



FIRST المطاحن MILLS الأولى

First Milling Co.

Q3/9M' 2024 Earnings Release



First Mills Announcement of Interim Financial Results for the Period Ending on 30-09-2024 [Nine Months]

- Q3 Financial Highlights:**

List	Current Quarter	Similar Quarter for Previous Year	% Change	Previous Quarter	% Change
Sales/Revenue	261,212,915	248,139,910	5.3%	242,347,690	7.8%
Gross Profit (Loss)	111,541,189	100,404,368	11.1%	100,380,376	11.1%
Operational Profit (Loss)	77,840,443	70,730,636	10.1%	63,837,171	21.9%
Net profit (Loss)	61,278,490	54,037,524	13.4%	45,507,333	34.7%
Total Comprehensive Income	46,881,948	53,616,960	-12.6%	42,518,841	10.3%

All figures are in (Actual) Saudi Arabia, Riyals



- Year-to-Date (9 Months) Highlights:

Element List	Current Period	Similar Period for Previous Year	% Change
Sales/Revenue	780,009,200	717,644,160	8.7%
Gross Profit (Loss)	337,475,506	308,541,435	9.4%
Operational Profit (Loss)	236,062,946	213,030,786	10.8%
Net profit (Loss)	184,507,448	162,703,266	13.4%
Total Comprehensive Income	170,690,892	163,524,893	4.4%
Total Shareholders' Equity (after Deducting Minority Equity)	876,733,672	840,923,646	4.3%
Profit (Loss) per Share	3.32	2.93	13.4%
All figures are in (Actual) Saudi Arabia, Riyals			



Element List	Explanation
<p>Sales (Revenues) Q3' 24 Vs. Q3' 23</p>	<p>Revenue grew by 5.3% to SAR 261.2 million in the current quarter, recording an increase of SAR 13.1 million compared to SAR 248.1 million for the same quarter last year, with growth mainly driven by the following:</p> <ol style="list-style-type: none"> 1) Sales growth across all product categories was driven by a strong product mix, increased volume, as well as the continuous rise in small-pack sales volume, driven by the success of the Company's strategy in increasing its geographic coverage across the Kingdom. 2) Gross Profit increased by 11.1% to SAR 111.5 million, up from SAR 100.4 million in the same quarter last year, primarily driven by higher revenue growth while maintaining cost leadership, competitive feed prices, and lapping a higher cost of raw materials in the same quarter last year. 3) Operating Expenses remained in line compared to the same quarter last year, with a slight increase in expenses attributed to supporting the revenue growth. <p>As a result of the above, net profit increased by SAR 7.2 million compared to the same quarter last year, with the net profit margin rising to reach a solid 23.5% of revenue, while earnings per share amounted to SAR 1.10 in the current quarter, compared to SAR 0.97 for the same quarter last year, representing an increase of 13.4%.</p>
<p>Net Profit Q3' 24 Vs. Q3' 23</p>	<p>Net profit grew by 13.4%, SAR 7.2 million, compared to the same quarter last year, reaching SAR 61.3 million from SAR 54 million. This growth is primarily driven by the following factors:</p> <ol style="list-style-type: none"> 1) Sales growth across all product categories. 2) Continued strong growth in small-pack product volume, which increased by 48%, driven by the expansion of the Company's distribution network and increased geographic coverage, leading to an improvement in the Company's product mixes with higher margins. 3) Maintaining cost leadership in line with sales growth.



Element List	Explanation
<p>Sales (Revenues) Q3' 24 Vs. Q2' 24</p>	<p>Revenue increased by 7.8% to SAR 261.2 million in the current quarter, up by SAR 18.9 million compared to SAR 242.3 million in the previous quarter this year. This growth was mainly driven by the following:</p> <p>1) Feed sales witnessed robust double-digit growth of 19.3%, driven by increased demand, while Flour continued to grow by 13.9%, supported by the back-to-school trends and seasonal consumption patterns. However, Bran sales decreased by 28.9% compared to the previous quarter due to the Company's decision to prioritize Feed production to meet rising demand.</p> <p>2) Gross Profit increased by 11.1%, reaching SAR 111.5 million compared to SAR 100.4 million in the previous quarter, primarily driven by higher revenue growth while maintaining cost leadership and the competitiveness of feed prices.</p>
<p>Net Profit Q3' 24 Vs. Q2' 24</p>	<p>Net profit increased by 34.7% in the current quarter, reaching SAR 61.3 million, up by SAR 15.8 million from SAR 45.5 million in the previous quarter. This growth was mainly driven by the following:</p> <p>1) An SAR 18.9 million increase in revenue attributed to higher sales in Feed and Flour, improved product mixes, and better pricing management.</p> <p>2) Enhanced cost management, including distribution, selling, and manufacturing efficiencies during the period.</p>



Element List	Explanation
<p>Sales (Revenues) YTD' 24 Vs. YTD' 23</p>	<p>Revenue increased by 8.7%, reaching SAR 780 million in the current period, up by SAR 62.4 million compared to SAR 717.6 million for the same period last year, with growth primarily driven by the following:</p> <p>1) Feed sales achieved robust double-digit growth of 18.2%, driven by increased demand and effective sales execution, while Flour maintained its growth momentum with a 7.9% increase, bolstered by improved utilization and record performance during the Ramadan season. However, Bran sales declined by 4.2% compared to the same period last year as a result of the Company's decision to prioritize Feed production to meet rising demand.</p> <p>2) The Company's improved product mixes and the launch of the Durum Mill, which produces Semolina.</p> <p>3) Gross Profit increased by 9.4%, reaching SAR 337.5 million compared to SAR 308.5 million in the same period last year. This was mainly driven by higher revenue growth while maintaining cost leadership, the launch of new projects, and improved product mixes.</p> <p>As a result of the above, the net profit increased by SAR 21.8 million compared to the same period last year, with the margin holding steady at a solid 23.7% of revenue, while earnings per share amounted to SAR 3.32 in the current period, compared to SAR 2.93 for the same period last year, representing an increase of 13.4%.</p>
<p>Net Profit YTD' 24 Vs. YTD' 23</p>	<p>Net profit increased by 13.4% in the current period compared to the same period last year, reaching SAR 184.5 million, up by SAR 21.8 million from SAR 162.7 million, mainly due to the following:</p> <p>1) The increase in revenue by SAR 62.4 million as a result of the growth in the sales of Feed and Flour along with the improvement in the product mixes, pricing, and the launching of new products.</p> <p>2) Continued growth in small-pack products yielding better margins.</p>



Element List	Explanation
	<p>3) Ongoing efficiency improvement through maintaining cost leadership.</p> <p>4) Optimization of cash management by improving interest income from the Shariah-compliant Murabaha deposits.</p>
Statement of the Type of External Auditor's Report	Unmodified conclusion
Reclassification of Comparison Items	Not applicable
Additional Information	<p>First Mills' revenue contribution by category:</p> <ul style="list-style-type: none"> • Flour sales reached 57.6% in the current quarter, up from 55.5% in the same quarter of last year (57% YTD 2024 Vs. 57.4% in the same period of last year) - due to sustainable, profitable growth driven by capacity expansion and double-digit growth in small-pack products. • Feed sales reached 30.7% in the current quarter, up from 32.2% in the same quarter of last year (28.9% YTD 2024 Vs. 26.6% in the same period of last year) - mainly due to the competitiveness of feed price and improved sales execution. • Bran sales reached 11.7% in the current quarter compared to 12.3% in the same quarter of last year (14.1% YTD 2024 Vs. 16% in the same period of last year) – The decrease is attributed to the Company's decision to prioritize Feed production to meet rising demand. • First Mills maintained healthy net profit margins of 23.7% in the current period compared to 22.7% in the previous year's same period. • In the current period, First Mills registered an installed wheat milling capacity utilization of 88%, an increase from 83% recorded during the same period last year due to the expansion work (Based on 365 Days).



Element List	Explanation
	<ul style="list-style-type: none"> The Company is on track to deliver on its key project upgrades and newly completed initiatives, enabling it to create outstanding products and better services for its clients. <p>For more information, please contact the First Mills Investors Relations Department at the email: IR@firstmills.com</p>

• Other Financial Metrics & Ratios

Element List	Current Quarter	Similar quarter for previous year	% Change	Previous Quarter	% Change
Gross Profit Margin	42.7%	40.5%	5.5%	41.4%	3.1%
Operational Profit Margin	29.8%	28.5%	4.5%	26.3%	13.1%
Net profit Magrin	23.5%	21.8%	7.7%	18.8%	24.9%

Element List	Current Period	Similar period for previous year	% Change
Gross Profit Margin	43.3%	43.0%	0.6%
Operational Profit Margin	30.3%	29.7%	2.0%
Net profit Magrin	23.7%	22.7%	4.3%



Financial Statements & Investor Presentation

The Condensed Consolidated Interim Financial Statements for the Period Ended 30-09-2024 will be available on the Company's Page on Tadawul and the dedicated Investor Relations Page on the following link:

Reports & Presentations – Financial Statements ([Link](#))

A Conference Earnings Call for analysts and investors will be hosted on Wednesday 30th of October 2024 at 4:00 PM KSA Time. The Investor Presentation accompanying the call will be also available on the Investor Relations Page at:

Reports & Presentations – Earnings Call Presentations ([Link](#))

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