

Business model

INPUTS

RAW MATERIALS

- 1,600+ suppliers
- Supplying 47,685 items
- SAR 5.9 billion spent on raw materials in 2019

ADVANCED MANUFACTURING

- Four ultra-modern dairy processing facilities
- State-of-the-art Infant Nutrition facility
- Three bakeries

LEADING INNOVATION

- Innovative systems and processes
- Innovative product development to delight consumers

BEST-LOVED BRANDS

- 7x leading brands

INNOVATIVE PEOPLE

- 42,382 qualified employees
- World-class training and development programme
- 65 nationalities

STRONG FINANCIAL SUPPORT

- Robust financial management, low leverage
- Access to funding from global capital markets



HOW WE DO IT

Extraordinary care for farm animals

- Dairy herds and poultry flock have 24 - hour veterinary care
- Temperature controlled housing
- Highly nutritious feed
- Ensures maximum yield and first-class end product

Crop cultivation and selection

- Animals consume highest quality feed
- Almarai imports 100% of its yearly green fodder requirements through its oversea arable operations

Innovation in our DNA

- Commitment to innovation is a core value
- Innovation underwrites the Almarai quality culture
- Digitalization of production and automation of business processes



ADDING VALUE

Business unit structure:

- Almarai transitioned from a functional structure to business unit model
- Management focus on end-to-end sales, profitability and return on net operating assets (RONOA) for each category

Commitment to quality:

- Quality you can trust is in our DNA
- The Almarai Quality 4.0 Programme covers process, people and technology, unifying the quality architecture across the Group
- Core values (ASPIRE) are directly connected to our world-class quality management system

Our business model is structured to deliver on the promise of 'Quality you can trust'. It is tailored to our commitment to ongoing improvement and exists as a guiding force for operations across the Company. The business model enables management and staff to work in accordance with a clearly defined operating framework. It facilitates the practical application of a working culture that has efficient and effective process management at its heart.

OUTPUT

SHAREHOLDER VALUE

- For 40 years, consistent delivery of strong returns to shareholders
- Almarai is committed to creating shareholder value by paying dividends and realizing compelling returns for long-term investors

PEOPLE

- Almarai is recognized among the GCC's best employers
- All staff are encouraged to participate in training and develop their careers

SOCIETY

- Social responsibility and sustainability programmes designed to support Vision 2030
- Connecting all levels of society and the environment from helping children in need to reducing our environmental footprint

CONSUMERS

- Delighting consumers across the Middle East with healthy and nutritious food and beverages, at affordable prices from a brand they know and trust



Best-in-class manufacturing

- Cutting-edge technology to mass-produce nutritious products while reducing costs (Manufacturing 4.0)
- Continuous facilities expansion and renovation
- Meeting growing demand

Exceptional transport and logistics

- Transport and Logistics division larger than any logistics company in the Middle East
- 9,069 vehicles deliver 2 billion kg of product on time and in perfect condition

Consumer insights and powerful branding

- Earned the trust of consumers to become the trusted brand across the Middle East
- Ongoing feedback process for maintaining quality and consumer satisfaction

- All business units served by Sales, Distribution and Logistics, Procurement and other corporate functions
- Exports team to grow opportunities for sales across GCC and beyond (worldwide) corporate functions

Almarai innovation management:

- Stage-gate innovation management process captures product ideas and managing them to final launch
- 200+ projects in pipeline meet new consumers trends and maximize operational efficiency