

Almarai Company (“the Company”) is pleased to announce its Condensed Consolidated Interim Financial Results for The Period Ended 31st March 2023 (Three Months) as below:

[Reasons of increase / \(decrease\) for first quarter 2023 compared with corresponding of the last quarter of the last year](#)

ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE	PREVIOUS QUARTER	%CHANGE
Sales/Revenue	5,066,564	4,503,457	13	4,839,233	5
Gross Profit (Loss)	1,617,851	1,331,916	21	1,333,986	21
Operating Profit (Loss)	802,543	547,106	47	504,023	59
Net Profit (Loss) after Zakat and Tax	635,956	422,533	51	355,823	79
Total Comprehensive Income	516,160	322,877	60	403,052	28
Profit (Loss) per Share	0.65	0.43	51	0.36	81

All figures are in (Thousands) Saudi Arabia, Riyals

1. The increase of 51% in the Consolidated Profit Attributable to Shareholders of the Company as compared to the corresponding quarter of the last year is due to:

- **A one-off benefit related due to advancement of 10 days of Ramadan and subsidy related to food security measures taken by Almarai.** These one-off benefits amounted to SAR 149 M (accounting for 35% growth in net profit year-on-year).
- **Almarai underlying/normalized profit grew by 16% due to:**
 - a. **Revenue (+9%):** Strong revenue growth was evident in all countries, products, and channels at the local currency level. Egypt revenue in Saudi Riyals terms declined year-on-year due to Egyptian Pound devaluation impact.
 - b. **Operating Profit (+19%):** The current quarter has seen stabilization of global commodities cost at a higher level relative to historic costs (mainly corn, soya and alfalfa), however higher inventory cover continued to impact cost of goods sold expenses. Better cost control, mainly for sales and marketing as well as for General & Administration expenses, greatly assisted the growth in operating profit.
 - c. **Net Profit (+16%):** Net profit growth was lower than operating profit growth due to higher funding cost in line with the increase in SAIBOR interest rates.

Contribution of various Business Categories towards the normalized increase in net profit growth of 16% is as follows:

- **Dairy & Juice Category:** The category profit increased by 8% (revenue up by 6%) as higher year-on-year sales growth was offset with cost inflation, mainly in dairy and feed commodities.
- **Bakery Category:** Net profit for the quarter grew by 29% (revenue up by 9%) due to positive volume growth and fixed cost leverage.
- **Poultry Category:** Positive volume growth due to additional capacity available resulted in 25% revenue growth and 38% normalized net income growth.
- **Other Category:** The category reported a loss of SAR 16 M driven by stable overseas farming performance compared to a loss of SAR 15 M in the same period last year.

Reasons of increase / (decrease) for first quarter 2023 compared with previous quarter

2. The increase of 78% in the Consolidated Profit Attributable to Shareholders of the Company for the first quarter 2023 (SAR 635 million) as compared to the previous quarter (SAR 356 million) was due to seasonal adjustment in consumption patterns, driven by Ramadan advancement in Q1 by 10 days and one-off gains in the current quarter.
3. **Auditors' Opinion:** (Unmodified Opinion).
4. For more information, please see note 2.1 in the condensed Consolidated interim Financial Statements for the year ended 31 March 2023.
5. **Other Notes:**

Quarterly Results			
ELEMENT LIST	CURRENT QUARTER	SIMILAR QUARTER FOR PREVIOUS YEAR	%CHANGE
Cash Flows			
OCF	909,261	529,241	72
ICF	(639,786)	(551,681)	16
FCF	269,475	(22,440)	-
Margins			
Gross Profit %	32	30	
Operating Profit %	16	12	
Net Profit %	12	9	

6. General Comments:

Almarai is pleased to report good performance for the first quarter of 2023 where positive revenue growth was observed in all product categories and in all geographies in local currency terms. We expect this positive momentum to continue on the top line driven by capacity expansion in poultry and stable macroeconomic momentum.

The key risks related to dairy and feed commodities inflation are continuing to show signs of stability for the last couple of quarters. Almarai will continue to manage this risk by better hedging activities and by leveraging its stock cover, where relevant.

7. The Condensed Consolidated Interim Financial Statements for the Three Months ended 31st March 2023 will be available through the following link on Almarai Website, and Almarai IR App.

[Financial Reports and Info | Almarai](#)

8. Conference call for analysts and investors will be on 12th April 2023 at 2:00 p.m. KSA time.

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

[Earning Presentations | Almarai](#)