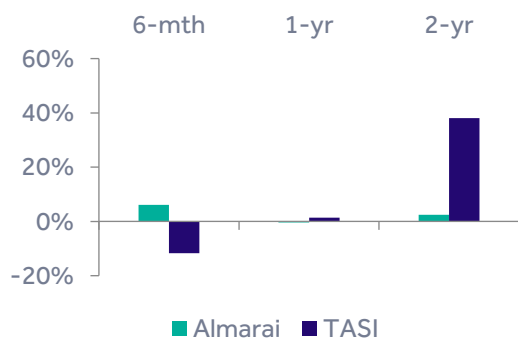


Market Data	
52-week high/low	SAR 56.40/46.25
Market Cap	SAR 53,100 mln
Shares Outstanding	1,000 mln
Free-float	40.90%
12-month ADTV	490,730
Bloomberg Code	ALMARAI AB



## Poultry Drives Growth

October 09, 2022

Upside to Target Price	1.7%	Rating	Neutral
Expected Dividend Yield	2.4%	Last Price	SAR 53.10
Expected Total Return	4.1%	12-mth target	SAR 54.00

Almarai Company	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	4,769	3,942	21%	4,610	3%	4,418
Gross Profit	1,489	1,276	17%	1,470	1%	1,376
Gross Margins	31%	32%		32%		31%
Operating Profit	579	519	12%	646	(10%)	615
Net Profit	463	409	13%	520	(11%)	497

(All figures are in SAR mln)

- Almarai continued its growth for the fourth quarter in a row, reporting a strong bottom-line rise of +21% Y/Y to SAR 4.8 bln, close to our forecast. As expected, all product categories showed a growth Y/Y led by Poultry, which showed a +43% Y/Y growth due to the increase in volume on the back of additional capacity. This was followed by Bakery (+32% Y/Y), due to full reopening of the education institutions in KSA and GCC.
- Gross profit is up by +17% Y/Y to SAR 1.5 bln, lower than sales growth due to higher input costs driven by higher corn, soya and transportation costs. This affected the gross margin, which contracted by -115 bps to 31% this quarter.
- In 9M2022, revenues of SAR 13.9 bln grew by +20% compared with the same period last year driven by Bakery, which grew by +39% Y/Y to SAR 495 mln, followed by Poultry with +31% growth. In terms of Channels, Food services grew by +32% Y/Y.
- Almarai reported a bottom-line of SAR 463 mln (+13% Y/Y, -11% Q/Q) in-line with our SAR 497 mln forecast. We maintain our target price and rating.

Abdullah D Alharbi  
 abdullah.ulihan.alharbi@riyadcapital.com  
 +966-11-486-5680

## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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