

# Chairman's Statement

## Growing with confidence

**Almarai's approach to holistic and sustainable growth is the foundation of our corporate strategy, operational excellence, and outstanding performance. This approach delivered a successful year, and once again demonstrated our strength, capabilities, and resilience.**

While our commitment to increasing financial returns and growing shareholder value is irrefutable, 'growth' means much more to us at Almarai. Across our thriving ecosystem of exceptional and engaged stakeholders, we are unrelenting in our pursuit of creating ever-increasing value for all our stakeholders and building a better future together.

### Exceptional progress despite rising challenges

In early 2022, restrictions relating to the COVID-19 pandemic began to ease, and governments around the world started lifting travel and other limitations on public gatherings. We welcomed the return of children and adults to schools, hotels, and restaurants, as well as the resurgence of religious tourism. As Customers went back to socializing and meeting in person, our various businesses benefited from consumption and buying patterns returning to normal.

However, early 2022 brought fresh challenges: the war in Ukraine drove energy prices higher, steep increases in transport and logistics costs, and a sharp rise in feed and dairy inputs.

Nonetheless, Almarai - which is committed to a responsible approach to Customers, and the many communities we support - did not pass on the full impact of our costs. Instead, our dedicated team implemented exceptional forecasting and leveraged our scale and capabilities, mitigating some of the negative impacts on our business.

While steering a steady ship in these choppy waters, we also continued to implement our long term strategies to bolster the Kingdom's food security, expand in key sectors and geographies, build capacity and supply with targeted investments, and deliver innovative new products and marketing.

This growth mandate, deeply embedded in our corporate culture and integrated across our operations, guided us to overcome the significant and persistent market headwinds that confronted our industry and business this year, ensuring that we emerged even more vital.

With a beloved brand, trusted products, and exceptional people, we accelerated ahead of the competition, confident in our ability to continue our growth journey for many years.

By investing in Saudi talent and strengthening the nation's food security, we remain firmly on course to maintain our contribution to Saudi Vision 2030's social responsibility and sustainability objectives.

### Accelerating towards our ambitions

Growth powers everything we do - from the innovation that brings new products to Consumers, to the relationships with our people and partners that drive enhanced performance, quality, and efficiency. It also supports our sustainability program that reinforces the vital role we play in our communities, safeguards the environment, and ensures food security in the Kingdom.

In our role as a national champion of food production and supply, we are honored to have achieved market leadership in many of our segments and categories, affirming the loyalty and support of our Customers across the region.

This allowed us to deliver solid double-digit top-line growth in all countries, regions, and channels. An exceptional performance from our Bakery business reflected the normalization of trading conditions. We were also encouraged by the contribution of the Bakemart business, following our acquisition to full ownership, with performance exceeding expectations.