

Market Data	
52-week high/low	SAR 58.00/46.50
Market Cap	SAR 55,100 mln
Shares Outstanding	1,000 mln
Free-float	24.58%
12-month ADTV	446,443
Bloomberg Code	ALMARAI AB

## Poultry and Bakery Drives 2022 Growth

January 23, 2023

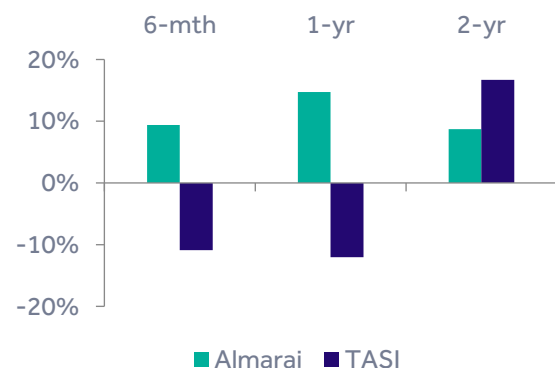
Upside to Target Price	(2.0%)	Rating	Neutral
Expected Dividend Yield	2.3%	Last Price	SAR 55.10
Expected Total Return	0.3%	12-mth target	SAR 54.00

Almarai Company	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	4,839	4,257	14%	4,769	1%	4,642
Gross Profit	1,334	1,193	12%	1,489	(10%)	1,314
Gross Margins	28%	28%		31%		28%
Operating Profit	504	392	29%	579	(13%)	458
Net Profit	356	287	24%	463	(23%)	323

(All figures are in SAR mln)

- FY2022 top-line grew by +18% Y/Y to SAR 18.7 bln supported by Bakery and Poultry due to an expansion in capacity and Long Life Dairy. In 4Q2022, Almarai continued its top-line growth, reporting a rise of +14% 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 +31% Y/Y growth due to the increase in volume on the back of additional capacity. This was followed by Bakery (+29% Y/Y), due to higher single serve product sales.
- Gross profit is up +12% Y/Y to SAR 1.3 bln, matching our forecast. Gross Profit growth was lower than sales growth due to increased input costs driven by higher costs for corn, Alfalfa and dairy foods (butter related). This affected the gross margin, which contracted by -45 bps to 28% this quarter.
- The Management expects the positive momentum to continue but at a lower rate in the future on the back of normalized consumption pattern after full opening of education institutions and resumption of tourism activities. We believe Almarai would maintain its good performance in 2023 despite challenges.
- Almarai reported a bottom-line of SAR 356 mln (+24% Y/Y, -23% Q/Q) in-line with our SAR 323 mln forecast. We maintain our target price and rating.

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## 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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