

## Operating Review

# Poultry

In 2023, our market-leading Poultry business unit continued building on the successes achieved in the previous years, growing fresh poultry volumes in both the Retail and Foodservice channels. This was supported by a record production in excess of 250 million birds at our recently expanded plant in Hail region.

Almarai’s achievement of new highs in volume supply with an expanded daily processing capacity of 850,000 birds furthered one of the aims of Vision 2030 to entrench Saudi Arabia’s poultry industry as a major contributor to the Kingdom’s food security.

### Record revenue growth

With our new production and processing capacity online for a full financial year, our total volume rose 14% to 209 million metric tons (MT), which resulted in revenue growing 17%, off the high base achieved in 2022, to a record SAR 3.5 billion. Margins improved over the 2022 results, with segment profitability growth again reflecting inflationary pressures in feed stock and transportation costs.

Consistent supply, exceptional service level and Alyoum brand power drove a healthy sales volume growth of 13%

in Retail and 11% in Foodservice. Almarai Poultry’s market share value across all retail channels in the Kingdom’s fresh poultry segment rose to 40%. In Kuwait and the UAE, market share volume reached 87% and 19% respectively. Almarai, through its brand Alyoum and its largest logistics network in the GCC, continued to lead within the fresh market in Kuwait and the UAE.

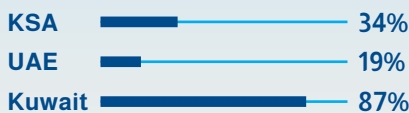
### Alyoum notches up new achievements

Our flagship brand Alyoum, which accomplished volume growth of 25% in Retail, maintained its first-place ranking in the market with an unmatched consumer awareness score of 95% in Saudi Arabia. Nielsen’s retail audit in 2023 showed Alyoum as the fastest growing poultry brand in Saudi Arabia.

As a result of our successful “Sarah and Mama Sarah” communication campaign in Saudi Arabia, Alyoum has

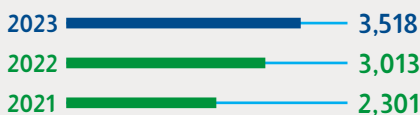
### Poultry Market Share

(by volume)



### Total Poultry Revenue

(SAR million)



# SAR 3,518 million

**Total Poultry Revenue for 2023**  
vs. SAR 3,013 million in 2022.

### New Products in 2023

- Breast Fillet Individually Packed
- Mixed Portions with Breast
- Whole Chicken 4 Pieces Cut
- Whole Chicken Shawaya
- Mixed Parts Biryani

achieved the highest brand loyalty among all poultry industry brands in 2023, according to Kantar Household Panel.

### Investment program makes solid progress

In 2022 we announced land signings in the Alshamli-Hail region for a new facility to process 150 million birds, and projects in Al-Jouf to increase our hatching capacity by 150 million eggs. Construction commenced in 2023 on these projects, which comprise part of the SAR 6.6 billion investment to double Almarai's poultry capacity by 2026. New breeder and broiler farms, a hatchery, a feed mill and a new processing plant are underway.

We made excellent progress in our strategy to become the largest poultry company in the GCC region, with Saudi Arabia remaining the base of operations, while sales and distribution are located in our other primary Gulf markets. Almarai, which already has the largest logistics network in the region continued to expand its reach and coverage, ending the year with a 6% increase in the number of customers served across all channels.

### New trends driving product launches

We maintained our rigorous momentum in product innovation during 2023, broadening our range in response to growing demand in Saudi Arabia for convenience products. We launched Breast Fillet Individually Packed, Mixed Portions with Breast and Whole Chicken 4 Pieces Cut.

In the UAE, we introduced a range of skinless products to meet changing consumer needs in that country. Our ready-to-cook range was complemented in the KSA by the addition of Whole Chicken Shawaya and Mixed Parts Biryani, further cementing our strong leading positioning and 48% market share volume in this segment.

### Customer experience driving growth

Almarai's Retail business focused on improving customer experience this year, which included expanding the number of leak-free products and proactively promoting them across various channels.

Shoppers also benefited from new visibility and navigation tools introduced into supermarkets, while the number of Alyoum fridges in neighborhood stores was also increased, ensuring that more of our loyal consumers can access the freshest poultry products daily.

In Foodservice, we continued to offer the highest quality service to our loyal customers and a full-solution of products where Poultry is a main driver. In 2023 Poultry delivered solid growth of 11%.

### Poultry in 2024

We fully expect to break new records in bird processing and volume sales, while continuing with our infrastructure and capacity rollout as part of our expansion in Alshamli-Hail and Al-Jouf. Almarai will also further consolidate and defend its market-leading position across channels and countries.

