

# CEO's Message

Almarai delivered its **highest ever revenue** and net profit, driven by excellent volume growth and cost control.

## Delivering strategic and sustainable growth

**Our 2024 financial year was another landmark period for Almarai, marked by exceptional financial performance and the launch of our unprecedented investment program. Our business grew stronger, generating record returns, achieving new highs in market shares across our portfolio and expanding into new categories and territories. These accomplishments demonstrate the continued effectiveness of our strategy and the dedication of our outstanding talent at every level of the organization.**

In 2024, Almarai reaffirmed its position as the Middle East's largest food and beverage company and largest vertically integrated dairy producer globally. Additionally, we were recognized as the 11th most valuable publicly listed food company worldwide. Our products now reach over 150 million consumers across the Gulf, Jordan and Egypt, with annual production exceeding 2.5 billion kilograms.

With a strong foundation and substantial cash resources, Almarai

is poised for ambitious growth. In March, we announced a ₪ 18 billion investment plan for 2024-2028, fully funded by our operating cash flows, to propel Almarai into the ranks of the world's leading food producers. Backed by a proven track record,



**Dedicated attention to growing our business resulted in revenue of**  
**₪ 21.0 billion,**  
**a 7% increase over**  
**₪ 19.6 billion in 2023.**

this investment will drive expansion, foster continuous innovation and create value, reinforcing our vision of becoming one of the world's premier food enterprises over the next four years.

### **Strong performance in the first year of the investment program**

In the first year of our game-changing investment program we made excellent progress towards our goal of making Almarai products the

**Abdullah Albader**  
Chief Executive Officer



preferred consumer choice across all our markets. The investments and expansions during the year were guided by our deep understanding of consumer trends, categories, geographies and financial capabilities.

As our business grows in size and strength, we are increasingly playing an integral role in the Kingdom of Saudi Arabia's food security strategy. Our uninterrupted supply of quality, nutritious products consistently meets the expectations of our stakeholders, including the Government, our customers, consumers and partners. Through steadfast commitment to sustainable delivery without compromise, we have earned the confidence of investors and the trust of our many other stakeholders.

### **Growth across categories driving record results**

This year was exceptional in financial performance, with record-breaking top and bottom-line results. Dedicated

attention to growing our business resulted in revenue of ₪ 21.0 billion, a 7% increase over ₪ 19.6 billion in 2023. Net income attributable to Almarai shareholders rose by 13% to ₪ 2.3 billion, while operating profit of ₪ 3.0 billion was 11% higher than in 2023.

Outstanding Ramadan sales were among the more notable contributions to this year's strong revenue growth. Additionally, our business units delivered robust growth due to expanding core products, innovation around new products, launching into adjacent categories, and through acquisition by expanding our regional presence in the GCC, Egypt and Jordan.

Our growth was supported by vigorous planning and data analytics, as well as a deep understanding of market dynamics and regulatory environments. By closely collaborating with regional governments and key

stakeholders, we ensured that our strategy aligned with national agendas and grew in tandem with these key drivers.

### **Three-pillar strategy driving performance**

The flagship Dairy division's record-breaking revenues and market share growth was driven by the strong Ramadan sales, new product launches and its enhanced market positioning. Our penetration rose from 6.5 million households to 6.8 million in Saudi Arabia, helping revenue increase 8% to ₪ 12.3 billion. Fresh Dairy and UHT products were among the best performers, with the latter rebounding impressively after last year's supply disruptions. We were particularly pleased with the success of our Protein Milk, fresh Gishta and Labneh products. These results helped Dairy's market share in the Kingdom to grow to 50.2% from 48.7% in 2023.

Dairy innovated around existing portfolios and expanded into adjacent categories, with the standout success being the launch of ice cream in mid-2024. Our new ice cream products received a positive response from consumers, demonstrating Almarai's ability to manage co-manufacturing sites outside the Kingdom to ensure consistent quality.

Our Juice and Beverage business, which celebrated a quarter century of operations this year, performed well. Volume share rose to 45.3%, supported by innovative new products, creative marketing, better shelf visibility, geographical market expansion and enhanced operational efficiencies. Fresh Juice products had a particularly strong year, generating a 10.0% increase in revenue and an 9.0% growth in volumes. We launched our Juice range in Qatar, which played an important role in strengthening our regional presence.

The Bakery division maintained its leadership in Saudi Arabia and the GCC, manufacturing and delivering 9.4 million baked items each day to cater to our customers' needs. The Bakery unit generated ₪ 2.7 billion in sales, representing an 3% increase over 2023. Growth was driven by a favorable product and country mix, and continued success in our bread categories. Across the Bakery division, we strengthened our brands with new products in the existing categories and moved into new categories and segments.

Our Poultry business, where we see the most potential for growth, turned in a record-breaking performance, driven by new processing capacity, optimized distribution channels and strategic pricing improvements. More than 264 million birds were processed following the opening of the Al-Jawharah farming site in Hail and the commissioning of the Al-Basateen plant in Al-Jouf. With this new capacity onstream, we are well on our way to doubling poultry production in the next few years. Foodservice continued to

be a strong component of our poultry development and acceleration, with high single digit growth on a strong 2023.

The single biggest portion of our capital expenditure program over the next five years will be on our Poultry unit. With a commitment of ₪ 7 billion towards expansion in the years up to 2028, the division aims to become the largest poultry producer in the region.

In the Foods segment, we launched premium cheese and whipped cream powder and strengthened our leadership in core categories such as butter, cooking cream and feta, while expanding our presence in Kuwait and Oman. Other activities included the successful expansion into non-core categories, including honey and olive oil, where we secured strong market positions.

Across all our business units, profits were stronger. Dairy and Juice reported quality earnings growth on an improved sales mix across the board and tighter cost controls. Net profit in the Bakery category improved thanks to increased revenue growth and production efficiencies. Poultry's net profit was positive due to continued production optimization and improved economies of scale.

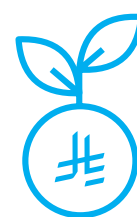
In addition to expanding our core categories, we continued exploring new geographical opportunities. Our focus in 2024 remained on the MENA region due to its potential for growth. However, we also evaluated markets where Almarai's existing capabilities can be leveraged to create further value.

### **Investment driving alliance and acquisition**

Finalizing the successful acquisition of frozen logistics company Etmam Logistics for ₪ 182 million was another key milestone for the year. Additional distribution capabilities acquired via Etmam Logistics will enable Almarai to serve customers with an expanded range of frozen products, including

poultry, packaged foods and new categories across Saudi Arabia and the Gulf. This addition will enhance Almarai's Foodservice credentials by allowing broader product offering opportunities, accelerating Poultry business growth, and expanding ice cream, Bakery and other frozen categories in the future.

We also embarked on several major capital expenditure projects, including



**Acquisition of frozen logistics company Etmam logistics for**  
**₪182 million**

building new factories for Poultry expansion, beef and fish products, constructing our new Premier Foods building, and we established important partnerships with world-class experts to embed quality and food safety in all our new facilities.

### **Performance driven by customer experience, innovation and digitalization**

During the year, we made pleasing advances in customer experience and digitalization to strengthen our market position and enhance our value proposition. Almarai has embedded digital transformation to revolutionize operations and customer engagement. We harnessed cutting-edge technologies to enhance efficiency, streamline supply chains, improve asset utilization and deliver personalized experiences.

By integrating different technologies, we predicted market trends and optimized inventory management, ensuring our products were available when and where our customers wanted them.

Our commitment to sustainability was amplified by our use of digital solutions, with cloud adoption enabling us to reduce waste and

minimize our environmental footprint. In addition, our digital platforms empowered employees with data and insights, fostering a culture of innovation and agility using the latest data visualization platforms.

We also commenced several initiatives in 2024 to provide real-time data for different business verticals from a "Single Source of Truth" which will improve operational efficiency, customer experience and decision accuracy.

Our technology journey was supported by major projects to modernize our infrastructure internally and externally, delivering the capabilities to adopt the latest technologies and support Almarai's ambitions.

### Enriching customer engagement and experience

Applying the latest technologies, we extended and enriched customer interactions by launching campaign-specific web pages for Fresh Milk and Poultry products to create more engaging customer journeys. Our enhanced social media presence connected consumers to our products during key events, while improvements in customer care operations, including cloud-based call center solutions, ensured better service quality. The use of QR codes further bridged the gap between physical and digital interactions, offering seamless access to online resources.

Almarai has embraced digital transformation to drive operational excellence and customer engagement.

In 2024, we implemented SAP Analytics Cloud technology, which enhanced our decision-making capabilities by integrating analysis, planning, forecasting and visualization in a single tool, powered by artificial intelligence (AI) and machine learning. AI was also deployed across marketing, the supply chain, HR and manufacturing, to reduce waste and improve efficiency.

Always innovating, Almarai launched 30 new products across the Bakery, Dairy, Juice, Food and Foodservice categories. These products showcased our ongoing commitment to addressing evolving consumer needs and pushing the boundaries of our offerings.

### Enhancing competencies and performance

Our ability to deliver outstanding products, drive efficient operations and achieve strong financial results is a direct reflection of our talented people. In 2024 we invested in nurturing and engaging our dedicated employees, reinforcing our culture and empowering each individual to reach their full potential.

Among the key actions and initiatives this year was building capabilities across our entire organization at all levels. This furthered our ongoing investment in assembling a high-caliber team and maintaining strong governance that ensures compliance.

### Looking ahead to 2025

As we look forward, we are confident that our 18 billion investment will propel us to new heights, reinforcing our leadership in the region and setting the foundation for future growth.

## Always innovating, Almarai launched 30 new products across the Bakery, Dairy, Juice, Food and Foodservice categories.

We will pursue growth and investment opportunities across our business units, with a particular emphasis on expanding our Poultry operations, in recognition of the enormous growth potential offered. Almarai will continue to ensure that we will deliver on our promises of quality and value.

### Acknowledgments

On behalf of the entire Company, I offer sincere thanks to Allah for the successes and blessings of the year.

Our humble gratitude goes to our customers and consumers for their continued loyalty. Their support drives us each day to find new ways to enhance our products.

We are grateful to our employees, whose efforts made such a vital contribution to this year's impressive result. Similarly, the contribution made by the Board of Directors and my Executive team in leading the Company was invaluable in 2024.

I would also like to thank Saudi Arabia's local authorities once again for their continued partnership in delivering our mission to support our nation's food security goals.