

Almarai Company (“the Company”) is pleased to announce its Consolidated Financial Results for The Year Ended 31st December 2023 as below:

Reasons for increase / (decrease) in fourth quarter (Q4) 2023 compared with corresponding quarter of last year (2022)

ELEMENT LIST	CURRENT QUARTER	SAME QUARTER FOR PREVIOUS YEAR (2022)	% CHANGE	PREVIOUS QUARTER	% CHANGE
Sales/Revenue	4,919,738	4,839,233	2	4,796,934	3
Gross Profit (Loss)	1,396,908	1,333,986	5	1,469,452	(5)
Operating Profit (Loss)	528,895	504,023	5	643,935	(18)
Net Profit (Loss) after Zakat and Tax	370,719	355,823	4	486,263	(24)
Total Comprehensive Income	294,516	403,052	(27)	468,750	(37)
Profit (Loss) per Share	0.37	0.36	4	0.49	(25)

All figures are in (Thousands) Saudi Arabia, Riyals

1. The increase of 2% in revenue as compared to the corresponding quarter of last year is due to:

Positive performance in core GCC markets, led by Saudi Arabia, resulted in quarterly growth of 5%. The growth was driven mainly by positive contribution from the poultry and dairy categories. However, Almarai group revenue growth was reduced to 2% due to lower sales of commodities in North America and lower contribution from Egypt due to Egyptian Pound devaluation.

2. The increase of 4% in the Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding quarter of last year is due to:

- **Operating Profit (+5%):** Operating profit increased by 5% due to revenue growth, accompanied by stabilized commodity costs and well managed operating costs.
- **Net Profit (+4%):** Despite higher funding costs, net profit for the fourth quarter of 2023 increased by 4% mainly due to the higher operating profit and partly due to the synergies driven by 100% acquisition of the Egypt and Jordan business earlier in the year.

Contribution of various Business Categories towards the increase in the Consolidated Profit Attributable to Shareholders of 4% is as follows:

- **Dairy & Juice Category:** Net profit increased compared to last year due to improved sales in key markets in the Gulf countries and strict controls over costs.
- **Bakery Category:** Higher net profit versus last year driven by revenue growth led by bread and by single serve products.
- **Poultry Category:** Higher net profit versus last year due to positive volume growth supported from increased production capacity availability early in the year.

Reasons for increase / (decrease) for Q4 2023 compared with the previous quarter (Q3 2023).

3. The increase of 3% in Revenue for the fourth quarter 2023 (SAR 4,920 million), as compared to the third quarter of 2023 (4,797 SAR million) is due to higher sales of dairy food products driven by seasonal demand and higher poultry products driven by supply increases.
4. The decrease of 24% in the Consolidated Profit Attributable to the Company's Shareholders for the fourth quarter 2023 (SAR 371 million), as compared to the third quarter of 2023 (486 SAR million) is due to seasonal adjustments in consumption patterns.

Reasons for increase / (decrease) for the Year ended 31st December 2023 (the period) compared with corresponding period of the last year.

ELEMENT LIST	CURRENT PERIOD	SAME PERIOD FOR PREVIOUS YEAR (2022)	% CHANGE
Sales/Revenue	19,575,585	18,722,258	5
Gross Profit (Loss)	6,051,290	5,624,223	8
Operating Profit (Loss)	2,693,888	2,276,332	18
Net Profit (Loss) after Zakat and Tax	2,049,123	1,759,812	16
Total Comprehensive Income	1,799,986	1,685,361	7
Total Share Holders Equity (after Deducting Minority Equity)	17,797,719	16,671,360	7
Profit (Loss) per Share	2.08	1.79	16

All figures are in (Thousands) Saudi Arabia, Riyals

5. The 5% increase in Revenue in the current year 2023 as compared to last year 2022 is due to:

The strong performance in core GCC markets resulting in a growth of 8% for the group, led by the poultry and dairy categories. However, the net revenue growth at group level was reduced to 5% due to the devaluation of the Egyptian Pound and lower sales of alfalfa from the USA operations.

6. The 16% increase in Consolidated Profits Attributable to the Company's Shareholders in the current year 2023 as compared to last year 2022 is due to:

- **Operating Profit (+18%):** Revenue growth supported by cost control and stable commodity costs contributed to operating profit growth of 18% during the current year. The results improved due to the expansion of the poultry category, the launch of several new products and the effect of the increased direct marketing communication with consumers.
- **Net Profit Attributable to Shareholders (+16%):** Shareholder net profit for the current year was higher than last year due to positive operating profit growth and the acquisition of the 100% share of Group's operations in Egypt and Jordan, despite higher funding costs due to higher interest rates.

- **Contribution of individual Business Categories towards the 16% increase in the Consolidated Profit Attributable to Shareholders is as follows:**
 - **Dairy & Juice Category:** Net profit increased compared to the previous year due to improved sales in the Gulf countries, and strict cost controls contributing to the category net profit growth. The strong results were achieved whilst managing the impact of the Egyptian pound devaluation in this business category.
 - **Bakery Category:** Higher net profit is driven by both volume and sales growth. The top line growth was driven by multiple factors including improved sales in Bread along with growth in single serve products, product innovation, and economies of scale.
 - **Poultry Category:** The increase in net profit was driven by sales growth aided by additional production capacity and improved operational efficiency.
7. Auditors' Opinion: (Unmodified Opinion).
 8. The consolidated financial statements of the Group for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 29 Jumadal-Akhirah 1444H corresponding to 22 January 2023.
 9. For more information, please see note 2.1 in the consolidated financial statements for the Year ended 31st December 2023.

10. Other Notes:

Quarterly Results				Period Results		
ELEMENT LIST	CURRENT QUARTER	SAME QUARTER FOR 2022	% CHANGE	CURRENT PERIOD	SAME PERIOD FOR 2022	% CHANGE
EBITDA	1,032,891	1,078,420	(4)	4,446,019	3,945,215	13
Cash Flows				Cash Flows		
OCF	1,737,648	1,075,521	62	4,482,626	3,829,649	17
ICF*	(1,182,413)	(520,305)	127	(3,303,790)	(1,987,580)	66
FCF*	555,235	555,216	0	1,178,836	1,842,069	(36)
Margins				Margins		
Gross Profit %	28	28	80 bp	31	30	90 bp
Operating Profit %	11	10	30 bp	14	12	160 bp
Net Profit %	8	7	20 bp	10	9	110 bp
All figures are in (Thousands) Saudi Arabia, Riyals						
*Adjusted for term deposit						

11. General Comments:

Stable market environment and strong trading performance have enabled Almarai to post solid growth in profits exceeding SAR 2B.

Almarai rolled out multiple new products during the year and has provided earlier guidance for its plan to enter Seafood and Frozen Bakery business. The expansion of its product portfolio, sustained investment in consumer communication and continual focus on operational efficiency have assisted Almarai to achieve this progressive growth in net profit.

Going forward, Almarai expects its core business to continue to gain market share in selected product categories and geographies, explore additional opportunities to grow inorganically and deploy capital in line with its 5 years investment strategy.

12. The Consolidated Financial Statements for the Year ended 31st December 2023 will be available through the following link on the Almarai Website, and Almarai IR App.

[Financial Information \(almarai.com\)](http://almarai.com)

13. The conference call for analysts and investors will be on 23rd January 2024 at 3:00 p.m. KSA time.

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

[Financial Information \(almarai.com\)](http://almarai.com)