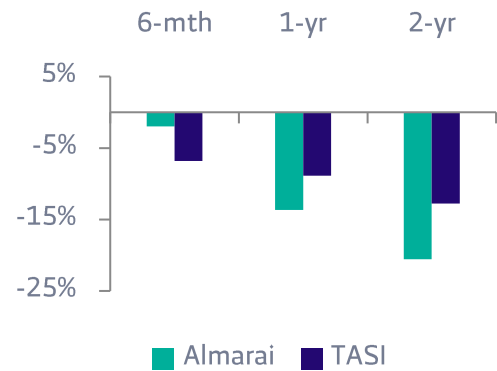


| Market Data        |                |
|--------------------|----------------|
| 52-week high/low   | SAR 50.8/38.2  |
| Market Cap         | SAR 43,600 mln |
| Shares Outstanding | 1,000 mln      |
| Free-float         | 75.42%         |
| 12-month ADTV      | 765,165        |
| Bloomberg Code     | ALMARAI AB     |



Shipping Costs Weigh on Profitability

October 5, 2026

|                         |       |               |           |
|-------------------------|-------|---------------|-----------|
| Upside to Target Price  | 10.1% | Rating        | Neutral   |
| Expected Dividend Yield | 2.6%  | Last Price    | SAR 43.60 |
| Expected Total Return   | 12.7% | 12-mth target | SAR 48.00 |

| Almarai          | 3Q2026 | 3Q2025 | Y/Y | 2Q2026 | Q/Q  | RC Estimate |
|------------------|--------|--------|-----|--------|------|-------------|
| Sales            | 6,187  | 5,553  | 11% | 5,868  | 5%   | 6,084       |
| Gross Profit     | 1,837  | 1,747  | 5%  | 1,824  | 1%   | 1,831       |
| Gross Margins    | 30%    | 31%    |     | 31%    |      | 30%         |
| Operating Profit | 779    | 757    | 3%  | 814    | (4%) | 794         |
| Net Profit       | 618    | 613    | 1%  | 636    | (3%) | 622         |

(All figures are in SAR mln)

- Almarai’s revenue grew +11% Y/Y and +5% Q/Q to SAR 6.2 bln, in line with our estimate of SAR 6.1 bln. Y/Y growth was driven by higher revenue across all markets and product categories, supported by volume growth in the protein segment, linked to expansion projects. Revenue also benefited from the contribution of Pure Beverages Industry Company, owner of the Eval and Ouska brands.
- Gross profit reached SAR 1.8 bln, up +5% Y/Y and +1% Q/Q, in line with our estimate. Cost of revenue increased +14% Y/Y and +8% Q/Q to SAR 4.3 bln, also in line with our estimate of SAR 4.3 bln, driven by higher feed shipping costs for the dairy segment. Consequently, gross margin contracted by 178bps Y/Y and 139bps Q/Q to 29.7%.
- Operating profit reached SAR 779 mln, up +3% Y/Y but down -4% Q/Q. The Q/Q decline reflected a +5% increase in operating expenses, alongside ongoing shipping cost pressures weighing on margins. Operating margin stood at 13%, down 105bps Y/Y and 128bps Q/Q.
- Net profit came in at SAR 618 mln, compared with SAR 636 mln in the previous quarter and SAR 613 mln in the same quarter last year, up a modest +1% Y/Y but down -3% Q/Q, in line with our estimate of SAR 622 mln. Revenue growth did not translate into higher net profit, mainly due to inflation in shipping and distribution costs. We expect continued expansion in the protein segments to support revenue growth, while shipping cost pressures are likely to persist. We maintain our target price and Neutral recommendation, as growth drivers and pressures remain in line with our base-case assumptions. Earnings growth will hinge on the company’s ability to control costs.

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## ■ Stock Rating

| Buy                                        | Neutral                                        | Sell                                 | Not Rated                |
|--------------------------------------------|------------------------------------------------|--------------------------------------|--------------------------|
| Expected Total Return<br>Greater than +15% | Expected Total Return<br>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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