

Food Investments

# Almarai



Savola Group is the largest shareholder in Almarai Company, the Middle East's leading food manufacturer and distributor, with a 34.52 percent stake in the company.

### About Almarai

Founded in 1977, Almarai is now the world's largest vertically integrated dairy company, with primary lines encompassing dairy, juices, bakery, poultry and infant nutrition. Headquartered in Riyadh, Almarai's production and distribution footprint covers the GCC, Egypt and Jordan. With its 42 million plus consumer reach, Almarai is one of Saudi Arabia's strongest brands, and also one of the Middle East's most recognised names.

### 2019 Financial and Strategic Highlights

2019 was a year where the market returned to growth for Almarai after the previous year's performance had been buffeted by macroeconomic and demographic headwinds. Almarai maintained market share leadership across the majority of key segments, with dairy, poultry, bakery and foods registering particularly strong growth in the second half of 2019. Revenues from all product lines increased compared to a 2018 baseline, with dairy and juice revenues rising 2.9%, bakery 6.6% and poultry 18%. Poultry's outperformance came as Almarai expanded its food services segment and continued to

enhance its innovation pipeline of new products, as well as, expanding the range of dedicated products for the food service segment.

Saudi Arabia remained the best performing territory in terms of revenue growth for Almarai in 2019, followed by Egypt and Kuwait. Jordan, UAE and Oman also registered revenue growth.

Revenue for 2019 rose 5.9% over 2018, but operating profits witnessed a marginal decline on the back of higher feed costs, marketing spend and labour costs. On a positive note, free cash flow more than doubled compared to 2018, as Almarai continues to focus on asset utilization after a strong investment and growth phase.

Almarai also maintained a strong brand equity, and was once again feted as a top brand by the YouGov BrandIndex. Brand Finance called it the world's 7th most valuable dairy brand worldwide in 2019. Almarai also made Forbes' 2019 list of Global 2000: The World's Best Regarded Companies.

Revenues (SAR millions)



Net Profits (SAR millions)



**1.83**  
Earnings per share SAR

**34.52%**  
Savola Group shareholding