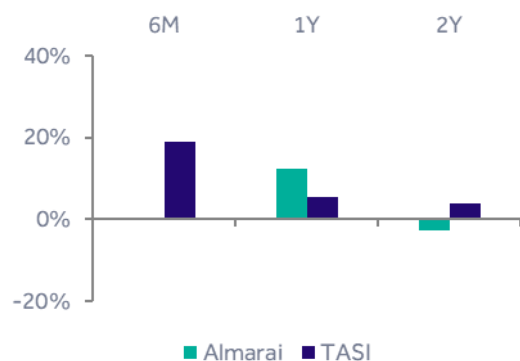


Market Data	
52-week high/low	SAR 58.40/36.50
Market Cap	SAR 54,200 mln
Shares Outstanding	1,000 mln
Free-float	41.79%
12-month ADTV	654,345
Bloomberg Code	ALMARAI AB



■ Sales Growth in Export Markets Improve Results

January 25, 2021

Upside to Target Price	8.9%	Rating	Neutral
Expected Dividend Yield	1.8%	Last Price	SAR 54.20
Expected Total Return	10.7%	12-mth target	SAR 59.00

Almarai Company	4Q2020	4Q2019	Y/Y	3Q2020	Q/Q	RC Estimate
Sales	3,820	3,704	3%	3,863	(1%)	3,813
Gross Profit	1,232	1,294	(5%)	1,515	(19%)	1,335
Gross Margins	32%	35%		39%		35%
Operating Profit	500	498	0%	750	(33%)	575
Net Profit	336	312	8%	622	(46%)	425

(All figures are in SAR mln)

- Almarai's topline increased by +3% Y/Y to reach SAR 3.8 bln during the quarter. The growth was led by the rise in long-life dairy & fresh dairy segments along with Alfalfa sales. Growth was mainly driven by Egypt, Jordan and other export markets. Revenues decreased -1% Q/Q due to seasonal lower sales.
- Higher Alfalfa cost, driven by imported Alfalfa and lower subsidy from non-alfalfa feed inputs, resulted in lower gross margins to 32% compared to 35% last year and 39% last quarter. All categories have witnessed a decrease in net profit.
- EBIT came in at SAR 500 mln due to SAR 30 mln lower operating expenses as result of sales optimization.
- Almarai reported a net income of SAR 336 mln (+8% Y/Y) primarily on the back of higher revenues in addition to the decline in funding costs by the tune of SAR 21 million Y/Y.

Muhammad Faisal Potrik
 muhammed.faisal@riyadcapital.com
 +966-11-203-6807

Shaykhah A. Al Dosari
 shaykhah.a.aldosari@riyadcapital.com
 +966-11-203-6812

الرياض المالية
 riyad capital

■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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