

SADAFCO ANNOUNCES ANOTHER YEAR OF STRONG REVENUE AND PROFIT GROWTH

Comparison with 12 months of 2024 with reported 9 months of 2023

Net profit of ₪ 483.16 Mln is higher by 48.67% versus ₪ 324.98 Mln reported for nine months of last year. In percentage terms net profit is 16.31% of net sales versus 15.39% in the nine months of last year. Sales during the year 2024, is ₪ 2,962.88 Mln versus ₪ 2,111.48 Mln for the nine months of last year representing a 40.32% due to strong performance in all categories and channels which resulted in maintaining our dominant market shares in all major categories.

Market share of main products was maintained: UHT Milk 59.6%, Tomato Paste 53.6% and Ice cream at 31.4%.

This healthy performance is attributed to:

- Gross margin of 35.73% was maintained vs 35.55 % for the last reported period driven by healthy sales mix, prudent trade expense management, healthy channel mix and efficiencies achieved in operations.
- Selling & distribution expenses are 16.33% of net sales versus 14.42% last reported period, due to significant spending on advertising & sales promotion for further strengthening of SAUDIA brand. This is in line with the Company's focus on countering market challenges and maintaining its leading market position and establishing the Brand in new categories.
- General & administrative expenses are 3.77% of net sales versus 4.33% in nine months of last year, decrease is due to expense controls across all functions.
- Financial income increased by ₪ 16.98 Mln derived from investments in Murabaha and Sukuk's and gain of ₪ 8 Mln from capital restructuring of Polish operations following the merger.
- Finance costs decreased by ₪ 12.02 Mln vs last reported period which included an exceptional expense arising from exercise of put option by minority shareholders of Mlekoma.
- Zakat & tax expense is based on zakat base.

Comparison with 12 months of 2024 with 12 months of 2023 (Like for like) (LFL)

On an LFL basis the percentage of net profit is 16.31% of net sales versus 14.91% in 2023. Sales for the year 2024 grew by 6.59% over 2023. Sales growth was achieved in Dairy 6.23%, Culinary 9.36% and Ice Cream 6.03%. Export grew by 44.33%, Out of Home by 35.04% and E-Commerce by 31.52%. Mlekoma's sale grew by 62.96%.

This improvement can be attributed to:

- Higher gross margin of 35.73% vs 34.25% for reasons mentioned above. (Without Mlekoma gross margin is 40.05 % vs 37.36 % last year)
- Selling & distribution expenses are 16.31% vs 14.47% of sales vs last year mainly due to strategic spending on advertising & sales promotions for reasons mentioned above.
- General & administrative expenses are 3.77% of sales, a decrease over last year where it was 4.19%, due to the focus on overheads control.
- Finance income in 2024 increased by ₪ 9.46 Mln over 12 month's period of 2023.
- Net Financial income (after costs) is higher by ₪ 19.2 Mln due to spend in returns from Murabaha and capital restructuring income of Mlekoma.
- Zakat expense based on zakat base.

SADAFCO remains focused on our current strengths and ready for the future

- With strategic intent Invest in Brand building to strengthen our leadership position across our existing and new categories
- We continue to drive innovation with the launch of several new SKU's
- Our focus on new channels is delivering strong and positive results
- Poland operations are profitable and delivering exceptional revenue growth. Effective 31 December 2024, the three separate legal entities in Poland have merged into one called Mlekoma. This restructuring would generate cost reductions and efficiency.
- Our strong working capital management has enabled investment in new launches, consumer awareness campaigns and substantial capital deployment for strategic growth and maintaining optimum inventory levels.
- The cash position of ₪ 690 Mln remains strong.
- A half-year dividend of ₪ 6/share has been paid which is consistent with last year.
- Shareholders' equity is ₪ 1.807 Bln vs last year ₪ 1.902 Bln, due to dividends payouts
- The earnings per share are computed as follows:

Profit attributable to owners of SADAFCO ₪ 483,687,000

Total shares 32,500,000

Treasury shares held by the Company 500,000

Total shares outstanding 32,000,000

EPS 15.12

ELEMENT LIST	CURRENT YEAR (JAN-DEC'24)	PREVIOUS YEAR* (APR-DEC'23)	%CHANGE*
Sales/Revenue	2,962,882	2,111,480	40.32
Total Gross Profit (Loss)	1,058,567	750,670	41.02
Profit (Loss) Operational	468,262	339,331	38.00
Net Profit (Loss) after Zakat and Tax	483,163	324,982	48.67
Total Comprehensive Income	481,195	322,287	49.31
Total Share Holders Equity (after deducting minority equity)	1,807,250	1,901,835	-4.97
Profit (Loss) per Share	15.12	10.24	47.66

All figures are in (Thousands) Saudi Arabia, Riyals

*In 2023, SADAFCO changed its Financial Year from March end to December end, consequently its 2023 results were for nine months only (from Apr'23-Dec'23)

For like-for-like (LFL) comparison of 12M period of 2024 vs 2023, table given below:

ELEMENT LIST	CURRENT YEAR (JAN-DEC'24)	PREVIOUS YEAR (JAN-DEC'23)	%CHANGE
Sales/Revenue	2,962,882	2,779,677	6.59
Total Gross Profit (Loss)	1,058,567	951,920	11.20
Profit (Loss) Operational	468,262	430,883	8.67
Net Profit (Loss) after Zakat and Tax	483,163	414,712	16.51
Total Comprehensive Income	481,195	407,980	17.95
Total Share Holders Equity (after deducting minority equity)	1,807,250	1,901,835	-4.97
Profit (Loss) per Share	15.12	13.06	15.77

All figures are in (Thousands) Saudi Arabia, Riyals