

Main Transactions, Investments and Other Events

Almarai sets forth transformational five-year investment strategy to strengthen its market leadership

On 18 March 2024, Almarai's Board of Directors approved a comprehensive five-year strategic plan, concluding in December 2028. The plan is designed to foster sustainable growth, maximize sales, and improve financial performance across all business segments. It prioritizes critical enablers, including supply chain optimization, brand enhancement, innovation, sustainability, operational efficiency, technological advancement, and human capital development, to ensure its successful execution.

The strategic plan involves an ambitious investment exceeding ₪ 18 billion, earmarked for various initiatives, many of which are already in progress. Approximately ₪ 7 billion will be allocated to expanding poultry operations, ₪ 5 billion to strengthen core product categories (Dairy, Juice and Bakery), ₪ 1 billion to entering new high-potential food segments, and ₪ 4 billion to improving supply chain and sales capabilities to support local and regional growth. Furthermore, ₪ 1 billion will be directed toward accelerating technological innovation, reflecting Almarai's commitment to driving progress. These investments will be financed entirely through the company's operational cash flows over the next five years.

The Board of Directors is confident in achieving these ambitious objectives, supported by well-defined strategies and actionable plans aimed at reinforcing the company's strategic pillars. The Board remains dedicated to mobilizing all necessary resources to ensure the plan's success.

Aligned with Saudi Arabia's Vision 2030, this strategic roadmap and its investment program reflect Almarai's belief in the food industry's crucial role in advancing food security across the Kingdom and the region while creating long term value for shareholders.

Since its founding in 1977, Almarai has consistently delivered on its promise of producing high-quality products that not only meet but exceed consumer expectations, ensuring its continued position as the preferred choice in its target markets.

Acquisitions

Etmam Logistics

Following the announcement made on 5 December 2023, Almarai Company confirmed the successful completion of its acquisition of Etmam Logistics on 19 May 2024, for a total consideration of ₪ 182 million.

This strategic acquisition strengthens Almarai's ability to serve its customers across Saudi Arabia with an expanded portfolio of frozen products. It bolsters the Company's Foodservice capabilities by enabling a wide range of product offerings, accelerating growth in the Poultry segment, and supporting the future expansion of its ice cream, Bakery and other frozen categories.

Hammoudeh Food Industries (Jordan)

On 7 October 2024, Almarai Company announced the signing of an agreement to acquire 100% ownership of Hammoudeh Food Industries through its subsidiary, Teeba Investment for Developed Food Processing Company. The total value of the transaction is ₪ 263 million, subject to potential adjustments. Hammoudeh Food Industries is a prominent dairy and cheese producer with over five decades of established presence in the Jordanian market.

This acquisition strengthens Almarai's foothold in Jordan and aligns with its overarching growth strategy unveiled earlier in 2024, aimed at achieving sustainable growth in core markets and regions. By integrating Hammoudeh Food Industries into its operations, Almarai aims to enhance its regional customer service, expand its product offerings and optimize efficiencies in Jordan to support increased sales and profitability.

The deal will be funded through Almarai's internal cash resources. Completion of the transaction is contingent upon meeting certain contractual requirements and securing necessary regulatory approvals in Jordan.