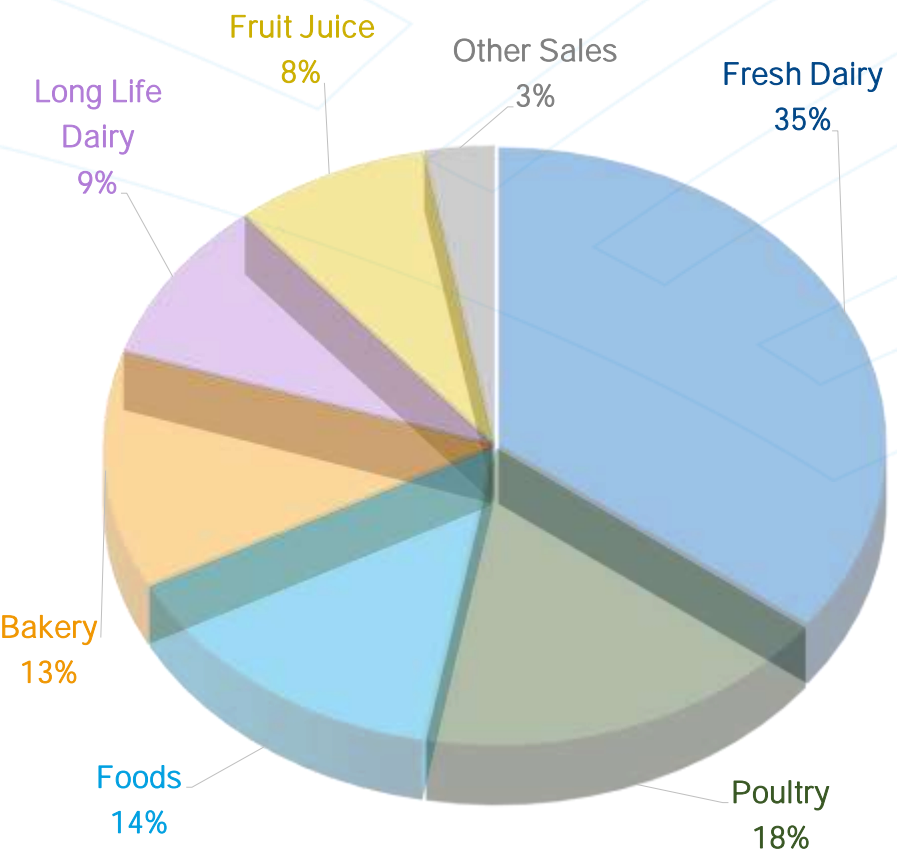


Country	Current Performance		YTD Q3 2022 Growth
	Growth	Growth %	
KSA	936	10%	20%
UAE	71	6%	24%
Oman	42	8%	13%
Kuwait	41	6%	13%
Bahrain	11	4%	12%
Jordan	2	0%	28%
Egypt	(133)	(12%)	18%
Others	(198)	(34%)	20%
Total	773	6%	20%

... driven by growth across all product categories except long-life and fruit juice

SAR Million

YTD Q3 2023 Revenue is SAR 14,656 M with a total growth of SAR 773 M or 6%

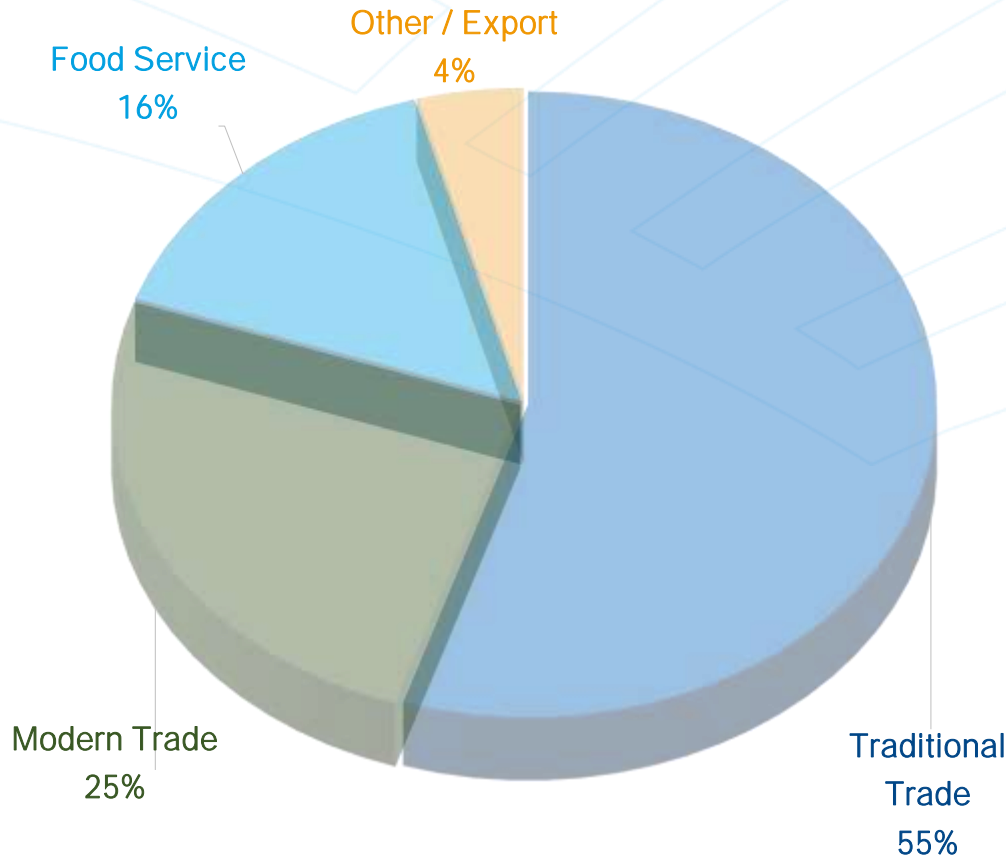


Product	Current Performance		YTD Q3 2022
	Growth	Growth %	Growth
Fresh Dairy	403	8%	14%
Poultry	401	19%	31%
Foods	163	8%	14%
Bakery	129	7%	39%
Fruit Juice	(52)	(4%)	10%
Long Life Dairy	(134)	(9%)	20%
Other Sales	(139)	(25%)	19%
Total	773	6%	20%

...and growth in all channels with Food service leading the growth

SAR Million

YTD Q3 2023 Revenue is SAR 14,656 M with a total growth of SAR 773 M or 6%



Channel	Current Performance		YTD Q3 2022 Growth
	Growth	Growth %	
Traditional Trade	366	5%	20%
Food Service	281	14%	32%
Modern Trade	229	7%	12%
Other / Export	(102)	(14%)	24%
Total	773	6%	20%

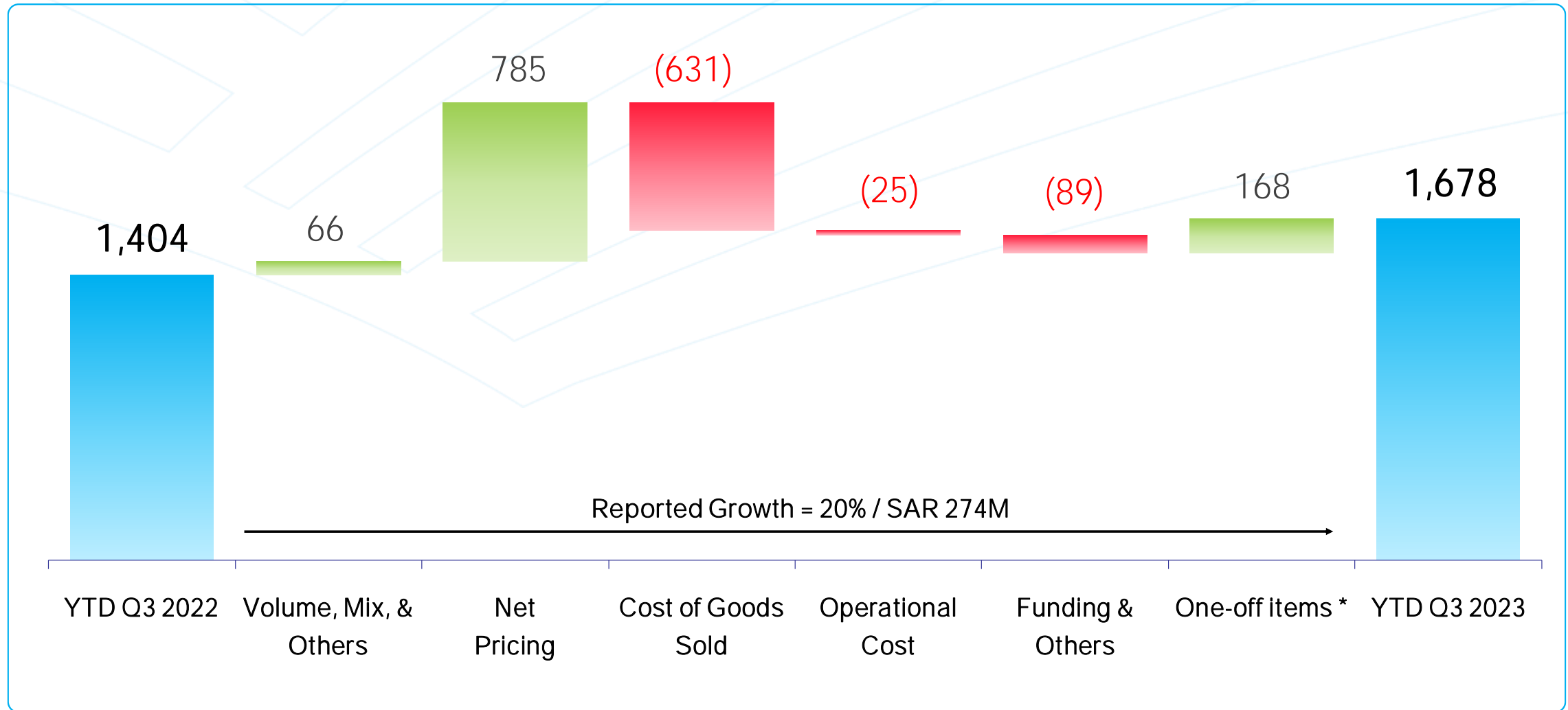
YoY% / (YoY%)

Financial Performance
YTD

Q3 Earnings
2023 Presentation

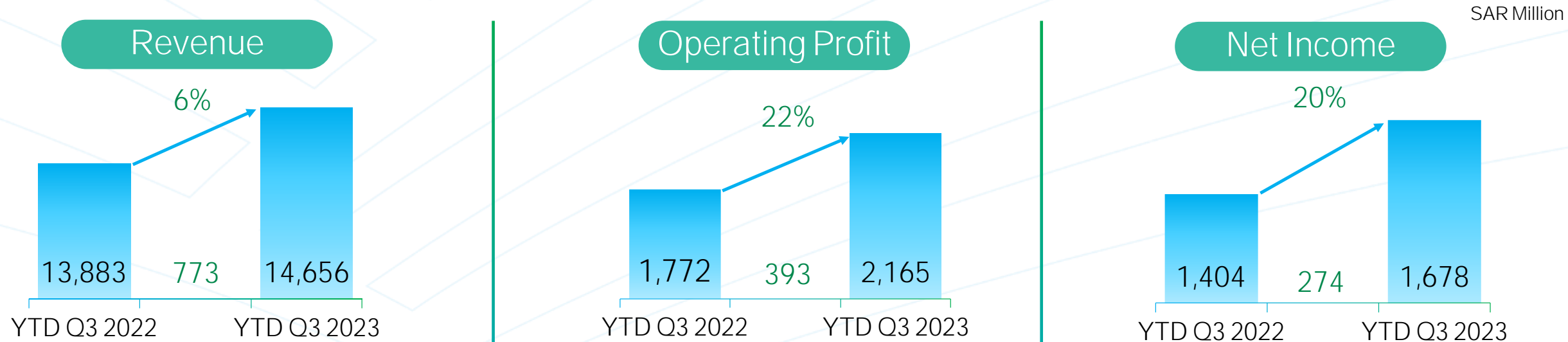
YTD Q3 2023 Net Income Bridge

SAR Million



* Food security support in current year & investment write-off in last year

YTD Q3 2023 Financial Performance



- ❖ Positive revenue growth in all 3 quarters of 2023 result in 6% growth for the company, led by core categories in GCC countries.
- ❖ Poultry delivered the highest growth % and Fresh dairy delivered the highest growth in absolute terms.
- ❖ EGP devaluation and lower commodity exports reduced revenue growth by nearly 3% at group level

- ❖ Purchase prices of key dairy and feed commodities have shown signs to stabilization however higher inventory cover will result in this benefit to be realized later
- ❖ Strong overhead cost control has continued to support the increase in operating profit margin

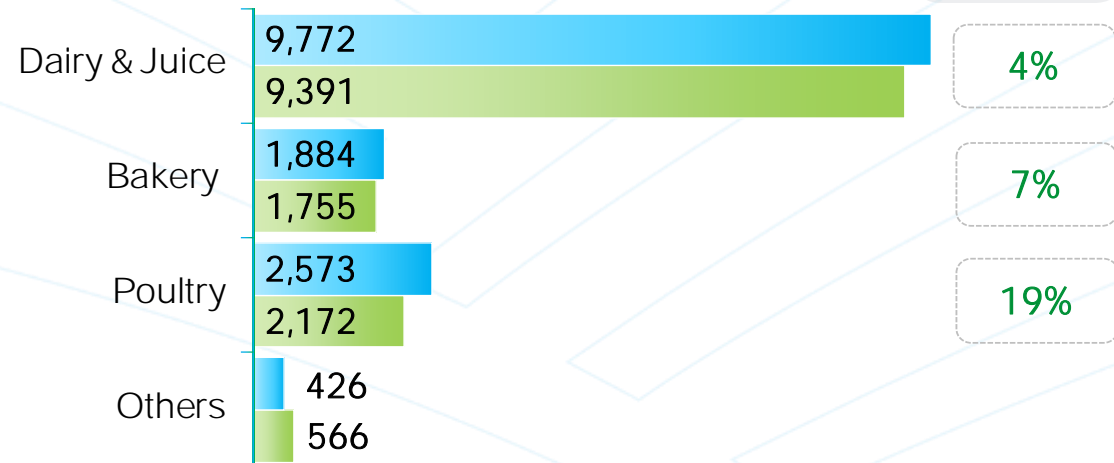
YoY% / (YoY%)

- ❖ Funding cost increased in line with current increase in SAIBOR interest rates, reduced partly by existing fixed debt portfolio.
- ❖ Zakat expenses are higher than last year due to a one-off gain on zakat settlement in year 2022
- ❖ Purchase of IDJ shares in Q1 2023 is resulting in higher net income, driven by improved performance of IDJ at net income level.

YTD Q3 2023 Results by Segment

SAR Million

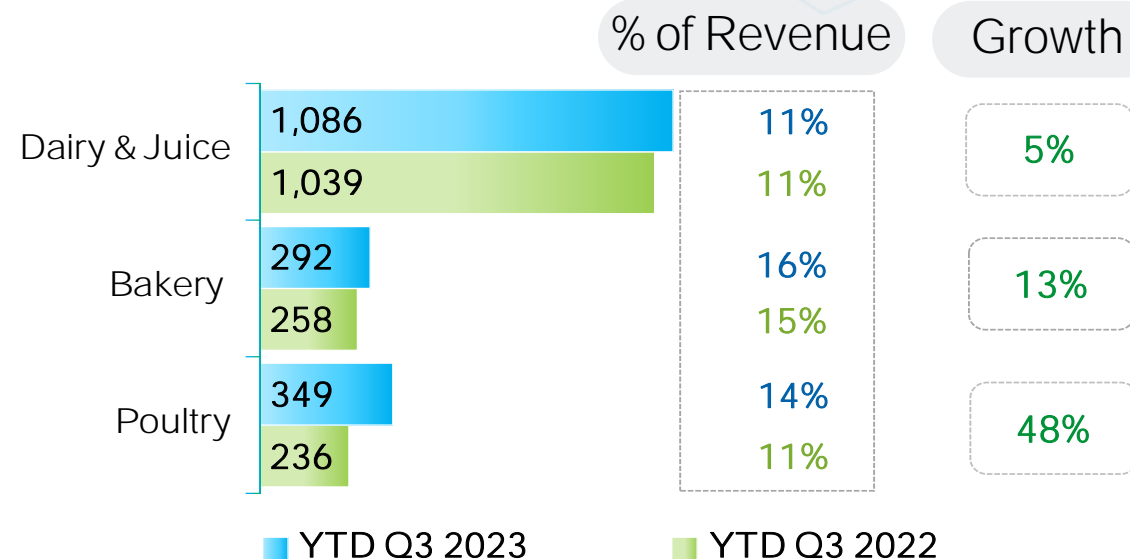
Revenue by Segment



Dairy & Juice

- ❖ Revenue growth reflected strong momentum in GCC countries
- ❖ EGP devaluation continues to impact top line growth, however improved performance at net income level is contributing to the bottom line
- ❖ Higher inventory cover will result in delayed release of stable commodity prices
- ❖ Operating cost control remains strong within the segment as well as across Almarai.

Net Profit Margin By Segment



Bakery

- ❖ Higher revenue growth is resulting in achieving an even better net profit growth due to economies of scale.

Poultry

- ❖ Volume growth remains high driven by additional capacity.
- ❖ Strong cost control, improved economies of scale and focused operational performance is resulting in higher net profit margin

YoY% / (YoY%)

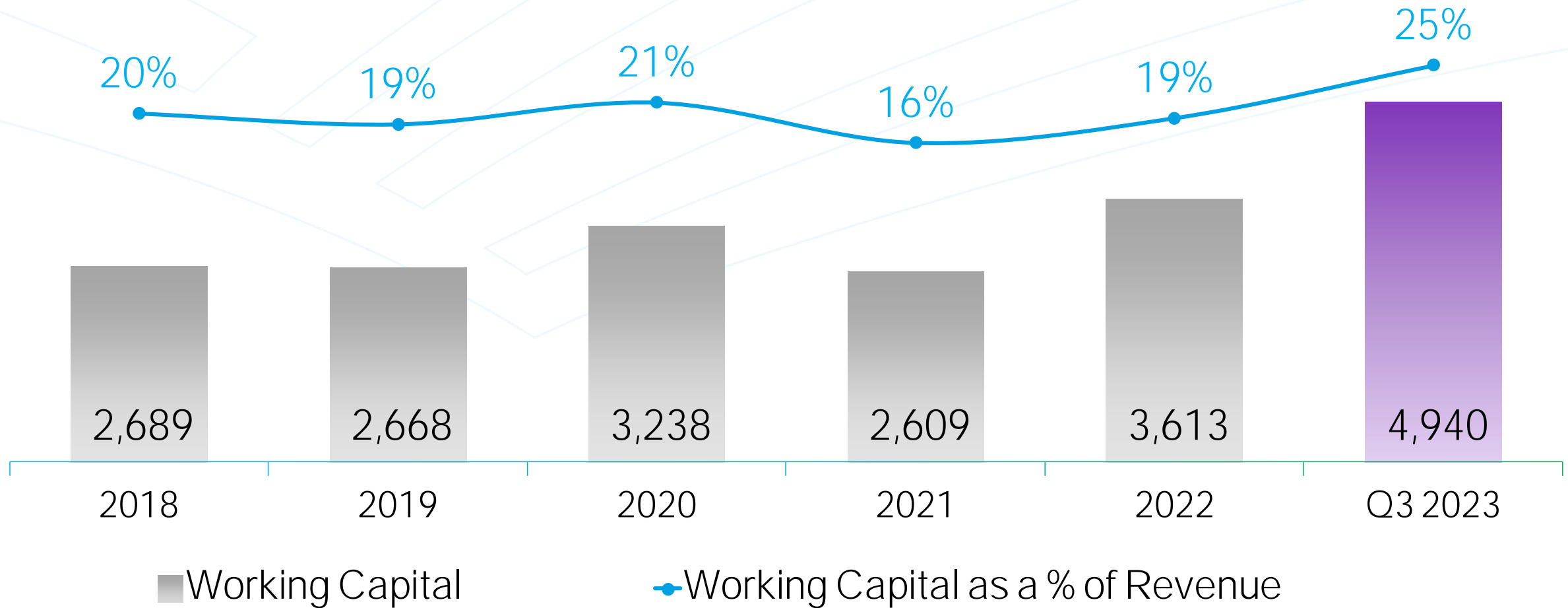
Financial Performance -
Other Information

Q3 | Earnings
2023 | Presentation

Working Capital increased due to strategic inventory purchases

SAR Million

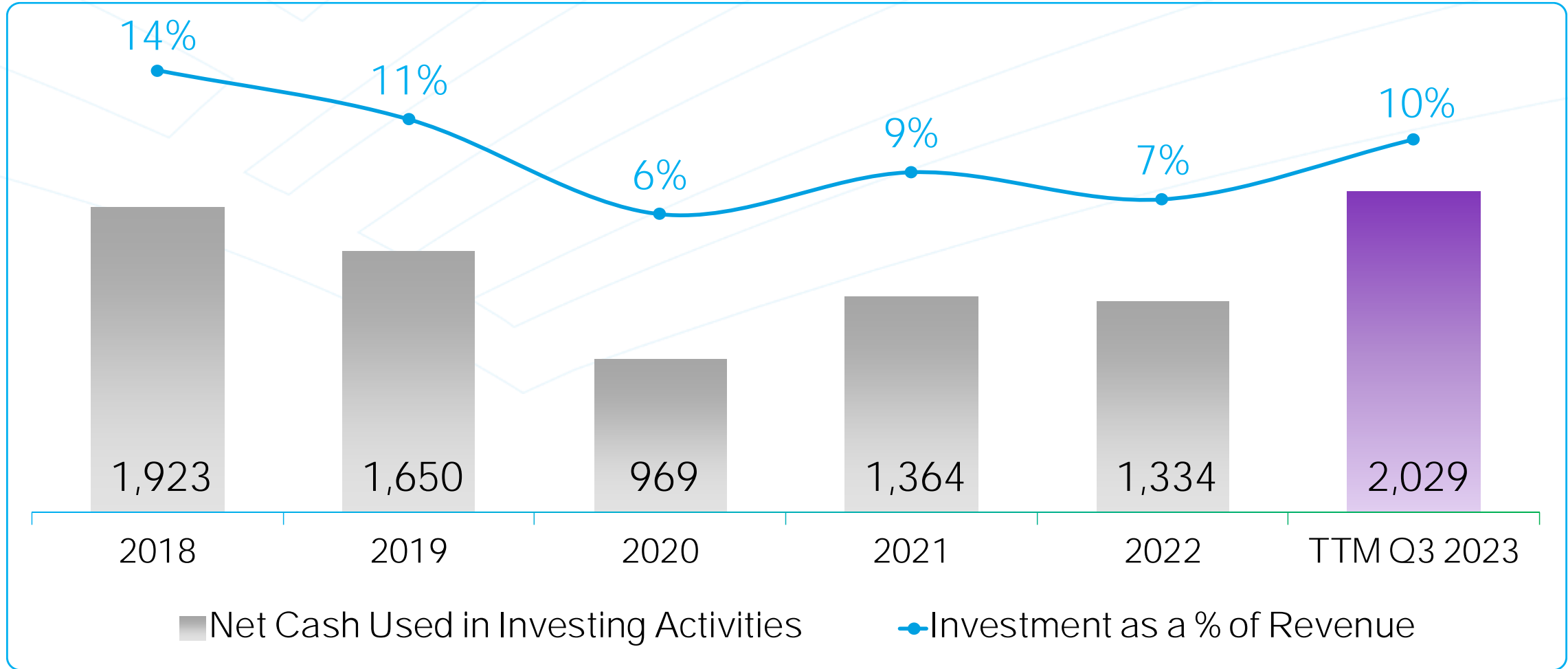
Working Capital - 2018 to Q3 2023



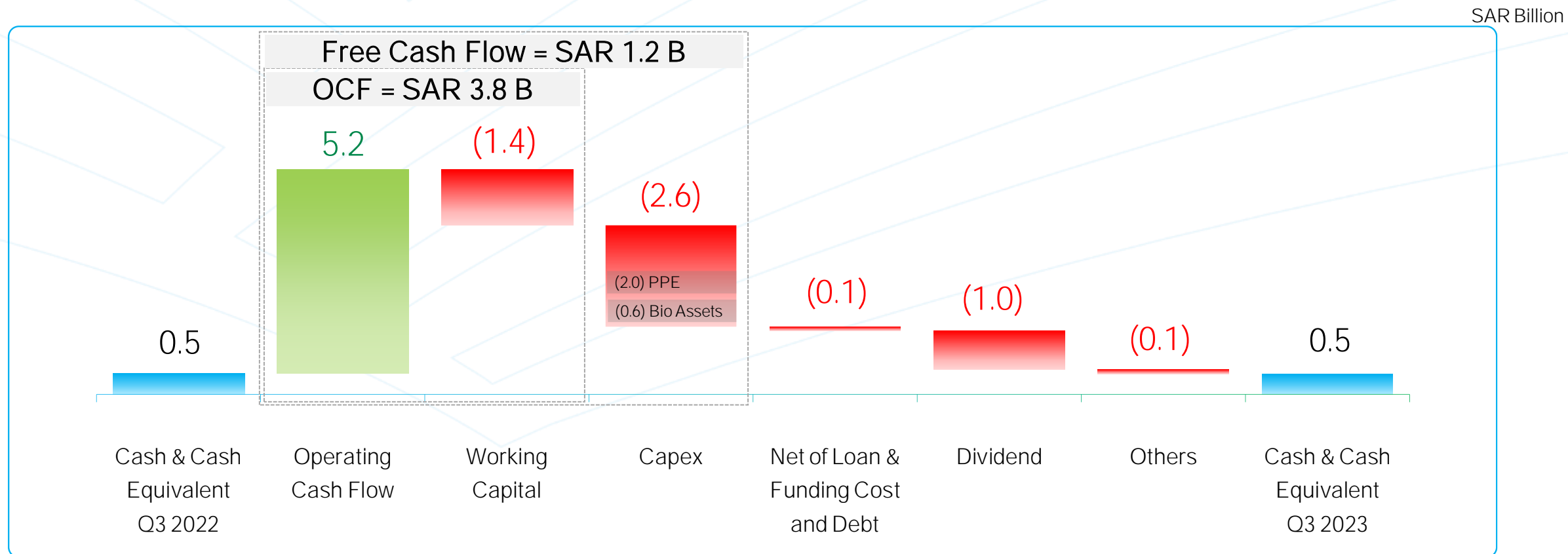
CAPEX starting to rise in line with long term capex deployment plan

SAR Million

Capital Investment - 2018 to TTM Q3 2023



Free Cash Flow – Rolling 12 months



Total 12 months 2023 (Q3 2023) Free Cash Flow = SAR 1.2 Billion

- ❖ OCF: SAR +3.8 BillionStrong business performance, affected by one off increase in working capital due to strategic inventory purchases
- ❖ ICF: SAR -2.6 Billion and is in line with the expansionary capex cycle announced earlier by Almarai

Available facilities at end of year 2022 amounted to SAR 6.0B (Available facilities at end of year 2021 amounted to 6.5B).

OCF – Operating Cash Flow ICF – Investing Cash Flow FCF – Free Cash Flow

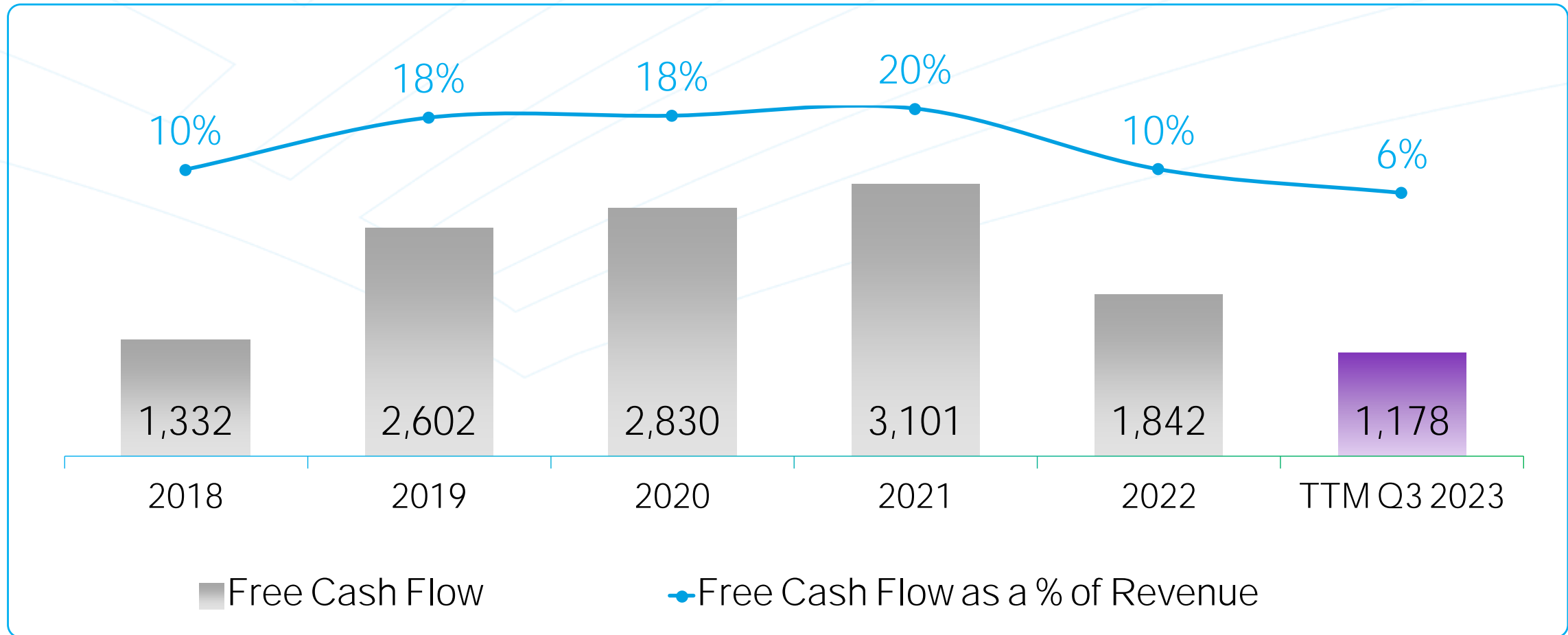
YoY% / (YoY%)

Earnings Presentation – Q3 2023

Free Cash Flow is impacted due to working capital movement

SAR Million

Free Cash Flow 2018 to TTM Q3 2023

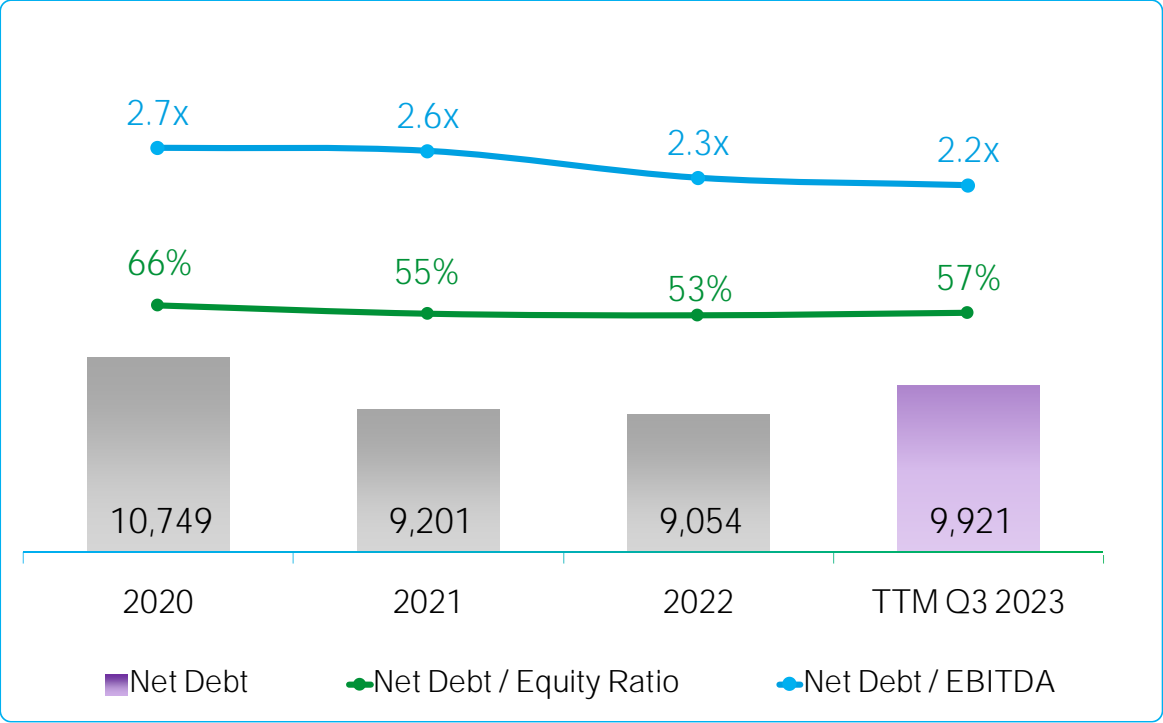


Net Debt to EBITDA continues to trend lower and.....

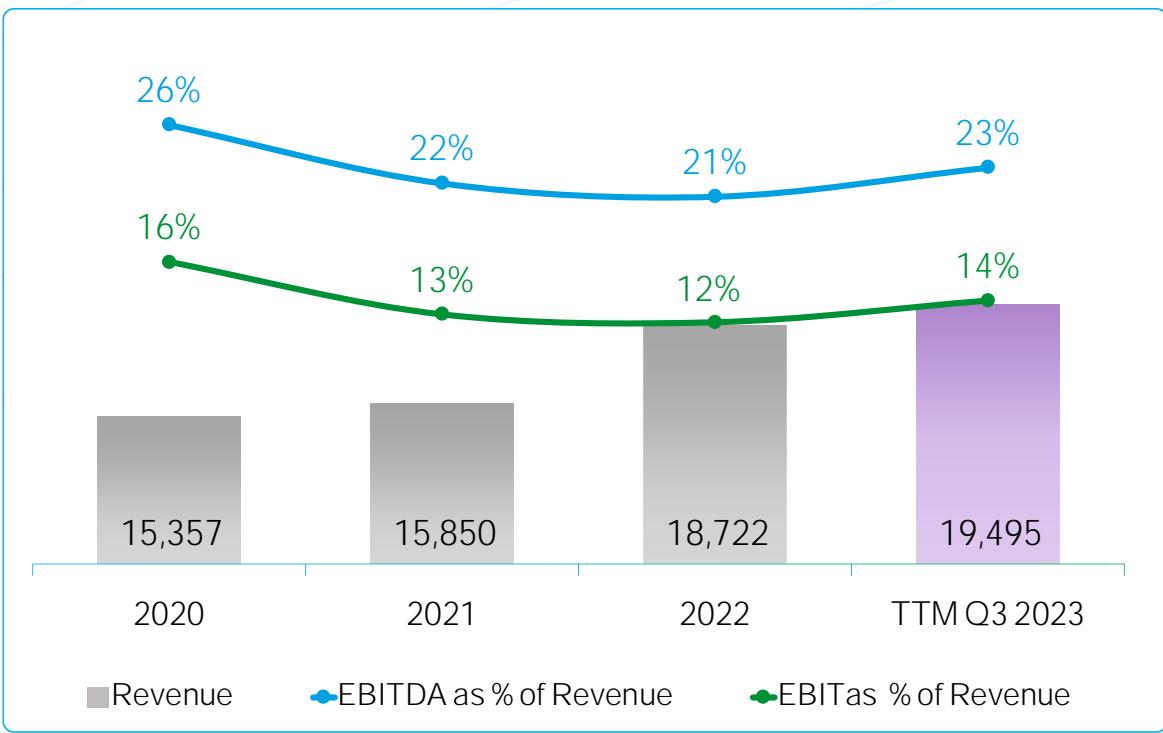
EBITDA / EBIT Margins continue their upward turnaround

SAR Million

Net Debt Trend



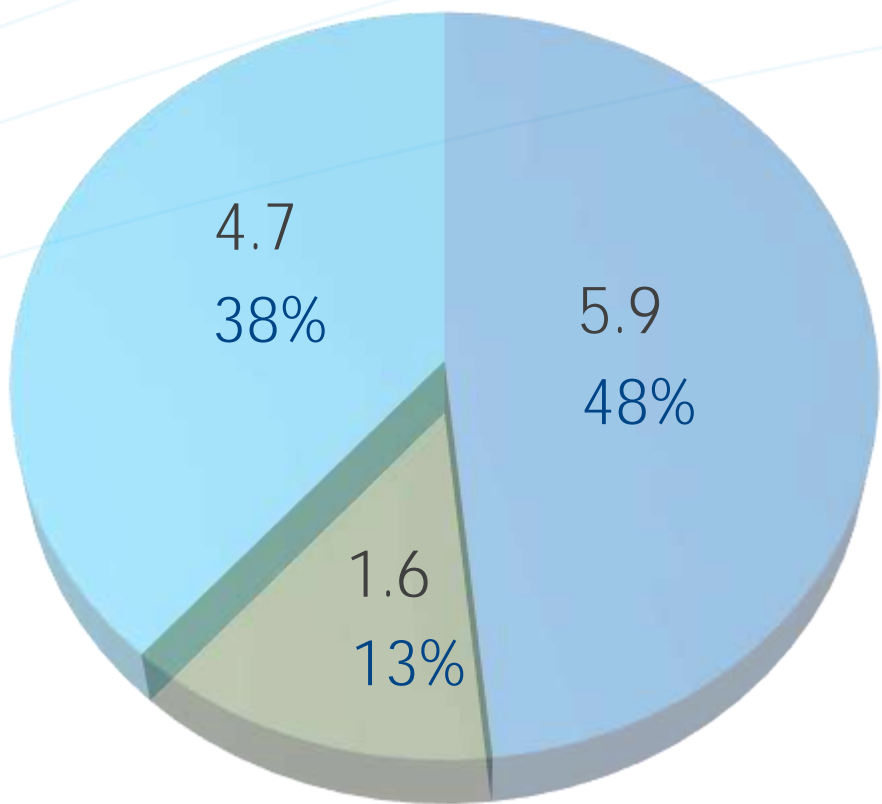
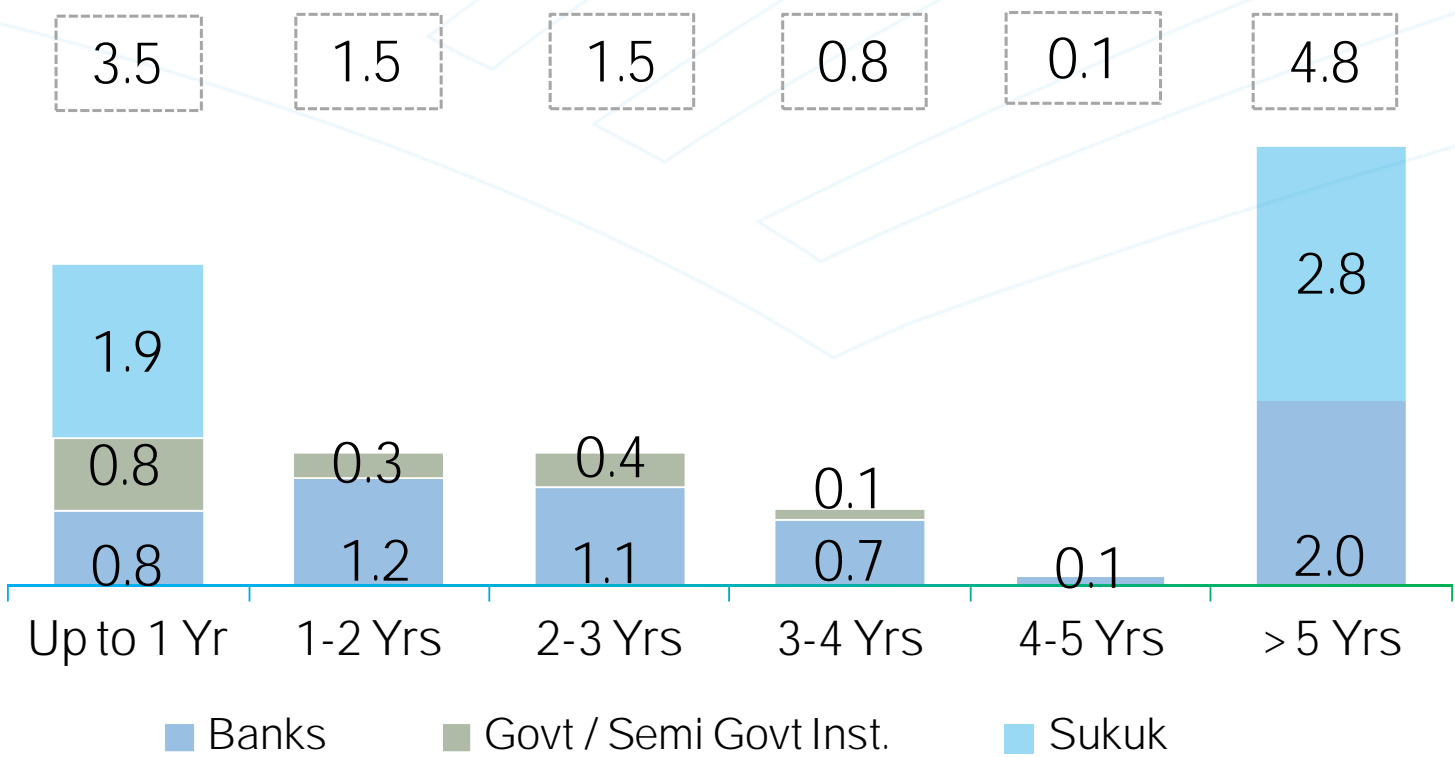
EBITDA and EBIT Margins



Debt Maturity Profile highlights average debt tenure at 5.0 Years

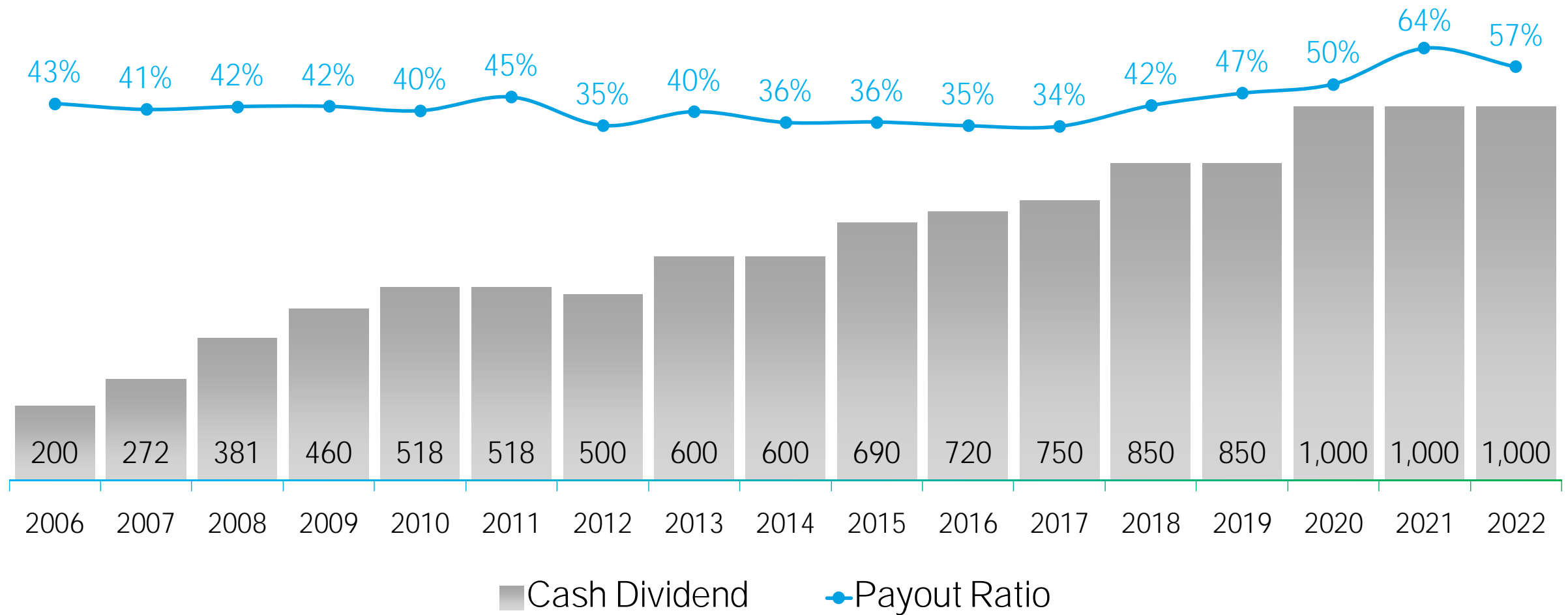
SAR Billion

Debt Maturity by Age by Type



Cash Dividend Since Listing

SAR Million



Question & Answer

Q3 | Earnings
2023 | Presentation

Appendix

Q3 | Earnings
2023 | Presentation

Q3 2023 Profit and Loss Statement

SAR Million

	3rd Quarter				
	2023		2022		Change
Revenue	4,797	100.0%	4,769	100.0%	0.6%
Cost of sales	(3,327)	(69.4%)	(3,280)	(68.8%)	(1.4%)
Gross Profit	1,469	30.6%	1,489	31.2%	(1.3%)
Selling and Distribution Expenses	(725)	(15.1%)	(710)	(14.9%)	(2.2%)
General and Administration Expenses	(96)	(2.0%)	(96)	(2.0%)	0.2%
Other Expense, net	(3)	(0.1%)	(100)	(2.1%)	97.2%
Impairment Loss on Financial Assets	(2)	(0.0%)	(4)	(0.1%)	53.8%
Operating Income	644	13.4%	579	12.1%	11.2%
Finance Costs - net	(129)	(2.7%)	(111)	(2.3%)	(15.8%)
Share of Results of Associates and Joint Ventures	1	0.0%	0	0.0%	0.0%
Profit Before Zakat and Income Tax	517	10.8%	468	9.8%	10.4%
Zakat and Foreign Income Tax	(30)	(0.6%)	7	0.1%	(538.8%)
Profit for the Period	487	10.1%	475	10.0%	2.5%
Profit Attributable to Non Controlling Interest	(1)	(0.0%)	(12)	(0.2%)	95.7%
Profit Attributable to Shareholders	486	10.1%	463	9.7%	5.0%
Earnings Per Share (Basic)	0.49		0.47		4.3%
Profit Attributable to Shareholders %	10.1%		9.7%		

YoY% / (YoY%)

YTD Q3 2023 Profit and Loss Statement

SAR Million

	YTD 3rd Quarter				
	2023		2022		Change
Revenue	14,656	100.0%	13,883	100.0%	5.6%
Cost of sales	(10,001)	(68.2%)	(9,593)	(69.1%)	(4.3%)
Gross Profit	4,654	31.8%	4,290	30.9%	8.5%
Selling and Distribution Expenses	(2,093)	(14.3%)	(2,024)	(14.6%)	(3.4%)
General and Administration Expenses	(326)	(2.2%)	(311)	(2.2%)	(4.8%)
Other Expense, net	(55)	(0.4%)	(156)	(1.1%)	64.9%
Impairment Loss on Financial Assets	(15)	(0.1%)	(27)	(0.2%)	n.a.
Operating Income	2,165	14.8%	1,772	12.8%	22.2%
Finance Costs - net	(385)	(2.6%)	(297)	(2.1%)	(29.7%)
Share of Results of Associates and Joint Ventures	0	0.0%	(0)	(0.0%)	0.0%
Profit Before Zakat and Income Tax	1,780	12.1%	1,475	10.6%	20.7%
Zakat and Foreign Income Tax	(100)	(0.7%)	(51)	(0.4%)	(95.0%)
Profit for the Period	1,680	11.5%	1,424	10.3%	18.0%
Profit Attributable to Non Controlling Interest	(1)	(0.0%)	(20)	(0.1%)	92.9%
Profit Attributable to Shareholders	1,678	11.5%	1,404	10.1%	19.5%
Earnings Per Share (Basic)	1.71		1.43		19.6%
Profit Attributable to Shareholders %	11.5%		10.1%		

YoY% / (YoY%)

YTD Q3 2023 Results by Segment

SAR Million

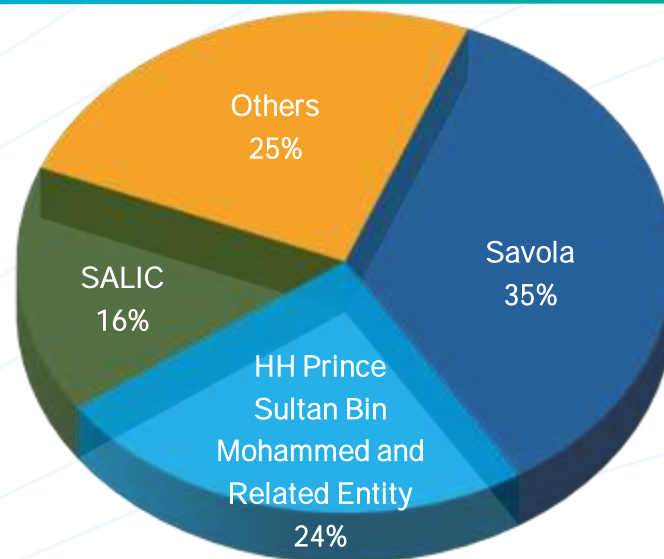
	Dairy & Juice	Bakery	Poultry	Others	Almarai Consolidated
YTD Q3 2023					
Revenue - YTD Q3 2023	9,772	1,884	2,573	426	14,656
Profit Attributable to Shareholders - YTD Q3 2023	1,086	292	349	(49)	1,678
Percent to Revenue of Profit Attributable to Shareholders - YTD Q3 2023	11.1%	15.5%	13.6%	n.a	11.5%
Growth versus YTD Q3 2022					
- Revenue - YTD Q3 2022	9,391	1,755	2,172	566	13,883
- Revenue Growth % Over YTD Q3 2022	4.1%	7.4%	18.5%	(24.6%)	5.6%
- Profit Attributable to Shareholders - YTD Q3 2022	1,039	258	236	(129)	1,404
- Profit Attributable to Shareholders Growth % Over YTD Q3 2022	4.5%	13.3%	47.9%	62.0%	19.5%
-Percent to Revenue of Profit Attributable to Shareholders - YTD Q3 2022	11.1%	14.7%	10.9%	n.a	10.1%
Q3 2023					
Revenue - Q3 2023	3,145	641	876	135	4,797
Profit Attributable to Shareholders - Q3 2023	295	115	112	(36)	486
Percent to Revenue of Profit Attributable to Shareholders - Q3 2023	9.4%	17.9%	12.8%	n.a	10.1%
Growth versus Q3 2022					
- Revenue - Q3 2022	3,139	616	776	239	4,769
- Revenue Growth % Over Q3 2022	0.2%	4.0%	12.9%	(43.3%)	0.6%
- Profit Attributable to Shareholders - Q3 2022	373	110	97	(117)	463
- Profit Attributable to Shareholders Growth % Over Q3 2022	(20.8%)	4.2%	16.1%	69.2%	5.0%
-Percent to Revenue of Profit Attributable to Shareholders - Q3 2022	11.9%	17.9%	12.5%	n.a	9.7%

YoY% / (YoY%)

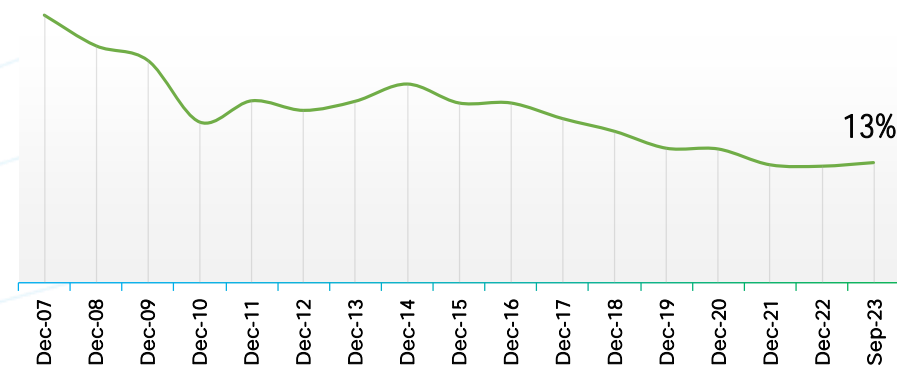
Key Share Data

Key Statistics for Almarai (30 Sept 2023)

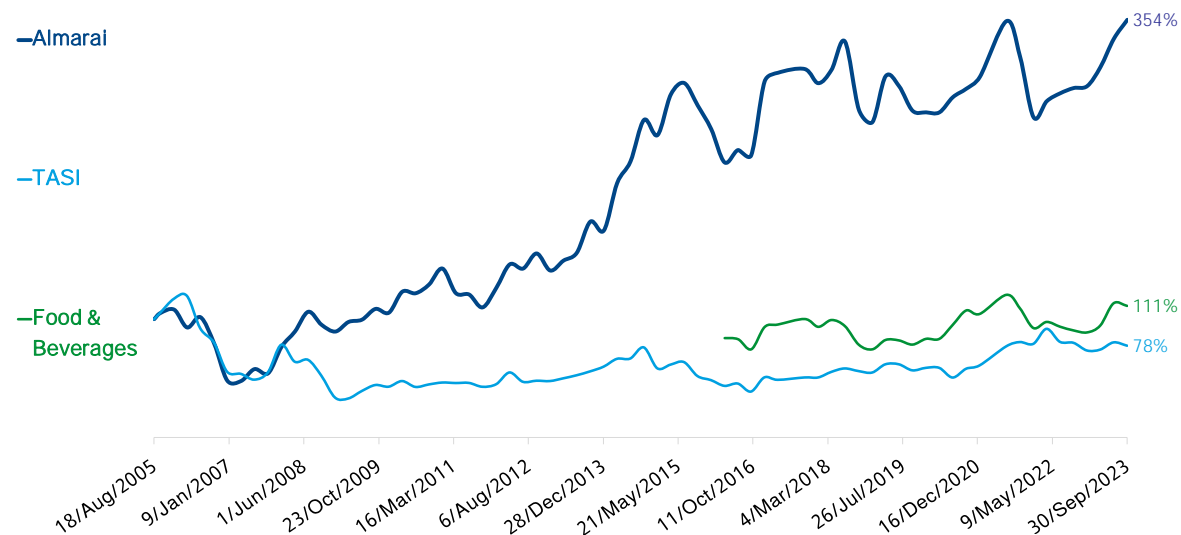
Share Price (SAR)	63.60
Current P/E Ratio (ttm)	31.28
Earnings Per Share (SAR) (ttm)	2.03
Market Cap (SAR Million)	63,600
Shares Outstanding (Million)	1,000
Dividend Yield	1.6%



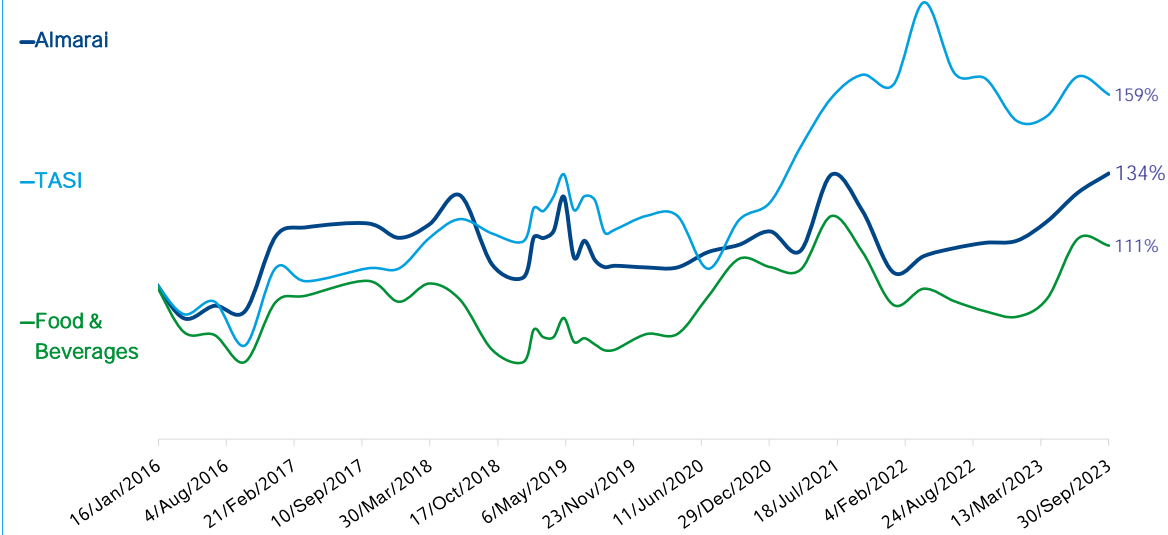
Year to date total shareholder's return since listing



Share Price Trend (Listing Date of Almarai Company)



Share Price Trend (Listing Date of Food and Beverages Index)



2022 Key Achievements & Awards



3rd Place
Best Annual Report 2021
(Print - Large Cap
Companies in the Middle
East)

Brand Finance®

Top 10
Most Valuable
Dairy Brands
in the world

KANTAR

The Most
Chosen Brand
of the decade
in KSA



Best Marketing
Campaigns
Smarties Middle East

LinkedIn

Top 15
Best Employers
in KSA



First company
to obtain NSF
international certification
in animal care
for dairy & poultry



Almarai®
Manufacturing
Facilities achieved
FSSC 22000
a Food Safety
Certification



Almarai® obtains
Pandemic Prepared
Certification 2021 for the
second year in a row



Best Innovative
Products
in KSA
- Nielsen IQ



Best Sustainable
Development Project
in Hail region

Thank you

Earnings Presentation - Q3 2023