

Daily Bulletin

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Al Marai reports 8% higher 4Q25 net profit, in line with consensus

Last Price: SAR 43.2 | Consensus Target Price: SAR 57.0 | YoY Performance: -24.7%

Almarai reported an 8% YoY increase in net income to SAR 465 mn in 4Q25, broadly in line with the consensus estimate of SAR 464 mn. The earnings growth was driven by a 6% YoY increase in revenue, disciplined cost control, and an improved revenue mix.

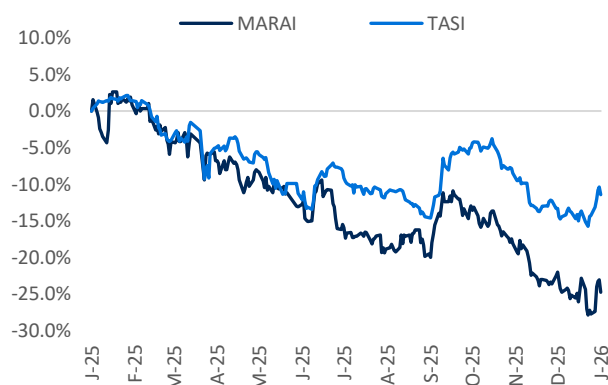
Revenue for the quarter clocked in at SAR 5,457 mn, up 6% YoY, and broadly in line with the consensus estimate of SAR 5,460 mn, due to growth in most markets across all product categories and sales channels, led by poultry, food, dairy, bakery, and water.

During the quarter, the Dairy and Juice segment's net profit increased compared to last year due to improved sales across all markets, led by Egypt, along with tight cost management. The Bakery segment's net profit also increased compared to last year due to an improved revenue mix, aimed at offering an expanded range of fresh and frozen bakery products and broadening the product portfolio available for the food services channel.

The Poultry segment reported a year-on-year decline in net profit; however, this was partly offset by higher sales volumes stemming from the ongoing poultry expansion project. Approved in May 2021 with an investment of SAR 6.6bn, the project is designed to scale up the Poultry segment and double market share. Scheduled for completion over five years, the expansion includes the establishment of grandparent farming and production facilities, supporting full vertical integration of the poultry supply chain and improved economies of scale.

Almarai has declined 24.7% YoY, underperforming TASI, which declined 11.4% during the same period. The stock is currently trading at a 2026e P/E of 16.2x, with a consensus target price of SAR 57.0/sh, implying an upside of 32.0%.

Relative price chart



Source: Tadawul, anbc research

Almarai's financials (SAR mn)

	4Q25	4Q24	YoY (%)	3Q25	QoQ (%)	Consensus	Var. (%)
Revenue	5,457	5,157	6	5,553	(2)	5,460	0
COGS	3,798	3,574	6	3,805	0	3,592	6
Gross profit	1,659	1,583	5	1,747	(5)	1,868	(11)
Gross margin (%)	30	31		31		34	
Operating exp.	1,043	992	5	990	5	1,228	(15)
Operating profit	616	591	4	757	(19)	639	(4)
Opt. margin (%)	11	11		14		12	
Net income	465	431	8	613	(24)	464	0
Net margin (%)	9	8		11		8	
EPS	0.5	0.4		0.6		0.5	

Source: Company financials, anbc research

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