

Almarai® Company

Earnings Presentation – FY 2021



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Market

Dynamics

Business

Performance

Financial

Performance

Q&A

Appendix



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Market Dynamics

Earnings Presentation



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Almarai[®] response to covid-19 Pandemic

External developments

- KSA and GCC travel restrictions still in place, but relaxing.
- Vaccination rates continue to be high across GCC.
- KSA has restricted access to workplaces for unvaccinated employees.
- Omicron variant spreading in GCC. Crisis Management Team monitoring the situation.

Key actions taken to support strategy

- Manufacturing and Farming sites remains partially restricted.
- Rigid covid-19 infection controls remain in place at all work sites.
- Crisis Management Teams remain mobilized.
- Almarai employees are over 98% vaccinated.
- Encouragement and support for booster doses.

Current Priorities

- Health and safety of employees.
- Ensure our production and distribution capability remains resilient.
- Be vigilant for rapid changes in covid-19 infections and government regulations.

Product

Innovation



Q1



Q2



Q3



Q4

2 0 2 1

**...Whilst
Almarai[®]
maintaining
Market Share
Leadership in
KSA**

Category	Dec-19	Dec-20	Nov-21	Nov-21
	Almarai Value Share %	Almarai Value Share %	Almarai Value Share %	Almarai Rank
Laban	65	64	64	1
Fresh Milk	67	65	65	1
UHT Milk	21	20	21	2
Food	39	37	34	1
Juice	43	42	47	1
Bakery	54	53	54	1
Poultry (Fresh Chicken)	37	34	32	1

Business Performance

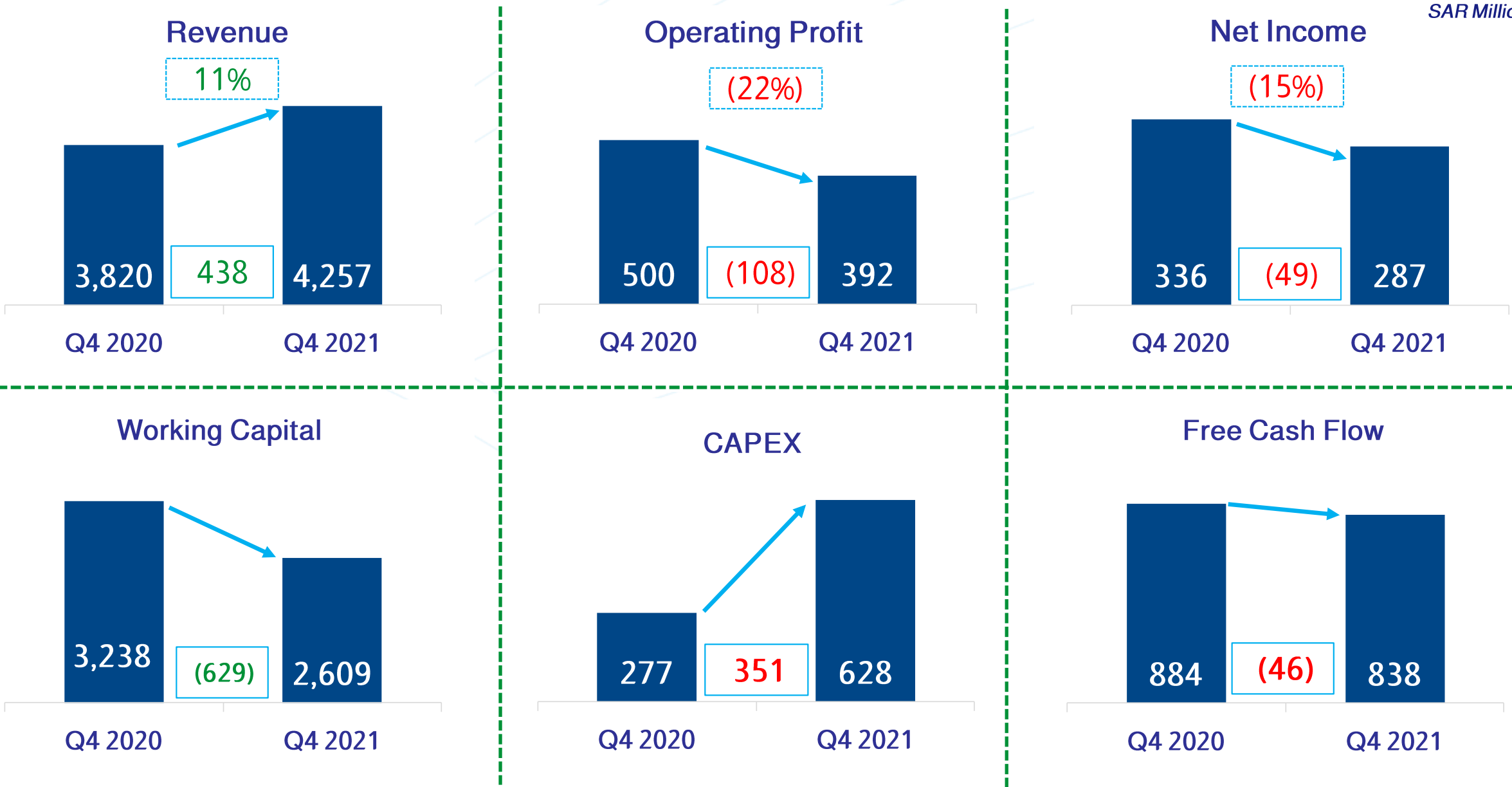
Earnings Presentation

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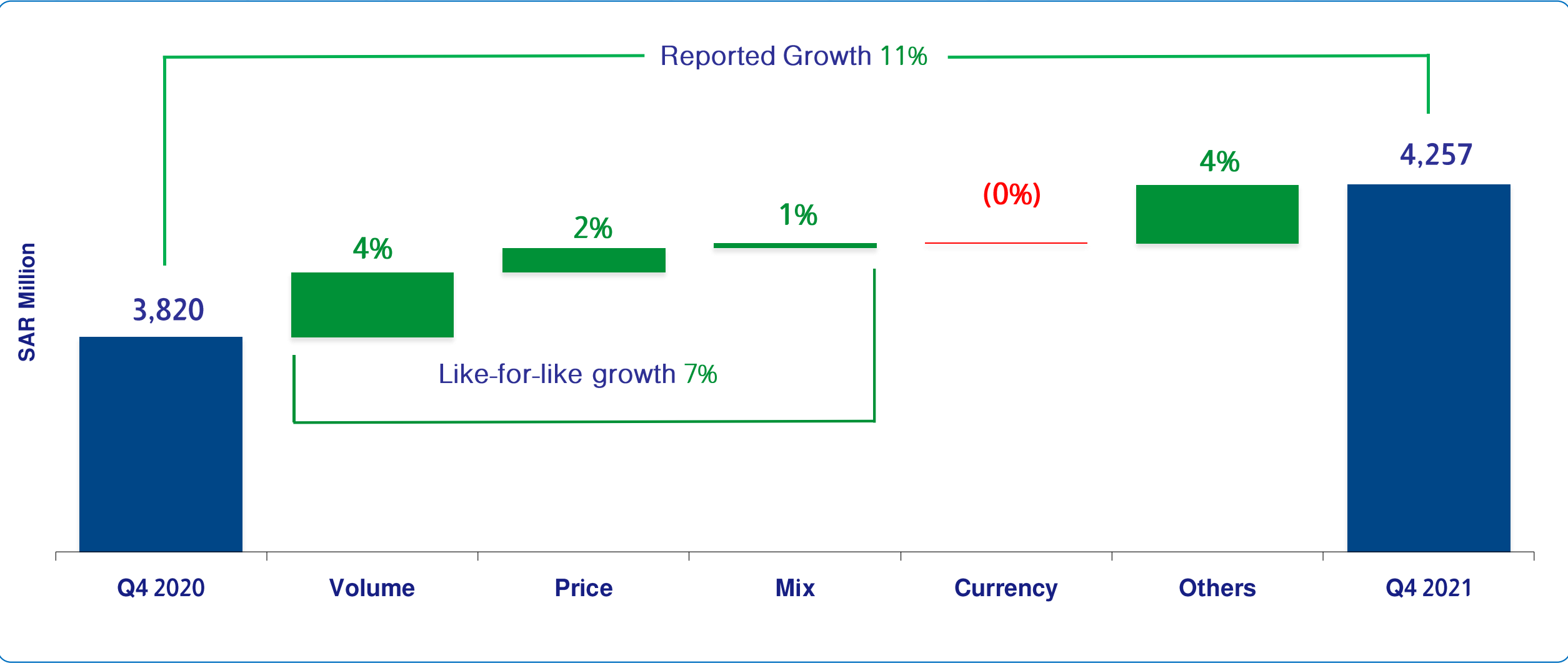
Q4 2021 Financial Highlights

SAR Million

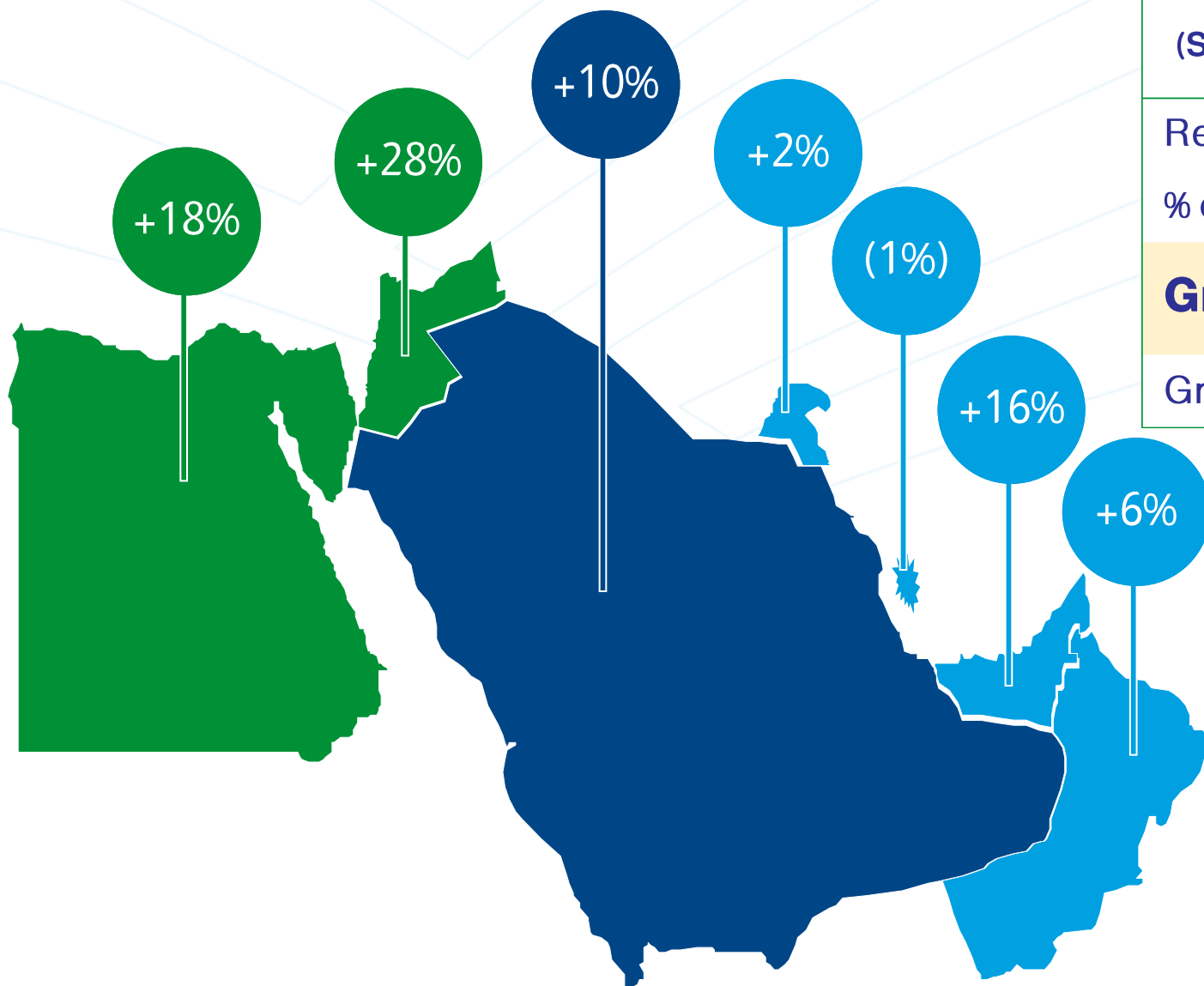


YoY % / (YoY%)

Q4 2021 Sales Bridge



Almarai topline growth by country...

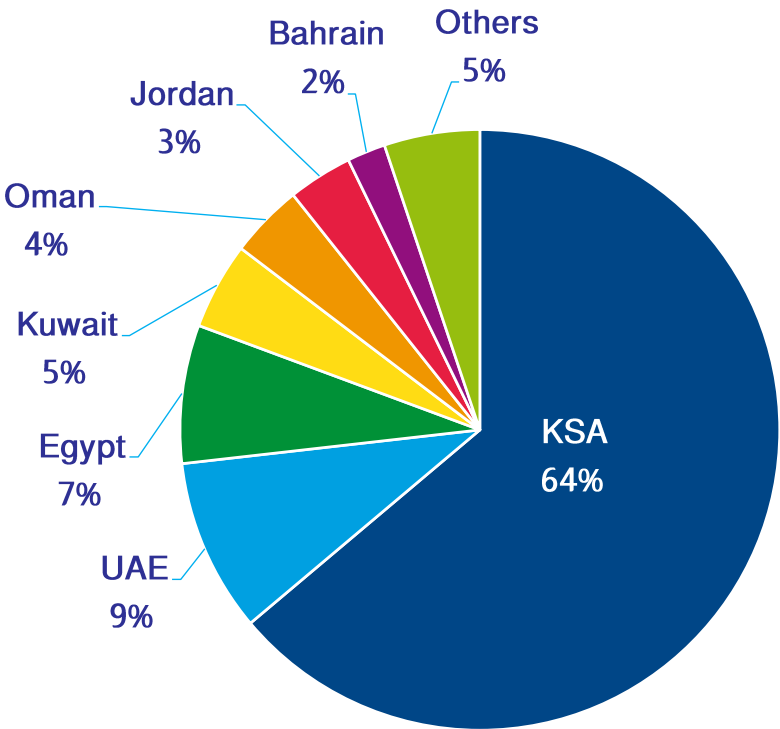


Q4 2021 Revenue Growth

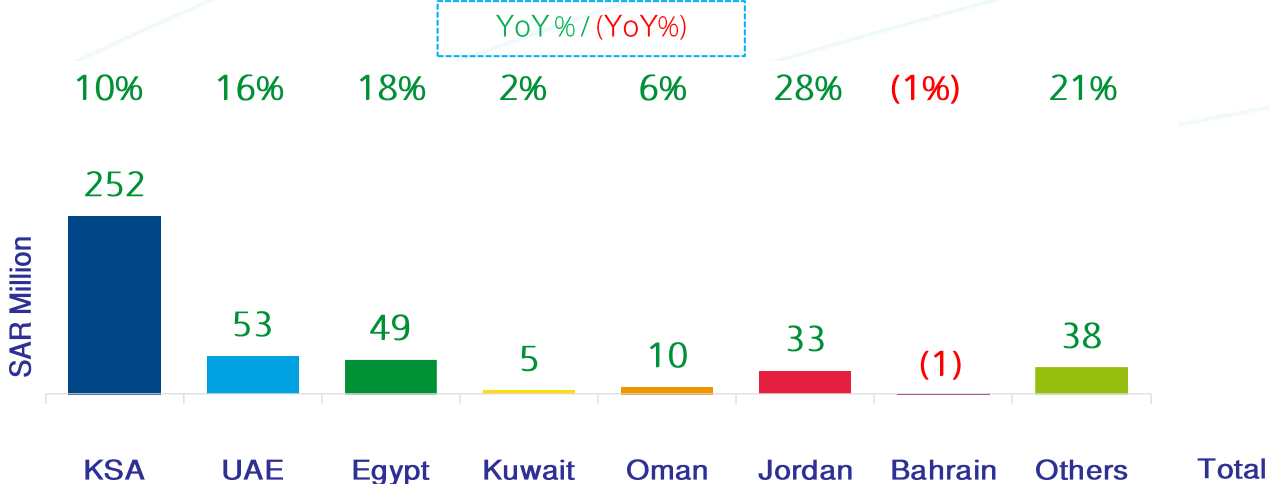
(SAR Million)	KSA	Other GCC	Others	Total
Revenue	2,719	854	684	4,257
% of Revenue	64%	20%	16%	100%
Growth	252	67	119	438
Growth %	10%	8%	21%	11%

...A stronger than expected rebounding growth in GCC for the 4th Quarter except Bahrain...

Q4 2021 Total Revenue – SAR 4,257 Million



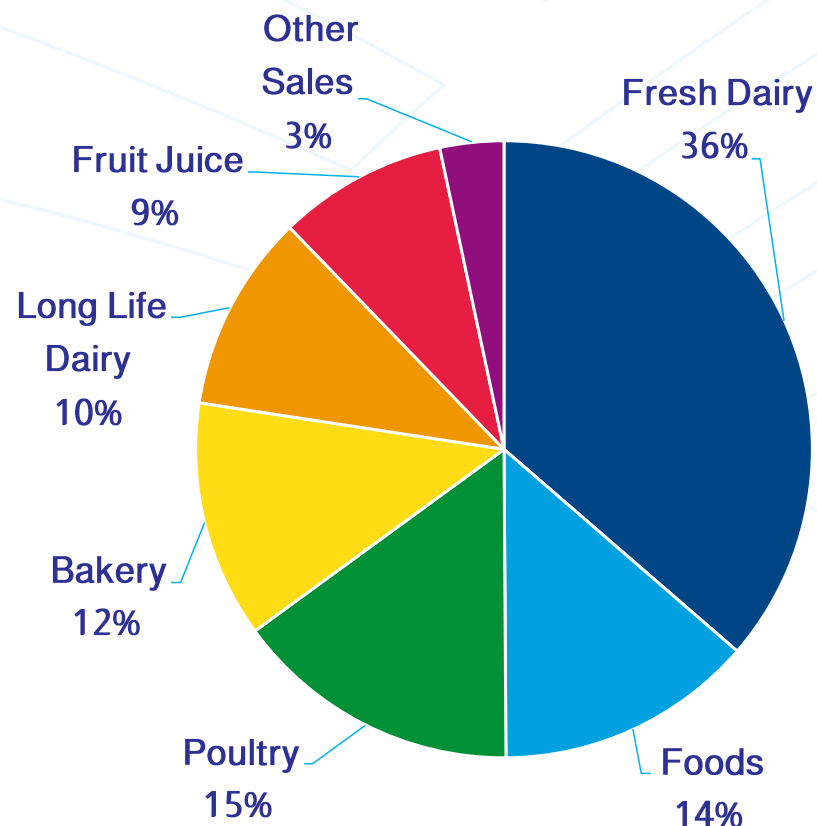
Q4 2021 Total Growth – SAR 438 Million or 11%



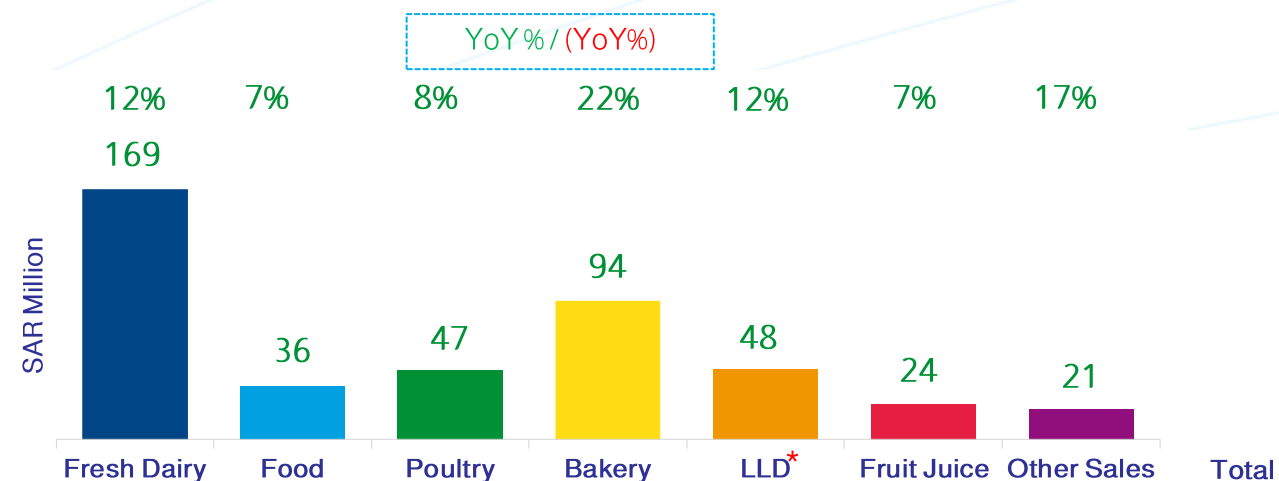
	KSA	UAE	Egypt	Kuwait	Oman	Jordan	Bahrain	Others	Total
Q1 2020	8%	7%	16%	22%	(7%)	35%	5%	11%	9%
Q2 2020	11%	(2%)	13%	10%	(15%)	38%	(5%)	10%	8%
Q3 2020	5%	6%	23%	14%	(9%)	19%	10%	87%	8%
Q4 2020	(1%)	(3%)	13%	4%	(16%)	34%	9%	137%	3%
Q1 2021	(2%)	(12%)	31%	(4%)	(12%)	43%	(2%)	99%	1%
Q2 2021	(8%)	(4%)	37%	(4%)	(9%)	40%	2%	56%	(2%)
Q3 2021	(2%)	(3%)	31%	(5%)	(10%)	49%	(1%)	24%	2%
Q4 2021	10%	16%	18%	2%	6%	28%	(1%)	21%	11%
Q4 CAGR 2019-2021	4%	6%	16%	3%	(6%)	31%	4%	69%	7%

... driven by all product categories...

Q4 2021 Total Revenue – SAR 4,257 Million



Q4 2021 Total Growth – SAR 438 Million or 11%

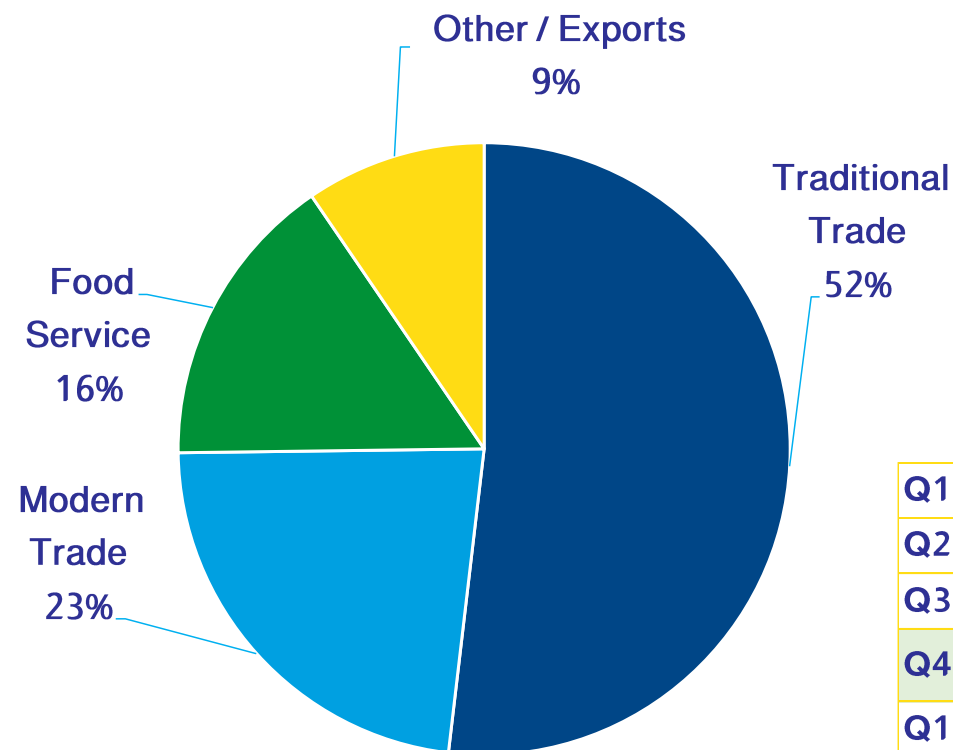


	Fresh Dairy	Food	Poultry	Bakery	LLD*	Fruit Juice	Other Sales	Total
Q1 2020	0%	20%	12%	3%	18%	5%	49%	9%
Q2 2020	1%	21%	17%	8%	22%	(3%)	26%	8%
Q3 2020	4%	15%	7%	(8%)	21%	5%	93%	8%
Q4 2020	4%	3%	(2%)	(9%)	11%	4%	62%	3%
Q1 2021	3%	(1%)	(1%)	(10%)	10%	(2%)	49%	1%
Q2 2021	3%	(25%)	(8%)	(5%)	6%	8%	86%	(2%)
Q3 2021	(2%)	(12%)	3%	11%	10%	3%	43%	2%
Q4 2021	12%	7%	8%	22%	12%	7%	17%	11%
Q4 CAGR 2019-2021	8%	5%	3%	5%	11%	6%	38%	7%

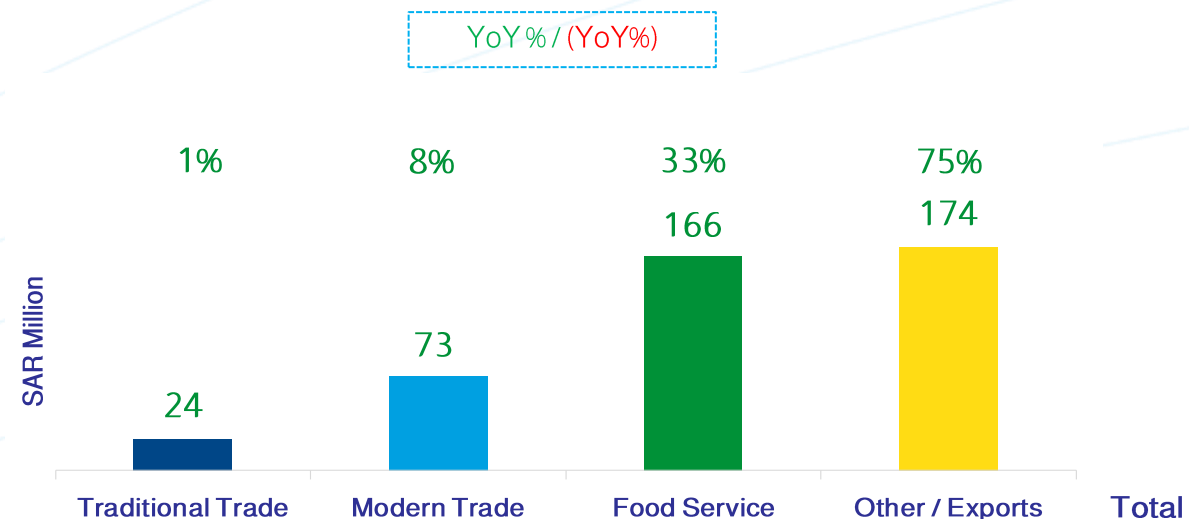
* LLD – Long Life Dairy

...and all channels with Food service still gaining its momentum

Q4 2021 Total Revenue – SAR 4,257 Million



Q4 2021 Total Growth – SAR 438 Million or 11%



	Traditional Trade	Modern Trade	Food Service	Other / Exports	Total
Q1 2020	4%	16%	16%	(1%)	9%
Q2 2020	15%	12%	(27%)	(7%)	8%
Q3 2020	7%	10%	(2%)	40%	8%
Q4 2020	(1%)	1%	(1%)	45%	3%
Q1 2021	1%	(9%)	8%	41%	1%
Q2 2021	(10%)	(15%)	58%	93%	(2%)
Q3 2021	(2%)	(5%)	25%	24%	2%
Q4 2021	1%	8%	33%	75%	11%
Q4 CAGR 2019-2021	6%	1%	15%	21%	7%

Financial Performance

Earnings Presentation

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Financial Performance

Earnings Presentation

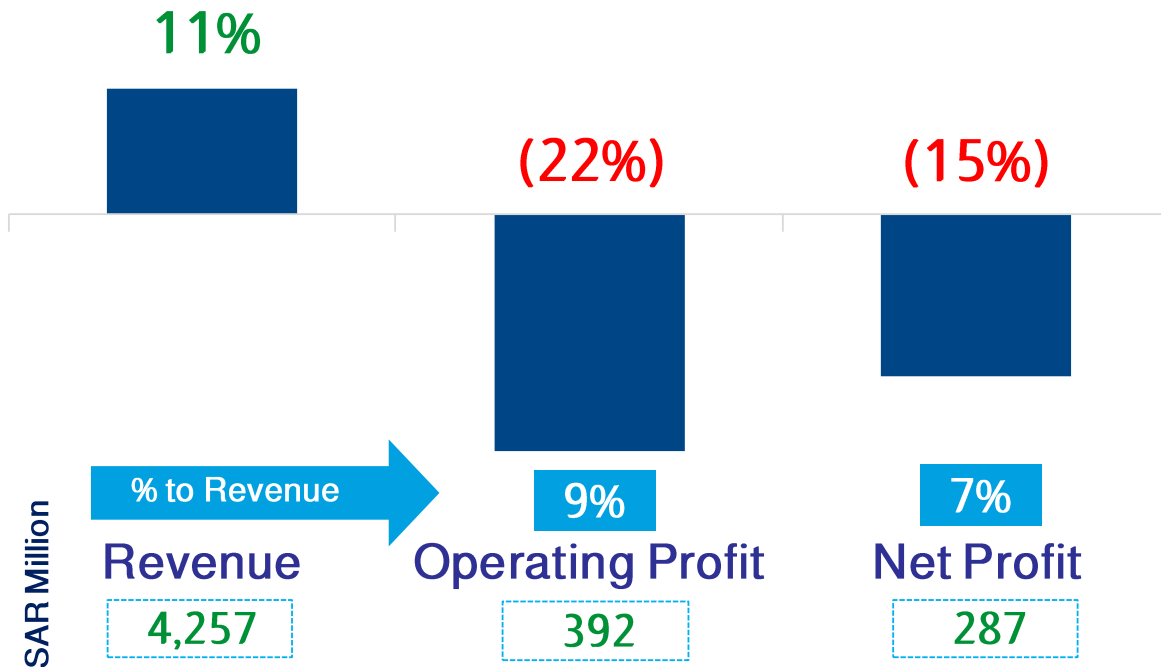
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Q4
2021



Financial Performance – Q4 2021

Q4 2021 vs. Q4 2020



Revenue – Return to Growth....

- Growth across the board was resurgent, across all channels, products and countries (except Bahrain)
- Fresh dairy segment led the growth driven by normalized trading conditions post covid-19 and pricing adjustment. Bakery revenue growth was the highest in % terms driven by partial school opening and higher single serve product sales
- After 4 quarters of negative growth, KSA returned to double digit top line growth of 10%. Oman top line numbers stabilized after 2 years of continuous decline.
- Strong performance in Jordan and Egypt continued across all product categories

Operating Profit

- Higher feed cost driven by higher corn and soya prices & usage of 100% imported alfalfa drove farm gate costs.
- Higher commodity costs, as hedge cover in first half of 2021 lapsed , and higher transportation cost
- Strong cost control resulting in lower overheads continued

Net Income

- Lower funding cost driven by lower debt and lower funding rate
- Improved performance in Egypt and Jordan resulting in higher contribution for non-controlling interest shareholders

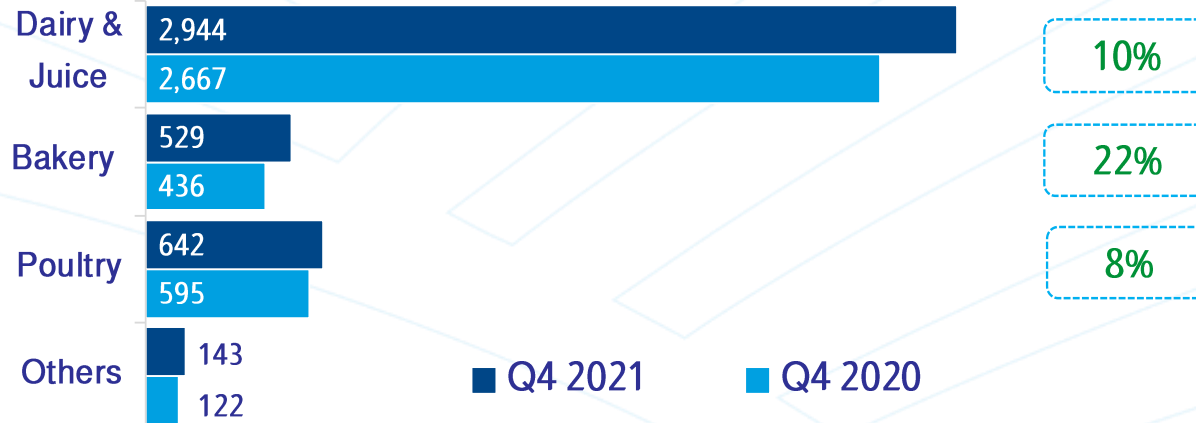
Net Income Bridge – Q4 2021



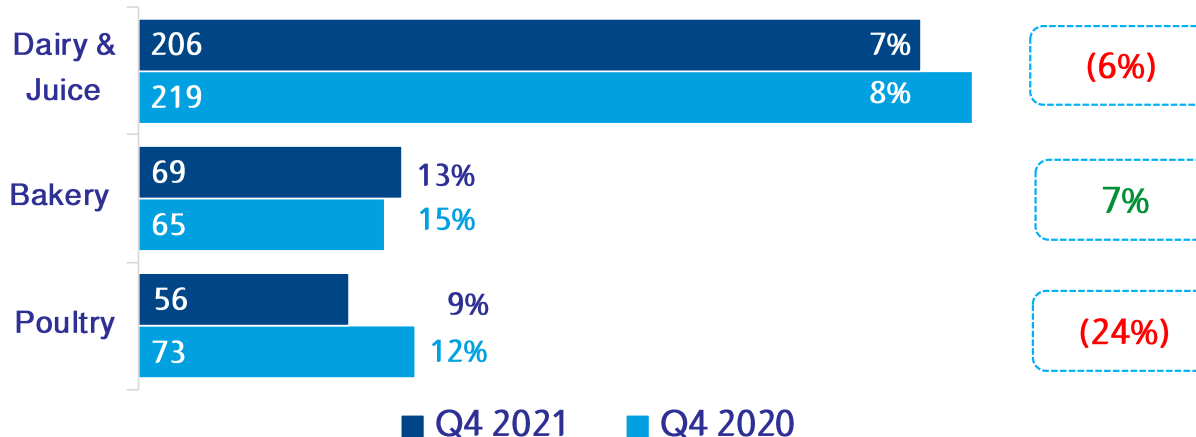
Results by Segment – Q4 2021

Revenue by Segment

SAR Million



Net Profit Margin By Segment



YoY % / (YoY%)

Dairy & Juice

- Stronger fresh dairy sales in KSA & long life dairy sales in Egypt, Jordan & Export markets. Food and Juice also recorded positive growth, driven by a general positive economic effect
- Lower subsidy year on year as subsidy ceased on non-green dairy feed
- Higher feed expenses due to corn and soya cost increase

Bakery

- Bakery growth rebounded in Q4 due to partial resumption of education institutions in KSA and Gulf, resulting in higher single serve product sales

Poultry

- Volume remaining steady however channel mix was more favourable towards retail last year due to covid-19 related purchase behavior
- Higher feed cost for corn and soya are affecting the segment profitability

Others

- Top line growth was higher due to higher alfalfa sales to manage the current inventory levels

Financial Performance

Earnings Presentation

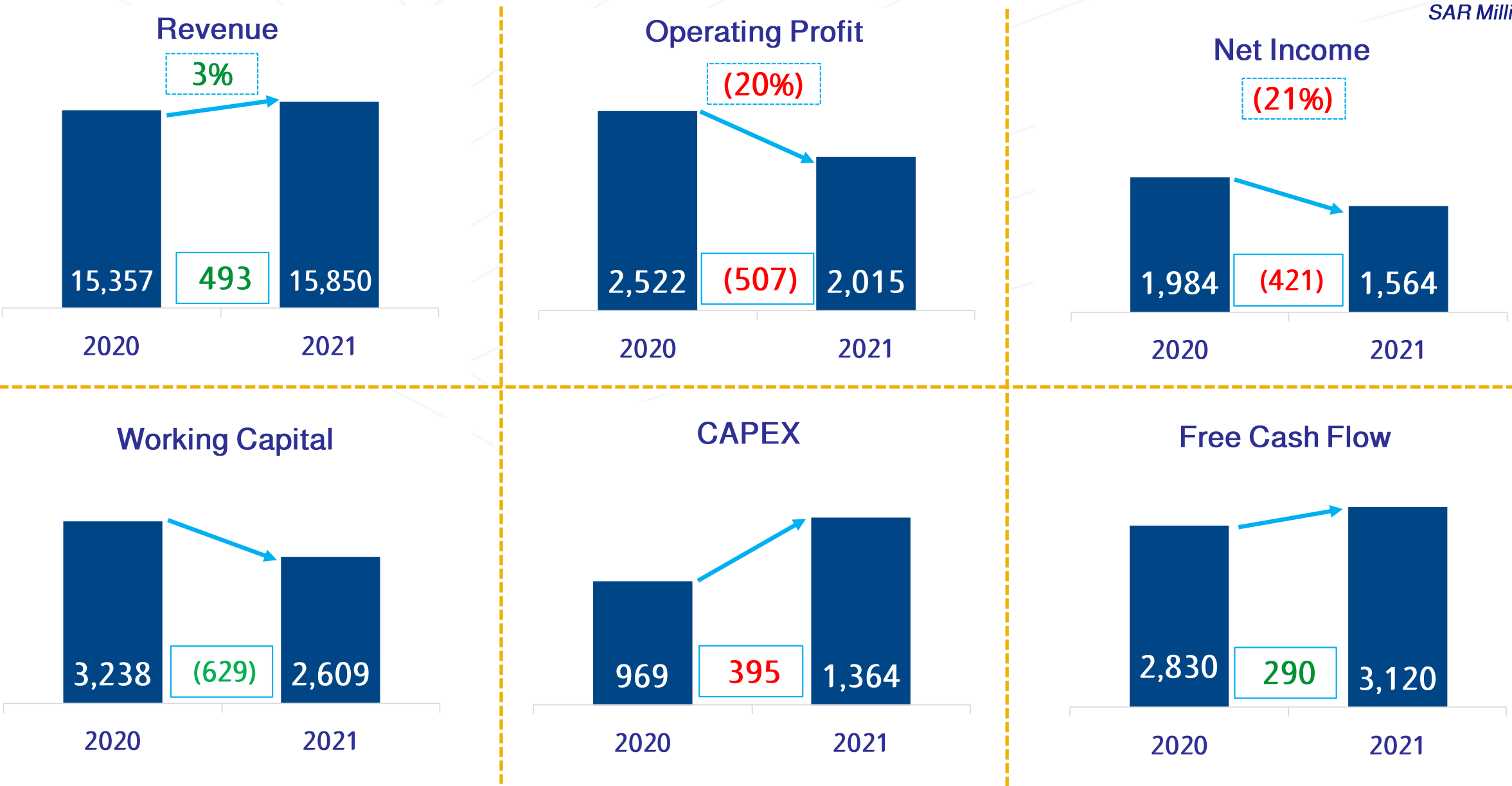
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FY
2021



Full Year 2021 Financial Highlights

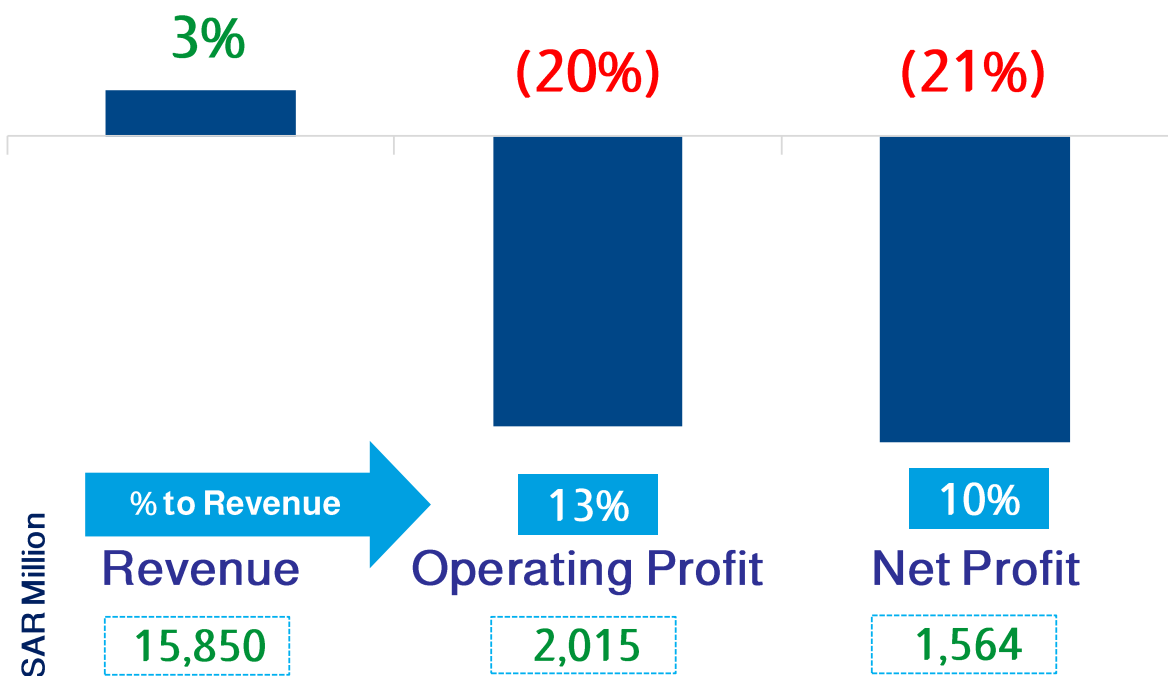
SAR Million



YoY % / (YoY%)

Financial Performance – 2021

Full Year 2021 vs. Full Year 2020



Revenue – Exiting the year at normal trading conditions....

- Full year growth was driven by Egypt, other sales (infant nutrition export and crop sales) and Jordan
- Food category recorded 8% decline yoy due to de-stocking effect of higher sales in year 2020
- Food Service channel returned to growth with 28% growth yoy, driven by base line effect of hotels and restaurants closure last year. Correspondingly retail channel declined by 4% in 2021 due to stronger sales driven by covid-19 related restrictions in year 2020

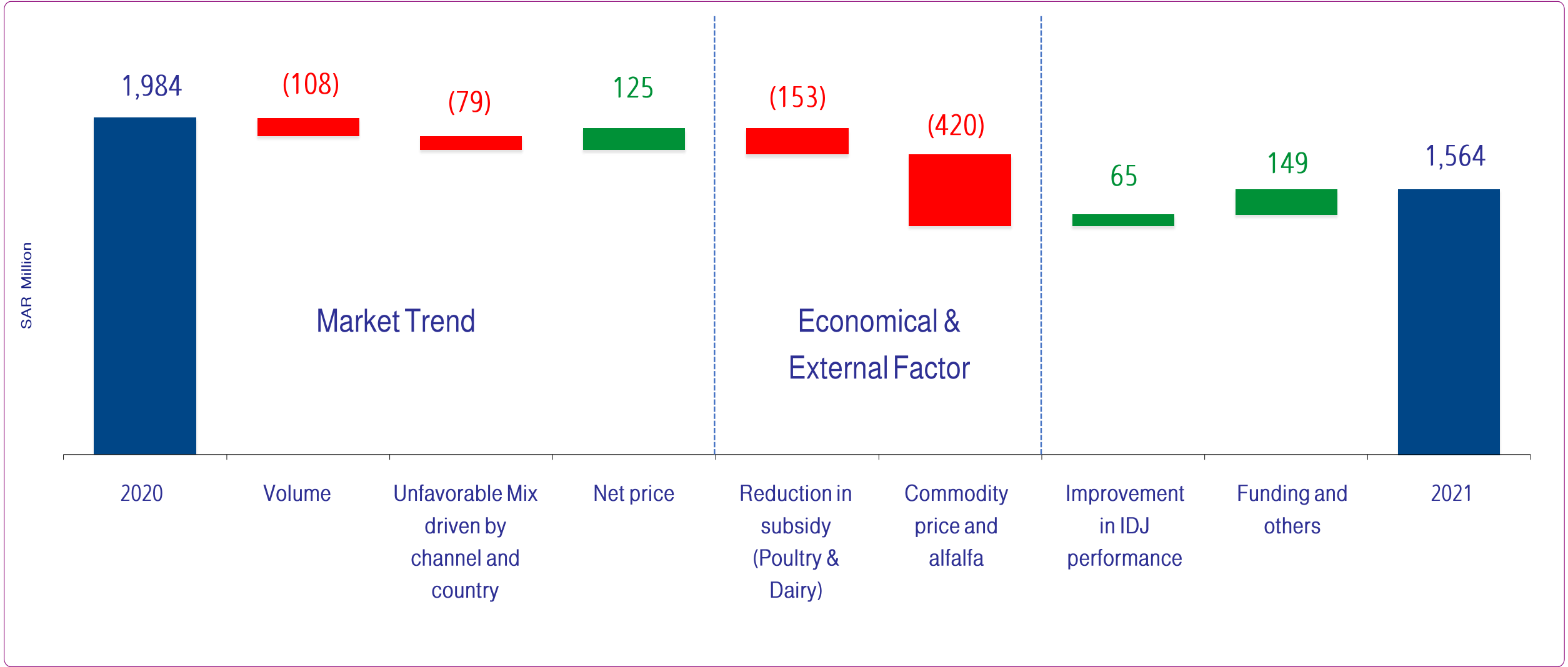
Operating Profit

- Lower subsidies of SAR 153M yoy, driven by no subsidy in 2021 on corn and soya and without the benefit of subsidy overlap in poultry in 2020, materially impacted full year profitability
- Higher feed cost driven by 100% imported alfalfa and higher commodity cost, partially offset by hedging in first half of 2021.
- Strong cost control resulting in lower overheads driven by:
 - One off expenses related to covid-19 in first half 2020
 - One off restructure cost in Egypt in first half 2020

Net Income

- Lower funding cost driven by lower debt and lower funding rate, resulting in SAR 150M savings
- Improved performance in Egypt and Jordan resulting in higher contribution for non-controlling interest shareholders

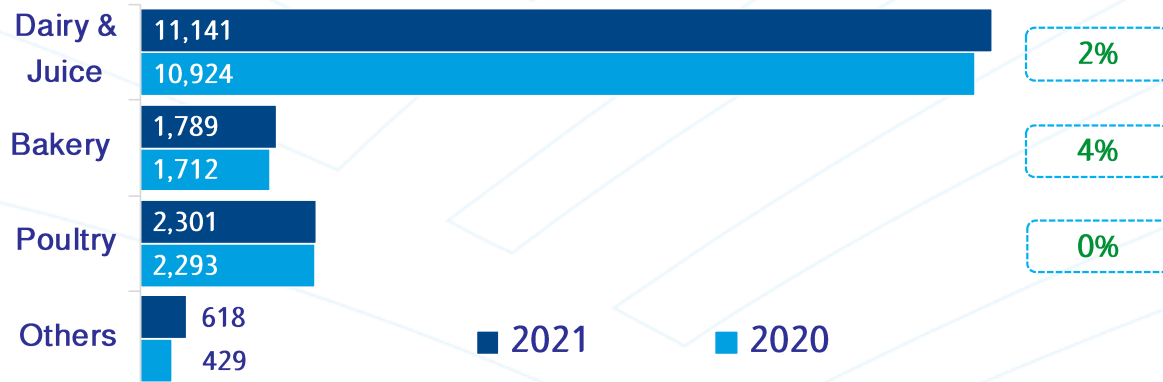
Net Income Bridge – 2021



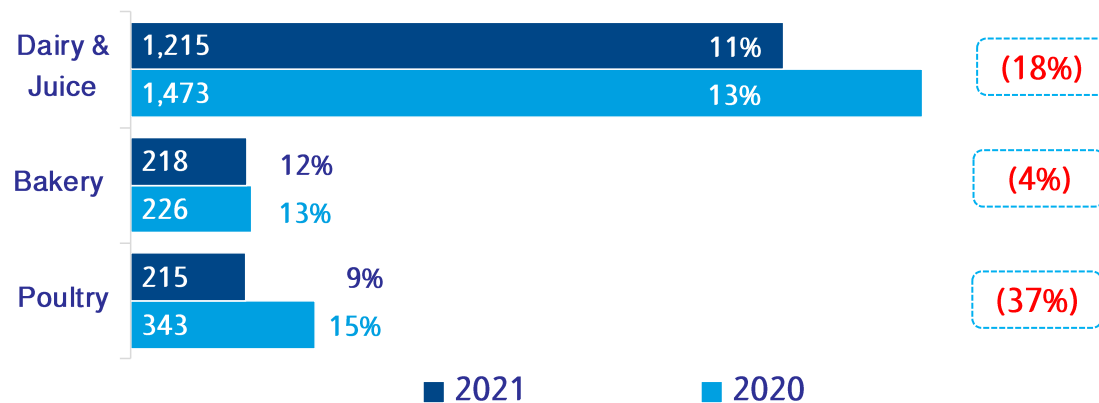
Results by Segment – 2021

Revenue by Segment

SAR Million



Net Profit Margin By Segment



Dairy & Juice

- Strong growth in Dairy and Juice was off set by decline in food products due to base effect of higher food purchases during covid-19
- Lower subsidy yoy as subsidy ceased on non-green dairy feed
- Higher feed expenses due to corn and soya cost increase, specially in second half of year 2021

Bakery

- Volume significantly declined in first half due to lower single serve as schools only partially opened. However strong growth in second half, and in particular Q4, due to school resumption resulted in positive 4% topline growth for the year

Poultry

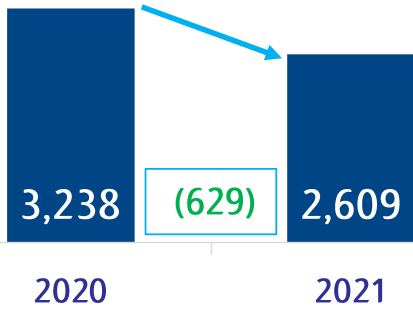
- Volume remaining steady however unfavourable channel mix (more sales in food services in 2021 as restaurants open up) was offset with price adjustments across the board
- Overlap of feed subsidy and output subsidy resulted in higher subsidy received last year, relative to year 2021
- Higher feed expenses due to corn and soya cost increase

Full Year

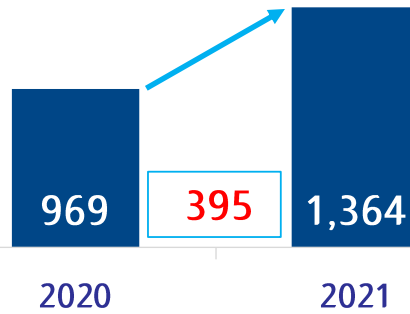
2021

SAR Million

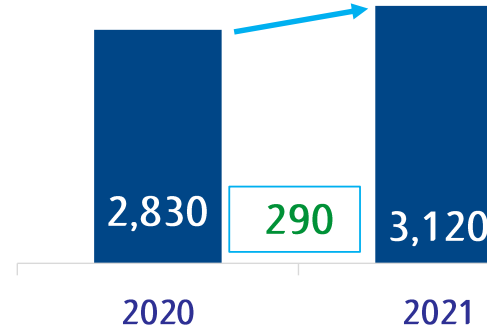
Working Capital



CAPEX

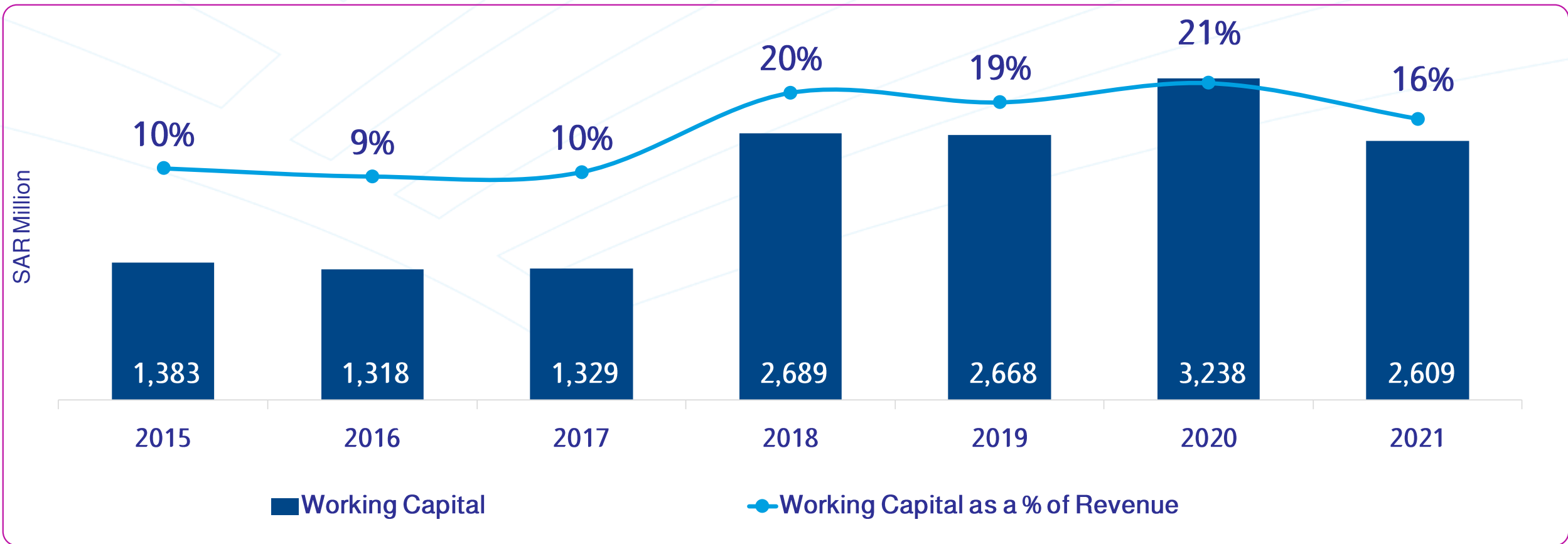


Free Cash Flow



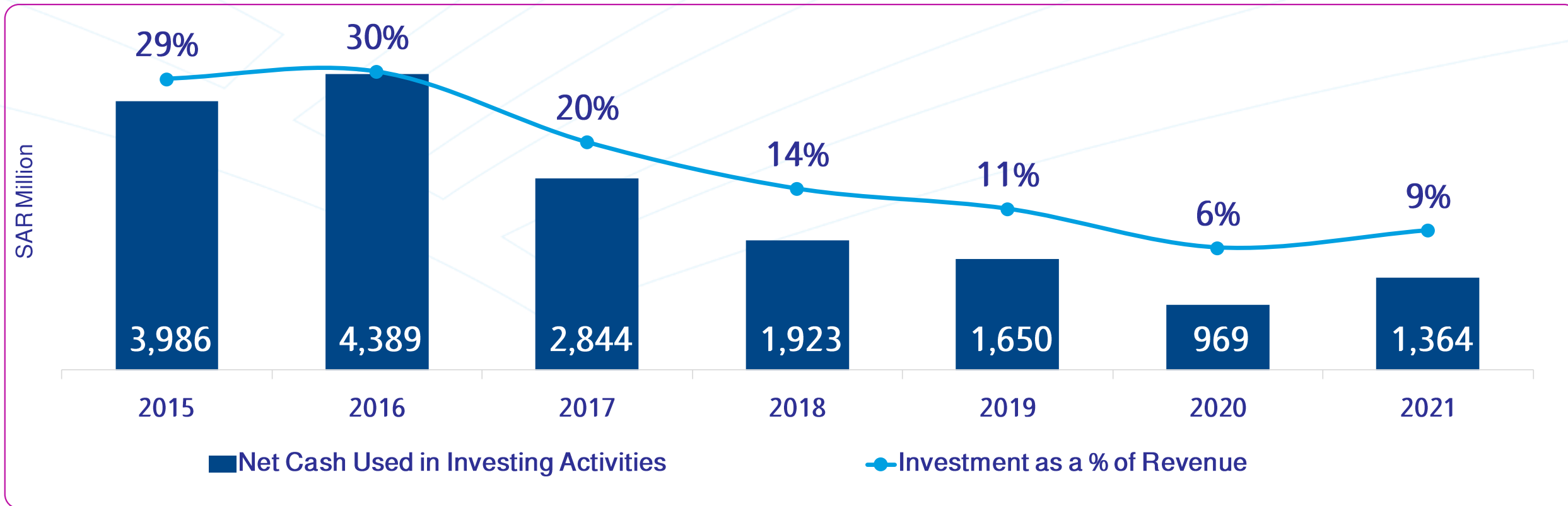
Strong Financial Management

Strategic Management of Working Capital



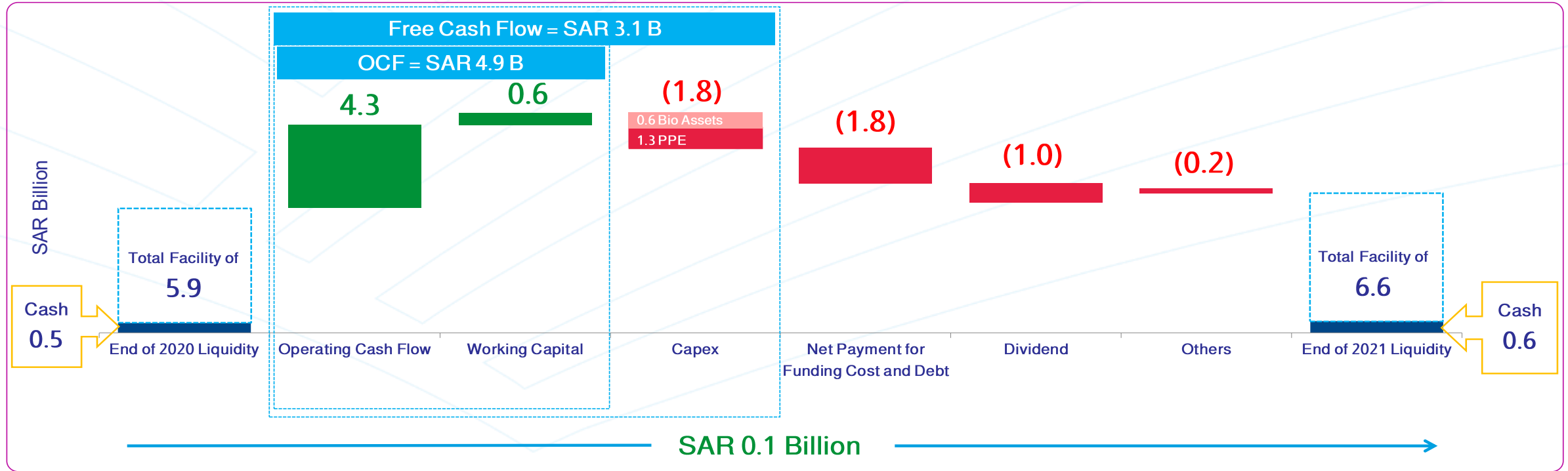
CAPEX continuous to trend lower

Capital Investment 2015 to 2021



- Capex cash spend continues to decline in line with current 5 year plan and available capacity footprint
- New Capex approved comprised of mostly maintenance Capex centered on utilities, production lines and vehicles.
- Expansionary capex of SAR 6.6B for expanding poultry footprint is yet to start

Free Cash Flow remain strong



2021 Free Cash Flow = SAR 3.1 B

- OCF: SAR +4.9 BillionStable business performance and improved working capital management resulted in strong OCF
- ICF: SAR -1.8 Billion and is in line with our reduced capex spend.
- FCF: continue to improve based on lower capex and improved working capital management

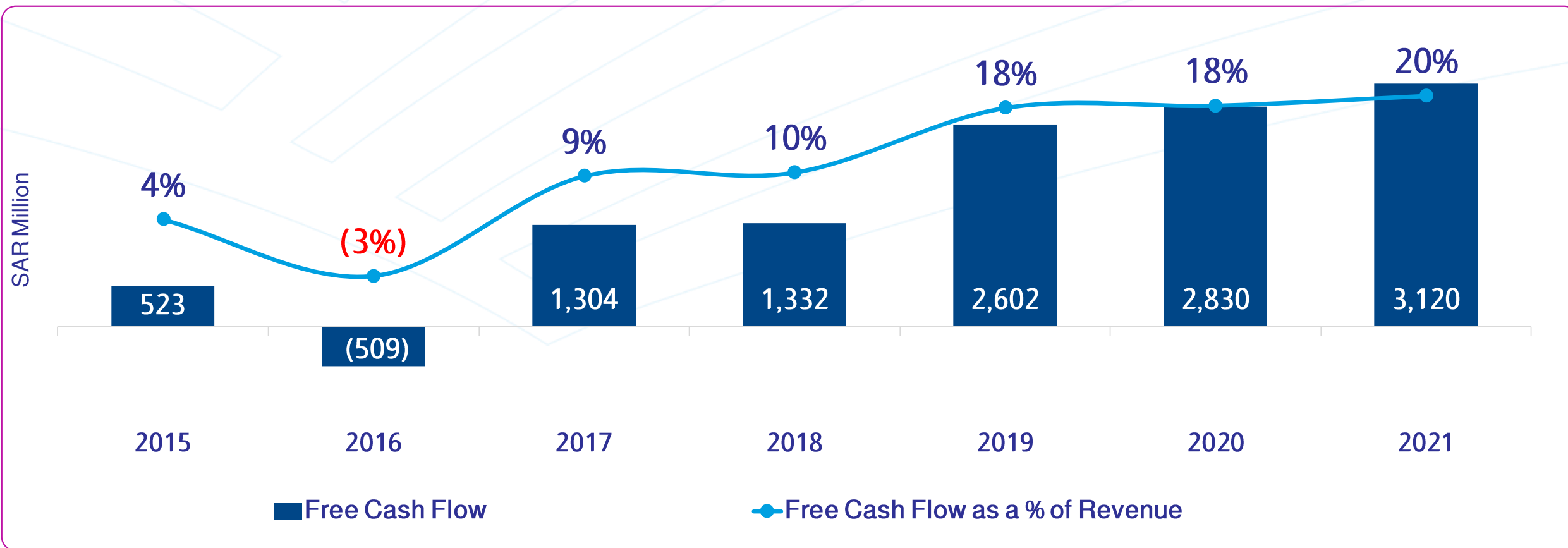
After dividend payment of SAR 1.0 Billion, excess cash of SAR 1.8 Billion was used to lower gross debt, including debt funding costs..... our Net Debt to EBITDA is 2.6X as of end of 2021.

Please note that available facilities include committed facilities of SAR 2.6 B

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

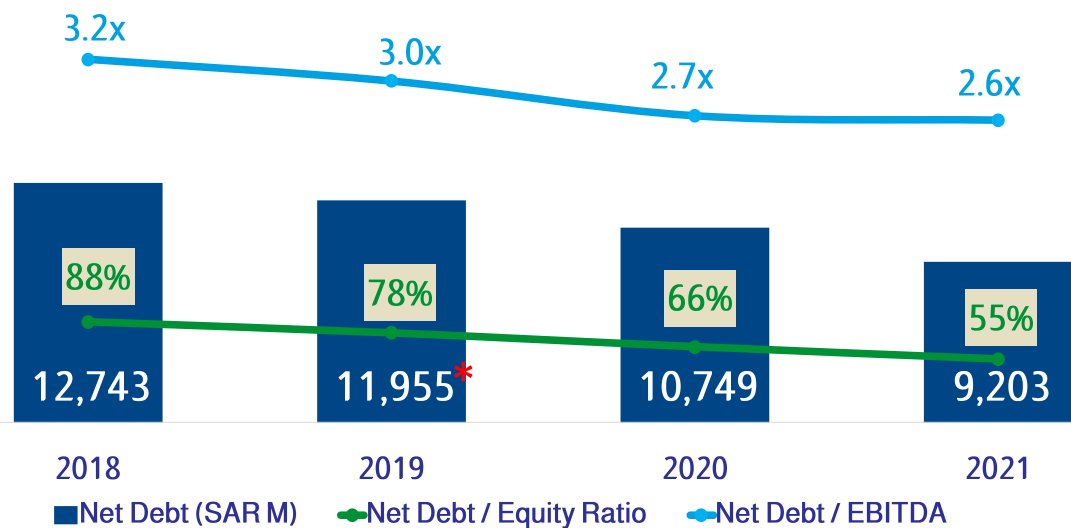
Continues Improvement in Free Cash Flow

Free Cash Flow 2015 to 2021

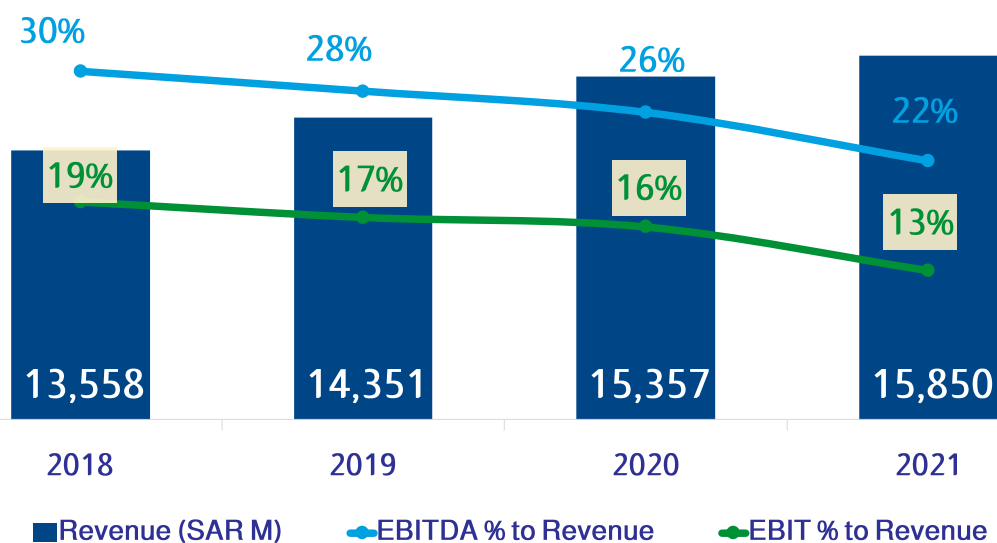


Net Debt and EBITDA / EBIT Margins trend

Net Debt Trend



EBITDA and EBIT Margins

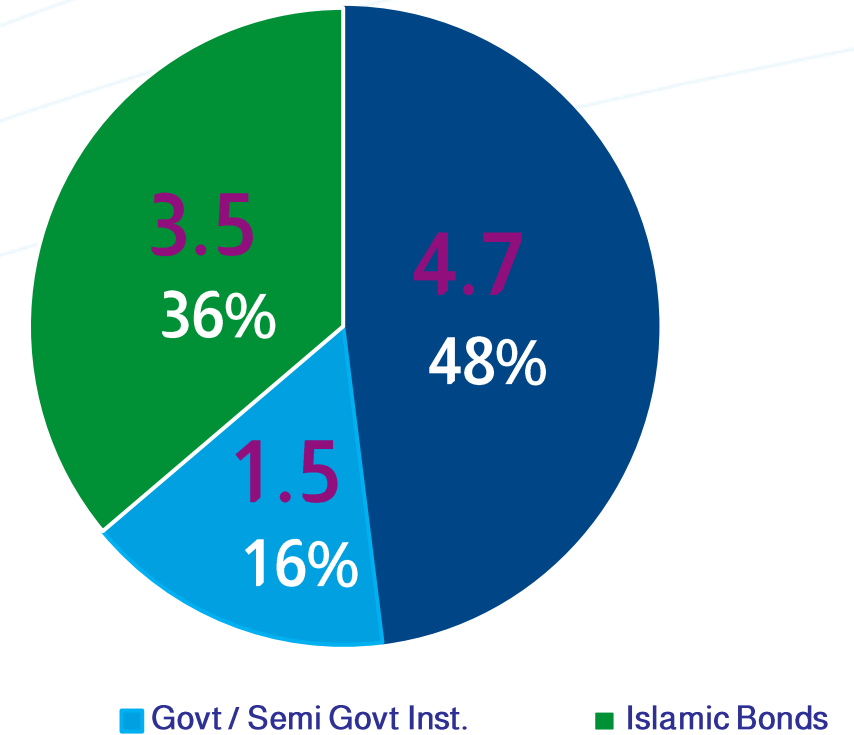
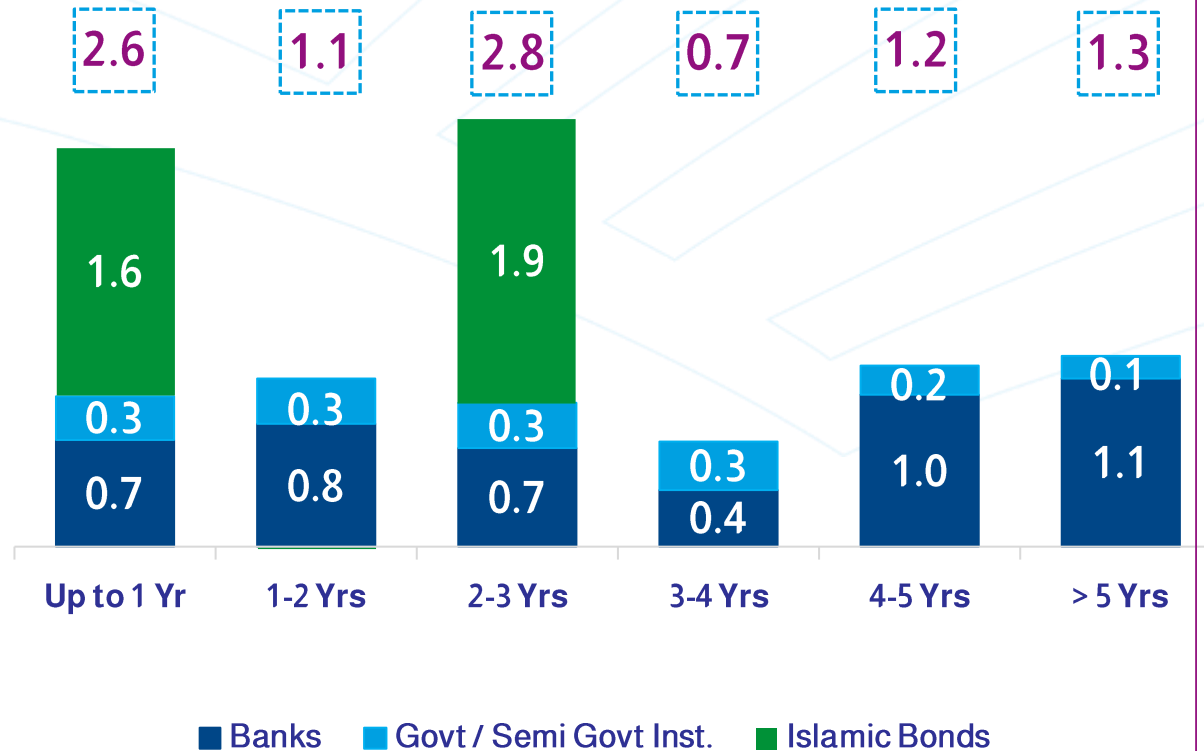


* Net of Time Deposit

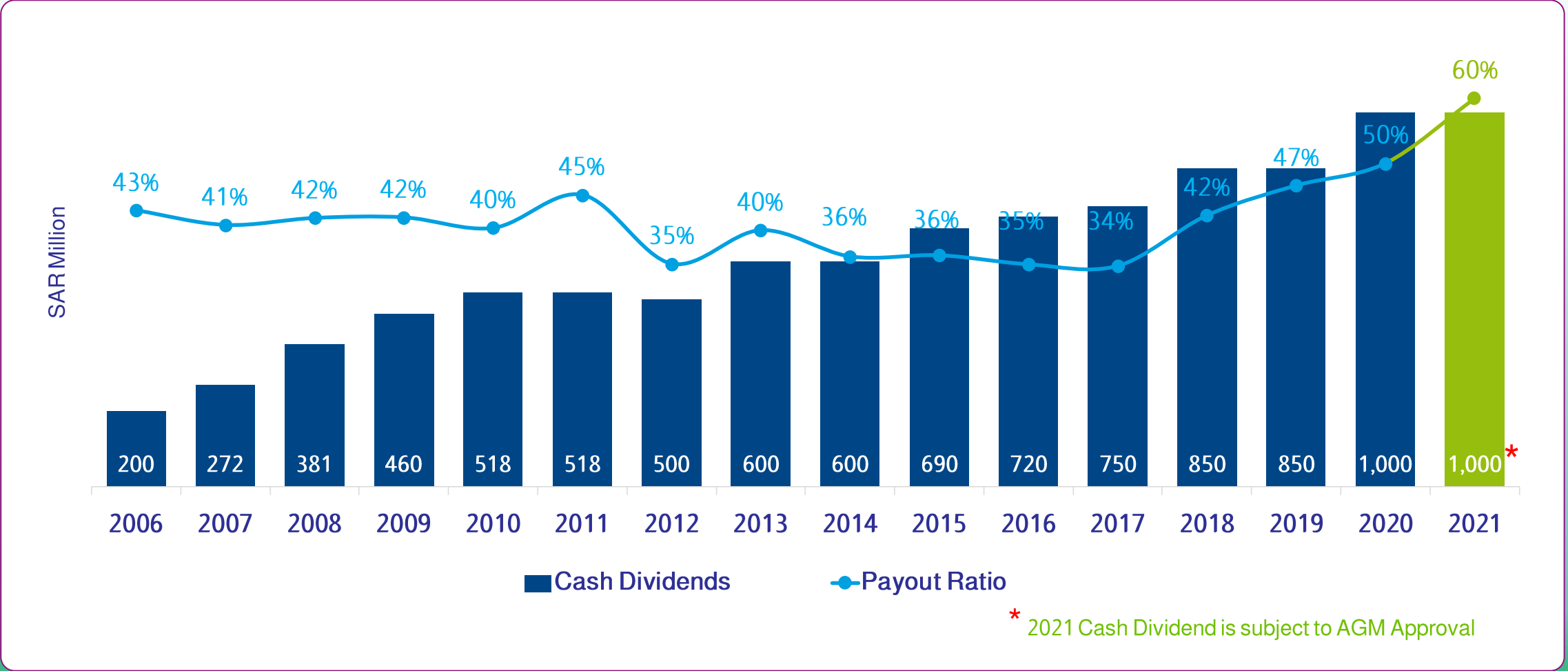
Debt Maturity Profile highlights average debt tenure at 3.5 Years

SAR Billion

Debt Maturity by Age and Type



Cash Dividend Since Listing



Question & Answer

Earnings Presentation



Appendix

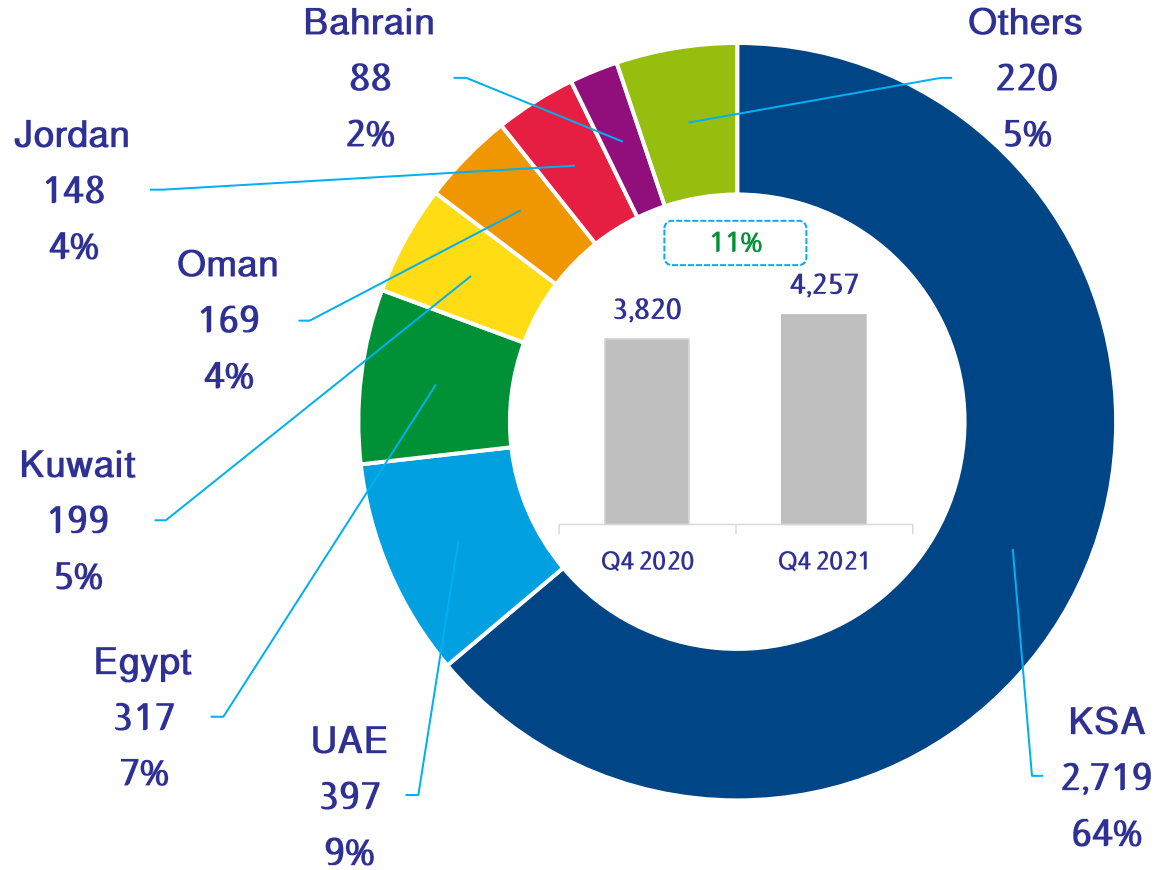
Earnings Presentation



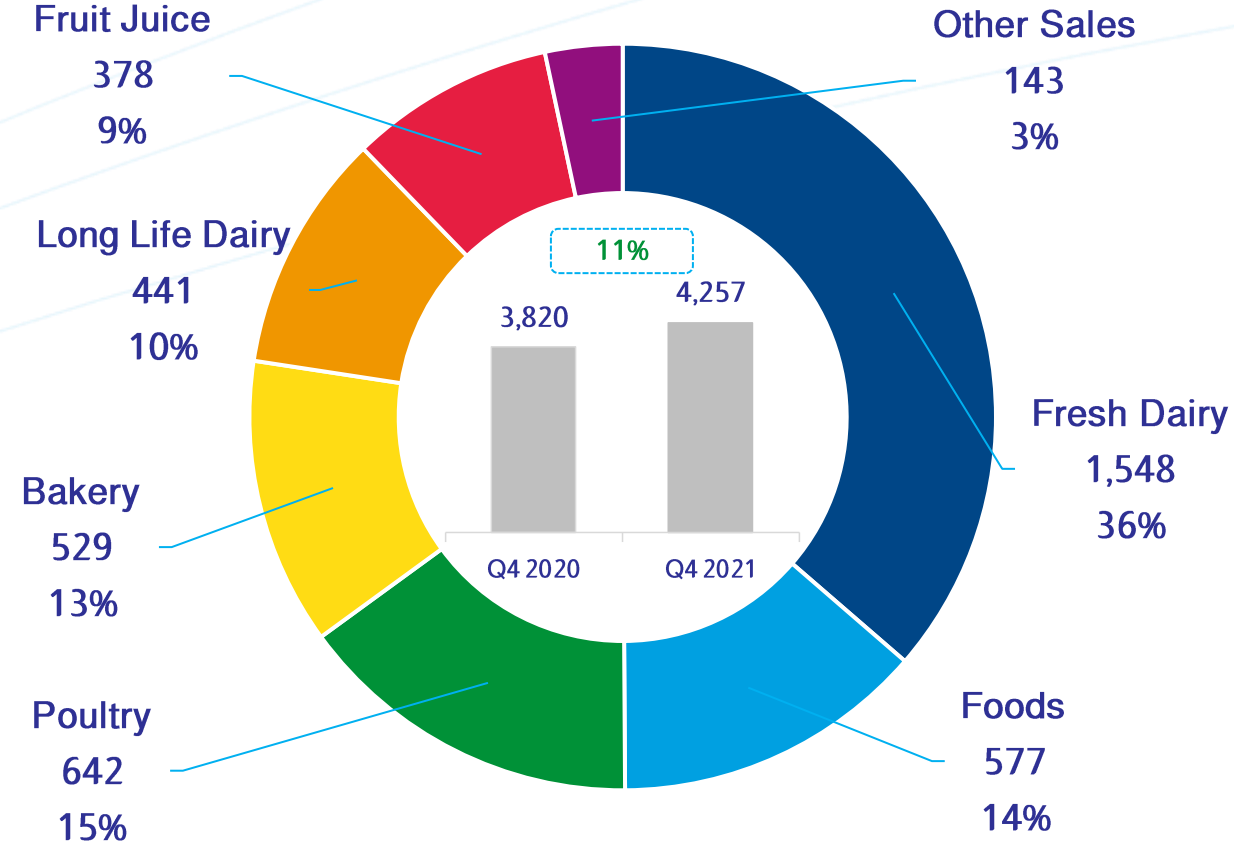
Revenue by Geography and by Category – Q4 2021

SAR Million

Revenue By Geography



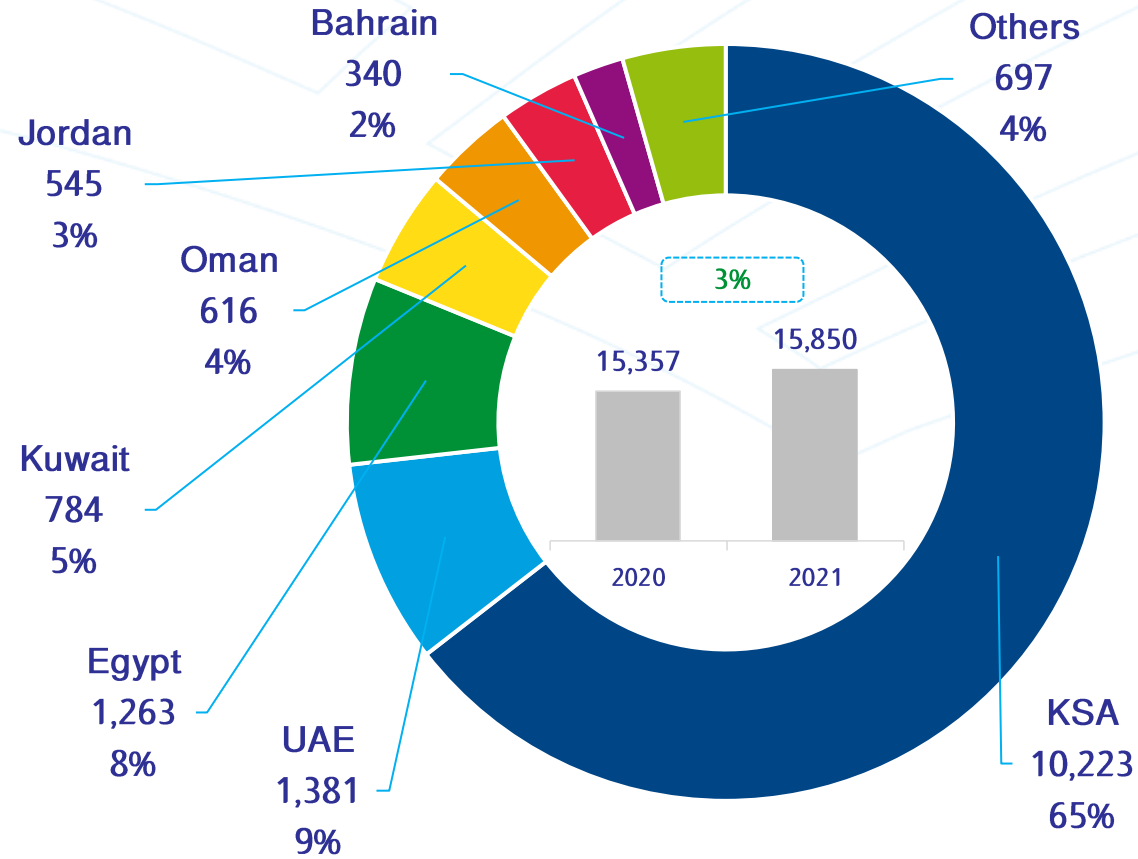
Revenue By Category



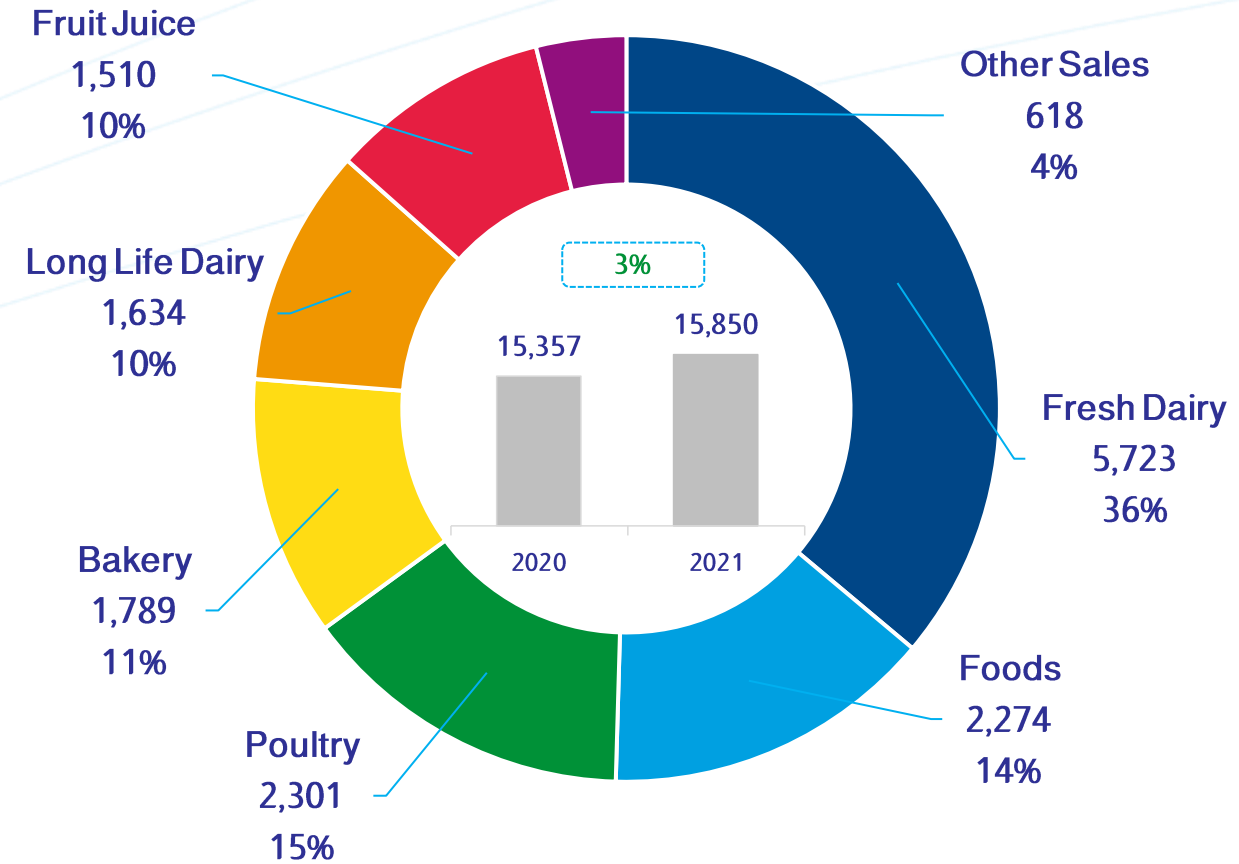
Revenue by Geography and by Category – 2021

SAR Million

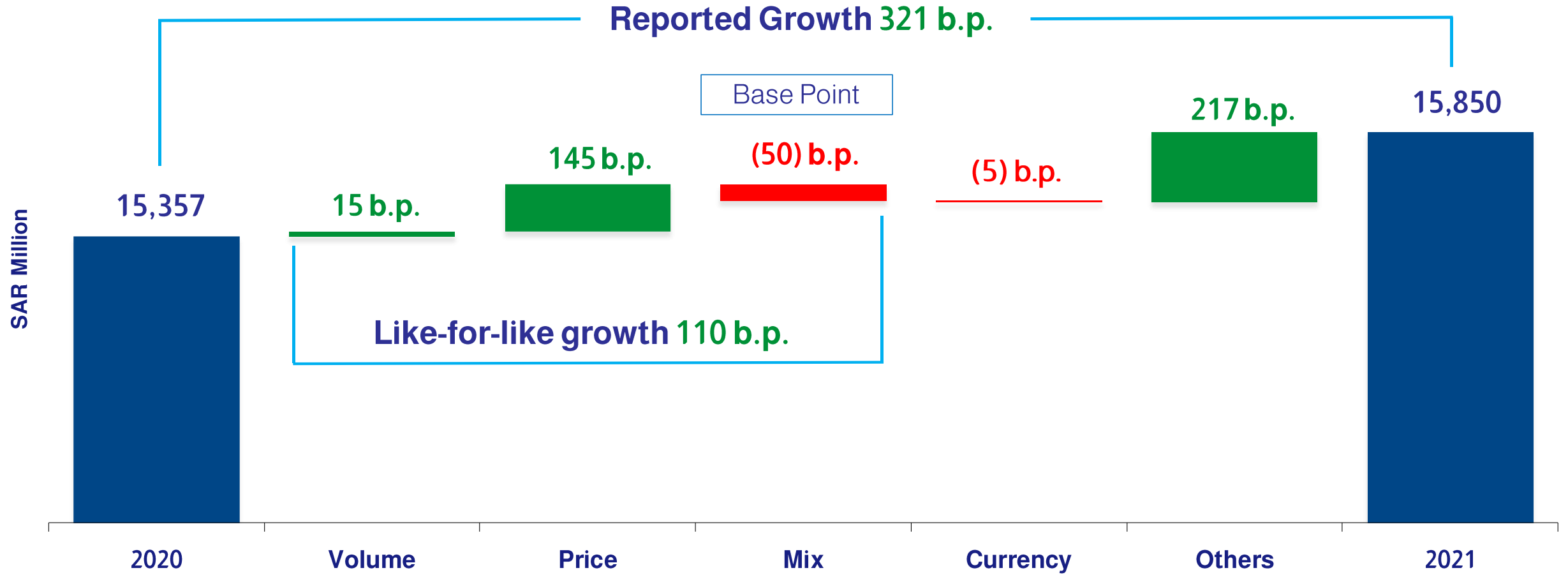
Revenue By Geography



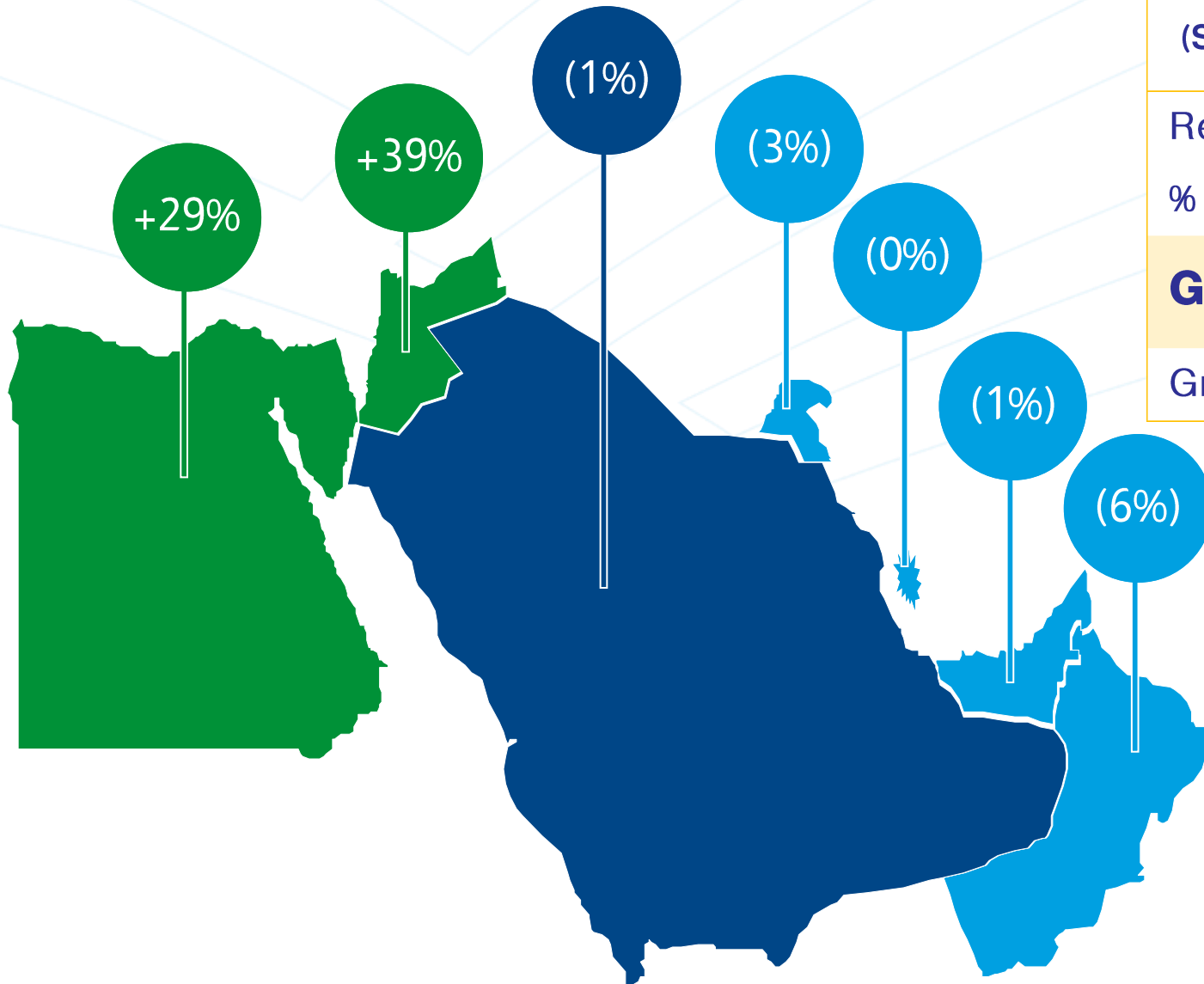
Revenue By Category



Sales Bridge – 2021



Almarai topline growth by country...



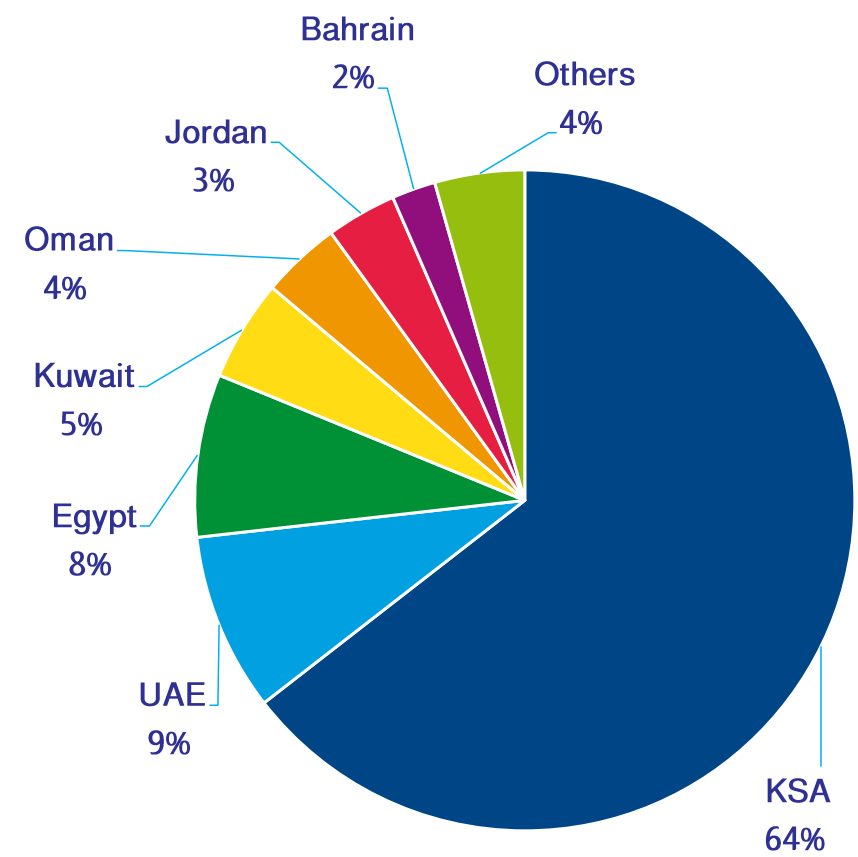
Full Year 2021 Revenue Growth

(SAR Million)	KSA	Other GCC	Others	Total
Revenue	10,223	3,121	2,506	15,850
% of Revenue	64%	20%	16%	100%
Growth	(63)	(77)	633	493
Growth %	-1%	-2%	34%	3%

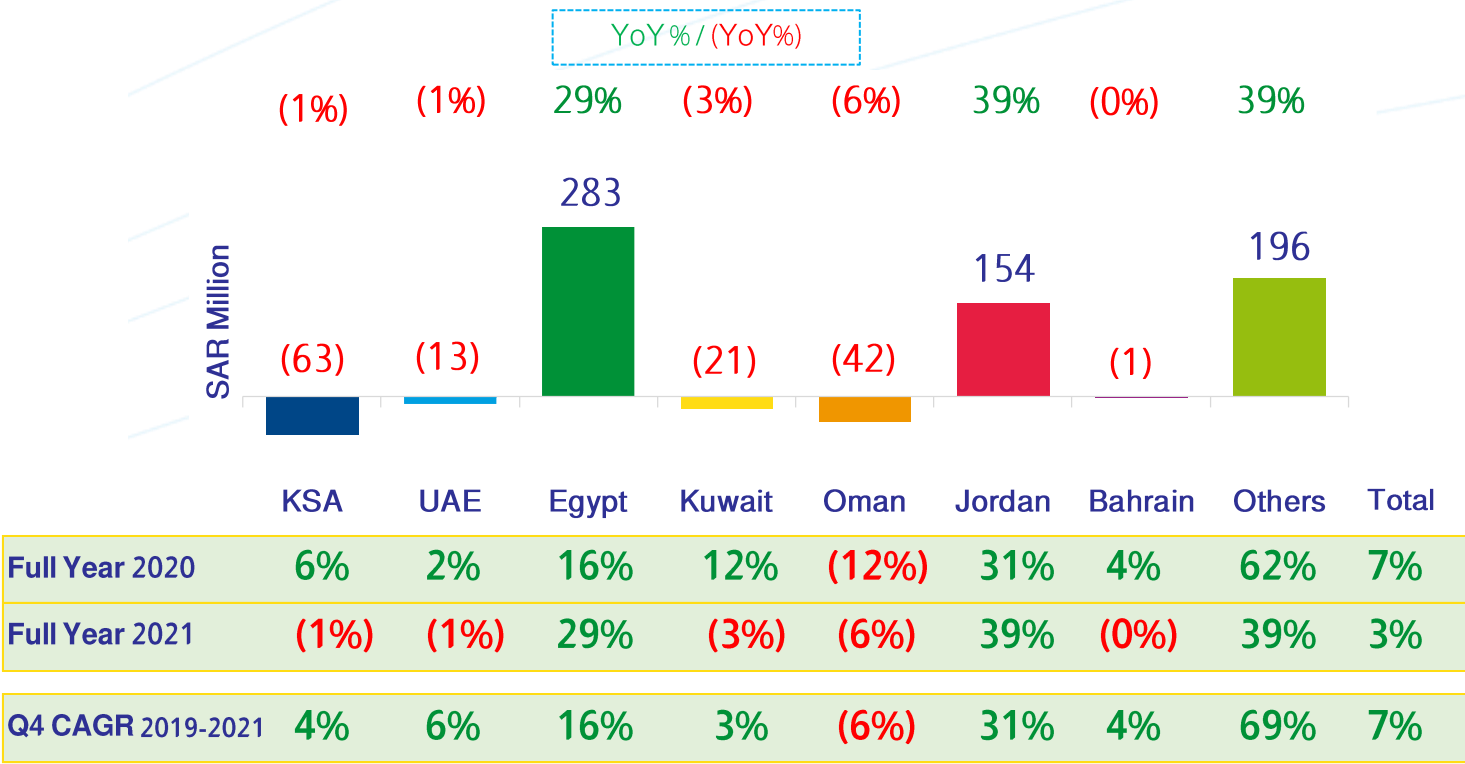
YoY % / (YoY%)

Growth by Geography – 2021

Full Year 2021 Total Revenue – SAR 15,850 Million

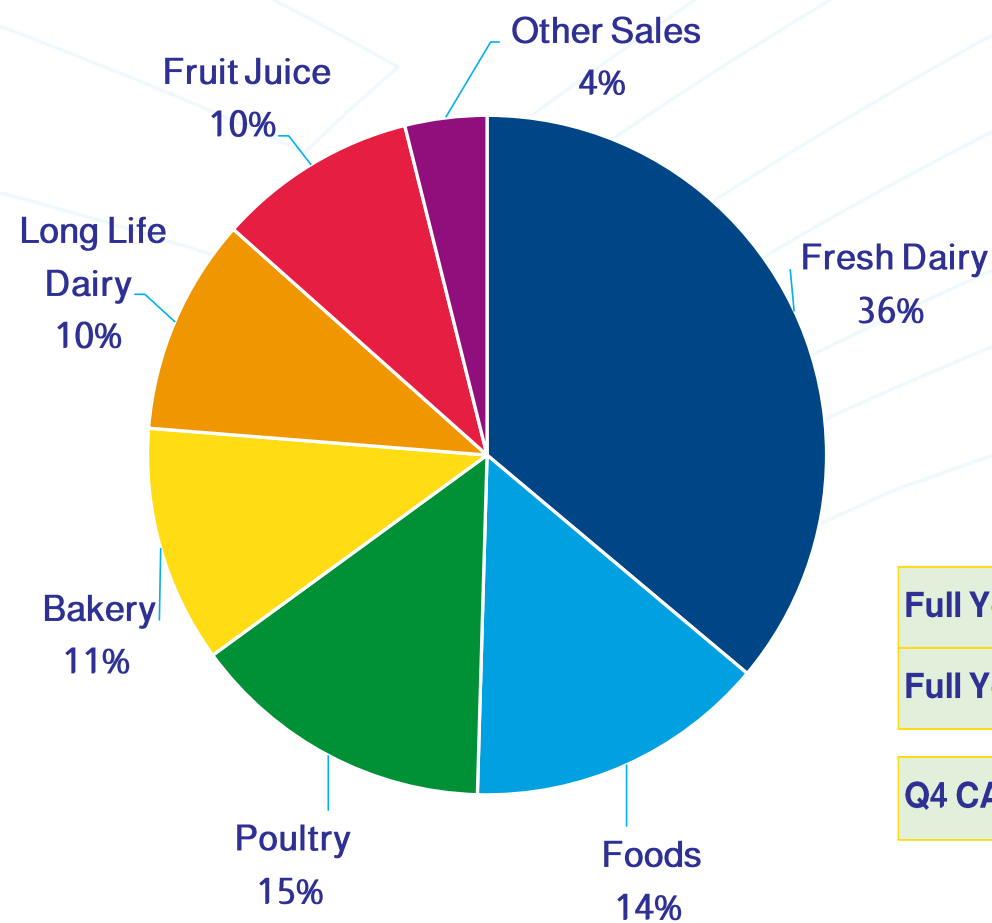


Full Year 2021 Total Growth – SAR 493 Million or 3%

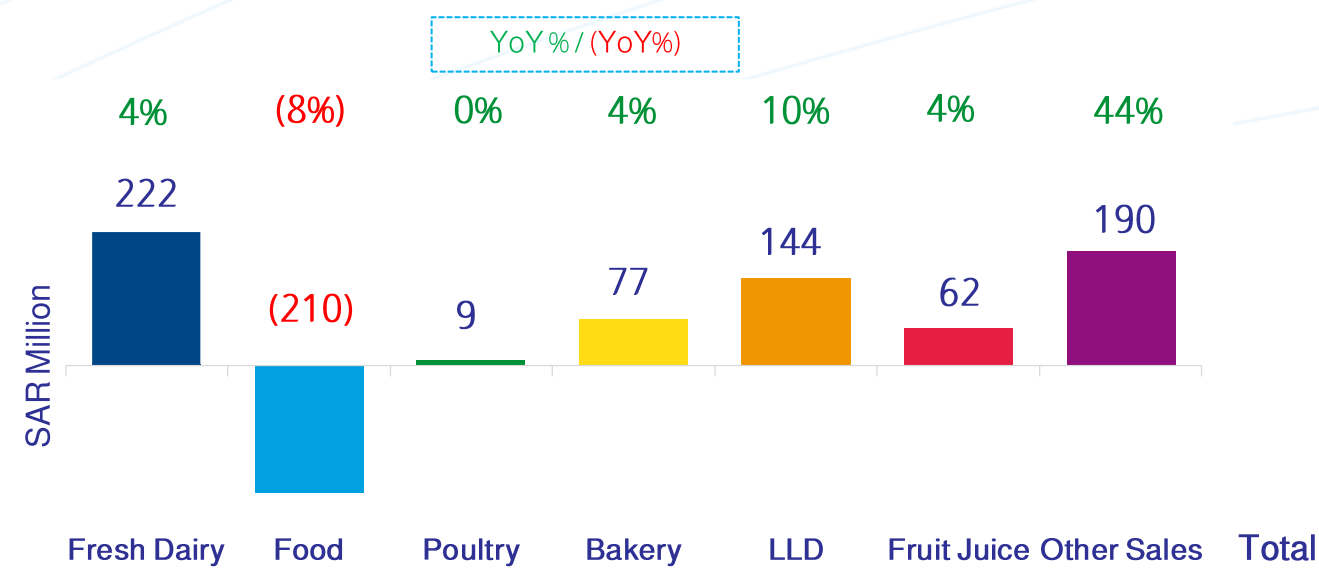


Growth by Product Category – 2021

Full Year 2021 Total Revenue – SAR 15,850 Million



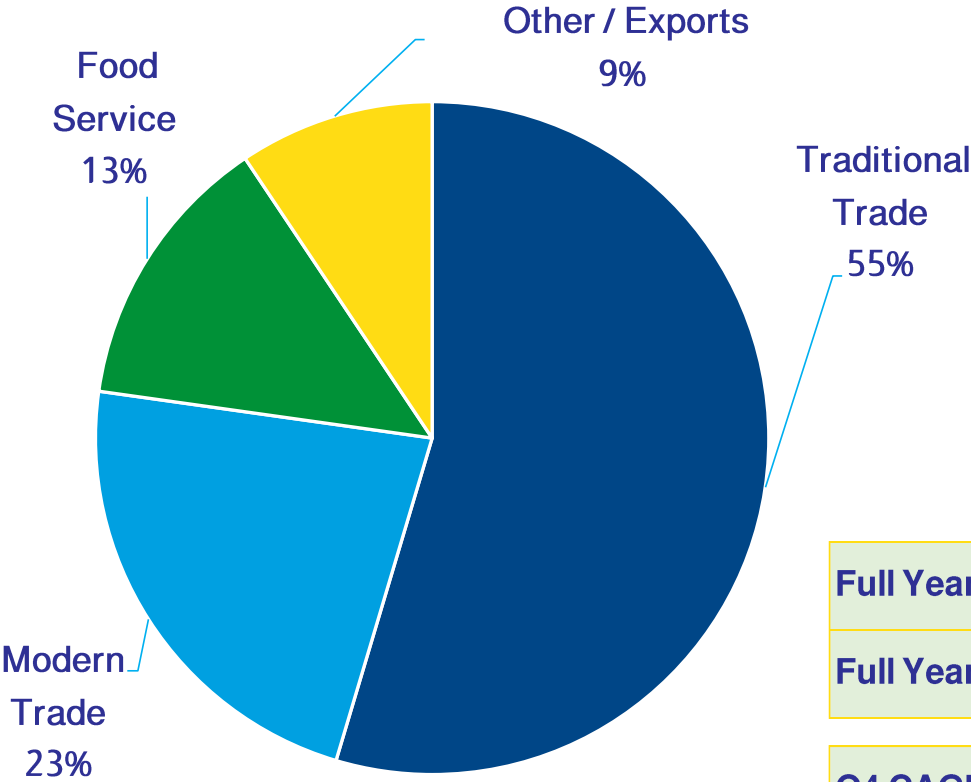
Full Year 2021 Total Growth – SAR 493 Million or 3%



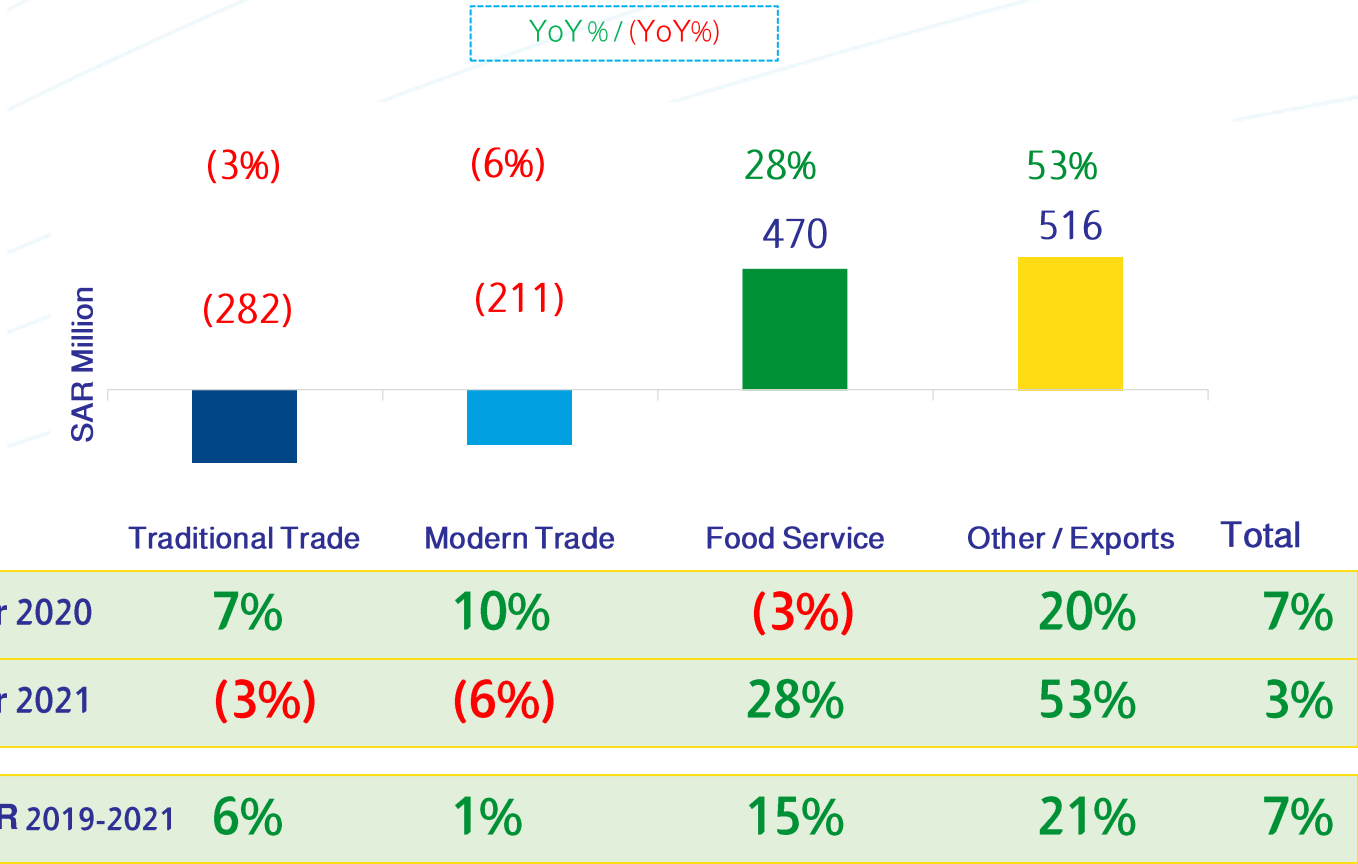
	Fresh Dairy	Food	Poultry	Bakery	LLD	Fruit Juice	Other Sales	Total
Full Year 2020	2%	15%	8%	(2%)	18%	3%	60%	7%
Full Year 2021	4%	(8%)	0%	4%	10%	4%	44%	3%
Q4 CAGR 2019-2021	8%	5%	3%	5%	11%	6%	38%	7%

Growth by Channel – 2021

Full Year 2021 Total Revenue – SAR 15,850 Million



Full Year 2021 Total Growth – SAR 493 Million or 3%



Profit & Loss Statement – 2021

SAR Million	4th Quarter					Full Year				
	2021		2020		Change	2021		2020		Change
Revenue	4,257	100.0%	3,820	100.0%	11.5%	15,850	100.0%	15,357	100.0%	3.2%
Cost of sales	(3,065)	(72.0%)	(2,587)	(67.7%)	(18.5%)	(10,790)	(68.1%)	(9,821)	(64.0%)	(9.9%)
Gross Profit	1,193	28.0%	1,232	32.3%	(3.2%)	5,059	31.9%	5,536	36.0%	(8.6%)
Selling and Distribution Expenses	(634)	(14.9%)	(604)	(15.8%)	(4.9%)	(2,519)	(15.9%)	(2,490)	(16.2%)	(1.1%)
General and Administration Expenses	(141)	(3.3%)	(131)	(3.4%)	(7.6%)	(428)	(2.7%)	(420)	(2.7%)	(2.0%)
Other Expense, net	(15)	(0.4%)	(7)	(0.2%)	(109.6%)	(86)	(0.5%)	(78)	(0.5%)	(9.1%)
Impairment (Reversal) / Loss on Financial Assets	(11)	(0.3%)	10	0.3%	n.a	(12)	(0.1%)	(24)	(0.2%)	51.6%
Operating Income	392	9.2%	500	13.1%	(21.6%)	2,015	12.7%	2,522	16.4%	(20.1%)
Finance Costs - net	(79)	(1.9%)	(133)	(3.5%)	40.3%	(346)	(2.2%)	(496)	(3.2%)	30.2%
Share of Results of Associates and Joint Ventures	1	0.0%	(0)	(0.0%)	0.0%	(1)	(0.0%)	1	0.0%	0.0%
Profit Before Zakat and Income Tax	314	7.4%	367	9.6%	(14.5%)	1,668	10.5%	2,028	13.2%	(17.8%)
Zakat and Foreign Income Tax	(24)	(0.6%)	(34)	(0.9%)	29.1%	(88)	(0.6%)	(92)	(0.6%)	4.2%
Profit for the Period	290	6.8%	333	8.7%	(13.0%)	1,579	10.0%	1,936	12.6%	(18.4%)
Profit Attributable to Non Controlling Interest	(3)	(0.1%)	3	0.1%	(218.8%)	(16)	(0.1%)	49	0.3%	(132.6%)
Profit Attributable to Shareholders	287	6.7%	336	8.8%	(14.7%)	1,564	9.9%	1,984	12.9%	(21.2%)
Earnings Per Share (Basic)	0.29		0.34		(14.7%)	1.59		2.02		(21.3%)
Profit Attributable to Shareholders %	6.7%		8.8%			9.9%		12.9%		

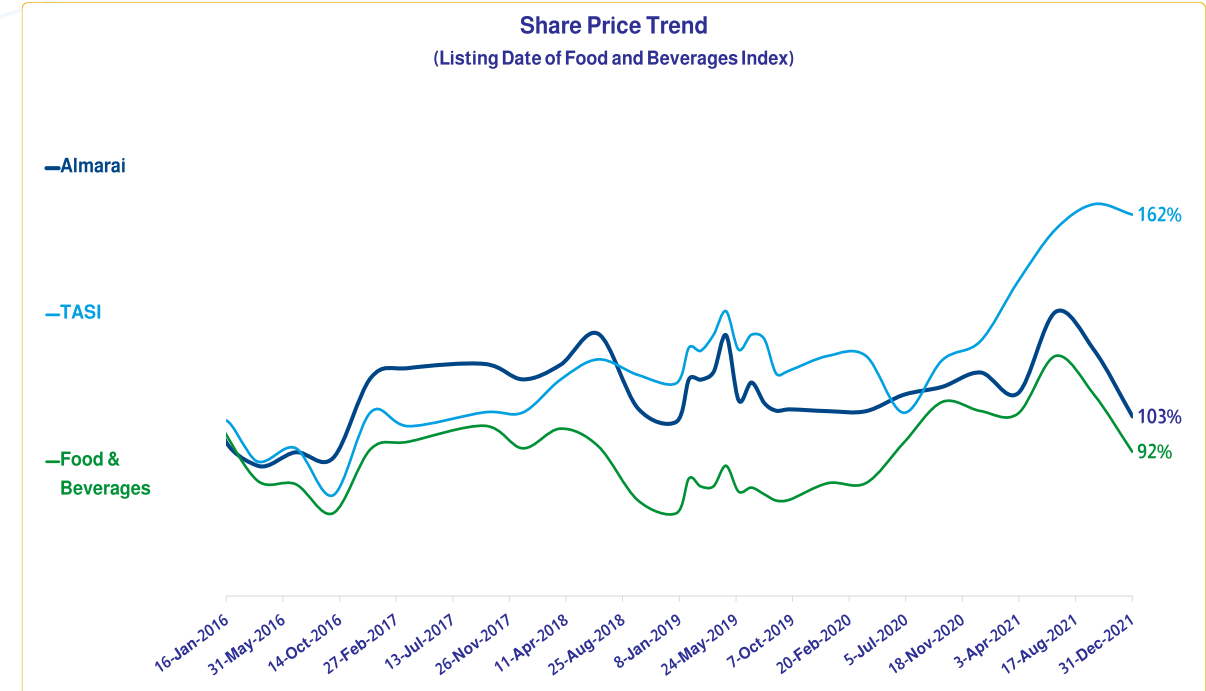
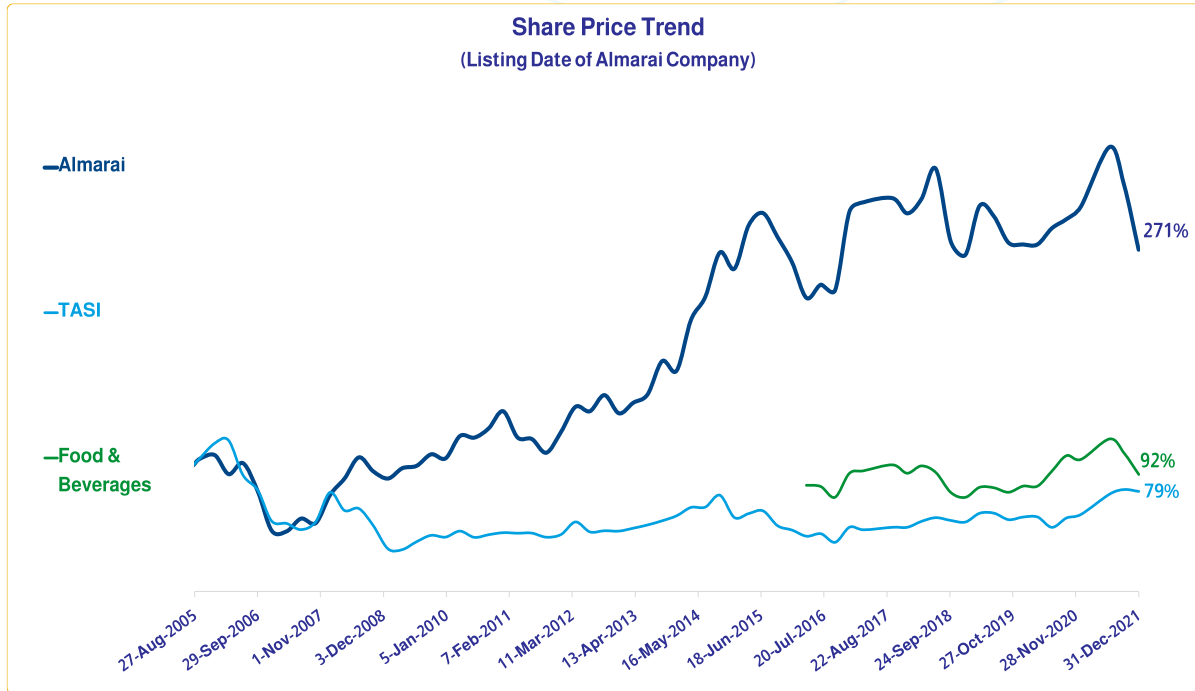
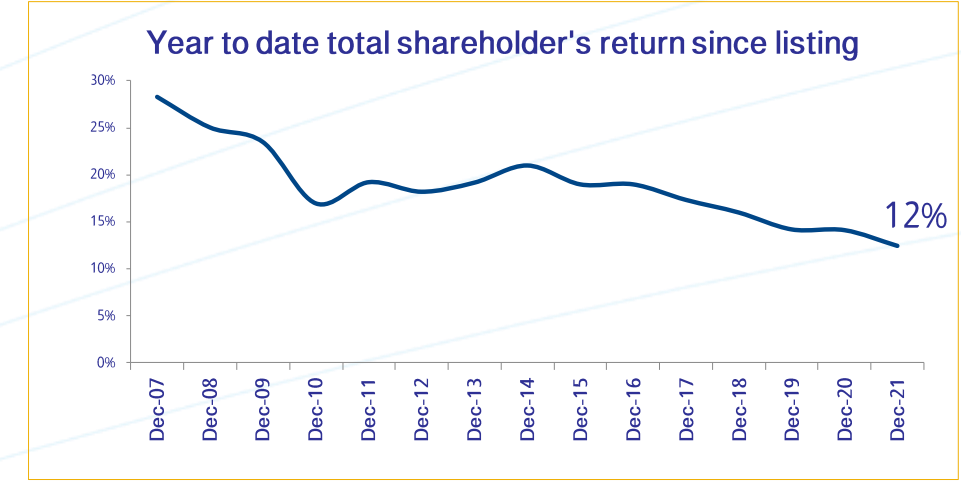
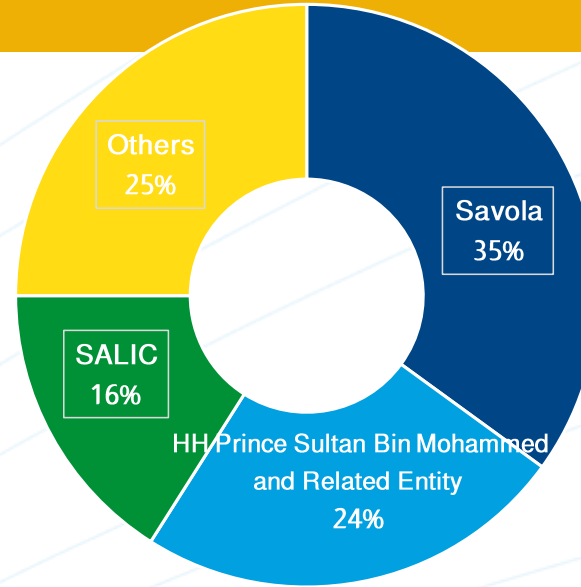
Results by Segment – 2021

SAR Million	Dairy & Juice	Bakery	Poultry	Others	Almarai Consolidated
Full Year 2021					
Revenue	11,141	1,789	2,301	618	15,850
Profit Attributable to Shareholders	1,215	218	215	(84)	1,564
Percent to Revenue of Profit Attributable to Shareholders	10.9%	12.2%	9.3%	n.a	9.9%
Growth versus 2020					
- Revenue - 2020	10,924	1,712	2,293	429	15,357
- Revenue Growth % Over 2020	2.0%	4.5%	0.4%	44.2%	3.2%
- Profit Attributable to Shareholders - 2020	1,473	226	343	(58)	1,984
- Profit Attributable to Shareholders Growth % Over 2020	(17.5%)	(3.6%)	(37.3%)	(45.0%)	(21.2%)
Q4 2021					
Revenue	2,944	529	642	143	4,257
Profit Attributable to Shareholders	206	69	56	(44)	287
Percent to Revenue of Profit Attributable to Shareholders	7.0%	13.1%	8.7%	n.a	6.7%
Growth versus Q4 2020					
- Revenue - Q4 2020	2,667	436	595	122	3,820
- Revenue Growth % Over Q4 2020	10.4%	21.5%	7.9%	17.0%	11.5%
- Profit Attributable to Shareholders - Q4 2020	219	65	73	(21)	336
- Profit Attributable to Shareholders Growth % Over Q4 2020	(6.2%)	6.8%	(23.6%)	n.a	(14.7%)

Key Share Data

Key Statistics for Almarai (31 December 2021)

Share Price (SAR)	48.75
Current P/E Ratio (ttm)	31.18
Earnings Per Share (SAR) (ttm)	1.56
Market Cap (SAR Million)	48,750
Shares Outstanding (Million)	1,000
Dividend Yield	2.05%



Thank you

Earnings Presentation - Q4 2021