

## FOOD FOR THOUGHT



Founded in 1977, Almarai has grown exponentially to become the largest vertically integrated dairy company in the world, and the largest producer and distributor of food and beverages in the Middle East. After more than 40 years of sustainable growth, Almarai continues to cement its leading position by providing nutritious and healthy products to consumers under the slogan of 'quality you can trust'.

Almarai Company

[www.almarai.com/en/](http://www.almarai.com/en/)

Year company founded: 1977

Number of employees: 41,000

Market capitalization: SAR 54.9 billion



Abdullah Albader  
Chief Executive officer, Almarai

### Journey of growth

Abdullah Albader, Almarai's Chief Executive Officer, said that the company has diversified its product portfolio to include juices, pastries, and poultry under the major brand names Almarai, L'usine, 7DAYS and ALYOUM. Meanwhile, Almarai operates successful joint ventures with Chipita and PepsiCo. "Almarai has expanded its operations into new products and geographies. Consequently, it was able in a relatively short period to gain leadership in many sectors," he added.

"Currently, Almarai provides more than 600 products and reaches more than 42 million consumers on daily basis within the GCC countries in addition to Egypt and Jordan," Mr. Al Albader said. "Due to the slowdown in the market since 2016, the company has focused on improving the existing asset base to benefit from the integration model on which Almarai has built."

*Almarai stands for  
quality you can trust*



Regarding the company operating model, the CEO of Almarai said, "We are in the process of defining the Almarai operating model for the future which will be more aligned with new consumers and market realities." He added, "Currently, focus on costs and efficiencies, both operational and financial, are driving our action. Growth opportunities are constantly studied."

"Almarai's vision is to continue to be the leading Food and Beverage company of choice for the Middle East, and excel in corporate governance, local employment, operating standards, sustainability, and food security agenda," Mr. Albader explained. "Almarai has become the leader in nearly every single segment it has chosen to operate in, either through organic growth or acquisitions."

### Innovation and business development

"Consumers are our underlying growth and success factor," CEO of Almarai said. "Therefore, the needs and wants of the consumer will remain the main growth driver for Almarai."

"Business development can only be achieved if innovative and quality products are constantly provided to the consumers at the right time, the right place and at an affordable price," Mr. Albader added. "For these objectives to be met, innovation should constantly respond to the changing needs of consumer which requires the ability to manage, interpret and optimize big data related to market and consumer trends."

"Adapting go-to-market strategies based on the e-commerce solutions became essential to ensure that the new ways of service are properly and efficiently met," he remarked.

"Our innovation pipeline always has around 50-70 innovation ideas on average, as we are adopting the latest technologies to support innovation and cement its leading position," Mr. Albader explained. "Almarai has been ranked among the world's 2017 most innovative companies by Forbes," he proudly mentioned.

### Food industry prospects

"The next big thing in our industry will be the contribution of AI in all its aspect from farm to factory operations with automation solutions and from warehousing to stock management," Almarai's CEO predicted. "I believe the opportunities to revamp our industry structure and approach are endless."

"By keeping pace with the seismic technological changes in the food industry including automation and manufacturing next generation, Almarai will ensure to not just maintain cost leadership but continue to offer healthy and nutritious choices to the company's consumers in the coming years," he added.

Referring to the impact of technology the factory operations have seen recently Mr. Albader said, "5 years ago, a packing line used to have +100 employees, while 3 robots and 5 operators are now doing nearly double the role with much more ease. Similar examples are available in CPP3, our most advanced dairy plant, where technology changes are changing the way we receive, process, and pack our food products."

"The next age of automation, Manufacturing 4.0 is full of these opportunities and we believe the future, in the true sense of the word, is exciting," he added.

### Sustainability

"We are the first food company in KSA to publish a sustainability report in 2018, it listed our achievements for all ESG targets," Almarai's CEO said, speaking of sustainability. "Our first solar started operations in Q3 last year in Al-Kharj as a first step of many more to come".

"We believe our businesses are now more resilient & sustainable and every future step on this journey, it further re-confirms our commitment and contribution to this higher cause," he added.

***Almarai is ranked as the No.1 FMCG brand in the Middle East and North Africa region***

# 42 million

## Consumers reached on a daily basis

Mr. Albader affirmed the importance of balancing the needs and expectations of stakeholders to delivering on company's commitments and maximizing shared value creation. "Almarai engages in regular dialogue with its consumers and investors through various communication channels to ensure they consider and respond to their needs and expectations," he added.

Almarai regularly opens some of its manufacturing facilities to the public. Tours of the company's facilities offer an important opportunity to engage directly with the consumers and educate them about the company and its production processes. Almarai invites schools, families and interested individuals to visit the factories, and even offers free bus services, as well as lunch to the guests.

About the Kingdom's vision and Almarai's contribution in realization of the vision, Mr. Al Bader said, "Almarai realizes its role as a market leader in sustaining food security in the Kingdom therefore, the company provides tools to play an effective role in the vision's realization by providing food and beverage products, participating in the development of the non-oil economic sector through its own investments in KSA and abroad."

### Human element

With regard to the human element, Mr. Albader affirmed Almarai's commitment to enhancing the quality of the workforce while directly contributing to the Kingdom's socio-economic development."

Almarai launched variant initiatives for Saudi nationals, including the Dairy & Food Polytechnic (DFP), Almarai Graduate Professional Training Program, and the Almarai Future Leaders Program received increasing investment and support.

"These schemes are at the heart of the company's effort to build a workforce of the future, to develop and retain high-flying talents, and to create opportunities for professional Saudi nationals," CEO of Almarai said.

"Almarai continued to focus on succession planning and leadership development as a core component of the company's five-year strategic plan," Mr. Albader explained. "As part of Horizon Project, which has been in place since 2016, Almarai focuses on internal talent selection and development to build a pool of successors who may be able to take over from today's senior leaders."

Priding Almarai's team, Mr. Albader said, "Due to the unique career opportunities Almarai offers, the company managed to form a team that has the quality, diversity, and resilience despite its large size and geographical reach, Almarai has remained a family for all of its employees." He added, "With dedication, the level of sophistication and advancement of Almarai processes and systems are such that they constitute a fabulous training ground."

Concluding his speech, Mr. Albader affirms that Almarai's relentless endeavor to provide the best every day is rewarded annually by leading many of opinion research and customer satisfaction ratings.

"Almarai received GIFA's award for the best global sukuk program, Global Capital's second best sukuk issuance in the Middle East, MEIRA award for Leading Corporate for Investor Relations and MEIRA Best Investor Relations Award and best annual report," Mr. Albader said. "Almarai was also listed by Forbes magazine among 2019 world's top regarded companies and ranked by YouGov among top food companies with respect to brand health".