

ALMUNAJEM FOODS REPORTS SAR 2.57BN IN SALES FOR FY 2021

20 March 2022; Riyadh, KSA: Almunajem Foods (the “Company” and TASI: 4162), a market leading importer, distributor and producer of frozen & chilled and dray food in Saudi Arabia, today announced its financial results for the full year (“FY”) and fourth quarter (“Q4”) ending 31 December 2021.

Financial Performance Highlights

FY 2021 vs. FY 2020

Broad and diverse product offering, balanced sales channel mix and strong brand recognition supported stable top line growth as the market gradually began to return to pre-Covid 19 demand trends.

- Net revenues increased by 1.5% YoY to SAR 2.6 billion, driven by an increase in some product prices and recovery in demand from the Food Service channel.
- Gross Profit decreased by 9.6% YoY to SAR 441 million on the back of lower contribution from Retail channel compared to 2020, and resumption in the discounts and promotional activities in the Retail channel, compared to last year, where less activities were carried out.
- Net profit declined by 27.8% YoY to SAR 166 million. In addition to the above-mentioned reasons, the decline in net profit was due to:
 - One-off other income amounting to SAR 10.3 million that the Company filed and received during 2020, related to a lawsuit raised against one of its service providers.
 - Increase in Zakat expense for the year due to the increase of the Company’s zakat base

Q4 2021 vs. Q4 2020

- Net revenues increased by 9.2% YoY to SAR 679 million driven by higher prices in some food categories and products.
- Gross profit increased by 17.3% YoY to SAR 115 million while net profit rose by 64.3% YoY to SAR 46 million.

Balance Sheet (as of 31 December 2021)

Robust balance sheet, low leverage, strong liquidity position, and stable capital structure underpinning the Company’s growth strategy

- Total assets stood at SAR 1,298 million as at 31 December 2021, a 21% increase YoY compared to SAR 1,070 million a year ago.
- Total shareholder equity was SAR 805 million as at 31 December 2021, a 26% growth YoY compared to SAR 640 million a year ago.
- Return on assets (ROA) was 13% and Return on Equity (ROE) was 20.6% as at 31 December 2021.

- As part of its prudent financial management, the Company increased its provision for credit losses during the year to SAR 4.4 million (2020: SAR 2.2 million).
- Net cash from operating activities increased by 13% YoY to SAR 232 million.

Commenting on the FY 2021 results, Thamer Bin Abdulaziz Abanumay, Chief Executive Officer of Almunajem Foods, said:

“Despite the global pandemic’s continued impact on global supply chains and influence of supply-demand dynamics on the global and local F&B industry, Almunajem Foods revenues continued to grow at a steady pace in 2021, up 1.5% compared to the corresponding period a year ago. Our resilient performance is owed to our integrated operating model supported by a comprehensive and streamlined logistics network across the Kingdom and our strong relationship with over 60 suppliers across the world.

“As part of our efforts to benefit from the underlying growth drivers of the Saudi F&B sector, we have developed and are executing on a well-defined strategy with the aim of capturing greater market share across all channels while further evolving our portfolio mix to help support growth and protects the interest of our shareholders.”

Appendix

Table 1.1: Income Statement Headline Numbers (FY & Q4)

<i>In millions of SAR (unless otherwise stated)</i>	FY 2021	FY 2020	% change 2021 vs. 2020	Q4 2021	Q4 2020	% change Q4 2021 vs. Q4 2020
Net Revenues	2,577	2,538	1.5%	679	622	9.2%
Gross Profit	441	488	(9.6%)	115	98	17.3%
Gross Profit Margin	17.1%	19.2%	(10.9%)	17.0%	15.7%	8.3%
EBITDA	221	279	(20.8%)	60	38	57.9%
Net Profit	166	230	(27.8%)	46	28	64.3%

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About Almunajem Foods

Almunajem Foods, listed on the Saudi Stock Exchange Main Market in December 2021, is among the largest Saudi publicly traded food companies engaged in the importation, marketing, and distribution of frozen, chilled, and dry foodstuff. Founded in 1962, the Company serves over 18,000 customer outlets including retail, food services, and wholesale channels. It operates 13 branches, 12 of which are equipped with a state-of-the-art temperature-controlled warehouse. Almunajem Foods works with over 60 international and local suppliers, majority of which are internationally renowned with established global market footprints.

For more information on Almunajem Foods please visit www.almunajemfoods.com

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