

Our Strategy

“New Dawn” Strategy: Six Pillars of Strategic Excellence

In alignment with the “New Dawn” strategy, nadec focuses on the following pillars to achieve its strategic objectives:

Agricultural Expansion

This pillar is driven by cultivating and producing agricultural crops in open fields and smart greenhouses, with the goal of delivering high-quality vegetables and fruits to consumers. Nadec adopts the latest technologies and forms partnerships in the form of contract farming to support local farmers. Additionally, the company remains committed to producing organic olive oil and leading the way in providing premium agricultural seeds, such as wheat and potatoes, to farmers in Saudi Arabia..

Geographic Expansion

Nadec aims to expand the geographic reach of its branches and services by targeting new markets within Saudi Arabia, the Middle East, North Africa, and untapped global markets. This initiative seeks to provide diverse opportunities for future growth.

Expansion in Distribution Channels

To achieve its aspirations for geographic and sectoral expansion, nadec plans to invest in the development and expansion of its distribution operations. This includes forming new alliances and partnerships to increase the reach and efficiency of its supply chain.

Production Expansion

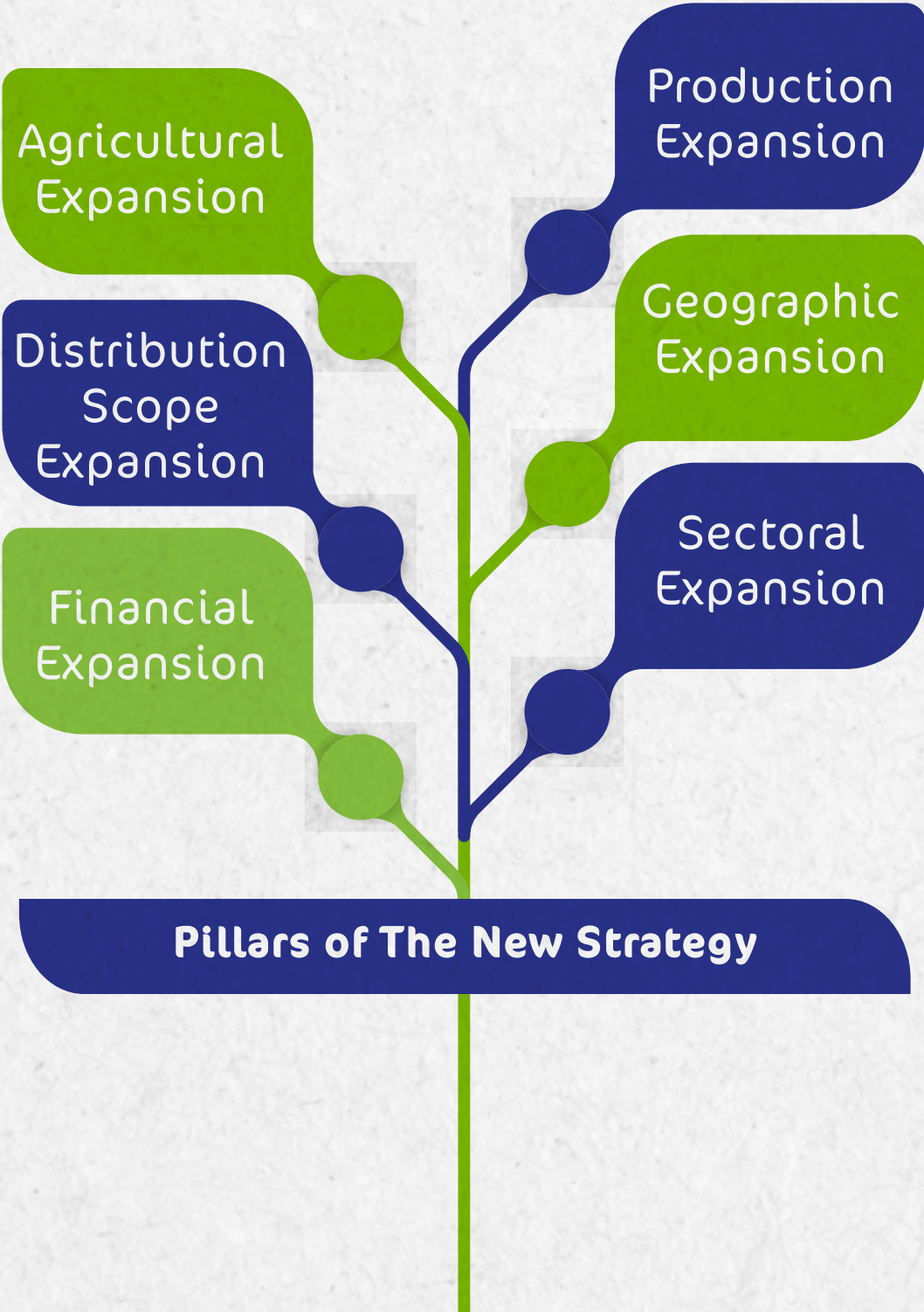
Nadec aims to achieve this pillar by scaling up production and distribution operations, as well as enhancing its existing product range (dairy and juices) to better serve both local and international consumers. Through innovation, investment in supply chains, and expanding distribution capabilities, the company seeks to reach a broader audience. Dairy products and their derivatives serve as the backbone of nadec’s operations, accounting for 92.3% of its revenues as of 2024. Moreover, nadec plans to expand its investments into the protein and vegetable sectors, in line with its five-year strategic plan.

Sectoral Expansion

The company seeks to achieve excellence and growth in targeted sectors by investing in the protein and vegetable sectors. These investments are designed to cater to the diverse preferences and needs of customers and consumers in various markets.

Expansion in Financing

Nadec aims to diversify its funding sources and utilize them to support geographic and sectoral expansion projects, as well as to enhance distribution channels. This strategic approach continued in 2024, with dedicated capital allocations aligned with the company’s growth objectives.



Fruitful Strategic Developments

Nadec's activities and investments in 2024 demonstrate its commitment to enhancing food security in the Kingdom. This includes expanding red meat production, developing logistical infrastructure, broadening collaboration with other companies in the food sector, and diversifying investments in this vital industry.



Strategic Partnership to Establish a Livestock Company (March 2024)

Nadec signed a partnership agreement with the United Feed Company to establish a limited liability company specializing in intensive livestock farming (sheep and goats) and red meat production. This partnership aims to contribute to achieving self-sufficiency in the protein sector and strengthening food security in the Kingdom by adopting global best practices in livestock development.



Strategic Memorandum of Understanding with Panda (August 2024)

Nadec and Panda Retail signed a strategic Memorandum of Understanding aimed at strengthening collaboration in the food products sector. This agreement is expected to expand the distribution of nadec products, reaching a wider segment of consumers.



Expansion in Storage and Cooling Facilities (July 2024)

Nadec entered into a long-term lease agreement with Riyadh Development Company to rent cold and frozen storage warehouses in Riyadh Development Market, covering an area of 27,000 square meters. This initiative reflects nadec's commitment to enhancing its logistical infrastructure to support its growing operations in the food sector.

SAR 90 Million Investment in Red Meat Production (September 2024)

Nadec announced a significant expansion in red meat production with an investment of SAR 90 Million. This investment represents a major step toward achieving the company's goals of boosting local red meat production and contributing to the Kingdom's food security.

Full-Scale Red Meat Production Within Five Years (September 2024)

Nadec's CEO announced the company's plans to achieve full-scale production in its red meat project gradually over the next five years. This announcement reflects nadec's commitment to its strategic objectives in the protein sector over the medium term.



Market Overview



Overview of the Dairy Market and Its Derivatives

In 2024, the Saudi dairy market and its derivatives witnessed improved performance, marked by an increase in demand compared to 2023. This growth aligns with findings from leading global economic research firms specializing in market analysis. Increased household spending, driven by rising employment rates, contributed to this positive trend. Additionally, the establishment of numerous regional company headquarters in Riyadh resulted in a higher number of expatriates in the country, further boosting local consumption.

The market also benefited from the influx of tourists to Saudi Arabia, which positively impacted food service sales. The Kingdom actively seeks to attract more international visitors as part of its Vision 2030 plan, which emphasizes economic and social reform. For instance, the Hajj season, held from June 14 to 19, 2024, brought approximately 1.8 million pilgrims, significantly increasing demand for dairy products such as milk and yogurt.

Dominant Distribution Channels in the Saudi Market

Supermarkets and hypermarkets continue to dominate as the primary distribution channels for dairy products and alternatives in Saudi Arabia. These outlets attract consumers with their extensive product ranges and competitive promotional offers. Additionally, e-commerce is experiencing significant growth, driven by the convenience of shopping through various apps and websites.

Discount retailers have also gained momentum by expanding their product portfolios, appealing especially to budget-conscious shoppers seeking affordable options and value for money. This shift reflects evolving consumer preferences toward convenient online shopping, competitive pricing, and diverse product options.

Dairy Market Projections Until 2029

The Saudi dairy market is projected to witness accelerated growth over the next five years, extending through 2029. This growth is closely tied to demographic and social shifts in the Kingdom, including steady population growth and an increase in the participation of Saudi men and women in the workforce. These factors are expected to boost demand for dairy products, increase household spending, and significantly expand the local market, further driving economic growth.

In terms of product development, future trends indicate that consumers' shift toward healthier dietary patterns will be a key driver for dairy companies to innovate and launch new products in the local market. Projections also suggest increasing demand, particularly among younger consumers, for organic products, nutrient-fortified items, high-protein options, and lactose-free alternatives.



Operating Review



Dairy Products

Nadec’s leading dairy sector delivered solid sales and revenue performance in 2024, benefiting from the strong economic recovery in our key markets. The sector recorded revenues of approximately SAR 2.6 billion, reflecting stable performance compared to approximately SAR 2.7 billion in 2023. This performance underscores the sector’s continued resilience and contribution throughout the year.

The expansion of sales and distribution outlets, which reached 4,700 points of sale, contributed to higher net profits and increased sales. Dairy products accounted for 81.5% of Nadec’s total annual revenue, driven by strong demand for newly introduced products. These included a variety of consumer-friendly packaging sizes and the addition of new offerings within the dairy category, meeting consumer expectations and preferences.

Expansion Of Dairy Products

In line with Nadec’s commitment to meeting customer expectations and delivering innovative products, 2024 witnessed the expansion of a range of dairy products, the variety of choices available to consumers. This expansion reaffirms Nadec’s dedication to continuous innovation and the delivery of high-quality products that enhance the customer experience. The newly introduced products include:

- Ayran laban drink with cucumber and mint
- Nadec high protein milk range
- Expansion of greek yoghurt range
- Low-fat cheese category
- Lactose free full fat yogurt
- Lactose free full fat long-life milk

Market Share of Dairy Products in 2024

In 2024, Nadec achieved growth in the market share of its full-fat fresh cream, made from pure cow’s milk, catering to consumers seeking quality and rich flavor. The market share increased by 0.6%, driven by the enhancement of Nadec’s 30% fat fresh cream, which now offers an ideal creamy texture suitable for a wide range of recipes, including cooking, baking, and dessert preparation. Nadec Fresh Cream remains a perfect choice for adding a rich and indulgent touch to everyday dishes.

15.1%



Nadec Fresh Milk

Held a 15.1% market share, ranking second in the market.

16.8%



Nadec Yogurt

Achieved a 16.8% market share, ranking second in the market.

13.4%



Nadec Fresh Cream

Recorded a 13.4% market share, ranking second in the market.

Top-Selling Nadec Dairy Products

Long-Life Milk

Nadec’s 1-liter full-fat long-life milk is one of the company’s most in-demand products, accounting for 11% of total dairy sector sales. Known for its exceptional quality, this milk is made from 100% fresh cow’s milk and undergoes ultra-high temperature (UHT) processing, ensuring a longer shelf life without the need for preservatives. Enriched with vitamins A and D3 to enhance its nutritional value, it contains a minimum fat content of 3%, making it an ideal choice for families seeking a nutritious and delicious milk option.

Nadec Dairy Revenue in 2024 vs. 2023

Long-Life Dairy Products (SAR million)



Change (%)
+0.4%

Cheese & Butter Products (SAR million)



Change (%)
+5.9%



Juice Products

Nadec’s juice sector delivered outstanding performance in 2024, securing the second-largest market share locally and generating revenues of SAR 231.4 million. The company maintained its leadership in this position compared to 2023, demonstrating its ability to sustain growth in a competitive market while aiming for further expansion, reaching new consumer sectors, and strengthening its premium juice portfolio.

Innovation played a key role in maintaining Nadec’s competitive edge in the juice market. The company introduced newly designed consumer-friendly packaging, which received positive feedback from customers. This enhancement further reinforced Nadec’s position in the juice category, offering unique and distinctive flavors.

The juice sector contributed 2.47% of Nadec’s total profits in 2024, driven by strong demand for newly introduced products such as strawberry mojito juice and apricot mixed fruit juice, both of which gained significant popularity among consumers. This success was further supported by the introduction of various consumer-friendly packaging sizes and the expansion of the juice portfolio with new product offerings, strengthening Nadec’s presence in this dynamic sector.

New Juice Products

As part of Nadec’s ongoing commitment to delivering innovative products that meet customer expectations, a new range of juices was introduced in 2024. These additions aim to enhance flavor variety and bring a refreshing and distinctive touch to the consumer experience. The newly launched juice products include:

- Strawberry Mojito Nectar Juice (180ml - 1.3L)
- Seasonal Flavours Nectar Juice (180ml - 1.3L)

Top-Selling Nadec Juice Product - Mango Nectar

Nadec’s 1.3L Mango Nectar is one of the company’s most in-demand juice products, contributing 9% of total juice sector sales. This nectar is an ideal choice for mango lovers, offering a balanced blend of natural mango pulp and a mix of fruit concentrates, including apple, grape, and pear, delivering a unique and refreshing taste. With 80% fruit content, no added sugar, and fortified with Vitamin C and other natural ingredients, Nadec Mango Nectar stands out as a wholesome and flavorful option.

Market Share of Juice Products in 2024

Nadec’s juice products held a

19.5%

market share, ranking second in the market.

Top-Selling Nadec Juice Product

Mango Nectar



Olive Oil Products

Nadec’s olive oil sector delivered outstanding performance in 2024, achieving the highest sales, revenue, and market share locally. The sector recorded revenues of SAR 115.1 million, with Nadec advancing to the top market position, up from second place in 2023. This achievement reflects the exceptional quality of Nadec’s olive oil, which has earned numerous local and international awards over the years. Looking ahead, Nadec remains committed to sustaining its leadership and expanding its consumer base.

Nadec’s market share in the olive oil sector reached 14.7%, solidifying its position as one of the leaders in the olive oil sector locally. This success stems from the company’s strategic initiatives to strengthen its olive oil sector, including expanding distribution channels and investing in the increased production capacity of olive trees. Additionally, Nadec implements rigorous and exceptional quality tests, conducted both seasonally and throughout the year, to ensure consistent productivity and superior quality in the olives it cultivates.

Furthermore, Nadec’s organic extra virgin olive oil, our flagship product, leads the local market with a share of 45.8%. Its exceptional quality, coupled with Nadec’s dedication to organic farming throughout the production process, has solidified it as the top choice for consumers.

Top-Selling Olive Oil Product in Nadec 500 ml Olive Oil

Olive oil accounted for 3.6% of Nadec’s total revenue in 2024, underscoring its growing significance within the company’s portfolio. Additionally, the 500 ml olive oil is the top-selling product in nadec's olive oil category.

Nadec's organic olive oil contains a high percentage of oleic acid (a type of monounsaturated fatty acid), according to a report published by the World Health Organization (WHO) in 2020, which links it to a reduced risk of heart disease. Additionally, nadec's organic olive oil is distinguished by having 30% more antioxidants compared to traditional olive oils, which supports resistance to inflammation and early aging.

Nadec Olive Oil Revenue in 2024 vs. 2023

Olive Oil Products (SAR million)



Change (%)
+67.8

Organic Extra Virgin Olive Oil Market Share for the year 2024

The market share for nadec's organic extra virgin olive oil reached

45.8%

Ranking 1st in the market

Top-Selling Olive Oil Product in Nadec
500 ml Olive Oil



Calves and Protein Products

Nadec’s Protein sector experienced significant growth in 2024, recording a notable increase in sales and revenue. This growth was driven by the company’s strategic expansions, including the establishment of dedicated local slaughterhouses, enhancement of distribution networks, and investment in increased capacity by sourcing high-quality red meat from various countries.

As a result, sector revenue rose to SAR 180.3 million, up from SAR 83.6 million in 2023, reflecting an increase of approximately SAR 96.7 million or 114.9%. The protein sector accounted for 5.6% of Nadec’s total sales, underscoring the positive impact of expansion initiatives. The company’s investments in, expansion of network distribution, and increased production capacity played a key role in achieving this remarkable growth in the protein sector.

New Products in 2024

As part of our commitment to meeting customer expectations and offering a diverse selection to suit their needs, Nadec continued to expand its portfolio of innovative products in 2024. We introduced a new range of products catering to various tastes, while also enhancing the sector with high-yield cattle breeds, supporting consumers’ healthy choices:

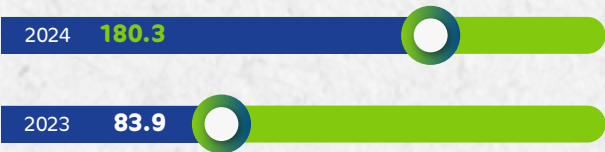
- Holstein Veal
- Angus Beef
- Topside Beef
- South African Lamb
- Australian Lamb
- Variety of Beef Cuts (Tenderloin, Striploin, Ribs)

Top-Selling Nadec Red Meat Product Holstein Veal

As part of Nadec’s commitment to meeting customer needs and delivering high-quality products, Holstein veal accounts for 27% of total red meat product demand. Known for its premium quality, Holstein veal provides versatile options for a variety of meat-based dishes, making it a preferred choice among many customers.

Nadec remains dedicated to offering the best food products, with a strong emphasis on quality and variety, ensuring it meets diverse tastes and dietary preferences.

Nadec Calves and Protein Revenue in 2024 vs.2023 (SAR million)



Change (%)
+114.9

Top-Selling Nadec Red Meat Product

Holstein Veal

Premium Products

Nadec Organic Extra Virgin Olive Oil – Our Flagship Product (Ranked No.1 Locally)

Since the launch of Nadec’s Organic Extra Virgin Olive Oil, we have been committed to ensuring that our flagship product combines exceptional quality with the highest health and environmental standards. Our goal was to create a product that stands out locally with unique attributes, making it a strong competitor in the organic olive oil market.

This commitment has been clearly reflected in Nadec’s market leadership, as our product has rightfully secured the No.1 position in local market share for olive oil. This success has also extended beyond the local market, earning global consumer preference and receiving prestigious international awards, further reinforcing its superior quality and excellence.

From Our Certified Organic Farms

The exceptional quality of Nadec’s Organic Extra Virgin Olive Oil begins at the very first stage of cultivation. Our olive oil is produced from certified organic olive farms, where strict organic farming practices are applied. These practices prohibit the use of chemical pesticides and synthetic fertilizers, adhering to the standards of the International Federation of Organic Agriculture Movements (IFOAM).

This commitment to organic cultivation has had a significant impact on the quality of our olives, resulting in higher antioxidant content compared to conventionally grown olives.

Acidity Below 0.8%

In the next stage of production, Nadec’s Olive Oil stands out through its cold extraction process, carried out at temperatures not exceeding 27°C. This technique preserves natural compounds, including polyphenols and vitamin E, which are typically lost in high-temperature processing. According to the International Olive Council (IOC), cold-pressed olive oils maintain an acidity level below 0.8%, a key indicator of extra virgin olive oil quality. By adhering to these rigorous standards, Nadec ensures superior purity, exceptional nutritional value, and a rich, authentic taste, making it a premium choice for health-conscious consumers.

Commitment to Quality and Production Standards

Nadec’s Organic Extra Virgin Olive Oil achieves high quality by adhering to strict standards, including cultivating olive trees in fertile soil and maintaining optimal climate conditions. As part of this commitment, Nadec has strategically planted its olive trees in Al-Jouf, Saudi Arabia, a region known for its ideal environment for olive farming. This approach aligns with recommendations from the International Olive Institute (IOI), which emphasizes that the distinct flavor of extra virgin olive oil serves as a key indicator of natural purity, free from chemical processing or improper storage.

Sustainability-Driven Olive Oil

Nadec’s olive oil production is guided by sustainable policies, ensuring its distinction in the market. The company has adopted renewable energy solutions in its manufacturing facilities and implemented agricultural waste recycling initiatives. As a result of this environmental impact, Nadec has been awarded the EU Organic Certification, reinforcing its commitment to reducing its carbon footprint in line with a report by the United Nations Environment Programme (UNEP).





Nadec Long-Life Milk-The Taste of Health

Nadec's Long-Life UHT Milk is one of the company's flagship products, offering a unique balance of premium quality and excellent nutritional value. Made from 100% fresh milk, without any added milk powder, it has rightfully earned its title as "The Taste of Health" among our dairy products, setting it apart from competitors in the local market. Processed using Ultra-High Temperature (UHT) technology, it ensures an extended shelf life without preservatives, making it an ideal choice for families seeking safe, nutritious milk that retains its essential nutrients while allowing for long-term storage without refrigeration.

Long-Life Milk with a Variety of Choices

Nadec offers a diverse range of Long-Life Milk to cater to different consumer needs, including full-fat, low-fat, and skimmed milk. Additionally, the company provides a lactose-free option for individuals with lactose intolerance, ensuring the same nutritional value and delicious taste. To further enhance consumer choices, Nadec has introduced its Long-Life Milk in a variety of flavors, including banana, vanilla, chocolate, and strawberry, offering a delightful selection to suit different preferences.



Easy Storage

Nadec's Long-Life Milk offers the convenience of room-temperature storage before opening the package, making it an ideal choice for families looking for a long-lasting milk option without refrigeration. Thanks to its UHT processing, it remains safe for consumption for up to 6–9 months without the need for cooling. This extended shelf life is made possible by its sterile, airtight Tetra Pak packaging, which effectively protects the milk from light and air, preserving its freshness and nutritional value.

Ultra-High Temperature Sterilization & Superior Quality

Nadec upholds the highest quality standards in the production of its Long-Life Milk, utilizing advanced processing technologies to ensure a safe and nutritious product. Enriched with vitamins A and D3, Nadec's UHT milk delivers enhanced nutritional value.

Manufactured using Ultra-High Temperature (UHT) Processing, the milk is heated to 135–150°C for just 2–5 seconds, effectively eliminating harmful microorganisms without compromising its nutritional integrity. This method better preserves fat-soluble vitamins compared to traditional pasteurization, ensuring that Nadec's UHT milk retains 90% of its full milk protein content, making it a nutrient-rich and high-quality choice for consumers.



Digital Transformation and Investment

Since announcing its ambitious digital transformation strategy for the coming years, nadeo has focused on key priorities to drive this initiative forward. The strategy focuses on developing food projects rooted in quality, sustainability, and operational excellence, localizing advanced technologies and modern methods in the food industry, and training and developing national talents and competencies to contribute to achieving self-sufficiency in line with Vision 2030 and its goals for food security.



Nadec's Digital Transformation Strategy in 2024: Chains of Success

During 2024, nadeo successfully completed more than 120 digitization projects, including enhancements to the SAP S4HANA system and the digital and technological services it offers. These advancements contributed to the success of new services and operations, including business processes such as finance, procurement, warehousing, production, quality control, sales, transportation, and factory maintenance.



The digital transformation project at nadeo aimed to create a unified source of information to assess various areas and enable the seamless integration of its business processes. This initiative allows for real-time data access related to transactions and inventory across multiple departments. The digital transformation projects included enterprise resource planning (ERP) systems and contributed to developing a precise and comprehensive roadmap for business process improvements and strategies.



Upgrading Supervisory Control Systems and Operations at nadec

In 2024, nadec enhanced its quality and control systems by integrating SAP S/4HANA modules to improve governance, automation, and operational efficiency. Key upgrades included Master Data Governance (MDG) for data accuracy and GRC modules for stronger risk management. nadec also upgraded its SCADA and OT infrastructure for improved industrial control, automation, and real-time monitoring.

To bolster security, CCTV monitoring and access control systems were deployed across operational sites, while cybersecurity efforts focused on IT and OT security, including the implementation of a Security Operations Center (SOC).

Nadec ensured compliance with the Personal Data Protection Law (PDPL) and integrated necessary security controls. Additionally, Phase 2 of the electronic invoicing system streamlined financial workflows and ensured regulatory compliance. These efforts reinforce nadec's commitment to operational excellence, security, and compliance.

Automation and Digital Transformation in Supply Chain and Agriculture Sectors

Nadec has continued to lead in digital transformation by leveraging the latest technologies to enhance sustainability and operational efficiency. This progress has significantly impacted the supply chain and agriculture sectors through smart irrigation systems and supply chain automation, reducing manual intervention and boosting overall performance.

Supply Chain Automation

Nadec implemented an automated inventory replenishment system across 38 distribution centers, improving product demand planning, supply accuracy, production, and distribution operations. This initiative ensured the continuous availability of products to meet consumer needs effectively.

Smart Irrigation Technology

Smart irrigation technologies in the agricultural sector introduced a significant shift in resource management, reducing manual intervention, improving water-use efficiency, and increasing crop productivity.



Positive Outcomes of nadeq's Digital Investment Projects

1 Digital Investment for Revenue Growth

Nadeq's digital transformation projects prioritized a key factor: their contribution to revenue growth by improving operational efficiency and supporting marketing and sales strategies. By leveraging data analytics and predictive tools (SAP S/4HANA / SAP Analytics Cloud (SAC) / SAP Datasphere / SCADA), the company enhanced its ability to respond to customer needs and expand its consumer base.

2 Net Profit Margin

Another critical determinant for digital transformation projects was their ability to improve net profit margins. This was achieved by reducing operational costs and optimizing resource management through supply chain automation systems. These systems minimized human errors, accelerated processes, and resulted in significant time and cost savings, leading to sustainable profits.

3 B2B Application Launch

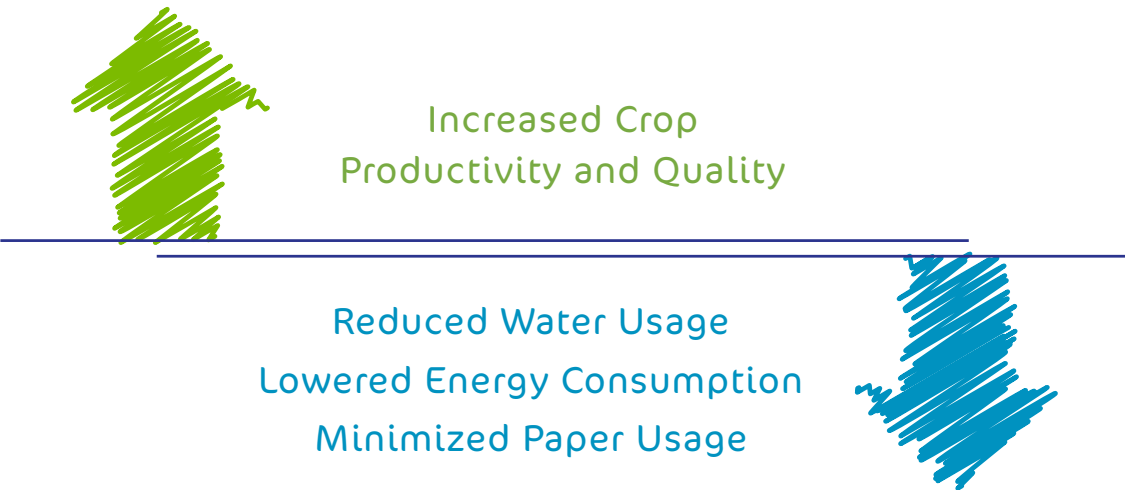
Nadeq has launched a B2B application, which is designed to facilitate commercial transactions between nadeq and its distributors and wholesalers. This was made possible with the development of a dedicated contact center to handle their inquiries and to drive efficient marketing implementations.

4 Sustainability Metrics

Digital transformation initiatives laid a strong foundation for achieving sustainability goals at nadeq. Smart irrigation technologies improved water and energy efficiency, while waste recycling initiatives were enhanced. Additionally, the company launched the "Green Footprint" project to reduce paper usage and transition toward paperless operations, streamlining document management processes.



Sustainability Achievements at nadec Resulting from Digital Transformation



Nadec: Digital Transformation Strengthening Transparency

In 2024, nadec focused on enhancing its relationships with both customers and suppliers through two major initiatives:

1. Enhancing Customer Support

B2B Application: nadec launched a dedicated Business-to-Business (B2B) application to facilitate transactions between the company and its clients, including distributors and wholesalers. This application streamlines ordering, purchasing, and account management, providing a better customer experience. Additionally, a dedicated contact center was established to address customer inquiries.

2. Increasing Supplier Transparency

Ariba SLP System: nadec implemented the Ariba SLP system, specialized in enhancing supplier transparency and performance. This system strengthens nadec's market presence through increasing supplier transparency.

Contract Farming: nadec's Leading Investment

Nadec has strengthened its commitment to contract farming by integrating it into the SAP system, encompassing stages such as contract data registration, monitoring execution, managing payments to farmers, and tracking the quantities and quality of received crops. This approach has enhanced financial oversight of external sources and has led to.

- **Better Cost Monitoring**
- **Improved Cash Flow Management**
- **Increased Transparency and Accountability through tracking financial processes and ensuring contract compliance.**

Digital Transformation Excellence certification and awards at nadec 2024



ISO27001:2022 Certification for Information Security Management

Achieved for the Management of Information Security across food processing and agricultural activities, covering dairy, long-life dairy, cheese and butter, fresh juice, olives, protein products, and more. This certification highlights our rigorous commitment to information security.

Issued Date: April, 2024

Award for "Best Achievement in Operational Management Program"

Received this award in collaboration with SAP Signavio at the BTOES Awards, recognizing our success in empowering business users and improving operational excellence.

Issued Date: May, 2024



ISO9001:2015 Certification for Quality Systems in Technology and Digital Division

Awarded for our Quality Management System (QMS) in the Digital & Technology department, emphasizing nadec's high standards across infrastructure, applications, strategy, governance, and digitalization services.

Issued Date: October, 2024.