

Operating Review

Almarai has grown into the world's largest vertically integrated dairy company and the premier food group operating across the GCC, Egypt and Jordan. We serve our core market of 33 million people in the Kingdom of Saudi Arabia, and an additional 150 million consumers across the wider region.

Supported by our successes in building a thriving enterprise and fueled by a 18 billion investment over five years, our growth momentum is primed to accelerate. We will remain a significant contributor to the Kingdom's food security goals while growing our leading position across the region as the trusted choice of food and beverages, delighting our consumers with quality nutrition every day.

Production

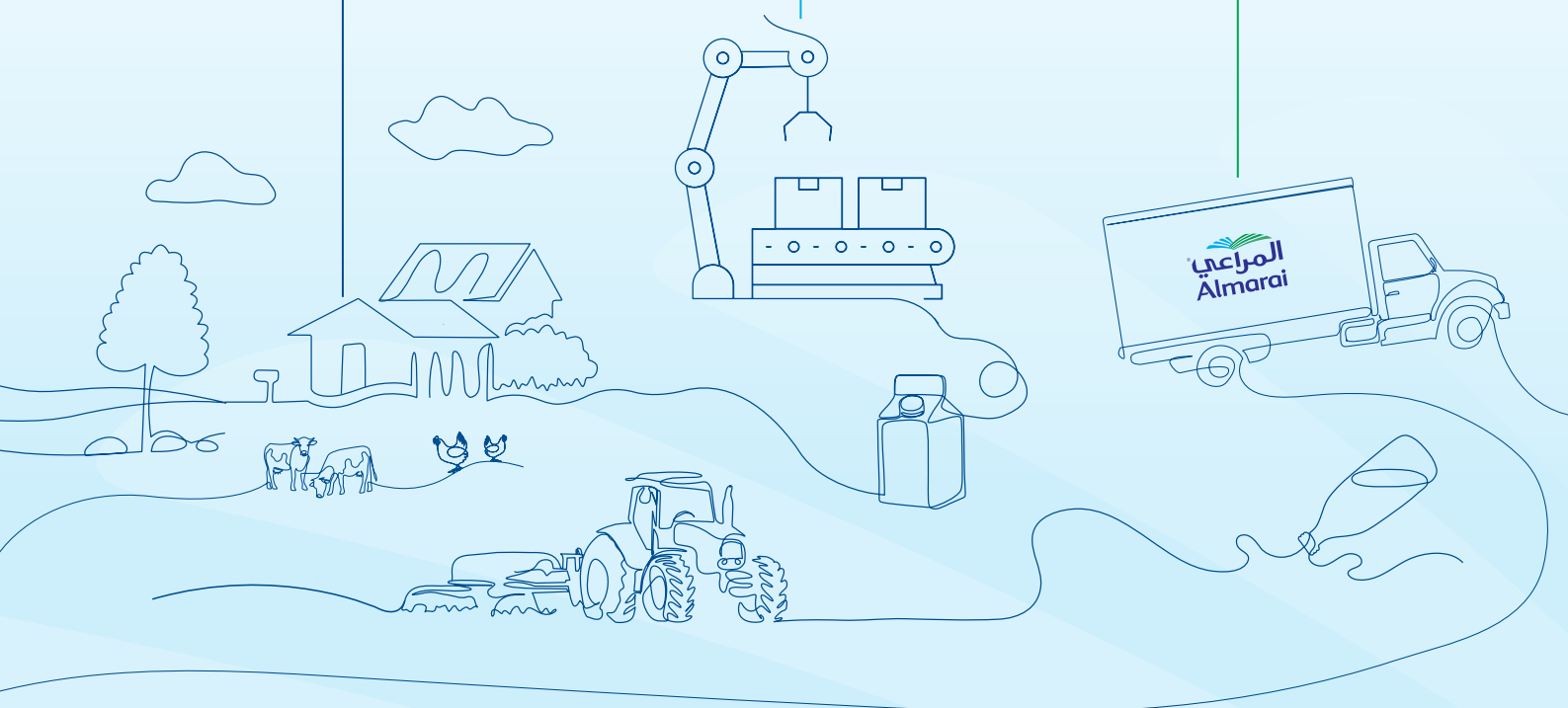
Our world-class facilities produce nutritious and delicious food and beverages that delight our consumers every day.

Processing

We constantly innovate to develop new options to cater to the preferences of the 180 million-plus people in our market.

Distribution

We embed new technologies and systems to extract maximum efficiencies in our supply chain.



Our strategy has already proven successful, evident in our strong market share across categories and geographies, and our exceptional financial performance, which goes from strength to strength each year. Our exemplary track record emanates from producing and delivering superb Dairy, Juice, Bakery and Poultry products that have earned the loyalty of millions of consumers in fiercely competitive markets.

We strive to repay this trust by becoming a better, more efficient and more innovative enterprise across our entire value chain, from our world-class production facilities to the vast distribution network that delivers our outstanding brands to more than 100,000 customers each day.

Retail

We manage to develop product categories to optimize sales and profitability.

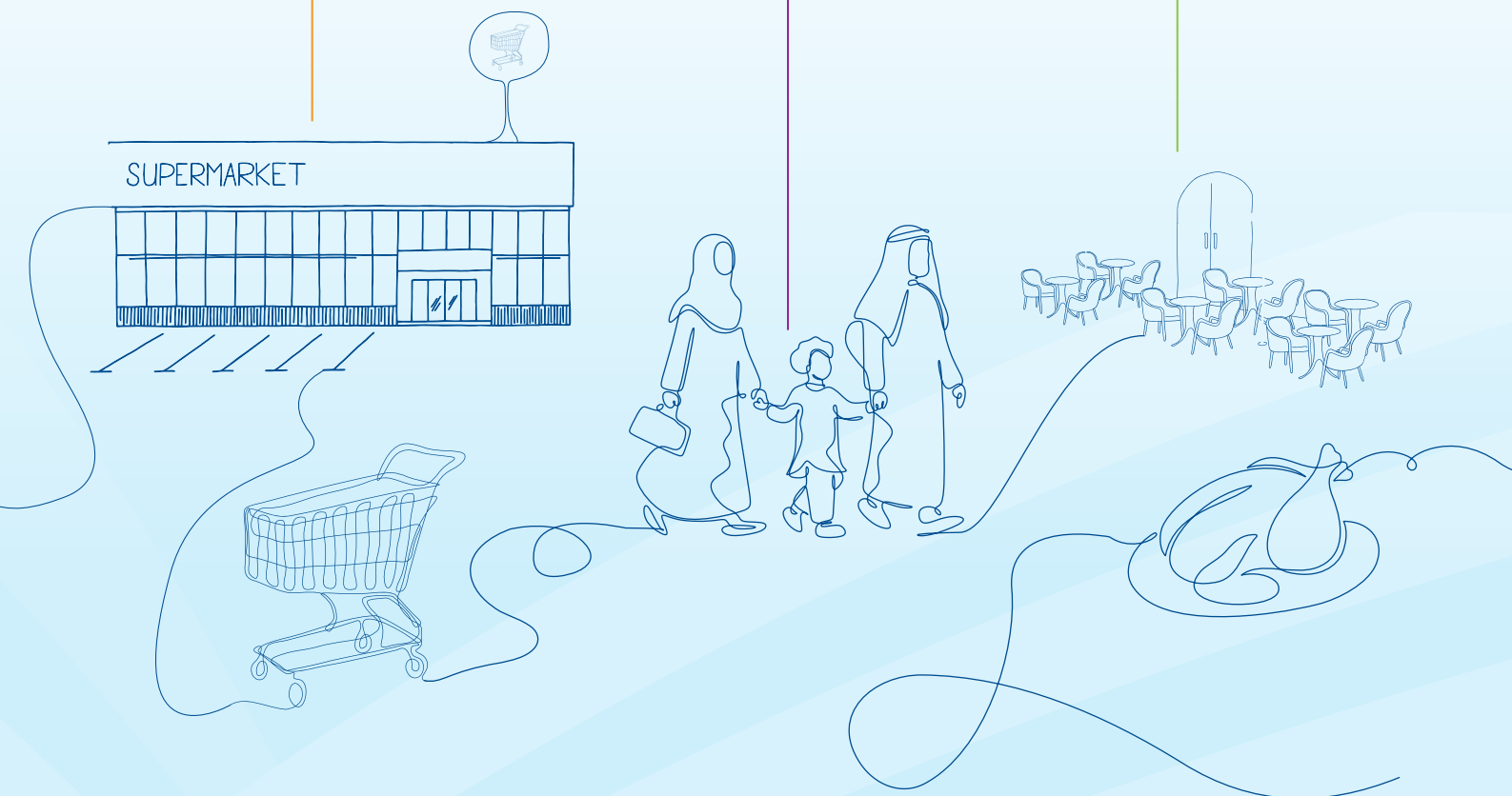
Foodservice

We work with our valued partners to enhance product offering and ensure adherence to high quality standard.

Consumers in and out of home channels

(hotel, restaurant and catering)

We offer high quality nutritious and delicious products.



Operating Review

Dairy

Almarai's flagship Dairy division delivered exceptional performance in 2024, with record breaking revenues and market shares across the GCC, Egypt and Jordan. This outstanding result benefited from a substantial contribution from Ramadan sales, strategic product launches and enhanced market positioning. Additionally, Dairy, which is the single largest contributor to the Group's performance, reaped the rewards of the investments that have been made to drive growth and secure market leadership.

A year of records

Dairy, the largest business unit at Almarai, generated a remarkable SAR 10 billion in total GCC revenue in 2024, representing a 6% increase from the previous year. This impressive outcome was complemented by the increase in our share of Almarai's core market, the Kingdom of Saudi Arabia, which grew to 49.6% in full year 2024 vs 48.7% in full year 2023.

A key feature of the year was our Ramadan sales initiative, which delivered our best sales performance ever during the holy month and made a hefty contribution to annual growth.

Innovation remained one of our important growth pillars, and in 2024 we remained focused on enhancing our existing portfolios in our core categories while also pursuing opportunities in adjacent categories organically and inorganically.

The successful launch of ice cream in mid-2024, led category innovation with new consumer-tested products such as Mini Bites and Double Sandwich. The response from the market was extremely positive, with sales volumes delivering significantly ahead of our expectations. It also showcased Almarai's ability to qualify, onboard and manage co-manufacturing sites on another continent, to deliver our consistently excellent quality to satisfy our consumer's needs.

Our Fresh Dairy product range will be expanded across trade channels, while our health-conscious consumers will benefit from new product innovations.

Although the Kingdom will always be our primary market, we continued to explore growth potential for our core categories across the MENA region and other markets where Almarai's capabilities can be leveraged to create further value.

49.6%

share of Almarai's core market, the Kingdom of Saudi Arabia



Value Share of Saudi Market

Category	Market share	Position
Fresh Milk	63.7%	1
Fresh Laban	65.8%	1
Zabadi	61.5%	1
Culinary	46.6%	1

Total Dairy Revenue

(SAR million)

2024	12,296
2023	11,348
2022	10,844

New Products in 2024

Zabadi Gold
Laban Gold
Protein Milk Coffee
Protein Drinking Yogurt
Strawberry
Cheddar Block
Whipping Cream Dairy
Whipped Topping Premix

Soft Cream Cheese
Ice Cream Cone
Ice Cream Stick
Ice Cream Minis
Ice Cream Sandwich
Ice Cream Tub

Reinforcing market leadership with outstanding products

The key performer in the Dairy business unit was Fresh Dairy and Food categories, which delivered an exceptional result that contributed to significant growth in market share.

We also secured an outstanding performance in our UHT line following the implementation of an improved formula and market execution. UHT posted an excellent turnaround, reaching its target sales significantly ahead of expectations. By the year end, Almarai's UHT had secured a 20.6% share in Saudi Arabia, and made substantial gains in other GCC markets, including 21.9% and 20.0% in the UAE and Kuwait respectively. Underpinning this success in an increasingly competitive environment was our focus on expanding our consumer base with effective marketing and distribution strategies.

Many of our other products were star performers in their categories this year, reinforcing the efficacy of our overarching business strategy. Protein milk achieved its highest ever market share of 35.3% in Saudi Arabia, reflecting the surging demand for protein-rich dairy options. Our fresh Gishta (cream) added a further two percentage points to its market lead, culminating in 73.8% market share.

The market share, revenue and profit growth in our value-added Dairy products was robust, ending the year

26% higher than 2023. This segment achieved double-digit growth for the second consecutive year.

Sharpening our strategic focus

Intrinsic to our group business strategy is continued investment in growing the core Dairy and Food business while also expanding into new and adjacent categories, untapped markets and new geographies. The stated objective is to become the preferred consumer choice and eventually the market leader in this segment. To date, our investment has included improving distribution, particularly in the wholesale channel. In 2024, we also increased our marketing spend to raise consumer awareness and to support new products.

SR 12,296 million
Total Revenue in 2024

Driving the customer experience

During the year 2024, we took various steps to raise service levels further, and to expand the distribution of dairy across trade channels. While maintaining our existing footprint, we focused on strengthening brand equity, improving market coverage and increasing product availability across traditional trade channels.

Among the strategic changes made was to increase the distribution of larger-sized, multiple-serve SKUs and to highlight our chilled space visibility in traditional trade. The outcome was broader reach and enhanced consumer convenience, which in turn contributed to Almarai's leadership with a 39.1% market share in 2024.

Recognized leadership

The Dairy business unit's impressive showing in 2024, benchmarked on the exceptional performance in 2023, attracted significant attention from industry watchers. We were honored to be recognized by the Kantar Brand Footprint survey in 2024 as one of the "Most Chosen Brands". Additionally, our creative Ramadan advertising and marketing campaigns earned us multiple kudos, including:

- MMA Smarties Award (KSA and UAE)
- Festival of Media Award
- WARC Award

Setting ambitious targets for 2025

The coming year's strategic direction reflects Almarai's commitment to consumer-focused innovation and geographic market expansion, building on successes achieved in 2024 as we continue growing our market presence across the Gulf region.

We will continue investing in total dairy products, while also building on our brand equity and boosting top-of-mind awareness to encourage consumers to include them in their daily diets and menus.

Operating Review

Juice

In our 25th anniversary year for the Juice and Beverage business, Almarai delivered a solid performance, with a strong top and bottom-line growth driven by our ethos of providing “Better for You” propositions to our discerning consumers.

The business unit continued to innovate, launching new products supported by creative marketing campaigns, while also focusing on improving shelf visibility, geographical market expansion and extracting greater efficiencies from revenue management and improvements in operations. The combination of all these factors was critical to the strong margin growth achieved this year.

Our core business lines, Fresh and Long Life Juices, performed well in 2024, generating a 10% increase in revenue. These results translated into an increased market share in Saudi Arabia in Fresh Juice, reaching 50% volume share, a rise of 2 percentage points over 2023.

Celebrating 25 years

In recognition of our quarter of a century track record of producing quality juices, we launched a creative

marketing campaign to mark this important milestone. Part of our celebrations included launching two new flavors, which further bolstered our brand equity and consumer engagement.

Growth through innovation and expansion

In a separate move, we unveiled a new packaging identity for Farm's Select, our premium brand, significantly boosting its visibility in the market. The resulting growth helped Farm's Select become the premium juice leader in its major GCC markets in 2024.

Our geographical expansion activities included launching our Juices range in Qatar, which played an important role in strengthening our presence across the region. Closer to home, we launched a new 180ml juice pack size, which was well received by consumers looking for better value for money.



Value Share of Saudi Market

Category	Market share	Position
Juice Value Share (Fruit juice in bottles)	41.7%	1
Household Penetration	86.2%	-
Household Purchase Frequency	9x / year	-

Total Juice Revenue

(S million)

2024	1,712
2023	1,555
2022	1,660

Volume growth was secured in our Beverages division following the introduction of a canned format for our iced tea brand, Ice Leaf, providing our consumers with more choices for purchase and consumption.

Top-of-mind marketing

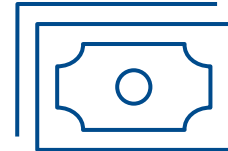
During the year, we paid greater attention to driving shelf visibility across our different trade channels. The objective was to ensure our brands' presence by placing the right portfolio at each point of sale, thus meeting consumer needs.

Award for Ice Leaf

Almarai's Ice Leaf brand of iced tea was named the "BASES Top breakthrough innovation winner" in 2024 by Nielsen.

Doing better for you in 2025

In the coming year, our focus will remain on providing our consumers with "Better for you" juices and beverages that address their different needs and evolving tastes. We will focus on expanding the presence of our core fresh juices across all trade channels, as well as maintaining our emphasis on our Farm's Select and our Ice Leaf brands.



**₪ 1,712
million**

**Total Revenue
in 2024**

New Products in 2024

Juice Alphonso Mango Mix
Juice Strawberry Pomegranate
Juice Mango Mix
Juice Mixfruit Orange
Iced Leaf Green Tea Moroccan Mint
Iced Leaf Green Tea
Iced Leaf Tea Lemon Elderflower
Iced Leaf Tea Peach Hibiscus



Operating Review

Bakery

Almarai Bakery consolidated its position as the leading bakery entity in the Kingdom of Saudi Arabia and the GCC, earning the trust and loyalty of millions of consumers.

Our unwavering commitment to providing high-quality, nutritious baked goods to everyone, everywhere, has been the driving force behind our success. We have consistently delivered on this promise, offering a diverse range of products that cater to the needs and preferences of our customers.

Almarai Bakery: A year of baked success

Almarai Bakery's unwavering commitment to quality and customer satisfaction has paid off, resulting in remarkable growth and market leadership. We expanded our reach to serve a growing consumer base, maintained consistent production of 9.4 million bakery items daily, and secured a dominant 55% value share in Saudi Arabia. As we look ahead, we remain dedicated to innovation, operational excellence and delivering exceptional value to our customers, ensuring Almarai Bakery remains a trusted household name.

Sustainable growth in 2024

This approach has enabled us to accelerate growth, surpassing the ₪ 2.7 billion revenue mark and reaching the significant milestone of exceeding ₪ 554 million in EBIT for the first time. Key drivers

behind this achievement included market share expansion, effective marketing and promotions, operational efficiencies, our commitment to minimizing our environmental impact and Almarai's uncompromising quality assurance.

We have continued to introduce new and exciting products that cater to evolving consumer preferences. Our commitment to innovation has not only helped us stay ahead of the competition but has also strengthened our connection with consumers.

Consolidate and expanding our reach

The bakery market in Saudi Arabia is growing due to changing dietary habits, urbanization and demand for convenience foods. Almarai Bakery consolidated its market presence, enhancing volume and value share, while across all other



Value Share of Saudi Market

Category	Market share	Position
Sliced bread	66.3%	1
Burger Buns	56.6%	1
Puffs	74.5%	1
Croissants	82.4%	1
Sandwich	79.9%	1
Cakes	26.2%	1

Total Bakery Revenue

(₪ million)

2024	2,662
2023	2,584
2022	2,439

New Products in 2024

L'usine Premium Puff "Cherry"

L'usine Pizza on The Go
"Margarita"

L'usine Bread Sour Dough Style

L'usine Tortilla Wraps

7DAYS Chocolate Enrobed Milk
Premium Cake Bar



**₹ 2,662
million**
**Total Revenue
in 2024**

Gulf countries, Bakery increased its presence and footprint.

In the UAE, robust growth was driven by a preference for premium and artisanal products, an expanding retail landscape, and the rise of cafes. Almarai Bakery successfully expanded its market share, positioning itself for further growth by catering to diverse consumer preferences with innovative baked products.

Customers at the heart

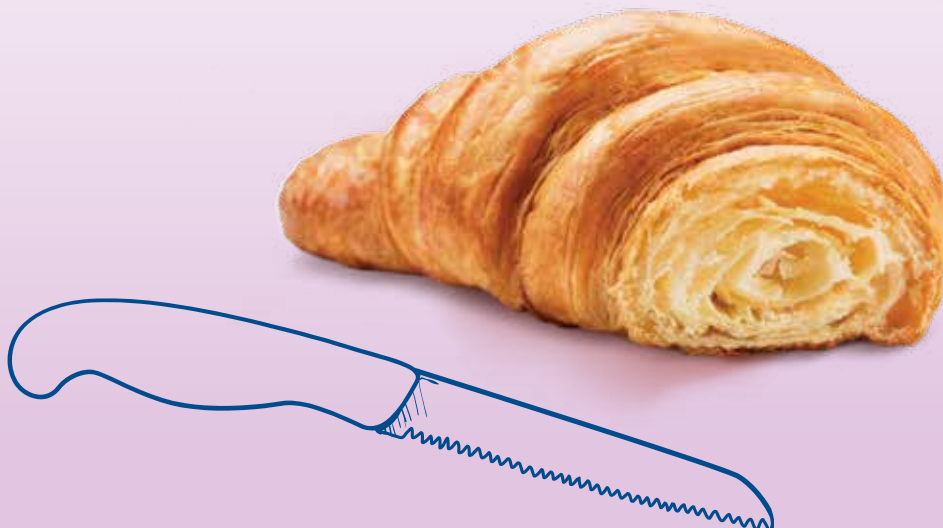
In 2024, Almarai Bakery received multiple regional communications awards for its innovative consumer campaigns, including "L'usine Brownie Leaves You Speechless" and "GAME ON:

L'usine." These accolades highlight our excellence in audio branding, personalization and customer experience design. Additionally, L'usine brand was recognized as one of the top food brands in the UAE.

Baking a brighter future

In 2025, Almarai Bakery will align with consumer trends in Saudi Arabia and the UAE by reaching consumers where they are, ensuring the right product assortment and staying relevant through innovation. We aim to grow the packaged bakery market, drive growth with innovative products, expand our retail footprint and strengthen our regional leadership.

Additionally, we will explore new opportunities as bakery products and technologies, sales channels and markets, optimizing costs and making shopper-centric decisions to generate exceptional value for our stakeholders.



Operating Review

Poultry

Our Poultry business thrived in 2024, achieving new records as expanded capacity came online and channel optimization delivered significant gains. Through product innovation and expert marketing activations, we enhanced our sales and distribution capabilities across the GCC, strengthening our presence and raising consumer awareness of the excellence of our products.

We remain the market leader and the largest poultry company in the region, with Saudi Arabia as the hub of our processing operations and the other GCC countries as key growth markets. To support future growth, we have committed SAR 7 billion to doubling our capacity and driving expansion across the region by 2028.

Our strong results in 2024, which benefited from the first year of the five-year investment aimed at building capacity, positioned our Poultry unit to accelerate growth in the coming period. This will make a substantial contribution to the Kingdom's objective of food security and create significant value for our shareholders.

Reaching new heights

In 2024, our Poultry business unit generated strong growth in

both revenue and volumes. We achieved a record SAR 3.8 billion in sales, up 8% compared to 2023's performance, helped by strong distribution and channel optimization. Sales of fresh poultry were strong in our Retail segment, rising 12% compared to 2023. Our higher sales helped increase our retail market share in the Kingdom to 35%, an increase on last year's number of 34%.

Our facilities processed our highest number of birds ever, reaching approximately 263 million in 2024. Our daily processing figures also set a new record, growing from 850,000 birds per day to 950,000.

Higher volumes and tonnage were made possible by the successful commencement of operations of Al-Jawharah and

12%

growth in retail segment



Value Share of Saudi Market

Category	Market share	Position
Whole Chicken	33.3%	1
Chicken Portions	33.9%	1
Chicken Value Added	30.1%	1

Total Poultry Revenue

(SAR million)

2024	3,794
2023	3,518
2022	3,013

New Products in 2024

Marinated Drumsticks BBQ
Marinated Buffalo Wings
A range of Skinless Chicken Cuts

₹ 3,794 million
Total Revenue in 2024

Al-Basateen farming sites in Hail and Al-Jouf regions, both of which made a substantial contribution to capacity. Construction to expand our output continued in 2024 as part of our annual expansion strategy to double Poultry production by 2027.

Distribution remains a key strength for Almarai, both in Saudi Arabia and across the markets where the Company operates. In our home market, our distribution increased by 3%, expanding our coverage of the traditional trade channel.

Alyoum remained the leading fresh poultry brand in Saudi Arabia, maintaining the highest levels of brand awareness, top-of-mind recall and consumer affinity among competitors. These indicators translated into a solid market-leading position with a share of 29% by volume.

Market share by value also grew, as Alyoum built on its reputation for providing high quality poultry meat across its product offerings. Growing brand loyalty propelled market share by value to 32% from 31% in 2023.

New offerings and continued growth

In line with the Group's commitment to innovation and expansion, the Poultry business

unit added new products to fresh categories and segments. The Ready to Cook range added pre-marinated BBQ drumsticks and buffalo wings, driving momentum within the marinated category and building its share of the value-added fresh Poultry segment.

These new offerings stood alongside Alyoum's other popular products to help it maintain its pace of growth, and for the second consecutive year, it was named the fastest-growing poultry brand in Saudi Arabia.

Building engagement with our consumers

In the retail channel, the Poultry business unit increased the reach of its entire fresh poultry range, supported by greater visibility and new navigation tools in supermarkets as well as category branding initiatives. This included our ongoing Sara and Mama Sara communication campaign which shares useful recipes with consumers, helping to build engagement with the Alyoum brand. In the Foodservice segment, Almarai continued to offer a wide range of quality products and customized solutions.

Bringing home the gold

Our Sara and Mama Sara campaign was highly successful

in its second year, winning multiple "MMA Smarties" media awards, including two golds and one bronze in the long and short form video categories. In 2024, Alyoum also received the "Bases Top Breakthrough Innovation Award" for its new products Whole Chicken Marinated Mandi and Biryani flavors.

Targeting robust growth in 2025

The coming year will see a strong effort to build on this year's record performance by reaching even higher targets in terms of bird processing, sales volumes and revenue. This will be achieved largely due to our new operations in the Al-Jawharah and Al-Basateen sites.

We will continue implementing our strategy to strengthen our market leadership across channels and countries, while also concentrating on delighting our valued consumers with innovative products. Consumer engagement will also form an important element of our activities around our Alyoum brand, which will include consistent and creative communication as well as in-store activations.