

TAKING PRIDE IN OUR BRAND'S HOUSEHOLD LEGACY



Established in 1976, Saudia Dairy & Foodstuff Company (SADAFCO) is one of Saudi Arabia's leading food manufacturers, sellers, and distributors with operations across the Middle East. For more than 40 years, SADAFCO has developed, produced, and marketed a portfolio of quality products while nurturing consumer loyalty across generations.

Saudia Dairy & Foodstuff Company (SADAFCO)

www.sadafco.com

Year company founded: 1976

Number of employees: 2,534

Market capitalization: SAR 5.68 billion



Wout Matthijs
CEO, SADAFCO

"We take great pride in our legacy as a well-loved household name and trusted brand in the FMCG sector," says Wout Matthijs, CEO at SADAFCO. "We look forward to entering a new phase of growth and success, supported by our consumers, employees, partners, and stakeholders."

SADAFCO attributes its long-term success to brand loyalty, market agility, innovation, and a dedication to developing the talent. In a competitive, fast-moving market, SADAFCO has delivered a Total Shareholder Return of over 17 percent for over 10 years, and prides itself on its ability to innovate and adapt to new forces shaping the consumer market.

One of the primary drivers of SADAFCO's growth has been its strategic geographical positioning within the GCC. An advantageous position for market access, it has enabled the business to more than double in size. Matthijs plans to gradually expand the company's footprint internationally through "consistent, profitable growth" and driving market exposure both regionally and internationally.

We don't achieve results based on individualism, rather teamwork



1st

Saudi company to install solar panels to lower energy consumption

Recognizing the vital importance of corporate governance, the company has worked diligently to be transparent and inclusive, holding itself to a high standard of accountability. For example, SADAFCO pays all employees in similar roles the same amount, regardless of gender. Matthijs notes, "Collaborative thinking, strategizing, and working has been vital in driving SADAFCO's exponential growth and we recognize the key role played by every member of our team in this success story."

SADAFCO's support of Vision 2030 is underpinned by a commitment to investing in the education, engagement, and training of emerging local talent with a particular emphasis on developing technical skills and capabilities.

"We believe that by driving education and skills development, we can look forward to a generation of individuals who contribute not only to the success of the company, but of the Kingdom," says Matthijs.

"Female empowerment is a key part of our agenda as we continue to welcome women in various roles across the organization and business divisions," he adds. "We recognize their contribution to SADAFCO's growth and success, and that they have played an outstanding role across management, production, innovation, and operation."

Sustainable business practice lies at the heart of SADAFCO's operational ethos and is part of the company's forward-looking strategy to minimize its environmental impact while delivering long term

economic growth. SADAFCO is one of the first Saudi companies to install solar panels to lower its energy consumption and is currently working toward installing a full roof of solar panels at its Jeddah Central Warehouse. It also continues to develop and innovate processes as part of its dedication to efficient waste management during production.

“As the Kingdom matures, sustainability must be a key part of every business’ agenda,” adds Matthijs. “SADAFCO has pledged to build its strategy around sustainable practices and continue to leverage the expertise of our employees and partners to drive sustainable practices and methods across all areas of our business.”

Saudia Dairy & Foodstuff Company (SADAFCO) is dedicated to satisfying customer needs with its delicious and nutritious food while also maximizing shareholder value. SADAFCO has put a strategic plan in place to accelerate profitable growth across Middle East markets by expanding to new businesses and channels while strengthening the Saudia brand and driving cost efficiency. SADAFCO is also undertaking additional projects to drive growth such as ICT innovation, automation initiatives, and training and development programs.

Headquartered in Saudi Arabia, SADAFCO has operations across the Middle East and is well known as a leading and trusted food manufacturer, importer, and distributor. SADAFCO’s brand portfolio is led by its flagship “Saudia” brand, which is carried by a substantial portfolio of its fast-moving consumer goods (FMCG) products. The company is the market leader in ice cream and tomato paste categories in the Kingdom and has achieved strong market performance for milk.

SADAFCO focuses on innovation and diversification in every element across the value chain, continually implementing the latest technology to ensure it remains at the forefront of development. The company has maintained a robust infrastructure, bolstered by maintenance programs and capital investments including state-of-the-art distribution and warehousing centers. The company acquired a 76 percent stake in Mlekoma Group, a Polish milk powder producer, capturing an excellent vertical integration opportunity.

In line with Saudi Arabia’s Vision 2030 goal of diversifying the Saudi economy, SADAFCO is strengthening trade ties with key markets globally. SADAFCO is focused on shaping the evolving food industry in Saudi Arabia and dedicated to driving sustainable practices through talent development, developing the expertise of Saudi nationals, both male and female, across all business operations. This

17%

Annualized shareholder returnover the last 10 years

effort involves initiatives such as a training program developed in partnership with the Higher Institute for Water and Power Technologies, which is designed to attract young nationals to the industry.

Rich History of Market Leadership in the Food and Dairy Business in the Kingdom of Saudi Arabia

Established in 1976, Saudia Dairy and Foodstuff Company (SADAFCO) is a leading world-class food manufacturer, distributor, and marketer in the Middle East region. Based in Saudi Arabia, the company is a market leader in Saudi Arabia in milk, tomato paste, and ice cream, marketing its core products under the flagship “Saudia” brand. Formed as a joint venture among Saudi, Kuwaiti, and European dairy companies, SADAFCO became a publicly-listed company on the Saudi Exchange in 2005.

Strong Brand & Customer Trust and a Diverse Product Portfolio Have Been the Backbone of SADAFCO’s Continued Leadership Position

SADAFCO’s portfolio includes more than 128 products marketed under the Saudia, Crispy, and Baboo brands and sold across the region. During the past five years, SADAFCO has expanded its product range with new launches in the dairy category, including breakfast cream, cheese, butter, powdered milk, and fortified children’s milk, as well as ketchup, and frozen French fries categories.

SADAFCO is a market leader in the UHT milk segment with a market share of 62 percent and over 32 percent in the plain milk category. SADAFCO also enjoys a market leadership position with a 50 percent share in the tomato paste category and close to over 26 percent share in the ice cream category in Saudi Arabia.

Saudia brand continues to command a price premium of more than 10 percent above the industry average in milk and tomato paste categories, illustrating the resilience and strength of the Saudia brand, which has been a trusted and favored brand among Saudi nationals across generations for 40+ years.

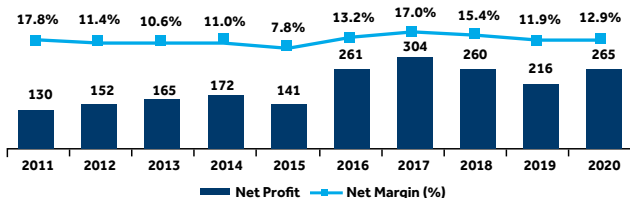
World-class Manufacturing Operations and Wide Distribution Network

SADAFCO has three International Standards Organization (ISO) 22000:2005 accredited factories in Jeddah and Dammam that produce the bulk of its product portfolio. SADAFCO continuously focuses on ensuring all its manufacturing facilities are automated and aligned with latest international standards and equipped modern machinery.

SADAFCO has a wide distribution network with warehouses and depots across Saudi Arabia supported by a large fleet network, ensuring it is always able to meet customer demand. SADAFCO has recently made significant investments to strengthen its supply chain management system by revamping its warehouses, delivery vehicles, and logistics. This has improved its ability to supply to traditional grocery stores helping to penetrate local shops and further enhance its market share.

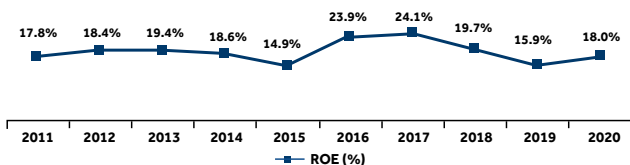
Record of Consistent Profitability and Value Creation for its Shareholders

Supported by strong regional shareholders and an experienced management team led by CEO Waltherus Matthijs, SADAFCO has experienced organic growth and a strong and consistent record of profitability.

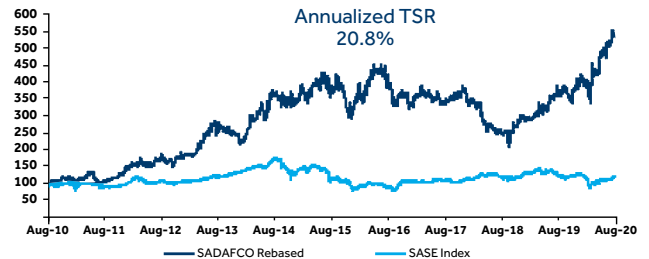


Without debt and strong cash position, SADAFCO remains well positioned to consider growth through strategic acquisitions, should opportunities arise. SADAFCO recently purchased a milk powder manufacturing facility in Poland. This vertically integrated business offers both an option to purchase key raw materials from an in-house source, if the prevailing price is attractive, and better cost management vis-à-vis potential global raw material price movements, thereby enhancing its gross margins.

SADAFCO has maintained a double-digit Return on Equity (ROE) over the last decade and has been a significant return generator for its shareholders over the long run.



Further, SADAFCO has a long-standing dividend payment history, making it a preferred investment for its shareholders. It has consistently delivered value and has a Total Shareholder Return (TSR) exceeding 17% p.a. over the last 10-year period.



Bloomberg Adjusted share prices, rebased to 100. Prices for SADAFCO assume reinvestment of dividends

Strong governance and values driving performance make SADAFCO a “first-choice” investment in the food processing business in Saudi Arabia.

