

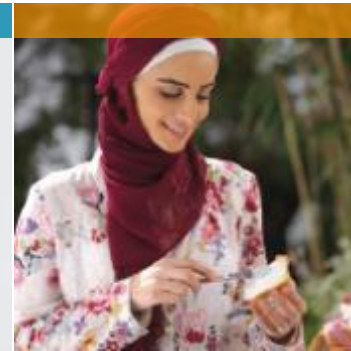


## Investor Presentation



- Evolution of SADAFECO
- Key Milestones
- Shareholding Structure
- Management Team
- Strategy
- SADAFECO Positioning
- SADAFECO Strategy: Recent Growth Initiatives
- Product Portfolio
- Key Products: SADAFECO Market Share
- Manufacturing Facilities
- Distribution & Supply Chain Network
- Financial Overview
- Product Profile Analysis
- Benchmarking: Regional Peers
- Saudi Arabia F&B Market
- Q2'19-20 Review

## Evolution of SADAFCO





Established in 1976 with the formation of Saudi Danish Dairy Company, a joint venture between Saudi businessmen (48%), Kuwaiti businessmen (48%) and Danish Turnkey Dairies (4%)

Commercial production of Ultra High Treatment (UHT) Milk at the Jeddah factory commenced in 1977

The Company acquired the Saudi Danish Dairy Company of Riyadh in 1987

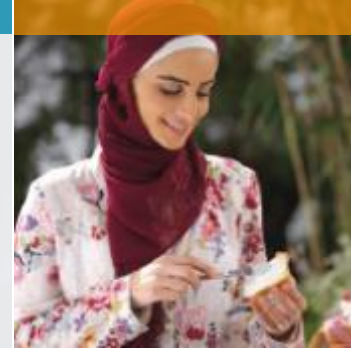
Merged with Gulf Danish Dairy Company and Medina Danish Dairy Company, and formed SADAFCO in 1991

Since the early 1990's, in addition to milk-related products including ice cream, the Company has expanded its product range with the introduction of tomato paste, cheese and snacks

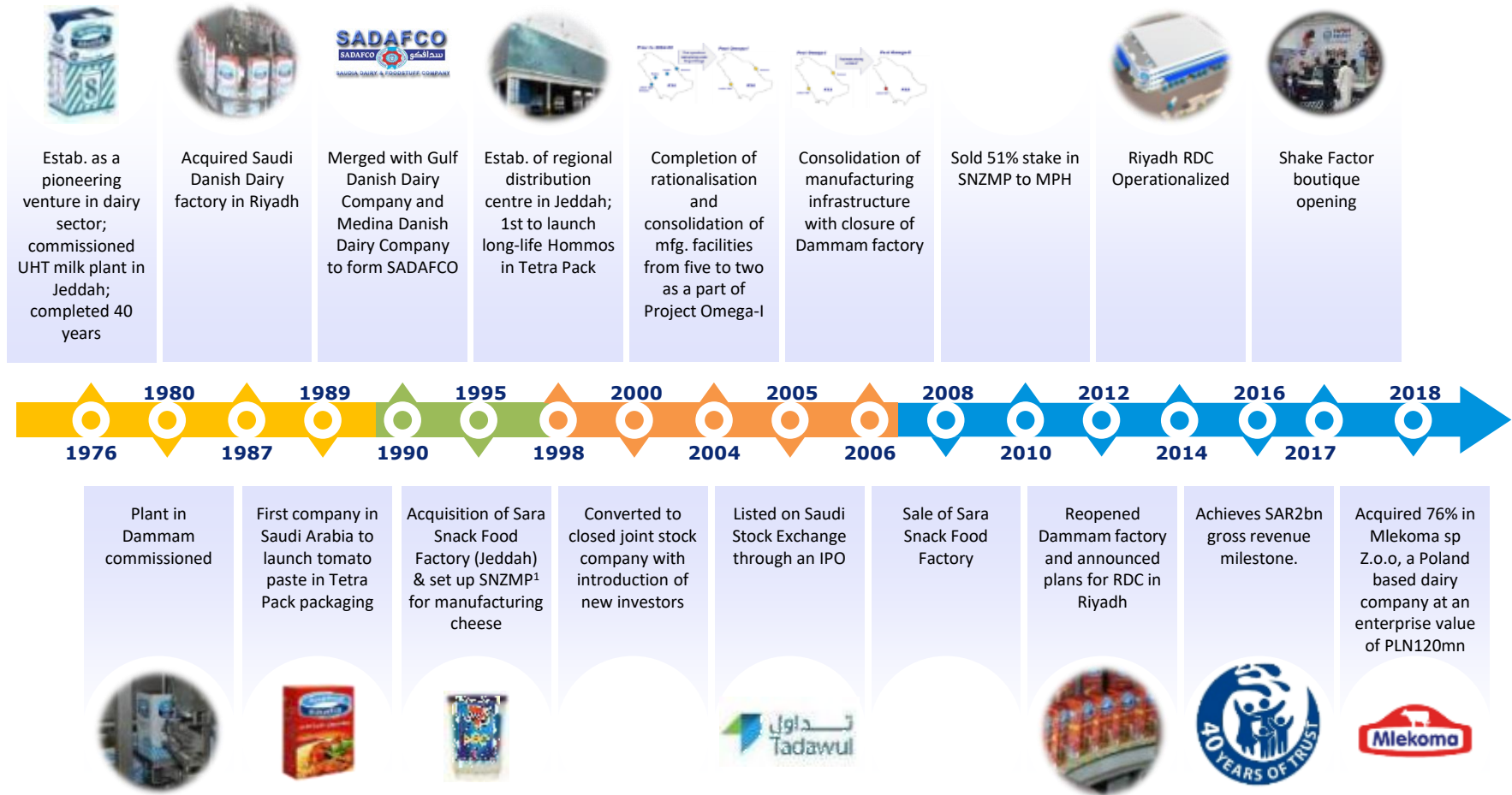
Since its incorporation, the Company has expanded its product range to become a significant player in the Saudi food and dairy market

The Company currently holds the highest market share in UHT milk, tomato paste carton & is the market leader in ice cream in Saudi Arabia. It also has a growing presence in the snacks market

## Key Milestones



# Key Milestones



1. Saudi New Zealand Milk Products Limited – a JV with Milk Products Holdings (MPH), a subsidiary of New Zealand Dairy Board (NZDB)

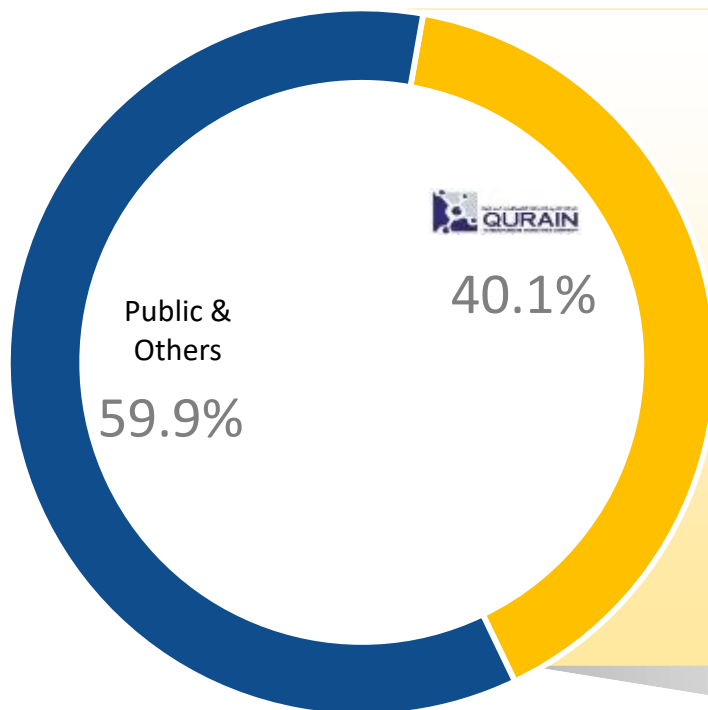


## Shareholding Structure



## Shareholding

(as of 31<sup>st</sup> Oct 2019)

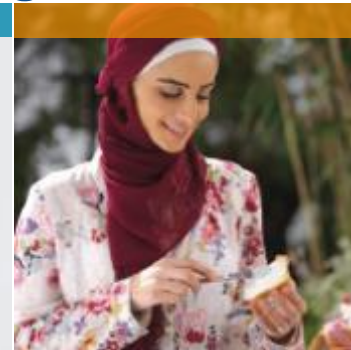


- Qurain Petrochemicals Industries (QPIC) is the largest shareholder of SADAFCO
- QPIC, incorporated in 2004, is a private sector holding company in the energy, petrochemical, food and related sectors
- QPIC is an associate of KIPCO group, which is one of the biggest diversified holding companies in the Middle East and North Africa. KIPCO Group has assets of around USD 34 billion under management or control
- KIPCO and QPIC both are listed on the Kuwait Stock Exchange

Source: Tadawul Stock Exchange



## Management Team



# Directors and Management Team

## Board of Directors

**HH Sheikh Hamad Sabah Al-Ahmad**  
*Chairman*



**Faisal Hamad Mubarak Al-Ayyar**  
*Vice Chairman*



**Saied Ahmed Saied Basamh**  
*Director*

**Abdullah Yaqoob Bishara**  
*Director*

**Suleiman Saud Al-Jarrallah**  
*Director*

**Mussad Abdullah Al-Nassar**  
*Director*

**Ahmed Mohamed Hamed al Marzouki**  
*Director*

## Management Team

**Wout Matthijs**  
*Chief Executive Officer*

**Ian Gowlett**  
*Chief Financial Officer*

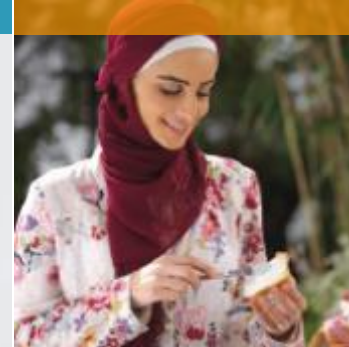
**Raffael Reinders**  
*Director, Supply Chain*

**Devasheesh Singh**  
*Director, Sales & Distribution*

**Paul van Schaik**  
*Director, Organizational Development*

**Shehzad Altaf**  
*Director, Marketing*

## Strategy

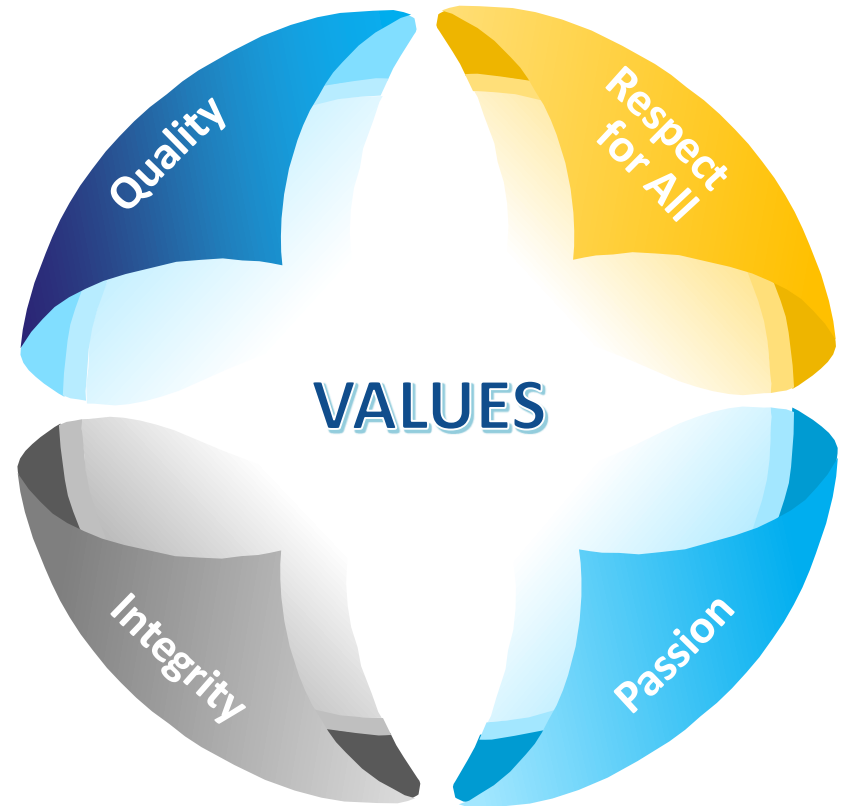


## VISION

To be the *Brand of Choice*

## MISSION

Develop, produce and market a range of nutritious food propositions for all age groups and create maximum shareholder value through teamwork





# SADAFCO Strategy: Recent Growth Initiatives



## Jeddah Central Warehouse (JCW)

A central warehouse being built at Jeddah which will manage further growth efficiently through effective warehouse management

## Jeddah Factory

Ongoing expansion (since 2014) of the existing factory at Jeddah which will further increase capacity and drive operational efficiency through automation

## Riyadh Regional Distribution Center (RRDC)

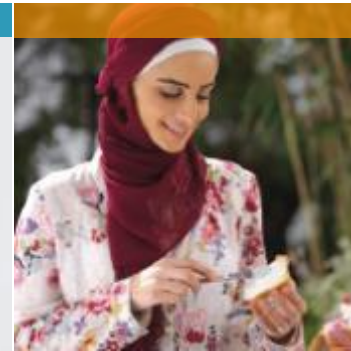
The Riyadh RDC, which currently serves as sales depot for Riyadh and also as the redistribution center for ice cream for the Eastern & Central Region

## Mlekoma

The acquisition of Mlekoma would contribute towards delivery of powdered raw materials and blended semi-finished goods mixes for SADAFCO's use



## Product Portfolio



# Product Portfolio: Evolution/ Expansion





## Ice Cream



## UHT Milk

- UHT Milk - Whole, Low Fat, Skimmed, Gold Milk
- Flavored Milk
- Date Milk
- Milk Powder
- EVAP
- Laban



## Tomato Products

- Tomato Paste
- Organic Tomato paste
- Tomato Paste Sachet
- Ketchup
- Fiery Ketchup



## Cheese Products

- Feta Cheese
- Processed Cheese – Triangles



## Snacks (Crispy)

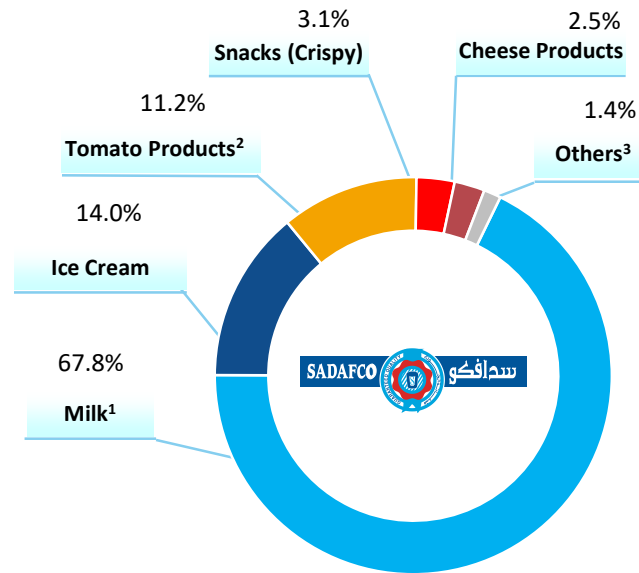


## Other Products

- Butter
- French Fries
- Jump
- Cream
- Majestique
- Soy Drink
- Still Water
- Juices
- Growing-up



## Net Sales Contribution By Category



- Milk is the single largest contributor to company's Net Sales (67.8% share)
- SADAFCO has the highest market share in KSA's Plain UHT milk market of 62.3% as of Sept'19
- Ice cream and Tomato products are other major contributors; Ice Cream contributes 14.0% to Net Sales, and Tomato products contribute 11.2% to Net Sales

<sup>1</sup> Milk includes Plain, Flavored, Junior, Milk Powder, EVAP and Laban

<sup>2</sup> Tomato Products include Tomato Paste and Ketchup

<sup>3</sup> Others include Cream, French fries, Butter, Drinks Junior, Majestique, etc.

# Key Products: SADAFCO Market Share

## Key Categories

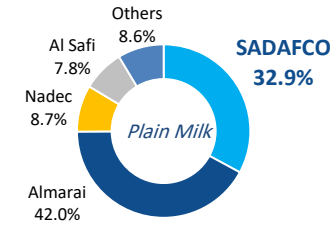
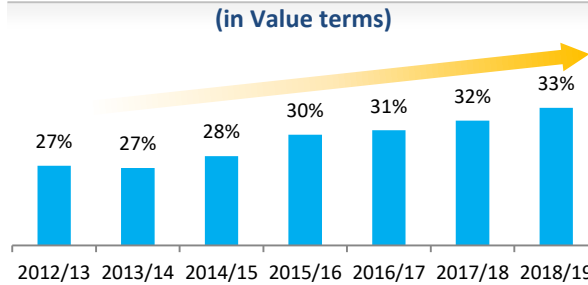
## Evolution of SADAFCO's Market Share

## Market Shares (Sept '19\*)



Plain Milk<sup>#</sup>

<sup>#</sup>Includes Fresh and UHT Plain Milk

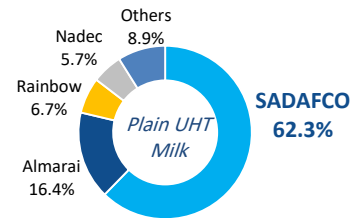
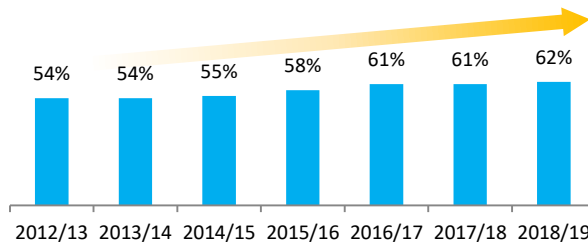


Current Market Share MAT\*

**32.9%**



Plain UHT Milk

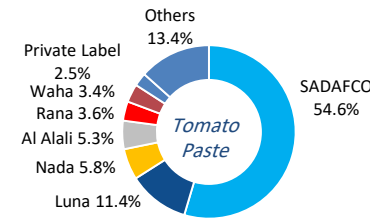
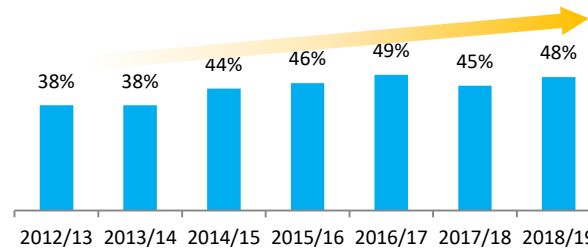


Current Market Share MAT\*

**62.3%**



Tomato Paste

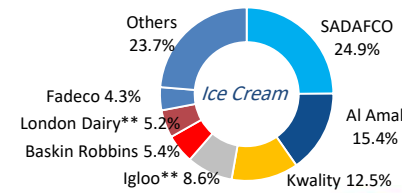
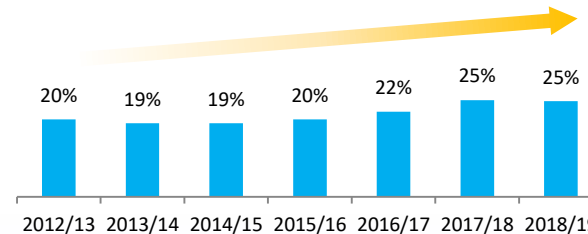


Current Market Share MAT\*

**54.6%**



Ice Cream



Current Market Share MAT\*

**24.9%**

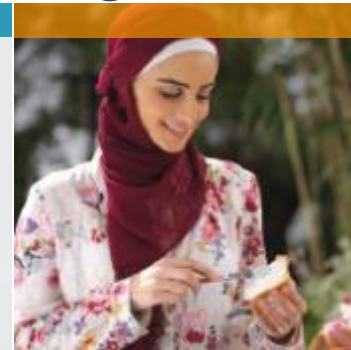
Source: Nielsen Data

\*Market Share Nielsen Data Sept'19

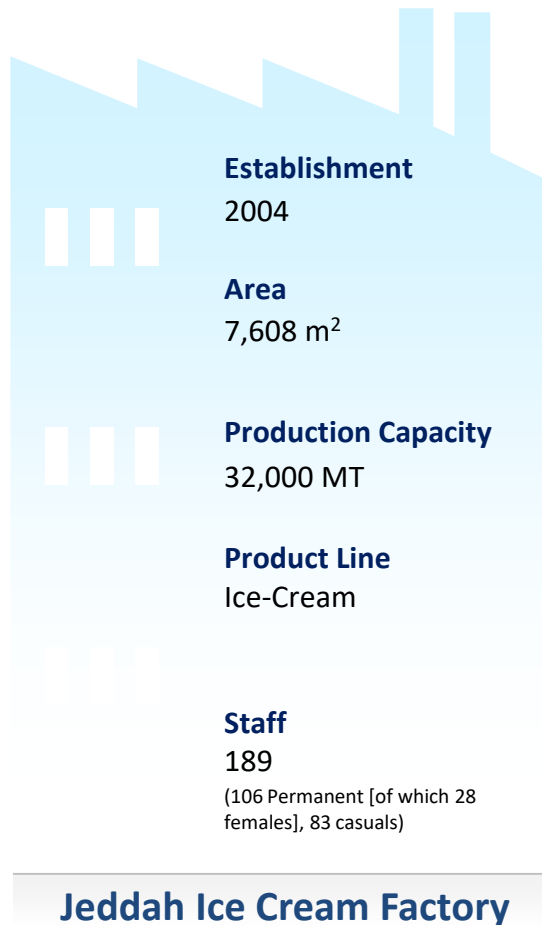
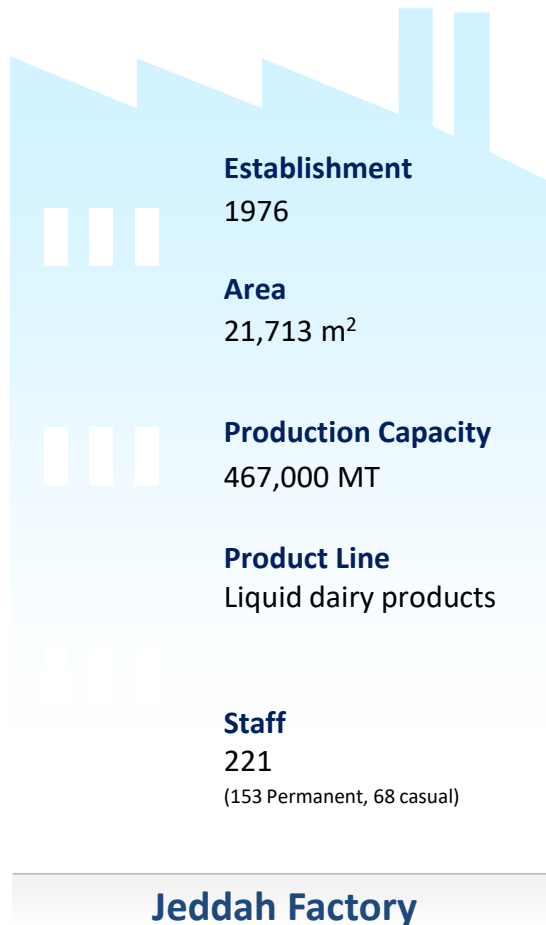
\*\*part of IFFCO group



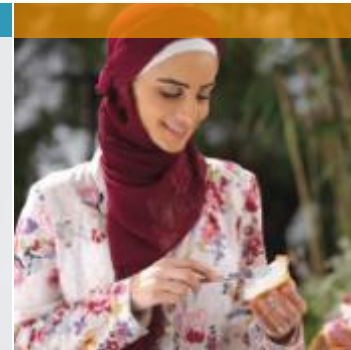
## Manufacturing Facilities

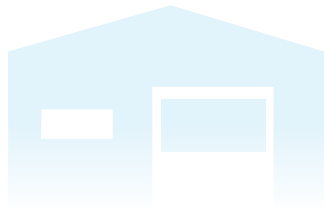






## Distribution & Supply Chain Network





## JCW - Jeddah Central Warehouse

### Establishment

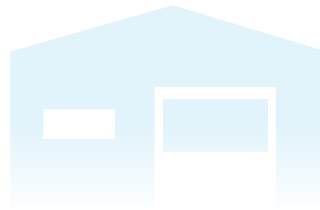
Fully operational in Q1 - 2019

### Built up Area

32,600 sq. mt

### Storage Capacity

42,400 pallets



## JRDC - Jeddah Regional Distribution Center

### Establishment

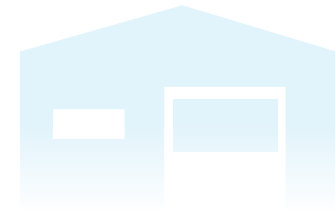
Built in 1996, extended in 2006

### Built up area

14,136 sq. mt

### Storage Capacity

7,920 pallets



## RRDC - Riyadh Regional Distribution Center

### Establishment

March 2015

### Built up area

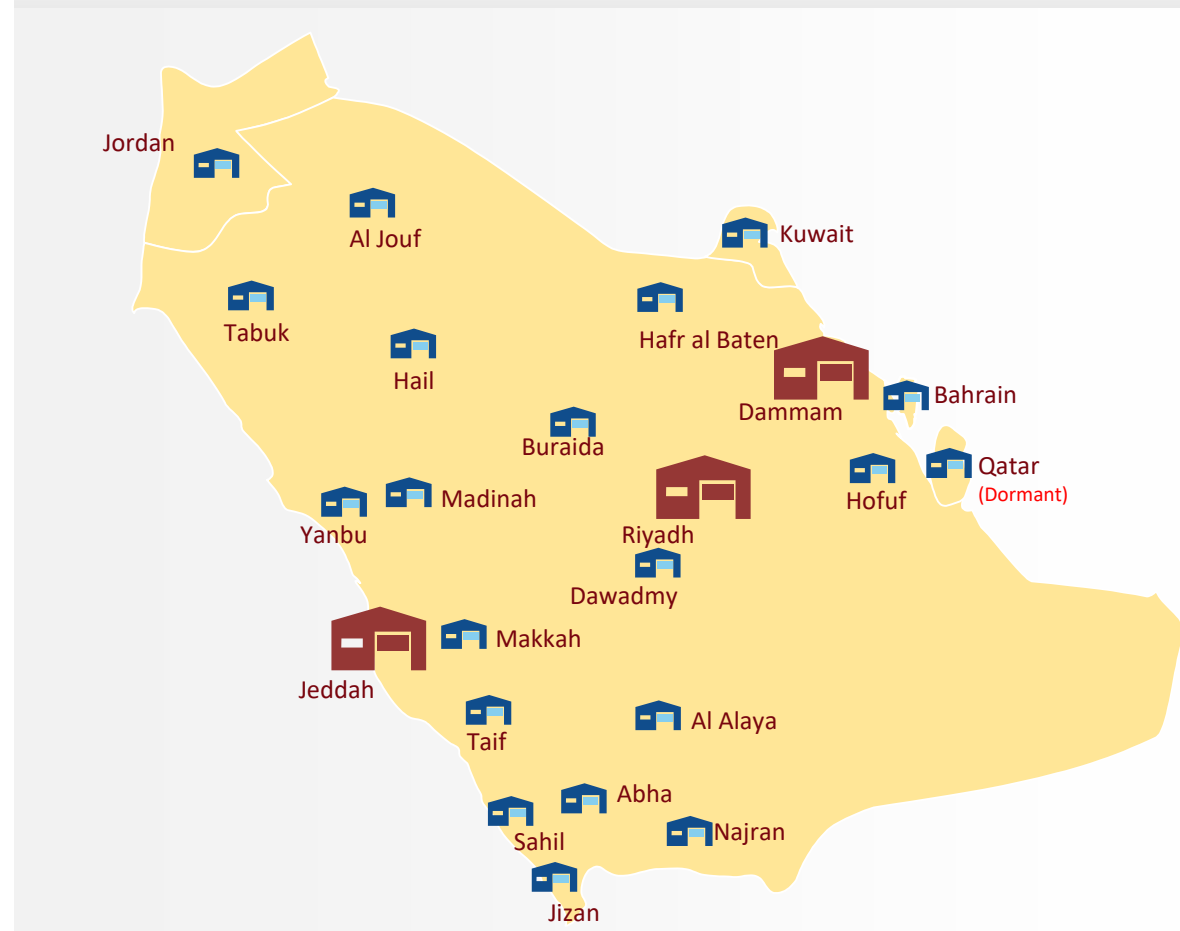
14,680 sq. mt


### Storage Capacity

17,815 pallets

- From the factories in Jeddah and Dammam, finished products are shipped to the Jeddah Central Warehouse and Regional Distribution Centers in Jeddah, Riyadh and Dammam plus 20 other distribution warehouses in Saudi Arabia, Gulf and Jordan
- Distribution centres have ambient & frozen storage infrastructure along with requisite transportation and distribution facilities
- SADAFCO operates ~554 routes delivering to a regional retail network of over 32,088 outlets across the Arabian peninsula, monitored via hand held technology

## SADAFCO Distribution network – List of distribution depots



 Regional Distribution Center

 Distribution warehouses in Saudi Arabia and the Gulf

# Established Distribution Network – Fleet



## Primary Distribution

64 Long distance Tractor Heads and trailers covering KSA, Jordan, Bahrain and Kuwait.  
6 Shuttle trailers moving product from and raw material from factory to warehouse.

## Secondary Distribution

On-route sales fleet of 803 Sales Trucks (ambient and refrigerated)

### Fleet Productivity:

Primary = 800,000 Km /Month

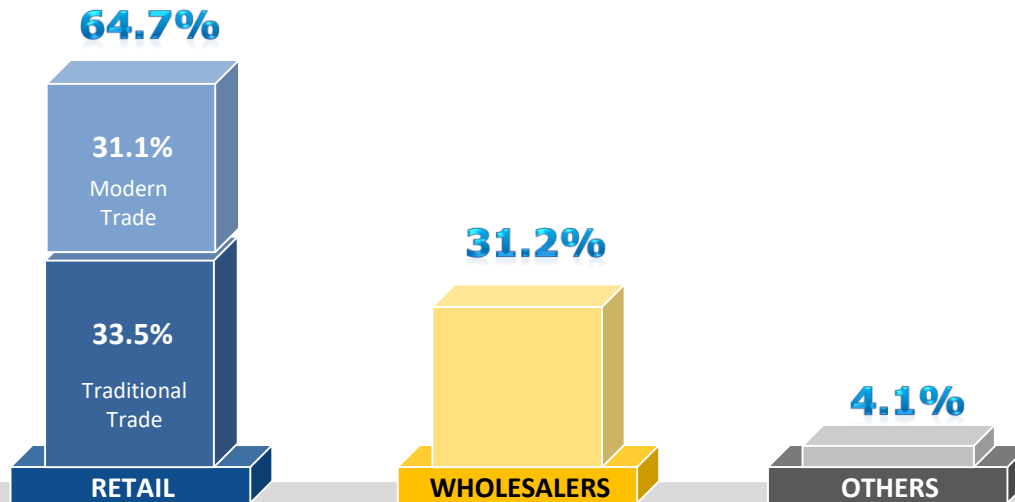
Secondary = 2.2 Mln Km /Month

In order to enhance the distribution efficiency, the company has replaced 62 Sales trucks and added new 32 additional units for new Frozen business in 2018/19



## Distribution Format

% of Net Sales 2018/19



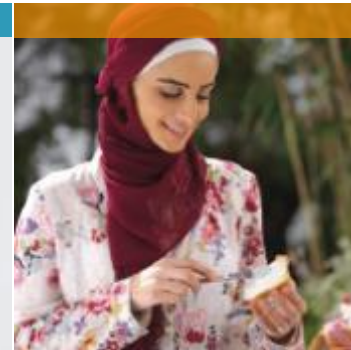
Traditional Trade & Wholesalers continue to dominate ...  
...with organised formats gaining importance

Regional retail network of over 32,088 outlets  
across Arabian peninsula

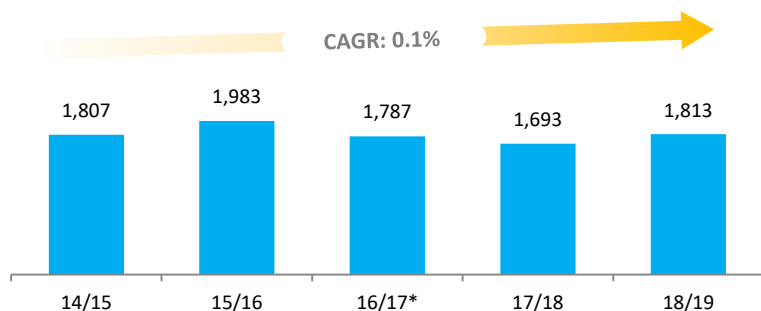




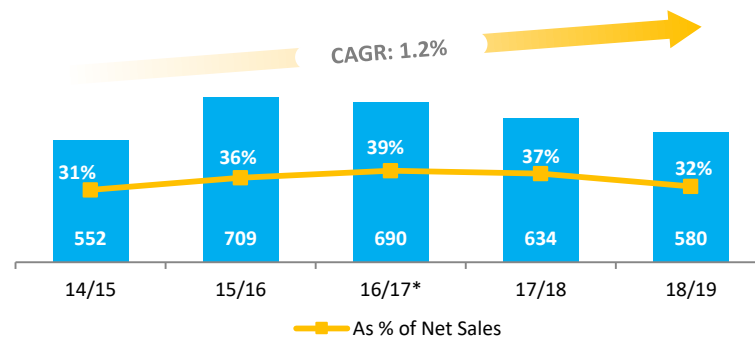
## Financial Overview



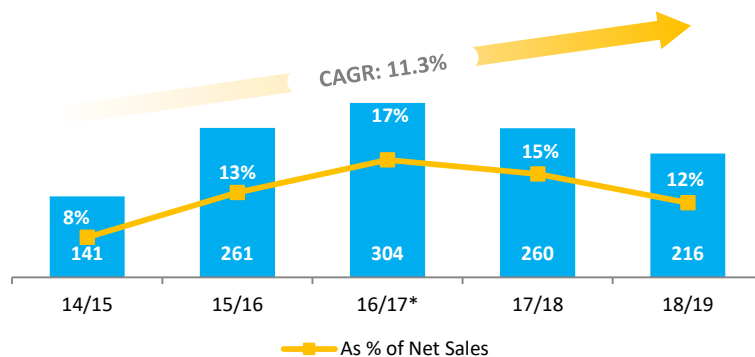
## Sales SAR mn



## Gross Profit SAR mn



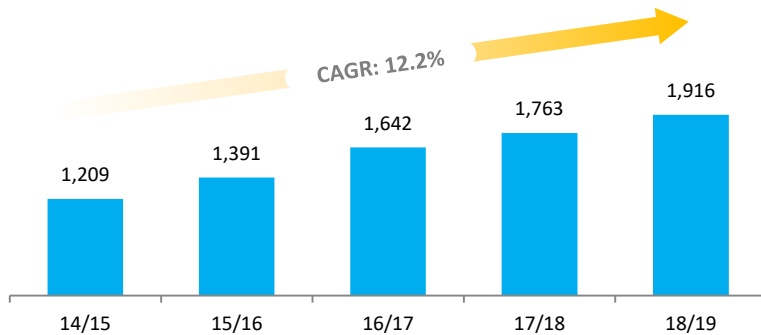
## Net Profit SAR mn



\* Income Statement for FY16/17 has been reclassified as per IFRS

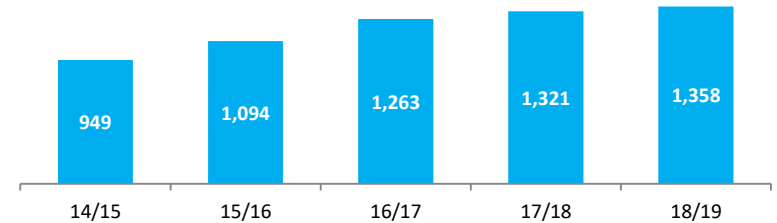
## Steady Asset Base...

SAR mn



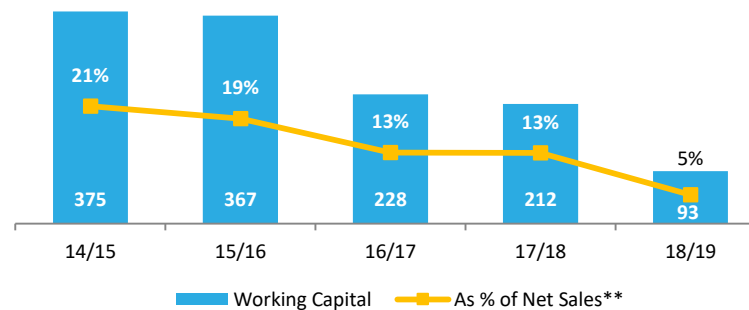
## ...built by Internally generated funds

SAR mn



## Working Capital\*

SAR mn

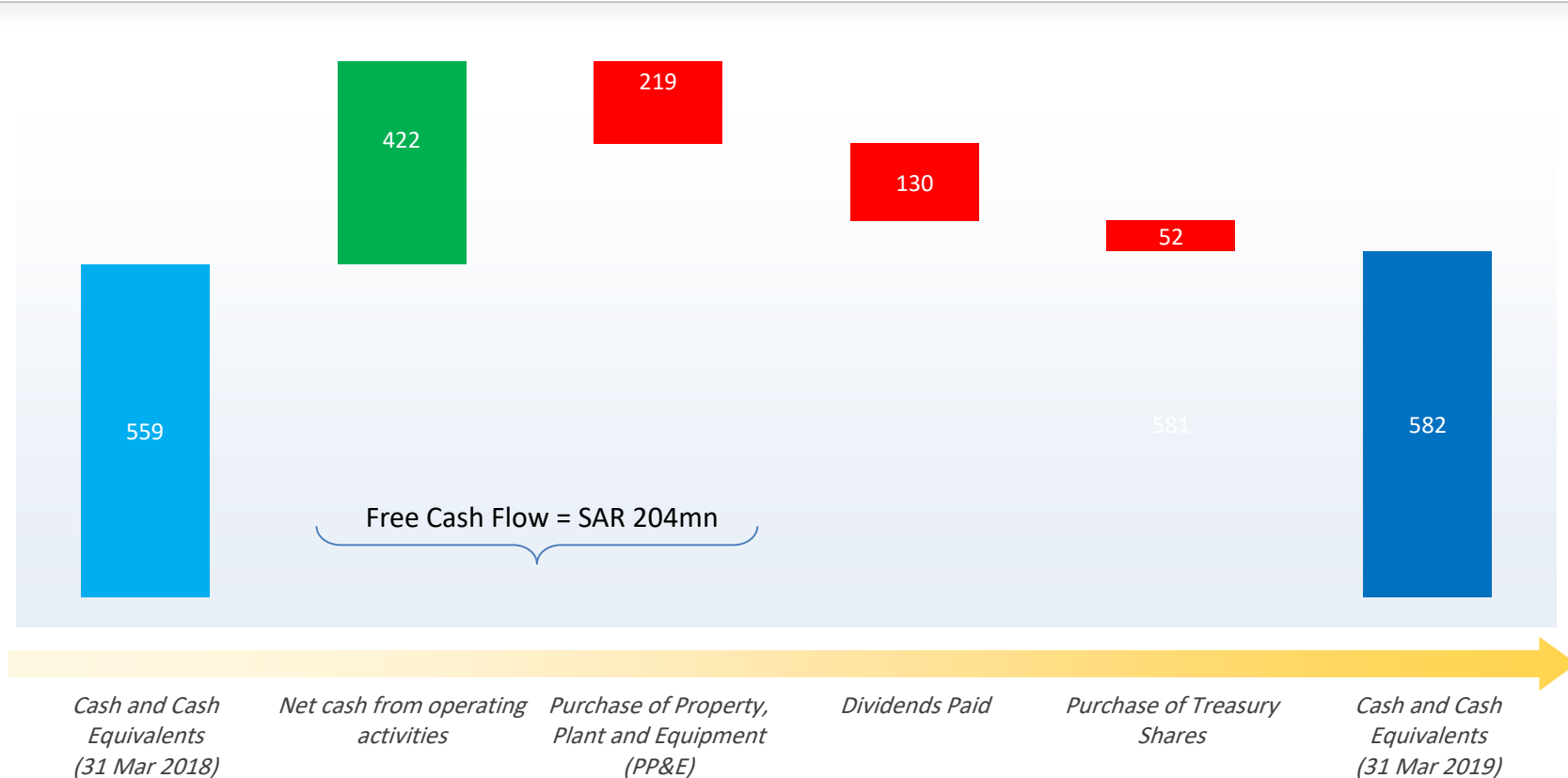


Note: \*Working Capital calculated as Current Assets net of Current Liabilities.  
 Current Assets: Accounts receivable + Inventories + Deposits, prepayments & other current assets  
 Current Liabilities: Accounts payable + Due to related parties + Accrued zakat + Dividend payable +  
 Accruals & other current liabilities  
 \*\*Rolling 12-months net sales

# Cash Flow Summary

## SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 31 Mar, 2019

SAR mn

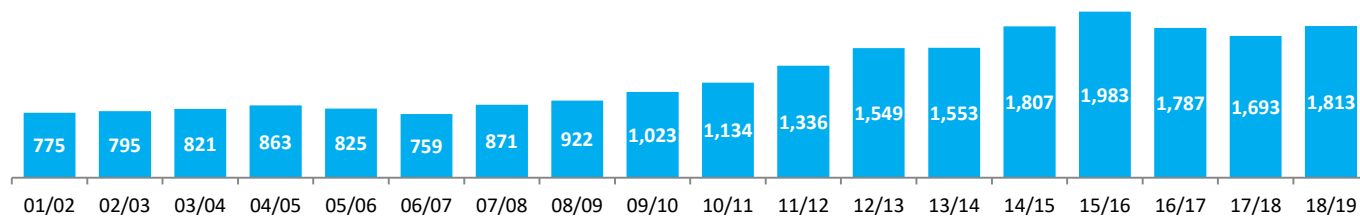


Note: Does not depict other cash outflow of ~SAR0.976mn which includes effect of exchange rate fluctuations

# Historical Trends

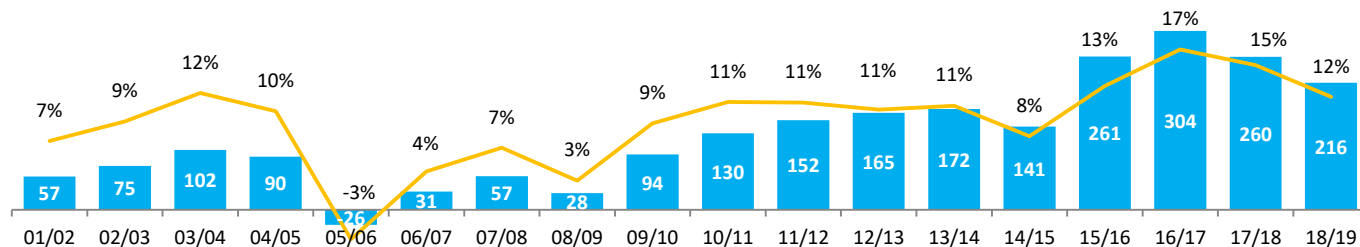
## Revenue

SAR mn



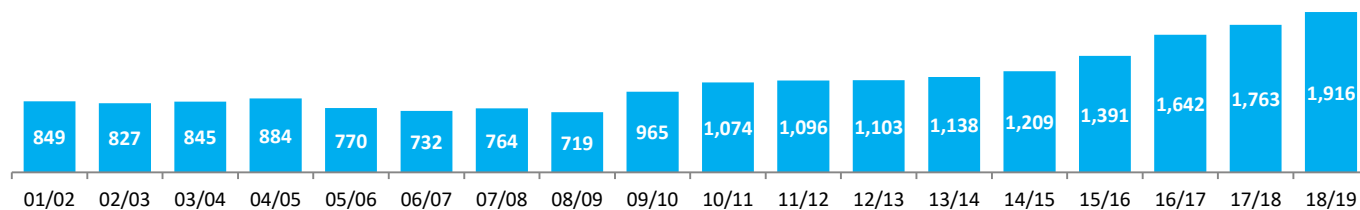
## Net Income & Margin

SAR mn



## Total Assets

SAR mn



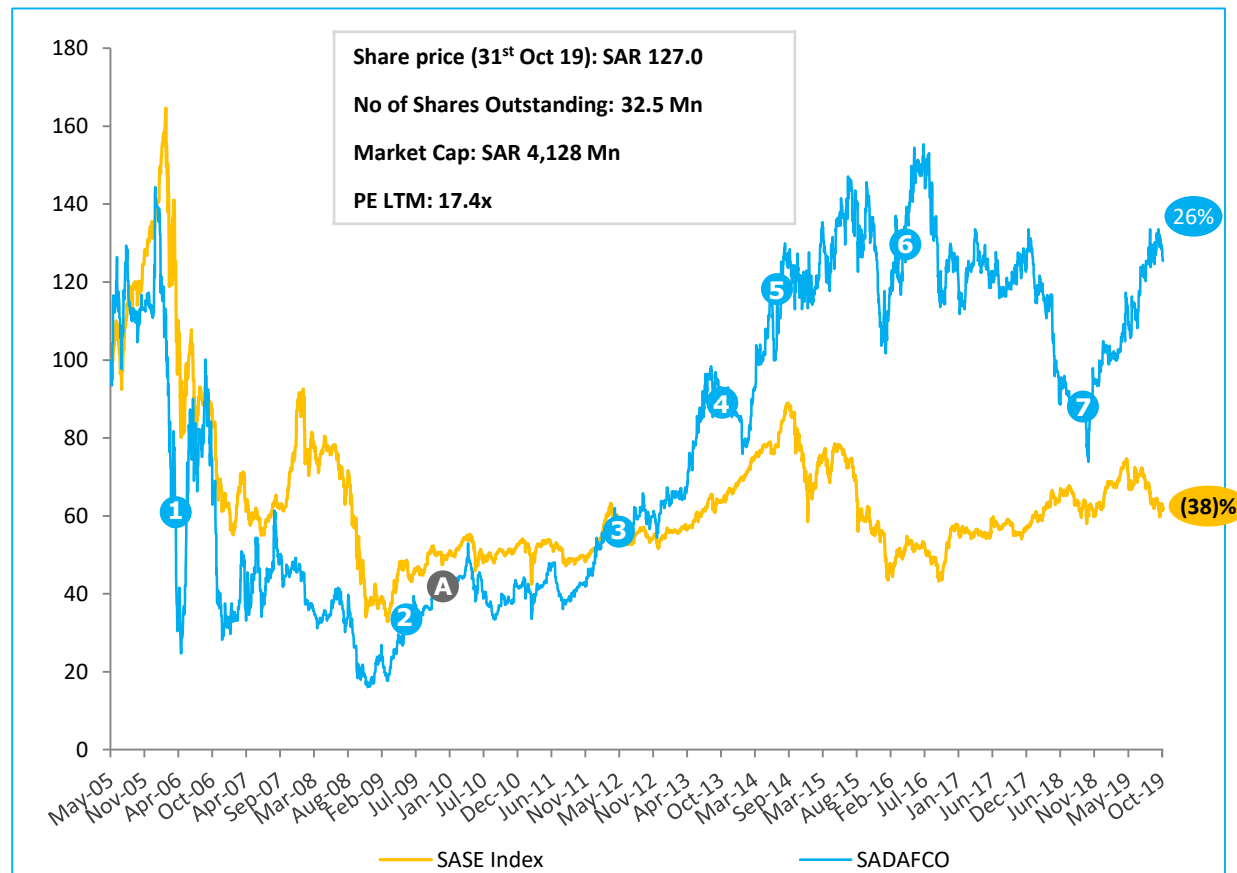
**SADAFCO has shown consistent growth in its revenues and margins but due to shrinking consumer base with less disposable income and irrational competitor Discounting, SADAFCO suffered a fall in the revenues in past two years. However, its continue efforts to boost revenue led it back to its growth trajectory.**

Source: 2000/01-2004/05: SADAFCO Prospectus; 2005/06-2018/19: SADAFCO Annual FS

# Share Price Performance Since IPO

## Annotations

- 1 **April, 2006:** 5 for 1 stock split for all companies was applied. Nominal value per share became SAR10 instead of SAR50
- 2 **June, 2009:** Management expected 200% increase in Q1'10 net profit as compared to Q4'09
- 3 **May, 2012:** Announced partial reopening of its Dammam factory
- 4 **Oct, 2013:** QPIC purchased 29% stake of SADAFCO from UIC
- 5 **Jul, 2014:** QPIC purchased another 11% stake in SADAFCO from UIC; increasing QPIC's total stake to 40%
- 6 **Apr, 2016:** Announced 84% increase in Y-o-Y net profit for FY2015/16
- 7 **Nov, 2018:** Announced buyback of up to 10% of its shares
- A **Dec, 2009:** Decided to sell 51% stake in Saudi New Zealand Dairy products. (Deal value: USD32.7mn)



Source: Bloomberg

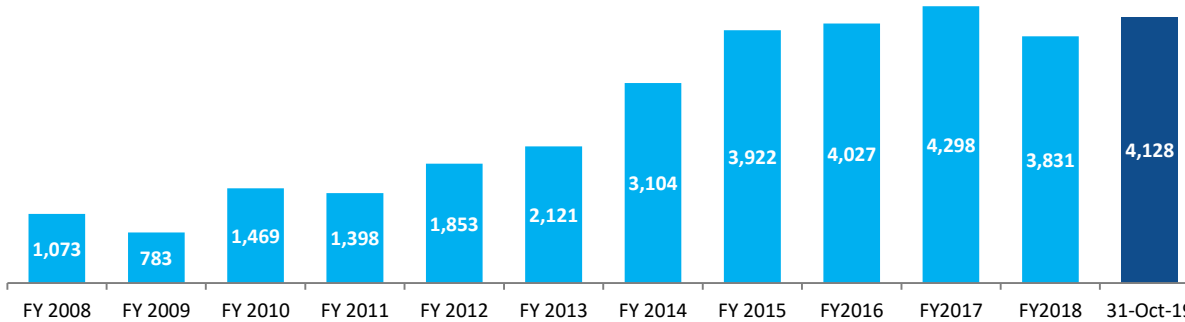
Note: Price rebased to 100 for SADAFCO and SASE Index on 23May'05



# Market Performance

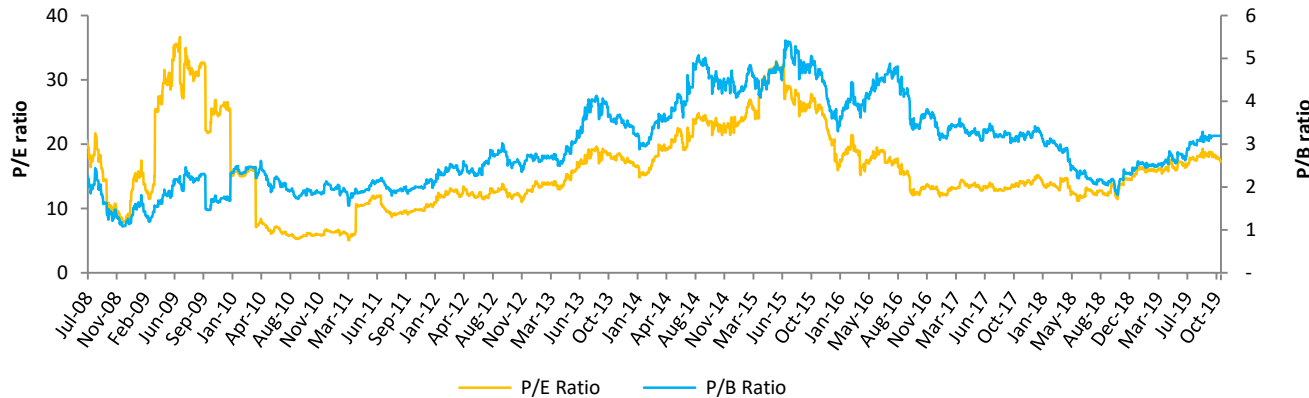
## Market Cap

SAR mn



“SADAFCO’s market cap has grown at a **CAGR of 12.3%** from FY 2008 till 31Oct’19”

## Price to Earnings and Price to Book Ratio



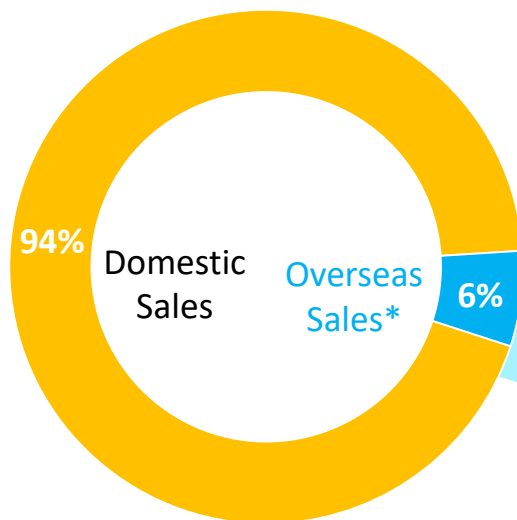
“SADAFCO’s **P/E** and **P/B** ratio has been in the range of **11.2-19.3x** and **1.8-3.4x** respectively in recent times”

Source: Bloomberg

# Complemented by Exports

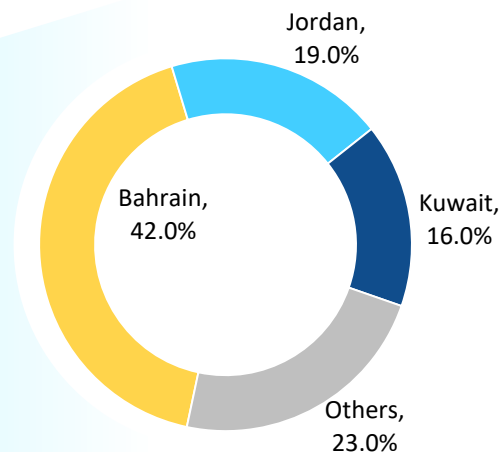
SADAFCO's Revenue Breakdown

(2018/19)



SADAFCO's Overseas Sales Breakdown

(2018/19)



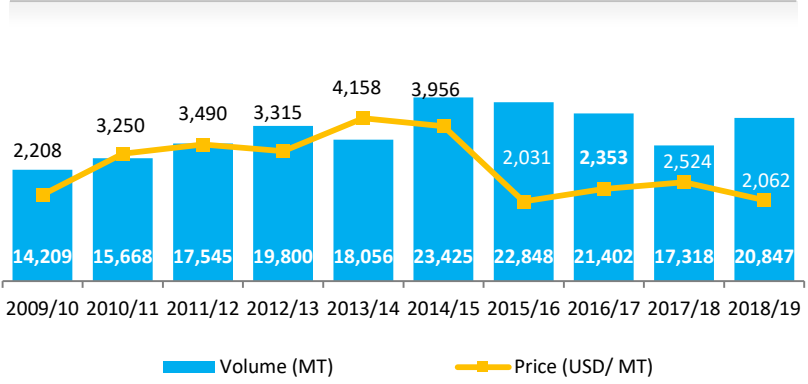
■ SADAFCO continues to diversify geographically – currently 6%\* of SADAFCO's sales are outside KSA

■ The key markets outside KSA are Bahrain, Jordan and Kuwait

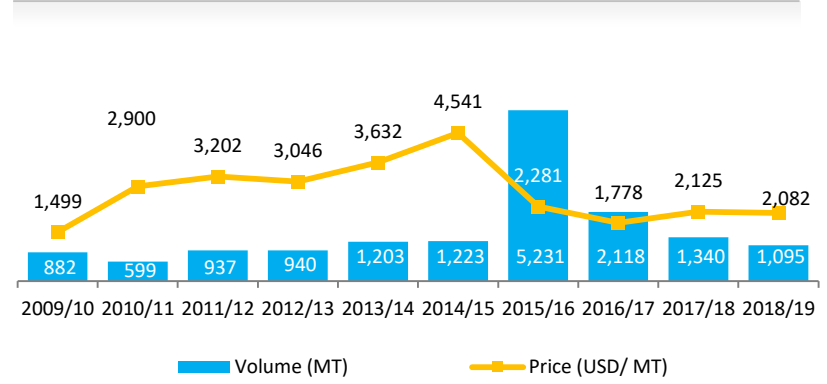
*\*Does not include revenue of SADAFCO Poland*

# Key Raw Material

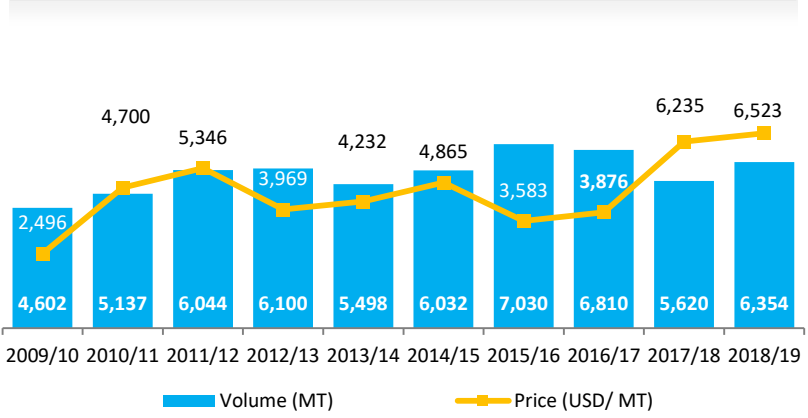
## Skimmed Milk Powder (SMP)



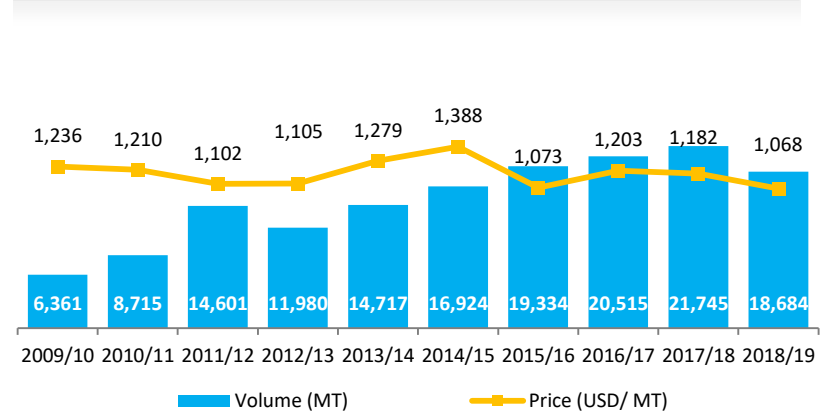
## Butter Milk Powder (BMP)



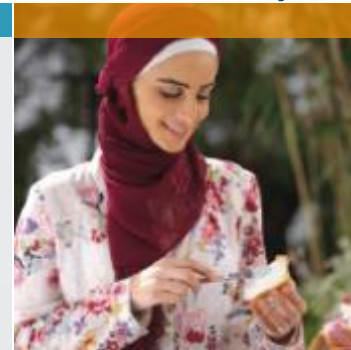
## Anhydrous Milk Fat (AMF)



## Tomato Paste



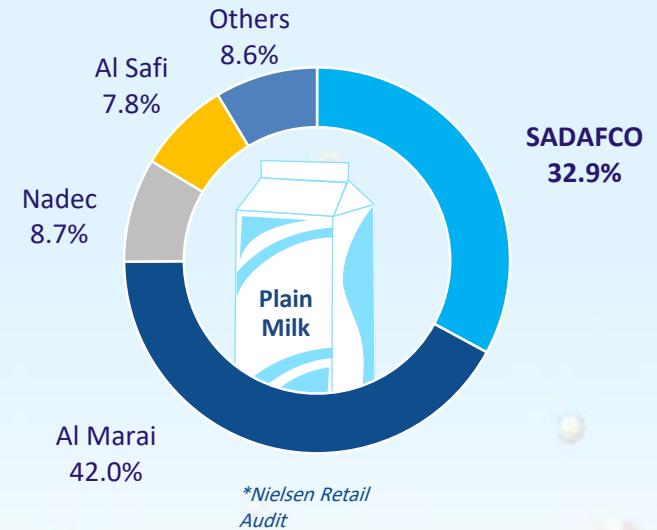
## Product Profile Analysis



# Plain Milk Overview

- Plain milk is SADAFCO's primary product comprising items like whole milk, low-fat milk, skimmed milk and gold milk
- SADAFCO commenced operations with the production of UHT (Ultra High Temperature pasteurized) Milk in 1977
- These products are marketed primarily under the flagship brand "SAUDIA"

## Market Position (Sept'19\*)



### SKUs

125ml, 200ml, 500ml, 1-liter and 2-liter

Whole Milk



### SKUs

200ml, 1-liter and 2-liter

Low-Fat Milk



### SKUs

200ml and 1-liter

Skimmed Milk



### SKUs

1-liter

Gold 5% Fat Milk

## Product Pricing

### Premium Pricing Advantage

Product	Package	Price (SAR)
 Whole Milk	1x12 Ctn	53.45
	1x12 Ctn	46.37
	1x12 Ctn	50.75
	1x12 Ctn	59.80

1

The company's products command a significant premium vis-à-vis other players in the market

2

SADAFCO has a strong brand due to which it has been able to maintain premium pricing of products, despite increased competition from global and local players

Source: Company Sources, prices mentioned are the last 3M average (Apr-Jun 2019)

## Product Innovation

- Sales growth in milk through product innovation and increased focus on quality
- SADAFCO was the first company to launch skimmed milk specially formulated for children



# Flavored Milk Overview

- SADAFCO expanded its product range of milk in 2004 with the launch of flavored milk. Date milk was launched in 2016
- Flavored milk is offered in 4 choices – Banana and Strawberry are available in 200ml packs while Chocolate milk and Date milk in 200ml and 1000ml packs
- These products are also marketed under the flagship brand "SAUDIA"



**SKUs**  
200ml and  
1-liter

Chocolate



**SKUs**  
200ml

Banana



**SKUs**  
200ml

Strawberry



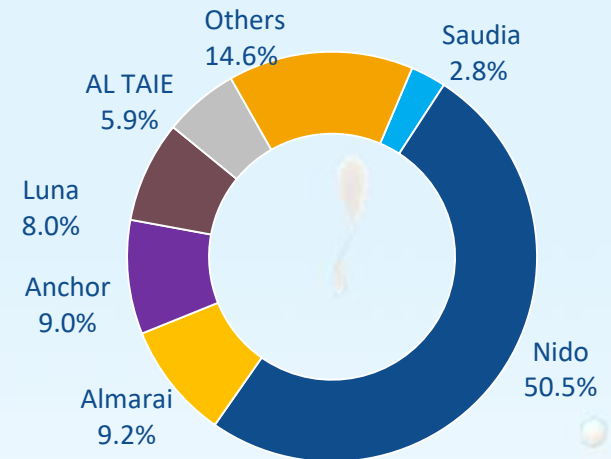
**SKUs**  
200ml and  
1-liter

Date Milk

# Milk Powder Overview

- SADAFCO launched instant milk powder in 2009
- Milk powder contribution to Gross sales has increased from 1.4% in 2009/10 to 2.2% in 2018/19 which totals to SAR 40.3mn
- IMP products are marketed primarily under the "SAUDIA" brand
- SADAFCO's key competitor brands for milk powder products are Nido, Almarai and Anchor

## Market Position (Value Share Sept '19\*)



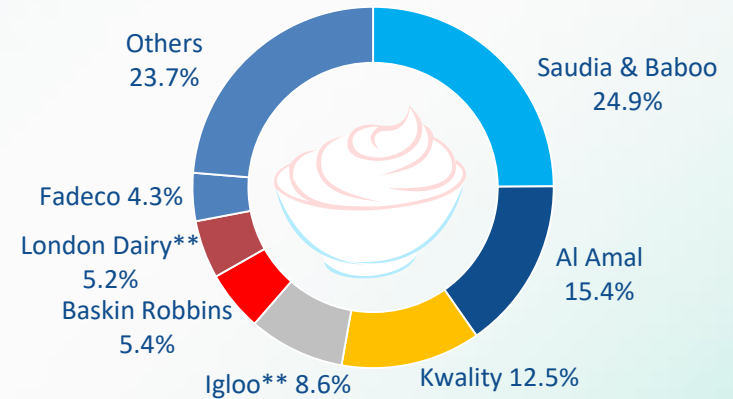
\*Nielsen Retail Audit



# Ice Cream Overview

- Ice cream product line was launched in 1979
- Over the years, SADAFCO has launched variety of new products to establish itself and increase sales in this segment
- Ice cream's are available in tubs, cones, push-ups, sandwich, cups, bars and sticks
- These products are marketed under 'SAUDIA' and 'BABOO' brands

## Market Position (Sept'19\*)



Mix of chocolate biscuit and vanilla/chocolate

Sandwich



Vanilla, Chocolate and Strawberry

Cones



Dark & White Chocolate

Sticks



Blend of vanilla, peanut and caramel

Bars



Orange and Raspberry

Pushups



Chocolate, Vanilla, Mango, Strawberry, Blackberry, Caramelita, Macadamia, Sesame, Choco chip, Waffle cone mix, Coconut, Pistachio, Black & White, and Cookies & Cream

Family Tubs



Cups

Sesame, Macadamia, Blackberry, Black & White, Pistachio, Vanilla and Chocolate

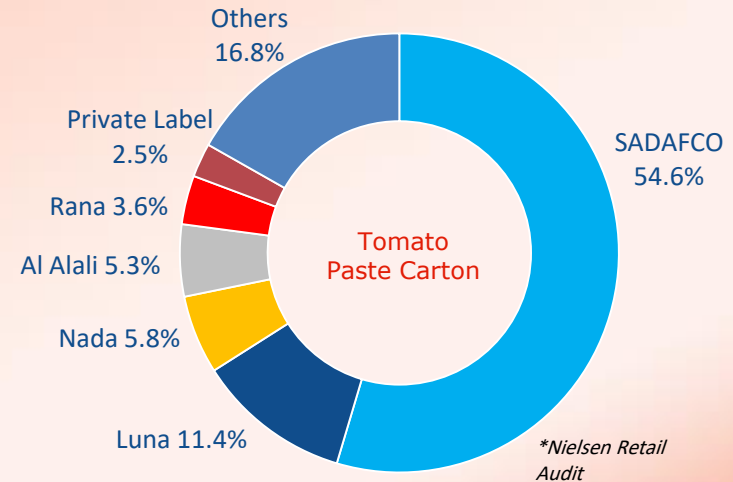


\*Nielsen Retail Audit  
\*\*part of IFFCO group

# Tomato Products Overview

- Tomato Products include Tomato Paste and Tomato Ketchup
- SADAFCO was the first company in Saudi Arabia to launch tomato paste in Tetra Pak in 1989
- The range was further expanded with the introduction of tomato ketchup in 2008
- SADAFCO has 54.6% market share (as of Sept'19) in Saudi Arabia's tomato paste carton market
- These products are marketed primarily under the "SAUDIA" brand

## Market Position (Sept'19\*)



### SKUs

- 135g packs
- 70g Pouches



### SKUs

- Organic 135g packs



### SKUs

- 340g glass bottles
- 510g and 825g plastic & squeeze bottles



### SKUs

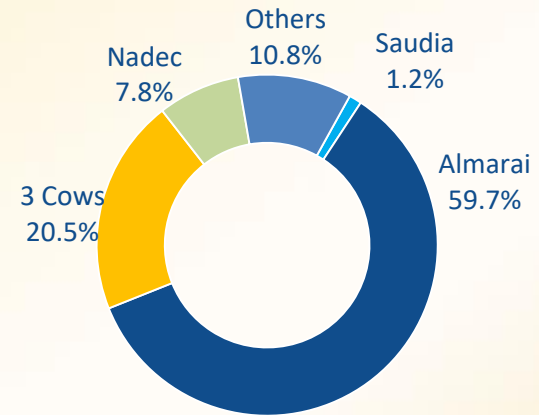
- 510g plastic & squeeze bottle



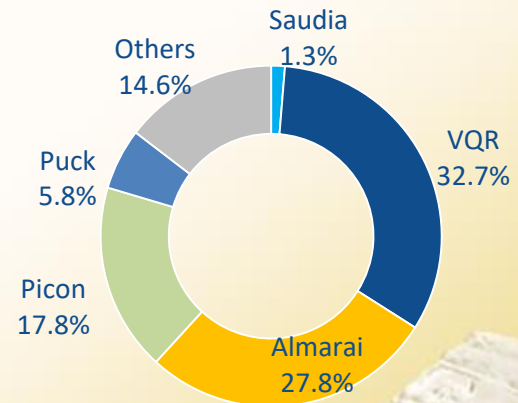
# Cheese Products Overview

- SADAFECO launched cheese product line in 1991
- Range of products include Feta cheese, Feta Tubs and Triangles
- The company is a leading domestic producer of bulk feta cheese sub-segment
- These products are marketed primarily under the "SAUDIA" brand

**Market Position**  
(Portion Value Share Sept'19\*)



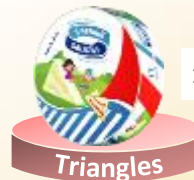
**Market Position**  
(Triangle Cheese Value Share Sept'19\*)



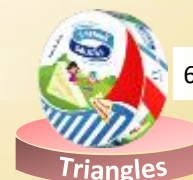
10kg and  
16kg tins



250g and  
450g tubs



120g packs



600g packs



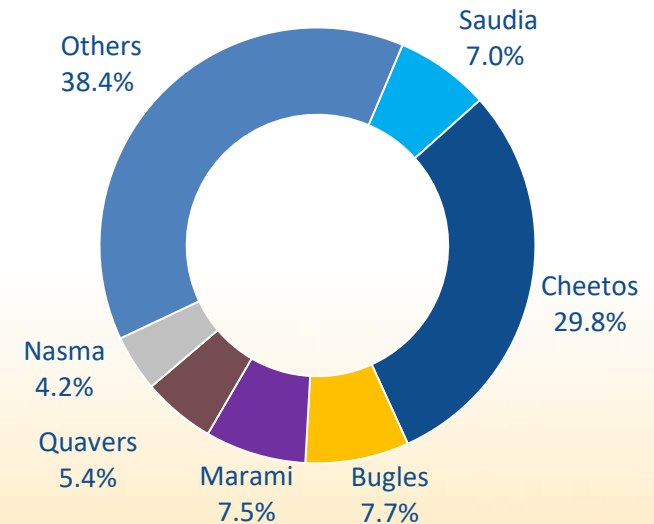
\*Nielsen Retail Audit

- SADAFCO entered the snacks market in 1995, by acquiring Sara Snacks factory
- The Snacks range consist of two well known formats: Crispy Rings and Letters, each of these are offered in individual and family size
- Early this year, Crispy introduced a new flavor “Salt & Vinegar” successfully adding to the existing Ketchup and Cheese flavors
- Gross Sales for the category were SAR 56.4mn for 2018/19
- Crispy’s key competitors in the extruded snacks segment are Cheetos, Al Batal and Marami



Crispy

## Market Position (Value Share July '19\*)



\*Nielsen Retail Audit



# Other Products

- SADAFCO also offers range of other products including cream, butter, french fries, growing-up juices etc.
- In 2018/19, other products contributed 1.4% to Gross Sales
- Most of these products are sold under 'SAUDIA' brand
- New products included in this category are expected to contribute to the growth of the company with the company having plans to widen its product portfolio through constant product innovation



Note:

\* Others includes Cream, EVAP, Drinks Junior, Majestique and Coffee (discontinued)

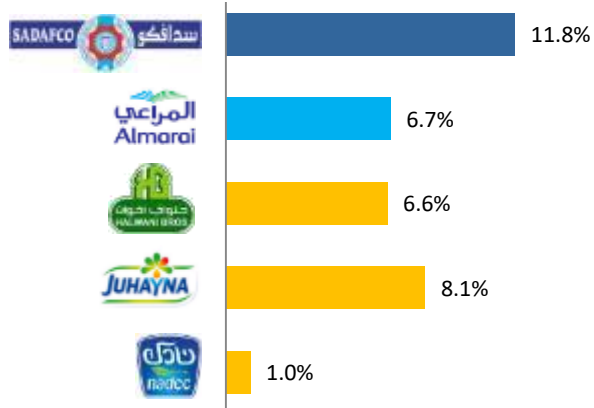
1. Sparkling Fruit Drink named Majestique
2. Laban Fruit Drink named as Jump!

## Benchmarking: Regional Peers

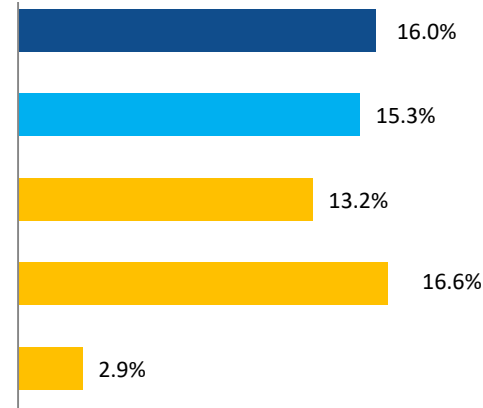


# Return to Investors and Financial Strength

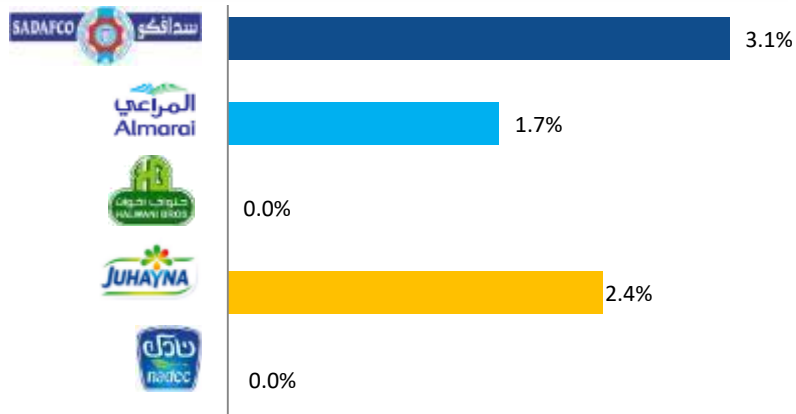
## ROA (LTM ending 30<sup>th</sup> Sept, 2019)



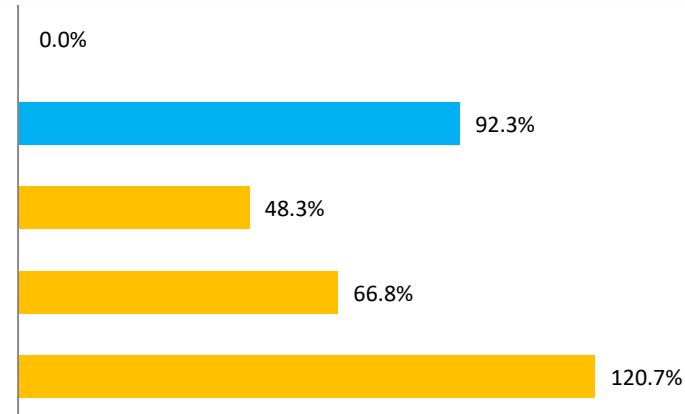
## ROE (LTM ending 30<sup>th</sup> Sept, 2019)



## Dividend Yield# (LTM ending 30<sup>th</sup> Sept, 2019)



## Leverage (As of 30<sup>th</sup> Sept, 2019)

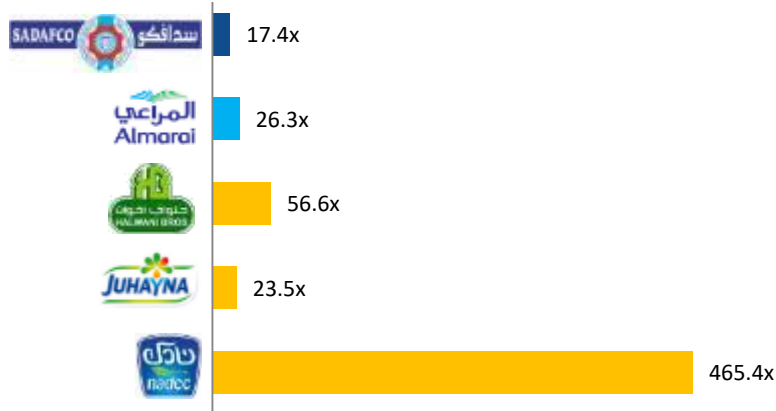


Note: #Dividend Yield is calculated by adding the gross dividends that have gone "ex" over the past 12 months and dividing it by the closing share price as of 31<sup>st</sup> Oct, 2019

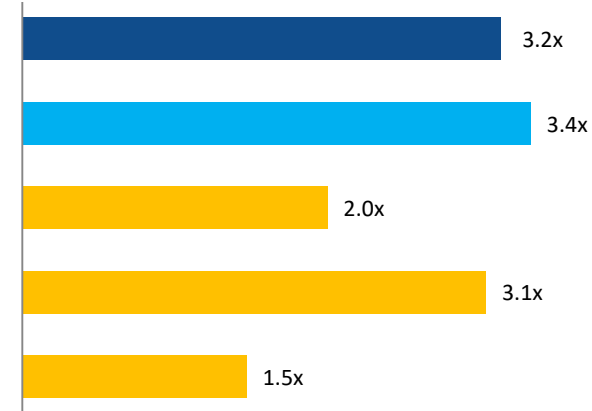
Source: Bloomberg

# Trading Multiples

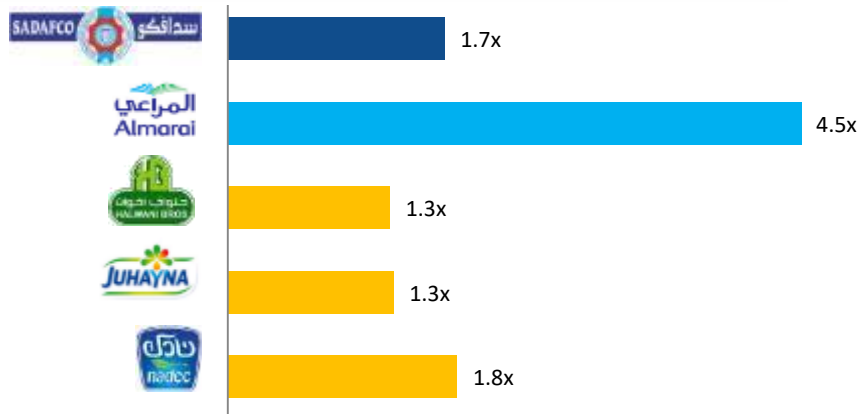
P/E (As of 31<sup>st</sup> Oct, 2019)



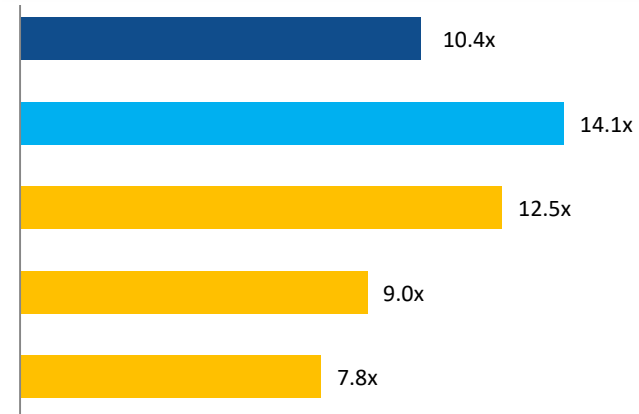
P/B (As of 31<sup>st</sup> Oct, 2019)



EV/Sales (As of 31<sup>st</sup> Oct, 2019)

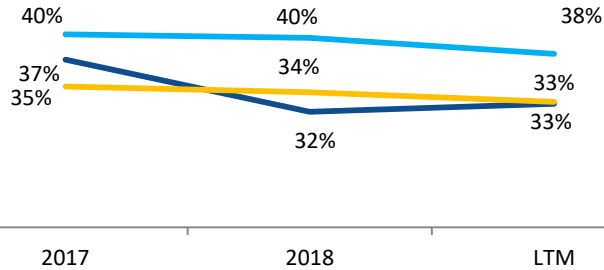


EV/EBITDA (As of 31<sup>st</sup> Oct, 2019)

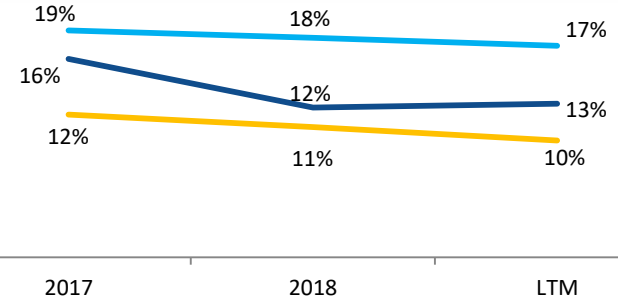


Source: Bloomberg

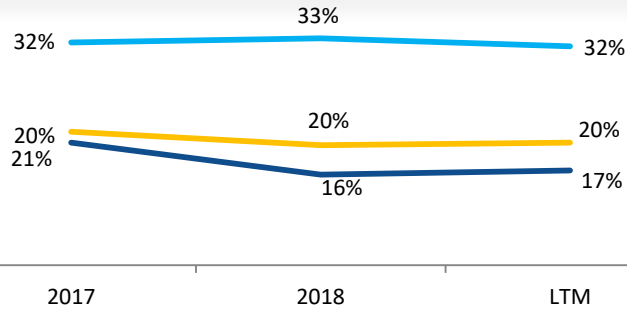
## Gross Profit Margin



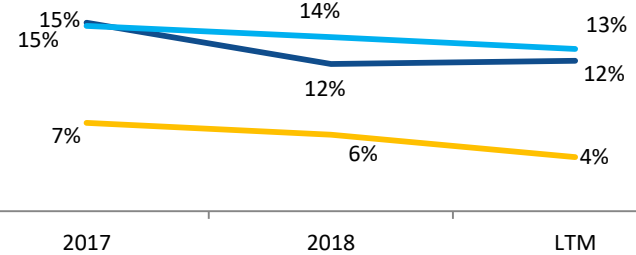
## Operating Profit Margin



## EBITDA Margin



## Net Income Margin



— SADAFCO — Almarai — Regional Peers Avg

***Despite adverse macro-economic environment, SADAFCO has been able to maintain its margin.***

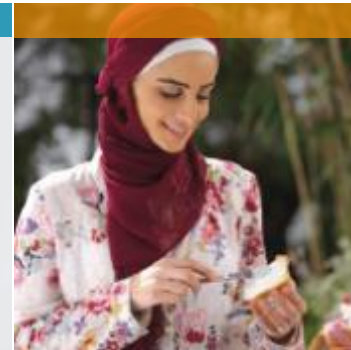
Note: SADAFCO has March ending financial years, hence 2018 means FY ending Mar'19

Regional Peers Average includes the average of the margins of Almarai, Halwani Brothers, Juhayna and NADEC

LTM refers to margins of last 4 quarters i.e. Sept'18 to Sept'19

Source: Bloomberg

## Saudi Arabia F&B Market





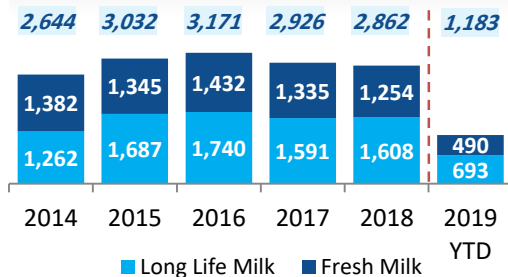
# F&B Industry: Recent Market Trends



# Saudi Arabia Key Markets for SADAFCO

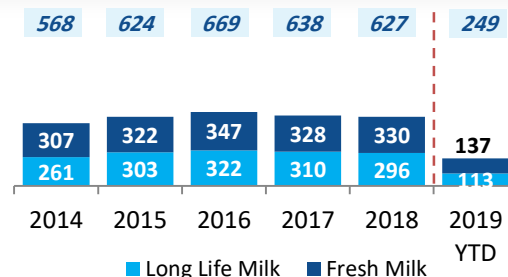
**Milk (Sales Value)**

(SAR mn)



**Milk (Sales Volume)**

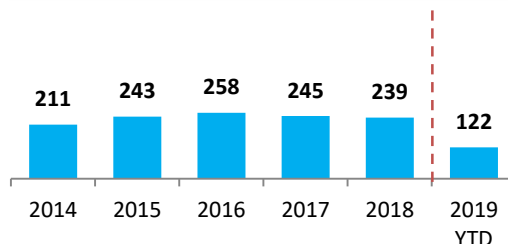
(mn Ltrs)



- The category registered a 2% decline in sales value growth in 2018 on account of reduced expenditure by consumers on various food and drinks products
  - Manufacturers of milk ran heavy price discounting on their products for most of the year
  - In contrast, manufacturers of fresh milk drinks resorted to pack downsizing and price hikes

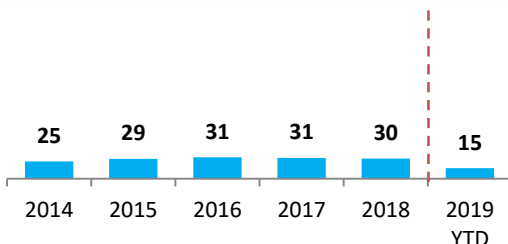
**Tomato Paste (Sales Value)**

(SAR mn)



**Tomato Paste (Sales Volume)**

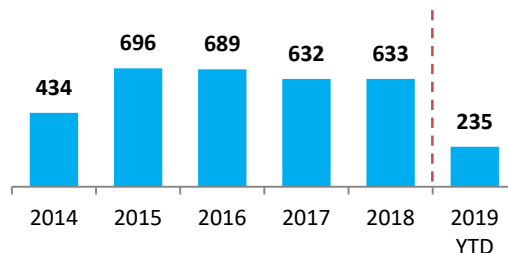
(mn Ltrs)



- The category registered a 2% decline in Sales Value growth in 2018
- The category value growth is undermined by the increased contribution of private label brands

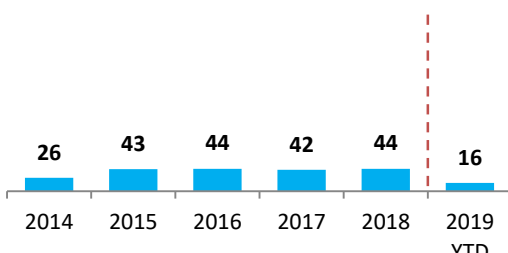
**Ice Cream (Sales Value)**

(SAR mn)



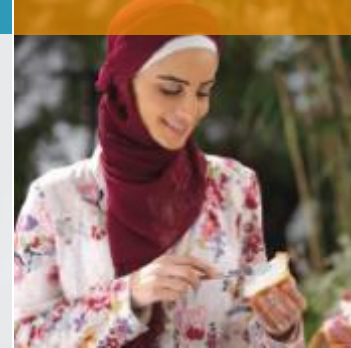
**Ice Cream (Sales Volume)**

(mn Ltrs)



- Ice Cream showed a negligible increase in Sales value terms in 2018 .
- The extremely hot climatic conditions in Saudi Arabia, the high proportion of children and young adults in the overall population, longer summer holidays, coupled with hotter Ramadan and Hajj seasons, increasing variety and availability of products are the key factors driving demand of Ice Cream

## Q2'19-20 Review



# Key Highlights

## Key Highlights

- ▶ Higher net profit mainly driven by higher sales and favourable product and channel mix
- ▶ Milk sales were higher primarily due to lower intensity of milk category discounting
- ▶ Gross margin for the quarter was higher than last year due to number of factors including stronger sale of ice creams and lower discounting pressure on milk
- ▶ Higher selling and distribution costs were due to increased A&P investment securing our premium position

## New Product Launches



**Baboo Stick  
Vanilla**



**Milk Powder  
800g Pouch**

## Recent Developments



*Installation and commissioning of bakery section in Jeddah Central Warehouse (JCW) ongoing*

# Business Highlights

## Financial Highlights – SADAFCO\*

### Sales

**13.5%**

YoY

H1'2019/20 :  
**SAR1,006mn**

H1'2018/19 :  
**SAR887mn**

### Net Profit

**18.5%**

YoY

H1'2019/20 :  
**SAR123mn**

H1'2018/19 :  
**SAR104mn**

### Operating Cash Flow

**14.4%**

YoY

H1'2019/20 :  
**SAR124mn**

H1'2018/19 :  
**SAR145mn**

## SADAFCO's Market Share



**UHT Milk**  
**62.3%**



**Tomato Paste**  
**54.6%**

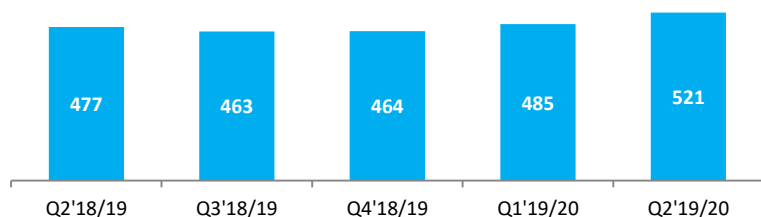


**Ice Cream**  
**24.9%**

Source: Nielsen Retail Audit Sept'19  
\*Includes SADAFCO Poland financials

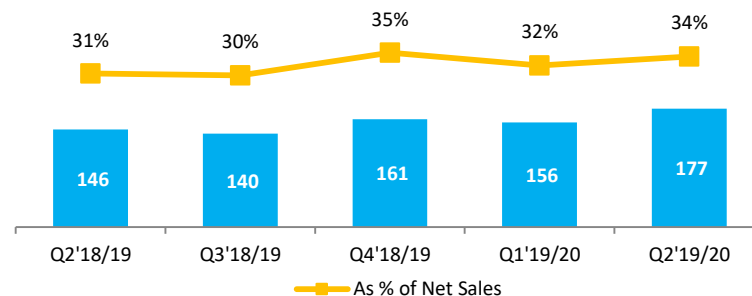
## Sales\*

SAR mn



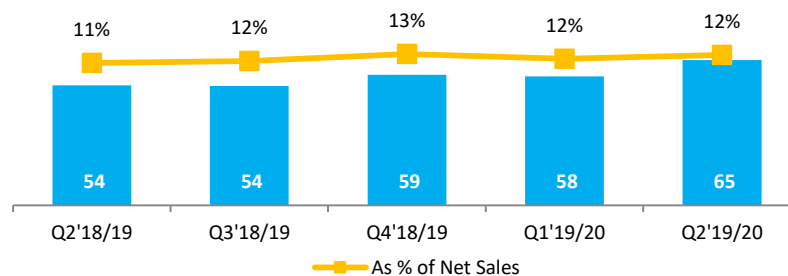
## Gross Profit\*

SAR mn



## Net Profit\*

SAR mn

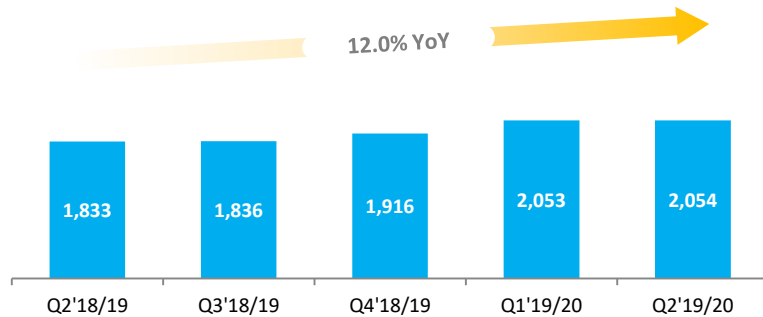


\*Includes SADAFCO Poland financials



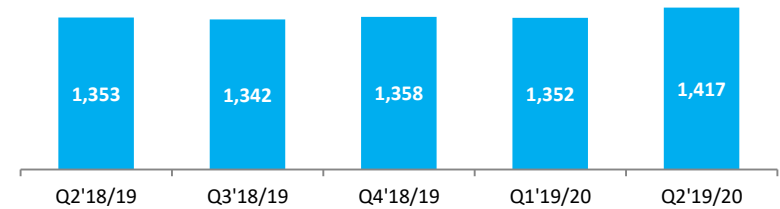
## Steady Asset Base...

SAR mn



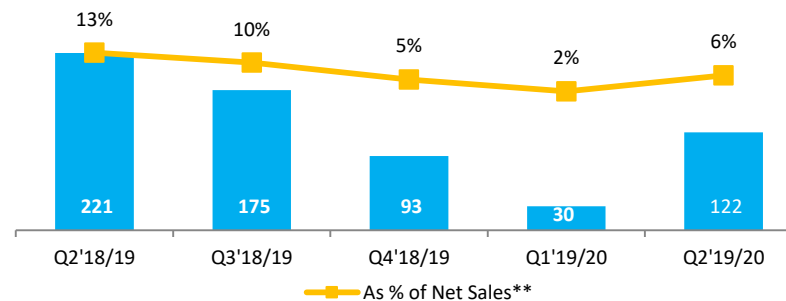
## ...build by Internally generated funds

SAR mn



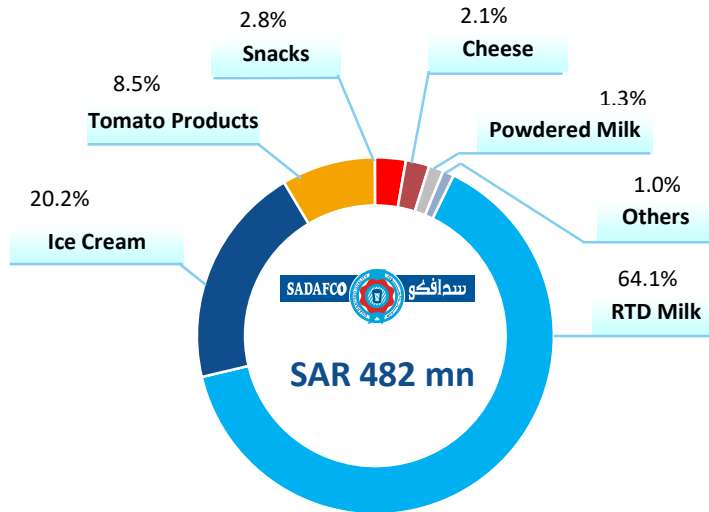
## Working Capital\*

SAR mn






Note: \*Working Capital calculated as Current Assets net of Current Liabilities.  
 Current Assets: Accounts receivable + Inventories + Deposits, prepayments & other current assets  
 Current Liabilities: Accounts payable + Due to related parties + Accrued zakat + Accruals & other current liabilities + Current portion of lease liabilities  
 \*\*Rolling 12-months net sales

## Q2'19/20 Sales By Category\*

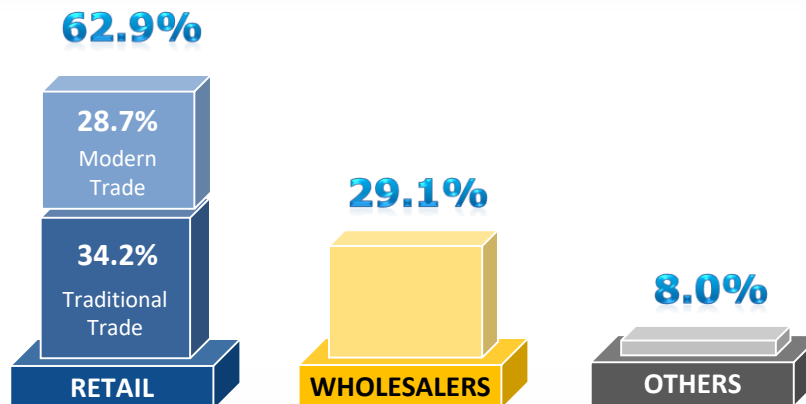


## Key Category – Sales\*

Categories	Net Sales – Q2'19/20 (SAR mn)	% y-o-y growth
 RTD Milk	309.0	11.4%
 Ice Cream	97.2	16.5%
 Tomato Products	41.1	23.6%

## Distribution Format\*

% of Net Sales Q2'19/20



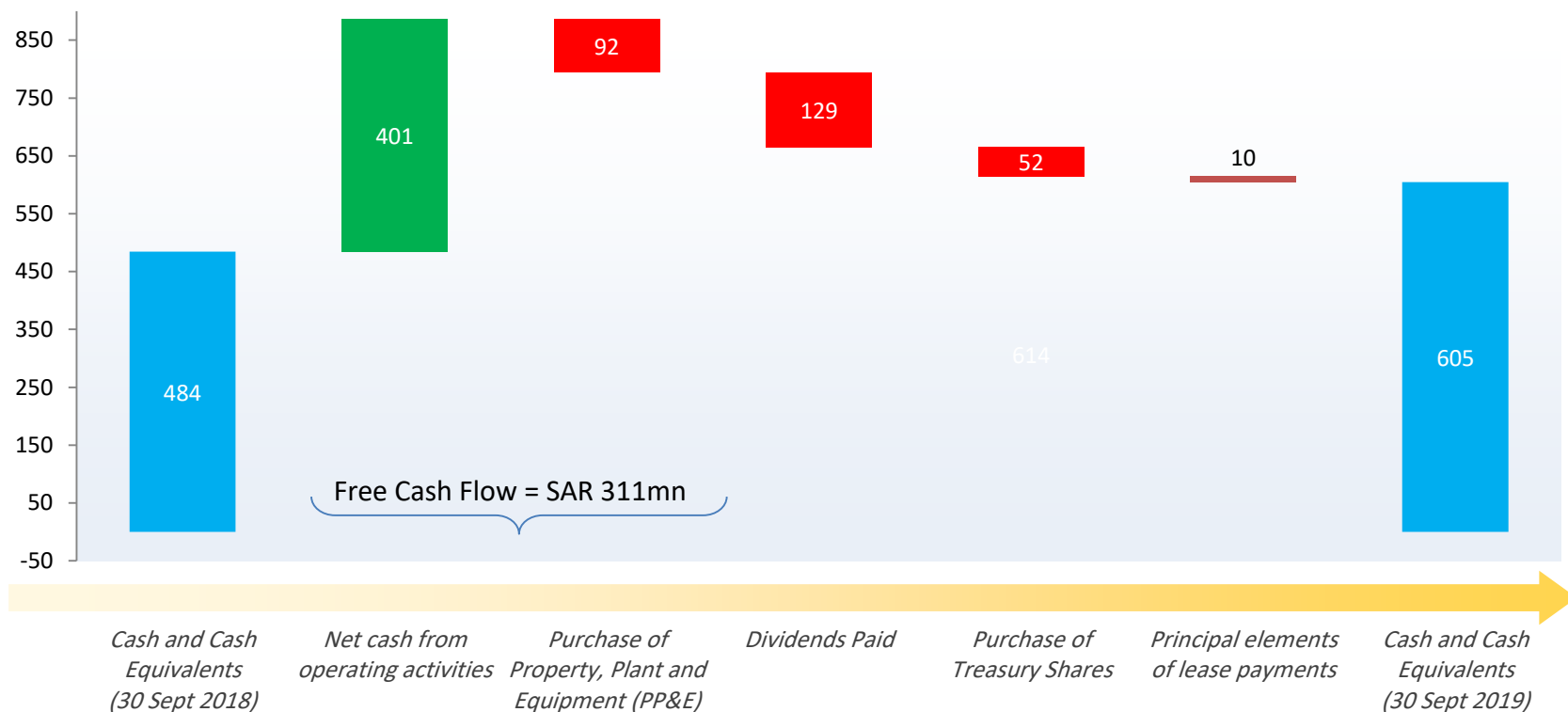
Traditional Trade & Modern Trade are the leading channels...with Wholesale also contributing significantly

\*Note: SADAFCO Standalone figures.

# Cash Flow Summary

SADAFCO Cash Flow Bridge for rolling 12-months as of 30 Sept, 2019

SAR mn



*Our performance in Q2 represents a continuation of the encouraging trend seen in the last few quarters of higher year on year sales and profit delivery. Sales of all three key pillar categories are higher vs. last year (RTD Milk up 11%, Ice Cream up 16% and Tomato Paste up 25%).*

*Gross margin mix improved significantly by 341 basis points over the last year. This increase can be attributed to stronger sales of ice creams (seasonality), lower discounting pressure on milk; all more than offsetting a moderate increase in raw materials price pressure.*

*The results of our sustained investment in order to strengthen our premium position in the forefront of our customer's minds.*



P.O.Box 5043, Jeddah 21422, Kingdom of Saudi Arabia

E-mail : [sadafco@sadafco.com](mailto:sadafco@sadafco.com)

Tel : (+966) 012 - 6293366 Fax : (+966) 012 - 6293380

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