

Company

Almarai Company

2Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

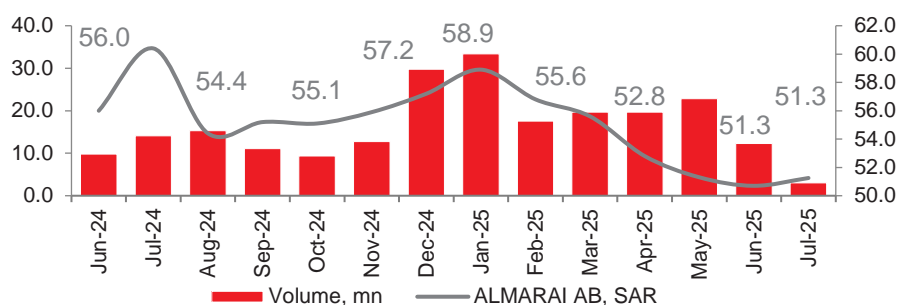
ALMARAI AB

Date

6 July 2025

Results

Target Price SAR	66.0
Upside/ Downside	29%

**Revenue comes in line with Bloomberg and U Capital's estimate**

Almarai's revenue rose 2.6% YoY in 2Q25, coming in line with both Bloomberg consensus (-2.7% variance) and our estimate (-2.0% variance). Revenue growth was primarily driven by the food and bakery categories.

Operating profit matches, but net profit misses our estimate

Almarai's operating profit increased in tandem with revenue, matching our estimate. Net profit grew at a relatively faster pace than revenue, rising 4.4% YoY, though it missed our expectations (-6.8% variance). While the net profit of the bakery category increased YoY, the poultry category's net profit remained flat, with the plant operating at full capacity. Net profit of the dairy & juice category, however, decreased owing to the phasing of Ramadan by 10 days vs. last year, affecting fresh dairy sales.

Maintain the target price

We maintain our SAR 66.0 per share target price on Almarai, considering its in-line operational performance in 2Q25. At the current market price, the stock is trading at 20.1x at our FY25e EPS and 10.9x FY25e EV/EBITDA, below its 3-year average blended forward P/E of 23.8x and EV/EBITDA of 12.9x.

Current Market Price (SAR)	51.25
52wk High / Low (SAR)	61.5/47.65
12m Average Vol. (000)	871.5
Mkt. Cap. (USD/SAR bn)	13,612/51,050
Shares Outstanding (mn)	1,000.0
Free Float (%)	75%
3m Av. Daily Turnover (000)	48,484.2
6m Av. Daily Turnover (000)	56,444.7
P/E'25e (x)	20.1
EV/EBITDA'25e (x)	10.9
Dividend Yield '25e (%)	2.0%
Price Perf. (1m/3m) (%)	0.1 / -1.8

Research Department

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last report

**Financial Statements**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	
P&L										
Revenue	5,155	5,209	5,157	5,767	5,288	5,396	2.6%	-8.3%	-2.0%	
Gross profit	1,702	1,670	1,583	1,769	1,713	1,784	0.6%	-3.1%	-4.0%	
Operating profit	793	742	591	874	813	837	2.6%	-7.0%	-2.9%	
Net profit	620	570	431	731	647	694	4.4%	-11.5%	-6.8%	
BS										
Sh. Equity	17,946	18,556	18,791	19,703	19,363	20,397	7.9%	-1.7%	-5.1%	
Ratios										
NPM	12.0%	11.0%	8.4%	12.7%	12.2%	12.9%				
ROE	13.8%	12.3%	9.2%	14.8%	13.4%	13.6%				
EPS, SAR	0.62	0.57	0.43	0.73	0.65	0.69				
TTM P/E (x)					21.5					
Current P/B (x)					2.6					

Source: Financials, Tadawul, Bloomberg, U Capital Research; NA - Not available, NM - Not meaningful



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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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