

Financial Performance for 2024

Financial performance

The consolidated profit attributable to shareholders of ₪ 2,313 million, is an increase of 13% year-on-year mainly due to revenue growth of 7%, stabilized commodity costs and strong cost control.

Almarai's revenue growth of 7% was driven mainly by growth in the GCC countries across all core categories, predominantly in Dairy and Poultry.

The gross profit percentage for Almarai improved by 80 basis points to reach 31.8% for the year 2024, driven by improved product mix supplemented by an increase of revenue across GCC. In addition, continued cost control initiatives, dedicated efficiency programs and targeted marketing spending helped improve the operating profit percentage by 51 basis points to 14.3% for the year 2024.

Lastly, despite higher Zakat and Taxation expense due to improved performance, net income attributable to the shareholders of the Company grew from ₪ 2,049 million to ₪ 2,313 million, an increase of 13% year-on-year.

Almarai executed a key efficiency program for rationalization of working capital during 2024. This program focused on inventory optimization that resulted in reduction of inventory levels by ₪ 463 million and overall working capital decreased to 18% of revenues.

Segmental results

Dairy and Juice segments recorded 9% revenue growth over the last year due to sustained focus and successful tackling of challenging trading conditions including EGP devaluation. Segment registered profit growth of 15% on a year-on-year basis due to improved margins and realization of economies of scale achieved from capacity utilization and fixed cost base.

Bakery segment revenue growth of 3% was driven by higher sales of the bread and buns category. Higher sales growth resulted in improved economies of scale benefit resulting in net profit growth of 5% in 2024.

During 2024, Poultry segment revenue showed resilient growth and grew by 8% due to continued optimization of channel mix. In addition, excess capacity made available earlier in the year assisted in realizing further operational synergies to achieve 13% growth in net profit.

Geographic sales

Saudi Arabia, holding 66% value share of Almarai's sales at country level, remains the major contributor of sales for the Company by adding ₪ 716 million to the total revenue growth. The UAE came in as the second largest market for Almarai representing 10% of its total sales, followed by Egypt.

Cash flow and balance sheet

The Company delivered net cash generated from operating activities of ₪ 6,028 million, an increase of 34% over last year driven by higher revenue, improved working capital management and overhead cost control relative to year 2023.

The net cash used in investing activities of ₪ 4,498 million in 2024 was significantly higher than the previous year's spend of ₪ 3,304 million, mainly due to planned investment in poultry capacity expansion.

By the end of 2024, the overall leverage of the Company reached 2.06 times net debt to EBIDTA, which is lower than the strategic limit set by the Board of Directors of 2.5x to 2.7x. The net debt to equity ratio reached 51.3% at the end of 2024.

Existing financing

Almarai continued to enjoy a strong credit standing with various government and non-government financial and lending institutions, as well as from fixed income investors from both domestic and international markets. This favorable position results from Almarai's predictable positive operating cash flows and its clear strategy for sustainable growth.

Existing financing amounted to ﷲ 10,130.2 million at the end of 2024, in the form of Murabaha banking facilities

compliant with Shariah (excluding the banking facilities of foreign and GCC subsidiaries), government funding and Sukuk. All contractual terms and guarantees used for these financing agreements are executed with normal commercial conditions, including the mortgage of assets and production lines amounting to ﷲ 678.1 million, to the benefit of government financial institutions. Financing facilities granted by banks and other financial institutions are guaranteed by secured promissory notes issued by the Company.

Source of financing (ﷲ million)

Source of Financing	Amount of Core Funding	Financing Period	Payment Method	Start of Year 2024	Additions during the Year	Paid during the Year	31-Dec-24	Maturity Date
Banks and Financial Institutions (Islamic Banking Facilities)	10,425.9	2 to 10 years	Quarterly, semi-annual and annual	5,283.0	14,165.4	13,478.9	5,969.5	2025-2032
Banking Facilities of Foreign Subsidiaries	517.0	1 to 7 years	Quarterly, semi-annual and annual	212.6	302.4	412.2	102.9	2025-2028
Saudi Industrial Development Fund	612.1	1 to 11 years	Semi-annual	877.2		265.0	612.1	2025-2028
Supranational	214.6	1 to 9 years	Semi-annual	305.7		91.1	214.6	2025-2027
Agricultural Development Fund	366.0	11 years	Annual	583.5	300.0	517.4	366.0	2025-2027
International Sukuk	2,865.2	10 years	Lump sum	4,766.1		1,900.9	2,865.2	July 2033
Total	15,000.8			12,028.0	14,767.9	16,665.6	10,130.2	

Classification of funding (ﷲ million)

Classification of Funding	2024 (ﷲ million)	2023 (ﷲ million)
Classification		
Short term loans	24.5	117.4
Current portion of long term loans	1,205.5	3,411.4
Long term loans	8,900.2	8,499.2
Total	10,130.2	12,028.0

Maturity of funding (ﷲ million)

Maturity of Funding	2024 (ﷲ million)	2023 (ﷲ million)
Less than one year	1,230.0	3,528.8
One to two years	2,974.4	1,414.0
Two to five years	1,425.1	2,564.0
Greater than five years	4,500.7	4,521.2
Total	10,130.2	12,028.0

Potential financing

Due to the continuing need to finance Almarai's current operations and potential future investments, Almarai manages any excess cash and constantly provides the necessary financing solutions for all operational needs, as

well as funding proposals for cost efficient financing facilities. The volume of unutilized banking facilities and available government financing amounted to SAR 4,870.6 million at the end of 2024.

Facilities and utilization (SAR million)

