



Earnings Presentation – Q1 2023

Quality you can trust



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Q1
2023

Earnings Presentation

Market Dynamics

Business Performance

Financial Performance

Question & Answer

Appendix


المراعي
Almarai



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...Whilst Almarai maintaining Market Share Leadership in KSA

| Category | Almarai Value Share % | | | Almarai Rank Feb-23 |
|-------------------------|-----------------------|--------|--------|---------------------|
| | Dec-21 | Dec-22 | Feb-23 | |
| Laban | 64 | 63 | 63 | 1 |
| Fresh Milk | 66 | 65 | 65 | 1 |
| UHT Milk | 21 | 19 | 20 | 2 |
| Food | 37 | 32 | 34 | 1 |
| Juice | 47 | 45 | 44 | 1 |
| Bakery | 55 | 57 | 56 | 1 |
| Poultry (Fresh Chicken) | 31 | 34 | 34 | 1 |

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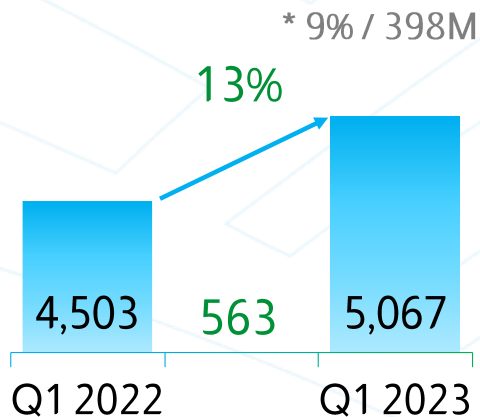


Q1 2023 Key highlights

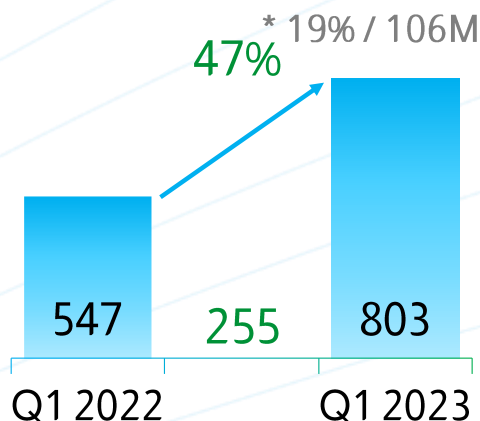
SAR Million

P&L Highlights

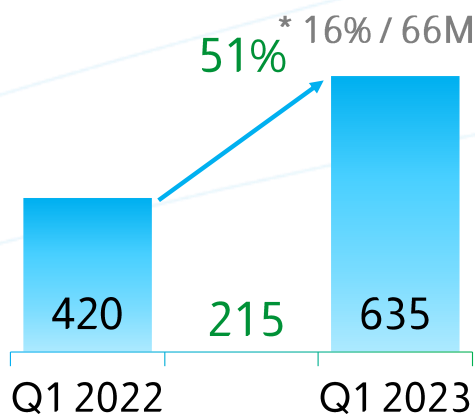
Revenue



Operating Profit

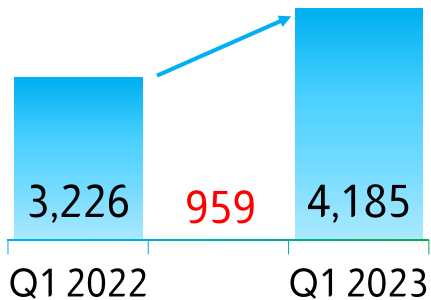


Net Income

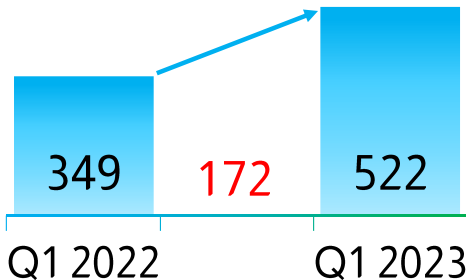


BS & CF Highlights

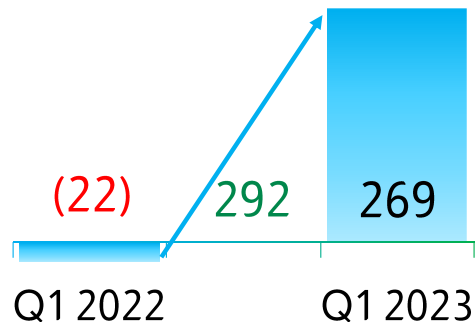
Working Capital



CAPEX



Free Cash Flow



YoY% / (YoY%)

P&L – Profit and Loss Statement

BS – Balance Sheet

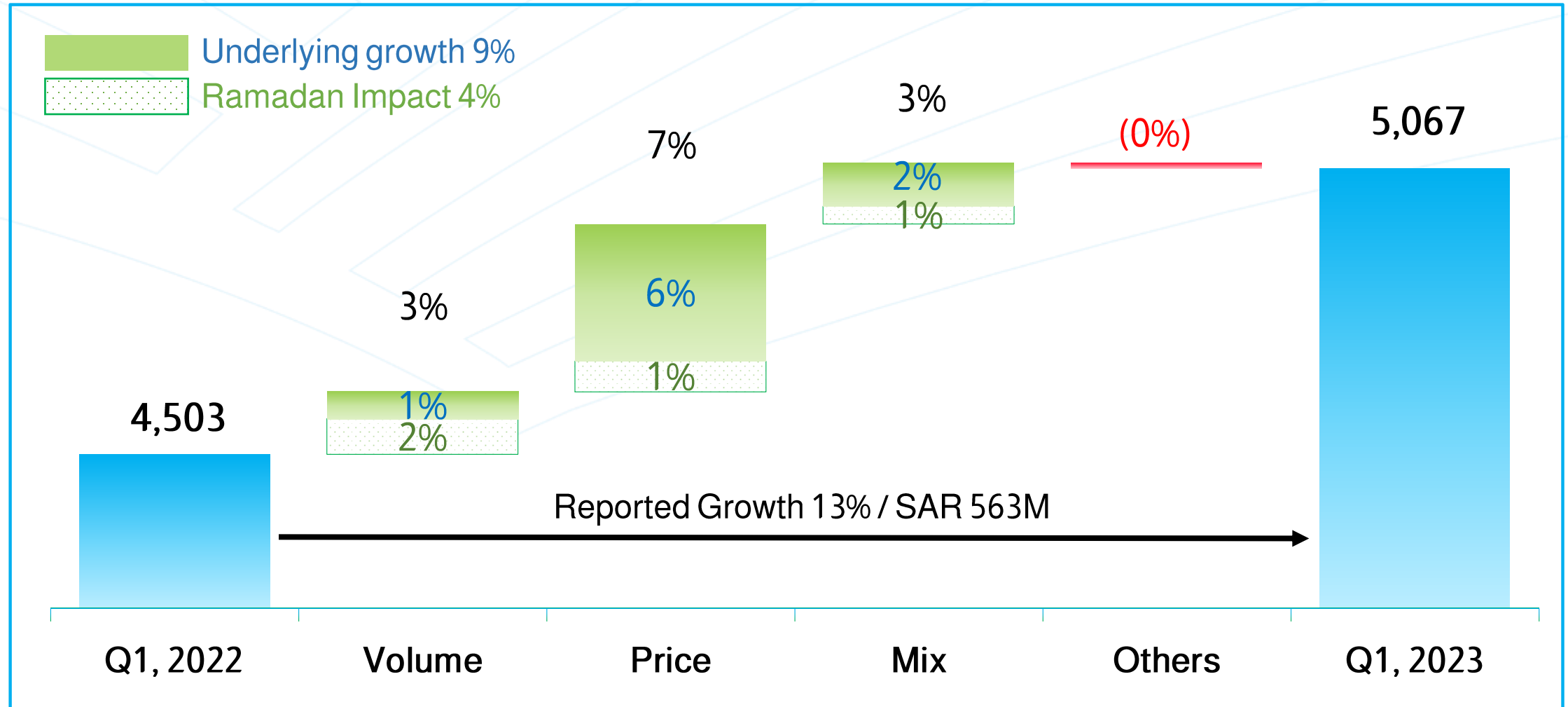
CF – Cash Flow

* Growth excluding Ramadan Advancement and one-off subsidy

Almarai

Q1 2023 Revenue Bridge

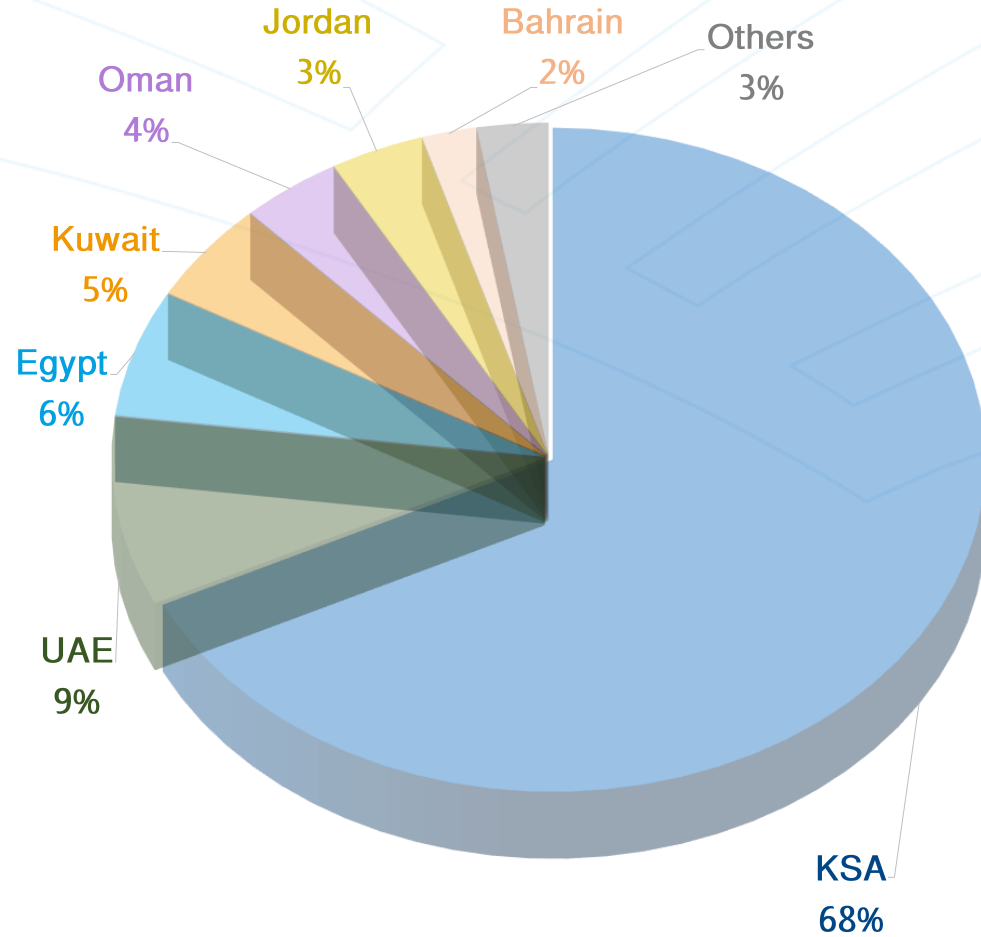
SAR Million



...A very strong growth in all countries....

SAR Million

Q1 2023 Revenue is SAR 5,067 M with a total growth of SAR 563 M or 13%

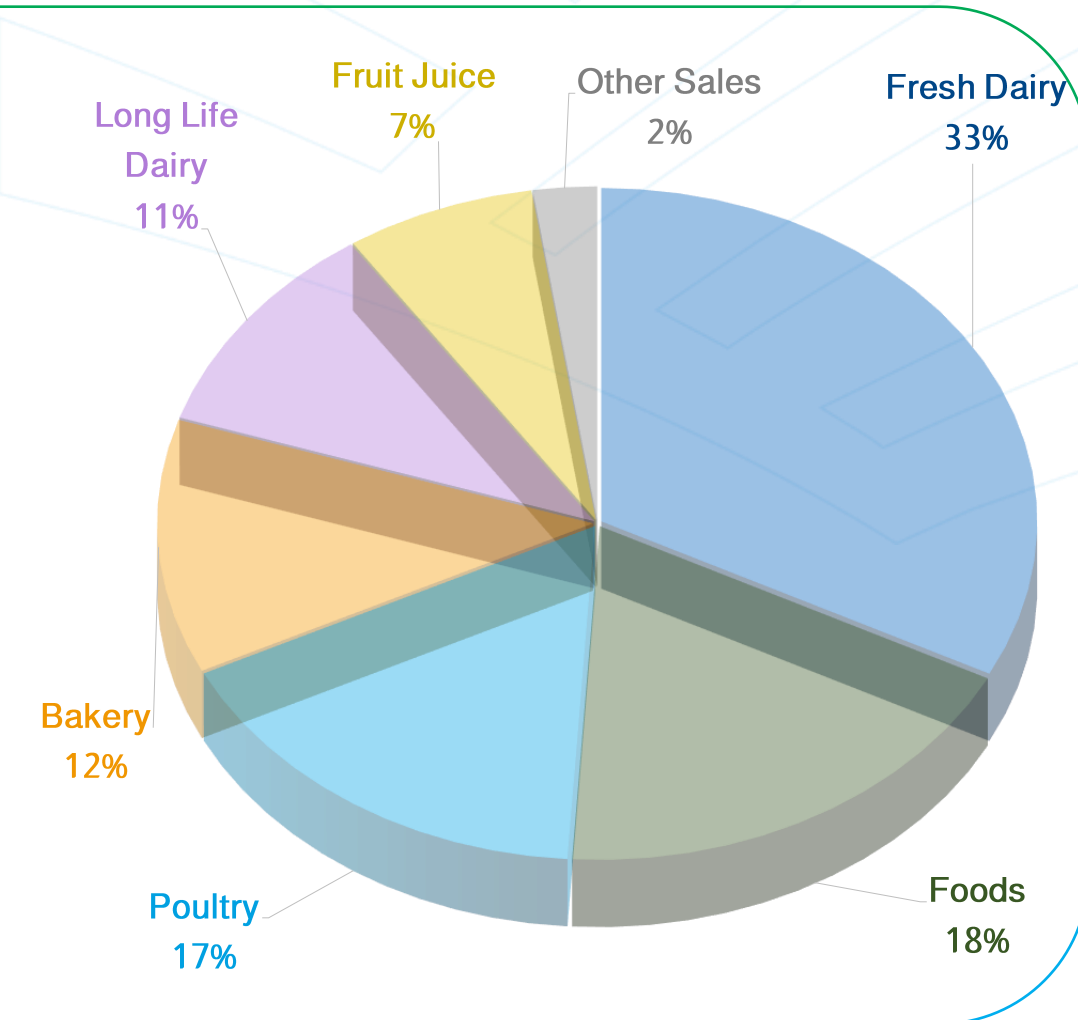


| Country | Current Performance | | Q1 2022 Growth |
|--------------|---------------------|------------|----------------|
| | Growth | Growth % | |
| KSA | 453 | 15% | 23% |
| UAE | 54 | 13% | 33% |
| Kuwait | 33 | 16% | 16% |
| Jordan | 32 | 22% | 31% |
| Oman | 26 | 16% | 18% |
| Bahrain | 10 | 11% | 18% |
| Egypt | (33) | (10%) | 34% |
| Others | (12) | (8%) | 11% |
| Total | 563 | 13% | 24% |

... driven by growth across all product categories...

SAR Million

Q1 2023 Revenue is SAR 5,067 M with a total growth of SAR 563 M or 13%

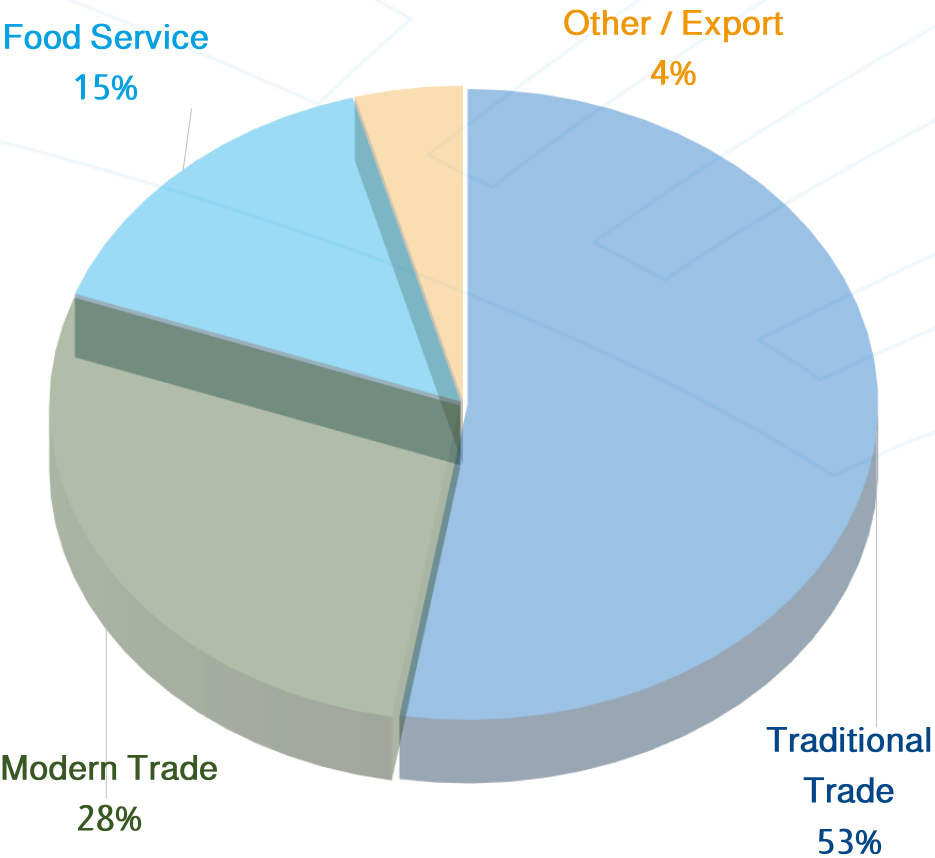


| Product | Current Performance | | Q1 2022 Growth |
|-----------------|---------------------|------------|----------------|
| | Growth | Growth % | |
| Fresh Dairy | 214 | 15% | 19% |
| Poultry | 187 | 28% | 20% |
| Foods | 111 | 13% | 23% |
| Bakery | 52 | 9% | 46% |
| Long Life Dairy | 23 | 4% | 24% |
| Fruit Juice | 12 | 4% | 16% |
| Other Sales | (36) | (23%) | 30% |
| Total | 563 | 13% | 24% |

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

SAR Million

Q1 2023 Revenue is SAR 5,067 M with a total growth of SAR 563 M or 13%



| Channel | Current Performance | | Q1 2022 Growth |
|-------------------|---------------------|----------|----------------|
| | Growth | Growth % | |
| Traditional Trade | 236 | 10% | 23% |
| Modern Trade | 153 | 12% | 20% |
| Food Service | 136 | 21% | 34% |
| Other / Export | 38 | 22% | 26% |
| Total | 563 | 13% | 24% |

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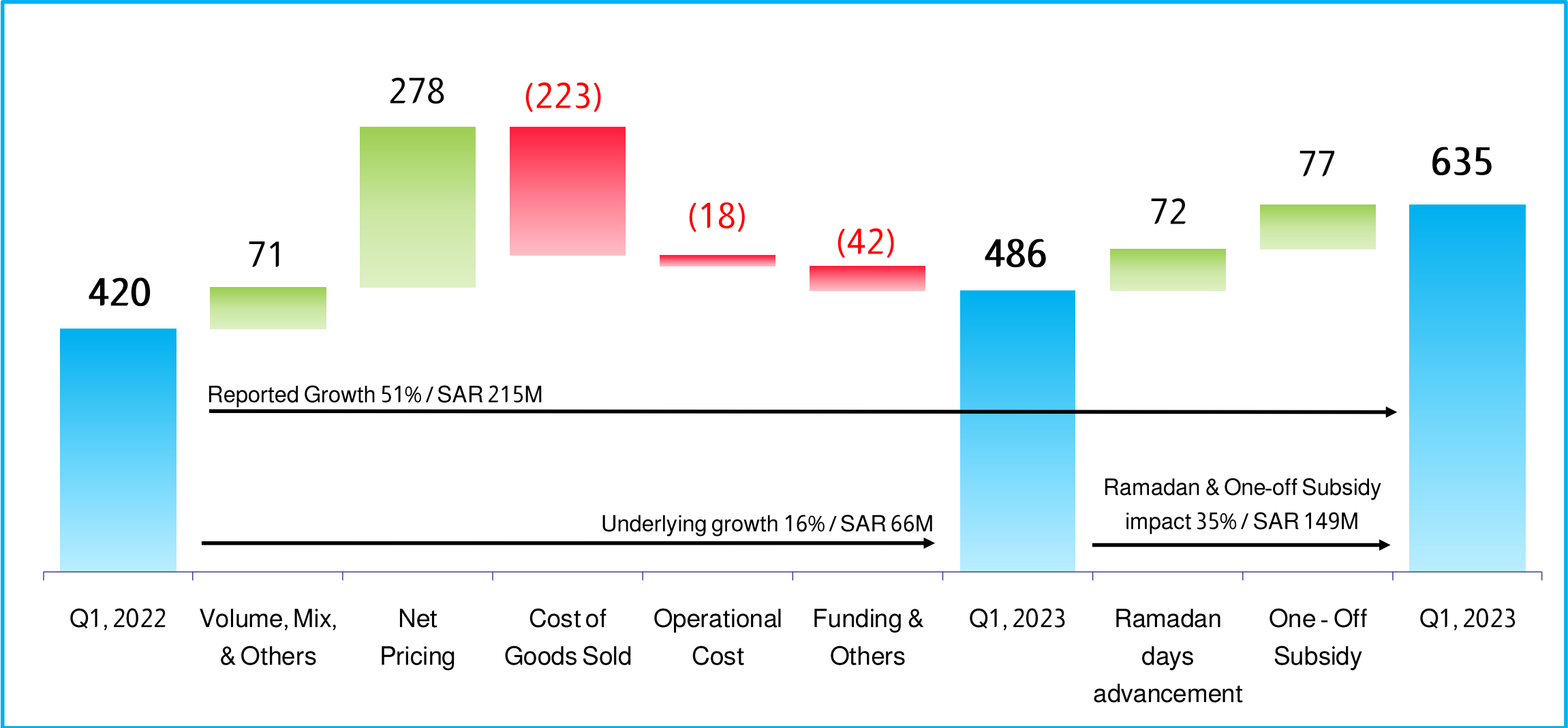


Q1 2023 Growth by Segment

| | Dairy & Juice | Bakery | Poultry | Total |
|-----------------------------------|---------------|-------------|-------------|-------------|
| Reported growth | | | | |
| Revenue | +11% | +9% | +29% | +13% |
| Net Income | +40% | +30% | +120% | +51% |
| Net Income as % of Revenue | 12% | 14% | 16% | 13% |
| Like on like growth | | | | |
| Revenue | +6% | +9% | +25% | +9% |
| Net Income | +8% | +29% | +38% | +16% |
| Net Income as % of revenue | 10% | 14% | 10% | 10% |

Q1 2023 Net Income Bridge

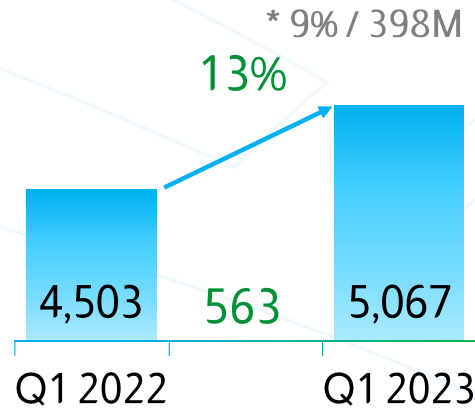
SAR Million



Q1 2023 Financial Performance

SAR Million

Revenue

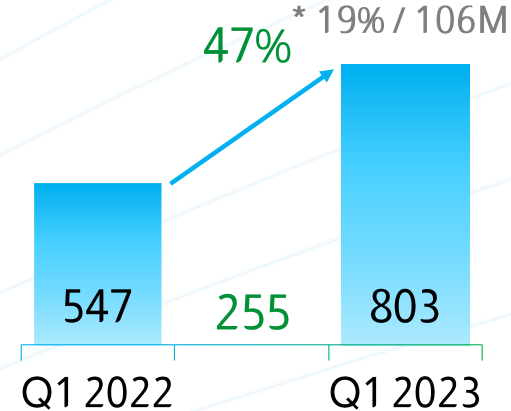


Revenue – Growth Continues

- ❖ Positive momentum from 2022 continued in the first quarter of 2023 across all channels, products and countries*.
- ❖ On Normalized basis, Poultry delivered the highest growth among all product segments delivered by capacity expansion

* In local currency

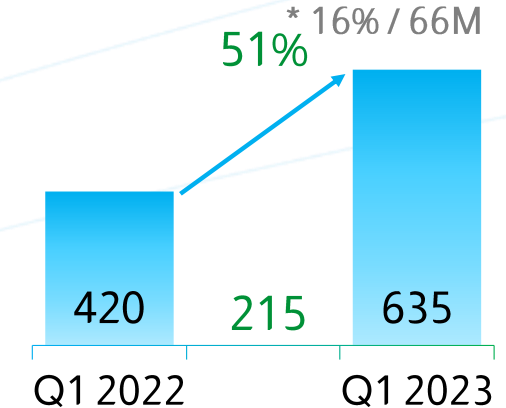
Operating Profit



Operating Profit

- ❖ Purchase prices of key dairy and feed commodities have remained stable in the quarter however higher inventory cover will result in this benefit to be realized later
- ❖ Higher COGS for the quarter were offset with one-off subsidy receipt related to food security.
- ❖ In addition, strong overhead cost control resulted in Normalized Operating Profit growth of 20%

Net Income



Net Income

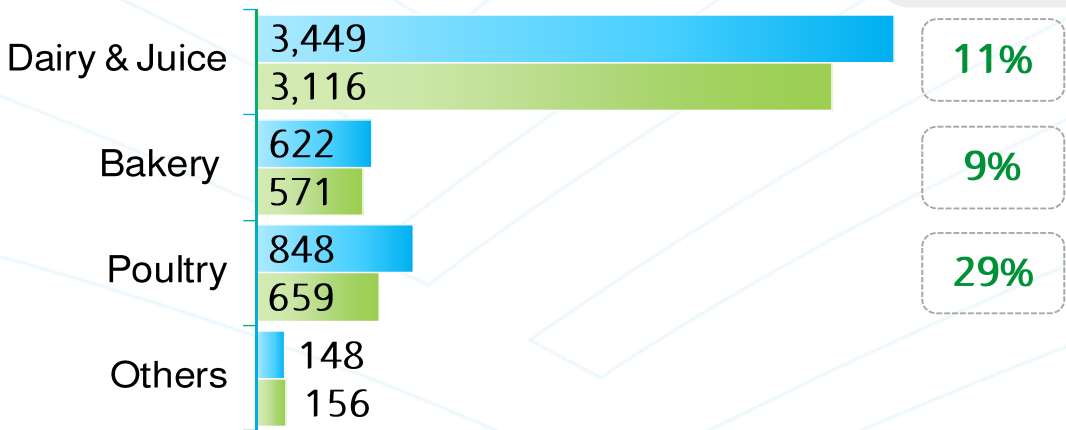
- ❖ Funding cost increased in line with current increase in SAIBOR interest rates, reduced partly by existing fixed debt portfolio.

Q1 2023 Results by Segment

SAR Million

Revenue by Segment

Growth



Dairy & Juice

- ❖ Revenue growth was positively affected by Ramadan phasing however normalized growth reflected strong momentum from 2022 continued in 2023.
- ❖ Higher inventory cover will result in delayed release of stable commodity prices observed in last 6 months.
- ❖ Operating cost control remains strong within the segment as well as across Almarai.

Bakery

- ❖ Bakery growth remain resilient despite Ramadan phasing (Bakery is adversely impacted in Ramadan due to consumption patterns).
- ❖ Continued growth of both bread and single serve product sales resulted in strong profit growth.

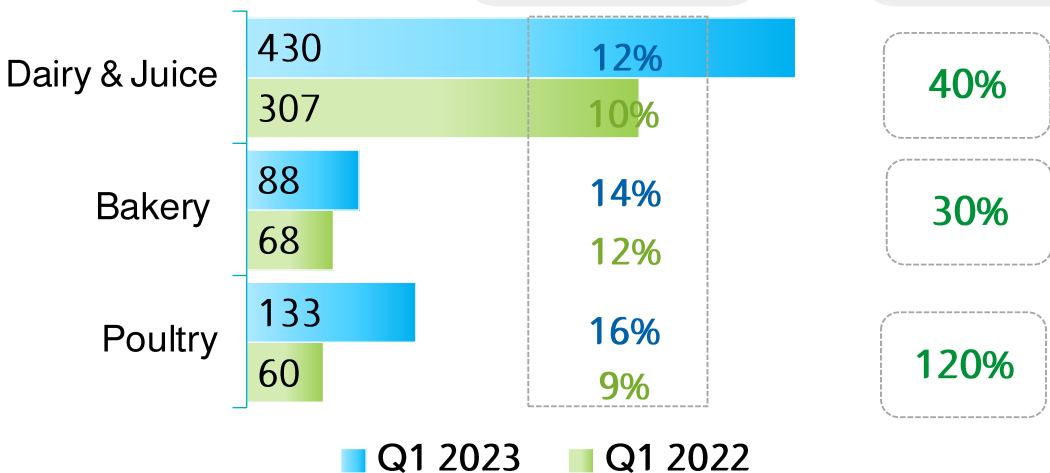
Poultry

- ❖ Volume growth remains high driven by additional capacity.
- ❖ Strong cost control at Farm and Operation level continue to aid expansion of both normalized and reported net profit margin.

Net Profit Margin By Segment

% of Revenue

Growth



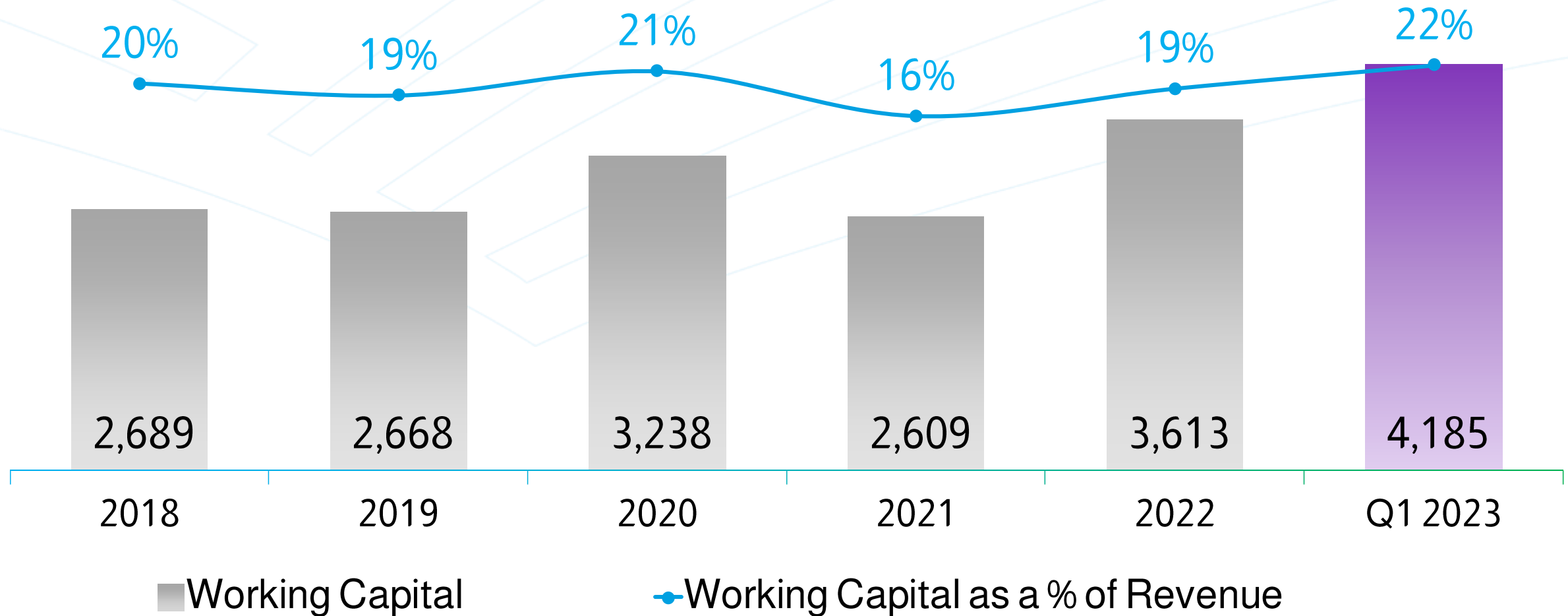
■ Q1 2023 ■ Q1 2022

YoY% / (YoY%)

Strategic Management of Working Capital continues

SAR Million

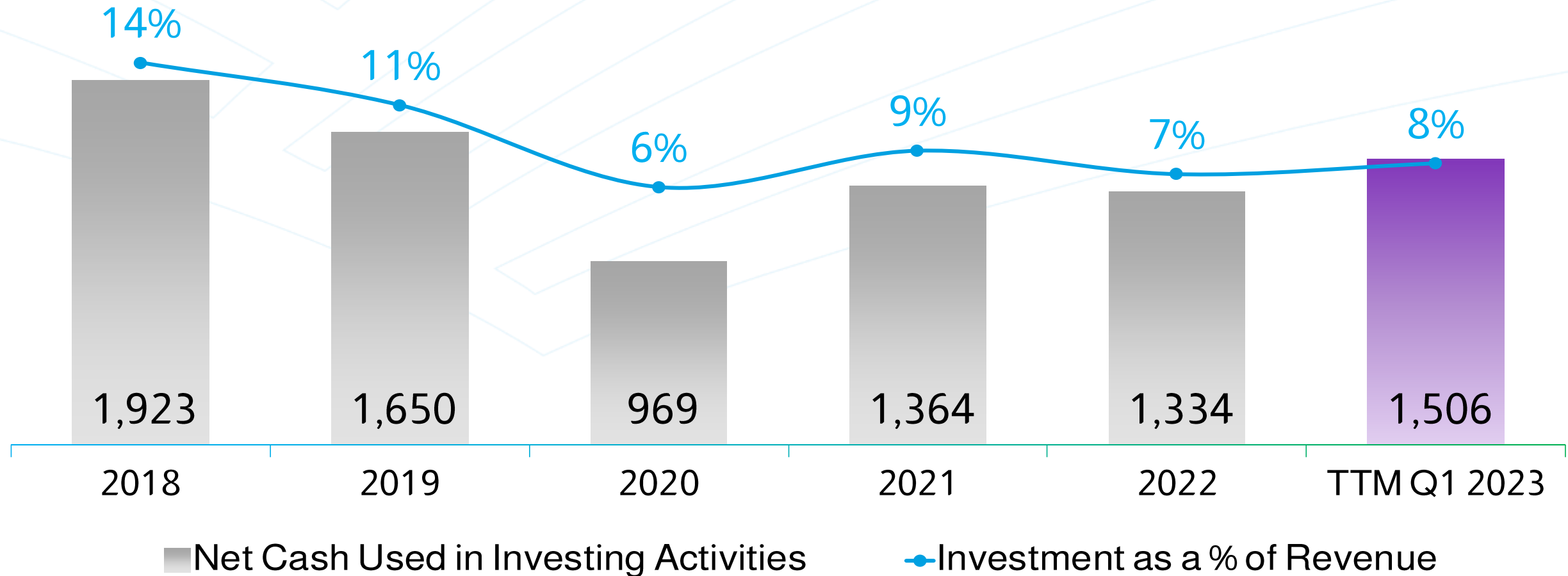
Working Capital - 2018 to Q1 2023



CAPEX remains in line with long term replacement capex...

SAR Million

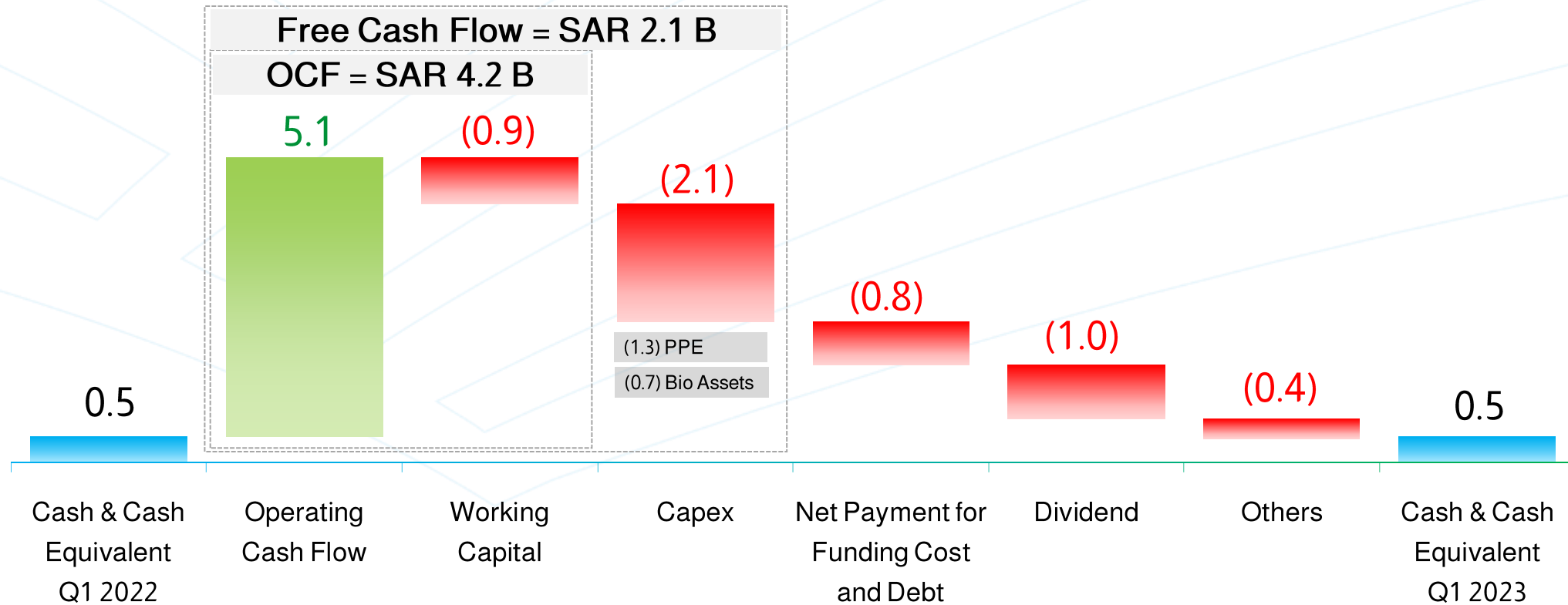
Capital Investment - 2018 to TTM Q1 2023



❖ . Capex cash remains in line with long term replacement cycle, amounting to 7% to 9% of net revenue.

Free Cash Flow

SAR Billion



Q1 2023 Free Cash Flow = SAR 2.1 Billion

- ❖ OCF: SAR +4.2 BillionStable business performance and working capital management resulted in positive OCF
- ❖ ICF: SAR -2.1 Billion and is in line with our reduced capex spend.

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

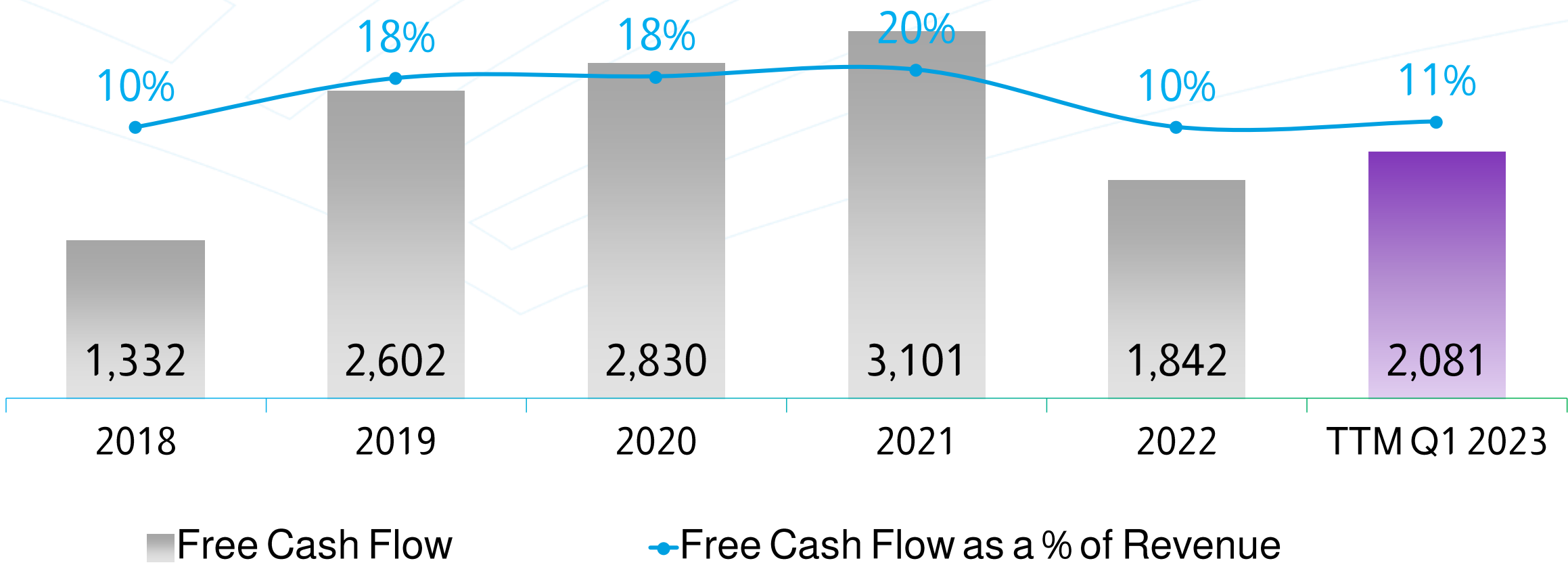
YoY% / (YoY%)

Earnings Presentation – Q1 2023

Free Cash Flow is impacted due to commodity cost inflation

SAR Million

Free Cash Flow 2018 to TTM Q1 2023

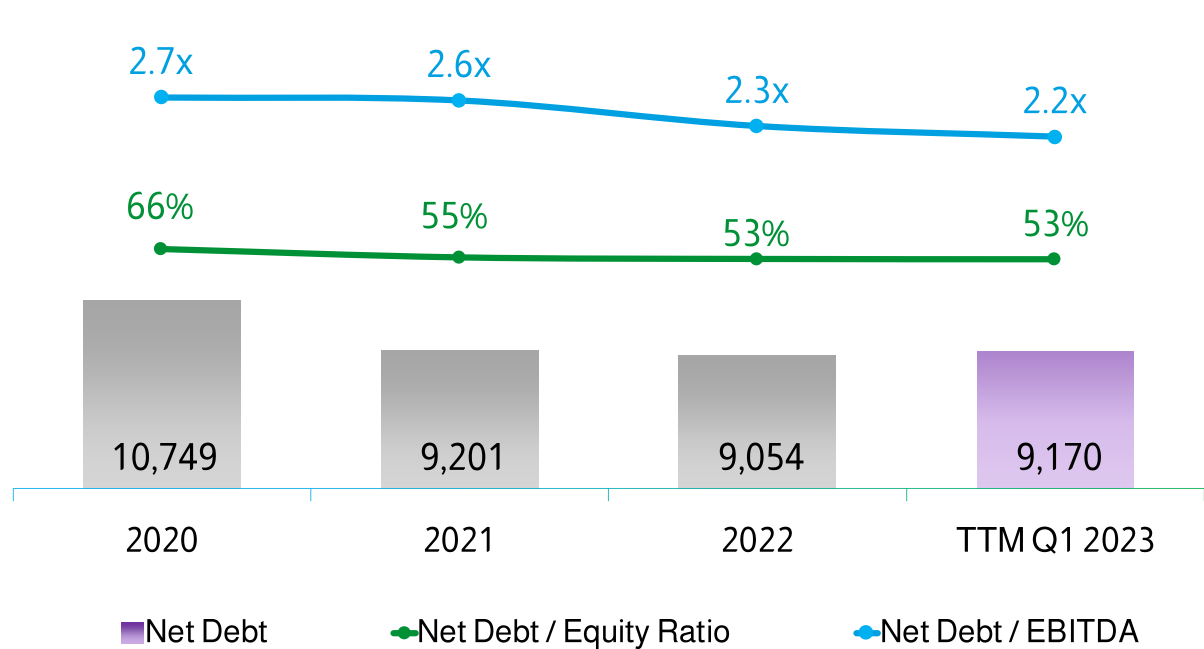


YoY% / (YoY%)

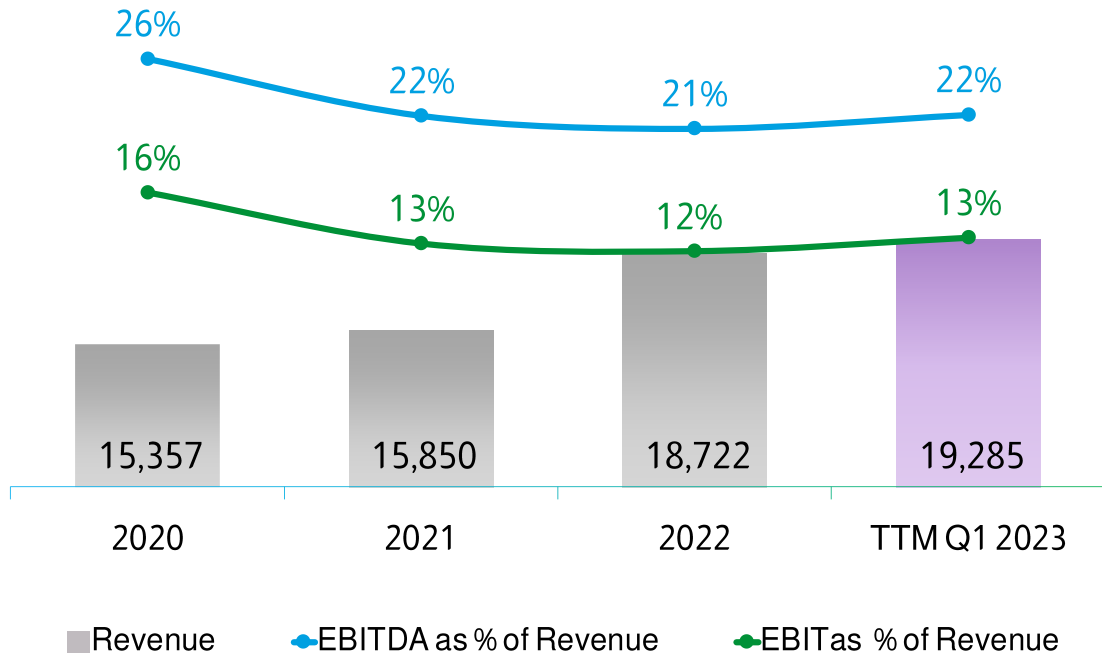
Net Debt and EBITDA / EBIT Margins trend

SAR Million

Net Debt Trend



EBITDA and EBIT Margins

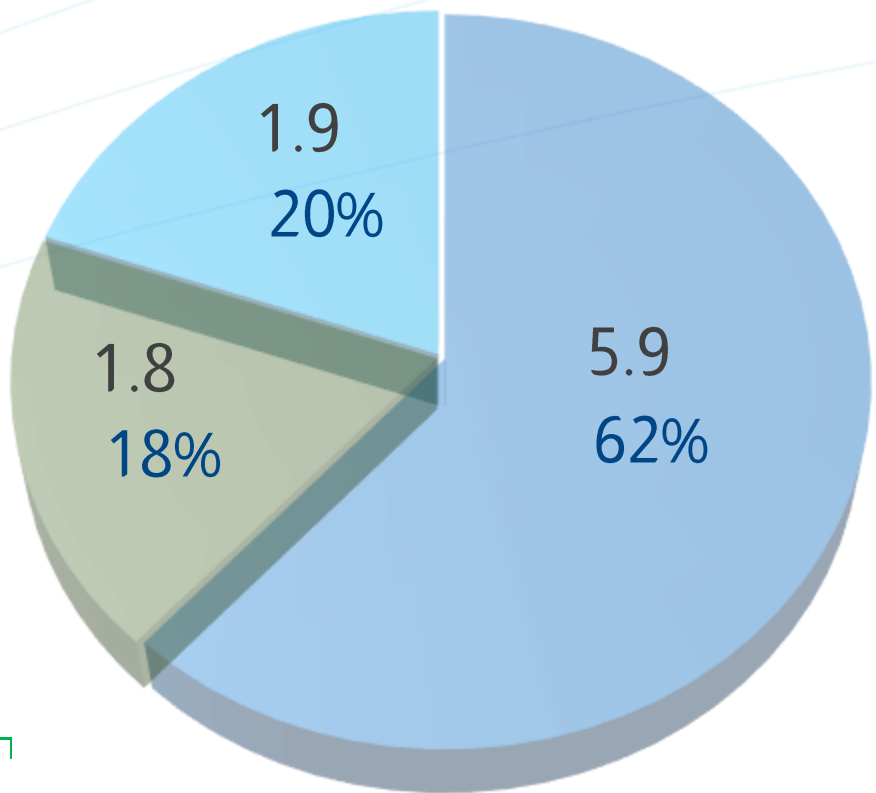
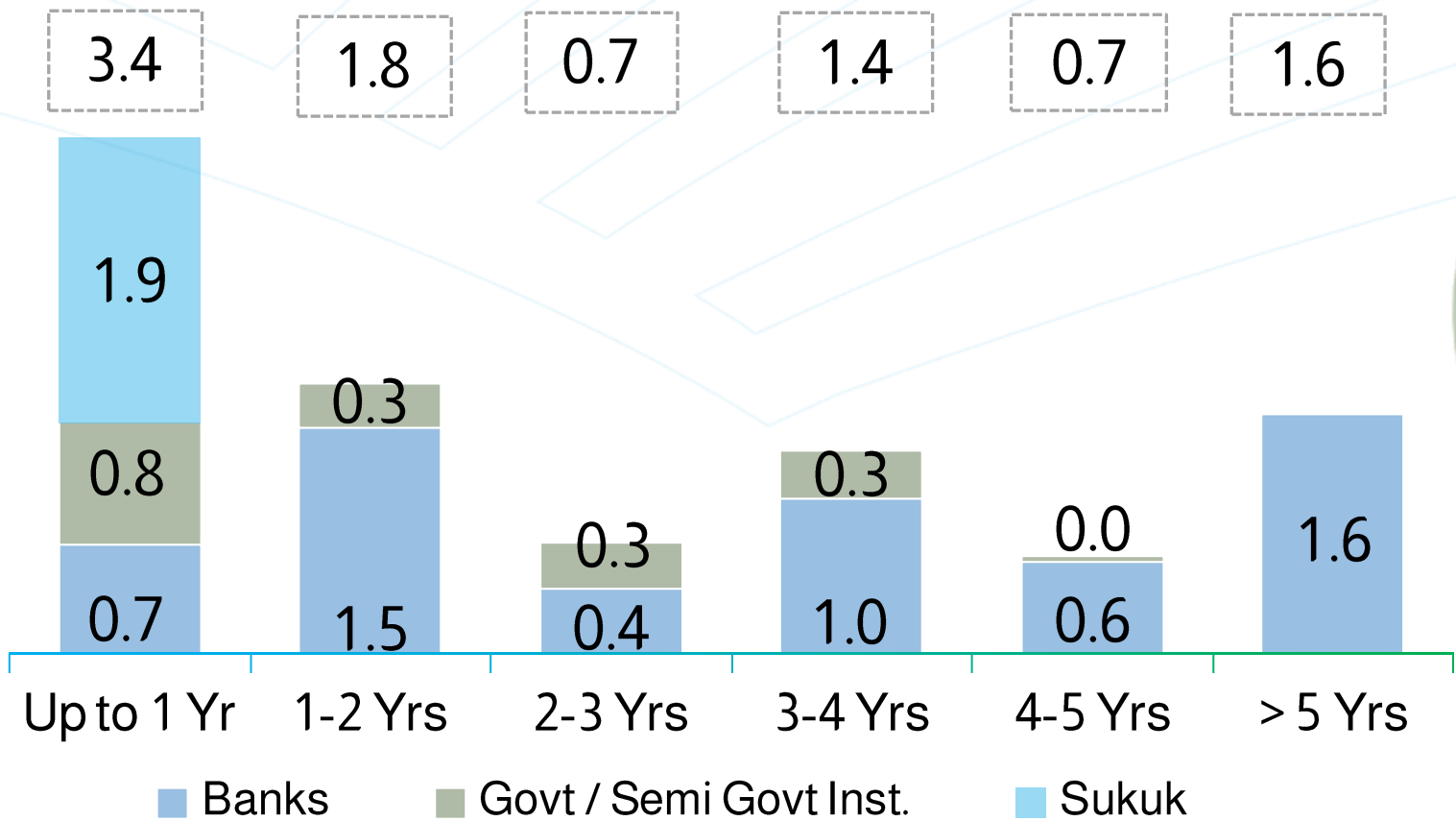


YoY% / (YoY%)

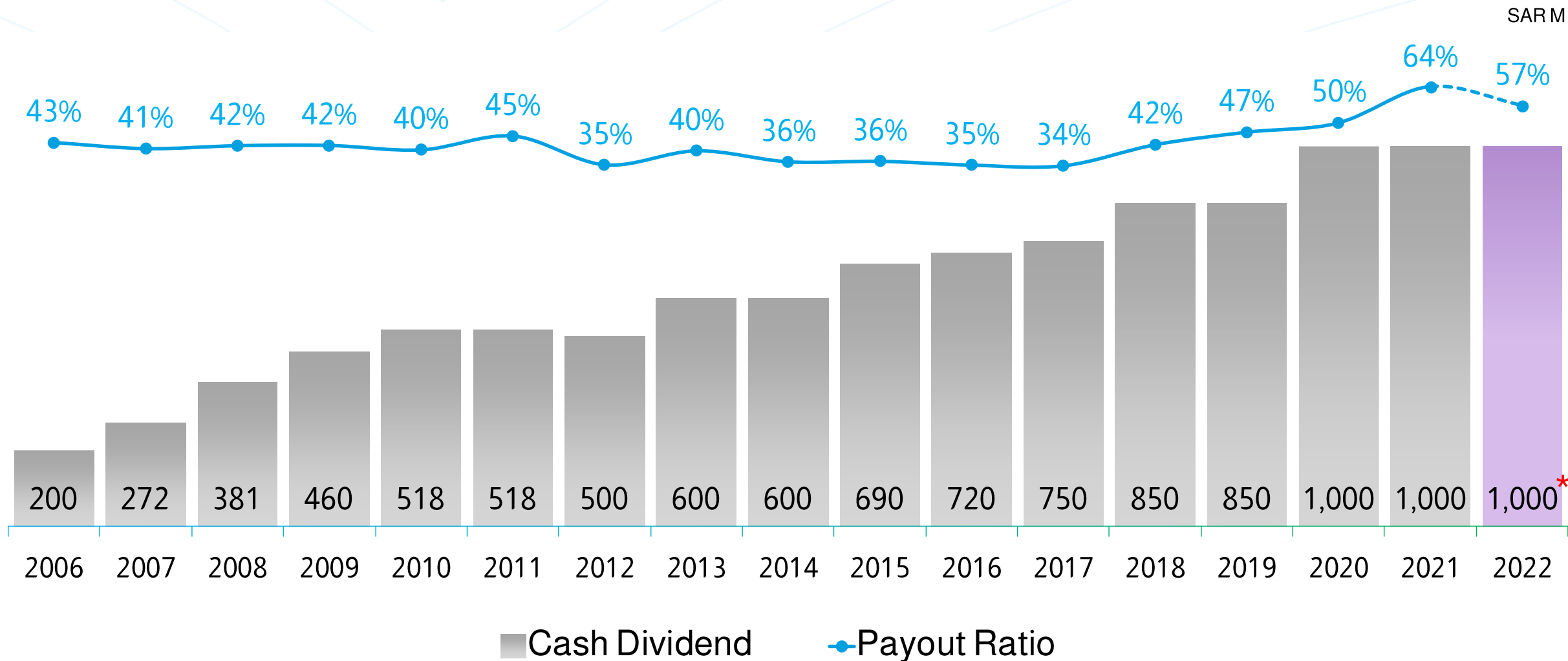
Debt Maturity Profile highlights average debt tenure at 3.6 Years

SAR Billion

Debt Maturity by Age by Type



Cash Dividend Since Listing

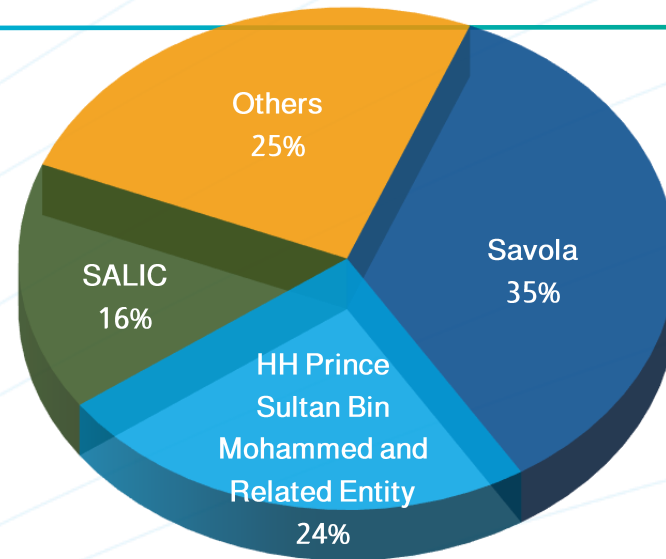


* 2022 Cash Dividend is subject to AGM approval

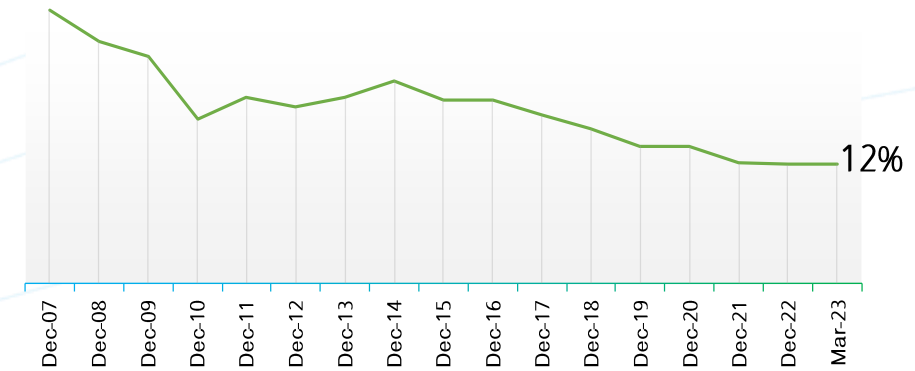
Key Share Data

Key Statistics for Almarai (31 March 2023)

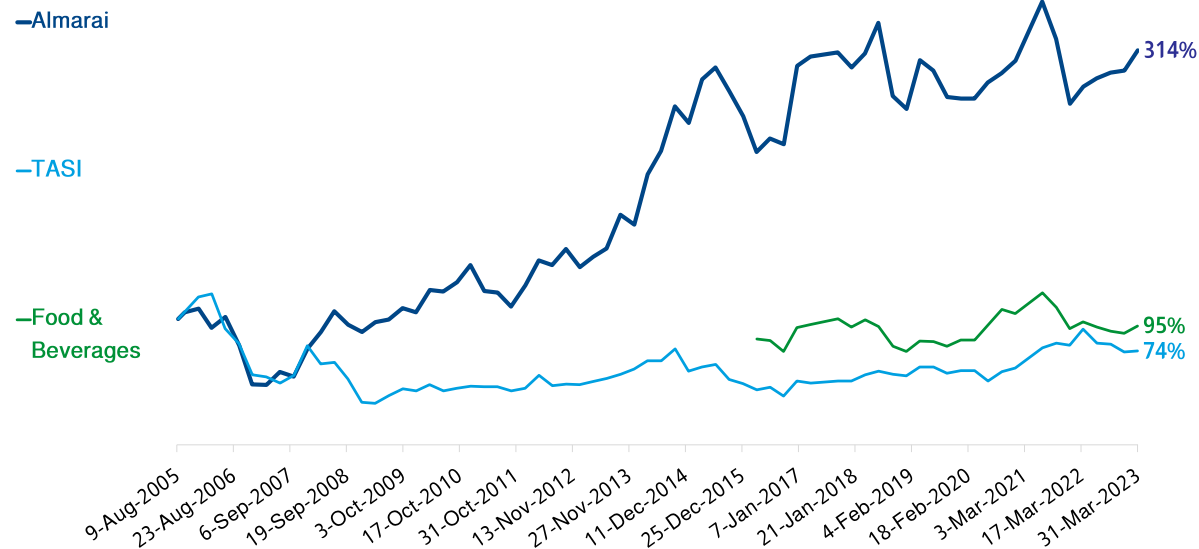
| | |
|--------------------------------|--------|
| Share Price (SAR) | 55.90 |
| Current P/E Ratio (ttm) | 27.13 |
| Earnings Per Share (SAR) (ttm) | 2.06 |
| Market Cap (SAR Million) | 55,900 |
| Shares Outstanding (Million) | 1,000 |
| Dividend Yield | 1.8% |



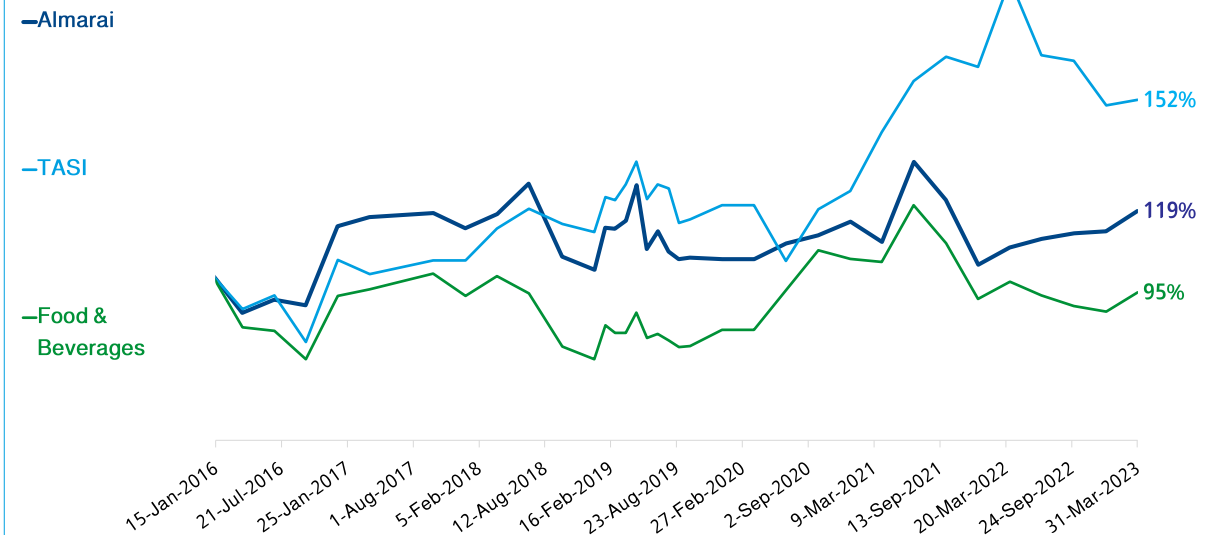
Year to date total shareholder's return since listing



Share Price Trend (Listing Date of Almarai Company)



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



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Q1 2023 Results by Segment

SAR Million

| | Dairy & Juice | Bakery | Poultry | Others | Almarai Consolidated |
|---|---------------|--------|---------|--------|----------------------|
| Q1 2023 | | | | | |
| Revenue - Q1 2023 | 3,449 | 622 | 848 | 148 | 5,067 |
| Profit Attributable to Shareholders - Q1 2023 | 430 | 88 | 133 | (16) | 635 |
| Percent to Revenue of Profit Attributable to Shareholders - Q1 2023 | 12.5% | 14.2% | 15.7% | n.a | 12.5% |
| Growth versus Q1 2022 | | | | | |
| - Revenue - Q1 2022 | 3,116 | 571 | 659 | 156 | 4,503 |
| - Revenue Growth % Over Q1 2022 | 10.7% | 8.9% | 28.6% | (5.6%) | 12.5% |
| - Profit Attributable to Shareholders - Q1 2022 | 307 | 68 | 60 | (15) | 420 |
| - Profit Attributable to Shareholders Growth % Over Q1 2022 | 39.9% | 29.6% | 120.0% | 4.4% | 51.0% |

Q1 2023 Profit & Loss Statement

SAR Million

| | 1st Quarter | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | 2023 | | 2022 | | Change |
| Revenue | 5,067 | 100.0% | 4,503 | 100.0% | 12.5% |
| Cost of sales | (3,449) | (68.1%) | (3,172) | (70.4%) | (8.7%) |
| Gross Profit | 1,618 | 31.9% | 1,332 | 29.6% | 21.5% |
| Selling and Distribution Expenses | (679) | (13.4%) | (647) | (14.4%) | (4.9%) |
| General and Administration Expenses | (113) | (2.2%) | (105) | (2.3%) | (8.0%) |
| Other Expense, net | (13) | (0.3%) | (22) | (0.5%) | 40.7% |
| Impairment Loss on Financial Assets | (10) | (0.2%) | (10) | (0.2%) | 2.1% |
| Operating Income | 803 | 15.8% | 547 | 12.1% | 46.7% |
| Finance Costs - net | (120) | (2.4%) | (90) | (2.0%) | (34.6%) |
| Share of Results of Associates and Joint Ventures | (1) | (0.0%) | (1) | (0.0%) | (0.3%) |
| Profit Before Zakat and Income Tax | 681 | 13.4% | 457 | 10.1% | 49.2% |
| Zakat and Foreign Income Tax | (45) | (0.9%) | (34) | (0.8%) | (32.5%) |
| Profit for the Period | 636 | 12.6% | 423 | 9.4% | 50.5% |
| Profit Attributable to Non Controlling Interest | (1) | (0.0%) | (2) | (0.0%) | 56.7% |
| Profit Attributable to Shareholders | 635 | 12.5% | 420 | 9.3% | 51.0% |
| Earnings Per Share (Basic) | 0.65 | | 0.43 | | 51.2% |
| Profit Attributable to Shareholders % | 12.5% | | 9.3% | | |

Key Achievements & Awards 2022



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



Top 10 Most Valuable Dairy Brands in the world



The Most Chosen Brand of the decade in KSA



Smarties Middle East for best marketing campaigns



Top 15 Best Employers in KSA



Almarai is the first company to obtain an international certificate in animal care for the dairy and poultry



Almarai Manufacturing Facilities achieved FSSC 22000, a Food Safety certification



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



Nielsen IQ for best innovative products in KSA



Best sustainable development project in Hail region

Thank you
