

FEEDING SAUDI ARABIA



Abdullah Al Othaim Markets Company is a leader in the foodstuffs industry in both the retail and wholesale sectors with 256 branches across Saudi Arabia. As part of its ambitious expansion plans, the company has added an additional 45 branches in Egypt since 2016.

The company's growing presence ensures that it's close to its customers wherever they are and positions it to seize the opportunities presented by a growing economy and rising incomes among all sections of society, including women and young people. Al Othaim reinforces its engagement with these customers through its social media campaigns.

The company's listing on the Saudi Exchange has served to enhance its reputation and underpin its governance standards, attracting increasing interest from both local and international investors. In response, it is seeking to provide customer care at the highest international standards and the lowest possible cost. For example, the company has developed e-commerce technology and its Iktissab loyalty program reaches 3.9 million people.

With food security an important part of national development aspirations, Al Othaim Markets Company has an important part to play. And as a major employer with branches in every city across the Kingdom, it aims to help develop the Saudi workforce. The Al Othaim Academy Institute, for example, provides free training for young Saudis who want to work in retail.

Abdullah Al Othaim Markets company has received international recognition both from the International Organization for Standardization (achieving ISO 22000: 2005 and ISO 9001: 2015) and from Forbes magazine, which rated it among the 100 most powerful companies in the Middle East. Forbes also ranked Al Othaim 45th among the largest companies in Saudi Arabia and first in the foodstuff retail sector.

Abdullah Al Othaim Markets Company

www.othaimmarkets.com

Year company founded: 1980

Number of employees: 15,700

Market capitalization: SAR 11.052 billion

256

Branches across Saudi Arabia

Abdullah Al Othaim Markets Company – In focus

Abdullah Al Othaim Markets Company is a Saudi joint stock company and the largest central market chain by sales in the KSA. In 2019, Forbes Magazine ranked the company 90th among the 100 most powerful companies in the Middle East. The magazine estimated the market value of the company in 2019 by \$1.9 billion. Abdullah Al Othaim Markets owns more than 256 branches in the KSA including hypermarkets, supermarkets, and corners, and 45 branches in the Republic of Egypt. The company has a large customer base and drew more than 78 million shoppers in 2019, helping it reach a sales volume of SAR 8.16 billion.

Al Othaim company activities

The company is active in the wholesale and retail of food and consumer goods through three main distribution outlets represented in the wholesale, retail, and corners. Also, the company manages and operates recreational centers and invests in lands through its subsidiary company, Al Othaim

Abdullah Al Othaim Markets Company is the largest food retailer in Saudi Arabia, according to Forbes



Investment and Real Estate Development. The company's strategy is to increase its branch network to cover most regions of the Kingdom and provide services to everyone while emphasizing high quality and fair prices.

A 40 year track record

1980 - 1989: early years

Abdullah Al Othaim Markets Company was established on May 21, 1980 with a capital of SAR 400,000 by Abdullah Al Othaim. It was an extension of the Saleh Al Othaim Trading Establishment, which was founded in 1956 by the late Sheikh Saleh Al Othaim and opened its first location in the heart of the commercial business area in the village of Al Gusman at Al Batha, and started doing business in trading of foodstuffs. During this period, Abdullah Al Othaim expanded the company by opening branches for wholesale and retail sale, turning Abdullah Al Othaim Markets Company into one of the leading companies in this industry.

1990 – 1999: Further expansion

The largest turning point in the company's history occurred in 1990 when the number of stores reached 17. At that time, the system of consumers' wholesale trade was applied in all of the company's stores, and as a result, Al Othaim rose to the top of its field.

1992: Evolution and growth

In 1992, Al Othaim opened large warehouses with international standards to support the company's growth and development across its expanding footprint. The construction of these warehouses, which were equipped with the most modern dry and cold storage capabilities, coincided with an increase

in the company's supply of distribution vehicles in order to strengthen customer service and facilitate more cooperation with suppliers.

The company is continuing its expansion strategy by opening additional stores across the Kingdom, in line with an integrated goal of providing distinguished, comprehensive services to all clients. In 1998, the company began diversifying its activities by entering the commercial complexes sector and the family entertainment sector.

2000 - 2009: Holding and Joint Stock Company

Abdullah Al Othaim Markets became a limited liability company as it continued to achieve high growth rates, which reflected the success of the company's strategy. In 2006, it became a holding company, and in 2008, the company was listed in the the Saudi Exchange. Abdullah Al Othaim Real Estate Investment Company plans, markets, and operates large commercial complexes under the name "Al Othaim Mall." Al Othaim Holding Company owns the largest amount of shares in the two companies.

2010 - Present:

[In 2010,] Abdullah Al Othaim Markets began opening commercial chains to sell foodstuffs in Egypt. 45 branches have opened so far as part of the plan to expand the construction of a supermarket chain store called "Abdullah Al Othaim Markets" in Egypt. During this period, the company increased the amount of branches in the Kingdom of Saudi Arabia, reaching 256 branches and covering most of the regions of the Kingdom.

Products:

Marketing Universal Center is one of Al Othaim's branches. It registers competitively priced products that are packaged locally and internationally, including:

- Hali
- Sheer
- Prof
- Zad Al Watan
- Victo
- Rex
- Saffori
- Abo Fahad

Central bakeries:

The bakery is one of the company's most important departments, meeting the needs of customers and providing Al Othaim with a strong competitive position. Thanks to providing the best products at the best prices, the bakery draws a high rate of repeat visits from loyal customers.

Zoud factory:

The Zoud factory is one of the leading Saudi factories that processes and packages fresh food. Located in Riyadh, the factory imports, processes, packs, and sells raw material to local markets. More than 100 food items are produced and wrapped in the factory to serve the needs of Al Othaim customers. All raw material imported by the factory meet global and Saudi standards, and all processes are handled by professional technicians under laboratorial supervision and a quality assurance team. The manufacturing operations conform with the best industrial practices from around the world.

Zoud Factory for Food Industries, which is headquartered in Riyadh, is considered one of the pioneering factories in the fresh food industry. The factory imports, manufactures and sells food that it packs and wraps in fresh materials. The factory meets the fresh food requirements for the clients of Abdullah Al Othaim Central Markets in the Kingdom of Saudi Arabia under the motto "From the farm to your dining table."

More than 100 food items are produced and wrapped in the factory using modern machines and advanced technology, and all raw materials used in production in the factory can be used internationally as edible materials according to Saudi specifications and standards. The production process is carried out under the supervision of a chemical and biological analysis laboratory, which continuously monitors the raw materials to ensure they conform with internationally approved specifications. The laboratory also monitors the factory's products during and after the production process to ensure proper manufacturing processes and avoid errors.

Divisions and production lines:

Currently, there are three main divisions of production and packaging in the factory, with one division under construction. The divisions include:

1. The Meat Division

The meat division in the Zoud Factory manufactures a variety of processed and chilled frozen meat products, such as burgers, minced meat products, and mortadella. The process in the meat division meets the highest standards of safety and quality.

2. Spices and Nuts Division

In this division, several types of nuts are roasted and spices are grinded to make new mixtures of spices. The division also packs a wide range of legumes and ground spices.

3. The Vegetables and Fruits Packing Division

Vegetables and fruits are packed after they are sorted and selected for quality. The fruits and vegetables are stored in the factory warehouses with appropriately cold temperatures.

4. Jam and Honey Division

Factory line is currently under construction.

Marketing programs

The Iktissab Loyalty Program is a way in which Abdullah Al-Othaim Markets Company expresses its appreciation to its customers for choosing Al-Othaim Markets. Through the program, customers earn cash amounts added to the card as a balance that can be used in the future for each purchase from Abdullah Al-Othaim Markets retail and wholesale outlets. Customers earn an amount of SAR 2 against each SAR 100 they spend in retail outlets, and SAR two against each SR 1,000 they spend in wholesale outlets. The card is free with no subscription fees, and can be obtained online. Currently, there are around 3.9 million active customers in the Iktissab Loyalty Program.

Social Responsibility

Al Othaim companies offer a group of social responsibility programs, including:

- Al Othaim Training Academy
- Special Need Support Program
- Iktissab Loyalty Program
- Visiting patients in hospitals
- Parent Care Campaign
- Charitable support through charitable cards
- Donate the change
- Sanabel Al-Khair Card
- Fight Smoking
- Environment preservation

