COVER PAGE AND DECLARATION

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I confirm that this assignment is my own work, is not copied from any other person's work (published/unpublished), and has not been previously submitted for assessment elsewhere.

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Introduction

What can be measured can be managed from here we start and expand this search for financial management, which is the basis of all the processes on which companies and organizations are based in order to reach distinctive and positive results and to achieve their goals according to well-thought-out plans based on real analyzes and realistic goals.

This is indeed what we will look at as I will address this in five sections:

Section I Preamble and annual reports of the company of all kinds

Section II Performance evaluation through the following performance measures

Section III Recommendations for improving the work of the company

Section IV Recommending a new investment project for the company

Section V Decision to pay dividends of return yes, or no?

The matter does not stop here, the science of financial management is a broad science, abundant, solid in its content, effective in its application, and a profitable return in its results, so let's hope for success, payment and interest at the end.

First of all, we will come up with some simple and easy introductions that can be keys to our work and research

Section I Preamble and annual reports of the company of all kinds

Definition of performance appraisal

Performance evaluation refers to the company's business results in different standards and bases in order to achieve the planned results of the company's objectives, and this definition also refers to estimating the real value of the performance of institutions and then the value expressed by economic and financial realities.)ALAMERI(2013 ،

As for the definition of performance evaluation, it is a set of methods and methods that help in collecting data and information according to the sound foundations and principles to determine the success of performance)MOHAMMED(2013 ،

It is also defined as a system for measuring and evaluating performance in the light of specific criteria to consider the development of the organization's strategic plans as well as measuring effectiveness, efficiency and the extent to which performance is achieved.

Performance is defined as the objective scientific process and the foundations in raising the productivity and efficiency of employees and assisting in the process of comparing the performance of profit centers in the company.

The importance of performance appraisal

The importance of performance evaluation is as follows:

Ensure that available resources are best used efficiently

Forming the spirit of competition between the departments of the economic unit in order to improve the level of performance

Disclosure of the disadvantages of withdrawal in the use of funds as well as the formalities of work and in contradiction with the rules and sound foundations of public performance

Improving the planning process at the external, local or corporate level by ensuring economic balance and consistency between economic sectors (سعد، 2023)

Increase the degree of disclosure and harmony between the strategic objectives on the one hand and its relationship to the competitive environment on the other.

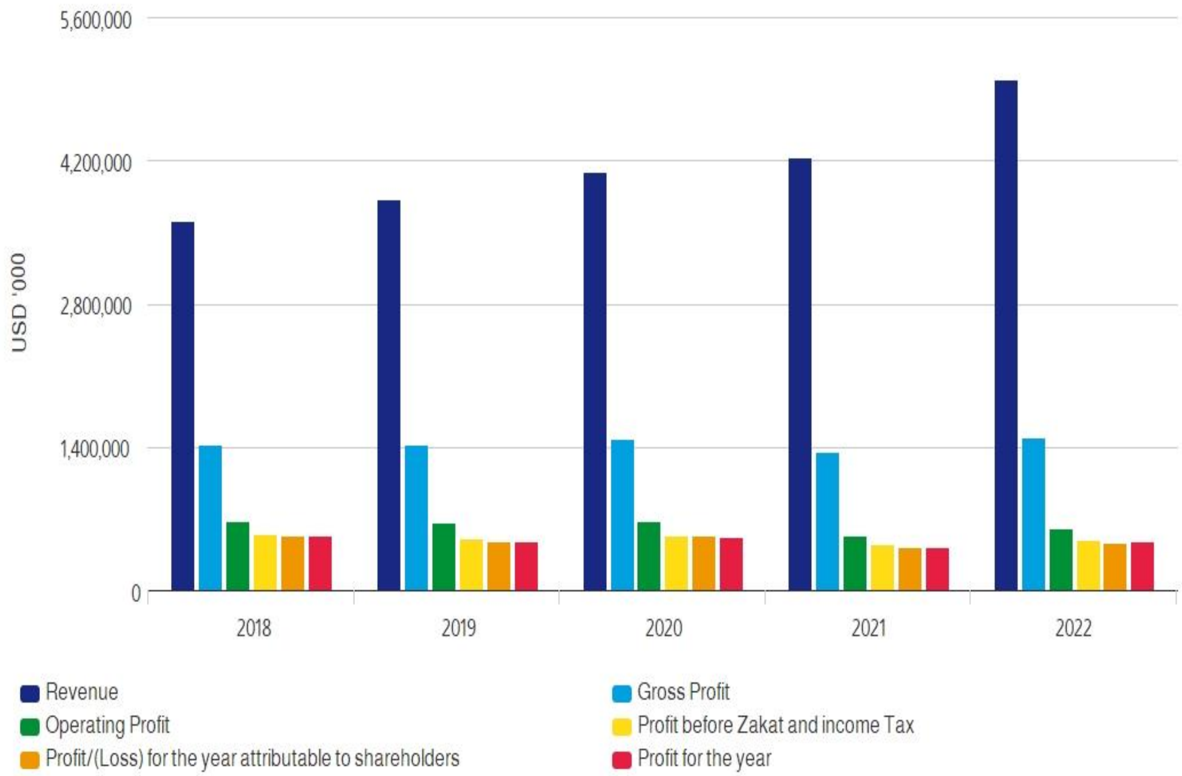
Developing and improving the performance of officials by detecting deficiencies and weaknesses in the efficiency and level of productivity of employees and finding successful solutions to them through training and development.

Pillars of performance appraisal

Accurate description of the company's objectives in various fields, and the preparation of detailed plans for work in all fields, taking into account the importance of coordination among them in accordance with the company's general plan, determining administrative responsibility centers in order to be accountable for deficiencies, rewarding successes, testing performance indicators and determining their standard rates according to sound scientific foundations, circulating and developing management information systems to provide successful decision-making, and evaluating performance paths in a timely manner.

Financial analysis of the company including balance sheet, flow, profitability, influence, income statement and liquidity

Consolidated Income Statement



		2018	2019	2020	2021	2022
Revenue	USD '000	3,615,423	3,827,007	4,095,186	4,226,592	4,992,602
Gross Profit	USD '000	1,420,553	1,431,113	1,476,135	1,349,139	1,499,793
Operating Profit	USD '000	672,329	659,522	672,622	537,294	607,022
Profit before Zakat and income Tax	USD '000	554,415	512,658	540,762	444,760	493,048
Profit/(Loss) for the year attributable to shareholders	USD '000	536,527	483,134	529,163	416,945	469,283
Profit for the year	USD '000	535,615	480,419	516,148	421,183	474,170

Notes

1.Supplementary information is converted at a fixed rate of U.S. dollar 1.00 = SAR 3.75 for convenience only.

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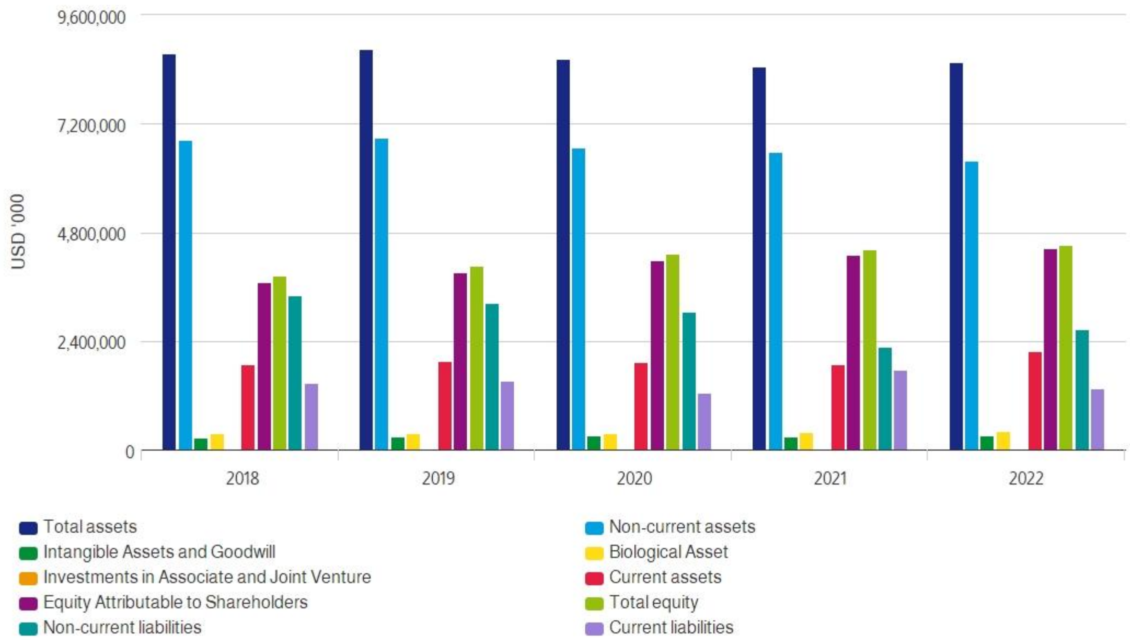
Consolidated Statement of Financial Position



		2018	2019	2020	2021	2022
Total assets	USD '000	8,742,013	8,839,478	8,625,148	8,467,814	8,553,059
Non-current assets	USD '000	6,851,593	6,886,223	6,681,293	6,573,898	6,386,043
Intangible Assets and Goodwill	USD '000	276,899	300,942	324,705	301,095	305,494
Biological Asset	USD '000	364,418	368,338	371,221	391,756	417,306
Investments in Associate and Joint Venture	USD '000	54	23,474	23,899	23,666	1,683
Current assets	USD '000	1,890,419	1,953,254	1,943,855	1,893,916	2,167,015
Equity Attributable to Shareholders	USD '000	3,700,422	3,907,560	4,183,175	4,298,532	4,445,696
Total equity	USD '000	3,856,705	4,069,099	4,328,981	4,431,577	4,528,764
Non-current liabilities	USD '000	3,414,951	3,243,805	3,049,382	2,269,825	2,668,707
Current liabilities	USD '000	1,470,357	1,526,574	1,246,785	1,766,412	1,355,587

Notes

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Almarai Company (2280)

Saudi Arabia

63.50 **+0.20 (+0.32%)**

05/10 - Closed. Currency in **SAR** (Disclaimer)

Add to Watchlist | Create Alert

Type:	Equity
Market:	Saudi Arabia
ISIN:	SA000A0ETHT1

Volume: **197,303** Bid/Ask: **63.50 / 63.60** Day's Range: **63.10 - 63.70**

General | Chart | News & Analysis | **Financials** | Technical | Forum

Financial Summary | **Income Statement** | Balance Sheet | Cash Flow | Ratios | Dividends | Earnings

2280 Income Statement

Annual | Quarterly | Advanced Income Statement | Collapse Al

	Period Ending:	2022 31/12	2021 31/12	2020 31/12	2019 31/12
Total Revenue		18722.26	15849.72	15356.95	14351.28
Revenue	18722.26	15849.72	15356.95	14351.28	
Other Revenue, Total	-	-	-	-	
Cost of Revenue, Total		13342.9	11008.66	10465.88	9614.39
Gross Profit		5379.36	4841.06	4891.07	4736.89
Total Operating Expenses		16287.6	13748.29	12834.61	11789.4
Selling/General/Admin. Expenses, Total	2949.67	2740.64	2580.19	2626.51	
Research & Development	-	-	-	-	
Depreciation / Amortization	-	343.97	354.55	316.64	
Interest Expense (Income) - Net Operating	-427.73	-367.99	-39.72	-34.46	
Unusual Expense (Income)	-	-559.17	-519.76	-506.65	
Other Operating Expenses, Total	422.77	366.98	-6.53	569.25	
Operating Income		2434.65	2101.43	2522.33	2561.88
Interest Income (Expense), Net Non-Operating		-	-347	-494.48	-550.74
Gain (Loss) on Sale of Assets		-171.08	-128.48	-	-
Other, Net		756.8	562.06	-	753.32
Net Income Before Taxes		1848.93	1667.85	2027.86	1922.47
Provision for Income Taxes		70.79	88.41	92.3	120.9
Net Income After Taxes		1778.14	1579.44	1935.56	1801.57
Minority Interest		311.5	498.92	48.8	10.18
Equity In Affiliates		-	-	-	-
U.S GAAP Adjustment		-	-	-	-
Net Income Before Extraordinary Items		1759.81	1563.54	1984.36	1811.75
Total Extraordinary Items		-	-	-	-
Net Income		1759.81	1563.54	1984.36	1811.75
Total Adjustments to Net Income		-	-	-	-
Income Available to Common Excluding Extraordinary Items		1759.81	1563.54	1984.36	1811.75
Dilution Adjustment		-0.188	3.54	-	-
Diluted Net Income		1760	1560	1984.36	1811.75
Diluted Weighted Average Shares		1000	1000	1000	1000
Diluted EPS Excluding Extraordinary Items		1.76	1.56	1.98	1.81
DPS - Common Stock Primary Issue		1	1	1	0.85
Diluted Normalized EPS		1.24	1.11	1.49	1.29

* In Millions of SAR (except for per share items)

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Financial Summary | Income Statement | **Balance Sheet** | Cash Flow | Ratios | Dividends | Earnings

2280 Balance Sheet

Annual | Quarterly | Advanced Balance Sheet

Collapse Al

		Period Ending:		2022 31/12	2021 31/12	2020 31/12	2019 31/12
Total Current Assets				8126.31	7102.18	7289.46	7324.7
Cash and Short Term Investments	562.52	627.81	503.51	1147.59			
Cash	-	579.99	497.7	534.28			
Cash & Equivalents	546.92	580.91	5.81	23.27			
Short Term Investments	15.61	46.89	-	590.04			
Total Receivables, Net	1738.53	1580.01	1542.95	1454.95			
Accounts Receivables - Trade, Net	1550.87	1419	1276.22	1324.54			
Total Inventory	5237.14	4353.6	4795.56	4294.47			
Prepaid Expenses	417.41	411.19	393.39	413.95			
Other Current Assets, Total	170.71	129.58	54.05	13.75			
Total Assets				32073.97	31754.3	32344.31	33148.04
Property/Plant/Equipment, Total - Net	22178.22	22807.24	22975.25	24419.53			
Property/Plant/Equipment, Total - Gross	38886.84	37995.29	36012.42	37195.84			
Accumulated Depreciation, Total	-16708.62	-15188.06	-13037.16	-12776.31			
Goodwill, Net	948.72	942.58	942.33	941.13			
Intangibles, Net	196.88	186.52	275.31	187.4			
Long Term Investments	6.31	90.76	219.36	233.71			
Note Receivable - Long Term	187.66	161.01	-	-			
Other Long Term Assets, Total	35.44	627.03	642.6	41.56			
Other Assets, Total	4267.01	3575.07	-	-			
Total Current Liabilities				5083.45	6624.04	4675.44	5724.65
Accounts Payable	1266.23	1324.26	1190.93	1326.63			
Payable/Accrued	-	-	-	-			
Accrued Expenses	1851.27	1455.69	1389.79	1142.96			
Notes Payable/Short Term Debt	87.13	78.4	137.51	219.12			
Current Port. of LT Debt/Capital Leases	1140.18	2712.55	1120.52	2082.14			
Other Current liabilities, Total	738.64	1053.15	836.69	953.8			
Total Liabilities				15091.1	15135.89	16657.4	18494.69
Total Long Term Debt	8841.93	7432.67	10419.93	11232.99			
Long Term Debt	8450.19	7072.24	10088.95	10897.33			
Capital Lease Obligations	391.74	360.43	330.98	335.66			
Deferred Income Tax	90.49	117.3	102.14	103.33			
Minority Interest	311.5	498.92	546.77	605.77			
Other Liabilities, Total	-798.99	-1552.9	913.11	827.96			
Total Equity				16982.86	16618.41	15686.91	14653.35
Redeemable Preferred Stock, Total	-	-	-	-			
Preferred Stock - Non Redeemable, Net	-	-	-	-			
Common Stock, Total	10000	10000	10000	10000			
Additional Paid-In Capital	-	-	-	-			
Retained Earnings (Accumulated Deficit)	8347.36	7617.04	7112.59	5985.99			
Treasury Stock - Common	-866.6	-875.16	-906.59	-770.74			
ESOP Debt Guarantee	-	-	-	-			
Unrealized Gain (Loss)	-	-	-	-			
Other Equity, Total	-497.89	-123.47	-519.09	-561.9			
Total Liabilities & Shareholders' Equity				32073.97	31754.3	32344.31	33148.04
Total Common Shares Outstanding				982.1	981.84	988.74	989.16
Total Preferred Shares Outstanding				-	-	-	-

* In Millions of SAR (except for per share items)

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Financial Summary   Income Statement   Balance Sheet   **Cash Flow**   Ratios   Dividends   Earnings

2280 Cash Flow Statement

Annual   Quarterly   Advanced Cash Flow Statement   Collapse All

Period Ending:	**2023** 30/06	**2023** 31/03	**2022** 31/12	**2022** 30/09
Period Length:	0 Months	0 Months	0 Months	0 Months
Net Income/Starting Line	557.08	635.06	355.82	463.17
Cash From Operating Activities	1506	909.26	1075.22	1390.02
Depreciation/Depletion	567.07	609.13	736.73	537.64
Amortization	-	-	-	-
Deferred Taxes	-	-	1.02	-
Non-Cash Items	188.93	236.64	49	256.49
Cash Receipts	-	-	-	-
Cash Payments	-	-	-	-
Cash Taxes Paid	-	-	-	-
Cash Interest Paid	144.5	127.3	142.22	113.64
Changes in Working Capital	192.91	-571.57	-88.26	115.43
Cash From Investing Activities	-645.08	-639.79	-520	-458.53
Capital Expenditures	-695	-741.51	-592.14	-517.85
Other Investing Cash Flow Items, Total	49.92	101.72	72.13	59.32
Cash From Financing Activities	-532.39	-357.98	-526.81	-884.88
Financing Cash Flow Items	-150.27	-382.3	-142.22	-113.64
Total Cash Dividends Paid	-980.58	-	-	-0.002
Issuance (Retirement) of Stock, Net	70	-	5.55	-
Issuance (Retirement) of Debt, Net	528.46	24.31	-390.13	-771.24
Foreign Exchange Effects	-	-	10.41	-
Net Change in Cash	328.17	-92.15	21.74	46.29
Beginning Cash Balance	454.76	546.92	525.18	478.89
Ending Cash Balance	782.93	454.76	546.92	525.18
Free Cash Flow	489.22	-251.27	482.56	341.23
Free Cash Flow Growth	294.7	-152.07	41.42	456.7
Free Cash Flow Yield	1.35	0.288	0.939	1.62

* In Millions of SAR (except for per share items)

Section II Performance evaluation through the following performance measures

Profitability

Maximizing profitability requires considering all internal factors such as pricing and efficiency as well as external factors such as market and competition Here are several key factors to consider when trying to increase profitability

Pricing is ensuring that prices are fair and competitive in the market, a price that is too high may limit the number of customers, while a very low price may not lead to enough profits to make the business sustainable.

Marketing It is important for the company to invest in and develop effective marketing strategies. This includes creating a strong online presence, using digital tools to promote the brand' and using paid and organic social media campaigns to scale the company.

Consistency Consistency with the quality of services provided is important for the profitability of the company Customers must have the same level of satisfaction with the services provided regardless of performance

Analytics Using analytics to demonstrate the true value of services provided to customers is key in determining the profitability of a company. Analytics can also be used to demonstrate ROI, identify successful projects, and show how services and product impact the customer.

Operations Streamlining processes is important to a company's success. Having effective and well-documented procedures will help increase the profitability of the company by ensuring that jobs are completed quickly and at a high level which leads to generating more leads through effective marketing and focus on customer satisfaction by quickly delivering quality services and cross-selling and selling services to existing customers and invest in resources that prevent additional costs and improve workflow.

Efficiency

Based on the data resulting from the calculation of the company's financial indicators, we find that the percentage of positive indicators of the company during the year 2022 reached 80.0%, while the percentage of financial indicators with growth between two years reached 33% compared to 20% unchanged, and in general the company is good and has a successful management and is considered one of the front-row companies, the quality of its financial indicators and the efficiency of its management enabled it to be an investment company.

Short-term vs. long-term suitability

The financial advisor's knowledge of the time available to him to reach the company's investment goals is the largest part in choosing the appropriate investment strategy. The goals that the company wants to achieve within the next few years are short-term, and the goals that it wants to achieve within the next five to ten years are medium-term goals. What is more than that are long-term goals. The length of time gives the company greater flexibility to take on a higher amount of risk in order to achieve more returns. The shorter the time required to achieve the investment objective, the less comfortable the company will feel to take high risks, as the investor does not have enough time to compensate for any realized losses. That's why the length of time that accompanies long-term investment goals has helped the company to tackle more risk-driven investment strategies by focusing on investments that allow for significant scope for growth. The short time associated with short-term investment goals, on the other hand, pushes the company to focus on conservative investment strategies with low risk levels that may not produce significant returns. If the company adopts medium-term goals, it must combine high and low-risk investments at the same time. Over time, the company's long-term goals turn into short-term goals. It is therefore important that the company's financial advisor re-evaluates the company's investments each year to measure how much progress has been made, and to decide if it is time to adjust the company's investment plan goals by shifting some investments from high-risk investments to conservative and low-risk investments.

Market-based ratios

First of all, we will shed light on the company's liquidity ratios, as creditors and banks are interested in the ratios of the company's ability to pay in the short term by studying the relationship between the elements of current assets and current liabilities, and the reason for the interest is that the company's ability to pay its obligations in the short term is a good indicator in judging its ability to pay obligations in the long term, and one of the most important elements of liquidity ratios is working capital, as it represents the increase in current assets over current liabilities and given the list of The financial position of the company We find that the working capital in 2007 has reached 507.27 million riyals compared to 208 million riyals at the end of 2006, which means an increase in the company's ability to pay its obligations in the short term and the performance of this rate is good during the year 2007 when evaluated independently and it is noted from the positive that the company does not use short-term debt in order to finance long-term assets As for the current ratio, which shows the degree of coverage of current assets for current liabilities, after analyzing the statement of financial position The company, we find in 2007 has reached 166% compared to 140% at the end of 2006, which means an increase in the company's ability to pay its urgent obligations, and the performance of this rate is good during the year 2007 when read as a single number without comparing it with other elements due to the current assets covering current liabilities fully and the presence of a reasonable surplus in anticipation of any matters that require financing, but the company may encounter emergency matters that require rapid financing, and then we must know the amount of the rapid repayment rate that shows the degree of coverage of current assets For current liabilities when excluding inventory and analyzing the statement of the company's financial position, we find that the rapid repayment rate in 2007 has reached 71% compared to 56% at the end of 2006, which means an increase in the company's ability to pay its urgent obligations without having to sell quantities of inventory in order to provide liquidity and the performance of this rate is good during the year 2007 as it has exceeded 50% with a good margin, which is the reasonable percentage that must be available as a minimum to face any sudden commitment and with regard to management efficiency ratios (turnover rates) This group of ratios is interested in showing the extent to which the company's management uses the financial resources available to it and control them, the most important of which is the inventory turnover rate, which shows the speed of movement of commodity inventory during a certain period and by analyzing the income and financial position statements, we find that the company's inventory turnover rate has reached 3.9 times for the year 2007 while it was 4.5 times in 2006, which indicates a difficulty in the discharge of goods compared to the previous year, which reduces the period in which the goods flow into money in order to benefit from liquidity More and more effectively, it was also found that the average storage period has increased to 116 days after it was 92 days in 2006, which indicates the high cost of storage compared to the previous year, but the performance of this rate is excellent during the year 2007 due to the speed of rotation of goods and the frequency of rotation several times during the year, and its decrease from the previous year does not mean its lack of quality. With regard to the rate of asset turnover, this rate shows the efficiency of management in investing the resources available to the company in current assets and the extent of the contribution of These assets in realized sales and by analyzing the income and financial position statements, we find that the company's asset turnover rate reached 3.0 times for the year 2007 while it was 3.8 times in 2006, which indicates a lack of efficiency in investing the resources available to the company in current assets and a decrease in the contribution of assets to net sales compared to the previous year, but it is considered the performance of this rate well during the year 2007 away from the issue of growth or not between two years and tracking the turnover of working capital, which shows the extent of efficiency in The use of working capital We find that the turnover rate of the company's working capital in 2007 has reached 10.5 times while it reached 18.5 times in 2006, which means a decrease in efficiency in the use of working capital during the year 2007 compared to the previous year. Mostly long-term loans and the interest resulting from them, the most important of which is the ratio of total liabilities to total assets, which shows the ratio of the contribution of liabilities in financing assets and by analyzing the company's financial position statement, we find that the ratio of total assets to total liabilities in 2007 has reached 52% compared to 50% by the end of 2006, which means an increase in the contribution of liabilities in financing assets a very small increase, and this results in a slight increase in the fixed burdens borne by the company compared to the previous year and an increase in the risk that Creditors may be exposed to it when compared to this ratio at the level of activity to which the company's projects belong, and it is noted that this ratio is almost stable during the past three years, which means that the risks are fixed at a certain limit, which reflects the stability of the company's financing policies, which gives a kind of reassurance to investors, and the performance of this rate is not good during the year 2007 due to its relative high As for the ratio of total liabilities to shareholders' equity, this ratio shows the extent of dependence On liabilities as a source of financing compared to internal sources of financing (shareholders' equity) and by analyzing the statement of the company's financial position, we find that the ratio of total liabilities to total rights in 2007 has reached 107% compared to 99% at the end of 2006, which means an increase in the extent of reliance on liabilities as a source of financing and an increase in the risks that creditors and shareholders may be exposed to compared to the previous year, and the performance of this rate is not good during the year 2007, and do not forget the debt ratio, which shows the amount of net Loans charged to the company as a source of financing to shareholders' equity By analyzing the company's financial position statement, we find that the debt ratio in 2007 amounted to 82.3% compared to 71.8% at the end of 2006, which means an increase in the loans charged to the company for the year 2007 and thus an increase in the risks that creditors and shareholders may be exposed to compared to the previous year, and it is noted here that the company relies on liabilities and loans significantly, which is the only negative thing in the company's financial indicators, and we move on in our analysis of the company's financial indicators To the profitability ratios, which is one of the main criteria for evaluating the performance of any company, the most important of which is the ratio of net profit to total assets, which shows the efficiency in the use of assets, i.e. what represents the profit return from investment in assets, and when analyzing the company's income statement with the statement of financial position, we find that the ratio of net profit to total assets has reached 13% in 2007 compared to 14% for the year 2006, and the performance of this rate is good during the year 2007 when read as a single number without comparing it with other elements followed by The rate of return on rights, also called the rate of return on invested funds, has reached in the year 272007% compared to 28% in 2006, and the performance of this rate is good during the year 2007 when read independently and notes the stability of the rate during the past three years, and this ratio is not important in itself unless it is compared to the same ratio in other companies.

With regard to the ratio of net profit to net sales, this ratio shows the amount of profits achieved against each unit of net sales (net profit margin) and is used in determining the selling price of the unit and by analyzing the company's income statement, we find that the ratio of net profit to net sales has reached 18% in 2007 compared to 17% for the year 2006 and the performance of this rate is good during the year 2007, but in terms of talking about earnings per share, this measure is the optimal measure used when comparing The performance and effectiveness of the company since a year For another It discloses the amount of effectiveness achieved by the management for each share (value) invested, which is what We can't recognize it. When comparing total income for two years, the fact that the total income when it grows may not reflect the extent of increasing the effectiveness of management because this Increase Resulting from the increase in invested capital and looking at the income statement, we find that the return per share amounted to 6.12 riyals (share for the year 2007 compared to 4.65 riyals) share for the year 2006, which reflects an increase in efficiency in the management of invested capital, and leads us to talk about the return per share to address the earnings per share repeater, which measures the rate of recovery of invested capital through the profits achieved as a result of his investment. Close Last Wednesday, 22.5 times, this repeater is less than the sector's repeater of 21.3 and less than the market as a whole's profit repeater of 21 times, but it is an acceptable repeater if we take into account that it is one of the growth companies and that the future profit repeater will decrease as profits growth increases. (أبانمي، 2008)

Section III Recommendations for improving the work of the company

Commitment to attract, develop and retain a diverse and motivated workforce. Promote a positive work environment where everyone is part of growth, where life and work are determined by company values. Forming an internal culture centered on employee progress and development, and making this process continuous and firmly established in the company, provide constructive guidance to promote a work culture. And work to provide employees with the best possible working conditions to ensure respect for their rights. Commitment to ensuring that employees have the best possible training and development opportunities, and to be able to reach their full potential. I also hope to offer a wide range of benefits and rewards designed to reward employees for their dedicated work and dedication to the company.

And also provide a comprehensive training policy covering all aspects of training. This includes a training needs assessment, training plan, training delivery, training evaluation and onboarding of new staff. It also covers educational assistance for employees, study leave, summer and cooperative training programs. Use a structured and systematic talent management program to select and develop employees for important business roles within the company. With the development of succession planning for the upper level (direct subordination to the CEO).

Establishing an academy and college with the aim of developing leadership skills for all administrative levels. With local and international service providers to ensure that its employees receive best-in-class leadership development programs. And to promote its internal culture. Creating and designing the initiative to promote and strengthen a culture of collaboration, respect, innovation and excellence. The Academy also encourages its employees to take responsibility for their own development and continuously strive for excellence. The Academy also provides a platform for employees to share their ideas and experiences to enhance their professional development. Focus on the following values:

We develop: with all initiatives that demonstrate individual and collective growth and progress within the company culture

We care: All employee-focused activities and initiatives

We enable: Any activity learns and train employees and charitable initiatives that help move our employees and the company forward

We celebrate: all festive events inside and outside the company

Maintain employee engagement, motivation and satisfaction

Work on a competitive rewards framework designed to enhance the broader business strategy by attracting, retaining and motivating employees to deliver outstanding performance. While providing a wide range of activities that seek to instill a flexible work culture that encourages productive and healthy work-life balance, employee retention, and opportunities for personal and professional growth. These rewards include recognitions and rewards such as the annual service award, special day celebrations such as National Day, social outings and trips, and health opportunities Wellbeing through discounted gym membership and other indoor events, training and e-learning opportunities, leadership opportunities such as our Future Leaders Program, employee satisfaction and engagement surveys, electronic outreach, mobile application to receive the latest company news and employee discounts and special offers, opportunities to support the community through blood donation events and small home business in collaboration with government institutions, recreational facilities such as sports and recreation facilities in our factories, personal recognition and mails. Festive mail for all employees.

Section IV Recommending a new investment project for the company

The company wants to expand its business through an investment project, but cannot capitalize 40% through private capital.

Calculation of net present value

It is the present value of all expected cash flows for an investment minus investment costs. If the sum of the present values is positive, i.e., greater than zero, this means that the gains cover the investment expenses, so the project is profitable. The investment is rejected if the sum of the present values is negative or equal to zero.

The criterion is also used to differentiate between projects where the project with the greatest net present value is preferred.

Formula:

Net present value = cash flows from investment (deducted at present value) – investment costs

To get the present value of future cash flows, the discount rate must be used. The discount rate can be the bank interest rate, cost of capital, or rate of return that can be earned on alternative investments.

The current value can be calculated using an Excel spreadsheet (NPV function)

Such as:

Intend to invest $10,000,000 in a project

1 – According to the study, this investment will bring the following future cash flows: $2,000,000 the first year, $3,000,000 the second year, $4,000,000 the third year and finally $ 5,000,000 in the fourth year.

2 – As a discount rate, the interest rate on borrowing is 3%

3 – Based on a 3% interest rate, we will discount the project's cash flows to determine their current value:

2,000,000/ (1 + 0.3)1 + 3,000,000/ (1 + 0.3)2 + 4000000/ (1 + 0.3)3 + 5,000000/ (1 + 0.3)4 = $12,873,000

4 – Net present value: 12873000-10000000 = 2873000 $. Since the net present value is positive, the investment is worthwhile

Retained earnings

It is the profits that the company achieves, and does not distribute them to shareholders, either with the aim of investing them in new business or to pay outstanding debts, or to distribute them to investors at a later stage.

After the companies calculate the net profits, and distribute part of it to shareholders according to the number of shares they own, a part remains in the companies' accounts, where they add it to the retained earnings from previous years, resulting in "total retained earnings".

Companies usually invest retained earnings in new projects, meaning they won't have to resort to costly external financing. These retained earnings are not included in the financial statements of companies in the asset statement, as they are in cash flows.

Retained earnings are not necessarily "cash", if the value of retained earnings is 2,873,000 riyals, and the company buys a building worth 5,000,000 riyals, the value of retained earnings does not change, so it remains at 2,873,000 riyals. While private money is useless for that, and perhaps the following comparison illustrates that

Retained earnings consist of the following significant advantages:

Retained earnings are beneficial for expansion and diversification while private funds to raise capital

Retained earnings are considered one of the least expensive, unlike own funds

There is no fixed obligation If companies use equity financing, they have to pay dividends and if companies use debt financing, they have to pay interest. However, if the company uses retained earnings as sources of financing, there is no need to pay any fixed obligation to pay dividends or interest.

Retained earnings allow financial structure to survive

Share value increase: When a company uses retained earnings as funding sources for their financial requirements, the cost of capital is much cheaper than other sources of funding; hence the share value will increase.

Avoid overtax: Retained earnings provide opportunities to evade excessive taxes in a company when it has few shareholders.

Increased earning capacity Retained earnings consist of the lowest cost of capital and are best suited for those companies seeking to diversify and expand.

As mentioned, the dominant comparison of retained earnings has certain disadvantages and disadvantages:

Misuse: Management by manipulating the value of shares in stocks the market can abuse retained earnings.

Leads to monopolies: Excessive use of retained earnings leads to monopolization of the company's position.

Overcapitalization: Retained earnings lead to increased capitalization, because if the company uses more and more retained earnings, resulting in insufficient source of funding.

Tax evasion: Retained earnings lead to tax evasion. Since then, the company has been reducing the tax burden through retained earnings.

Dissatisfaction: If the company uses retained earnings as sources of funding, the shareholder cannot receive more profits. Therefore, the shareholder does not like to use them

Retained earnings as a source of funding in all cases.

Section V Decision to pay dividends of return yes, or no?

Dividend is the dividend yield distributed by a company when it receives extraordinary benefits. It is paid by distribution of shares, not cash. Sometimes, you may choose to pay part of the dividends in cash and the other part in the form of shares in the company.

Return on Equity

The rate of return on equity measures the ratio of a company's profit to its total equity. This rate is calculated by dividing the company's net profit by the total shareholders' equity.

Return on Equity	=	Net profit
		Total Shareholders' Equity

Based on our data

The apparent earnings per share are therefore 3.7%. Note that the higher the share price, the lower the apparent profit per share. Using the above data, the shares rose to SAR 63 per share, the profit will drop to 3.25%.

The problem for investors is that if a company's apparent earnings are low compared to other companies in its field, it could mean two things: either means that the company's share price is high because the market considers the company to have huge growth expectations and little interest in income,

or it means that the company cannot afford to pay large dividends.

Here, from the financial analysis of the company, we expect tremendous growth for the company, as it does not care about income, and this is a positive indicator, and I see that the confidence of customers and investors increases if we distribute part of the profits in cash and the other part in the form of additional shares in the company, and here we explain what this process may lead to.

The company gained the confidence of customers and investors by distributing cash per share 1.25 percent of the dividend, and it also enhanced the aspect of attracting new investors in its diversity by distributing dividends.

As for the distribution of bonus shares or split shares, here they differ, the first is with the company's keenness that the bonus share price is not less than or equal to 63 riyals per share and to benefit from this in investing in new projects.

The second, which is the retail, is to increase the capital or to buy shares or to pay debts, and here the company must maintain that the share is divided less than two-thirds of the share, for example, if the share price is 63, the best is where its price after the split is 40 and not less.

Types of dividends of the company are of several types:

The distribution of dividends on the account is the most famous, which is paid in cash in full.

Supplementary profit return when companies decide to add an additional payment to the fixed return.

Increase is the dividend return distributed by companies when they get extraordinary advantages.

Dividends When it is paid by distribution of shares and not in cash. Sometimes, some listed companies choose to pay part of the dividends in cash and the other part in the form of shares in the company. (Admirals، 2023)

Conclusion

We have reached the conclusion of this research, which I hope I succeeded in putting forward and working on with its topics and discussions, I learned a lot and learned more in financial management.

In fact, I really thank the faculty members of the CEO biasness school Center for their support and putting me a lot and a lot in this task and the material from the concept of financial management in its diversity, implementation, analysis, drafting reports, studies and evaluation ... and many more.

Thank you, CEO biasness school.

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We plan to do .... And we work for goals that are achieved .... To reach impressive results.

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