

Almarai Company (“the Company”) is pleased to announce its Condensed Consolidated Interim Financial Results for The Period Ended 30th June 2023 as below:

Reasons of increase / (decrease) for second quarter 2023 compared with corresponding quarter of the last year

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	%CHANGE
Sales/Revenue	4,792,349	4,610,447	4	5,066,564	(5)
Gross Profit (Loss)	1,567,079	1,469,606	7	1,617,851	(3)
Operating Profit (Loss)	718,515	646,299	11	802,543	(10)
Net Profit (Loss) after Zakat and Tax	557,084	520,360	7	635,057	(12)
Total Comprehensive Income	487,909	493,591	(1)	516,160	(5)
Profit (Loss) per Share	0.57	0.53	8	0.65	(12)

All figures are in (Thousands) Saudi Arabia, Riyals

- The increase of 7% in the Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding quarter of the last year is due to:
 - Revenue (+4%):** Notwithstanding the EGP devaluation impact on Almarai revenue, underlying revenue grew at the rate of 8% after adjusting for Ramadan phasing (as only 20 days of Ramadan occurred in Q2 2023 compared to 30 days of Ramadan in Q2 2022). This growth was spearheaded by Poultry driven by capacity expansion, followed by Bakery and Dairy.

- **Operating Profit (+11%):** The current quarter has seen continuation of stabilized global commodities cost, although the commodities are still at a higher level relative to historic costs (mainly corn, soya and alfalfa). In addition, disciplined cost control across the board, including General & Administration expenses, supported the growth in operating profit.
- **Net Profit Attributable to Shareholders (+7%):** Net profit growth was based on increased revenue and improved operational efficiencies. However net profit growth was slightly affected by higher funding cost in line with the increase in SAIBOR interest rates.

Contribution of various Business Categories towards the increase in the Consolidated Profit Attributable to Shareholders of 7% is as follows:

- **Dairy & Juice Category:** The category profit decreased mainly due to phasing of Ramadan by 10 days in Q1 and the devaluation of the Egyptian pound.
- **Bakery Category:** Net profit grew for the quarter, driven by positive volume growth and fixed cost leverage.
- **Poultry Category:** Net Profit for the quarter grew by positive volume growth enabled via additional capacity earlier in the year.
- **Other Category:** Net Profit grew mainly driven by timing differences due to crop cycle in USA and Argentina.

Reasons of increase / (decrease) for second quarter 2023 compared with previous quarter

2. The decrease of 12% in the Consolidated Profit Attributable to Shareholders of the Company for the Second quarter 2023 (SAR 557 million) as compared to the previous quarter (SAR 635 million) was due to seasonal adjustment in consumption patterns and change in Ramadan advancement in last quarter by 10 days.

Reasons of increase / (decrease) for the six months period ended 30th June 2023 (the period) compared with corresponding period of the last year

ELMENT LIST	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
Sales/Revenue	9,858,913	9,113,904	8
Gross Profit (Loss)	3,184,930	2,801,522	14
Operating Profit (Loss)	1,521,058	1,193,405	27
Net Profit (Loss) after Zakat and Tax	1,192,141	940,817	27
Total Comprehensive Income	1,004,069	816,468	23
Total Share Holders Equity (after Deducting Minority Equity)	16,817,295	15,837,491	6
Profit (Loss) per Share	1.21	0.96	26

All figures are in (Thousands) Saudi Arabia, Riyals

3. The increase of 27% during the period of Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding period of the last year is due to:

- **Revenue (+8%):** The revenue growth was mainly driven by poultry and dairy category. Poultry capacity expansion paved the way for positive revenue growth throughout the first half and dairy growth was driven across all GCC countries but partially impacted by EGP devaluation in Egypt.
- **Operating Profit (+27%):** Despite higher commodity costs, operating profit grew due to solid top line growth and tighter cost control for all operating overheads.
- **Net Profit Attributable to Shareholders (+27%):** Notwithstanding higher funding costs, net profit grew at the same level of operating profit due to the benefit of full consolidation of IDJ.

Contribution of various Business Categories towards the increase in the Consolidated Profit Attributable to Shareholders of 27% is as follows:

- **Dairy & Juice Category:** The category profit is higher than last year due to improved sales mix across the board. In addition, tighter cost controls assisted in maintaining the growth in the bottom line.
- **Bakery Category:** The category profit increased due to top line growth, driven by single serve product mix, product innovation and leveraging economies of scale for bakery manufacturing.
- **Poultry Category:** The category profit increase was underpinned by higher revenue growth at the back of higher capacity expansion relative to last year. The top line growth was supported by volume growth in Food-Services segment and bottom-line growth was supported by operational efficiencies.
- **Other Category:** The category profits were similar to last year, mainly driven by stable performance of overseas farming.

4. **Auditors' Opinion:** (Unmodified Opinion).

5. For more information, please see note 2.1 in the condensed consolidated interim financial statements for the Six Months period ended 30th June 2023.

6. Other Notes:

Quarterly Results				Period Results		
ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
EBITDA	1,108	986	12	2,351	1,924	22
Cash Flows				Cash Flows		
OCF	1,506	835	80	2,415	1,364	77
ICF	(645)	(457)	41	(1,285)	(1,009)	27
FCF	861	378	128	1,130	355	218
Margins				Margins		
Gross Profit %	32.7	31.9	80 bp	32.3	30.7	160 bp
Operating Profit %	15.0	14.0	100 bp	15.4	13.1	230 bp
Net Profit %	11.6	11.3	30 bp	12.1	10.3	180 bp
All figures are in (Thousands) Saudi Arabia, Riyals						

7. General Comments:

Stable trading conditions have resulted in another positive quarterly performance for Q2 2023.

The key risk remains global cost inflation for dairy and feed commodities, although most have come off their peak levels in recent months, however they still remain at elevated levels compared to prior year. Almarai will continue to manage this risk by better hedging activities and by leveraging its stock cover, where relevant.

8. The Condensed Consolidated Interim Financial Statements for the Six Months ended 30th June 2023 will be available through the following link on Almarai Website, and Almarai IR App.

[Financial Reports and Info | Almarai](#)

9. The conference call for analysts and investors will be on 19th July 2023 at 3:00 p.m. KSA time.

The presentation accompanying the conference call will be available on Almarai website within the Investors section under Earning Presentations at:

[Earning Presentations | Almarai](#)