

Almarai Company (“the Company”) is pleased to announce its Condensed Consolidated Interim Financial Results for The Period Ended 30<sup>th</sup> September 2022 as below:

Reasons of increase / (decrease) for Third quarter 2022 compared with corresponding quarter of the last year

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	%CHANGE
Sales/Revenue	4,769,121	3,941,730	20.99	4,610,447	3.44
Gross Profit (Loss)	1,488,715	1,275,713	16.70	1,469,606	1.30
Operating Profit (Loss)	578,904	518,640	11.62	646,299	-10.43
Net Profit (Loss) after Zakat and Tax	463,172	409,087	13.22	520,360	-10.99
Total Comprehensive Income	420,666	389,202	8.08	495,732	-15.14
Profit (Loss) per Share	0.47	0.42		0.53	

All figures are in (Thousands) Saudi Arabia, Riyals

- The increase of 13.2% in the Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding quarter of the last year is due to:
  - Revenue:** The revenue growth of 21.0% was mainly driven by poultry and bakery. Positive revenue growth was evident in all categories due to improved trading conditions post covid-19 movement restrictions, opening of educational institutions and higher number of visitors in the region.

- **Gross Profit:** Increased by 16.7%, at a lower rate to revenue growth due to higher input costs, and transportation costs.
- **Operating Profit:** Increased by 11.6%, at a lower rate to gross profit growth despite controlled costs due to a one off charge related to overseas farming investment.
- **Net Profit:** Net income growth of 13.2%, was higher than operating profit as higher interest rates costs were offset with a positive impact resulting from review of management estimate of existing zakat provisions.

**Contribution of various Business Categories towards the increase in the Consolidated Profit Attributable to Shareholders of 13.2 % is as follows:**

- **Dairy & Juice Category:** The category profit increased due to higher year on year sales growth of 15.4% which was partly offset by cost inflation, mainly in dairy and feed commodities.
- **Bakery Category:** 31.8% growth in category sales, mainly driven by single serve product mix due to opening of schools, and economies of scale benefit for bakery manufacturing resulted in higher profit for the category.
- **Poultry Category:** Revenue growth of 43.2% in poultry category was supported by volume growth in Food Service segment and capacity expansion. In addition, the profit growth for the quarter was impacted by subsidy receipts in the current quarter which are accounted for on cash basis.
- **Other Category:** The Category reported a loss of SAR 116.6 million for the current quarter which is mainly driven by review of overseas farming investment.

#### Reasons of increase / (decrease) for Third quarter 2022 compared with previous quarter

2. The decrease of 11.0% in the Consolidated Profit Attributable to Shareholders of the Company for the third quarter 2022 (SAR 463.2 million) as compared to the previous quarter (SAR 520.4 million) is due to seasonal adjustment in consumption patterns and Ramadan occurrence in quarter 2.

Reasons of increase / (decrease) for the nine months period ended 30<sup>th</sup> September 2022 (the period) compared with corresponding period of the last year

ELMENT LIST	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
Sales/Revenue	13,883,025	11,592,312	19.76
Gross Profit (Loss)	4,290,237	3,866,557	10.96
Operating Profit (Loss)	1,772,309	1,622,638	9.22
Net Profit (Loss) after Zakat and Tax	1,403,989	1,277,012	9.94
Total Comprehensive Income	1,282,309	1,227,427	4.47
Total Share Holders Equity (after Deducting Minority Equity)	16,271,937	15,861,262	2.59
Profit (Loss) per Share	1.43	1.30	
All figures are in (Thousands) Saudi Arabia, Riyals			

3. The increase of 9.9% during the period of Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding period of the last year is due to:

- **Revenue:** The revenue growth of 19.8% was driven mainly by bakery and poultry category. Positive revenue growth was evident in all categories due to improved trading conditions post covid-19 movement restrictions, opening of educational institutions and higher number of visitors in the region.
- **Gross Profit:** Increased by 11.0%, at a lower rate to revenue growth due to higher input costs driven by higher corn, soya and dairy commodities, along with higher transportation costs.
- **Operating Profit:** Increased by 9.2%, at a similar rate as compared to gross profit growth due to tighter cost control.

- **Net Profit:** Net income growth of 9.9%, was higher than operating profit as higher interest rates costs were offset with a positive impact resulting from review of management estimate of existing zakat provision.

**Contribution of various Business Categories towards the increase in the Consolidated Profit Attributable to Shareholders of 9.9% is as follows:**

- **Dairy & Juice Category:** The category profit was slightly higher than the last year due to improved sales mix across the board getting offset by higher cost inflation driven by feed and dairy commodities. In addition, EGP devaluation earlier in the year resulted in further additional charges, however tighter cost controls across the board assisted in maintaining the growth in the bottom line.
- **Bakery Category:** The category profit increased due to higher sales, driven by single serve product mix due to by opening of schools, product innovation and leveraging economies of scale for bakery manufacturing.
- **Poultry Category:** The category profit increase was underpinned by higher revenue growth of 30.8% over the same period last year. The top line growth was supported by volume growth in Food Service segment and the bottom line growth was supported by operational efficiencies and higher receipts of subsidies.
- **Other Category:** The Category reported a loss of SAR 129.3 million for the current period which is mainly driven by a review of overseas farming investment and timing differences due to crop cycle in USA and Argentina.

4. **Auditors' Opinion:** (Unmodified Opinion).
5. For more information, please see the note 2.1 in the condensed consolidated interim financial statements for the Nine Months period ended 30th September 2022.

## 6. Other Notes:

Quarterly Results				Period Results		
ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	CURRENT PERIOD	SIMILAR PERIOD FOR PREVIOUS YEAR	%CHANGE
EBITDA	951,050	879,052	8.2	2,893,424	2,706,795	6.9
Cash Flows				Cash Flows		
OCF	1,390,019	1,161,043	19.7	2,754,128	3,482,821	-20.9
ICF	458,530	329,252	39.3	1,467,275	1,050,514	39.7
FCF	931,489	831,791	12.0	1,286,853	2,432,307	-47.1
Margins				Margins		
Gross Profit %	31.22	32.36		30.90	33.35	
Operating Profit %	12.14	13.16		12.77	14.00	
Net Profit %	9.71	10.38		10.11	11.02	
All figures are in (Thousands) Saudi Arabia, Riyals						

- Quarterly FCF is higher than the last year due to improved operational performance and better management of working capital on a number of days basis, notwithstanding the higher inventory valuation driven by global cost inflation.

## 7. General Comments:

Improved Trading conditions have resulted in another strong quarterly performance for Q3 2022. We expect the positive momentum to continue, albeit at a lower rate in the future.

The key risk remains surging cost inflation for dairy and feed commodities. We continue to see parts of global supply chain remaining under stress. Almarai will continue to manage this risk by better hedging activities and by leveraging its stock cover, where relevant.

8. The Condensed Consolidated Interim Financial Statements for the Nine Months ended 30<sup>th</sup> September 2022 will be available through the following link on Almarai Website, and Almarai IR App.  
<https://www.almarai.com/en/corporate/investors/annual-report-financial-statement/>
9. Conference call for analysts and investors will be on **11<sup>th</sup> October 2022** at **2:30 p.m.** KSA time.  
The presentation accompanying the conference call will be available on Almarai website within the Investors section under Earning Presentations at:  
<https://www.almarai.com/en/corporate/investors/earning-presentations/>