

Almarai® Company

Earnings Presentation – Q2 2022

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Earnings Presentation

Q2 2022

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Almarai

Market Dynamics

Business Performance

Financial Performance

Q & A Session

Appendix





Market Dynamics

1st Quarter



...Whilst Almarai maintaining Market Share Leadership in KSA

Category	Dec-20	Dec-21	May-22	May-22
	Almarai Value Share %	Almarai Value Share %	Almarai Value Share %	Almarai Rank
Laban	64	64	66	1
Fresh Milk	65	66	65	1
UHT Milk	20	21	20	2
Food	37	34	33	1
Juice	42	47	46	1
Bakery	53	55	57	1
Poultry (Fresh Chicken)	34	31	30	1

2nd Quarter - 2022

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Business
Performance

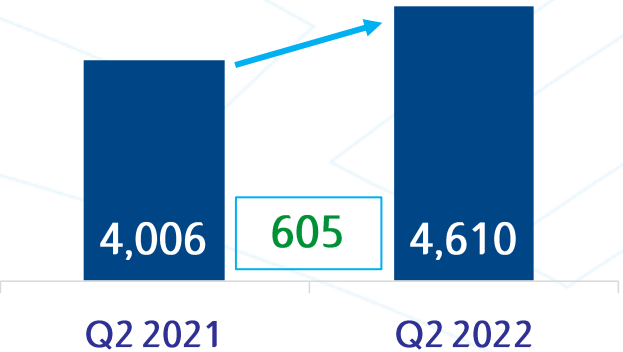


Q2 2022 Financial Highlights

SAR Million

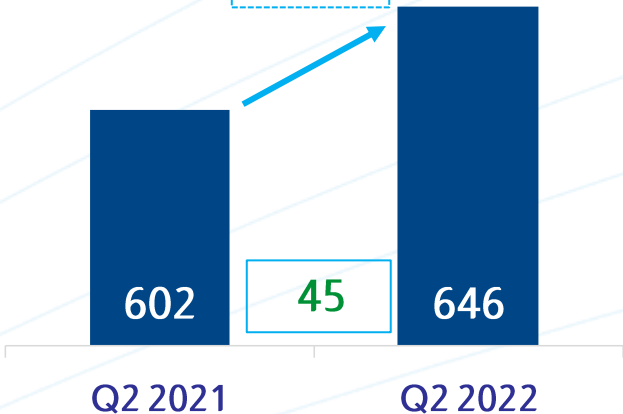
Revenue

15%



Operating Profit

7%



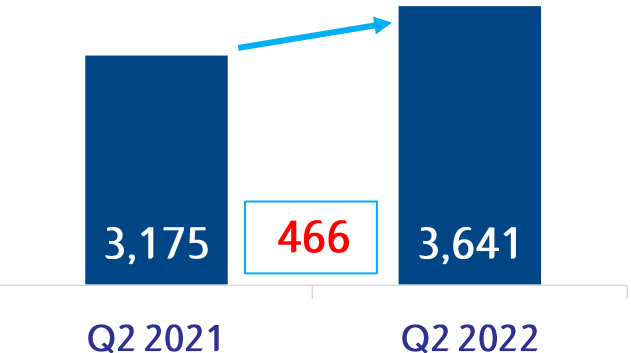
Net Income

8%



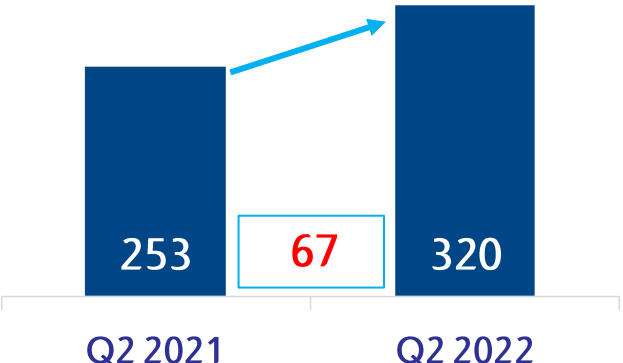
Working Capital

466



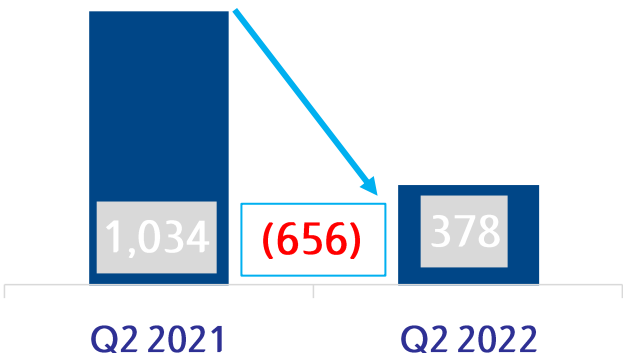
CAPEX

67



Free Cash Flow

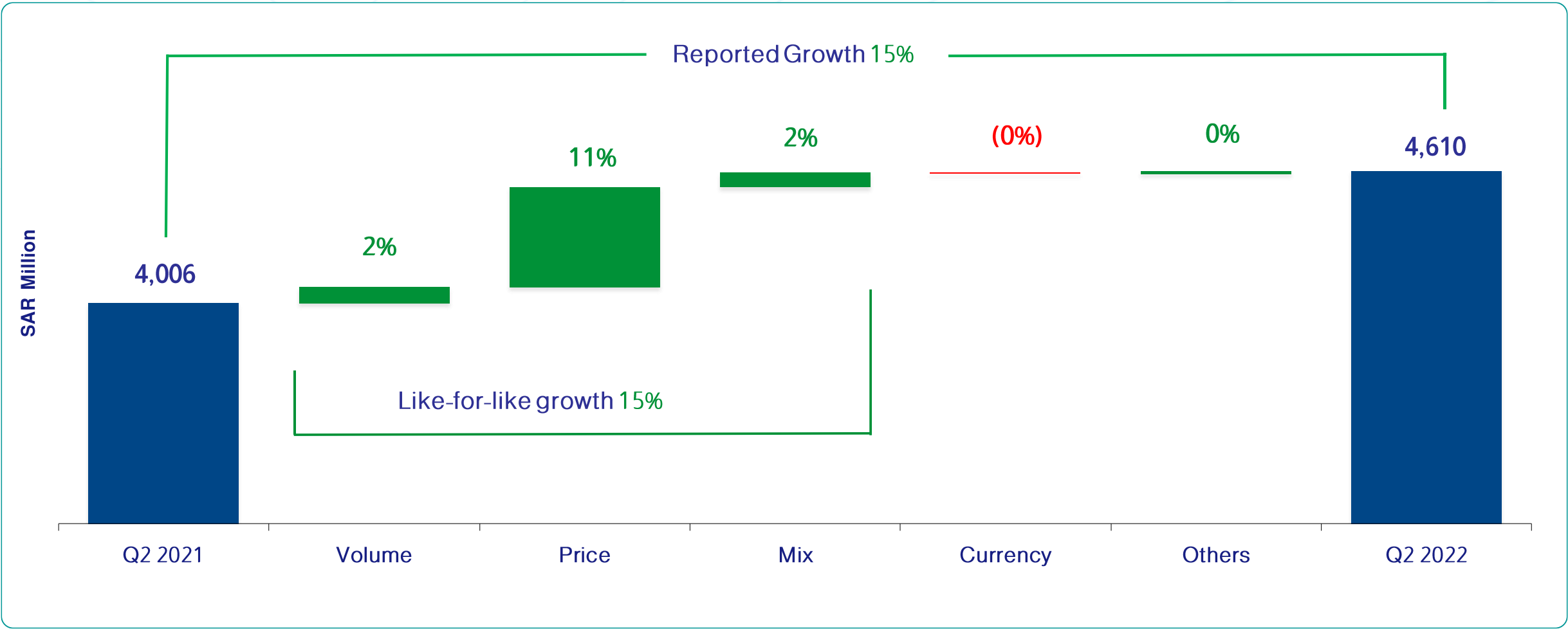
(656)



YoY% / (YoY%)

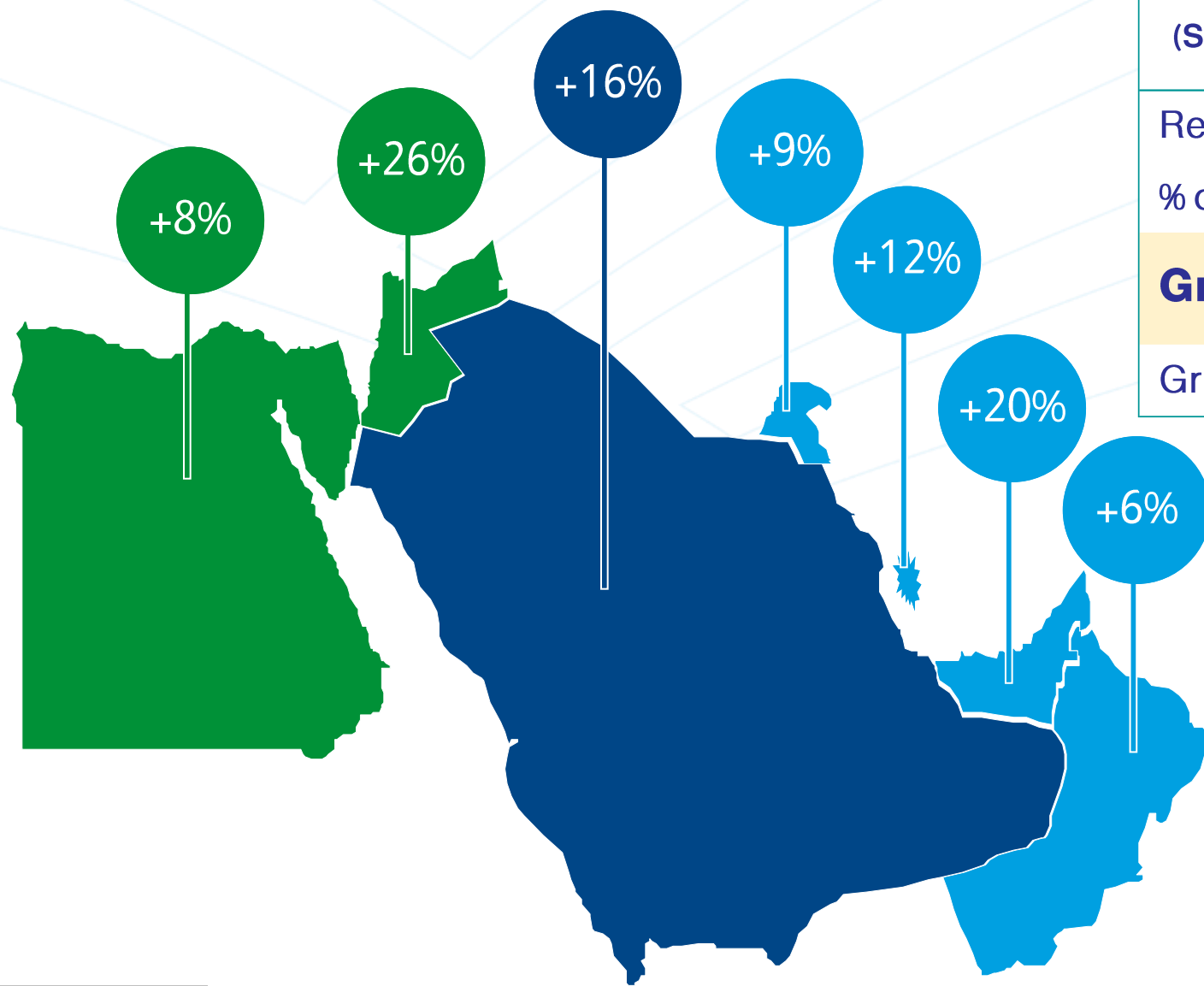
Q2 2022 Revenue Bridge

SAR Million



YoY% / (YoY%)

Almarai topline growth by country...



Q2 2022 Revenue Growth

(SAR Million)	KSA	Other GCC	Others	Total
Revenue	3,008	905	698	4,610
% of Revenue	65%	20%	15%	100%
Growth	411	107	87	605
Growth %	16%	13%	14%	15%

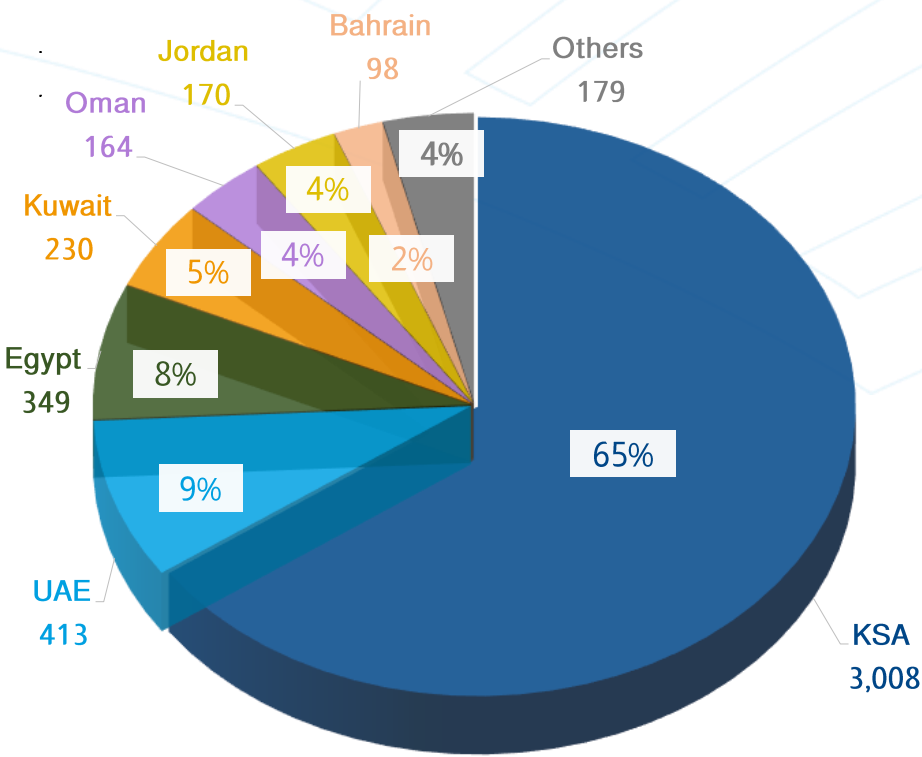
+YoY% / -YoY%

...A very strong growth in all countries emerging from pandemic....

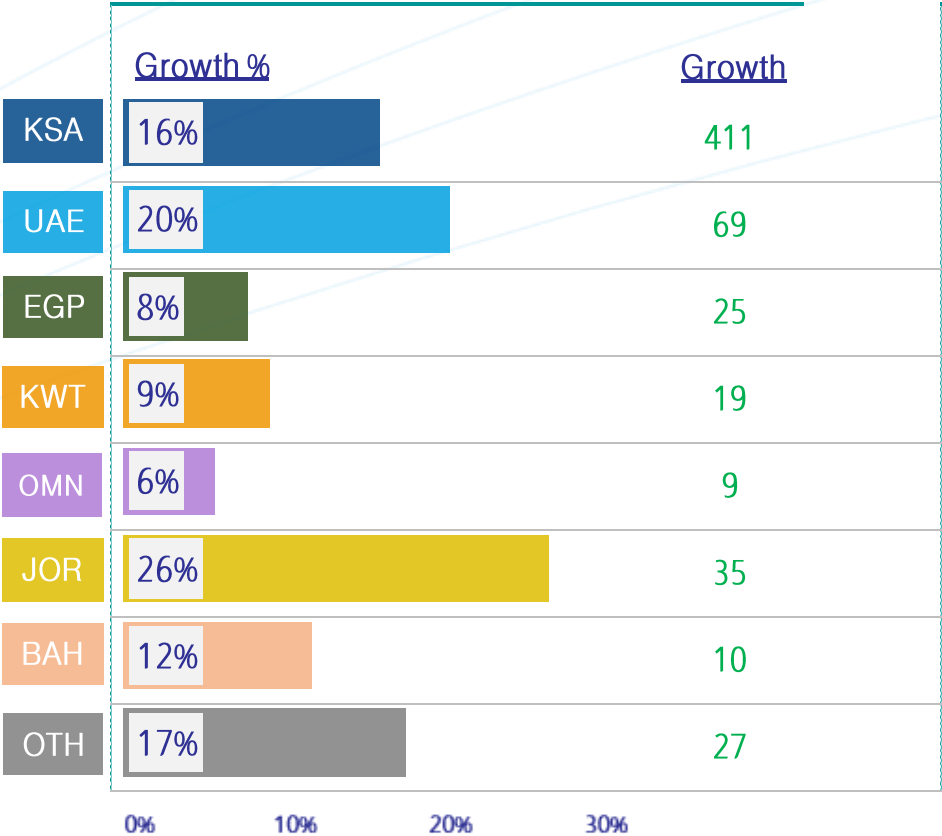
Q2 2022 Total Revenue – SAR 4,610 Million

Q2 2022 Total Growth – SAR 605 Million or 15%

Contribution by Geography



Current Performance



Historical Trend

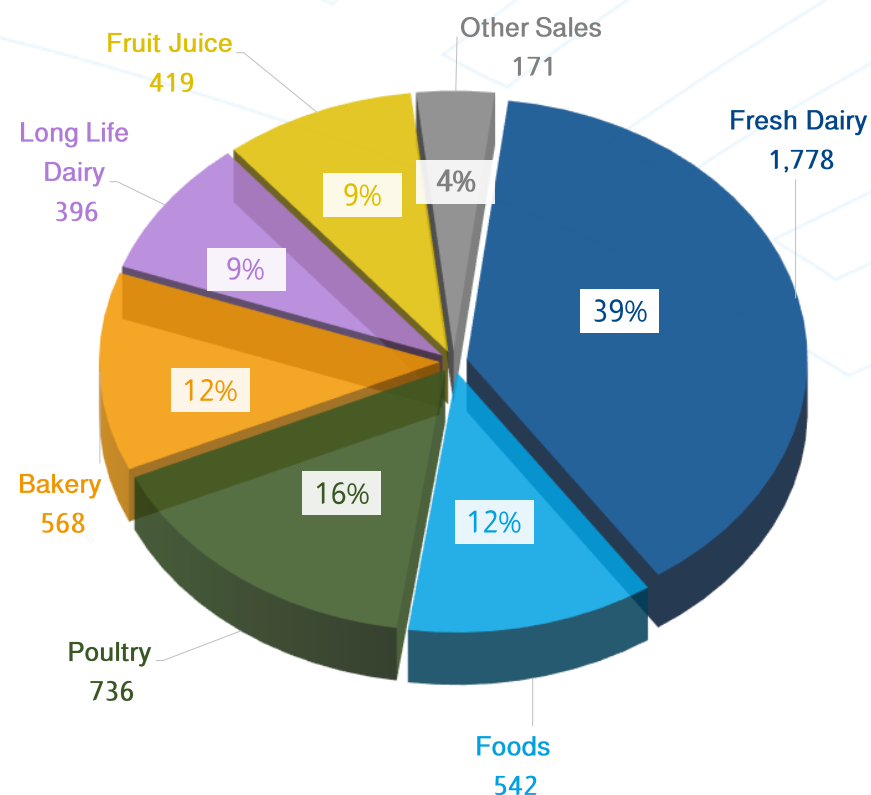
	Q2 2019	Q2 2020	Q2 2021	Q2 2022
KSA	6%	11%	(8%)	16%
UAE	(1%)	(2%)	(4%)	20%
EGP	0%	13%	37%	8%
KWT	0%	10%	(4%)	9%
OMN	0%	(15%)	(9%)	6%
JOR	6%	38%	40%	26%
BAH	0%	(5%)	2%	12%
OTH	0%	10%	56%	17%

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

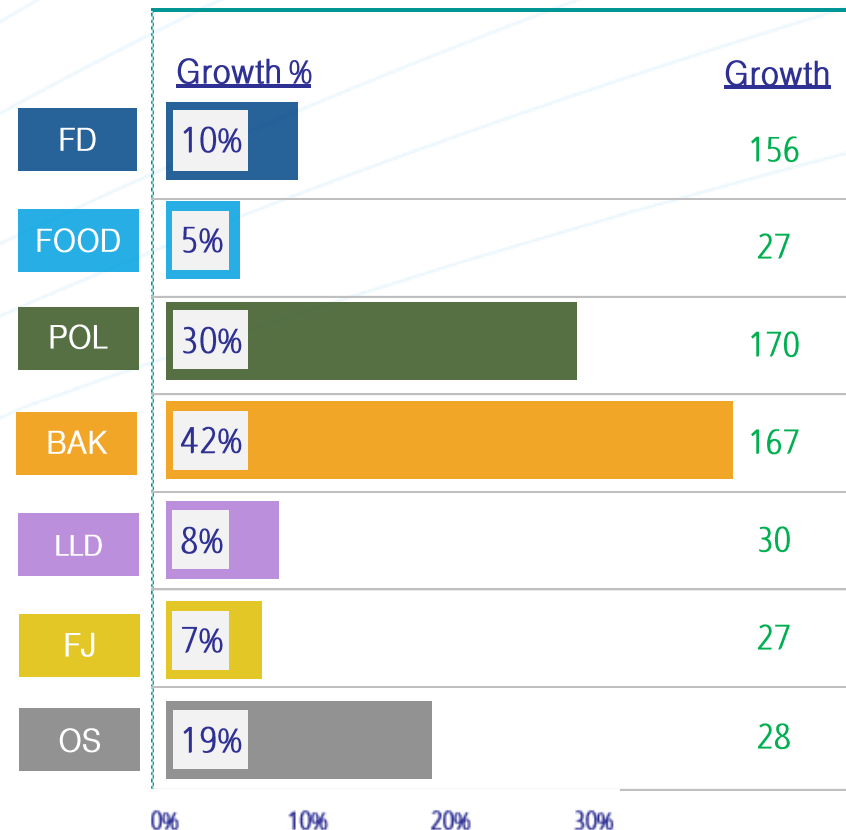
Q2 2022 Total Revenue – SAR 4,610 Million

Q2 2022 Total Growth – SAR 605 Million or 15%

Contribution by Category



Current Performance



Historical Trend

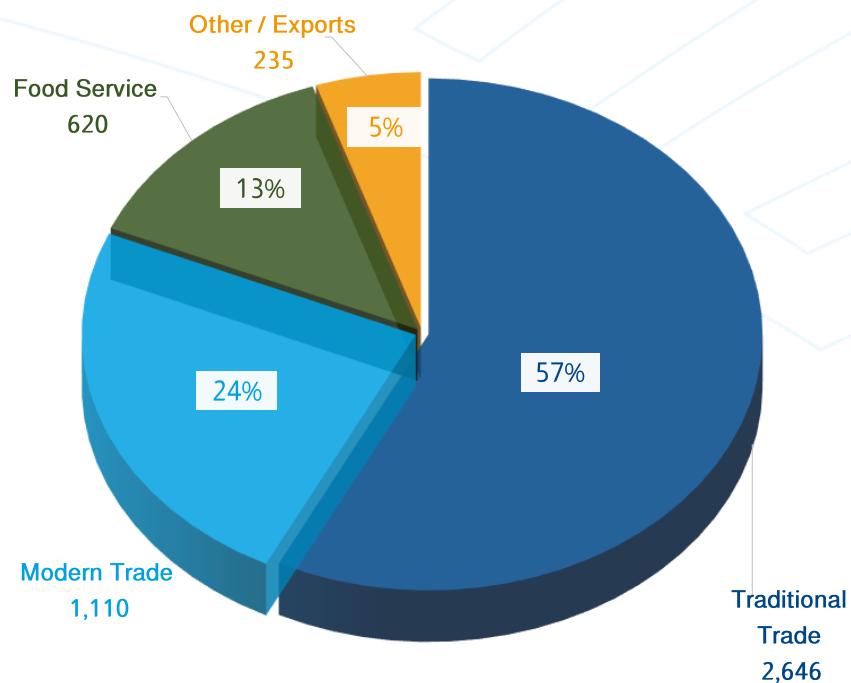
	Q2 2019	Q2 2020	Q2 2021	Q2 2022
FD	0%	1%	3%	10%
FOOD	0%	21%	(25%)	5%
POL	21%	17%	(8%)	30%
BAK	7%	8%	(5%)	42%
LLD	0%	22%	6%	8%
FJ	0%	(3%)	8%	7%
OS	15%	26%	86%	19%

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

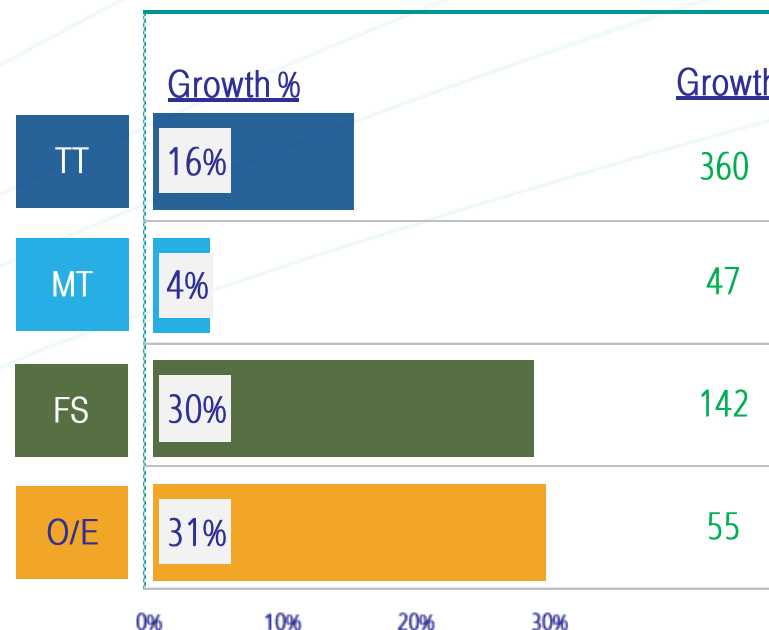
Q2 2022 Total Revenue – SAR 4,610 Million

Q2 2022 Total Growth – SAR 605 Million or 15%

Contribution by Channel



Current Performance



Historical Trend

	Q2 2019	Q2 2020	Q2 2021	Q2 2022
TT	0%	15%	(10%)	16%
MT	(2%)	12%	(15%)	4%
FS	47%	(27%)	58%	30%
O/E	(12%)	(7%)	93%	31%

2nd Quarter - 2022

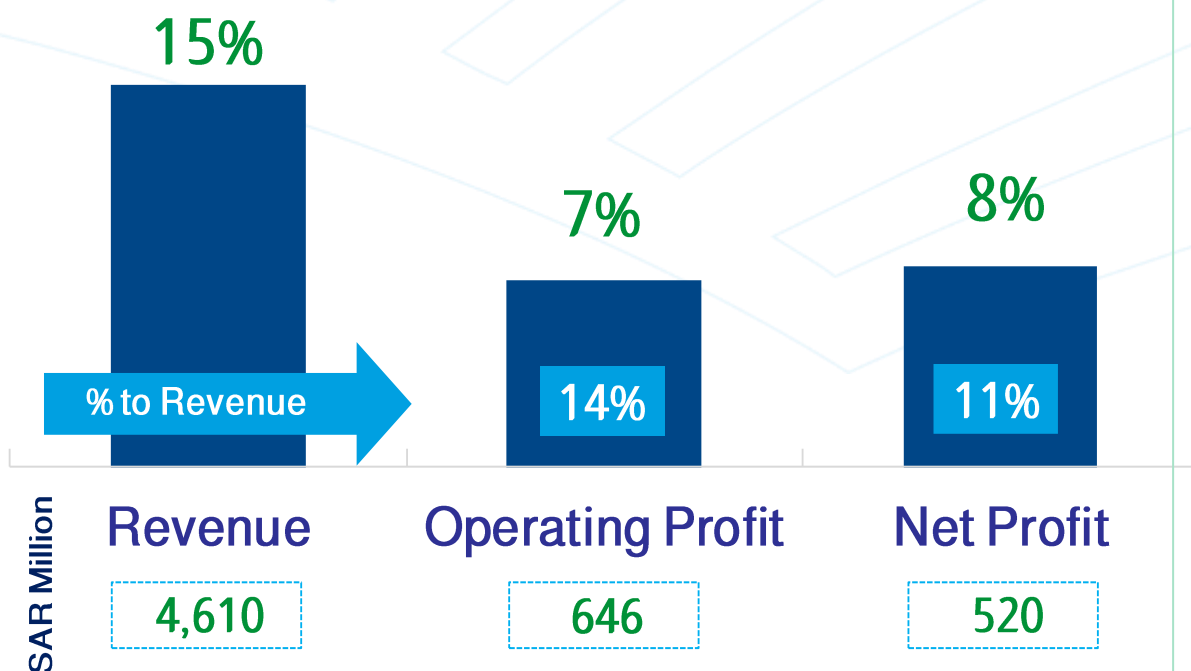
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Financial Performance



Q2 2022 Financial Performance

Q2 2022 vs. Q2 2021



Revenue – Return to Growth....

- Positive trend from Q1 continues in Q2 as the quarterly growth of 15% yoy was visible across all products, countries and channels.
- Volume growth was driven by a strong performance during Ramadan, reversion of educational institutions to in class presence and general opening of economy resulting in higher tourism, both religious and visitors.
- Whilst growth was universal across all categories, noticeable growth in bakery was driven by single serve product sales which were mainly related to school opening.

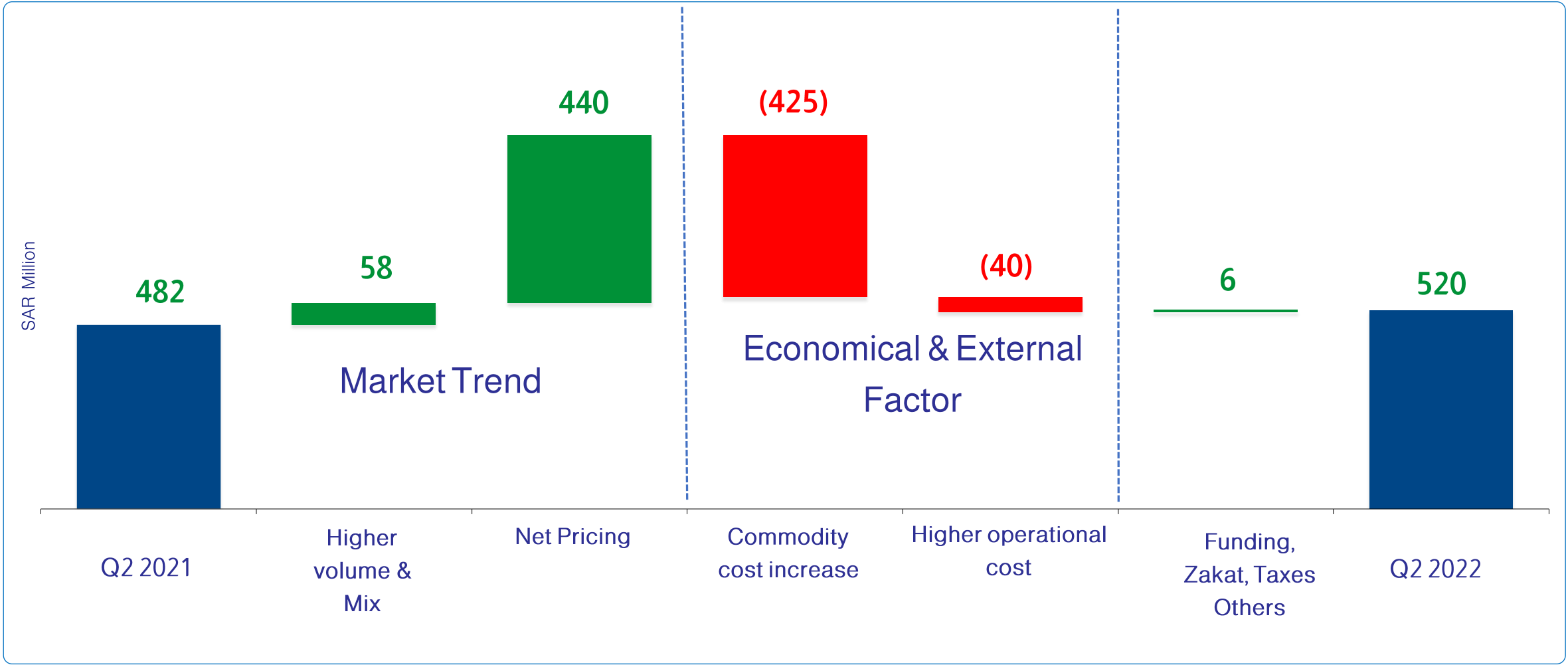
Operating Profit

- Higher feed costs driven by higher corn and soya prices & general increase in dairy commodities, mainly butter. In addition, higher transportation and packaging costs resulted in nearly 19% increase in total cost of goods sold on a yoy basis.
- Strong overhead cost control continued resulting in overhead growth in line with volume growth.

Net Income

- Funding cost remains in line with prior year driven by lower average debt but at a higher funding rate.

Q2 2022 Net Income Bridge



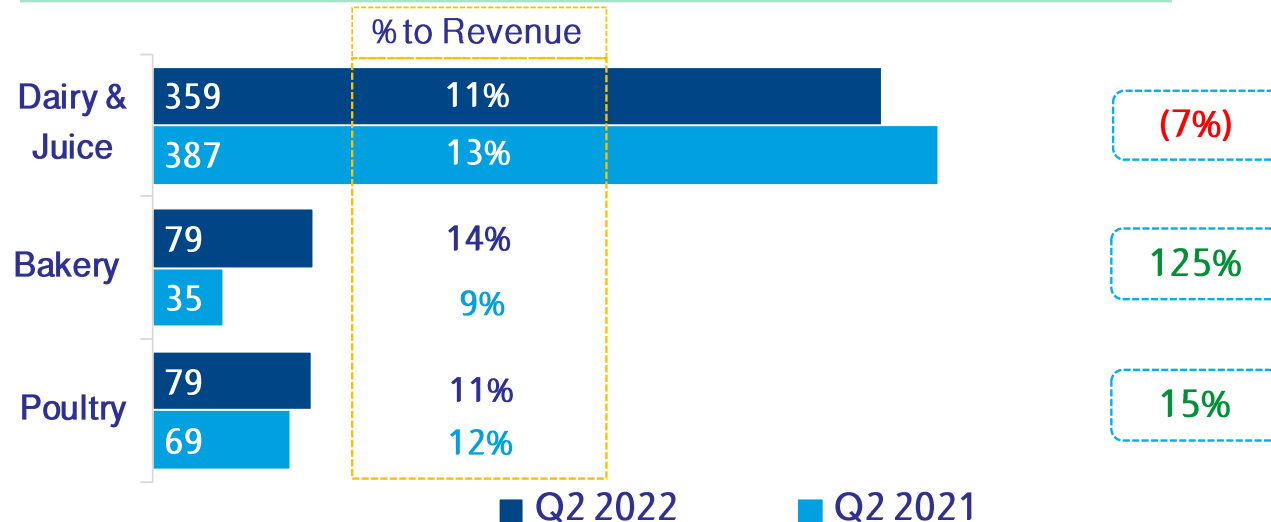
Q2 2022 Results by Segment

Revenue by Segment

SAR Million



Net Profit Margin By Segment



Dairy & Juice

- Revenue growth was strong across the board due to an improved Ramadan performance.
- However, cost pressures were even stronger driven by three dimensions:
 - Higher feed expenses due to corn and soya increase
 - Higher dairy commodities, mainly butter and
 - Higher transportation expenses
- Operating cost control remains strong within the segment as well as across Almarai.

Bakery

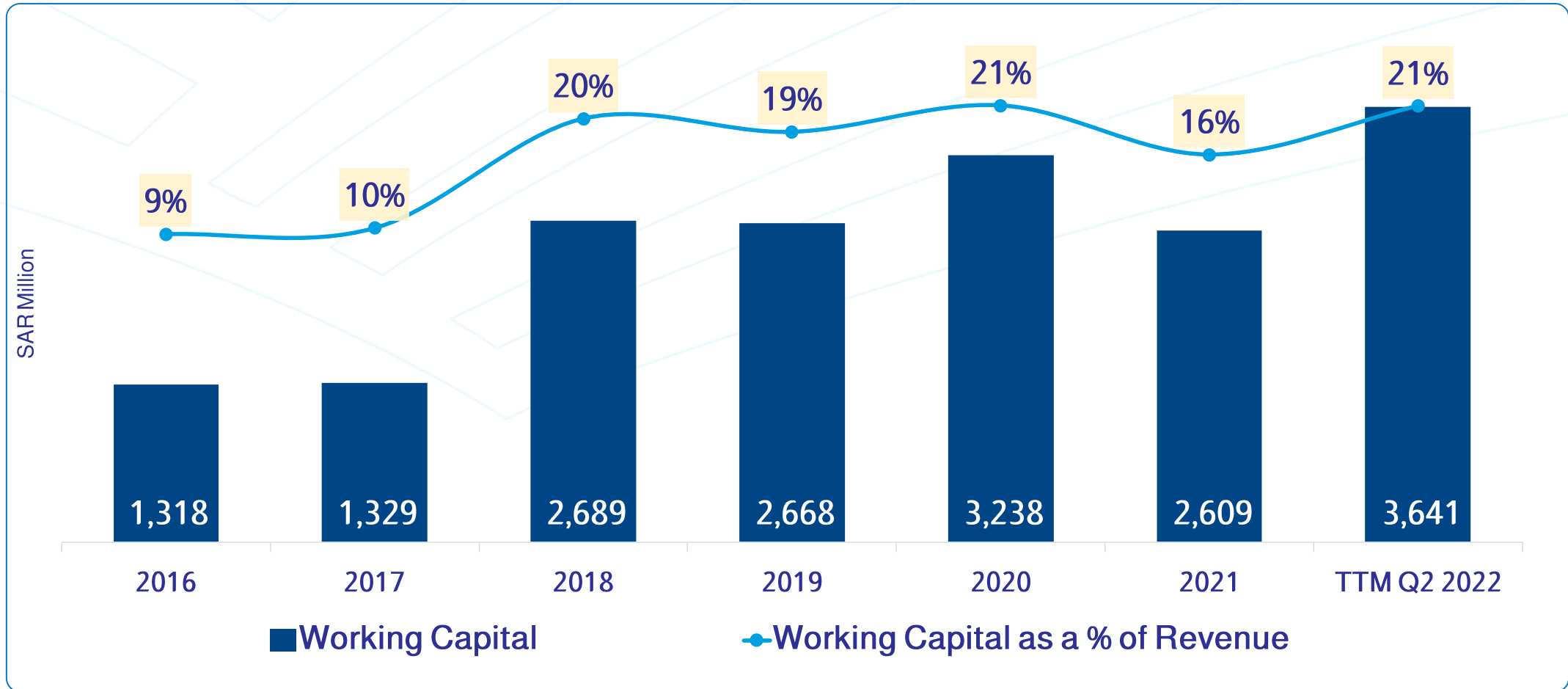
- Bakery growth rebounded very strongly due to full resumption of education institutions in KSA and Gulf, resulting in higher single serve product sales and general volume increase.

Poultry

- Volume growth remain positive and additional capacity is expected to add 5% to 10% growth by end of year.
- Similar to Dairy and Juice segment, higher feed cost for corn and soya are affecting the segment profitability. As a result, the segment profitability growth of 15% was lower than revenue growth of 30%.

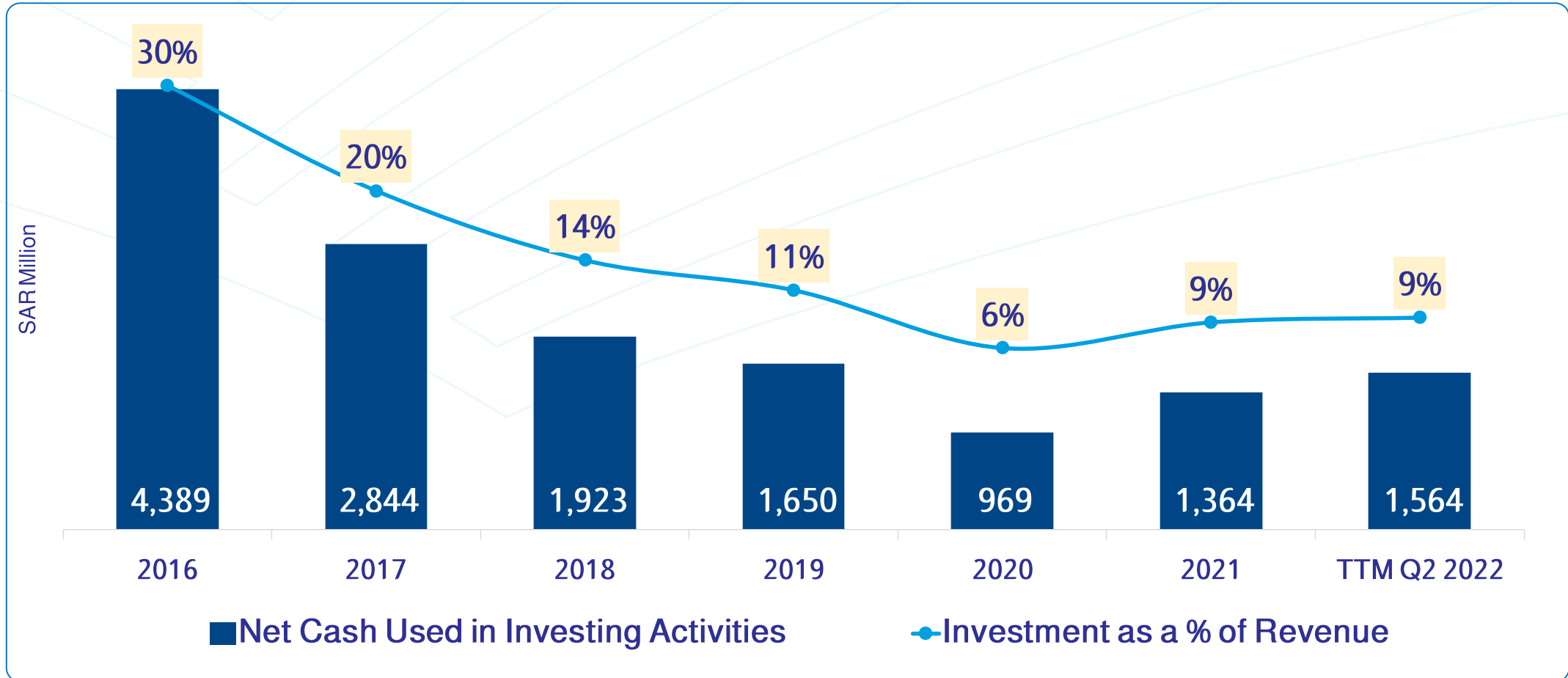
Strategic Management of Working Capital continues

Working Capital - 2016 to TTM Q2 2022



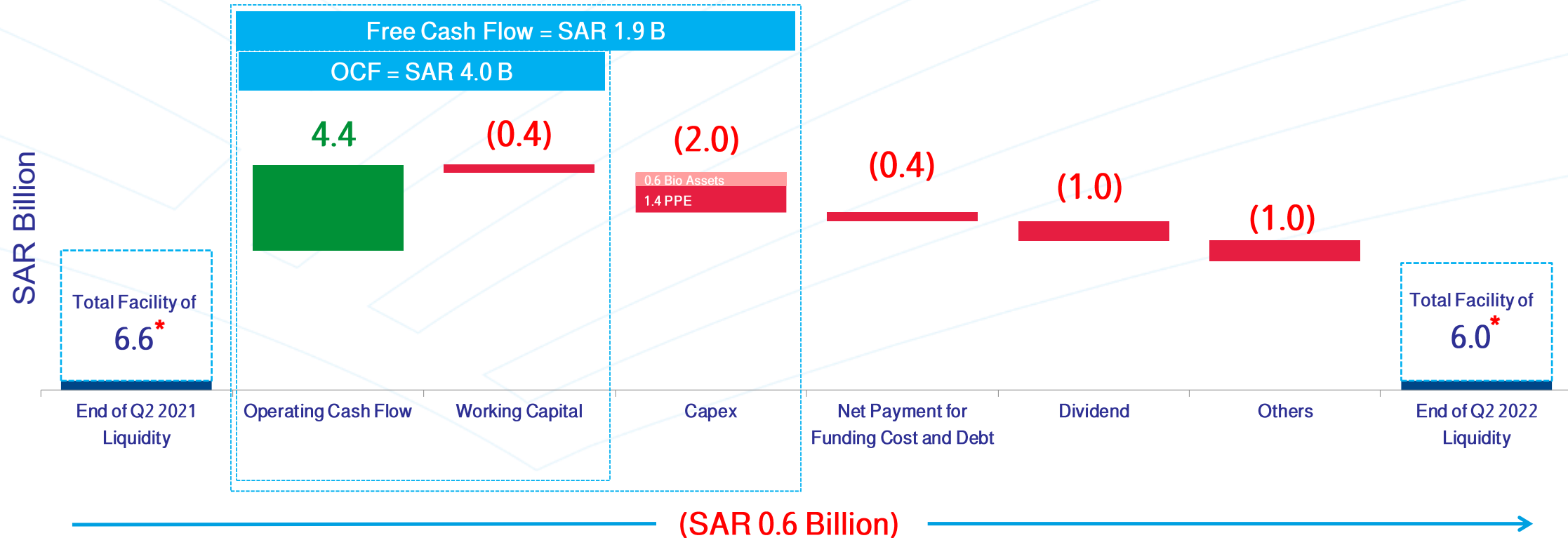
CAPEX in line with vision 2030 to boost food security and local content...

Capital Investment - 2016 to TTM Q2 2022



- 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.

Free Cash Flow affected by inventory build up in current quarter



TTM Q2 2022 Free Cash Flow = SAR 1.9 B

- OCF: SAR +4.0 BillionStable business performance and working capital management resulted in positive OCF
- ICF: SAR -2.0 Billion and is in line with our reduced capex spend.
- FCF: targeted to remain in SAR 2.5 to SAR 3.0 B range as guided earlier. Current quarterly numbers of SAR 1.9B is mainly due to inventory build up, driven by slight increase in inventory volume for key strategic commodities and a general increase in inventory valuation, due to global feed commodity increase.

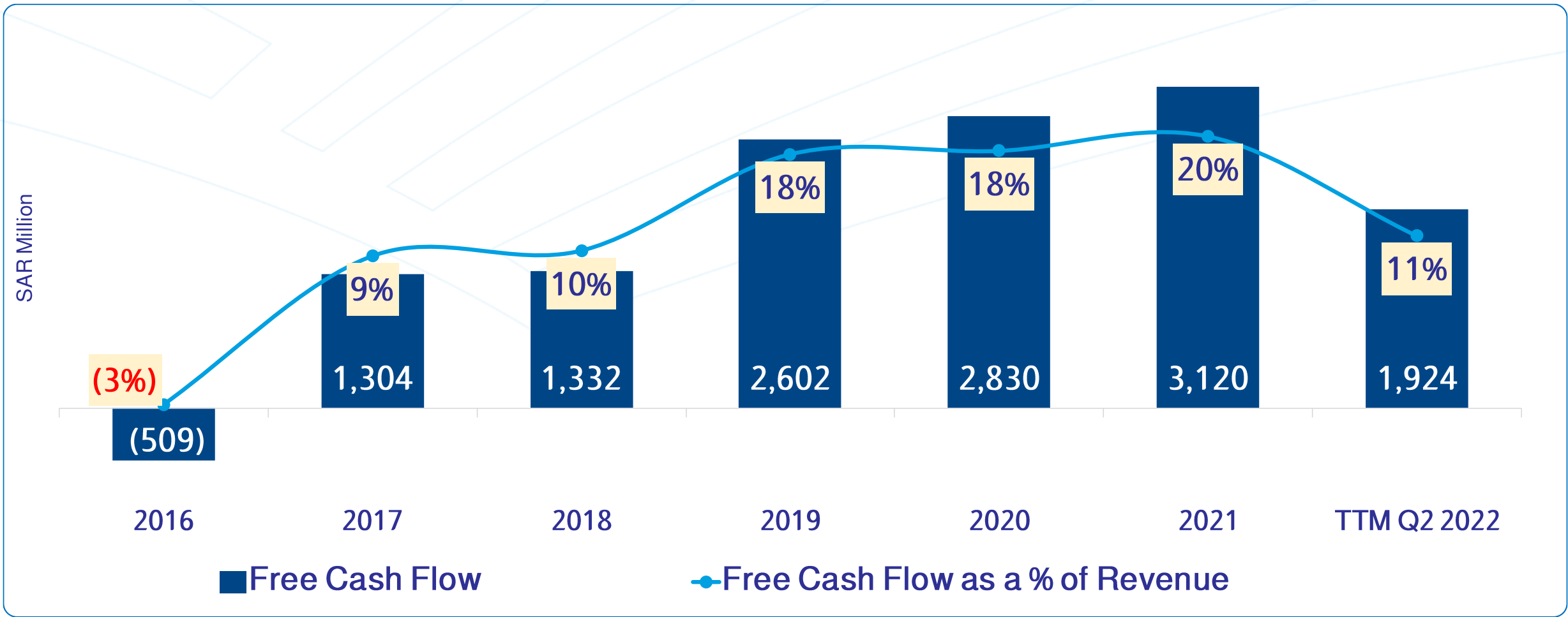
Please note that available facilities include committed facilities of SAR 2.6 B

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

* Includes Cash of SAR 0.5 billion

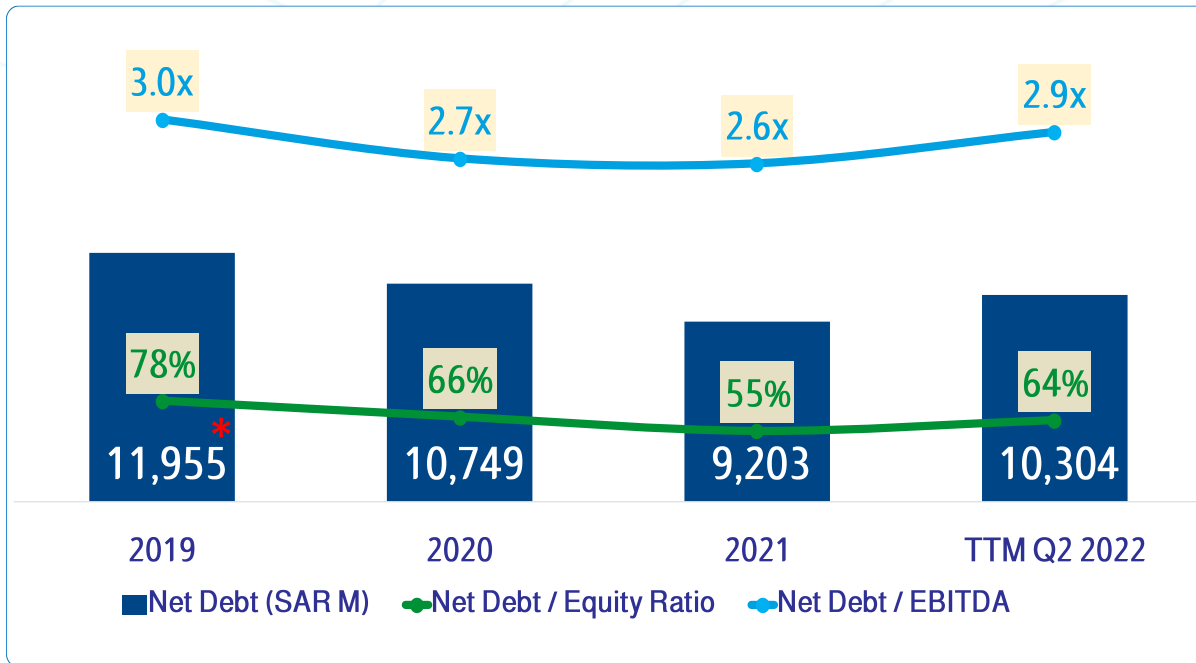
Free Cash Flow is impacted in current quarter due to recent acquisitions

Free Cash Flow 2016 to TTM Q2 2022

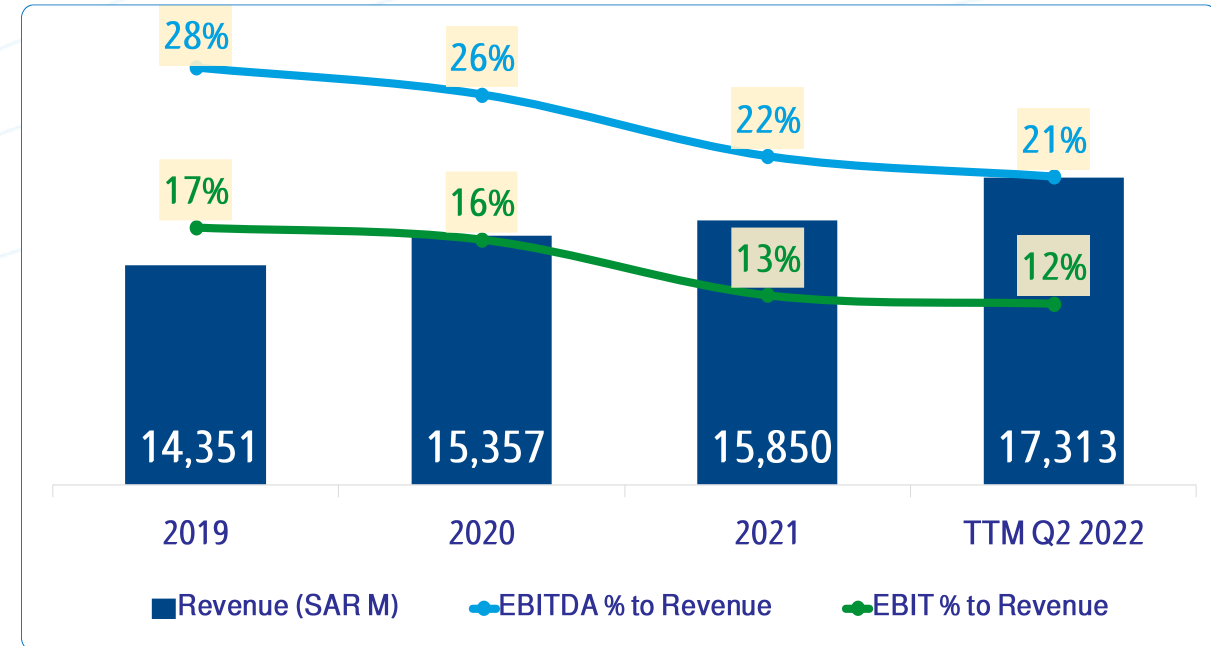


Net Debt and EBITDA / EBIT Margins trend

Net Debt Trend



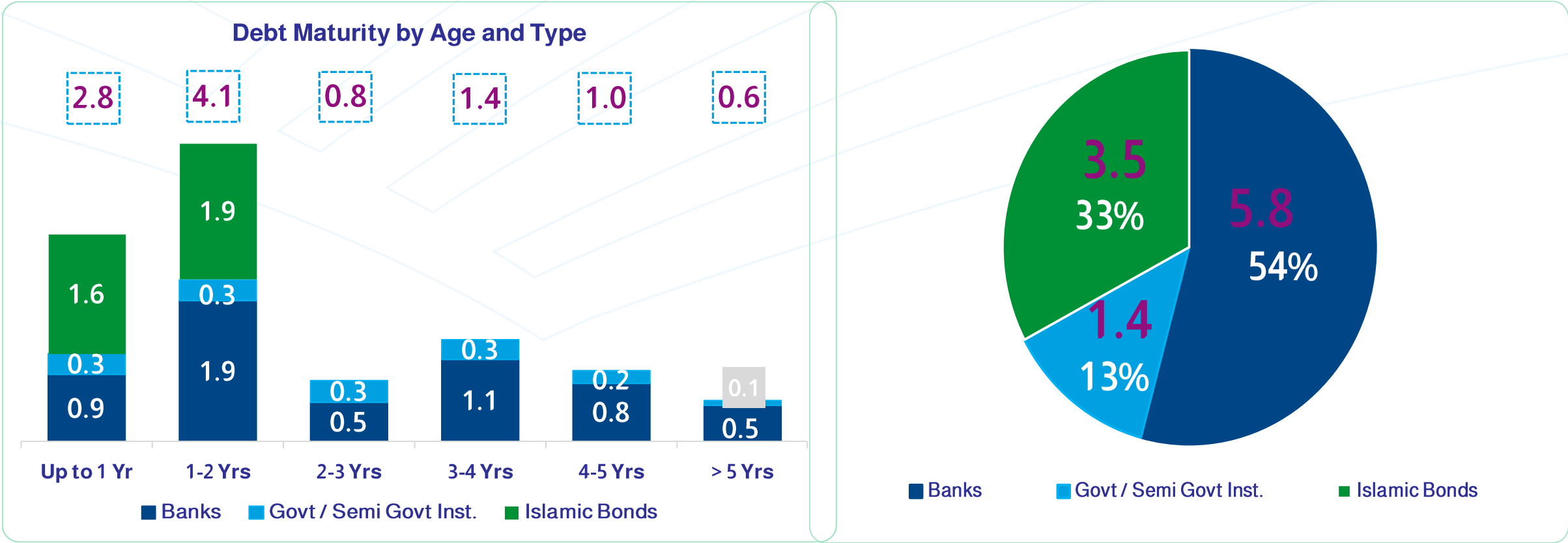
EBITDA and EBIT Margins



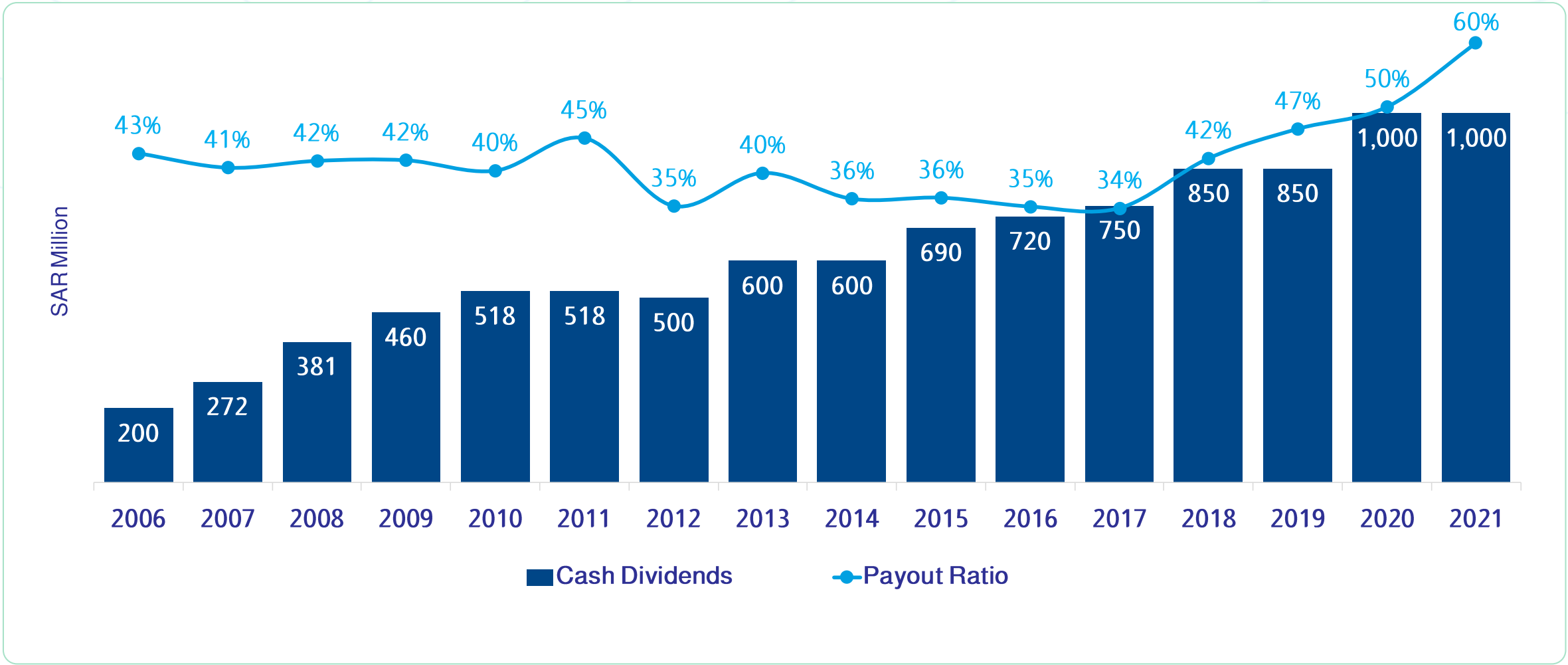
* Net of Time Deposit

Debt Maturity Profile highlights average debt tenure at 2.9 Years

SAR Billion



Cash Dividend Since Listing



Q&A Session



THANK YOU

Earnings Presentation – Q2 2022



Awards and Recognitions

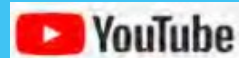
Best Employers in the Middle East

Forbes

Top 50 Saudi Arabia

Brand Finance®

1st Saudi Brand with 1B views



Corporate Governance Excellence Awards



- Top 10 Recommended Brands in KSA & UAE
- Healthiest Brand in UAE

YouGov
What the world thinks

BASES Top breakthrough innovations in KSA

NielsenIQ

Awards for Best Marketing Campaigns in the Middle East



- First Choice for Consumers in KSA & UAE
- 4th place in achieving Sustainability for the Environment

KANTAR

KSA's Top 10 Best Employers

LinkedIn

2021