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# Earnings Presentation

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## Full Year - 2023

23<sup>rd</sup> January 2024



**Q4**  
2023

**Earnings  
Presentation**

**Market Dynamics**

**Financial Performance**

**Appendix**

**Business Performance**

**Question & Answer**





Market Dynamics

Q4 | Earnings  
2023 | Presentation



# Product Innovation Pipeline - 2023

المراعي  
Almarai

## 1<sup>st</sup> Quarter Innovation Pipeline 2023



## 2<sup>nd</sup> Quarter Innovation Pipeline 2023



## 3<sup>rd</sup> Quarter Innovation Pipeline 2023



## 4<sup>th</sup> Quarter Innovation Pipeline 2023



# Whilst Almarai maintaining Market Share Leadership in KSA

Category	Almarai Value Share %			Almarai Rank Nov-23
	Dec-21	Dec-22	Nov-23	
Dairy	51	50	48	1
Food	35	32	35	1
Juice	47	46	42	1
Bakery	55	56	54	1
Poultry (Fresh Chicken)	34	35	39	1



Business Performance

**Q4** | Earnings  
2023 | Presentation

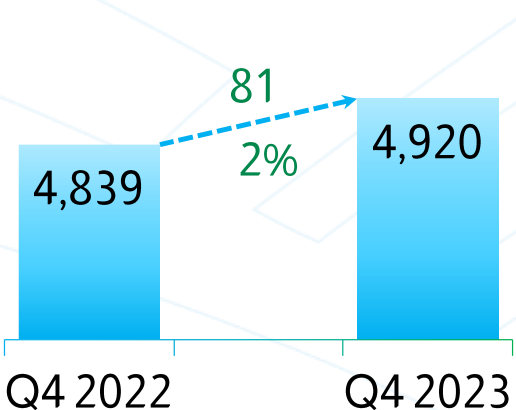


# Q4 2023 Key highlights

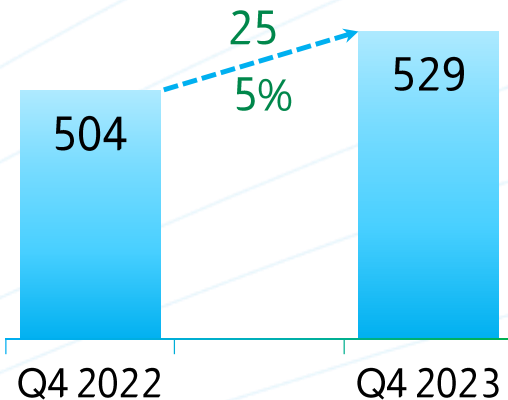
SAR Million

P&L Highlights

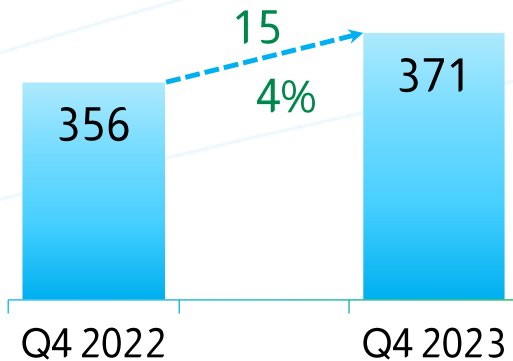
## Revenue



## Operating Profit

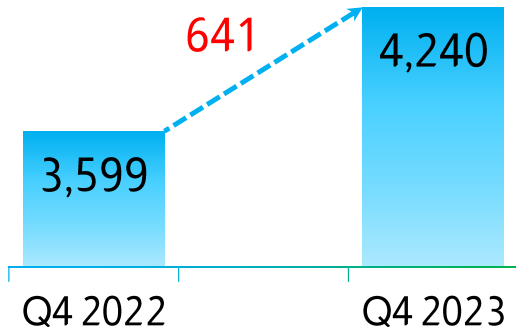


## Net Income

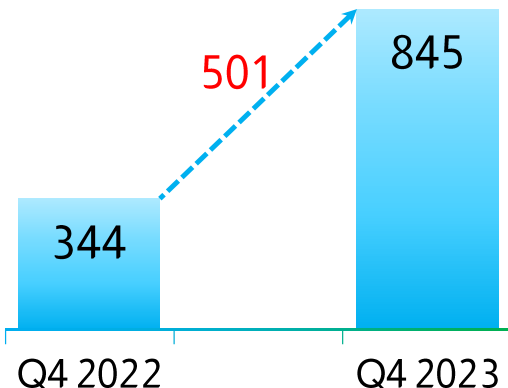


BS & CF Highlights

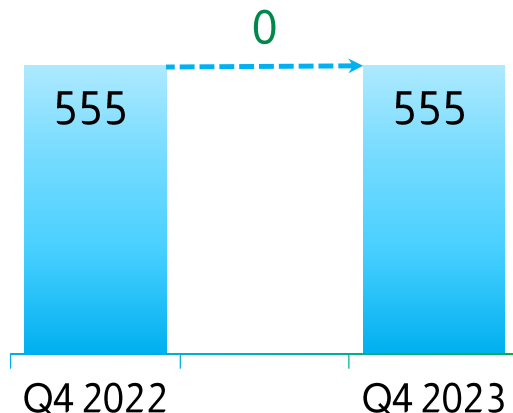
## Working Capital



## CAPEX



## Free Cash Flow



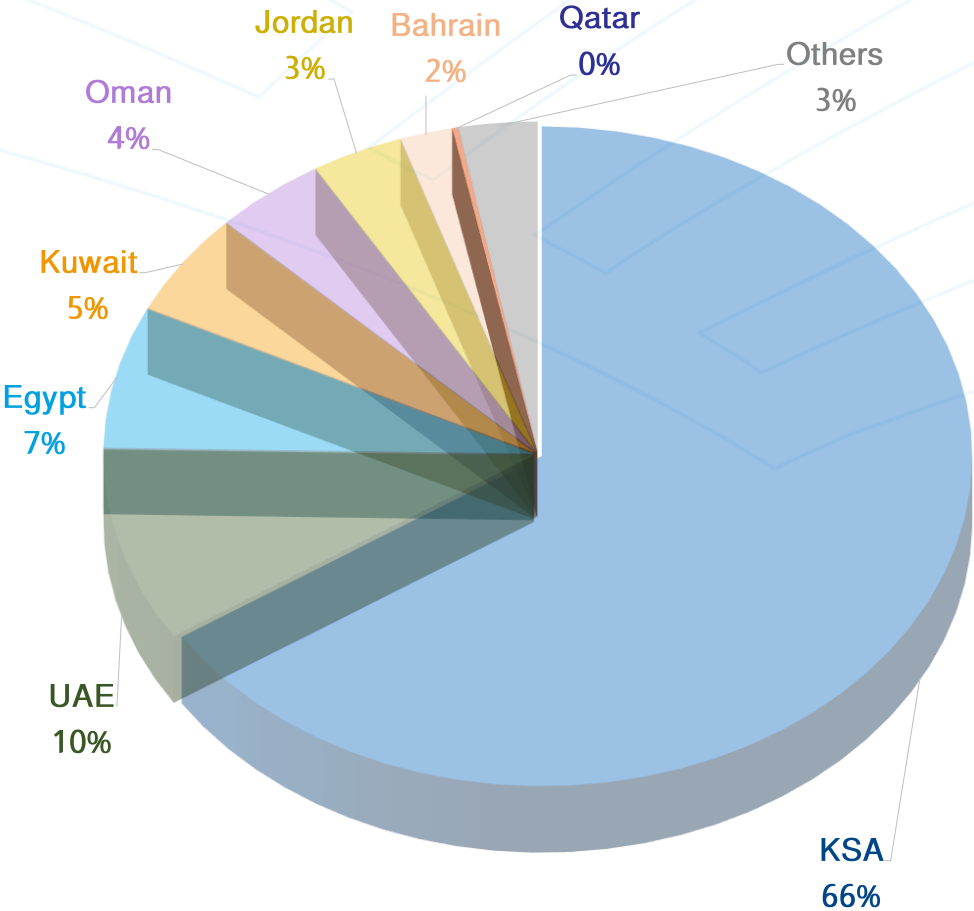
P&L – Profit and Loss Statement    BS – Balance Sheet    CF – Cash Flow

YoY% / (YoY%)

# Strong growth in core markets of KSA and GCC countries

SAR Million

Q4 2023 Revenue is SAR 4,920 M with a total growth of SAR 81 M or 2%

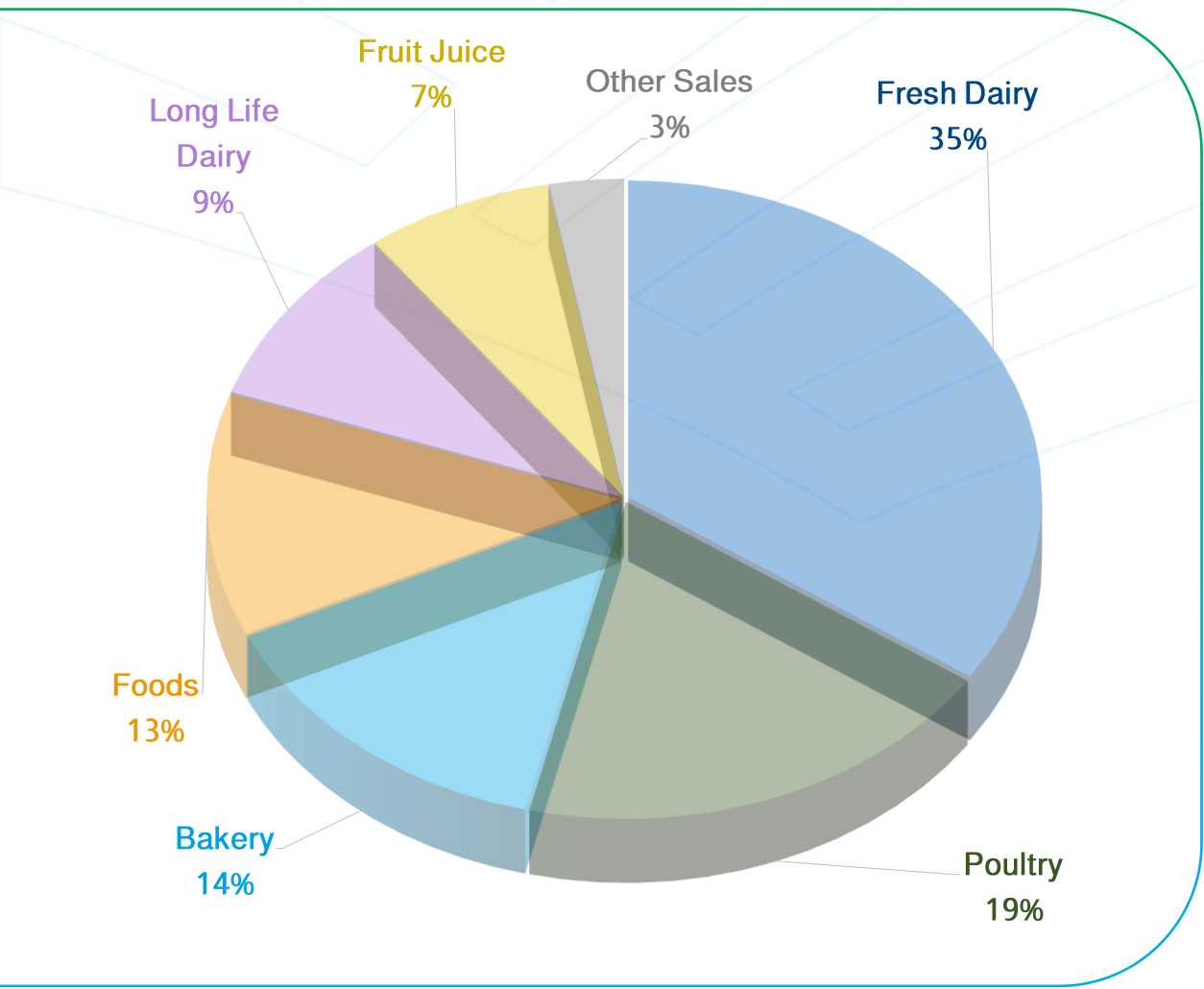


Country	Current Performance	
	Growth	Growth %
KSA	152	5%
UAE	21	5%
Oman	18	9%
Qatar	11	na
Kuwait	10	4%
Bahrain	(3)	(3%)
Jordan	(9)	(5%)
Egypt	(39)	(10%)
Others	(78)	(35%)
Total	81	2%

# ... driven by Fresh Dairy, Poultry, Bakery and Food

SAR Million

Q4 2023 Revenue is SAR 4,920 M with a total growth of SAR 81 M or 2%



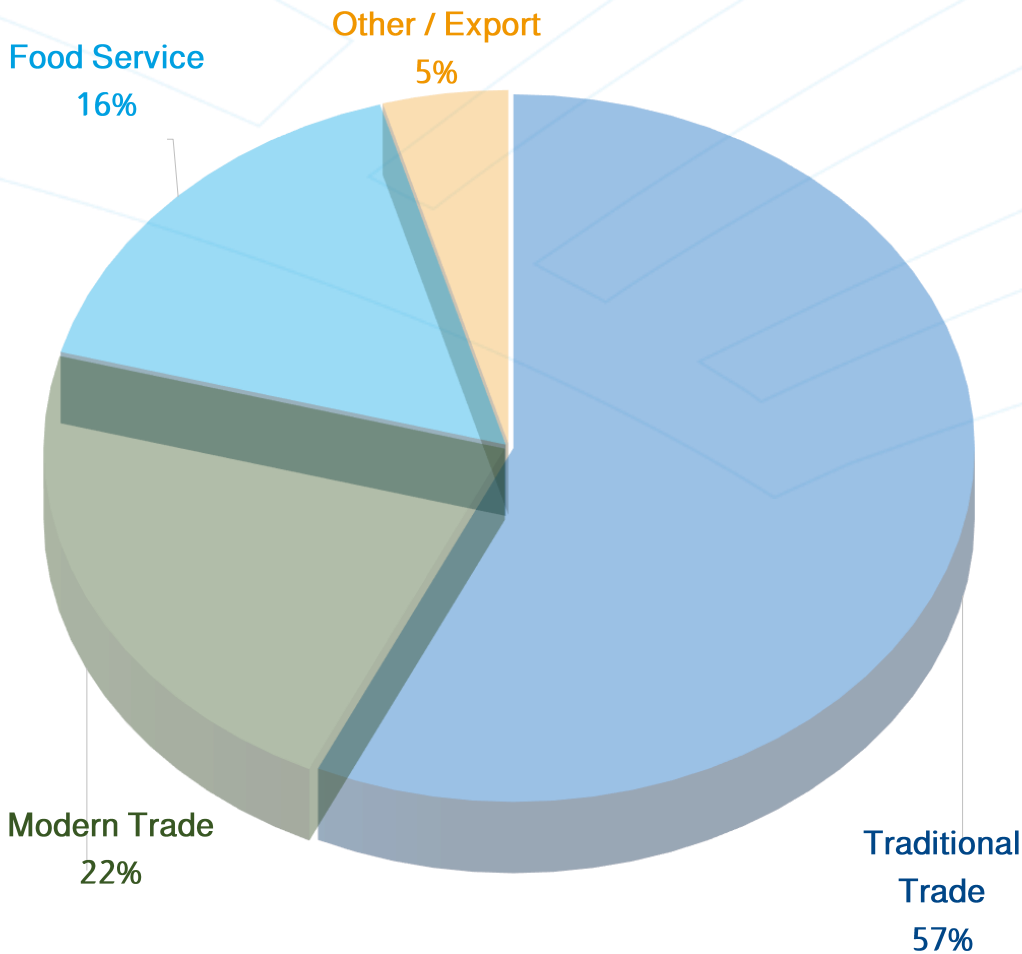
Product	Current Performance	
	Growth	Growth %
Fresh Dairy	129	8%
Poultry	103	12%
Bakery	16	2%
Foods	12	2%
Fruit Juice	(53)	(13%)
Long Life Dairy	(71)	(13%)
Other Sales	(56)	(28%)
Total	81	2%



# ...and growth observed in all channels

SAR Million

Q4 2023 Revenue is SAR 4,920 M with a total growth of SAR 81 M or 2%



Channel	Current Performance	
	Growth	Growth %
Traditional Trade	92	3%
Modern Trade	33	3%
Food Service	9	1%
Other / Export	(54)	(20%)
Total	81	2%

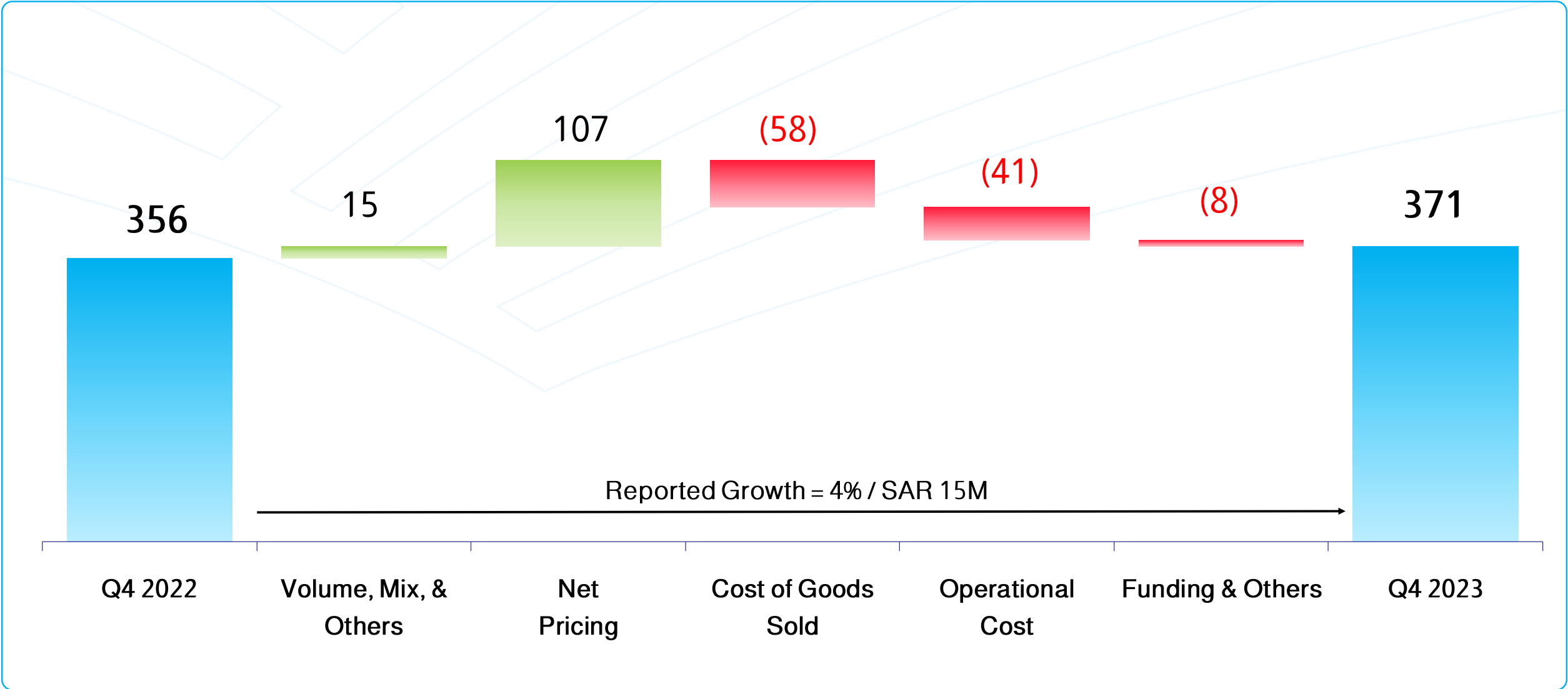
## Financial Performance

**Q4** | Earnings  
2023 | Presentation



# Q4 2023 Net Income Bridge

SAR Million

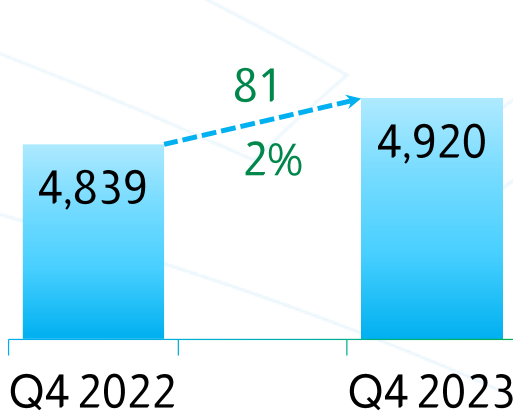




# Q4 2023 Financial Performance

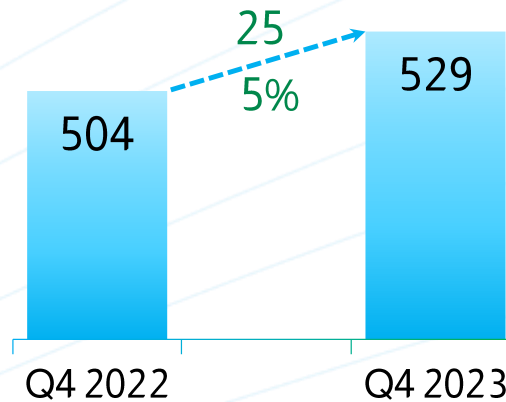
SAR Million

## Revenue



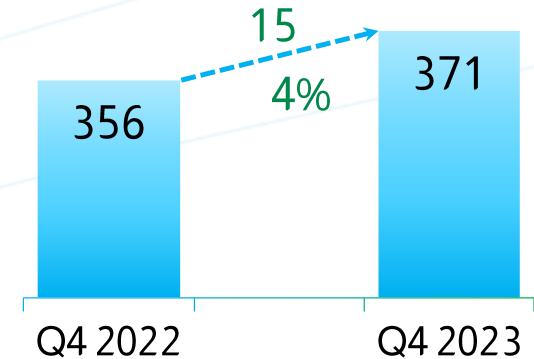
- ❖ Core GCC markets continued their positive momentum from prior quarters in Q4, led by Oman, KSA and UAE
- ❖ Growth rate was the highest for Poultry category, followed by fresh dairy
- ❖ Negative impact of EGP devaluation and lower alfalfa sales from the USA, reduced the group growth rate by 2%.

## Operating Profit



- ❖ Dairy and Farming key commodities prices are stabilizing, however benefit of higher inventory cover will be realized later
- ❖ In addition, effective management of overhead cost contributed towards higher operating profit growth

## Net Income

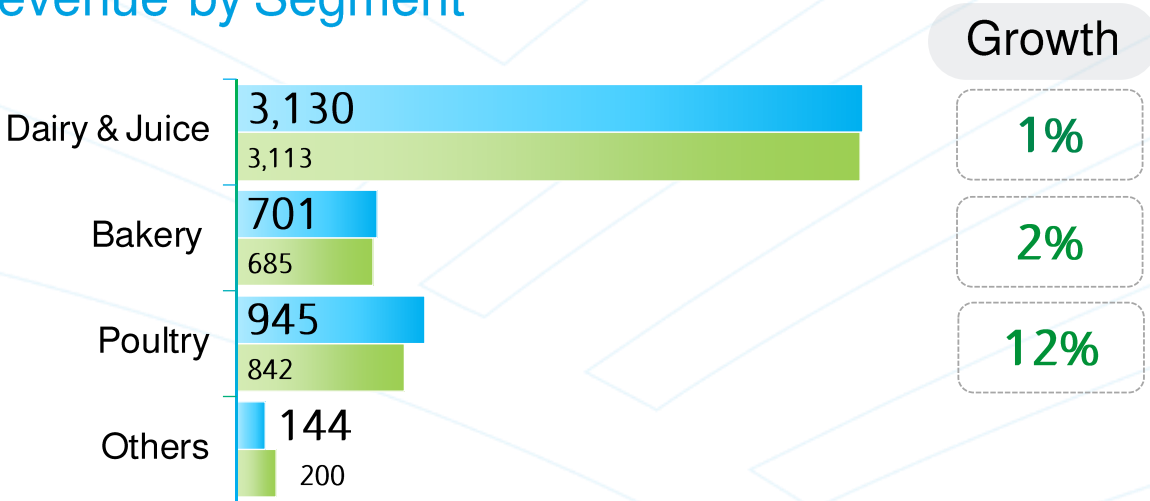


- ❖ Funding cost increased in line with the current increase in SAIBOR, offset by fixed debt portfolio.
- ❖ Zakat and income tax expense are mostly in line with last year

# Q4 2023 Results by Segment

SAR Million

## Revenue by Segment



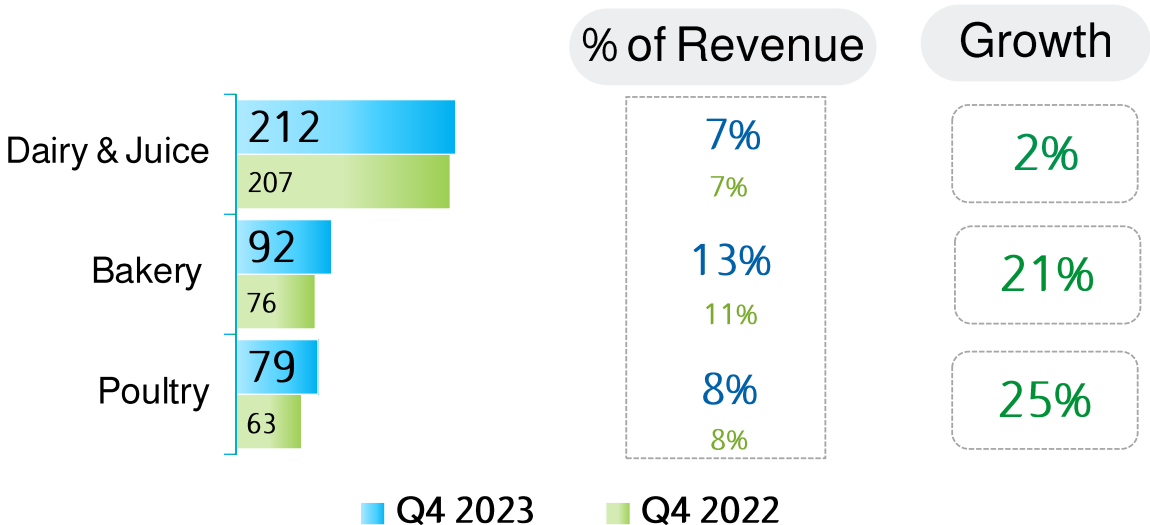
### Dairy & Juice

- ❖ Revenue growth was mainly driven by Fresh Dairy
- ❖ Furthermore, additional investments in marketing were made to raise consumer awareness,
- ❖ The strong cost control in the segment resulted in a higher growth in net profit.

### Bakery

- ❖ Continued growth of bread and higher capacity utilization resulted in higher profit growth

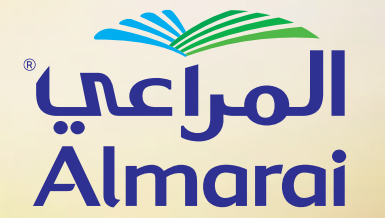
## Net Profit Margin By Segment



### Poultry

- ❖ Volume growth facilitated by additional capacity.
- ❖ Additionally, the strong cost control both at the Farm and Operations levels continues to assist in the advancement of profit growth.

YoY% / (YoY%)



Business Performance

**FY** | Earnings  
2023 | Presentation

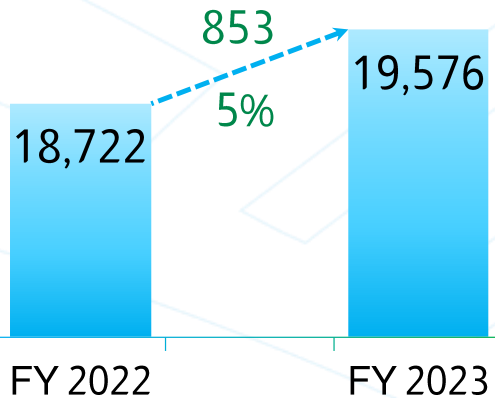


# Full Year 2023 Key highlights

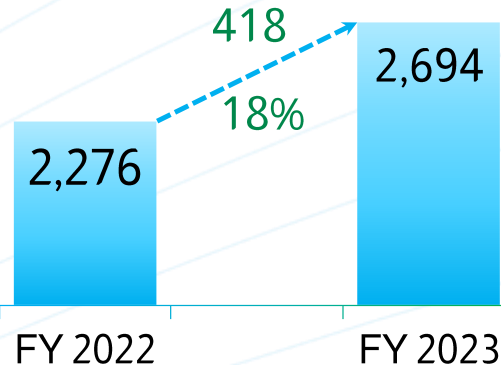
SAR Million

## P&L Highlights

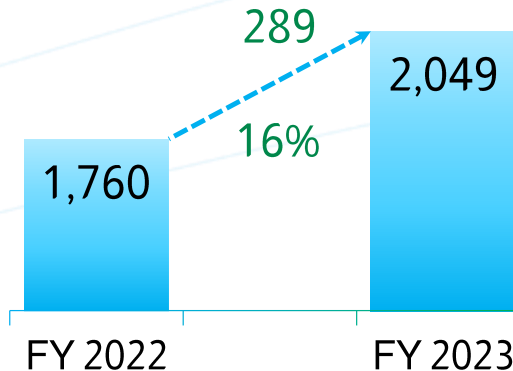
### Revenue



### Operating Profit

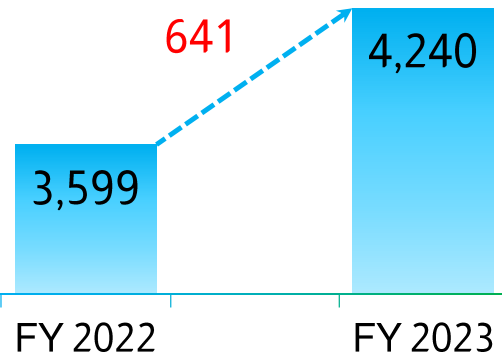


### Net Income

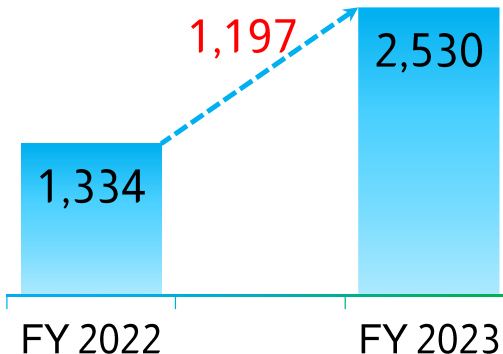


## BS & CF Highlights

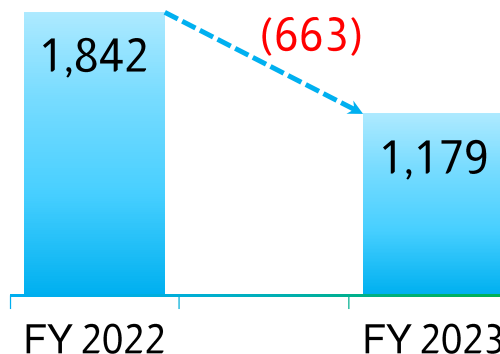
### Working Capital



### CAPEX



### Free Cash Flow



P&L – Profit and Loss Statement

BS – Balance Sheet

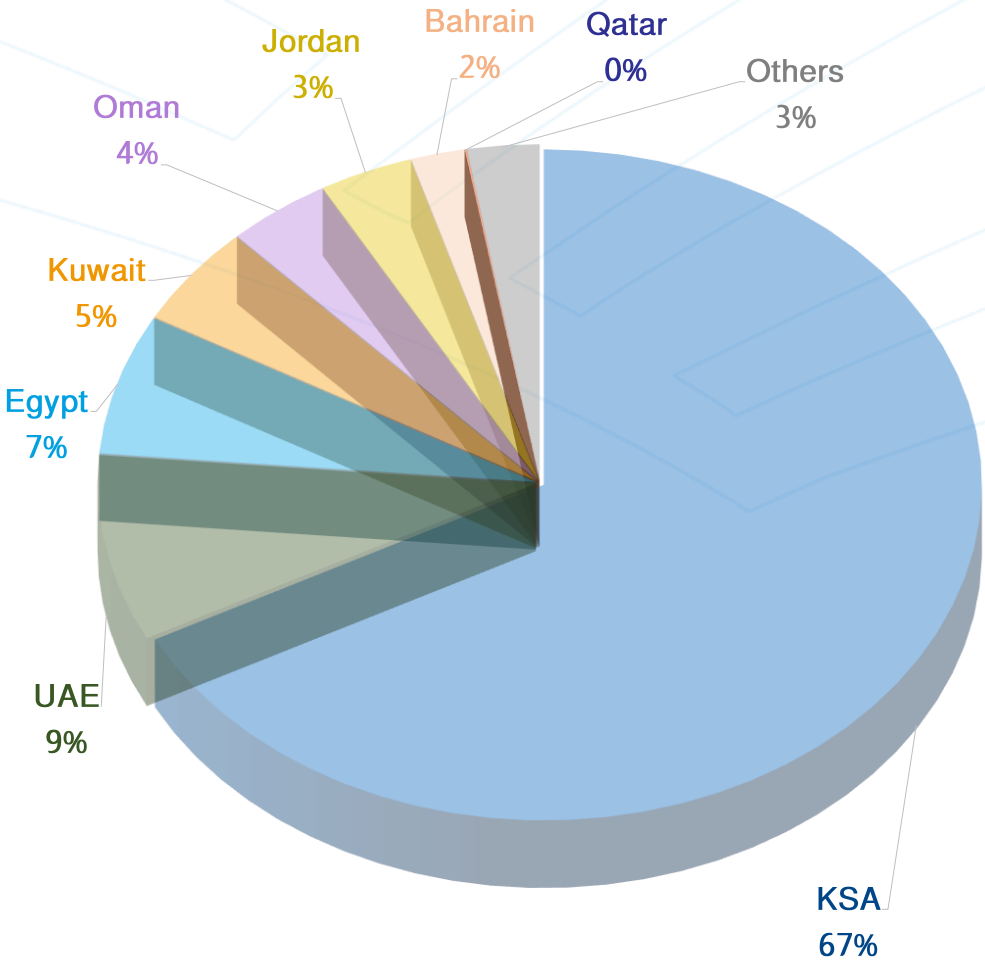
CF – Cash Flow

YoY% / (YoY%)

# ...Growth in all countries except Egypt & Jordan

SAR Million

Full Year 2023 Revenue is SAR 19,576 M with a total growth of SAR 853 M or 5%



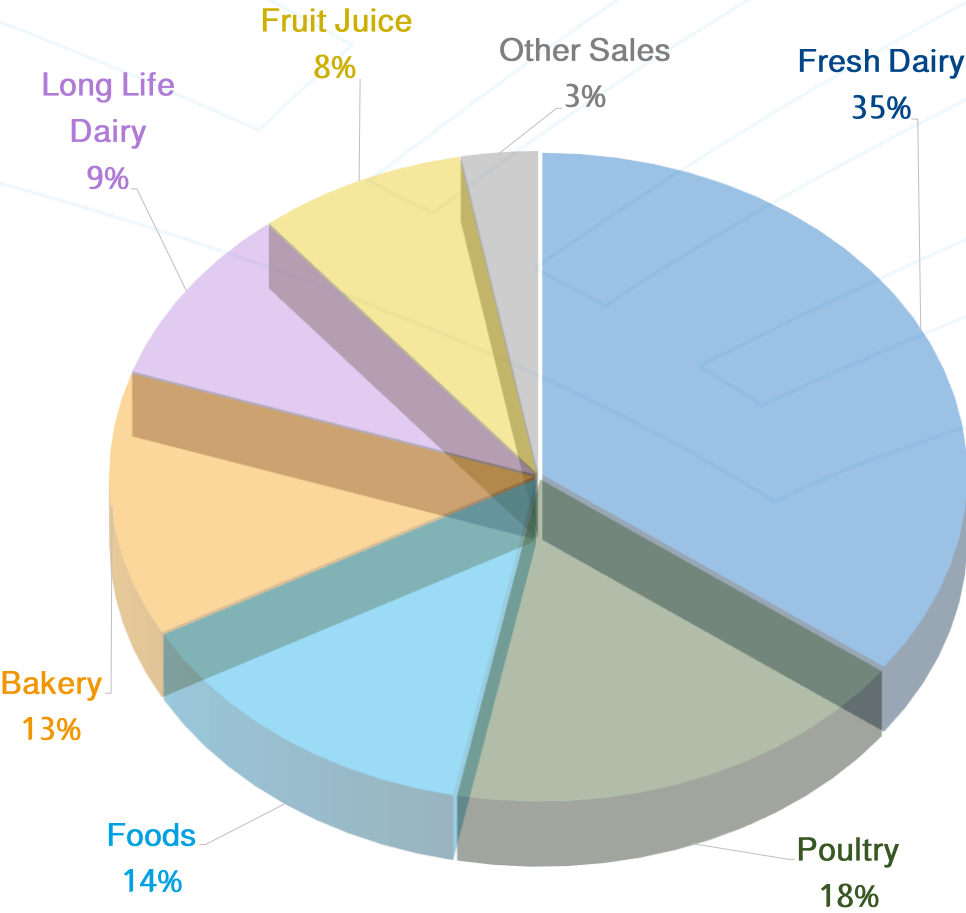
Country	Current Performance	
	Growth	Growth %
KSA	1,088	9%
UAE	91	5%
Oman	60	9%
Kuwait	51	6%
Qatar	14	n.a.
Bahrain	8	2%
Jordan	(7)	(1%)
Egypt	(172)	(12%)
Others	(280)	(35%)
Total	853	5%

YoY% / (YoY%)

... driven by growth across all product categories except long-life and fruit juice

SAR Million

Full Year 2023 Revenue is SAR 19,576 M with a total growth of SAR 853 M or 5%



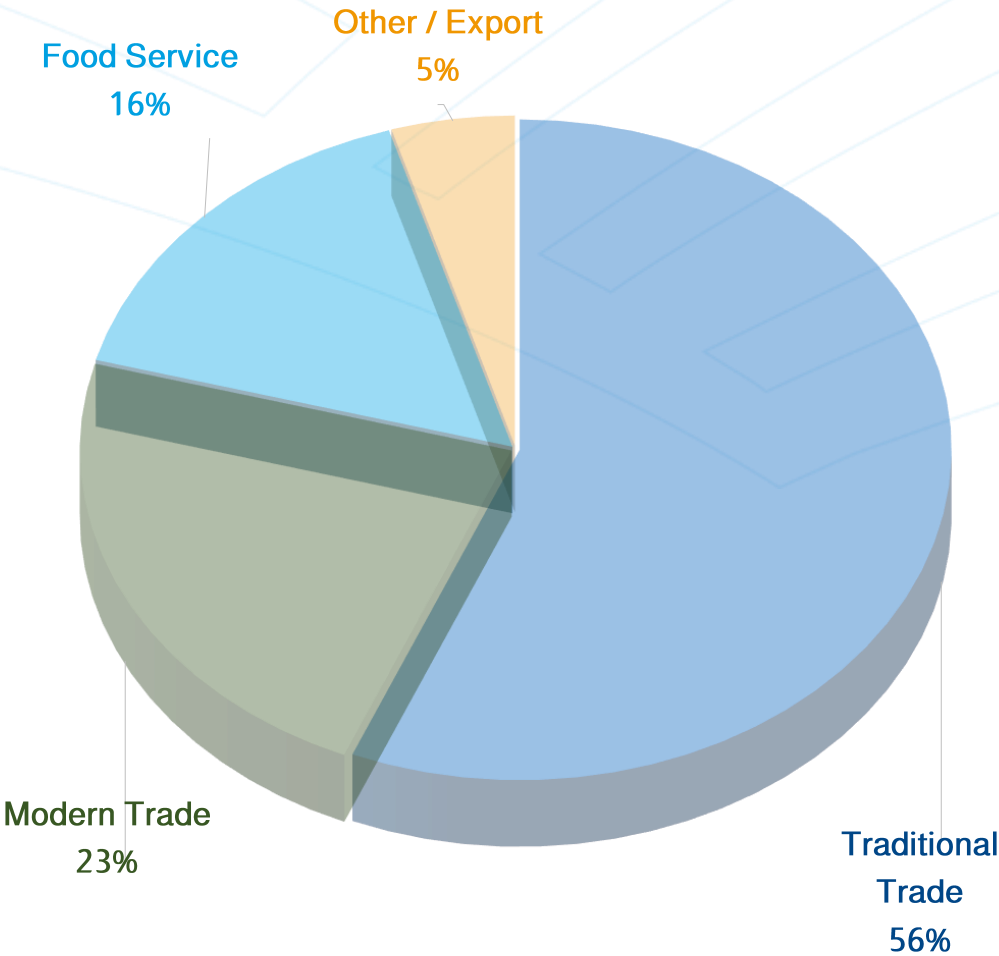
Product	Current Performance	
	Growth	Growth %
Fresh Dairy	532	8%
Poultry	504	17%
Foods	176	7%
Bakery	145	6%
Fruit Juice	(105)	(6%)
Long Life Dairy	(204)	(10%)
Other Sales	(195)	(25%)
Total	853	5%



# ...and growth in all channels with Food service leading the growth

SAR Million

Full Year 2023 Revenue is SAR 19,576 M with a total growth of SAR 853 M or 5%



Channel	Current Performance	
	Growth	Growth %
Traditional Trade	460	4%
Food Service	298	10%
Modern Trade	257	6%
Other / Export	(162)	(17%)
Total	853	5%

Financial Performance  
Full Year

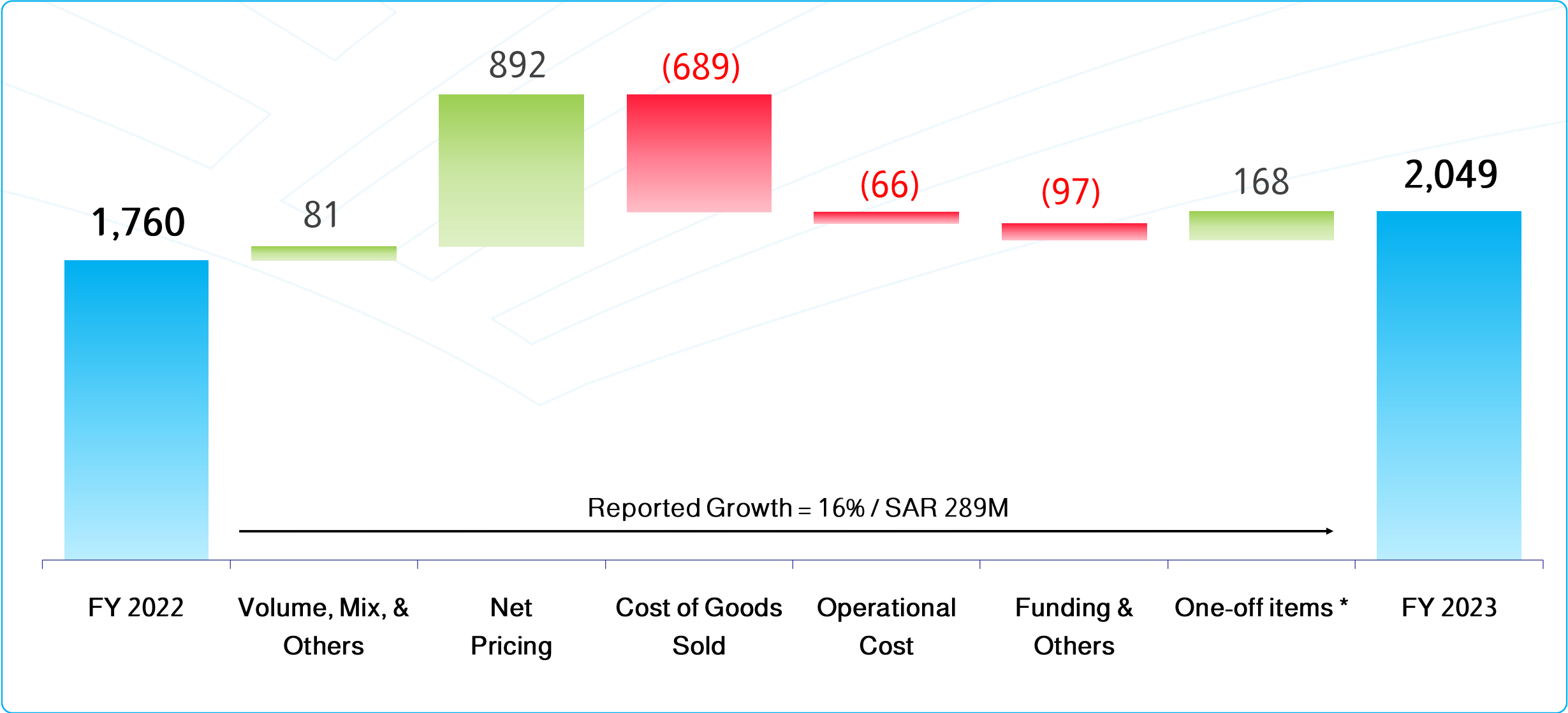
**FY** | Earnings  
2023 | Presentation





# Full Year 2023 Net Income Bridge

SAR Million

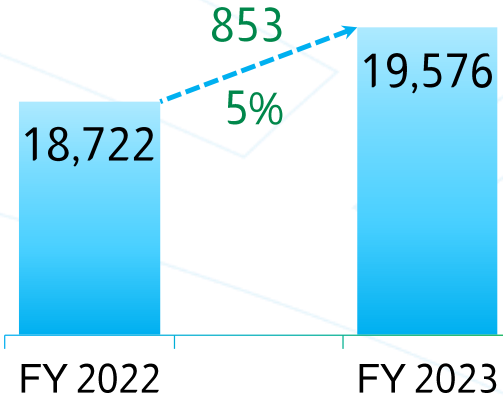


\* Food security support in the current year, & investment write-off in last year

# Full Year 2023 Financial Performance

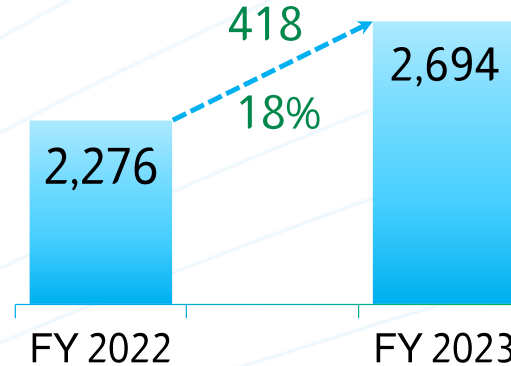
SAR Million

## Revenue



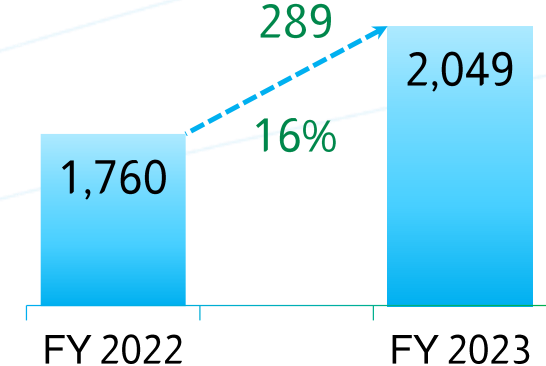
- ❖ Achieved a positive revenue growth of 5%, which was mainly driven by our core categories in KSA and GCC countries.
- ❖ Fresh dairy and poultry categories delivered the highest growth in both percentage and value terms, with each generating over SAR 500 million
- ❖ However, due to the EGP devaluation and lower commodity exports, revenue growth reduced by nearly 3% at the group level.

## Operating Profit



- ❖ The dairy and farming essential commodities prices have indicates stabilization; however, the benefits of the higher inventory coverage will be realized at a later stage
- ❖ The consistent implementation of strong cost control measures has significantly bolstered the operating profit.

## Net Income



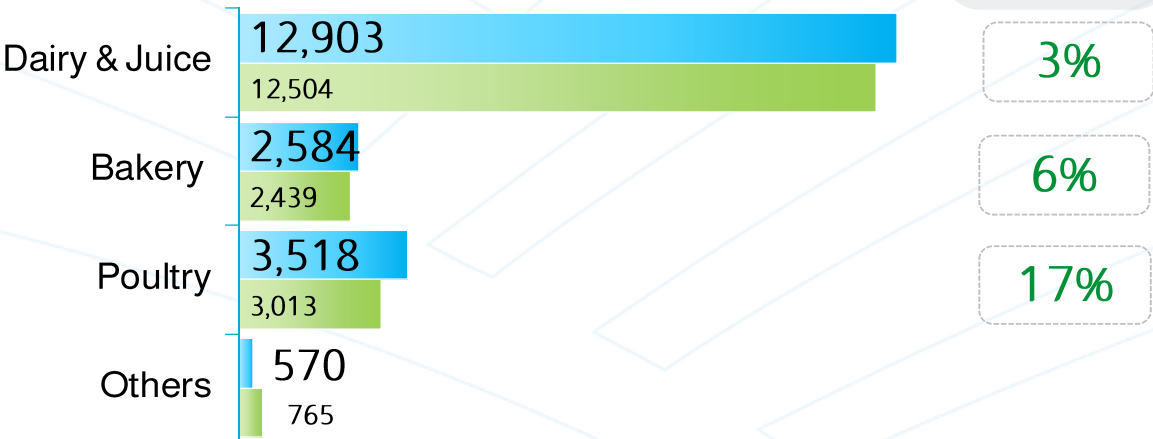
- ❖ Funding cost increased in line with current increase in SAIBOR, partially offset by existing fixed debt portfolio.
- ❖ Zakat expenses are higher than last year due to a one-off gain on zakat settlement in year 2022
- ❖ Purchase of IDJ shares in Q1 2023 is resulting in higher net income, driven by improved performance of IDJ at net income level.



# Full Year 2023 Results by Segment

SAR Million

## Revenue by Segment



### Dairy & Juice

- ❖ Revenue growth reflected strong momentum in GCC countries
- ❖ EGP devaluation continues to impact top line growth, however improved performance at net income level is contributing to the bottom line
- ❖ Operating cost control remains strong within the segment as well as across Almarai.

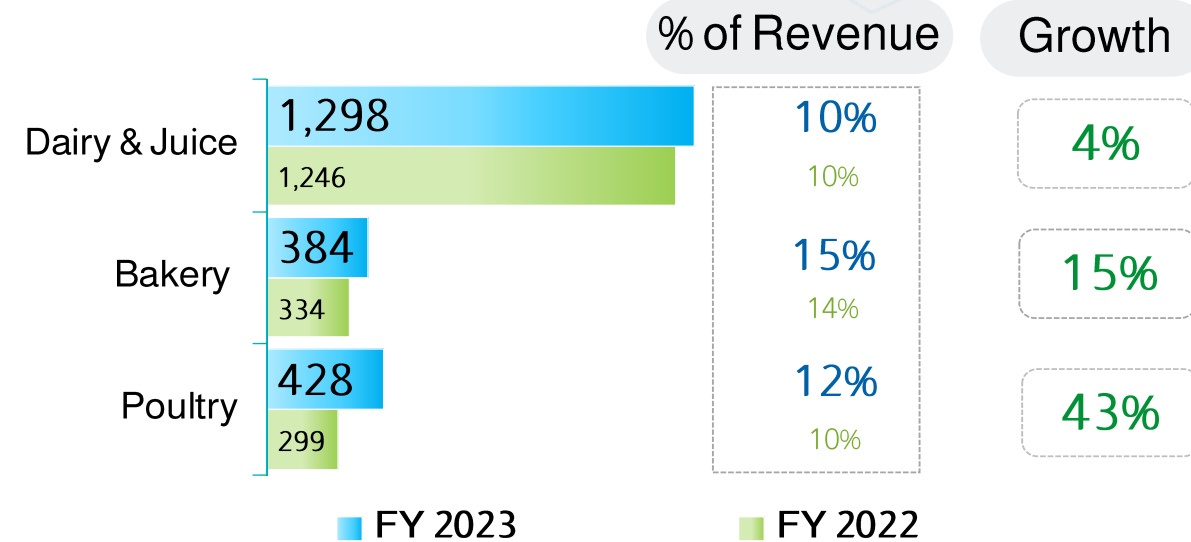
### Bakery

- ❖ The growth in bread categories, along with improved economies of scale, has led to increase in the net profit margin.

### Poultry

- ❖ The strong volume growth driven by additional capacity.
- ❖ Furthermore, effective cost control and focused operational and farm performance is resulting in higher net profit margin

## Net Profit Margin By Segment



YoY% / (YoY%)

Financial Performance -  
Other Information

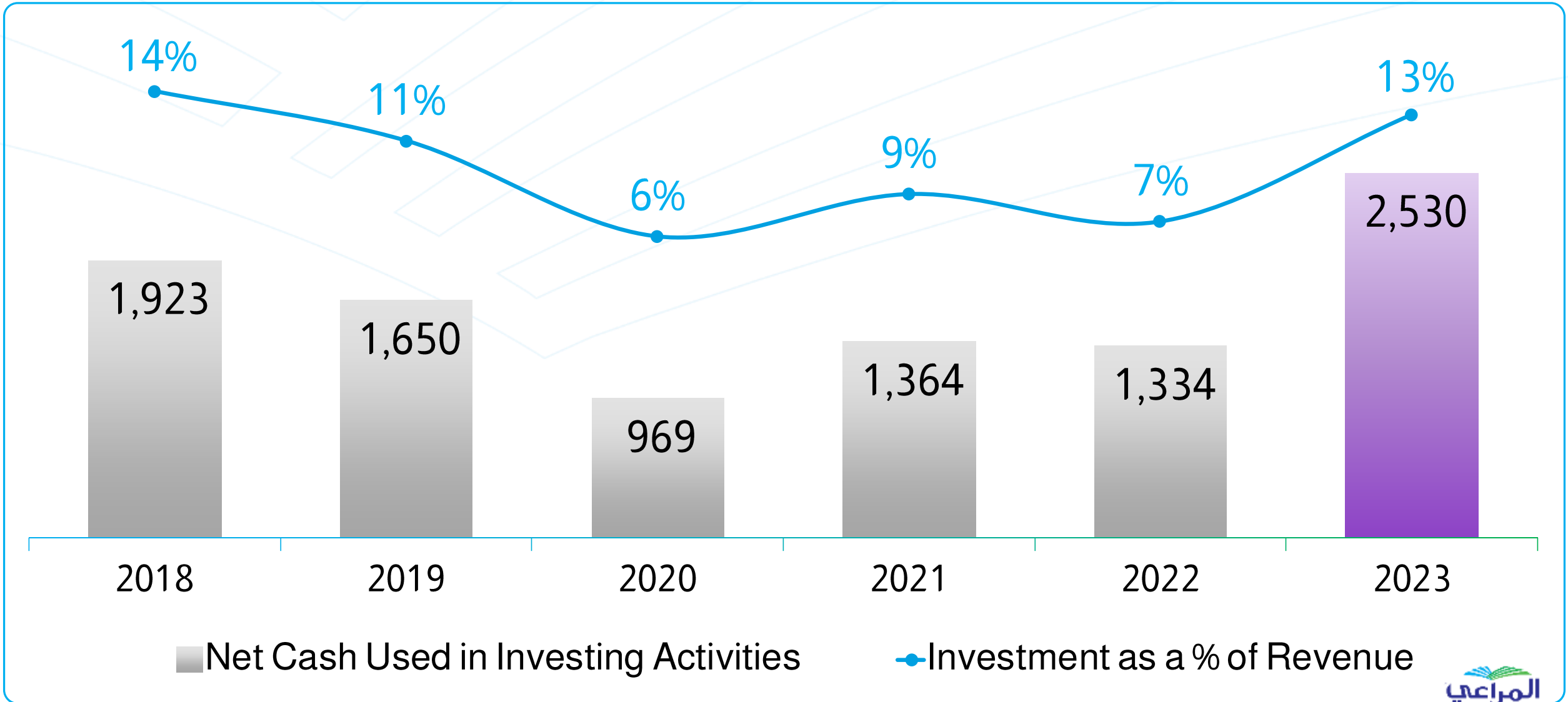
**FY** | Earnings  
2023 | Presentation



# CAPEX starting to rise in line with long term capex deployment plan

SAR Million

Capital Investment - 2018 to 2023

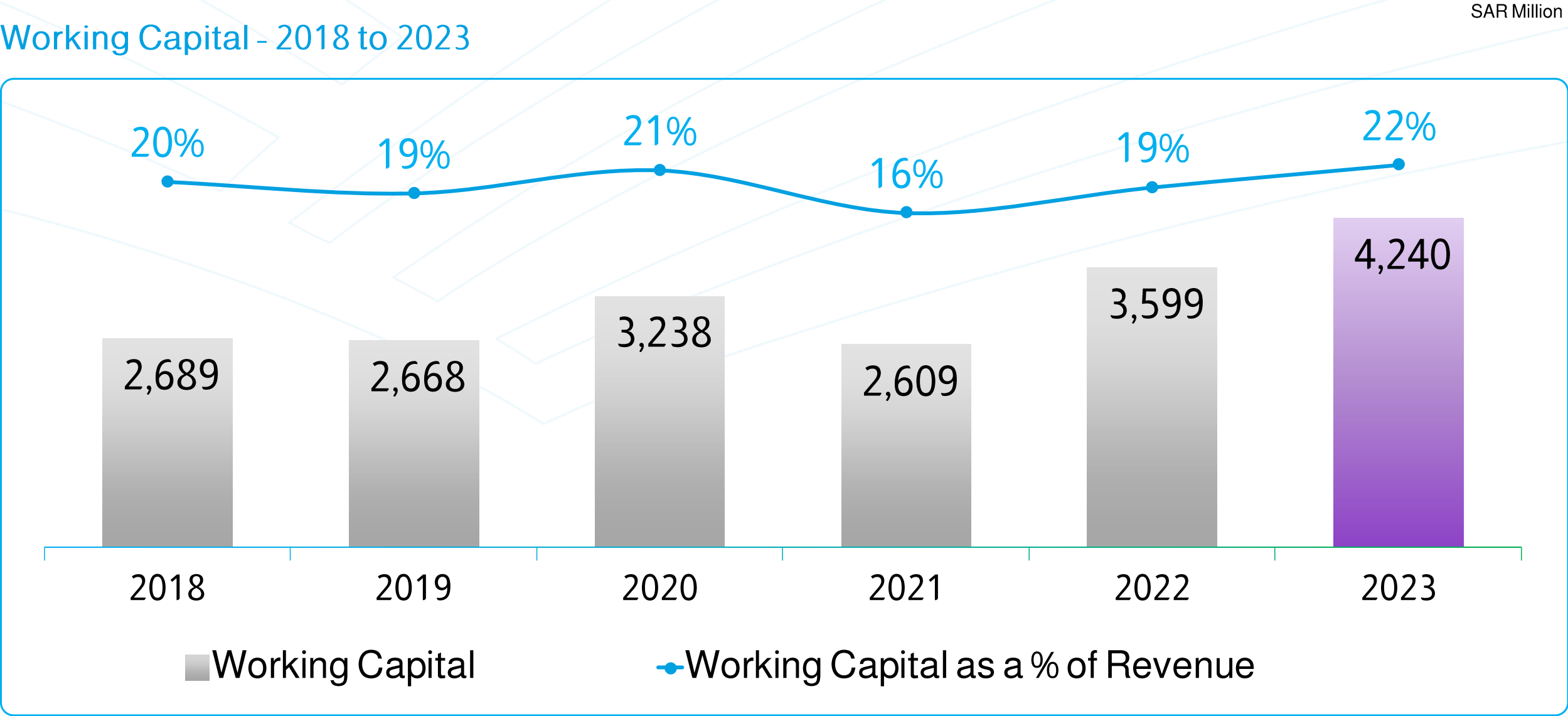


■ Net Cash Used in Investing Activities

● Investment as a % of Revenue

YoY% / (YoY%)

Increased working capital influenced by the early commencement of the Ramadan preparation.

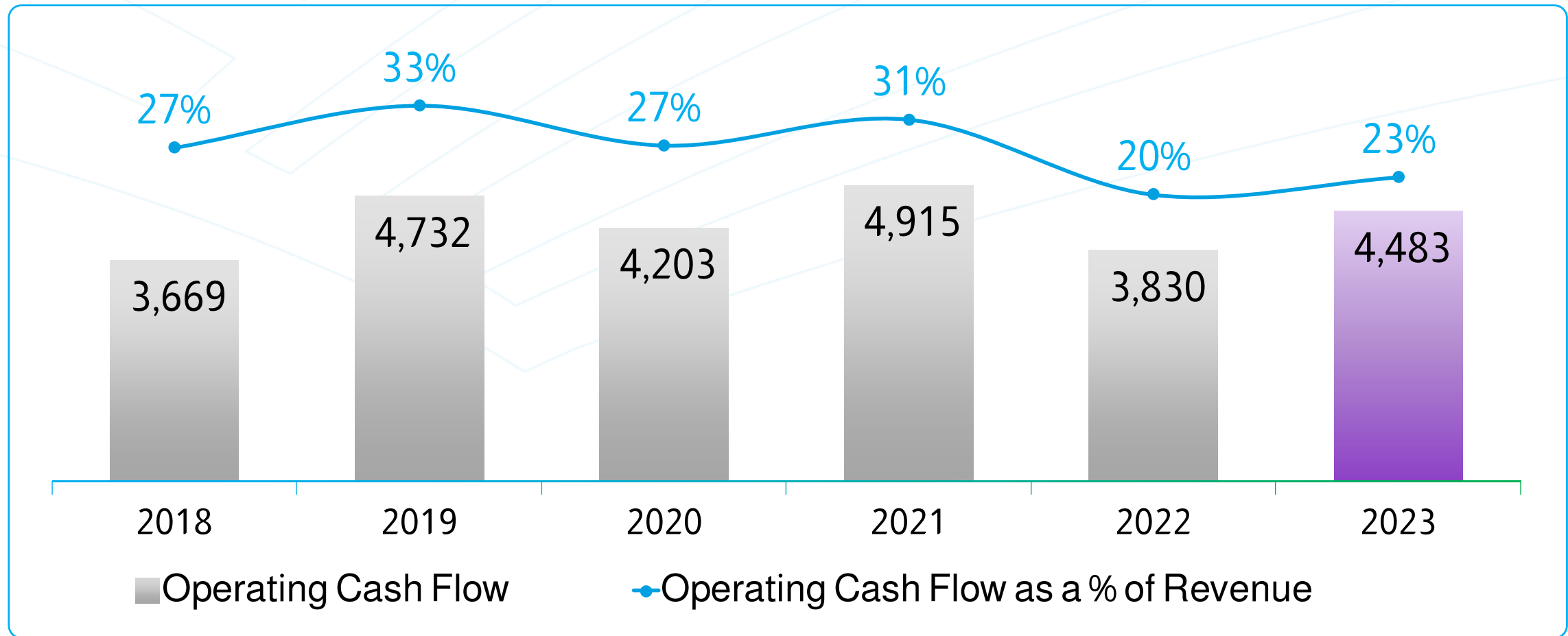




# Strong Operating Cash Flow despite higher working capital

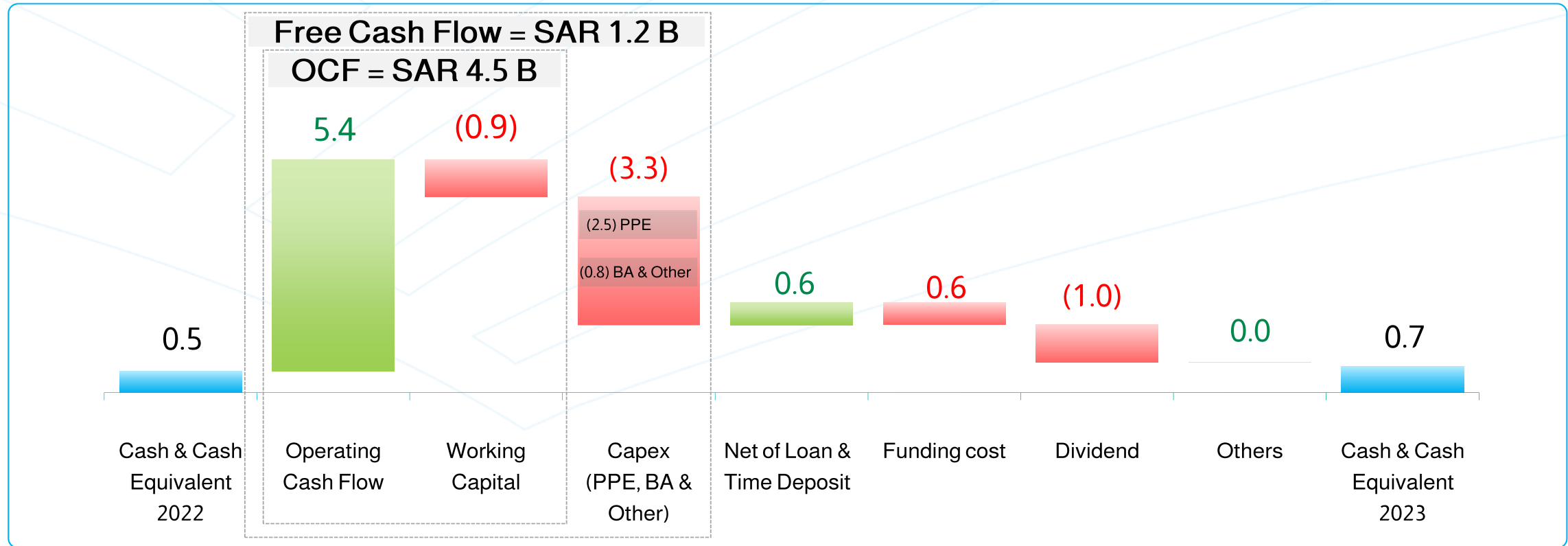
SAR Million

Operating Cash Flow 2018 to 2023 (With Changes in Working Capital)



# Free Cash Flow

SAR Billion



## Full Year 2023 Free Cash Flow = SAR 1.2 Billion

- ❖ OCF: SAR +4.5 Billion .....Strong business performance, affected by the one-off increase in working capital due to strategic inventory purchases
- ❖ ICF: SAR -3.3 Billion and is in line with the expansionary capex cycle announced earlier by Almarai

Available facilities at the end of the year 2023 amounted to SAR 5.9B (Available facilities at the end of the year 2022 amounted to 6.0B).

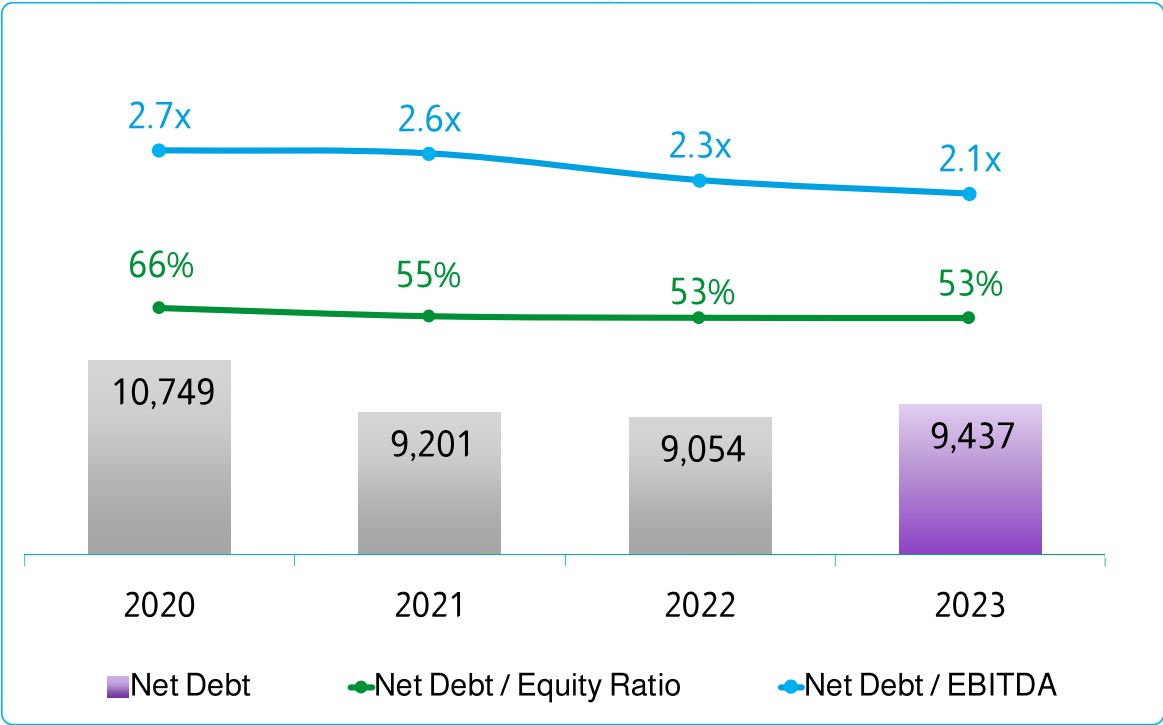
OCF – Operating Cash Flow ICF – Investing Cash Flow FCF – Free Cash Flow

# Net Debt to EBITDA continues to trend lower and.....

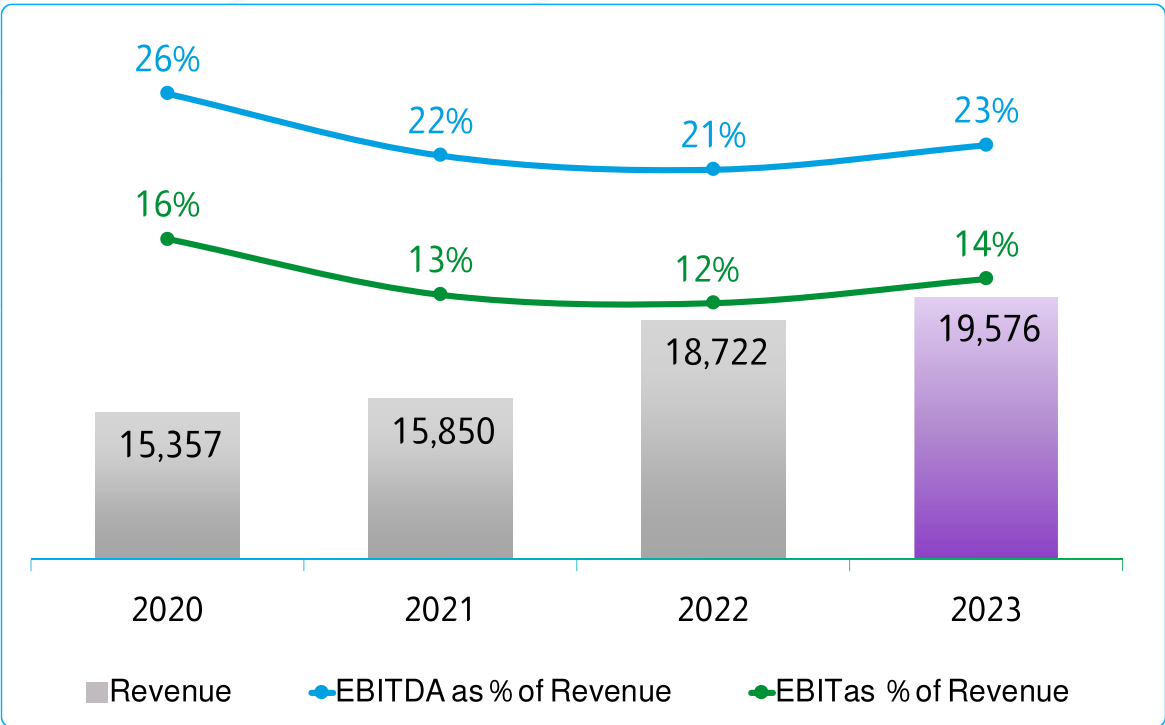
## EBITDA / EBIT Margins continue their upward turnaround

SAR Million

### Net Debt Trend



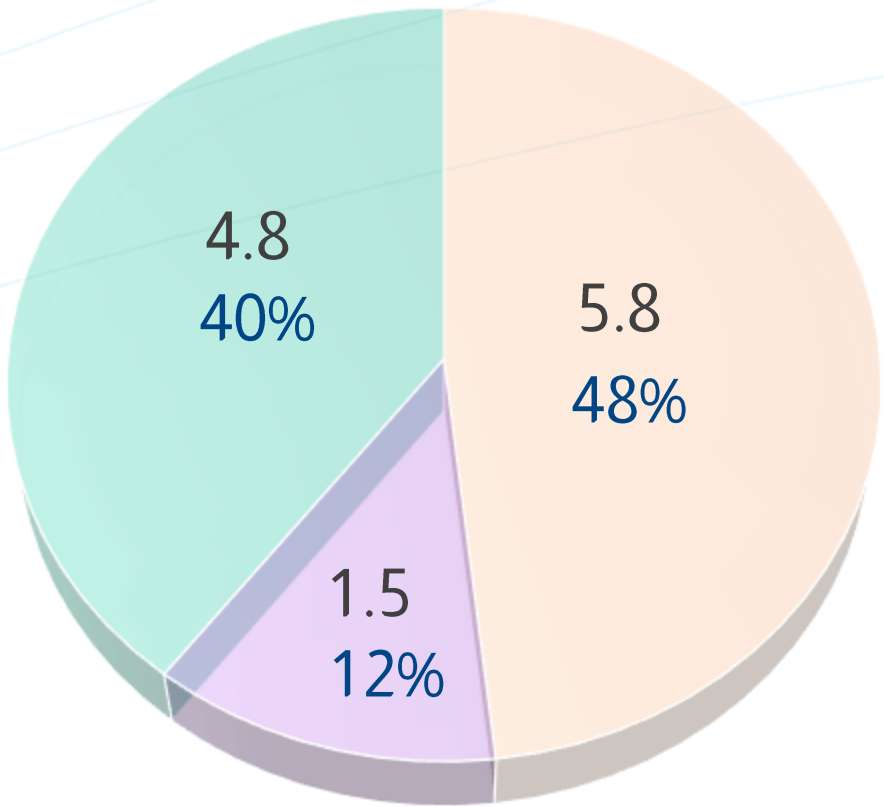
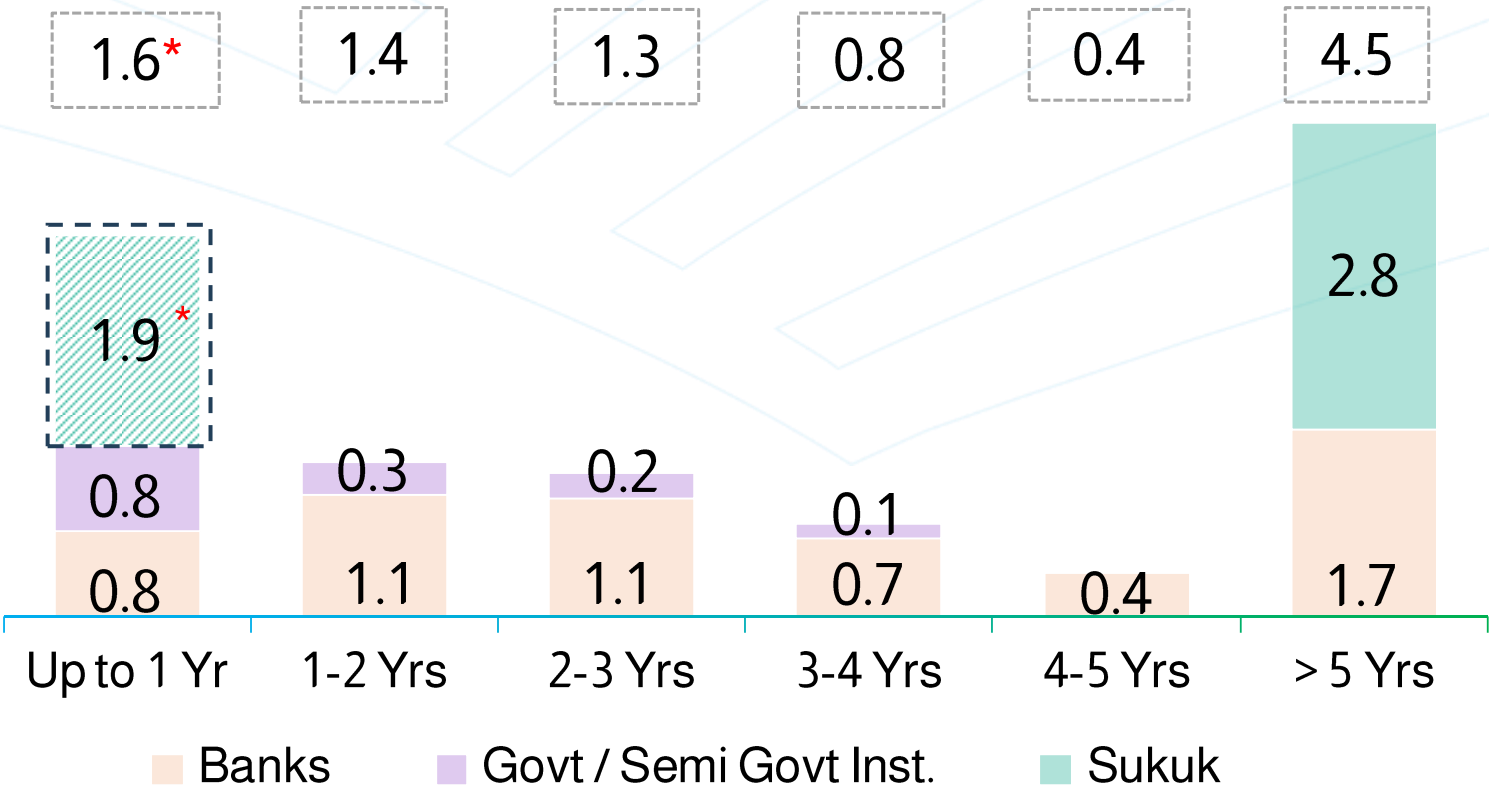
### EBITDA and EBIT Margins



# Debt Maturity Profile highlights average debt tenure at 4.8 Years

SAR Billion

Debt Maturity by Age by Type

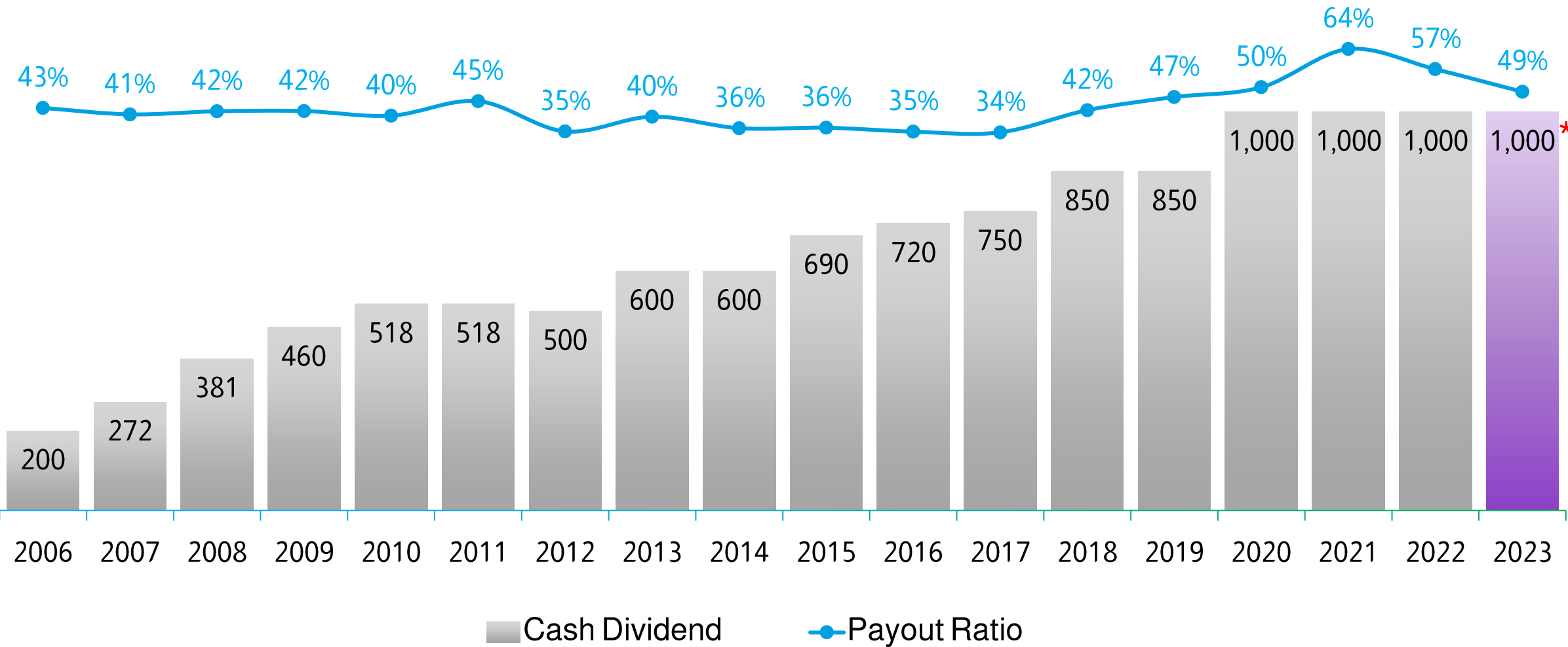


\*Note - Sukuk repayment of SAR 1.9B (USD 500M) in next 12 months is due for repayment in March 2024, which is matched in full by a term deposit of SAR 1.9B (USD 500M) maturing in March 2024. The term deposit was financed by SAR 2.8B (USD 750M) sukuk issued in July 2023 for a term of 10years.



# Cash Dividend Since Listing

SAR Million



\* 2023 Cash Dividend is subject for AGM approval

Question & Answer

**FY** | Earnings  
2023 | Presentation





Appendix

**FY** | Earnings  
2023 | Presentation

# Q4 2023 Profit and Loss Statement

SAR Million

	4th Quarter				
	2023		2022		Change
Revenue	4,920	100.0%	4,839	100.0%	1.7%
Cost of sales	(3,523)	(71.6%)	(3,505)	(72.4%)	(0.5%)
<b>Gross Profit</b>	<b>1,397</b>	<b>28.4%</b>	<b>1,334</b>	<b>27.6%</b>	<b>4.7%</b>
Selling and Distribution Expenses	(697)	(14.2%)	(686)	(14.2%)	(1.5%)
General and Administration Expenses	(143)	(2.9%)	(147)	(3.0%)	3.1%
Other Expense, net	(10)	(0.2%)	3	0.1%	n/a
Impairment Loss on Financial Assets	(19)	(0.4%)	1	0.0%	n/a
<b>Operating Income</b>	<b>529</b>	<b>10.8%</b>	<b>504</b>	<b>10.4%</b>	<b>4.9%</b>
Finance Costs - net	(142)	(2.9%)	(131)	(2.7%)	(8.2%)
Share of Results of Associates and Joint Ventures	(1)	(0.0%)	1	0.0%	n/a
<b>Profit Before Zakat and Income Tax</b>	<b>386</b>	<b>7.8%</b>	<b>374</b>	<b>7.7%</b>	<b>3.1%</b>
Zakat and Foreign Income Tax	(14)	(0.3%)	(19)	(0.4%)	27.6%
<b>Profit for the Period</b>	<b>372</b>	<b>7.6%</b>	<b>355</b>	<b>7.3%</b>	<b>4.8%</b>
Profit Attributable to Non Controlling Interest	(1)	(0.0%)	1	0.0%	n/a
<b>Profit Attributable to Shareholders</b>	<b>371</b>	<b>7.5%</b>	<b>356</b>	<b>7.4%</b>	<b>4.2%</b>
Earnings Per Share (Basic)	0.37		0.36		2.8%
Profit Attributable to Shareholders %	7.5%		7.4%		

YoY% / (YoY%)

Earnings Presentation – Q4 2023



# Full Year 2023 Profit and Loss Statement

SAR Million

	Full Year				Change
	2023		2022		
Revenue	19,576	100.0%	18,722	100.0%	4.6%
Cost of sales	(13,524)	(69.1%)	(13,098)	(70.0%)	(3.3%)
Gross Profit	6,051	30.9%	5,624	30.0%	7.6%
Selling and Distribution Expenses	(2,790)	(14.3%)	(2,710)	(14.5%)	(3.0%)
General and Administration Expenses	(469)	(2.4%)	(459)	(2.4%)	(2.3%)
Other Expense, net	(64)	(0.3%)	(153)	(0.8%)	58.0%
Impairment Loss on Financial Assets	(34)	(0.2%)	(26)	(0.1%)	(29.9%)
Operating Income	2,694	13.8%	2,276	12.2%	18.3%
Finance Costs - net	(527)	(2.7%)	(428)	(2.3%)	(23.1%)
Share of Results of Associates and Joint Ventures	(1)	(0.0%)	1	0.0%	n.a.
Profit Before Zakat and Income Tax	2,166	11.1%	1,849	9.9%	17.1%
Zakat and Foreign IncomeTax	(114)	(0.6%)	(71)	(0.4%)	(61.4%)
Profit for the Period	2,052	10.5%	1,778	9.5%	15.4%
Profit Attributable to Non Controlling Interest	(2)	(0.0%)	(18)	(0.1%)	86.9%
Profit Attributable to Shareholders	2,049	10.5%	1,760	9.4%	16.4%
Earnings Per Share (Basic)	2.08		1.79		16.1%
Profit Attributable to Shareholders %	10.5%		9.4%		

YoY% / (YoY%)

Earnings Presentation – Q4 2023

# Results by Segment

SAR Million

4th Quarter	Revenue			
	2023	2022	Growth	Growth %
Dairy & Juice	3,130	3,113	17	0.6%
Bakery	701	685	16	2.3%
Poultry	945	842	103	12.2%
Others	144	200	(56)	(27.9%)
Almarai Consolidated	4,920	4,839	81	1.7%

4th Quarter	Profit Attributable to Shareholders					
	2023	2022	Growth	Growth %	% to Revenue	
					2023	2022
Dairy & Juice	212	207	5	2.5%	6.8%	6.6%
Bakery	92	76	16	20.9%	13.2%	11.1%
Poultry	79	63	16	24.5%	8.3%	7.5%
Others	(12)	9	(22)	n.a.	n.a.	n.a.
Almarai Consolidated	371	356	15	4.2%	7.5%	7.4%

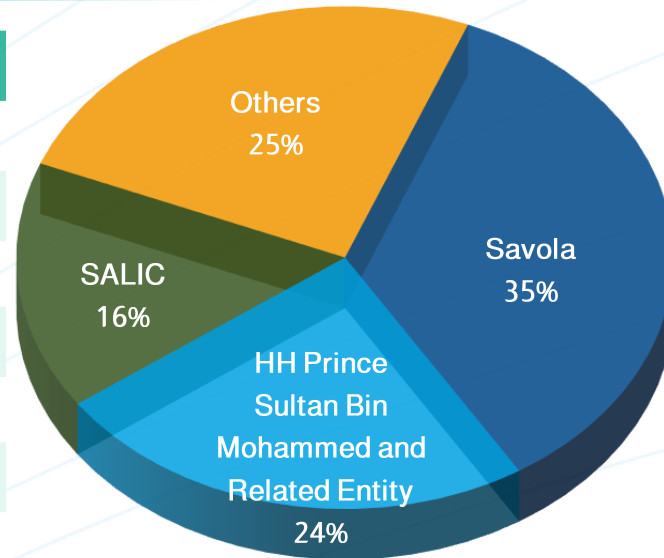
Full Year	Revenue			
	2023	2022	Growth	Growth %
Dairy & Juice	12,903	12,504	398	3.2%
Bakery	2,584	2,439	145	6.0%
Poultry	3,518	3,013	505	16.8%
Others	570	765	(195)	(25.5%)
Almarai Consolidated	19,576	18,722	853	4.6%

Full Year	Profit Attributable to Shareholders					
	2023	2022	Growth	Growth %	% to Revenue	
					2023	2022
Dairy & Juice	1,298	1,246	52	4.2%	10.1%	10.0%
Bakery	384	334	50	15.1%	14.9%	13.7%
Poultry	428	299	129	43.0%	12.2%	9.9%
Others	(62)	(120)	58	48.7%	n.a.	n.a.
Almarai Consolidated	2,049	1,760	289	16.4%	10.5%	9.4%

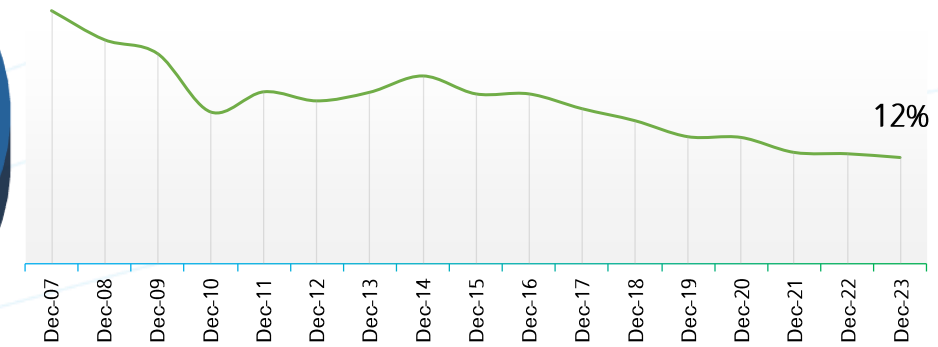
# Key Share Data

## Key Statistics for Almarai (31 Dec 2023)

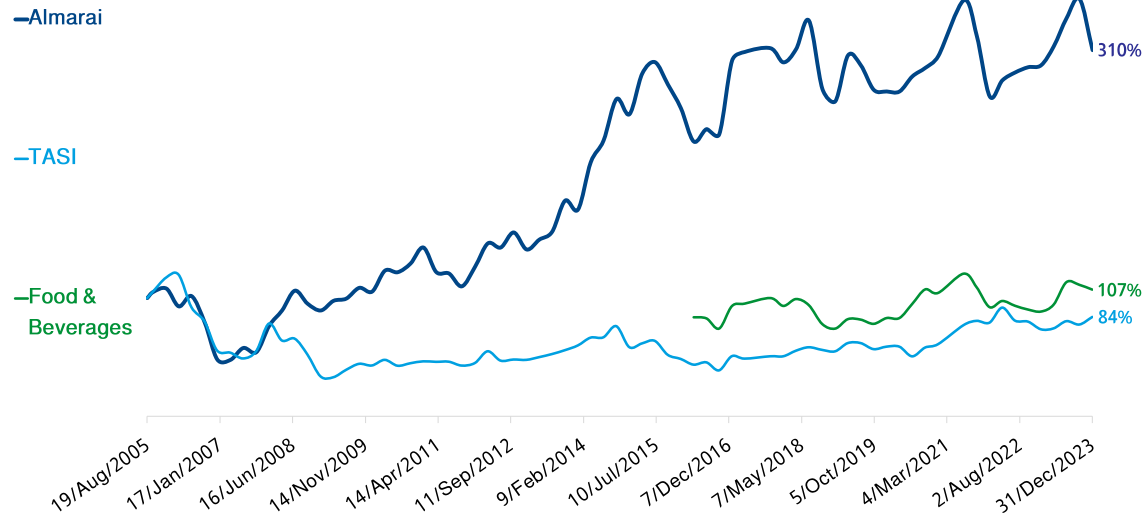
Share Price (SAR)	55.80
Current P/E Ratio (ttm)	27.23
Earnings Per Share (SAR) (ttm)	2.05
Market Cap (SAR Million)	55,800
Shares Outstanding (Million)	1,000
Dividend Yield	1.8%



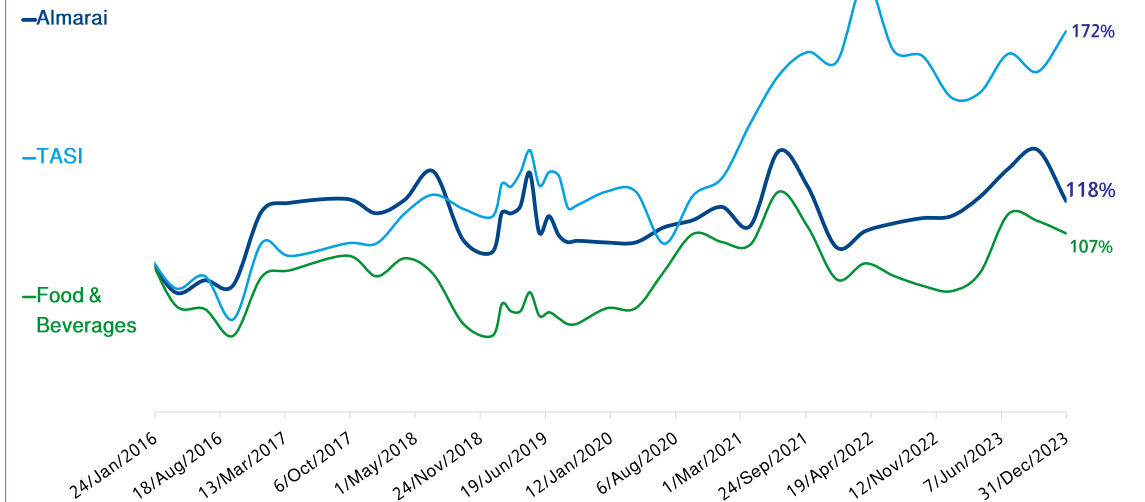
## Year to date total shareholder's return since listing



Share Price Trend  
(Listing Date of Almarai Company)



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



# Key Achievements & Awards 2023

**BrandFinance®**

The global brand valuation company, has ranked Almarai Company 10 most powerful brands for Alyoum and L'usine in KSA 2023

The Most Meaningful Brand in Saudi Arabia 2023



Almarai® won the Golden Award for the latest innovative marketing campaigns in MENA 2023



Almarai® won the Best Company Award in the Capital Raising in Middle East



Best Shariah Compliant Deal 2022

**Forbes**

Almarai® was ranked among the 100 most powerful companies in the Middle East for the year 2023

Top 10 Most Innovative Companies in Saudi Arabia 2023



Most Innovative Communications Team of the Year 2023 in MENA



Best Islamic Loan Award for 2023 in KSA



Almarai® won GHG Emission Reduction Best Practices Award in Saudi Arabia 2023

Abdullah Bin Nasser Albader is one of the most powerful CEOs in the Middle East 2023



1st Place Best Annual Report 2022 (Print - Large Cap Companies in the Middle East)



Abdullah Bin Nasser Albader won the Okaz Award for the best CEO in the Kingdom



Almarai® won Silver in Effie Award 2023 for Ramadan portfolio campaign

**KANTAR**

Almarai® ranked fourth among the top 20 companies in terms of brand value in Saudi Arabia and United Arab Emirates 2023

Almarai® is the fourth largest brand in Saudi Arabia and UAE in 2023



L'usine Brioche is recognized as award-winning innovation in KSA



# Thank you

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## Earnings Presentation - Q4 2023