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Almarai Company announces the approval by its Board of Directors of its five-year business plan for the period 2018 – 2022

Almarai Company is pleased to announce to its shareholders that the Board of Directors of the Company has, during its meeting held on Wednesday evening of June 7 2017, carried out a review of the five-year plan for the period 2018-2022.

The Board of Directors has approved the plan that confirm the progresses made by Almarai to reinforcing its position as the consumers' preferred choice for superior, nutritious Food and Beverage products in the Arab world.

In its core businesses of Dairy, Juice and Bakery, Almarai will continue execute its defined strategies and action plans expanding its market presence beyond its traditional retail channels.

The Board of Directors reviewed the performance of the Poultry category that will achieve a break-even this year, and the Infant Nutrition category that should also break-even by 2018. For both business units the future plans should lead to a sustainable profitable situation for the coming years. The performance of the Dairy and Juice businesses in Egypt and Jordan (managed through the Joint-Venture International Dairy and Juice- IDJ) had been affected by the situation in the region and particularly in Egypt, but the Board has confirmed its commitment to this venture.

The plan forecasts a compound annual growth rate for sales approximately 7% pp, a reduction from last year plan. As a result, a particular focus on efficiency and cost optimization measures to provide Almarai appropriate resources to win in an increasing competitive environment and an increasing cost basis will be central themes for the next 5 years.

The capital investment foreseen during the period 2018 - 2022 is estimated to be SAR 12.5 billion, also a reduction from last year plan, and will focus on replacement of existing assets; improvement of production capacities and capabilities in farms and manufacturing facilities; distribution and transportation facilities; extension of geographical footprint; the enhancement of innovation and product development capabilities.

The Board of Directors reviewed the successful progresses of the Central Processing Plant 3 in Al Kharj which should be fully commissioned during the second half of 2017, as already announced in the Annual Report 2016, and will provide Almarai with a state-of-the-art manufacturing facility for dairy and juice products.

This investment program will be financed from operating cash flow, as well as taking advantage of finance resources available at banks, the SIDF, the ADF and Sukuk programs.