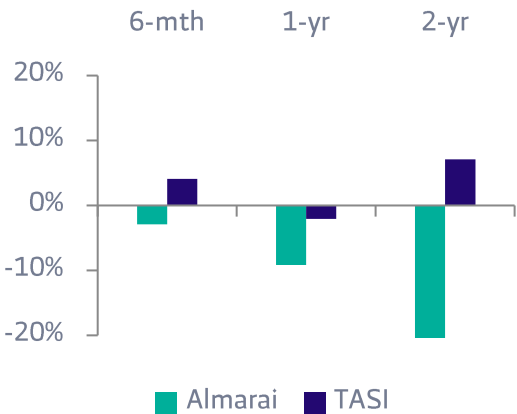


Market Data	
52-week high/low	SAR 61.5 / 45.7
Market Cap	SAR 50,500 mln
Shares Outstanding	1,000 mln
Free-float	75.42%
12-month ADTV	941,615
Bloomberg Code	ALMARAI AB



Poultry Phase One Completed, Bottled Water Contributes

October 6, 2025

Upside to Target Price	38.6%	Rating	Buy
Expected Dividend Yield	2.0%	Last Price	SAR 50.50
Expected Total Return	40.6%	12-mth target	SAR 70.00

Almarai	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	5,553	5,209	7%	5,288	5%	5,344
Gross Profit	1,747	1,670	5%	1,713	2%	1,710
Gross Margins	31%	32%		32%		32%
Operating Profit	757	742	2%	813	(7%)	811
Net Profit	613	570	8%	647	(5%)	638

(All figures are in SAR mln)

- Almarai’s top-line grew +7% Y/Y and +5% Q/Q, to SAR 5.6 bln, in-line with our estimates. The growth Y/Y was driven by strong performance in all categories, Poultry specifically did not generate greater net profits Y/Y, but management did comment that this effect was offset by higher sales volumes; which we believe signals its key contribution. The growth in Almarai’s top-line although cascading into gross profits, which increased +5% Y/Y and +2% Q/Q, did not also translate into stable gross margins.
- We estimate based on the results this quarter, that SG&A has increased +10% Q/Q and +7% Y/Y, which would be concerning, if not for the growth in operating and net income Y/Y. 3Q25 EBIT of SAR 757 mln (+2% Y/Y, -7% Q/Q), was driven by continued cost control measures and input price stability. This also translated further into EBIT margins, which fell only slightly Y/Y and Q/Q, by -61 bps and -174 bps, respectively. When analyzing these integral costs separately, we can also see that S&D and G&A expenses both increased as a percentage of total revenues, to 15.1% and 2.2%, respectively.
- Almarai recorded net profits of SAR 613 mln in 3Q25 vs. SAR 570 mln in 3Q24, an increase of +8% Y/Y, but -5% Q/Q, which was driven by product mix and the addition of the bottled water business (Pure Beverages). Management commented that net profit growth Y/Y was driven by higher sales; essentially from all channels. In our view, the growth in costs, not the growth in revenues, is the key indicator to watch. While gross margins falter slightly, we maintain our belief that Poultry’s scale and the new bottled water business could still contribute more to net profits. Until this changes, 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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