



ALPEN
CAPITAL



GCC FOOD INDUSTRY

28TH NOVEMBER 2023

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“Food Industry (except Restaurants / Foodservice) saw an increased growth during 2020 and good part of 2021 as people spent a lot of time at home leading to increased consumption, and loading of pantries at home etc. However, since then, on the supply side, the industry has witnessed a significant inflation in costs (due to rising interest rates / financing costs, Russia-Ukraine war, high energy prices etc.) leading to decline in profitability. On the demand side, consumer preferences are changing in terms of seeking more value for money, demanding healthier alternatives and convenience both in terms of food (snacking, ready-to-go food) and availability (online shopping). The trade structure is also evolving with new formats like discounters also challenging the Modern Trade.

In GCC, we have also seen increased competition from international players committing to the region with greater manufacturing and R&D investments. Compared to western markets, GCC with its growing population, younger working population, high disposable incomes, relatively lower per-capita consumption, plus country strategy shifts (e.g., KSA) to have more local production for self-sufficiency and food security. It is critical to balance between market shares and profitability. Balancing both supply side and demand side dynamics is a challenge for most industry players. In this environment, the players who can build strong brands, offer quality & innovative products, while being cost-effective are likely to come out as winners.

The food demand is expected to continue to grow across GCC as more people moving in due to relaxation of entry/residency visas and better infrastructure with further significant investments are being made to build large projects for tourism purposes. People have confidence on the authorities given the way they managed pandemic crises and are taking measures overall to improve the ease of doing business in the region.”

Kesri Singh
Director, Americana Group

“The 2020s decade so far has been characterized by events that have a lasting impact on the course of human history – across industries, economies, environment, geo-politics, quality of life and more. Every industry experienced a transformation in the fundamental driving forces and the F&B industry in the MENA region is no exception. In fact, many of the parameters that have shifted during the pandemic seem to be here to stay for the longer term.

The current inflationary reality is the result of a milieu of factors including the aftershocks of supply chain disruptions and freight charge increases that considerably impacted international trade, a commodity boom exacerbated by supply shocks due to climate change and the ongoing energy and crude oil premiums trickled down from the manufacturing sector to the consumer. On the other hand, the profitability shock endured by travel and associated industries like hospitality have made businesses more cautious of their costs, squeezing margins across the value chain. In this context, it is imperative for food businesses to respond to these challenges by increasing local sourcing, mitigating supply risks through alternative countries of origin for fresh produce and other raw materials and improving efficiencies in the supply chain using technology while focusing on meeting diverse customer needs.

e-Commerce, a channel buoyed by lockdown-shopping habits and enabled by historically high penetration of data and ever-expanding public infrastructure like roads, is now a force to reckon with – helping aspiring brands and new product concepts jump start their growth. More recently, the increased investments in quick-commerce in the UAE are enabling near-real-time access to grocery and food & beverage options. This redefines shopping habits as the consumers do not have to plan pantry inventory in advance and the categories of food and grocery that are previously inaccessible are now minutes away.

While travel and tourism is back and reaching new heights, the shift in consumer preferences towards fresh, healthy, local, organic, environmentally-responsible products and brands is here to stay as well. As a local business born in the UAE, we are leveraging this shift by innovating consistently to nourish our consumers to help them be a healthier version of themselves through the best of fresh.

Looking forward, 2020s is a decisive decade for the key economies in the MENA region, as the governments embark on gigantic infrastructure projects and diversification initiatives. These initiatives are set to define the future of the region and by extension, the global economy. The projected influx of expatriate population and tourist traffic into the region is expected to present opportunities of unprecedented scale for the F&B industry in the region. Only businesses that can be prepared for the future are the ones that can participate in and contribute to this journey to glory for the region.”

Kenneth D’Costa
Managing Director, Barakat Group of Companies

“The GCC Food Industry holds immense potential for growth and innovation due to its strategic location and the region’s burgeoning population. This unique combination creates a fertile ground for food businesses to thrive. Moreover, there is a rising awareness of health and sustainability among consumers, which is reshaping their preferences and driving the industry towards healthier and more sustainable options.

Post-COVID-19, the Food Industry has experienced a seismic shift in consumer behaviour. The surge in online food delivery and e-commerce underscores the importance of a robust digital presence for businesses. Furthermore, hygiene and safety standards have become paramount, prompting the industry to adapt by embracing technology, streamlining supply chains, and diversifying their product offerings to meet these changing demands.

In addition to consumer-driven changes, the industry faces regulatory challenges and must address critical issues such as food security and sustainability, including efficient water and energy usage, as the region grapples with the impacts of climate change. To propel growth in this sector, it is imperative to invest in research and development aimed at creating innovative and sustainable food products. Collaborative efforts between the public and private sectors can drive advancements in food security. Leveraging technology for precision agriculture and optimizing supply chains will also play a pivotal role in shaping the industry’s future.

Recent trends in the GCC Food Industry reflect these shifts. There is a growing interest in plant-based and alternative protein products to cater to health-conscious consumers. Sustainable packaging solutions are gaining traction, and there is a stronger emphasis on locally sourced and organic produce. Furthermore, the industry is witnessing a shift towards personalized nutrition and the integration of AI and data analytics to optimize operations and enhance customer experiences.”

Anantharaman Ramanathan
Group Director - Finance, IFFCO Group

“Post Covid it has been really heartening to see the rebound in the food service sector as consumers again seek that occasion around food consumption. This has definitely been enhanced by the fact that many of the smaller, less viable outlets have exited the market meaning that there is a much greater appreciation of the quality standard required to survive and thrive in this space. Surprisingly the growth of the delivery service has not abated either so it appears that this change in consumer behavior, accelerated by the pandemic is here to stay.

Inflation though has had a significant impact on the market dynamics as we see the rapid growth of the discounter channel. Long a feature of the European market with giants like Lidl and Aldi we are now seeing this grab a significant and accelerating portion of the consumers basket. It can only be a matter of time before the mainstream retailers start to price ranges to compete. The days of being able to pass through price increases will come to an end, forcing both retailers and suppliers to really focus on delivering efficiency gains through automation, elimination of duplication, etc.

The great thing about food though is that people simply have to eat – thus a growing regional population will continue to provide a buoyant outlook for the overall food and FMCG industry. The challenge, now more than ever though, will be to ensure that we deliver a consumer relevant

proposition better than anyone else and at a value proposition that makes sense – through whatever channel. Otherwise, range rationalization and spend rationalization will catch up on us.”

Garry Walsh
CEO, Mezzan Holding Co.

“There is hardly any industrial sector that is devoid of its own fair share of challenges and opportunities and the GCC F&B industry is no exception. But what has made this industry attract distinct attention in the recent past is its dynamic approach and organizational ambidexterity, allowing entities to strike a balance between exploiting their existing competencies alongside exploring new revenue growth pathways, all the while maintaining focus towards catering to the consumers with tailor-made solutions. We believe the GCC food industry will continue its expansion and growth driven by energy prices, accelerated public investments, and change of lifestyle in consumers particularly the Gen Z.

Though the food industry witnessed unprecedented stresses during pandemic, it has adapted quickly with the demands of the new normal. The industry has found itself witnessing a sudden increase in demand for home-made meals, meal-kits, online orders, take-out, no contact deliveries, drive-throughs, and other diverse approaches, not to mention introduction of robotics and artificial intelligence in business processes as well. Most large GCC F&B companies have factored in these changes and re-calibrated their strategies to align themselves with these novel market demands.

Some of the challenges of this segment are also attributed to its interdependence with other sectors, esp. transport and resources. The pandemic had also brought one of the lowest ebbs in tourism, adding to the challenge. Furthermore, the industry had to keep up with demand and supply fluctuations resulting out of delays in the supply chain and uncertain offtake numbers. As things started to normalize post pandemic, the F&B Industry has gone back to gaining a stronger foothold and is now looking forward to rising incomes, higher aspiration levels, growing young population, normalization of tourism to boost its growth. The industry also is looking to innovate offering newer options to discerning consumers viz. plant-based products, keto, gluten-free and many more, primarily as a reaction to emerging new diet trends and consumer preferences. Other major trends being witnessed are growth in ecommerce, increase in electronic payment, digitalization and acceleration of social media influence vs TV/press media.

A resilient and successful F&B Industry remains indispensable when it comes to sustainability of any nation’s economic and human goals, and we find the same in GCC countries as well. Hence all large GCC F&B companies are working hard to find the right scale which will allow them to remain nimble and flexible within the Government framework all the while striving to drive up the shareholder returns.”

Youssef Ezzikhe
CEO, Oman Refreshment Co.

“The Food Industry in the GCC region has experienced significant growth driven by various factors: population growth, further diversification, urbanization, and evolving consumer preferences. This growth trajectory paints a promising future for home-grown food production entities. One pivotal turning point for the industry was the COVID-19 pandemic. It ignited a series of changes, where consumers discovered the convenience of online shopping, the joys of home cooking, shifting their preferences towards healthier and locally sourced products. Wellbeing took center stage, leading to increased demand for organic and fresh items. The pandemic also forced digital and automatic supply chains, enhancing efficiency and transparency.

The GCC countries, heavily reliant on food imports, recognized the urgency of ensuring food security. Companies like United Foods Company have tirelessly worked to reduce dependence on imported finished goods by establishing local production facilities, thereby mitigating potential food security risks. Despite these challenges and changes, there is an optimistic outlook for the future of the food industry in the GCC, fueled by emerging food trends that are revolutionizing the culinary landscape, such as:

Plant-Based Foods, on the rise due to concerns about health and the environment. This trend is reshaping the market and driving innovation. As an example, we launched this year, an olive oil based margarine, Nawar, in a biodegradable tub. Local Sourcing: Placing an emphasis on local and regional sourcing, strengthening food security, and supporting local economies, with almost 100% of our packaging sourced from the UAE. Premium and Ethnic Foods: Consumers are seeking diverse culinary experiences, leading to the expansion of the market for premium and ethnic cuisines. Obviously, for our Ethnic and Authentic range, Aseel is by far the leading brand in the region. Hence as the GCC food industry undergoes a transformation, challenges persist, but the region's commitment to diversification, coupled with shifting trends and technological advancements, offer a promising outlook for the industry's continued growth and development.”

Fethi Khiari
CEO, United Foods Company

“The GCC Food industry is expected to grow at a moderate pace over the next five-years due to rising population, greater economic stability and high per capita income. Additional consumption is expected to be driven by increasing tourist arrivals boosted by various international MICE and sporting events lined up to take place in the region. The region continues to witness a rising demand for nutritious and organic food due to growing awareness of healthy eating habits, especially post the COVID-19 pandemic. Emerging trends and evolving consumer preferences of the locals and expats are driving the demand for international cuisines, ready to eat meals and food delivery platforms. The GCC governments are investing heavily in deploying higher levels of automation and new hydroponic & organic farming techniques to improve domestic food reserves and reduce wastage. Consequently, several food manufacturers and service providers are investing in expanding their portfolio of the healthy and organic food segment.

The ongoing geopolitical conflicts have weakened the outlook of the global economy in the short to mid-term and is expected to weigh on global economic activity, leading to rise in inflation and supply-chain disruptions potentially causing risks to food security. These challenges are likely to motivate manufacturers and operators to pursue consolidation to diversify their offering and streamline operations. Moreover, normalization of valuations after the pandemic coupled with the need for businesses to remain competitive, is likely to create a compelling M&A landscape in the GCC region.”

Rohit Walia
Executive Chairman and CEO, Alpen Capital (ME) Limited

1. Executive Summary

Demand for food in the GCC has been witnessing steady growth, recovering from the slowdown and economic concerns amid the COVID-19 pandemic. Growth has been supported by expanding population base, buoyancy in tourism activity following the health scare, and evolving consumer preferences. At the same time, GCC food sector has become more self-reliant, supported by the various efforts by regional governments to increase domestic production. The industry is thus undergoing significant transformation, largely focusing on reinventing itself by deploying higher levels of automation and new hydroponic and organic farming techniques. These not only enhance nutritional value but also address concerns surrounding building adequate food reserves and reducing wastage. However, the GCC food industry continues to be challenged with supply chain disruptions, higher costs and raw material quality owing to changing weather patterns and logistic hurdles. Private sector participants, in collaboration with the regional governments, are exploring opportunities for value engineering, optimizing efficiencies, and leveraging strong partnerships to build a robust food ecosystem.

1.1. Scope of the Report

As an update to Alpen Capital's GCC Food Industry report in 2021, the publication gives an overview of the current scenario of the food sector in GCC and also covers the demand-supply dynamics in the region across major food categories. It further highlights the trends, growth drivers and challenges prevailing in the industry, along with the sector outlook until 2027. The report profiles some of the prominent food and beverage (F&B) companies in the region, while highlighting the financial and valuation metrics for select players.

1.2. Industry Outlook

- Food consumption in the GCC is expected to grow at a CAGR of 2.8% to reach 56.2 million MT by 2027 from an estimated 49.0 million MT in 2022. This growth is likely to be driven by an increase in population, rise in per capita income due to greater economic stability, and the rebound in tourism activities. Although the ongoing geopolitical concerns may weigh on the GCC food sector due to rising inflation and anticipated supply-chain vulnerabilities, the region's high purchasing power is likely to support growth.
- Being the staple food of the region, cereals will continue to remain the most consumed food category. However, it is expected to witness a modest growth rate over the five-year period compared to the rest of the food categories. The vegetables food category is projected to secure the highest annualized growth rate while consumption of meat in the GCC is likely to record marginal gains as consumers turn health conscious amid the rising incidence of NCDs and growing demand for fresh produce and pesticide-free food with high nutritional value.
- The country wise food consumption share in the GCC is projected to change marginally through 2027. While Saudi Arabia will continue to remain the largest GCC market in terms of food consumption, its share is likely to fall from an estimated 57.1% in 2022 to 55.5% in 2027. On the other hand, UAE's share is expected to grow from an estimated 18.0% in 2022 to 18.5% in 2027.
- Bahrain is set to witness the highest growth in food consumption between 2022 and 2027, followed by Oman, UAE, Qatar, and Kuwait. Growth in Saudi Arabia is expected to remain below the GCC average over the forecast period.

1.3. Growth Drivers

- The GCC economies made a strong recovery following a period of pandemic-led economic distress that led to the dual shock of falling oil prices and slowdown in domestic activity. The region's strong emphasis towards economic diversification,

continued structural reforms and private sector participation to improve the business climate and competitiveness will continue to support economic growth in the long-run. The confluence of all these factors are expected to positively drive consumer sentiments, spending and food consumption over the long-term.

- Growing population, largely comprising of youth and working class professionals, together with high proportion of expatriates continue to be a major driver for the GCC's food sector. Demand will continue to grow as population across the GCC is expected to reach 62.2 million by 2027, registering a CAGR of 2.0% since 2022.
- GCC governments have taken a range of measures to improve food security and production, while ensuring supply by streamlining logistics and distribution. The nations have also diversified their import sources, increased investments towards technology, introduced policy reforms and forged international collaborations to contain imports and ensure steady supply of food through home-grown produce.

1.4. Challenges

- The global economy is expected to remain weak in the short to mid-term, largely impacted by the Russia-Ukraine and Israel-Palestine conflicts. Both these geopolitical issues are likely to weigh heavily on global economic activity, raise inflation, increase food insecurity, drive up supply-chain problems, and cause environmental as well as agricultural degradation.
- The environmental conditions in the GCC - primarily characterized as arid with high temperatures, rare rainfall, and limited non-renewable groundwater resources - are not favorable for conventional agriculture. Limited availability of arable land in the region has compelled the nations to depend on food imports from other countries.
- The challenge of food insecurity in the GCC has been perennial, with the recent COVID-19 health scare exposing the region to a multitude of challenges. Over 85% of the food requirement in the region is imported, exposing the GCC to global price fluctuations and causing inflationary pressure due to supply chain disruptions.

1.5. Trends

- With chronic and lifestyle-related diseases becoming a major concern for the population, awareness for healthy eating has spread across the GCC. The regional governments have started advocating health benefits of non-processed foods and adopted several strategies to promote healthy lifestyle. This has not only boosted the demand for organic food but has also encouraged restaurants and food services players to concentrate on producing healthy food items across the region.
- There is a large-scale movement in the GCC AgriTech sector via investments and partnerships between private players and governments with the aim of gradually building a capability to produce sufficient yields of affordable food with minimal resource utilization. The GCC nations are also upgrading their logistics and storage systems to create smart warehouses while focusing on water desalination.
- The UAE and Saudi Arabia lead the region in adoption and augmentation of technology and innovation in food production. This includes developing new seeds and fertilizers, using AI, data analytics, and robotics to increase crop yields, while using drones to monitor and manage crops.

The GCC's favorable demographics and resilient economic factors are expected to boost its food industry. The governments' efforts to enhance food production is encouraging local as well as international players to expand their presence while also helping reduce the demand-supply imbalance and consequently food costs. For manufacturers, focus is likely to be directed towards value creating opportunities, with particular emphasis on AgriTech. At the same time, online business channels, including food aggregators and last-mile delivery platforms, are poised to play a pivotal role in reshaping the dynamics of the food market.

2. The GCC Food Industry Overview

Demand for food in the GCC has been witnessing steady growth, recovering from the slowdown and economic concerns amid the COVID-19 pandemic

The region has invested heavily in local desalination capacity, which has supported the rise in production of different varieties of fruits, vegetables and cereals

Population in the GCC is estimated to have grown at a pace of 1.0% CAGR between 2017 and 2022 to reach 56.2 million

Demand for food in the GCC has been witnessing steady growth, recovering from the slowdown and economic concerns amid the COVID-19 pandemic. The growing population, coupled with expatriates and tourists returning to the GCC shores following the health scare, have supported the rise in food demand. At the same time, various initiatives taken by the regional governments, primarily aimed at making the food industry self-sustainable and reducing dependence on imports, has also aided growth. While the GCC food industry has continued to exhibit resilience, several emerging trends and evolving consumer preferences are reshaping consumption patterns. For instance, growing awareness of healthy eating habits and consumers seeking food with high nutritional value has led to the rise in demand for fresh and clean label products, especially organic food items. The industry is thus undergoing significant transformation, largely focusing on reinventing itself by deploying higher levels of automation and new hydroponic and organic farming techniques. These not only enhance nutritional value but also address concerns surrounding building adequate food reserves and reducing wastage. This has led to several food manufacturers and food services operators expanding their portfolio, while also facilitating the entry of new players in the organic and healthy food segment in recent years¹.

Historically, the food import dependency has remained high for all the GCC nations, largely due to harsh climatic conditions and limited arable land available for cultivation. To mitigate the risk of shortages and increase self-sufficiency, GCC governments have invested heavily in expanding the local desalination capacity over the last few years². This has supported the rise in production of different varieties of fruits, vegetables and cereals which were historically not feasible to grow due to lack of freshwater and harsh climatic conditions³. However, the GCC food industry continues to be challenged with supply chain disruptions, higher costs and raw material quality owing to changing weather patterns and logistic hurdles. Private sector participants, in collaboration with the regional governments, are exploring opportunities for value engineering, optimizing efficiencies, and leveraging strong partnerships to build a robust food ecosystem. Moreover, the GCC nations are establishing strategic partnerships and investing in agricultural lands abroad to strengthen their food security system⁴ and meet the rising demand⁵. The region is particularly invested in promoting the production of wheat, cotton, rice, sunflower, fruits and poultry with Sudan, Pakistan, Egypt and Indonesia⁶.

Favorable Demographic and Economic Profile Driving Food Consumption

Population in the GCC is estimated to have grown at a pace of 1.0% CAGR between 2017 and 2022 to reach 56.2 million (see Exhibit 1)⁷. The region's young and working-class professionals (cumulatively accounting for ~84.2% of the total population)⁸, together with high proportion of expatriates (accounting for ~51.0% of the total population)⁹, continue to be a major driver for the GCC's food sector. Despite the pandemic forcing many expatriates to return home, as private sector business closures and crude output cuts weighed on income sources¹⁰, population levels in the GCC remained relatively stable in 2020 and

¹ Source: "Why the Middle East's organic market is ripe with opportunity", Dubai World Trade Centre

² Source: "GCC aims for \$100 bln investment in water desalination capacity", Zawya, August 23, 2023

³ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

⁴ Source: "UAE set to expand overseas agricultural investment operations in its bid to strengthen food security", Arabian Business, August 17, 2022

⁵ Source: "Saudi Arabia triples agriculture investments abroad", Gulf News, January 19, 2021

⁶ Source: "GCC investments in Pakistan's farmlands: The regional collaboration dreams are made of", July 11, 2023

⁷ Source: "World Economic Outlook Database", IMF, April 2023

⁸ Source: United Nations Development Programme (UNPD), 2022

⁹ Source: "The Role of the Expatriate Population (Non-GCC Citizens) in the Overall Population Growth and Structure", ISI World Statistics Congress, 2023

¹⁰ Source: "Gulf expat exodus could continue until 2023, S&P says", February 21, 2021

2021¹¹. In 2022, growth was largely driven by reopening of the borders coupled with the rising prospects of jobs as economic conditions revived and expatriates started returning to the GCC shores. Other factors such as positive immigration laws, relaxation of visa rules¹², coupled with the strengthening of the private sector and liberalization of policies¹³ have also played a significant role in driving domestic consumption.

The rising incidence rates of NCDs has changed the dietary habits and created a significant market for plant-based and organic food products across the region

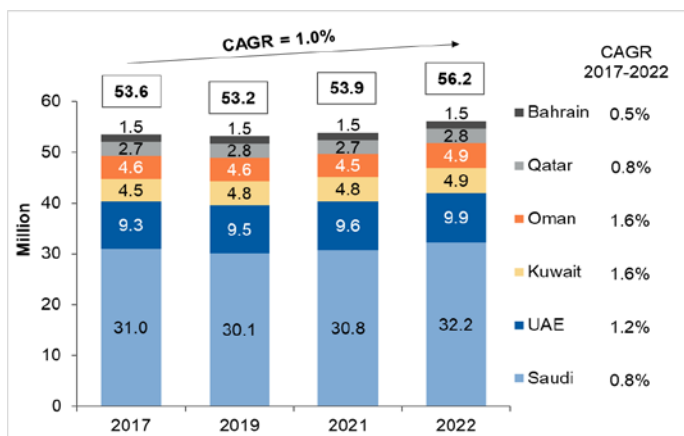
Majority of the GCC population is concentrated in urban areas with growing influence of global culture driving the demand of international cuisines, ready to eat meals and food delivery platforms. This increasing modernization trend, responsible for driving demand of convenient food products, continues to alter and challenge the region's health profile. The inherent sedentary lifestyles and unhealthy food habits have led to a higher prevalence of diabetes, cardiovascular disease, obesity, and other chronic conditions. Notably, the incidence rate of cardiovascular disease, diabetes, cancer and respiratory ailments in the GCC is among the highest in the world¹⁴. Amid the rising incidence rates, there has been a growing realization of the importance of health and well-being among the millennial population, which has created a significant market for plant-based and organic food products across the region¹⁵.

The high income level of the GCC nations augur well for the demand of different food palates, especially gourmet and those with high nutritional values

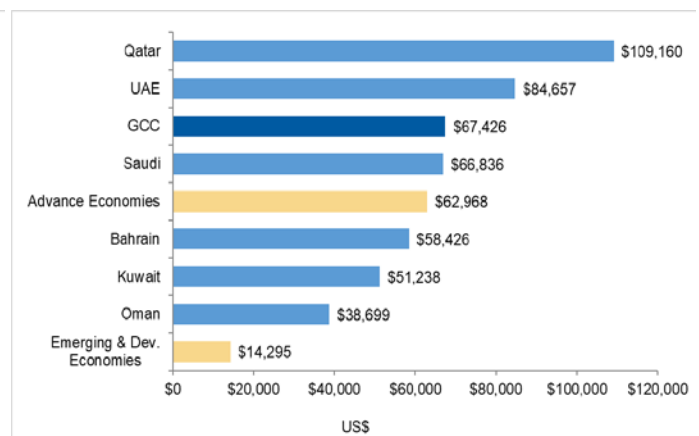
The overall income levels in the GCC region have recovered substantially due to the increase in oil prices and private sector growth, resulting in higher GDP per capita. In 2022, the average GDP per capita in the GCC is estimated to have reached US\$ 68,169 compared to US\$ 53,243 in 2016¹⁶. Qatar, with the second lowest population in the region, had the highest GDP per capita at US\$ 109,160, substantially higher than the average of advance countries (US\$ 62,968) and the region's average (US\$ 68,169). UAE (US\$ 84,657) had the second highest GDP per capita in the region, also higher than the GCC's average. Per capita income of Saudi Arabia, the largest nation in the bloc, stood at US\$ 66,836 in 2022, followed by Bahrain (US\$ 58,426) and Kuwait (US\$ 51,238). Oman recorded the lowest GDP per capita at US\$ 38,699 in the region. Nevertheless, the GCC countries recorded higher per capita incomes than the average of Emerging & Developing Economies in 2022¹⁷ (see Exhibit 2). The high income level of the GCC nations augur well for the demand of different food palates, especially gourmet cuisines and those with high nutritional values.

Exhibit 1: Population Growth in the GCC

Exhibit 2: GDP Per Capita (PPP) in the GCC (2022)



Source: IMF - October 2023



Source: IMF - October 2023

¹¹ Source: "World Economic Outlook Database", IMF, October 2022

¹² Source: "GCC: Immigration roundup from the last 12 months", PwC, July 06, 2021

¹³ Source: "Saudi plans economic overhaul with \$3.2 trillion investment", Economic Times, March 31, 2021

¹⁴ Source: "Global Health Observatory data repository", World Health Organization (WHO) 2020

¹⁵ Source: "Plant-based meat: GCC market opportunities", Dubai World Trade Centre, February 23, 2023

¹⁶ Source: "World Economic Outlook Database", IMF, April 2023

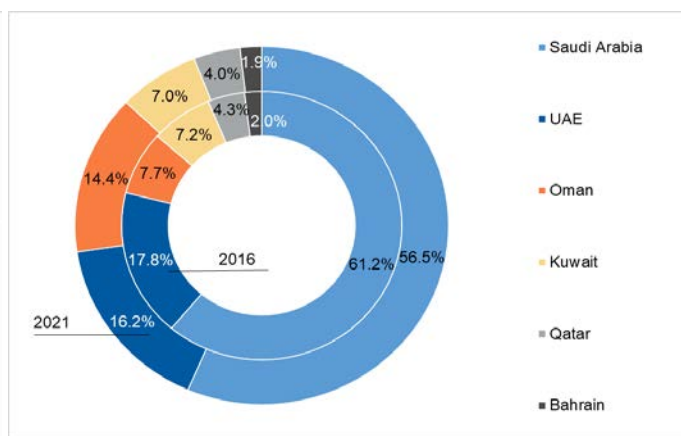
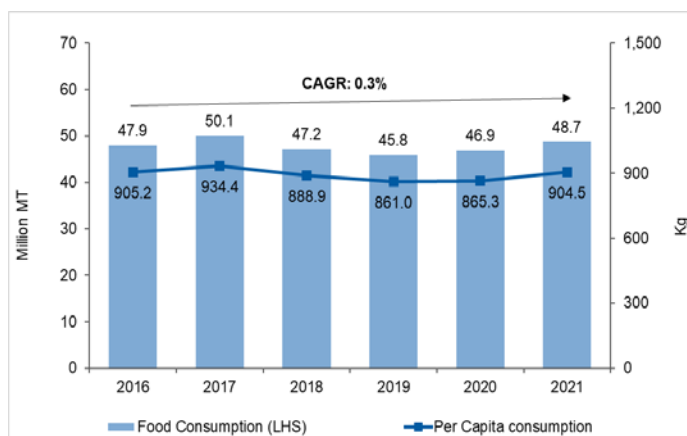
¹⁷ Source: "World Economic Outlook Database", IMF, April 2023

In 2021, the GCC consumed 48.7 MT of food products, with an annual consumption of 904.5 kg per person

In 2021, the GCC consumed 48.7 million metric tonnes (MT) of food products, with an annual consumption of 904.5 kilogram (kg) per person. The total consumption¹⁸ in the region grew at a modest pace of 0.3% between 2016 and 2021, largely affected by the slowdown during the pandemic years of 2019 and 2020 (see Exhibit 3). Saudi Arabia and UAE, the two largest food markets in the GCC, cumulatively accounted for 72.6% of total food consumption in the region given their larger population base. Notably, Oman witnessed a significant increase in its share of total food consumption from 7.7% in 2016 to 14.4% in 2021, largely driven by imports. The Sultanate's total food imports grew at a CAGR of 12.4% over the five-year period, the highest among all the GCC nations. On the other hand, the food consumption share between Kuwait, Qatar and Bahrain remained relatively unchanged over the five-year period¹⁹ (see Exhibit 4).

Exhibit 3: Food Consumption in the GCC

Exhibit 4: Country-wise Food Consumption Share



Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO

Within the GCC, Oman recorded the highest per capita consumption at 1,553.5 kg in 2021, higher than the regional average of 904.5 kg

Within the GCC, Oman recorded the highest per capita consumption at 1,553.5 kg in 2021, higher than the regional average of 904.5 kg. While UAE's food consumption (824.4 kg) stood at par with the GCC average, Bahrain had the lowest at 601.7 kg in 2021. Although food consumption in Saudi Arabia (894.1 kg), Qatar (715.1 kg) and Kuwait (719.9 kg) has improved since 2016, it stood below the average per capita consumption in the GCC (see Exhibit 5)²⁰. GCC has seen a shift in consumption pattern among the residents across all the nations over the five-year period. For instance, Oman witnessed an increased consumption of fish (27.0% CAGR), vegetables (15.6% CAGR), and milk/dairy products (9.9% CAGR) between 2016 and 2021 while Saudi Arabia recorded a decline in consumption of cereals (-4.7% CAGR) and fish (-9.9% CAGR), and the UAE too saw a fall in consumption of fruits (-2.7% CAGR) and fish (-1.5% CAGR) during the period²¹.

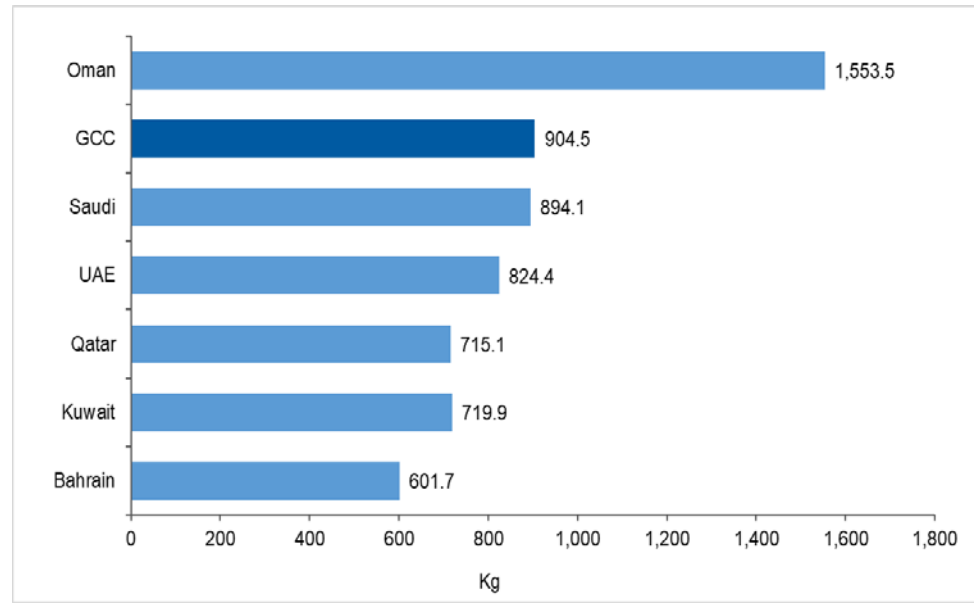
¹⁸* The term food consumption in this report can be defined as 'food available for consumption' to the consumers of a nation/region. It has been derived by deducting total exports from the sum of domestic production and imports of all available food categories.

¹⁹ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

²⁰ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

²¹ Source: "World Economic Outlook Database", IMF, April 2021

Exhibit 5: Per Capita Food Consumption in the GCC (2021)



Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

Cereals remained the most consumed food category among the GCC nations at 21.1 million MT in 2021; however, the share of cereals in total food consumption has declined from 47.4% in 2016 to 43.3% in 2021

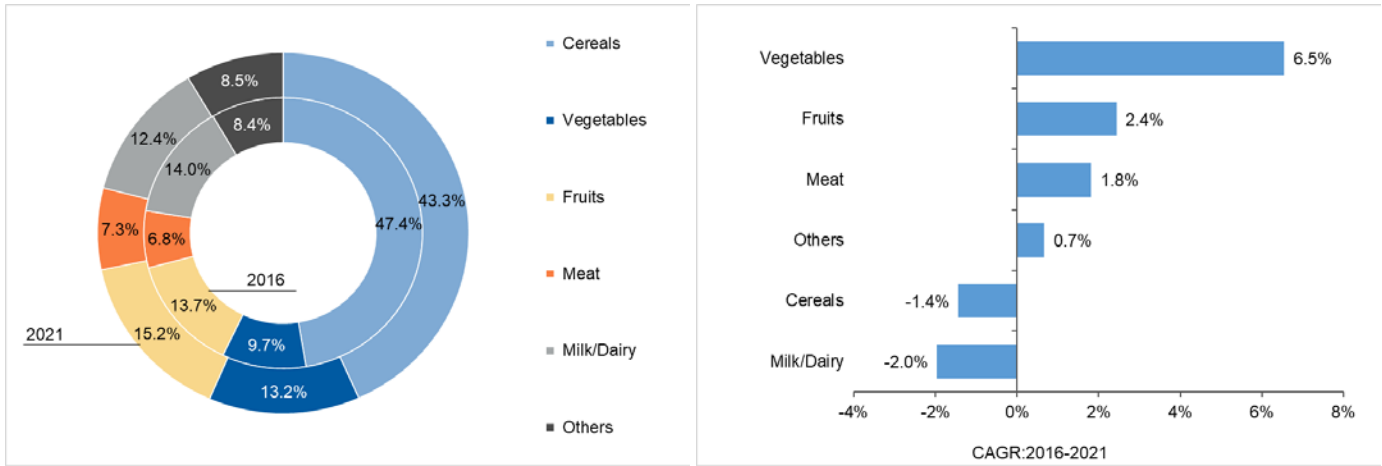
Consumption patterns in the GCC are gradually shifting towards value added, convenient, and healthier alternatives. Food categories, which are rich in carbohydrates and proteins, coupled with pesticide-free food with high nutritional value are being preferred due to increased globalization and rising health awareness. Cereals remained the most consumed food category among the GCC nations at 21.1 million MT in 2021. Despite being a staple food item for Arabs and expatriates, the share of cereals in total food consumption has declined from 47.4% in 2016 to 43.3% in 2021. Other food categories such as vegetables, fruits, meats, and milk/dairy products witnessed an increase in their share in total consumption by 0.5% to 3.5% over the five-year period (Exhibit 6)²². The consumption of vegetables grew at a quicker pace compared to the rest of the food categories, with an annualized growth rate of 6.5% between 2016 and 2021. While fruits (2.4% CAGR), meat (1.8% CAGR), and others (0.7% CAGR) witnessed a nominal rise in consumption, cereals (-1.4% CAGR) and milk/dairy products (-2.0% CAGR) witnessed a decline during the period (Exhibit 7)²³.

²² Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

²³ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

Exhibit 6: Category-wise Food Consumption Share

Exhibit 7: Category-wise Food Consumption Growth



Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO
 Note: Others include Fish, eggs, pulses, honey and potato

Food Production on the Rise

GCC governments have taken various measures to improve food production, while ensuring food security in order to avoid shortages. The region, which has historically relied on desalination of seawater and aquifers to meet their water needs, has also increased their focus towards setting up additional desalination plants while boosting investments in water-saving technologies for food production. In addition to increasing investments towards land agriculture, GCC governments have proactively introduced policy reforms while forging international collaborations to contain imports and ensure a steady supply of food through home-grown produce. For instance, Saudi Arabia has initiated various agriculture support programs and earmarked investments in millions of dollars to increase organic production. The Kingdom has also invested heavily in small farming businesses and desalination to make optimal use of its less arable land²⁴. UAE too has implemented various strategies focused on high-tech agriculture policies, R&D, enhancing domestic production, subsidization, and foreign investment policies, among others²⁵. All such measures have resulted in higher investments towards domestic crop production.

Total food production in the region grew at a pace of 6.1% CAGR since 2016 to reach 16.4 million MT in 2021

Total food production in the region grew at a pace of 6.1% CAGR since 2016 to reach 16.4 million MT in 2021. Saudi Arabia accounted for 66.7% (10.9 million MT) of the region's total food production in 2021. However, Qatar recorded the highest increase (15.6% CAGR) in domestic production during the five-year period²⁶. This can be largely attributed to Qatar's several commercial agricultural projects launched under the National Strategy for Food Security (2018-23)²⁷. Oman's domestic food production, too, increased at a relatively strong pace (13.0% CAGR) as the Sultanate has continued to invest heavily in the fisheries and agriculture sector, especially towards cultivation of diverse fruits, vegetables, and essential crops²⁸. This has led to an improvement in the overall self-sufficiency of the region during the five-year period, increasing from 25.4% in 2016 to 33.6% in 2021²⁹.

²⁴ Source: "How Saudi Arabia is boosting food security by pursuing agricultural self-sufficiency", Arab News, September 24, 2023

²⁵ Source: "GCC Countries are Food-secure while not self-sufficient yet", Frost & Sullivan

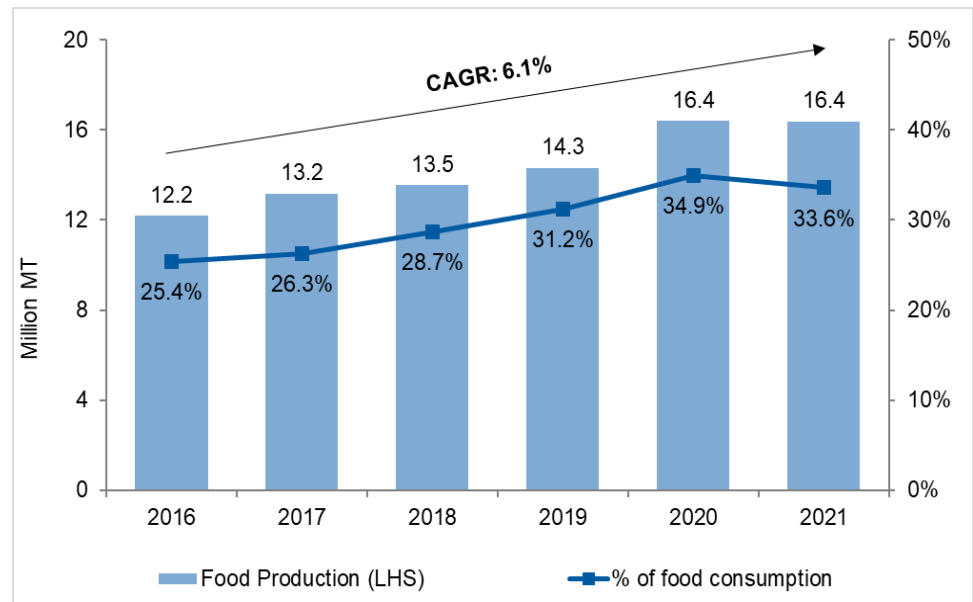
²⁶ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

²⁷ Source: "Food from the desert: Qatar's nourishing investment", Invest Qatar – Financial Times, September 7, 2022

²⁸ Source: "Opportunity Oman: Food industries a path to sustainable and diverse growth", Oman Observer, July 17, 2023

²⁹ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

Exhibit 8: Food Production in the GCC



Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

Although Saudi Arabia produces the largest quantity of food in the region, its share has declined from 70.2% in 2016 to 66.7% in 2021

Although Saudi Arabia produces the largest quantity of food in the region, its share has declined from 70.2% in 2016 to 66.7% in 2021 (see Exhibit 9)³⁰. This can be largely attributed to the Kingdom's reduced production of cereals (-4.7% CAGR) to save water resources. Nevertheless, total food production in Saudi Arabia increased at a CAGR of 5.0% between 2016 and 2021, marginally below the GCC average and higher than the UAE, Kuwait, and Bahrain. Notably, Oman and Qatar were the only nations within the GCC to record gains in production share over the five-year period (see Exhibit 9). Among food categories, fruits accounted for the highest share (25.0%) in total food production in the region, followed by milk/dairy products (23.2%), and vegetables (19.6%). These three food categories cumulatively accounted for 70.6% of the total production in 2021. On the other hand, cereals had the lowest share in production, accounting for 7.8% of the total food produced during the year (see Exhibit 10)³¹. Total production of cereals in the region dropped at a CAGR of 4.3% over the five-year period, offset by an increase in production of other food categories. Production of vegetables recorded the highest growth within the GCC at 15.0% CAGR between 2016 and 2021, followed by meat (5.8% CAGR), milk/dairy products (5.0% CAGR), and fruits (4.7% CAGR). The rise in vegetables production can be attributed to the double digit growth recorded in Saudi Arabia (19.2% CAGR), Oman (15.6% CAGR), UAE (14.1% CAGR), and Qatar (13.7% CAGR) over the five-year period. This has led to the vegetables category witness a gain of 6.5% in total food production share, while the other categories witnessed a decline during the period (see Exhibit 10)³².

³⁰ Source: GAS of Saudi Arabia, IMF, FAO

³¹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

³² Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

Exhibit 9: Country-wise Food Production in the GCC

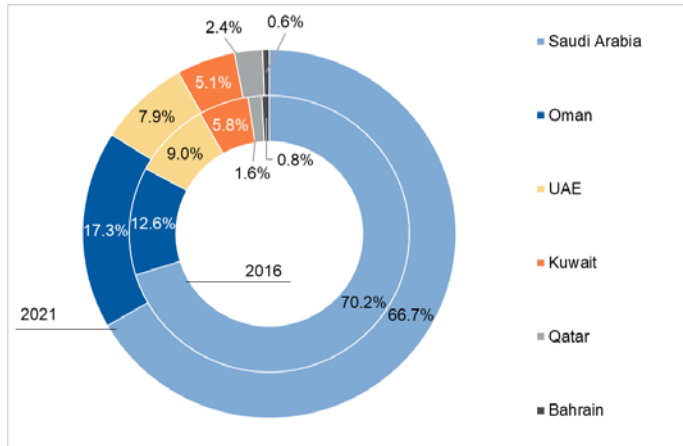
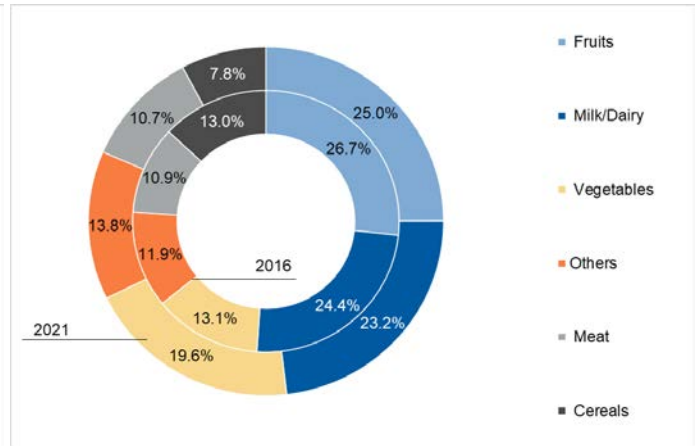


Exhibit 10: Category-wise Food Production in the GCC

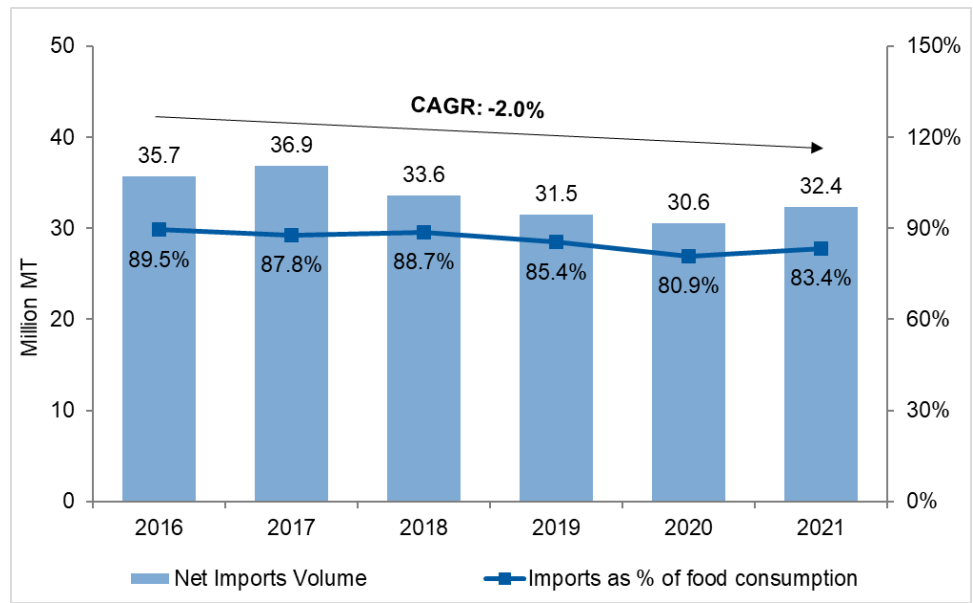


Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO
Note: Others include Fish, eggs, pulses, honey and potato

Net imports for the GCC fell at an annualized rate of 2.0% between 2016 and 2021 to reach 32.4 million MT

The GCC food sector has become more self-reliant over the last decade, largely driven by various efforts undertaken by the governments to increase domestic food production, reduce food wastage, support research and development, and streamline logistics. Moreover, the various initiatives by regional governments to boost production through implementing organic farming and technology-enabled processes across the food value chain have aided growth over the past few years. Consequently, the region's dependency on imports has declined. Net imports for the GCC fell at an annualized rate of 2.0% between 2016 and 2021 to reach 32.4 million MT. The proportion of net imports to total consumption stood at 83.4% as of 2021 (see Exhibit 11)³³.

Exhibit 11: GCC Net Import by Volume



Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO

Saudi Arabia and the UAE remained the largest importers in the GCC, accounting for 71.7% of the region's net imports (32.4 million MT) in 2021 (see Exhibit 12)³⁴. Net food imports in Saudi Arabia declined at a CAGR of 4.4% between 2016 and 2021, outpacing the decline

³³ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

³⁴ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO

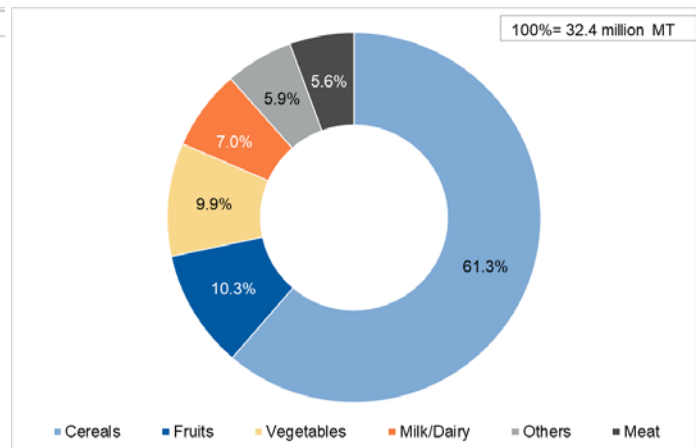
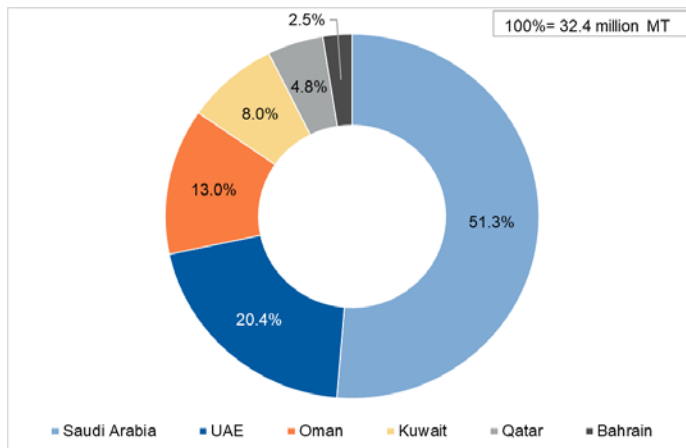


Saudi Arabia and UAE remained the largest importers in GCC, accounting for 71.7% of the region's net imports in 2021

in net imports volume in the UAE (-2.4% CAGR) and Kuwait (-1.0% CAGR). Smaller countries like Oman (14.3% CAGR) saw their net imports increase, while Qatar registered a 3.2% CAGR decrease in its volume during the five-year period³⁵. Cereals and fruits remained the largest food item imported in the region, accounting for 61.3% and 10.3% of the total net food imports, respectively, in 2021. Meat, on the other hand, had the smallest share of 5.6% of the total net food import volume in 2021 (see Exhibit 13)³⁶.

Exhibit 12: Country-wise Composition of Net Food Imports Volume (2021)

Exhibit 13: Category-wise Composition of Net Food Imports Volume (2021)



Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO Source: GAS of Saudi Arabia, NSCI of Oman, CIO of Bahrain, MDPS of Qatar, FAO Note: Others include Fish, eggs, pulses, honey and potato

In 2021, the Kingdom accounted for 66.7% and 56.5% of the region's total food production and consumption, respectively

2.1. Country-Wise Market Overview

Saudi Arabia

Saudi Arabia remains the largest producer and consumer of food products in the GCC. This can be largely attributed to the Kingdom's large consumer base (comprising 59.8% of the region's population)³⁷, arable land (~96% of the region's arable land)³⁸, and significant initiatives by the government to achieve self-sufficiency. In 2021, the Kingdom accounted for 66.7% and 56.5% of the GCC's total food production and consumption, respectively³⁹. While population in Saudi Arabia has grown at a much faster rate (1.4% CAGR)⁴⁰ than the other GCC nations, recent economic diversification efforts and social liberalization reforms has helped the Kingdom witness a significant rise in tourism as well as expatriate population⁴¹. The opening up of the economy has not only led to a rise in demand for food but also an increased adoption of western lifestyles among citizens and change in dietary habits. At the same time, high prevalence of non-communicable diseases (NCDs) has resulted in the locals turning more health conscious. Approximately 17.9% of the adult population in Saudi Arabia suffers from diabetes and over 68.2% of the Kingdom's citizens are obese⁴². Amid the rising burden of NCDs, the Saudi Food and Drug Authority (SFDA), in collaboration with other government entities, developed a healthy food strategy aimed at enhancing healthy lifestyles and reducing the intake of salt, sugar, saturated fatty acids and

³⁵ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO
³⁶ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, IMF, FAO
³⁷ Source: "World Economic Outlook Database", IMF, April 2023
³⁸ Source: FAO Land Use Statistics, 2022
³⁹ Source: FCSA of UAE, NSCI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO
⁴⁰ Source: "World Economic Outlook Database", IMF, April 2023
⁴¹ Source: "Saudi Arabia's executions thwart trust in reforms", DW, March 02, 2023
⁴² Source: World Health Organization (WHO)

Total food consumption in Saudi Arabia witnessed a fall of 1.2% CAGR between 2016 and 2021 to reach 27.5 million MT

The Kingdom's domestic food production reached 10.9 million MT in 2021, growing at a CAGR of 5.0% since 2016

trans-fatty acids⁴³. Consequently, there has been a rise in demand for high-nutrition and functional foods among the locals in recent years⁴⁴. Such factors bode well for the domestic food industry.

Total food consumption in Saudi Arabia witnessed a fall of 1.2% CAGR between 2016 and 2021 to reach 27.5 million MT⁴⁵. Although cereals remained the largest consumed food category with a share of 47.3% of the Kingdom's total food consumption in 2021, it recorded a fall of 5.3% CAGR during the five-year period to reach 13.0 million MT. Consumption of fish also recorded a fall of 4.5% CAGR while milk/dairy products and pulses witnessed a nominal decline of 0.7% CAGR and 0.3% CAGR, respectively, since 2016. Healthy eating habits among the millennials led to higher consumption in food categories such as vegetables (+11.8% CAGR), eggs (+6.2% CAGR), and fruits (+5.8% CAGR). In addition to cereals, fruits (4.2 million MT) and vegetables (2.8 million MT) were the most consumed food categories, with a share of 15.3% and 10.2%, respectively, in 2021⁴⁶.

The Kingdom's domestic food production reached 10.9 million MT in 2021, growing at a CAGR of 5.0% since 2016. Although the gap between production and consumption continues to remain substantial, the total food shortfall in Saudi Arabia has reduced over the past five-years. Between 2016 and 2021, the shortfall has declined at a CAGR of 4.4% from 20.8 million MT in 2016 to 16.6 million MT in 2021 (see Exhibit 14)⁴⁷. This was achieved despite a fall in imports (-4.2% CAGR between 2016 and 2021)⁴⁸, indicating that the Kingdom has boosted its food security by pursuing agricultural self-sufficiency⁴⁹. Saudi Arabia's food imports have been varying as the Kingdom's trade policies have altered in recent years, largely towards poultry products since 2021⁵⁰ and the end of import subsidies on most feeds and grains during 2019⁵¹. Among the individual food categories, fruits (27.6% share), milk/dairy products (26.7% share), vegetables (14.6% share), and meat (11.0% share) remained the most produced items as of 2021. Notably, the production of vegetables in the Kingdom remained the highest amongst the GCC peers and grew at the fastest pace (19.2% CAGR) among all categories over the five-year period. The Kingdom's total exports declined at a CAGR of 3.0% between 2016 and 2021 to reach 2.0 million MT⁵².

Saudi Arabia's self-sufficiency ratio grew from 29.2% in 2016 to 39.7% in 2021. Among the individual food categories, Saudi Arabia's self-sufficiency was the highest for milk/dairy products (81.0%), followed by fruits (71.1%), meat (68.2%), and vegetables (57.4%) as of 2021. The Kingdom has achieved complete self-sufficiency in the production of dates, fresh dairy products, and table eggs while making significant progress in growing potatoes (80%), domestic poultry (68%), tomatoes (67%), red meat (60%), carrots (50%), fish (48%), and onions (44%) to meet local demand⁵³. Although the Kingdom's self-sufficiency for cereals was recorded at 9.2%, it remained the highest among the GCC nations (see Exhibit 15)⁵⁴.

⁴³ Source: "Saudi Arabia's Healthy Food Strategy", Scholarly Community Encyclopedia, July 22, 2021

⁴⁴ Source: "Swapping kabsa for kale: Saudis embrace healthy eating", Aljazeera, March 1, 2023

⁴⁵ Source: GAS of Saudi Arabia, FAO

⁴⁶ Source: GAS of Saudi Arabia, FAO

⁴⁷ Source: GAS of Saudi Arabia, FAO

⁴⁸ Source: GAS of Saudi Arabia, FAO

⁴⁹ Source: "How Saudi Arabia is boosting food security by pursuing agricultural self-sufficiency", Arab News, September 5, 2023

⁵⁰ Source: "Saudi Arabia: Poultry Imports Drastically Reduced", USDA, June 21, 2021

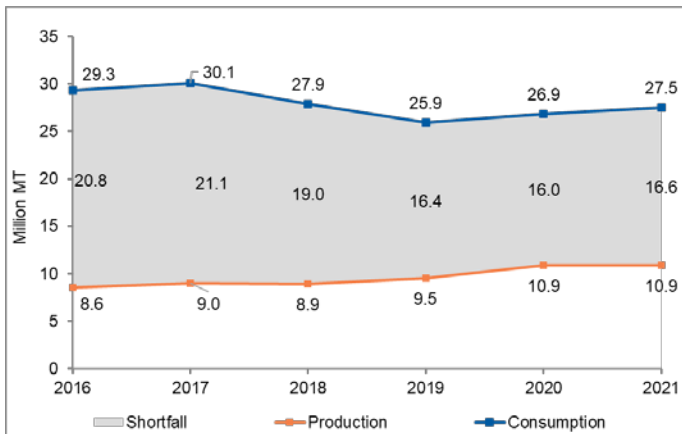
⁵¹ Source: "Saudi Arabia: Grain and Feed Annual", USDA, April 22, 2020

⁵² Source: GAS of Saudi Arabia, FAO

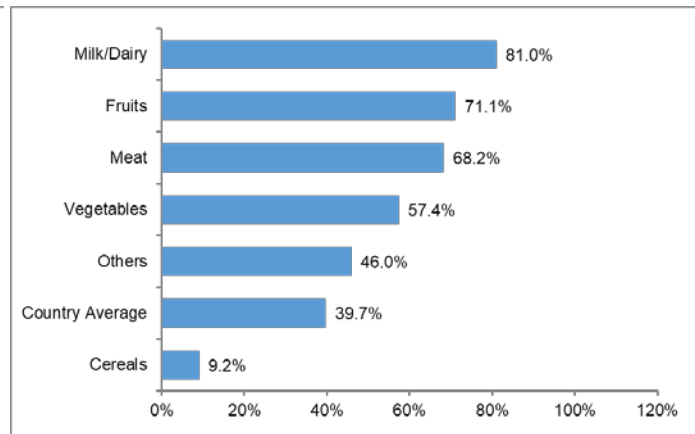
⁵³ Source: "How Saudi Arabia is boosting food security by pursuing agricultural self-sufficiency", Arab News, September 5, 2023

⁵⁴ Source: GAS of Saudi Arabia, FAO

Exhibit 14: The Saudi Arabian Food Landscape (2016-2021) Exhibit 15: Self-sufficiency Ratio in Saudi Arabia (2021)



Source: GAS of Saudi Arabia, FAO Stat



Source: GAS of Saudi Arabia, FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

In 2021, the UAE accounted for 7.9% and 16.2% of the region's total food production and consumption, respectively

Food consumption in the UAE has declined at a pace of 1.6% CAGR between 2016 and 2021 to reach 7.9 million MT

UAE

As one of the most economically developed and diversified markets in the GCC, the UAE is home to a multicultural cuisines from different parts of the world. The country remains the most vibrant food destination in the GCC, largely owing to its expanding population base (accounting for ~16.8% of the total GCC population)⁵⁵, high proportion of expatriates (comprising over 88.5% of the total population)⁵⁶ and rising tourist visits every year. The country's diverse demographic composition has driven demand for a wide range of food products and has enhanced the country's position in regional food and agriculture supply. To meet this growing demand, the government has initiated efforts to boost domestic food security in addition to introduction of new taxation strategies to fund further innovation and development⁵⁷. UAE, which has limited arable land for agriculture, has also devised the 'National Food Strategy 2051' that aims to develop a comprehensive system based on sustainable food production through the use of modern technologies while enhancing local production⁵⁸. One of the primary goals of the strategy includes the promotion of organic farming amid a rise in demand for nutritious food due to growing incidence rates of NCDs like diabetes and obesity (~39.6% of adults were obese as of 2021) in the country⁵⁹. In 2021, the UAE accounted for 7.9% and 16.2% of the region's total food production and consumption, respectively⁶⁰.

Food consumption in the UAE declined at a pace of 1.6% CAGR between 2016 and 2021 to reach 7.9 million MT. This can be largely attributed to a relatively tepid growth in population (0.9% CAGR) coupled with a fall in consumption of key food categories such as fish (-32.3% CAGR), milk/dairy products (-14.0% CAGR), pulses (-8.3% CAGR), and fruits (-3.8% CAGR) since 2016. Cereals remained the largest consumed food category with a 37.4% share in 2021, and grew at a pace of 3.2% CAGR during the five-year period to reach 2.9 million MT. Despite the slowdown in consumption, fruits and milk/dairy products accounted for 17.6% and 8.5% of the total, respectively, in 2021. Among the other major food categories, vegetables that accounted for 17.4% of total consumption, remained flat

⁵⁵ Source: "World Economic Outlook Database", IMF, April 2023

⁵⁶ Source: UAE Population Statistics 2023, Global Media Insight, October 9, 2023

⁵⁷ Source: "Food Development Focus: UAE Government Highlights Strengthening of Local Food Security as Key 2023 Goal", Food Navigator Asia, January 11, 2023

⁵⁸ Source: "UAE launches national dialogue for food security", Zawya, March 21, 2023

⁵⁹ Source: National Institute of Health (NIH) Data, January 24, 2023

⁶⁰ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

over the five-year period, while meat (11.8% share) and eggs grew at a CAGR of 7.2% and 2.3%, respectively, between 2016 and 2021⁶¹.

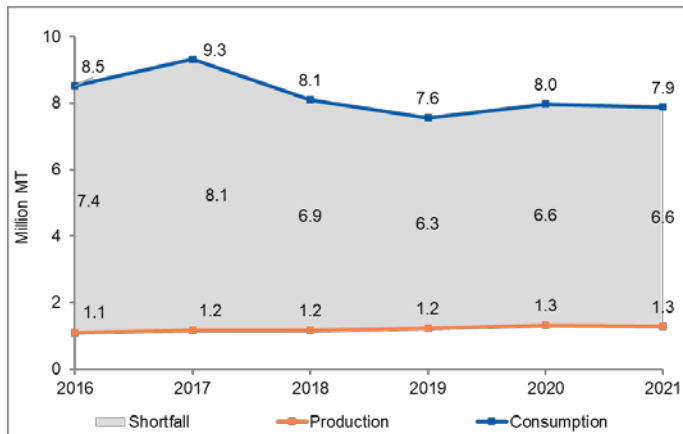
UAE's domestic production has grown at a relatively stable pace of 3.3% CAGR since 2016 to

UAE's domestic production has grown at a relatively stable pace of 3.3% CAGR since 2016 to reach 1.3 million MT in 2021. Among the individual food categories, fruits (30.1% share), vegetables (25.7% share), dairy products (18.5% share), and meat (14.1% share) remained the most produced items in the country. Production of cereals in the country remained the highest amongst the GCC peers and grew at the fastest pace (31.6% CAGR) among all categories over the five-year period. The country's total imports growth remained relatively flat to reach 10.7 million MT in 2021, while exports grew at a CAGR of 5.4% to reach 4.1 million MT. The gap between production and consumption in the UAE has eased slightly over the years, declining to 6.6 million MT in 2021 from 7.4 million MT in 2016 (see Exhibit 16)⁶².

UAE's self-sufficiency ratio rose to 16.4% in 2021 from 12.8% in 2016

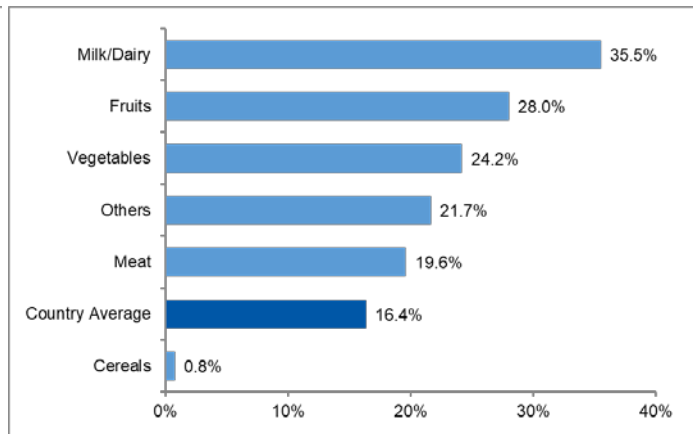
The UAE's self-sufficiency ratio rose to 16.4% in 2021 from 12.8% in 2016. However, it remains relatively low compared to the rest of the GCC nations. In order to improve sustainability, the government has launched several projects that aim to improve innovation in food production with the use of hydroponic, aeroponic and aquaponic farming that uses minimal resources to produce a high yield of fresh fruit and vegetables. The drive primarily aims to increase domestic production and self-sufficiency of select food items⁶³. Within the country, the self-sufficiency ratio has remained highest for milk/dairy (35.5%), followed by fruits (28.0%), and vegetables (24.2%). Notably, the country's self-sufficiency for fruits rose from 26.6% in 2016 to 28.0% in 2021. On the other hand, self-sufficiency was the lowest for cereals (0.8%) in 2021 (see Exhibit 17)⁶⁴.

Exhibit 16: The UAE Food Landscape (2016-2021)



Source: FCSA of the UAE, FAO Stat

Exhibit 17: Self-sufficiency Ratio in the UAE (2021)



Source: FCSA of the UAE, FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

In 2021, Kuwait accounted for 5.1% and 7.0% of the region's total food production and consumption, respectively

Kuwait

Kuwait, which is a much smaller nation compared to other GCC countries, has established itself as a prominent and fast-growing food market. The country's population has expanded at a much faster rate than the rest of the GCC, recording a growth of 1.8% CAGR between

⁶¹ Source: FCSA of UAE, FAO

⁶² Source: FCSA of UAE, FAO

⁶³ Source: "UAE outlines plan to increase domestic food production and consumption", The National News, March 22, 2023

⁶⁴ Source: FCSA of UAE, FAO

Food consumption in Kuwait has remained relatively flat between 2016 and 2021 to stand at 3.4 million MT

Kuwait's total food production grew at a CAGR of 3.4% between 2016 and 2021 to reach 834,115 MT

Kuwait's self-sufficiency ratio rose to 24.3% in 2021 from 20.6% in 2016

2016 and 2021⁶⁵. It is also home to a large number of expatriates, which accounted for approximately 70% of the total as of 2022⁶⁶. This, coupled with the rising urbanization trends is re-shaping the food consumption ecosystem leading to a shift in preference towards a diverse cuisine. At the same time, sedentary lifestyle habits have led to high rates of obesity and prevalence of NCDs such as diabetes among the population. The country ranks first worldwide in obesity (39.7% of the population) and second in diabetes rates (24.9% prevalence rate)⁶⁷. Consequently, the country is witnessing increased inclination towards healthy food with the government looking towards investing heavily in organic agriculture as a sustainable solution to meet the rising demand. The country has also ramped up its efforts in cultivating crops with the help of sophisticated agricultural technologies to ramp up food production⁶⁸. In 2021, Kuwait accounted for 5.1% and 7.0% of the region's total food production and consumption, respectively⁶⁹.

Food consumption in Kuwait has remained relatively flat between 2016 and 2021 to stand at 3.4 million MT. Cereals, vegetables and milk/dairy products were the largest consumed food categories, accounting for a combined 74.6% of the total consumption in 2021. Cereals remained the largest consumed food category with a 39.3% share in 2021, recording a growth of 1.3% CAGR during the five-year period to reach 1.3 million MT. Among the other major food categories, vegetables that accounted for 20.2% of the country's consumption share recorded a marginal growth of 0.6% CAGR, while meat (7.8% share) and dairy products (15.1% share) grew at a CAGR of 2.1% and 4.3%, respectively, between 2016 and 2021. While consumption of meat witnessed the highest growth in the country, fruits (11.6% share) recorded a decline of 4.1% CAGR over the period. A higher rate of consumption compared to production led to a shortfall of 2.6 million MT in 2021, which has remained near to the levels witnessed in 2016 (see Exhibit 18)⁷⁰.

Kuwait's total food production grew at a CAGR of 3.4% between 2016 and 2021 to reach 834,115 MT⁷¹. Among the individual food categories, vegetables (44.9% share), meat (14.7% share), and fruits (14.4% share) remained the most produced items. Although production of cereals in the country has remained low (2.1% share), it was the highest growing food category (27.2% CAGR) over the five-year period. Production of all other food categories grew in low single digit CAGR during the period. The country, which has historically depended on imports to meet its consumption, saw its total imports fall by 1.2% CAGR during the five-year period to reach 2.9 million MT in 2021. Cereals have remained the highest imported food item in the country, accounting for 46.6% of the total in 2021. While imports of eggs (21.5% CAGR), milk/dairy products (3.4% CAGR), meat (2.4% CAGR), and cereals (1.1% CAGR) recorded a rise between 2016 and 2021, fruits (-4.5% CAGR) and vegetables (-4.0% CAGR) have witnessed a decline. On the other hand, total food exports have declined at a CAGR of 3.8% over the five-year period⁷².

Kuwait's self-sufficiency ratio rose to 24.3% in 2021 from 20.6% in 2016. Among all the food categories in the country, the self-sufficiency ratio for fruits surged the highest from 20.8% in 2016 to 30.1% in 2021, while the ratio for milk/dairy products witnessed the steepest fall from 16.9% in 2016 to 14.4% in 2021. Self-sufficiency was the lowest for cereals at 1.3% in 2021 (see Exhibit 19)⁷³.

⁶⁵ Source: "World Economic Outlook Database", IMF, April 2023

⁶⁶ Source: Kuwait Population 2023, World Population Review

⁶⁷ Source: "Kuwait first worldwide in obesity, second in diabetes", Kuwait Times, May 17, 2023

⁶⁸ Source: "Sustainable Agriculture: Kuwait Fund's efforts to achieve a greener and more sustainable future", Gulf Agriculture, August 28, 2023

⁶⁹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

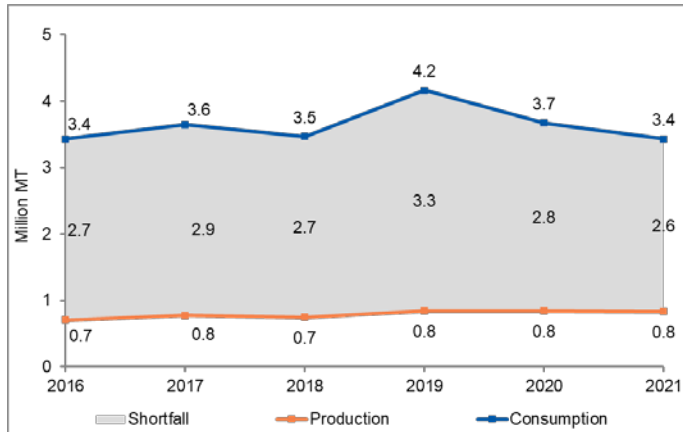
⁷⁰ Source: FAO

⁷¹ Source: FAO

⁷² Source: FAO

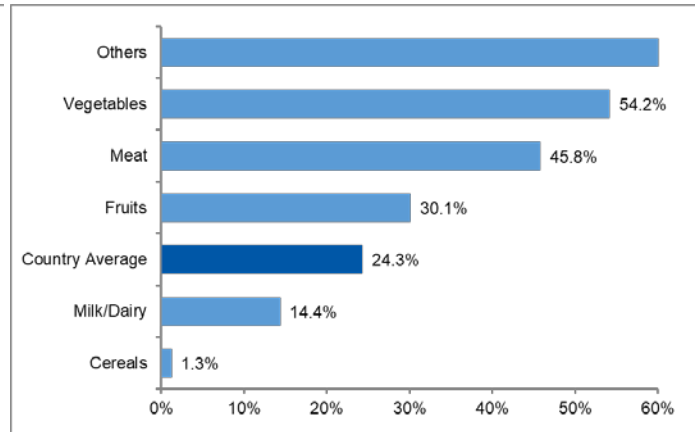
⁷³ Source: FAO

Exhibit 18: The Kuwaiti Food Landscape (2016-2021)



Source: FAO Stat

Exhibit 19: Self-sufficiency Ratio in Kuwait (2021)



Source: FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

In 2021, Oman accounted for 17.3% and 14.4% of the region's total food production and consumption, respectively

Oman

Oman's food industry has matured significantly in recent years, largely driven by its growing population base (accounting for 7.9% of the GCC population in 2021)⁷⁴, rising international tourist arrivals and high concentration of expatriates. Rapid urbanization in the Sultanate has led to a sedentary lifestyle while higher standards of living have substantially contributed to unhealthy eating habits. Oman has one of the highest NCD-related deaths in the region with diabetes accounting for 11.8% of its total population while approximately 49% of adults are overweight or obese⁷⁵. This has led to a higher demand of organic food products among the health-conscious millennial population. In order to mitigate the health risks, the Omani government in collaboration with the WHO, developed the 'Nutrition Strategy 2020-30' with the goal of eliminating all forms of malnutrition and improve the health status of the community⁷⁶. Moreover, the Sultanate has developed several programmes focused on the sustainability of food supply for citizens and residents including the 'Food Security Strategy 2020-40' to enhance its food production, import, storage, and distribution⁷⁷. Oman's agricultural sector also benefits from its diverse geographic landscape, creating a favorable environment for cultivating a wide range of crops. Its fertile soil, underground water reserves, and advanced irrigation systems have contributed to the rise in domestic food production⁷⁸. As a result, both food production and consumption in the Sultanate have grown at a much faster pace compared to its peers over the five-year period. In 2021, Oman accounted for 17.3% and 14.4% of the region's total food production and consumption, respectively⁷⁹.

Total food consumption in the Sultanate grew at a CAGR of 13.8% between 2016 and 2021 to reach 7.0 million MT

Total food consumption in the Sultanate grew at a CAGR of 13.8% between 2016 and 2021 to reach 7.0 million MT. Oman remained the only country within the GCC which recorded a strong food consumption pattern over the five-year period. Cereals remained the largest consumed food category in the Sultanate with a share of 44.5%, and recorded the highest annualized growth rate of 25.6% between 2016 and 2021 within the region. Among the other major food categories, vegetables that accounted for 13.3% of consumption share grew at a pace of 14.4% CAGR. While fruits (13.4% share) and milk/dairy products (10.9% share) grew at a CAGR of 4.1%, and 2.8%, respectively, consumption of meat (4.4% share) has remained relatively flat over the five-year period. Consumption of fish (9.6% share) in Oman

⁷⁴ Source: "World Economic Outlook Database", IMF, April 2023

⁷⁵ Source: "Improving nutrition in Oman", WHO, February 19, 2023

⁷⁶ Source: "Improving nutrition in Oman", WHO, February 19, 2023

⁷⁷ Source: "Oman: Harvesting self-sufficiency", Zawya, August 26, 2021

⁷⁸ Source: "Opportunity Oman: Food Industries a path to sustainable and diverse growth", Oman Daily Observer, July 17, 2023

⁷⁹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

increased at the highest annualized rate of 33.3% between 2016 and 2021. A higher rate of consumption compared to production led to shortfall of 4.2 million MT in 2021. Over the five-year period, the shortfall in Oman has increased significantly, recording a CAGR of 14.3% (see Exhibit 20)⁸⁰.

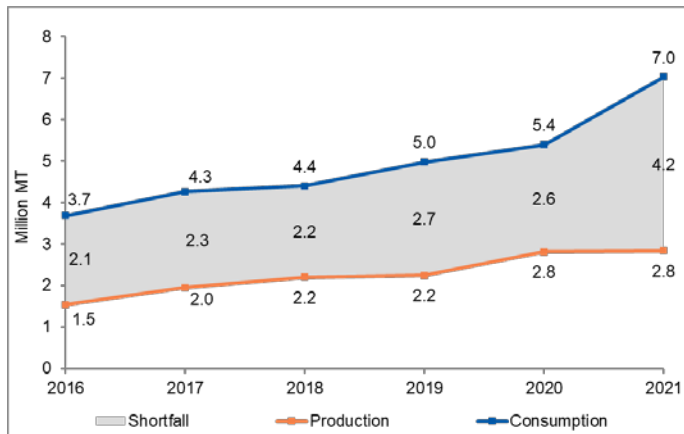
Oman's total food production grew at a CAGR of 13.0% between 2016 and 2021 to reach 2.8 million MT

Oman's total food production grew at a CAGR of 13.0% between 2016 and 2021 to reach 2.8 million MT⁸¹. Among the individual food categories, fish (32.5% share), vegetables (27.6% share), fruits (18.1% share), and milk/dairy products (12.6% share) remained the most produced items as of 2021. Fish production grew at the highest pace, recording an annualized growth rate of 27.0% between 2016 and 2021, followed by vegetables (15.6% CAGR), eggs (7.5% CAGR), and meat (6.3% CAGR) during the five-year period⁸². With a faster increase in demand compared to production, the country's reliance on imports has increased significantly. Total imports for the Sultanate increased by 12.4% CAGR between 2016 and 2021, highest in the region, reaching a total of 6.0 million MT. Cereals have remained the highest imported food item in Oman, accounting for 59.4% of the total in 2021. The food category witnessed a growth of 23.8% CAGR in imports over the five-year period, the highest among all the GCC nations. On the other hand, total food exports by Oman grew at a CAGR of 8.8% over the five-year period, highest among the GCC nations⁸³.

Oman holds the highest food self-sufficiency ratio amongst all GCC nations, reaching 40.3% in 2021

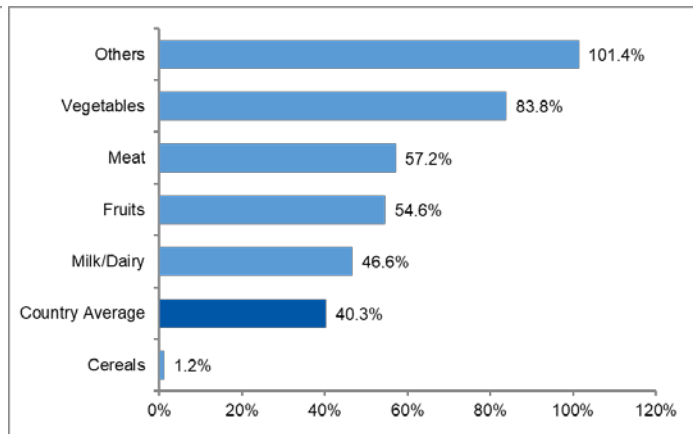
The Sultanate continues to hold the highest food self-sufficiency ratio amongst all GCC nations, reaching 40.3% in 2021. The self-sufficiency ratio has remained highest for vegetables (83.8%) as of 2021, while self-sufficiency for cereals (2.2%) has been the lowest in the Sultanate (see Exhibit 21)⁸⁴.

Exhibit 20: The Omani Food Landscape (2016-21)



Source: NCSI of Oman, FAO Stat

Exhibit 21: Self-sufficiency Ratio in Oman (2021)



Source: NCSI of Oman, FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

Qatar

In 2021, Qatar accounted for 2.4% and 4.0% of the region's total food production and consumption, respectively

Qatar remains one of the strongest economies in the region largely aided by its hydrocarbon revenues and growing sports, tourism, and entertainment sectors. The country's expanding focus towards economic diversification has led to the government introducing favorable reforms that has not only improved business conditions but also boosted private sector

⁸⁰ Source: NCSI of Oman, FAO
⁸¹ Source: NCSI of Oman, FAO
⁸² Source: NCSI of Oman, FAO
⁸³ Source: NCSI of Oman, FAO
⁸⁴ Source: NCSI of Oman, FAO

Total food production in Qatar increased at a CAGR of 15.6% between 2016 and 2021, the highest growth rate within the GCC, to reach 396,745 MT

Qatar's food consumption witnessed a marginal decline of 0.7% CAGR over the five-year period to reach approximately 2.0 million MT in 2021

investments and domestic demand⁸⁵. Moreover, the country's population has expanded at a pace of 1.0% CAGR between 2016 and 2021⁸⁶. The country has witnessed significant growth in its tourism activity, especially since the removal of the embargo placed in 2017. It has recorded a 95% growth in international tourist arrivals after hosting the FIFA World Cup 2022⁸⁷. In addition to Qatar opening up avenues for business and leisure events, the country's tourism authorities have established ambitious goals to sustain and attract an increasing number of visitors each year as part of its long-term strategy⁸⁸. Such factors have continued to positively influence the overall consumption of food in the country. Similar to the other GCC nations, Qatar has witnessed a trend towards increased consumption of healthier food amid growing concerns of NCDs. The prevalence rate of diabetes and obesity in Qatar stood at 17.8%⁸⁹ and 42.6%⁹⁰, respectively, among the adult population. This has boosted the demand for vegetables, fruits and other organic food items in the country. In 2021, Qatar accounted for 2.4% and 4.0% of the region's total food production and consumption, respectively⁹¹.

With less than 2% of arable land available for agriculture, Qatar is largely dependent on food imports to meet its domestic demand. Moreover, high temperatures, lack of rain water, and limited availability of fertile soil does not bode well for cultivation of crops. However, the country has made significant efforts to ramp up production through implementation of innovative technologies that has helped agricultural, fish, animal and dairy products experience a significant increase⁹². In recent years, the public and private sector have made significant investments in building a sustainable domestic production ecosystem post the blockade⁹³. Consequently, the total food production in Qatar increased at a CAGR of 15.6% between 2016 and 2021, the highest growth rate within the GCC, to reach 396,745 MT. Among the individual food categories, milk/dairy products (49.1% share), vegetables (25.7% share), and meat (9.8% share) remained the most produced items as of 2021. Milk/dairy products grew at the highest pace, recording an annualized growth rate of 25.7% over the five-year period, followed by cereals (19.1% CAGR), and vegetables (13.7% CAGR) during the five-year period. Total imports for Qatar declined by 3.4% CAGR between 2016 and 2021 to reach 1.6 million MT. Although cereals remained the highest imported food item in Qatar, accounting for 34.3% of the total in 2021, it witnessed a decline in imports of 5.3% CAGR since 2016. While import of vegetables (4.0% CAGR) and fruits (2.2% CAGR) in the country grew at a relatively stable pace during the five-year period, imports of milk/dairy products (-19.8% CAGR), meat (-4.3% CAGR), and fish (-1.8% CAGR) witnessed a decline. On the other hand, total food exports by Qatar declined at a CAGR of 19.0% between 2016 and 2021, highest in the region⁹⁴.

Qatar's food consumption witnessed a marginal decline of 0.7% CAGR over the five-year period to reach approximately 2.0 million MT in 2021. This can be attributed to the relatively flat growth in population witnessed between 2016 and 2021⁹⁵. Among the food categories, consumption of cereals was the highest in the country, accounting for 27.7% of total, followed by vegetables (24.9%), fruits (14.98%), milk/dairy products (12.7%), and meat (10.3%). Consumption of vegetables in Qatar grew at the highest pace of 5.5% CAGR between 2016 and 2021, followed by eggs (3.8% CAGR), while cereals (-4.7% CAGR) and meat (-1.6% CAGR) witnessed a decline. A higher rate of consumption compared to

⁸⁵ Source: "Qatar Economic Report", Bank Audi, May 2023

⁸⁶ Source: "World Economic Outlook Database", IMF, April 2023

⁸⁷ Source: "Qatar Marks 95% Growth in International Tourist Arrivals After Hosting 2022 World Cup", Visa Guide World, September 26, 2023

⁸⁸ Source: "Number of visitors to Qatar rises by 7-fold in first quarter", Doha News, April 17, 2022

⁸⁹ Source: Diabetes Epidemiology in Qatar, Weill Cornell University - Qatar

⁹⁰ Source: "The prevalence and characteristics of overweight and obesity in Qatar", National Institute of Health

⁹¹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

⁹² Source: "Food from the desert: Qatar's nourishing investment", Invest Qatar Financial Times, September 7, 2022

⁹³ Source: "The benefit of the Qatar blockade", Medium, June 6, 2020

⁹⁴ Source: MDPS Qatar, FAO

⁹⁵ Source: "World Economic Outlook Database", IMF, April 2023

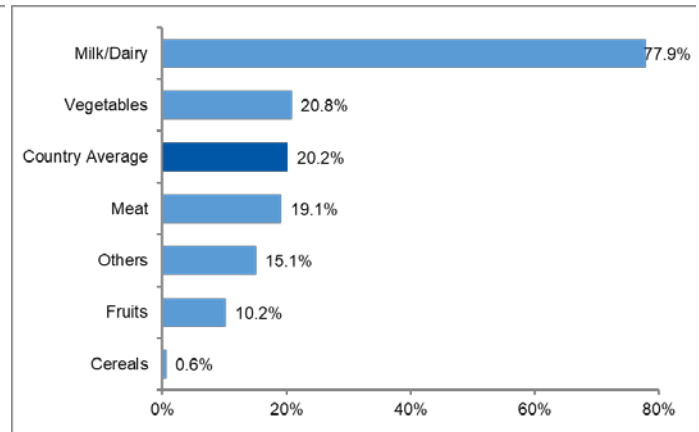
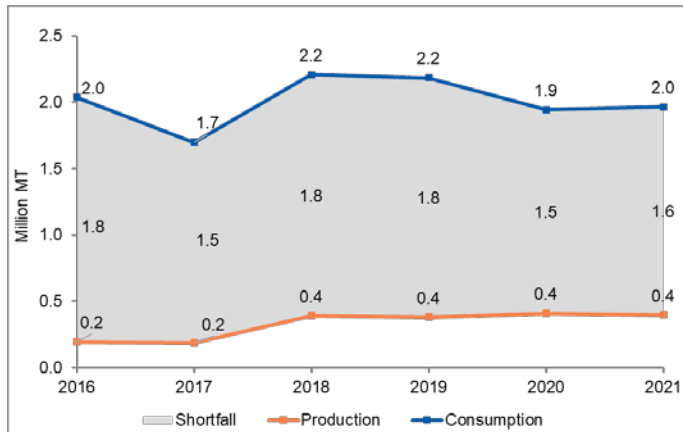
production led to a shortfall of 1.6 million MT in 2021. Between 2016 and 2021, the shortfall has eased at a CAGR of 3.2% (see Exhibit 22)⁹⁶.

Qatar met 20.2% of its food requirements through domestic production in 2021, up from 9.4% in 2016

In terms of self-sufficiency, Qatar met 20.2% of its food requirements through domestic production in 2021, up from 9.4% in 2016. The country was able to meet 77.9% of its domestic demand for dairy products, while self-sufficiency was the lowest for cereals as of 2021 (see Exhibit 23)⁹⁷.

Exhibit 22: The Qatari Food Landscape (2016-21)

Exhibit 23: Self-sufficiency Ratio in Qatar (2021)



Source: MDPS Qatar, FAO Stat

Source: MDPS Qatar, FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

In 2021, Bahrain accounted for 0.6% and 1.9% of the region's total food production and consumption, respectively

Bahrain

Bahrain has witnessed a strong demand for food, despite having a small population base compared to the rest of the GCC nations. The country's growth in population base (1.1% CAGR between 2016 and 2021)⁹⁸ coupled with a 2.9% CAGR rise in its per capita income during the five-year period, have boosted the demand for food. Moreover, the large expatriate population (~61.0% of the total as of 2021)⁹⁹ and rise in tourism from neighboring GCC nations have also driven the demand for food in Bahrain. Sedentary lifestyles and poor dietary habits have led to high risk of NCDs within the country with diabetes affecting approximately 14.7%¹⁰⁰ of adults while approximately 33.9% are considered obese¹⁰¹. This has led the government to explore organic farming as a sustainable alternative while demand for healthy and nutritious food has been on the rise. In 2021, Bahrain accounted for 0.6% and 1.9% of the region's total food production and consumption, respectively¹⁰².

Bahrain's total food production recorded a decline of 2.3% CAGR between 2016 and 2021 to reach 92,089 MT

Bahrain's total food production recorded a decline of 2.3% CAGR between 2016 and 2021 to reach 92,089 MT. It was the only nation within the region to witness a negative food production trajectory over the five-year period. Among the individual food categories, meat (37.4% share), fruits (24.2% share), vegetables (22.7% share), and milk/dairy products (11.4% share) remained the most produced items as of 2021. Production of eggs (4.3% share) grew at the highest pace, recording an annualized growth rate of 7.1% between 2016 and 2021, followed by vegetables (5.5% CAGR) during the five-year period. Although the

⁹⁶ Source: MDPS Qatar, FAO

⁹⁷ Source: MDPS Qatar, FAO

⁹⁸ Source: "World Economic Outlook Database", IMF, April 2023

⁹⁹ Source: "61% of Bahrain's expat population are happy with their lives", Gulf Insider, July 13, 2022

¹⁰⁰ Source: Diabetes – Bahrain Ministry of Health

¹⁰¹ Source: Bahrain - Global Nutrition Report, Global Nutrition Report

¹⁰² Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

country has been relying on imports of key food commodities amid increasing demand and low domestic production, its total imports declined by 1.3% CAGR during the period to reach 833,627 MT. Milk/dairy products were the highest imported food items in Bahrain, accounting for 30.4% of the total in 2021. This category witnessed a growth of 3.0% CAGR in imports over the five-year period. Other major food categories that the country has been heavily importing amid lower domestic production include fish (25.0% share), cereals (21.7% share), fruits (19.4% share), and vegetables (15.9% share)¹⁰³. On the other hand, total food exports by Bahrain declined at a CAGR of 16.1% between 2016 and 2021¹⁰⁴.

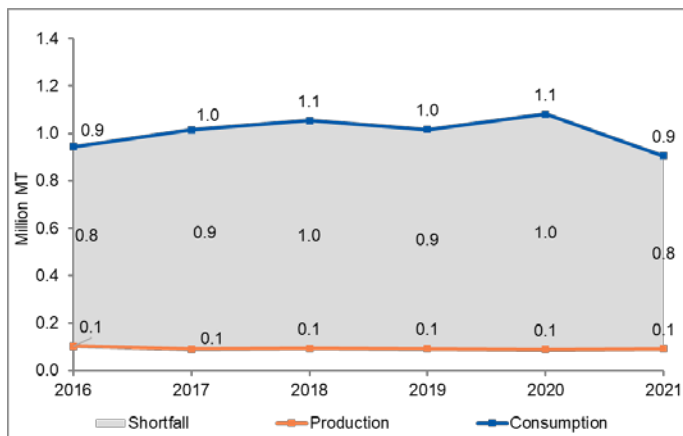
Total food consumption in Bahrain reached 904,901 MT in 2021, recording a fall of 0.8% CAGR since 2016

Bahrain was able to meet 10.2% of its food requirements in 2021 through domestic production, the lowest self-sufficiency ratio in GCC

Total food consumption in Bahrain reached 904,901 MT in 2021, recording a fall of 0.8% CAGR since 2016. Milk/dairy products were the most consumed food category, accounting for 27.9% of the total consumption in 2021, followed by cereals (20.0% share), fruits (19.6% share), vegetables (16.6% share), and meat (10.1% share). Consumption of eggs (2.0% share) grew at the highest rate of 6.2% CAGR during the five-year period, followed by milk/dairy products (3.0% CAGR). Similar to other GCC nations, growing consumption of food compared to production led to shortfall of 0.8 million MT in 2021. Between 2016 and 2021, the shortfall has eased by 0.7% CAGR (see Exhibit 24)¹⁰⁵.

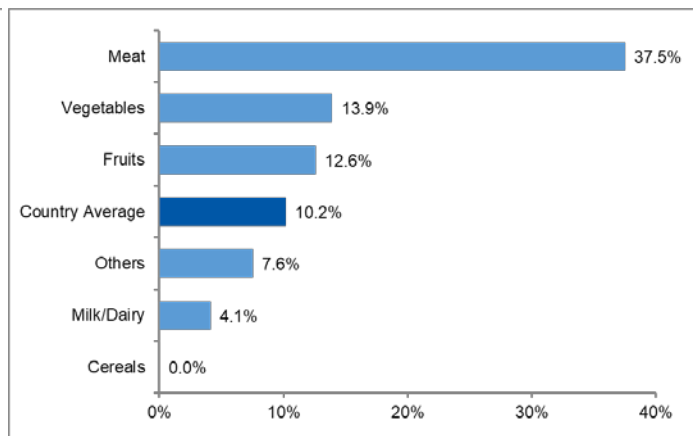
Bahrain was able to meet just 10.2% of its food requirements in 2021 through domestic production, the lowest self-sufficiency ratio in the GCC. The country achieved highest self-sufficiency ratio for meat (37.5%) as of 2019, with below par production of dairy products. Production of other major categories such as cereals remained insignificant (see Exhibit 25). Consequently, Bahrain has remained fully dependent on imports for such food categories¹⁰⁶.

Exhibit 24: The Bahraini Food Landscape (2016-21)



Source: FAO Stat

Exhibit 25: Self-sufficiency Ratio in Bahrain (2021)



Source: FAO Stat

Note: Others include Fish, eggs, pulses, honey and potato

In 2021, fruits, milk/dairy products, and vegetables were among the major food items produced in the GCC with a combined share of 70.6%

2.2. Demand and Supply of Major Food Categories

Fruits, milk/dairy products, and vegetables were among the major food items produced in the GCC during 2021 with a combined share of 70.6%¹⁰⁷. Production of vegetables has recorded the highest growth among the food categories at 15.0% CAGR between 2016 and 2021, followed by meat (5.8% CAGR) and milk/dairy products (5.0% CAGR). Although fruits

¹⁰³ Source: CIO of Bahrain, FAO

¹⁰⁴ Source: MDPS Qatar, FAO

¹⁰⁵ Source: CIO of Bahrain, FAO

¹⁰⁶ Source: CIO of Bahrain, FAO

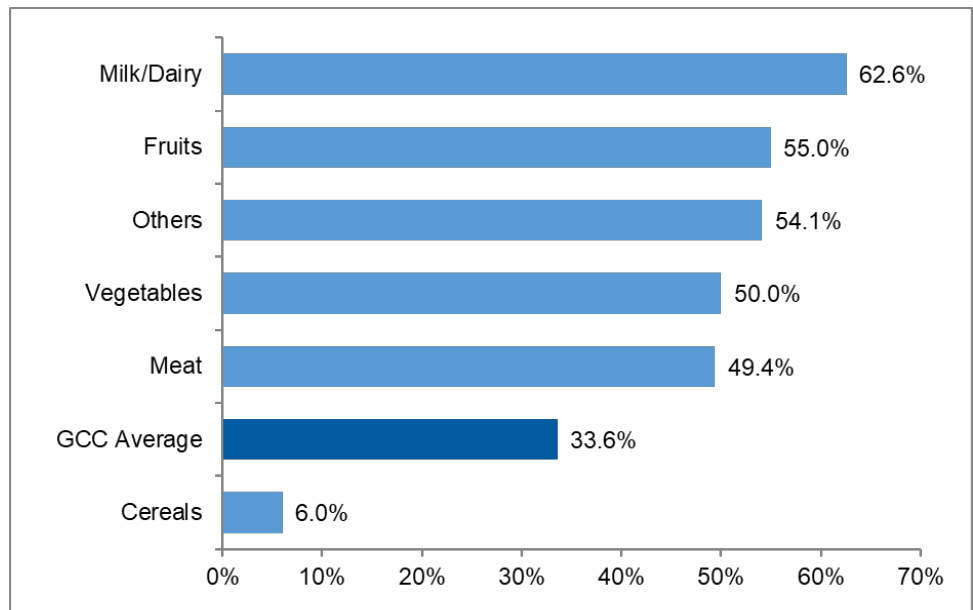
¹⁰⁷ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

GCC's overall domestic food production has been able to meet 33.6% of the local demand in 2021

accounted for the largest share (26.0% share) of the total production in 2021, its growth has remained relatively tepid (4.7% CAGR) over the five-year period. On the consumption front, cereals remained the major food category in the region accounting for 45.6% of the total as it is a vital component of the diet of GCC individuals. However, the consumption of cereals declined by 1.4% CAGR between 2016 and 2021¹⁰⁸. This decline can be partly attributed to lower domestic production, which fell by 4.3% CAGR between 2016 and 2021 amid initiatives taken by the GCC nations to conserve their scarce water resources. Import and export of cereals decreased at a CAGR of 1.3% and 3.5%, respectively, during the period. Production and consumption amongst the other major food categories such as vegetables, fruits, meat and dairy increased at a relatively healthy pace over the five-year period¹⁰⁹.

In terms of self-sufficiency, domestic food production in the GCC was able to meet 33.6% of the local demand in 2021 (see Exhibit 26), which is higher as compared to 25.4% in 2016¹¹⁰. The various initiatives taken by regional governments to boost production through implementing organic farming, and artificial and technology-enabled processes across the food value chain have led to significant improvement over the years. Between 2016 and 2021, the region's domestic food production grew at a CAGR of 6.1% and exports increased by 3.1% CAGR, while net imports declined by 1.1% CAGR¹¹¹. This further affirms the GCC nations' success in achieving their food security goals.

Exhibit 26: Self-sufficiency Ratio in the GCC (2021)



Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

Note: Others include Fish, eggs, pulses, honey and potato

¹⁰⁸ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹⁰⁹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹⁰ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹¹ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

Exhibit 27: Demand-Supply of Cereals in the GCC

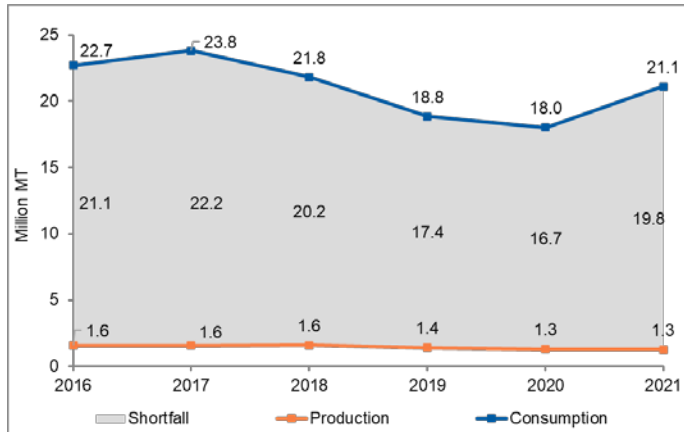
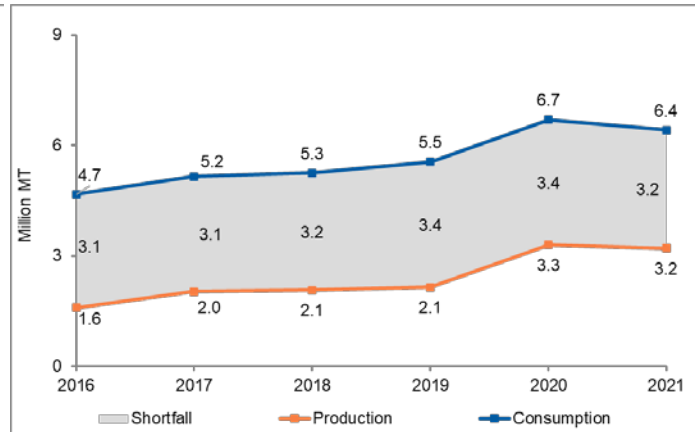


Exhibit 28: Demand-Supply of Vegetables in the GCC



Source: FCSA of UAE, NCSI of Oman, MDPS Qatar, GAS of Saudi Arabia, FAO Stat

Exhibit 29: Demand-Supply of Fruits in the GCC

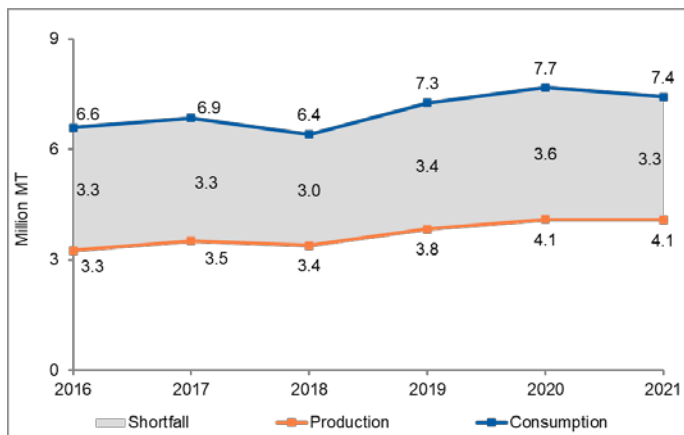
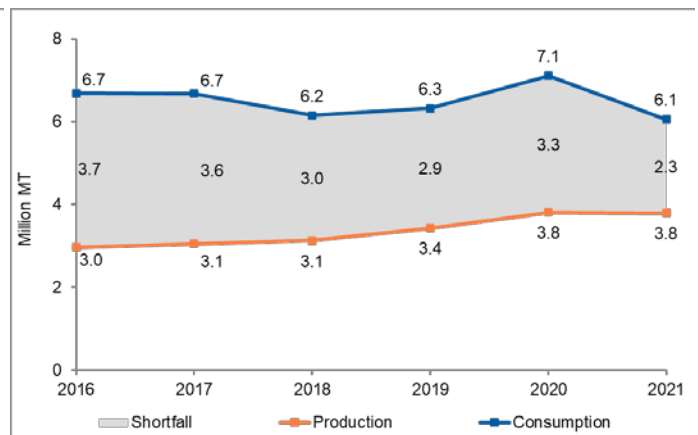


Exhibit 30: Demand-Supply of Dairy in the GCC



Source: FCSA of UAE, NCSI of Oman, MDPS Qatar, GAS of Saudi Arabia, FAO Stat

Exhibit 31: Demand-Supply of Meat in the GCC

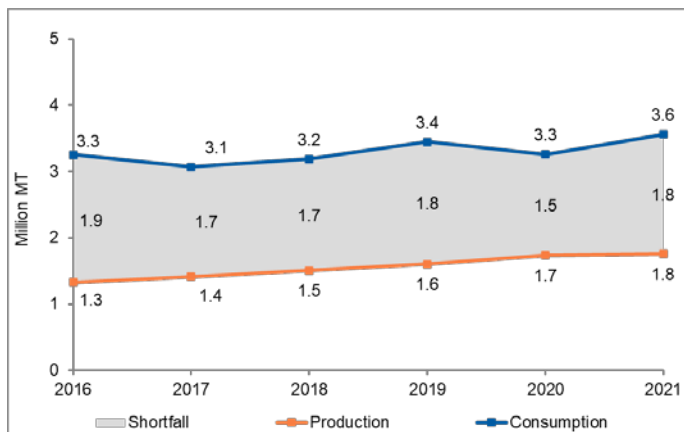
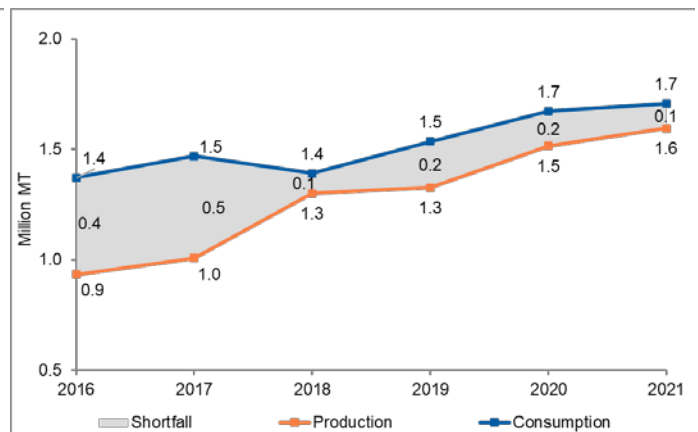


Exhibit 32: Demand-Supply of Fish & Eggs in the GCC



Source: FCSA of UAE, NCSI of Oman, MDPS Qatar, GAS of Saudi Arabia, FAO Stat

Consumption of cereals fell by 1.4% CAGR while production declined by 4.3% CAGR in the GCC between 2016 and 2021

Cereals (see Exhibit 27): Historically, cereals have remained the most consumed food category in the GCC. Total cereals consumption in the GCC recorded a fall of 1.4% CAGR between 2016 and 2021. This can be largely attributed to lower production (-4.3% CAGR) and imports of cereals, which was further accentuated by supply chain disruptions caused by the pandemic that created a shortfall of the commodity. Saudi Arabia continues to dominate the region in terms of both consumption and production, accounting for 61.4% and 93.4% of total cereal consumption and production in 2021, respectively. The gap between production and consumption in cereals has marginally eased over the years, declining to 19.8 million MT in 2021 from 21.1 million MT in 2016. The self-sufficiency rate for cereals in the GCC stood at 6.0% in 2021, the lowest among all the food categories in the region. Saudi Arabia attained the highest self-sufficiency for cereals at 9.2% in 2021, while Qatar had the lowest (0.6%). Between 2016 and 2021, net cereal imports in the GCC fell by 1.0% CAGR¹¹².

Consumption of vegetables grew by 6.5% CAGR while production rose by 15.0% CAGR in the GCC between 2016 and 2021

Vegetables (see Exhibit 28): Total consumption of vegetables in the GCC grew at a CAGR of 6.5% CAGR between 2016 and 2021. On the other hand, vegetable production grew at a CAGR of 15.0%, highest among all food categories. Saudi Arabia remains the largest producer and consumer of vegetables in the GCC, accounting for nearly half of the region's total production (49.8% share) and consumption (43.3% share) in 2021. Oman recorded a growth of 15.6% CAGR in vegetable production over the five-year period, highest in the region, followed by UAE (14.1% CAGR). In 2021, the region's self-sufficiency for vegetables stood at 50.0%. Oman had the highest self-sufficiency at 83.8%, followed by Saudi Arabia (57.4%). Net vegetable imports recorded a growth of 3.2% CAGR during the period¹¹³.

Consumption of fruits grew by 2.4% CAGR while production surged by 4.7% CAGR in the GCC between 2016 and 2021

Fruits (see Exhibit 29): Consumption of fruit within the GCC grew at a pace of 2.4% CAGR between 2016 and 2021, while production of fruits increased at a much higher pace of 4.7% CAGR. In 2021, Saudi Arabia remained the highest consumer (57.0% share) and producer (73.7% share) of fruits in the GCC. The gap between production and consumption in fruits has remained relatively unchanged at 3.3 million MT as of 2021. The overall self-sufficiency for fruits in the region stood at 55.0% as of 2021. Saudi Arabia had the highest level of self-sufficiency at 71.1%, followed by Oman (54.6%), Kuwait (30.1%), and the UAE (28.0%)¹¹⁴.

Consumption of milk/dairy products grew by 1.8% CAGR while production rose by 5.0% CAGR in the GCC between 2016 and 2021

Milk/Dairy Products (see Exhibit 30): Total consumption of milk/dairy products in the GCC grew at a pace of 1.8% CAGR while production grew at 5.0% CAGR between 2016 and 2021. Saudi Arabia remained the largest consumer of milk/dairy products, accounting for 59.4% of total consumption. Qatar witnessed the highest production growth rate (25.7% CAGR) in the GCC while Saudi Arabia remained the region's leading producer, accounting for 71.4% of total output in 2021. Given that overall dairy output in the GCC rose at a faster rate than consumption during the last five-years, net imports decreased by 9.1% CAGR. UAE, Saudi Arabia, and Oman were the region's top importers, cumulatively accounting for 85.0% of total imports in 2021. The gap between production and consumption in milk/dairy products has relatively eased over the years, declining to 2.3 million MT in 2021 from 3.7 million MT in 2016. The region's overall self-sufficiency for milk/dairy products stood at 62.6%, highest among all food categories. Saudi Arabia had the highest self-sufficiency ratio at 81.0%, followed by Qatar (77.9%), Oman (46.6%), and the UAE (35.5%)¹¹⁵.

Consumption of meat grew by 1.8% CAGR while production rose by 5.8% CAGR in the GCC between 2016 and 2021

Meat (see Exhibit 31): Meat remains an indispensable food item and an essential part of the diet for the majority of the GCC people. Total meat consumption and production in the region increased at a CAGR of 1.8% and 5.8%, respectively, between 2016 and 2021. Saudi Arabia had the largest share of meat consumption (49.5%) in the region, followed by the

¹¹² Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹³ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹⁴ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹⁵ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

Consumption of fish and eggs in the region grew at a CAGR of 4.5% while production rose by 11.3% between 2016 and 2021

UAE (26.0%). In 2021, Saudi Arabia generated over two-thirds of the region's total meat production (68.4%), while Qatar witnessed the highest five-year production growth rate at 8.3% CAGR in the GCC. In 2021, UAE and Saudi Arabia were the largest importers, accounting for 42.6% and 30.4% of total meat imports in the GCC, respectively. The gap between production and consumption of meat has remained relatively unchanged over the five-year period. The region's overall self-sufficiency for meat stood at 49.4% in 2021 with Saudi Arabia having the highest ratio at 68.2%, followed by Oman (57.2%)¹¹⁶.

Fish & Eggs (see Exhibit 32): Total consumption of fish and eggs in the GCC grew at a CAGR of 4.5% between 2016 and 2021. Saudi Arabia and Bahrain had the highest annualized consumption growth rate of 6.2% each over the five-year period. Oman and Saudi Arabia were the region's largest fish consumers, accounting for 91.4% of total consumption in 2021. Saudi Arabia, Kuwait, and the UAE were the region's top three egg consumers, accounting for 84.1% of the total. On the other hand, domestic fish and egg production increased at a CAGR of 11.3% between 2016 and 2021. The gap between production and consumption of fish and eggs has eased over the years, declining to 0.1 million MT in 2021 from 0.5 million MT in 2016. In 2021, the region's overall self-sufficiency for fish and eggs cumulatively stood at 54.1%. Oman had the highest self-sufficiency ratio (101.4%) for fish among its peers, while Saudi Arabia was the largest importer (69.1% share) of fish in the GCC. The region has also witnessed a rise in net egg imports, which has grown at a CAGR of 25.1% during the period. UAE (47.7%) and Qatar (20.9%) were the region's leading net importers of eggs as of 2021¹¹⁷.

¹¹⁶ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

¹¹⁷ Source: FCSA of UAE, NCSI of Oman, CIO of Bahrain, MDPS Qatar, GAS of Saudi Arabia, FAO

3. The GCC Food Industry Outlook

3.1. Forecasting Methodology

The report forecasts the size of the food industry in each GCC country in terms of consumption volume across the major food categories, through 2027. Region-wide projections are derived as an aggregate of food consumption volumes of all the six member countries.

The data-points considered for the projections include:

- Historical food consumption data from Food and Agriculture Organization of the United Nations (FAO) and national statistics offices of the GCC member nations
- Population and GDP (at current prices) forecast from the IMF (updated October 2023)

Macro Projections:

- The combined population of all the six GCC nations is projected to grow at a CAGR of 2.0% between 2022 and 2027 to reach 62.2 million in 2027, up from 56.2 million in 2022
- The region's GDP (at current prices) is expected to increase at an annualized rate of 2.6% between 2022 and 2027
- The GCC economies made a strong recovery following a period of pandemic-led economic distress. Although economic activity in the GCC region has remained resilient, global economic slowdown coupled with other external factors might affect certain food categories in the short to mid-term period in some countries.

The term food consumption in this report can be defined as 'food available for consumption' to the consumers of a nation/region. It has been derived by deducting total exports from the sum of domestic production and imports of all available food categories.

As it has been observed that population and GDP growth data over the last decade presents a correlation with food consumption growth in the region, regression analysis has been used to compute long-term forecasts for the GCC food market. Expected recovery in oil prices and rebound in tourism and hospitality industry in the post COVID-19 period along with growing support from non-oil economy is likely to lift income levels, resulting in increasing demand for food in the GCC countries.

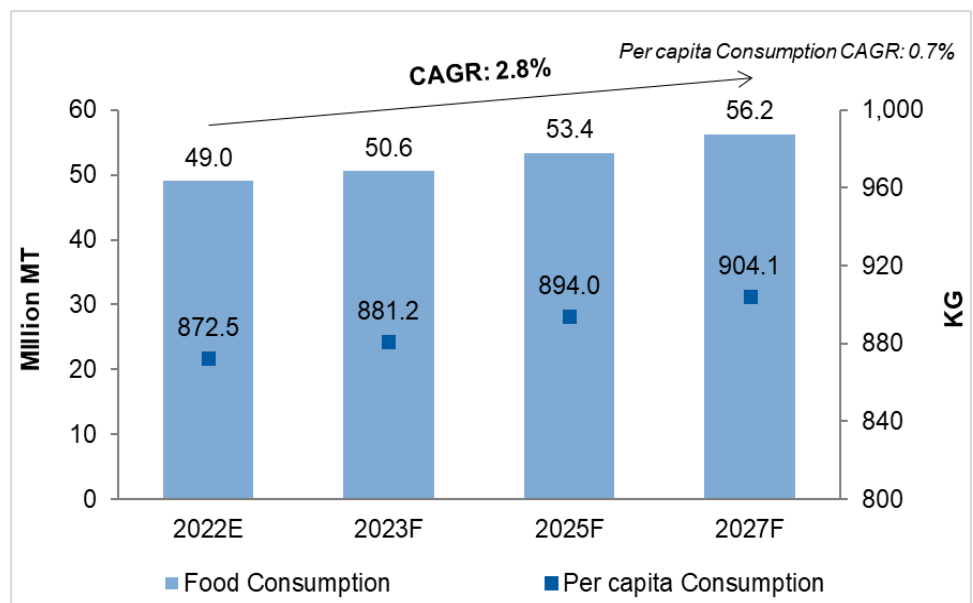
Note: Due to changes in forecasting methodology and the IMF's population and GDP estimates, market projections in this report are not comparable to the forecasts in Alpen's GCC Food Industry report dated September 06, 2021.

Food consumption in the GCC is expected to grow at a CAGR of 2.8% to reach 56.2 million MT by 2027 from 49.0 million MT in 2022

3.2. The GCC Food Consumption Forecast

Food consumption in the GCC is expected to grow at a CAGR of 2.8% to reach 56.2 million MT by 2027 from an estimated 49.0 million MT in 2022 (see Exhibit 33). This growth is likely to be driven by an increase in population (2.0% CAGR), rise in per capita income due to greater economic stability¹¹⁸, and the rebound in tourism activities. Although the ongoing geopolitical concerns may weigh on the GCC food sector due to rising inflation and anticipated supply-chain vulnerabilities, the region's high purchasing power is likely to support growth. The regional governments have also taken several initiatives towards ensuring a sustainable supply of food items to meet the rising demand. Moreover, growing awareness of healthy eating habits, coupled with increasing penetration of the food services sector offering global cuisines, and the diversity in food preferences among the nationals and expatriates are likely to aid the food consumption pattern across the GCC over the next five-years. The per capita food consumption in the GCC is forecasted to reach 904.1 kg by 2027 from an estimated 872.5 kg in 2022, growing at a CAGR of 0.7% (see Exhibit 33).

Exhibit 33: Forecast of Food Consumption in the GCC



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

The region's dependence on import for agricultural produce and food products continue to raise concerns over the impact of supply chain disruptions on food prices and shortages

The GCC nations, which have sufficient financial buffers aided by hydrocarbon revenues, have ensured a continuous supply of food imports while absorbing any price shocks to ensure there are no concerns over affordability. However, the region's dependence on import for agricultural produce and food products continue to raise concerns over the impact of supply chain disruptions on food prices and shortages. Consequently, the GCC governments have continued to emphasize on establishing a self-sufficient food ecosystem that aims at eliminating demand-supply imbalances and any intermittent increase in the price of food commodities, through long-term food strategies. The initiatives are targeted towards attaining sustainable food production and strengthening their food security systems. These include formulating national food strategies to boost domestic production, policy reforms to diversify import sources, reduce waste, and build reserve capacity. Additionally, the governments are fast embracing AgriTech, such as vertical farming and digital tools, to enhance supply chains and increase food production. In a bid to overcome the challenges

¹¹⁸ Source: "World Economic Outlook Database", IMF, October 2023

due to unfavorable climatic conditions for agriculture, countries such as Saudi Arabia and the UAE are investing heavily in farmlands abroad while the other GCC nations are engaging in international collaborations to ensure a steady supply of food¹¹⁹. The collective measures taken by the governments is expected to reduce the demand-supply imbalance and consequently food costs over the long-term. This, in turn, is likely to help boost food consumption as consumers are turning price conscious amid the current challenging economic conditions.

Category-wise Food Consumption

Growth of the different food categories is forecasted to range between 2.0% and 3.2% between 2022 and 2027 (see Exhibit 35). The vegetables (3.2%) food category is projected to secure the highest annualized growth rate, followed by 'others' and meat (3.1% each), cereals (2.8%), milk/dairy products (2.6%), and fruits (2.0%). The 'others' food category consists of commodities such as eggs, fish, pulses, oils & fats, potato, and honey products. In terms of volume share, the vegetables (from 14.0% in 2022 to 14.3% in 2027), cereal (from 40.5% in 2022 to 40.7% in 2027), and 'others' (from 9.1% in 2022 to 9.3% in 2027) food categories are expected to record the highest positive change in consumption. On the other hand, consumption of milk and fruits is expected to witness a fall in volume share between 2022 and 2027 (see Exhibit 34). Consumption of meat in the GCC is likely to record marginal gains as consumers turn health conscious amid the rising incidence of NCDs and growing demand for fresh produce and pesticide-free food with high nutrition value. This has given impetus to food service outlets and manufacturers in the GCC introducing healthy and organic food items to meet the demand from health conscious consumers¹²⁰.

Growth for the food categories is forecasted to range between 2.0% and 3.2% between 2022 and 2027 with the vegetables food category projected to secure the highest annualized growth rate

Exhibit 34: Category-wise Split of Overall Food Consumption (2022E - 2027F)

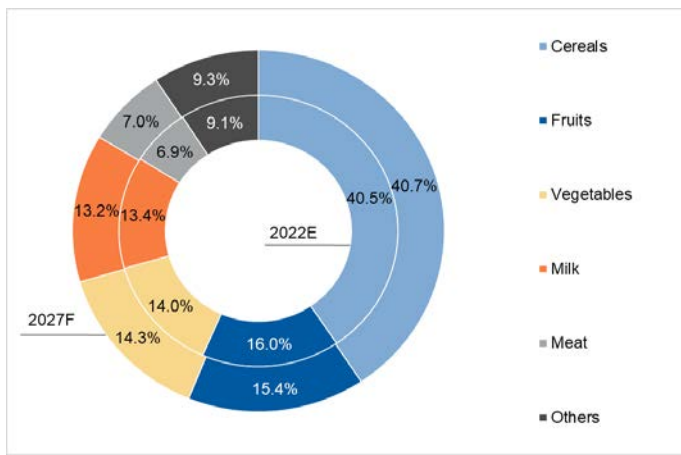
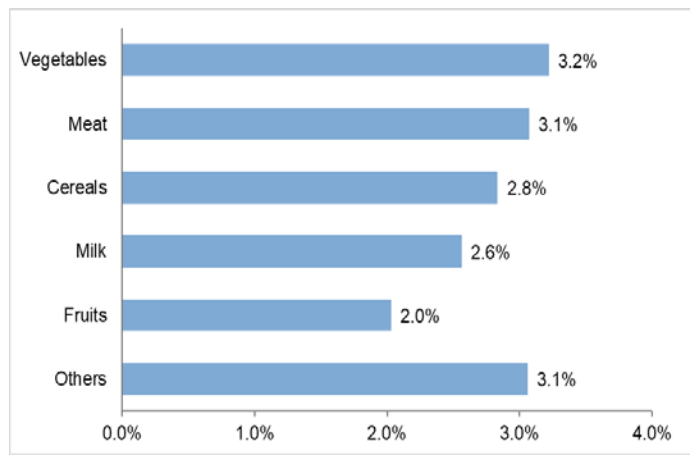


Exhibit 35: Category-wise Food Consumption Growth (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

Country-wise Food Consumption

The country wise food consumption share in the GCC is projected to change marginally through 2027. While Saudi Arabia will continue to remain the largest GCC market in terms of food consumption, its share is likely to fall from an estimated 57.1% in 2022 to 55.5% in 2027. On the other hand, UAE's share is expected to grow from an estimated 18.0% in 2022 to 18.5% in 2027. Similarly, Oman and Bahrain are projected to witness marginal gains in

While Saudi Arabia's food consumption share is likely to fall from 57.1% in 2022 to 55.5% in 2027, UAE's share is expected to grow from 18.0% in 2022 to 18.5% in 2027

¹¹⁹ Source: "Food Security for the GCC is more a question of accessibility than affordability", Markaz, July 31, 2023

¹²⁰ Source: "Health awareness of people strong in Middle East", Gulf Today, March 30, 2021

share while Qatar and Kuwait is likely to remain relatively flat over the five-year period (see Exhibit 36). Bahrain is set to witness the highest growth in food consumption (4.5% CAGR) between 2022 and 2027, followed by Oman (4.2% CAGR), UAE (3.3% CAGR), Qatar (3.0% CAGR), and Kuwait (2.9% CAGR). Growth in Saudi Arabia (2.2%) is expected to remain below the GCC average over the five-year period (see Exhibit 37).

Exhibit 36: Country-wise Split of Overall Food Consumption and Population (2022E - 2027F)

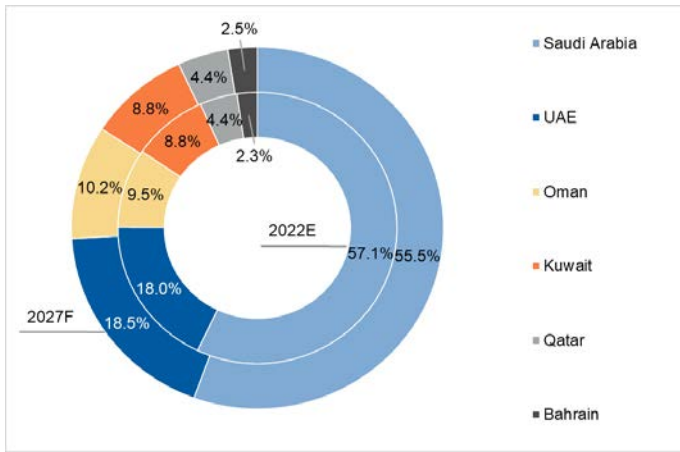
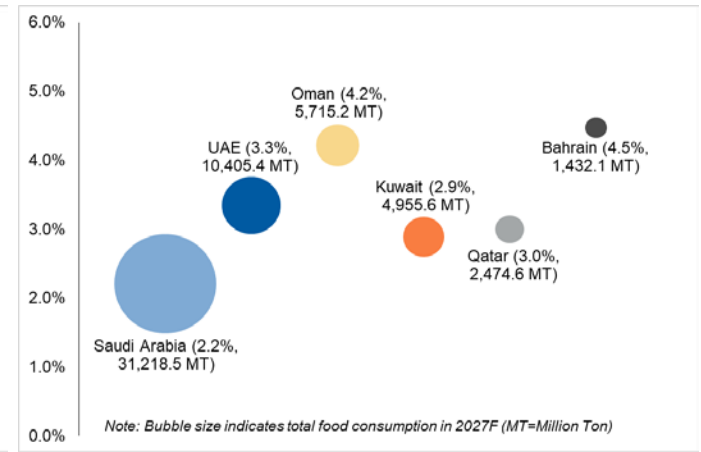


Exhibit 37: Country-wise Food Consumption Growth (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

3.3. Country-wise Market Size Forecast

Saudi Arabia

Saudi Arabia's food consumption is forecasted to reach 31.2 million MT in 2027 from 28.0 million MT in 2022, growing at an annualized rate of 2.2%

Saudi Arabia's food consumption is forecasted to reach 31.2 million MT in 2027 from an estimated 28.0 million MT in 2022, growing at an annualized rate of 2.2% (see Exhibit 38). In addition to a population growth rate of 2.0% CAGR, the Kingdom's anticipated GDP growth of 2.1% over the five-year period is likely to drive food consumption¹²¹. Additionally, the increasing urbanization rate is expected to support demand, especially for packaged food and ready meals. In recent years, Saudi Arabia has introduced several reforms aimed at liberalizing its economy and devoting increasing levels of attention towards the tourism industry in an ongoing effort to diversify the economy¹²². The Kingdom aims to attract 70 million international tourists a year by 2030 as it looks to accelerate a US\$ 800 billion plan to become a global travel hotspot¹²³. Saudi Arabia has also opened its economy for foreign workers in a bid to attract more talent from across the globe. This has led to a rise in expatriate population, which currently constitutes ~41.6% of the total¹²⁴. Amidst such dynamics, the Kingdom's food services market has evolved significantly over the past few years to meet the rising demand for food. Several restaurants – ranging from signature concepts from local chefs to foreign chains and Michelin-star restaurants - have established base in the Kingdom. This has led to the rise in different types of global cuisines such as Italian, French, Japanese and Greek which are fast becoming popular among the millennial and working-age population¹²⁵. According to the Saudi Arabian General Authority for Investment (SAGIA), the expenditure on food services is expected to grow by 6% per annum

¹²¹ Source: "World Economic Outlook Database", IMF, April 2021

¹²² Source: "Saudi Arabia reforms: Royal power play or meaningful change?", DW.com, June 27, 2021

¹²³ Source: "Saudi Arabia Targets 70 Million International Visitors a Year", Bloomberg, September 28, 2023

¹²⁴ Source: "Foreigners makeup over 40% of Saudi population, census shows", The New Arab, June 1, 2023

¹²⁵ Source: "The growth of Saudi Arabia's food and beverage industry — from local startups to multinational chains", The New Arab, September 10, 2021

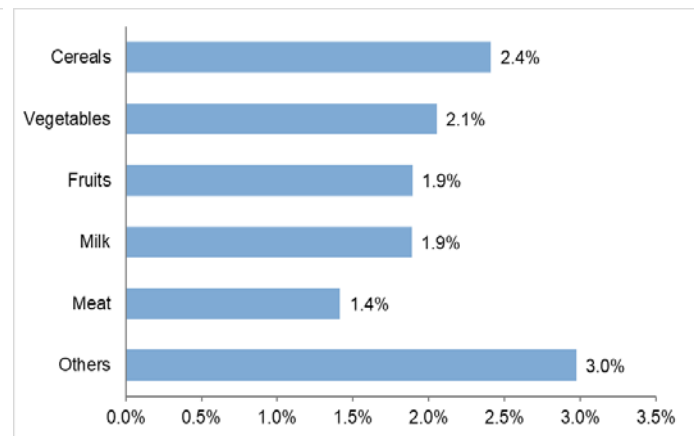
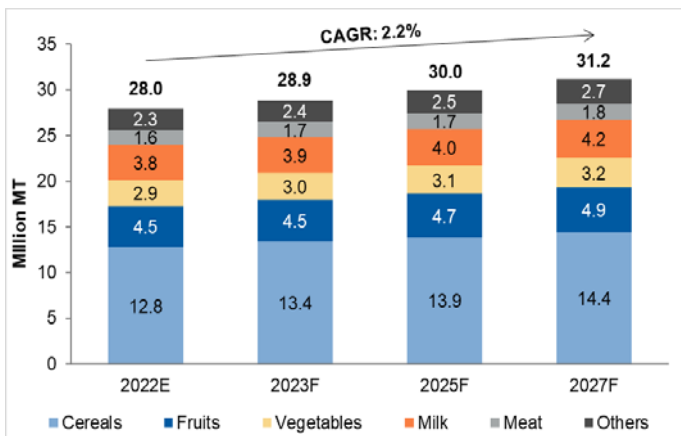
The Kingdom has set aside a US\$ 10 billion action plan to boost domestic production, diversify and localize food sources, while reduce dependence on imports

by 2024¹²⁶. Favorable demographic changes coupled with the transformative measures taken by the government are also likely to translate to higher food consumption over the next few years.

The Kingdom has developed a US\$ 10 billion action plan to boost domestic production, diversify and localize food sources, and reduce dependence on imports¹²⁷. In addition to the investments made by the government in foreign crop lands¹²⁸, authorities have extended support to several agricultural projects in the Kingdom¹²⁹. It has also developed strategies to achieve food security through cross-industry collaborations and implementation of technology¹³⁰. In recent years, the Kingdom has successfully deployed modern agricultural techniques to enhance local production, minimize water wastage, and boost efficiency in the agricultural sector. Such measures are expected to drive Saudi Arabia's food industry towards strong medium-term growth.

Among the food categories, the 'others' food segment is projected to grow at the highest annualized rate of 3.0% between 2022 and 2027 to reach 2.7 million MT (see Exhibit 39). Cereals, which remains the highest consumed food segment in the Kingdom, is expected to rise at a pace of 2.4% over the five-year period. This is followed by vegetables, which is forecasted to grow at a CAGR of 2.1% each during the same period. While consumption of milk/dairy products and fruits are expected to grow at a pace of 1.9% CAGR each, meat consumption is likely to witness a relatively sluggish growth (1.4% CAGR) between 2022 and 2027. The overall per-capita consumption pattern in Saudi Arabia is expected to remain unchanged during the forecast period.

Exhibit 38: Forecast of Food Consumption in Saudi Arabia **Exhibit 39: Category-wise Food Consumption Growth in Saudi Arabia (CAGR: 2022E – 2027F)**



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

UAE

Food consumption in the UAE is forecasted to grow at an annualized rate of 3.3% from an estimated 8.8 million MT in 2022 to 10.4 million MT in 2027

Food consumption in the UAE is forecasted to grow at an annualized rate of 3.3% from an estimated 8.8 million MT in 2022 to 10.4 million MT in 2027 (see Exhibit 40). Strong economic growth of 4.1% over the five-year period, coupled with a healthy rise in population (1.8% CAGR between 2022 and 2027) is expected to drive growth in the country¹³¹. At the

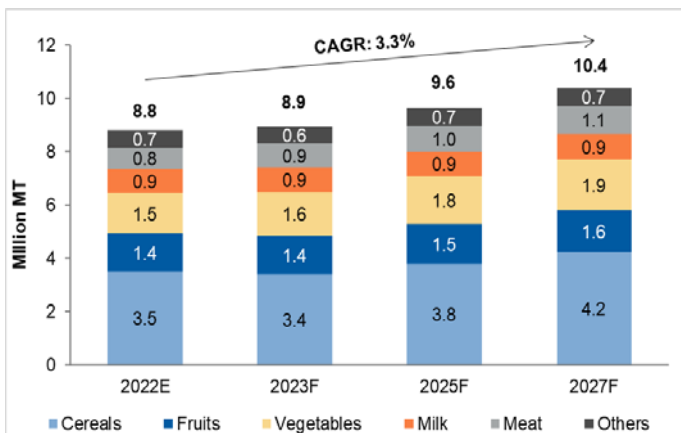
¹²⁶ Source: "Top Trends in the F&B industry of Saudi Arabia", Inresto, February 05, 2021
¹²⁷ Source: "Saudi Arabia pioneers the next era of food security innovation", Arab News, October 8, 2023
¹²⁸ Source: "Saudi Arabia triples agriculture investments abroad", Gulf Times, January 19, 2021
¹²⁹ Source: "Reef supports 63,000 agricultural projects in Saudi Arabia to reduce global food price fluctuations", Saudi Gazette, August 2, 2023
¹³⁰ Source: "Vision 2030 – Saudi Arabia", ADF Strategy (2021-2025)
¹³¹ Source: "World Economic Outlook Database", IMF, October 2023

same time, growing population of expatriates (accounting for approximately 88.5% of the total UAE population in 2023)¹³² coupled with a rising tourism industry is expected to further drive the demand for diverse culinary palates across the country. UAE, which has long remained a hub for global food outlets in the Middle East, generated AED 58.4 billion (US\$ 15.9 billion) in sales during 2022. According to Dubai Chambers, sales for restaurants in the country is expected to further grow by 48% to reach AED 86.4 billion (\$23.5 billion) by 2027, largely aided by economic growth and rising demand for global cuisines¹³³. The rising influx of expatriates and tourists in the near to mid-term is likely to support demand and increase preference towards healthy food items.

The government has invested heavily to improve domestic production through coordination with various international and federal organizations¹³⁴, while developing sustainable and integrated food security systems through formulation of the 'UAE National Food Security Strategy 2051'. The strategy aims to rank UAE as the best in the Global Food Security Index by 2051, and focuses on facilitating global food trade, diversifying food import sources and identifying alternative supply schemes¹³⁵. At the same time, the government has introduced several programs to improve domestic production, draft policies that include promoting cooperation with other countries, diversifying import sources, and attracting agricultural investment, especially towards AgriTech to enhance self-sufficiency¹³⁶. It is also focusing on overseas agricultural investments that involves cultivation of strategic food crops to meet the rising demand. Such measures are likely to help boost local production and aid demand for home-grown produce.

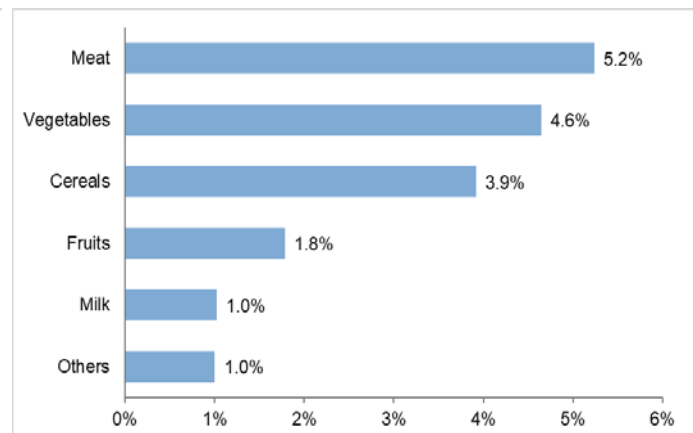
Amongst the various food categories, consumption of meat is projected to record the highest growth rate (5.2% CAGR) among all categories in the country between 2022 and 2027. Demand for meat is forecasted to reach 1.1 million MT in 2027 from an estimated 0.8 million MT in 2022. While consumption of milk/dairy products and 'others' food categories are likely to grow at the slowest pace of 1.0% CAGR each over the five-year period, vegetables (4.6% CAGR), cereals (3.9% CAGR), and the fruits (1.8% CAGR) are likely to record a healthy growth in consumption (see Exhibit 41). The overall per-capita consumption pattern in UAE is expected to grow at a CAGR of 1.5% during the forecast period.

Exhibit 40: Forecast of Food Consumption in the UAE



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

Exhibit 41: Category-wise Food Consumption Growth in the UAE (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

¹³² Source: "United Arab Emirates Population Statistics 2023", Global Media Insight, October 9, 2023

¹³³ Source: "Sales in UAE restaurants, cafes to rise 50% to \$23.5bn by 2027", Zawya, February 23, 2023

¹³⁴ Source: "The United Arab Emirates and FAO - Partnering For Sustainable Agricultural Development and Food Security"

¹³⁵ Source: "National Food Security Strategy 2051", UAE

¹³⁶ Source: "UAE launches national dialogue for food security", Zawya, March 21, 2023

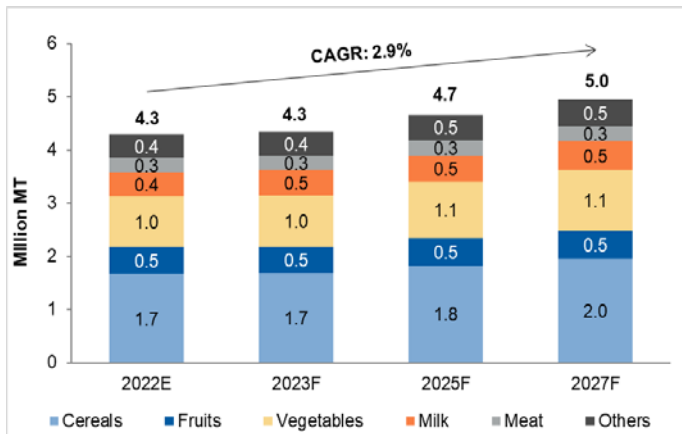
Food consumption in Kuwait is anticipated to grow at a pace of 2.9% CAGR between 2022 and 2027

Kuwait

Food consumption in Kuwait is anticipated to grow at a pace of 2.9% CAGR between 2022 and 2027. Total food consumption in the country is estimated to rise to 5.0 million MT in 2027 from an estimated 4.3 million MT in 2022 (see Exhibit 42). Consumption is expected to be primarily driven by 2.0% CAGR growth in population over the five-year period¹³⁷ and continued subsidies on food for the locals¹³⁸. Considering the country is significantly dependent on imports¹³⁹, the government has established strategies to strengthen its food security system. In 2022, Kuwait developed its 'National Strategy for Food Security' that aims at encouraging banks to finance food security projects and seeking financial support from international organizations. It has also started establishing deals with the neighboring GCC nations on food security and imposing restrictions on excessive imports¹⁴⁰. Such measures are likely to bode well for the food industry growth as domestic food production gains momentum, leading to an increase in demand for localized produce in the near future.

Among the various food categories, consumption of milk/dairy products is set to grow at the highest rate of 3.5% CAGR between 2022 and 2027. Cereals, which is the highest consumed food category in the country, is forecasted to reach 2.0 million MT in 2027 from an estimated 1.7 million MT in 2022, translating to an annualized growth rate of 3.3% over the five-year period. Consumption of vegetables is forecasted to record a growth of 3.4% CAGR, the second highest amongst all, followed by 'others' (2.4% CAGR), meat (2.1% CAGR), and fruits (0.7% CAGR) food categories during the same period (see Exhibit 43). The overall per-capita consumption pattern in Kuwait is expected to grow at a CAGR of 0.9% during the forecast period.

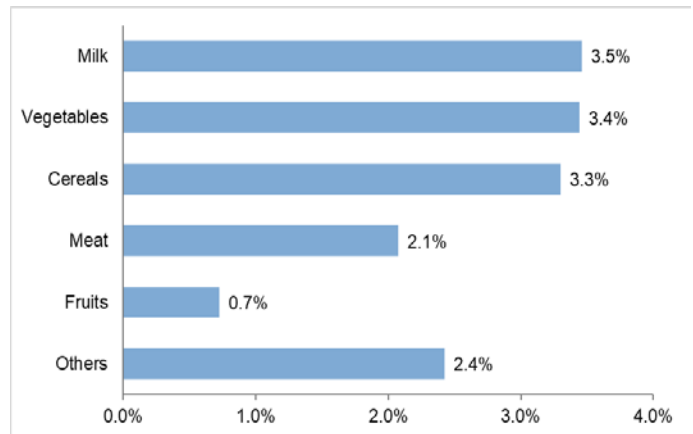
Exhibit 42: Forecast of Food Consumption in Kuwait



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Exhibit 43: Category-wise Food Consumption Growth in Kuwait (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

Oman

Food consumption in Oman is projected to grow at a pace of 4.2% CAGR between 2022 and 2027, the second highest in the GCC

Food consumption in Oman is projected to grow at a pace of 4.2% CAGR between 2022 and 2027, the second highest in the GCC. Total food consumption in the Sultanate is estimated to rise to 5.7 million MT in 2027 from 4.6 million MT in 2022 (see Exhibit 44). GDP

¹³⁷ Source: "World Economic Outlook Database", IMF, October 2023

¹³⁸ Source: "Food shortages are a bigger threat than food inflation for import-dependent GCC countries", Food Navigator Asia, August 22, 2023

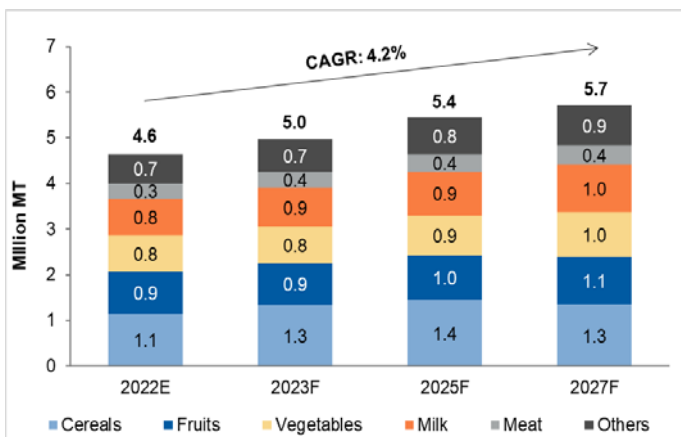
¹³⁹ Source: "Food shortages are a bigger threat than food inflation for import-dependent GCC countries", Food Navigator Asia, August 22, 2023

¹⁴⁰ Source: "National Strategy to Achieve Food Security", Bahrain

and population growth of 1.2% and 3.2%, respectively, during the five-year period are expected to be the major factors driving food consumption in the Sultanate¹⁴¹. Oman's economy is expected to benefit from non-hydrocarbon sector growth, which is projected to rise to 2% in 2023 and 2.5% in 2024 from 1.2% in 2022. Moreover, average headline inflation has eased from 2.8% y-o-y in 2022 to 1.6% during the first four months of 2023, reflecting lower food inflation¹⁴², which is likely to further drive food consumption. The Sultanate has also undertaken initiatives that ensure higher food security and reduce imports as part of its 'Oman Vision 2040'. It has launched the 'Food Security Laboratory' that aims to promote local and foreign investments in the food sector, enhance the competitiveness of local products, develop a food security strategy, and localize high-tech projects such as hydroponics, aquaponics and advance technologies in irrigation¹⁴³. Such measures are likely to help Oman increase domestic production and boost demand for home-grown food commodities in the future. At the same time, the government is investing heavily to drive revenues from the tourism industry – a major growth driver for the food sector. Oman has established plans to set up a cluster of tourism-related investments across the Sultanate and aims to earn over US\$ 22.5 billion a year from tourism by 2040¹⁴⁴.

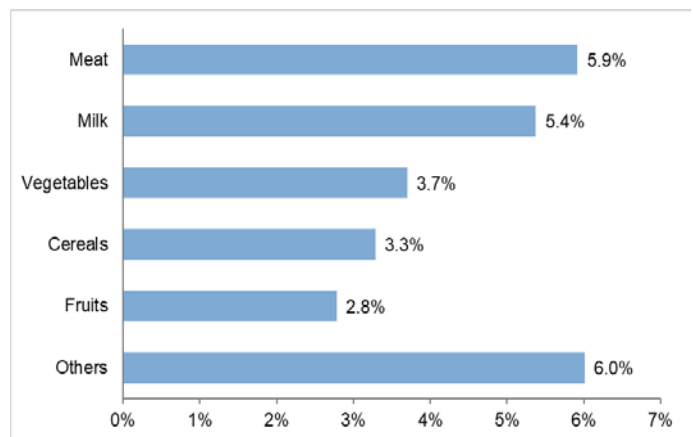
The 'others' food category is projected to register the highest growth in consumption (6.0% CAGR) between 2022 and 2027, followed by meat (5.9% CAGR), milk/dairy products (5.4% CAGR), and vegetables (3.7% CAGR). While consumption of cereals and fruits is set to rise due to its prominence in daily diet and a gradual shift in focus towards healthier eating habits among the consumers, these categories are forecasted to grow at a relatively slower pace of 3.3% CAGR and 2.8% CAGR, respectively, over the five-year period (see Exhibit 45). Notably, wheat consumption in Oman has more than doubled over the past decade¹⁴⁵. In order to meet the rising demand, the Sultanate is conducting studies to improve arable land for domestic wheat production to reach about 3,000 tonnes per annum¹⁴⁶ which is likely to further drive the cereals market. The overall per-capita consumption pattern in Oman is expected to grow at a CAGR of 1.0% during the forecast period.

Exhibit 44: Forecast of Food Consumption in Oman



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

Exhibit 45: Category-wise Food Consumption Growth in Oman (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

¹⁴¹ Source: "World Economic Outlook Database", IMF, October 2023

¹⁴² Source: "IMF Staff Concludes Staff Visit to Oman", World Economic Outlook, IMF, May 18, 2023

¹⁴³ Source: "Oman to kick off food security lab today", Muscat Daily, June 19, 2023

¹⁴⁴ Source: "Oman reveals ambitious plan to boost tourism", The National News, December 12, 2021

¹⁴⁵ Source: "Oman has enough wheat reserves for six months, says Oman Flour Mills", Reuters, September 28, 2022

¹⁴⁶ Source: "No wheat shortage in Oman", Muscat Daily, April 4, 2022

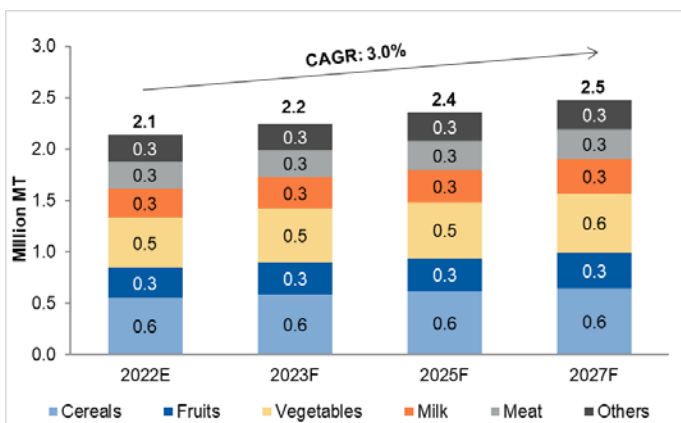
Qatar's food consumption is expected to grow at a CAGR of 3.0% since 2022 to reach 2.5 million MT by 2027

Qatar

Qatar's food consumption is expected to grow at a CAGR of 3.0% since 2022 to reach 2.5 million MT by 2027 (see Exhibit 46). Although the country's population is expected to grow at a relatively slower pace (0.8% CAGR) compared to the other GCC nations over the five-year period, the food sector is likely to be driven by a revival in the tourism industry. The country's tourism authorities have established ambitious goals to sustain and attract an increasing number of visitors each year following the successful completion of the 2022 FIFA World Cup as part of its long-term strategy¹⁴⁷. Some of the major international sporting events lined up to take place in the country over the next few years include the Formula 1, TP Tennis Competition, International Golf Championship, World Championship of Motorcycles, 2024 World Aquatics Championships, 2030 Asian Games, European Tour Golf and MotoGP, among others. The government has also taken initiatives such as offering free visa to over 95 countries, and a 96-hour free transit visa is currently under evaluation to enhance the tourism industry¹⁴⁸. Such initiatives and sporting events are likely to increase international tourist arrivals, which bode well for the domestic food industry. Moreover, the country's GDP is expected to witness a 3.9% growth over the next five-years driven by accelerated reforms under the 3rd National Development Strategy that aims to boost productivity and promote economic diversification¹⁴⁹. Following the embargo imposed on the country in 2017, Qatar has ramped up its food production capacity while also developing alternative trade links for its food supply. The country has developed a 'National Food Security Strategy' (2018-2023)¹⁵⁰ and is currently formulating the new 'Qatar National Food Security Strategy (2023-2030)' that aims to improve self-sufficiency, strategic reserves, enhance international trade, and streamline the domestic market. Such initiatives are likely to improve the nation's food security while boosting demand for home-grown produce.

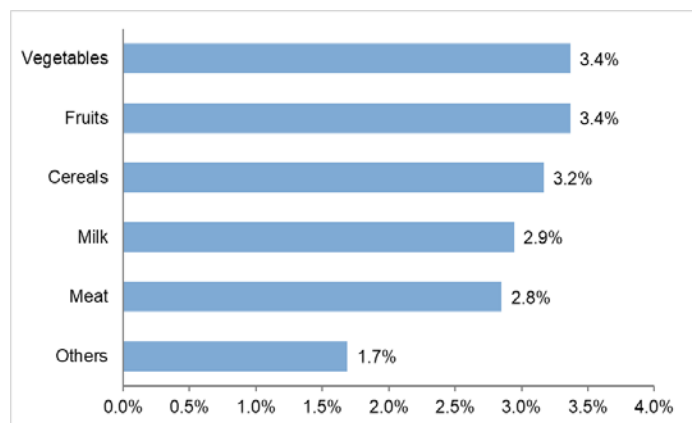
Consumption of vegetables and fruits is estimated to grow at a CAGR of 3.4% each between 2022 and 2027, the highest amongst all food segments in the country, followed by cereals and milk/dairy categories at 3.2% CAGR and 2.9% CAGR, respectively. On the other hand, consumption of meat is expected to report a growth of 2.8% CAGR, followed by 'others' at 1.7% CAGR over the five-year period (see Exhibit 47). The overall per-capita consumption pattern in Qatar is expected to grow at a CAGR of 2.2% during the forecast period.

Exhibit 46: Forecast of Food Consumption in Qatar



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted

Exhibit 47: Category-wise Food Consumption Growth in Qatar (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital
Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

¹⁴⁷ Source: "Number of visitors to Qatar rises by 7-fold in first quarter", Doha News, April 17, 2022

¹⁴⁸ Source: "Visa details", Visit Qatar

¹⁴⁹ Source: "IMF Staff Concludes Staff Visit with Qatar", World Economic Outlook, IMF, May 18, 2023

¹⁵⁰ Source: "Qatar National Food Security Strategy 2018 – 2023", Food Security Department, January 2020

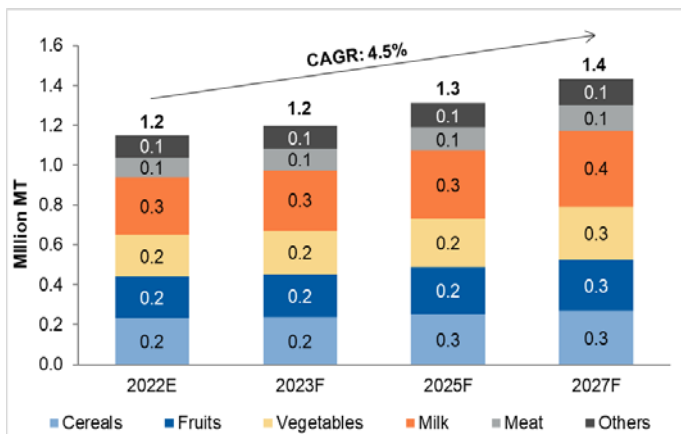
Bahrain is forecasted to record the highest growth in food consumption in the GCC, growing at an annualized rate of 4.5% between 2022 and 2027 to reach 1.4 million MT

Bahrain

Bahrain is forecasted to record the highest growth in food consumption in the GCC, growing at an annualized rate of 4.5% between 2022 and 2027 to reach 1.4 million MT (see Exhibit 48). This can be largely attributed to a healthy growth in population, which is forecasted to grow at a pace of 2.5% CAGR over the five-year period¹⁵¹. Despite being the least populated nation in the GCC, Bahrain is also estimated to witness a 3.8% rise in GDP between 2022 and 2027, supported by strong performance in the non-oil sector¹⁵². At the same time, the government remains strongly committed to their reform agenda outlined in the 'Economic Recovery Plan' that focuses on reducing the fiscal deficit and public debt while also introducing growth-friendly reforms to reduce reliance on oil revenues¹⁵³. The government has also enhanced its food security system through effective partnerships with the private sector¹⁵⁴. Such strong dynamics are expected to boost the demand for food in the country. Additionally, a revival in tourist inflows, which recorded a 51% surge in the first half of 2023 compared to the same period last year, is likely to bode well for the country's food industry¹⁵⁵.

Among the various food categories, consumption of milk/dairy products is forecasted to grow at a CAGR of 5.7% between 2022 and 2027, followed by vegetables (4.9% CAGR), meat (4.5% CAGR), and fruits (4.4% CAGR). While the 'others' food category is likely to grow at a stable pace of 3.6% CAGR, cereals is expected to register the slowest growth rate of 2.9% CAGR amongst all categories during the five-year period (see Exhibit 49). The overall per-capita consumption pattern in Bahrain is expected to grow at a CAGR of 1.9% during the forecast period.

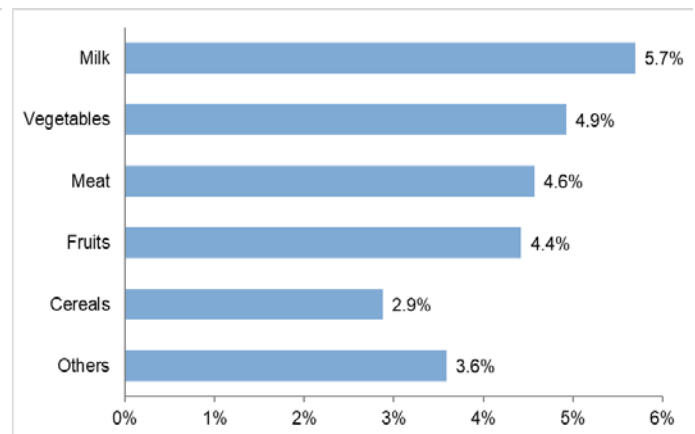
Exhibit 48: Forecast of Food Consumption in Bahrain



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Exhibit 49: Category-wise Food Consumption Growth in Bahrain (CAGR: 2022E – 2027F)



Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted; 'Others' food category comprises potatoes, pulses, fats & oil, honey, fish and eggs

¹⁵¹ Source: "World Economic Outlook Database", IMF, October 2023

¹⁵² Source: "World Economic Outlook Database", IMF, October 2023

¹⁵³ Source: "IMF Staff Completes 2023 Article IV Mission to The Kingdom of Bahrain", World Economic Outlook, IMF, May 24, 2023

¹⁵⁴ Source: "Bahrain opens \$12m food storage and security factory", Zawya, January 30, 2023

¹⁵⁵ Source: "Bahrain's Tourism surges with 51 per cent growth in first half of 2023", BW Hotelier, September 12, 2023

4. Growth Drivers

Resilient Economy

GCC's GDP experienced a growth of 7.7% in 2022, much higher than countries like the US, UK, Singapore, Japan, and Germany; The non-oil sector, anticipated to grow by 4.6% in 2023, is likely to boost economic performance

The GCC economies made a strong recovery following a period of pandemic-led economic distress that led to the dual shock of falling oil prices and slowdown in domestic economic activity. According to the IMF, the GCC's GDP experienced a growth of 7.7% in 2022, much higher than countries like the US, UK, Singapore, Japan, and Germany (see Exhibit 50)¹⁵⁶. The recovery can be attributed to the successful COVID-19 mitigation strategies by the GCC governments, positive business and tourism sentiment driven by mega events such as the EXPO 2020 Dubai and FIFA World Cup 2022, and rebound in the hydrocarbon market. In the run-up to these major events, the GCC nations made substantial investments in infrastructure and other non-hydrocarbon projects, which also contributed to their economic expansion. While Qatar and UAE invested US\$ 208 billion¹⁵⁷ and US\$ 12 billion¹⁵⁸, respectively, towards infrastructure development for hosting the mega events, Saudi Arabia has scaled up its progress towards developing the US\$ 500 billion NEOM megacity¹⁵⁹. The other GCC nations have also embarked towards similar investments towards road, transport and a variety of sectors¹⁶⁰. As a result, fiscal deficits have significantly fallen, with the GCC's external balance reaching pre-pandemic levels as energy prices and export earnings strengthened¹⁶¹. At the same time, improvements in per capita income (21.2% growth between 2020 and 2022) due to revival in the employment level boosted consumer demand¹⁶². However, the IMF anticipates that the region will face a slowdown in 2023, with GDP growing at a pace of 1.6%, amid increasing concerns stemming from the ongoing geo-economic fragmentation and rise in public debt¹⁶³. Lower hydrocarbon GDP, which is expected to contract by 1.3% in 2023 after the OPEC+ production cut announcement¹⁶⁴, coupled with reduced trade and tourism due to tighter global financial conditions is also likely to weigh on the GCC economies. Nevertheless, healthy performance of the non-oil sector, which is anticipated to grow by 4.6% in 2023, is likely to boost economic performance. Continued recovery in private consumption, coupled with fixed investments, and a relaxed fiscal policy due to relatively high oil revenues will aid the non-oil sector growth¹⁶⁵.

GCC's GDP growth is expected to stabilize and range between 3.4% and 4.1% between 2024 and 2028, surpassing the growth projections of peer nations

Although economic activity in the GCC is anticipated to maintain a cautious outlook, it will continue to demonstrate resilience benefitting from strong domestic activity, a growing non-oil economy, and sustained investments in the region. The GCC's social and business-friendly reforms coupled with its safe haven status will help attract FDIs, generate employment, and boost trade and tourism, underpinning robust growth. According to the IMF, GCC's GDP growth is expected to stabilize and range between 3.4% and 4.1% between 2024 and 2028, surpassing the growth projections of peer nations during the same period (see Exhibit 50)¹⁶⁶. The region's strong emphasis towards economic diversification, continued structural reforms and private sector participation to improve the business climate and competitiveness will continue to support economic growth in the long-run. The confluence of all these factors are expected to positively drive consumer sentiment, spending and food consumption over the long-term.

¹⁵⁶ Source: "World Economic Outlook Database", IMF, October 2023

¹⁵⁷ Source: "Qatar World Cup infrastructure costs over 100% of nation's GDP", International Construction, November 17, 2022

¹⁵⁸ Source: "Economic Impact of Dubai Expo 2020", Marmore MENA, September 22, 2021

¹⁵⁹ Source: "NEOM CEO says 20 percent infrastructure works already completed", Arab News, January 19, 2023

¹⁶⁰ Source: "Promising outlook for GCC construction sector", Economic Intelligence Unit, October 25, 2023

¹⁶¹ Source: "World Economic Outlook Database", IMF, October 2023

¹⁶² Source: "World Economic Outlook Database", IMF, October 2023

¹⁶³ Source: "World Economic Outlook Database", IMF, October 2023

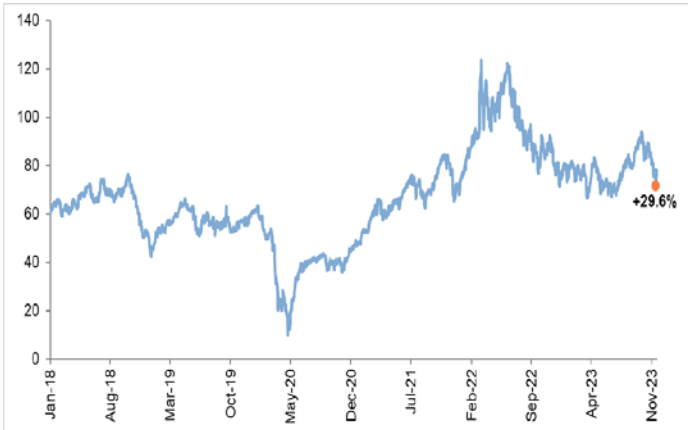
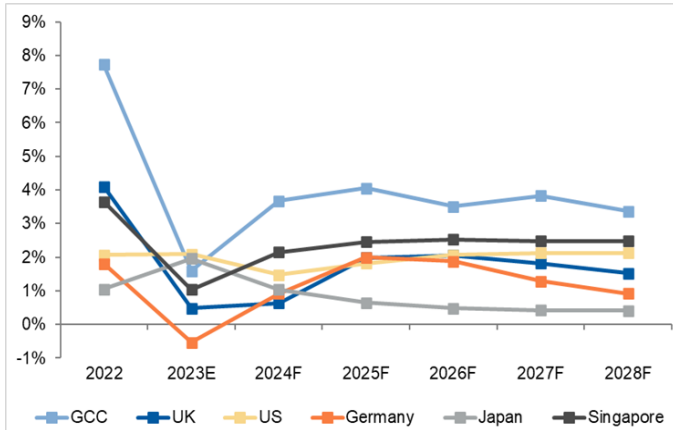
¹⁶⁴ Source: "OPEC+ announces surprise oil output cuts", Reuters, April 3, 2023

¹⁶⁵ Source: "GCC Economic Growth Expected to Slow to 2.5% in 2023", World Bank, May 17, 2023

¹⁶⁶ Source: "World Economic Outlook Database", IMF, October 2023

Exhibit 50: GDP Growth Projections – GCC vs Other Markets (2022-2028F)

Exhibit 51: Crude Oil Price (2018-2023 YTD)



Source: IMF – October 2023

Note: E – Estimated, F – Forecasted

Source: Thomson Reuters

Note: Crude oil price growth between January 1, 2018 and November 16, 2023

Approximately 64% of the region's population is aged between 15 and 49 years, a significant proportion that has positively contributed to the food consumption pattern

Favourable Demographics

Food consumption in the GCC continues to be significantly driven by the region's expanding population base that largely comprises of young and working class professionals. Approximately 64% of the GCC's population is aged between 15 and 49 years, a significant proportion that has positively contributed to its food consumption patterns (see Exhibit 52)¹⁶⁷. This population group has led to the rise in demand for new dining concepts and diverse cuisines, including boosting consumption of healthy foods and ready to eat varieties. At the same time, they have been instrumental in driving the growth of cloud kitchens and online food delivery platforms in the region¹⁶⁸. The GCC population, which grew at a modest CAGR of 1.0% between 2017 and 2022, is expected to further rise at an annualized pace of 2.0% over the next five-years to reach 63.4 million by 2028 (see Exhibit 53). This is much higher than the global average of 0.9% during the same period¹⁶⁹. Moreover, the high proportion of expatriates and the rising inflow of tourists continue to drive the food sector. The GCC is also one of the most urbanized regions in the world with approximately 83.5% of the population living in cities as of 2020, which is expected to rise to 84.3% by 2030¹⁷⁰. These factors have been instrumental in supporting the market's shift towards international brands, food cuisines from across the world, and the growing preference for high-quality food.

Population in Saudi Arabia, the largest country in the region (accounting for 57.2% of the GCC population in 2022), is expected to grow at a CAGR of 2.0% between 2023 and 2028 to reach 36.2 million¹⁷¹. The growing proportion of youth, representing nearly 63% (under 30 years of age) of the Kingdom's total population¹⁷², are driving the demand for fast food and international cuisines¹⁷³. Saudi Arabia has taken some ground breaking measures and liberalization policies that are uplifting the social and cultural environment of the Kingdom. The recent socio-economic reforms aim to make the Kingdom more modern, liberal, and

¹⁶⁷ Source: United Nations Population Division", United Nations

¹⁶⁸ Source: "The Gen Z Effect: Transforming the Landscape of Food Delivery", Nestle Professional MENA, August 23, 2023

¹⁶⁹ Source: "World Economic Outlook Database", IMF, October 2023

¹⁷⁰ Source: United Nations Population Division", United Nations

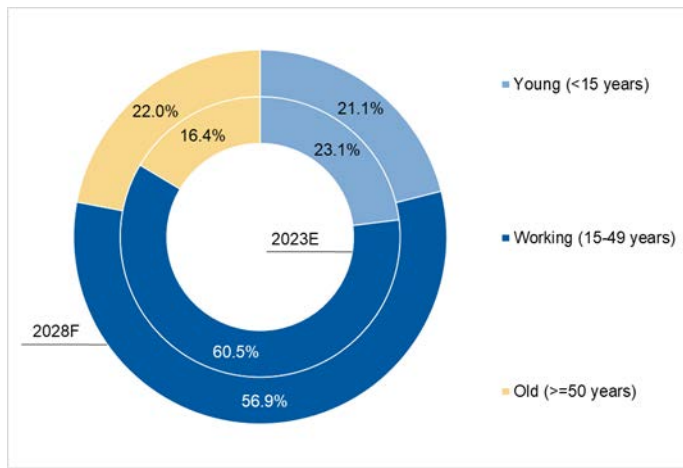
¹⁷¹ Source: "World Economic Outlook Database", IMF, October 2023

¹⁷² Source: "Saudi Arabia is blessed with an aspiring, youthful population", Arab News, June 04, 2023

¹⁷³ Source: "Investment opportunities in the Saudi food sector", Arab News, April 14, 2019

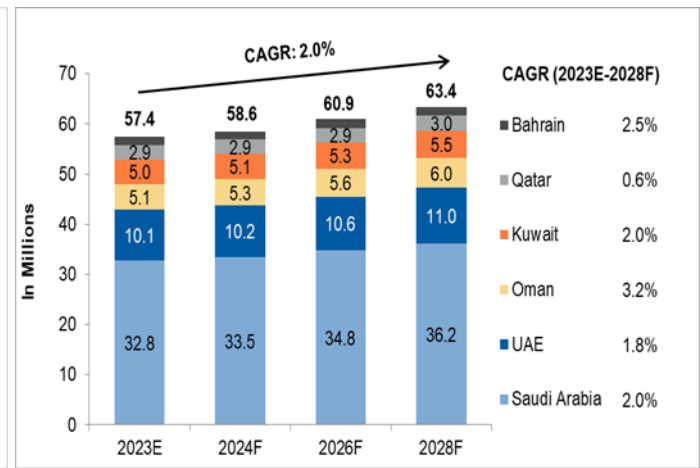
business and tourism friendly¹⁷⁴. Consequently, Saudi Arabia is devoting increasing levels of attention towards the hospitality industry, attracting tourists from across the globe, in an ongoing effort to diversify the economy. The Kingdom recently reinstated the visa on arrival program that allows holders of valid visas from the US, UK and Schengen area to enter the Kingdom¹⁷⁵. It also aims to increase the number of religious visitors to 30 million by 2025, and further attract around 100 million domestic and international visits a year by the end of the decade¹⁷⁶. This has not only led the Kingdom to introduce its local cuisines to foreign tourists but also adopt other cultural food habits. Consequently, the government has increased its focus towards the food industry by establishing special committees and promoting annual events for cuisines that have evolved with an eye to international attention¹⁷⁷. The UAE, which has long remained the regional hub for global food preferences and cuisines in the GCC, has also introduced several reforms aimed at expanding its population base, through incentivizing expats to work and settle in the country, while also boosting the tourism industry. These include positive immigration laws (five-year renewable retirement law, widening the eligibility of golden visas, new citizenship law, relaxation of residency visas, and multiple-entry tourist visas) and developing tourism-related infrastructure while promoting leisure destinations to showcase some of its modern as well as cultural heritage sites. The rising demand for cuisines from across the globe has led to a significant rise in the number of Food & Beverages (F&B) outlets in the country¹⁷⁸ while high-end Michelin-star restaurants have expanded their presence across the UAE¹⁷⁹. The country's population, which is expected to grow at a CAGR of 1.8% between 2023 and 2028 to reach 11.0 million¹⁸⁰, coupled with the high percentage of expatriates (88.5% of the total UAE population in 2023)¹⁸¹, will further drive the demand for diverse culinary palates. Oman, Bahrain and Kuwait - wherein the population growth is likely to surpass the GCC average over the next five-year period - are also anticipated to positively contribute to the GCC food consumption pattern (see Exhibit 53)¹⁸².

Exhibit 52: GCC Population Age Distribution



Source: UNPD – November 2022
Note: E – Estimated, F – Forecasted

Exhibit 53: GCC Population Forecast (2023E-2028F)



Source: IMF – October 2023
Note: E – Estimated, F – Forecasted

¹⁷⁴ Source: "Saudi Arabia reforms: Royal power play or meaningful change?", DW.com, June 27, 2021
¹⁷⁵ Source: "Saudi Arabia reinstates visa on arrival for holders of US, UK, Schengen visas", ARAB NEWS, March 25, 2022
¹⁷⁶ Source: "Tourism Ambitions Transform Saudi Arabia", The Arab Gulf States Institute in Washington, February 17, 2022
¹⁷⁷ Source: "Why the Saudi Crown Prince is giving the world food for thought", First Post, August 23, 2023
¹⁷⁸ Source: "Dubai Has More Restaurants Per Capita Than New York", New York Times, December 13, 2022
¹⁷⁹ Source: "Dubai's thriving food and beverage sector: A recipe for success", Economic Times India, September 12, 2023
¹⁸⁰ Source: "World Economic Outlook Database", IMF, October 2023
¹⁸¹ Source: "United Arab Emirates Population Statistics 2023", Global Media Insight, October 9, 2023
¹⁸² Source: "World Economic Outlook Database", IMF, October 2023

GCC governments have taken a range of measures aimed at enhancing local food production, supporting food trade and diversifying sources of food imports

In a bid to ensure a self-sufficient food system, the GCC governments have established long-term strategies that focuses on agricultural innovation, sustainable farming techniques, and strategic public-private collaborations

Continued Government Support

GCC governments have taken a range of measures aimed at enhancing local food production, supporting food trade and diversifying sources of food imports through partnerships and investments in the sector. While ensuring constant supply to meet the rising demand for food has been the primary objective of the GCC nations, streamlining logistics and distribution came to the forefront during the supply chain disruptions caused by the COVID-19 pandemic. Consequently, the governments have increased their focus towards sustainable agricultural practices with the aim of enhancing domestic output while encouraging the use of greenhouse, hydroponic and aquatic farming, and leveraging other technologies such as artificial intelligence (AI) to increase agricultural efficiency and yield. Additionally, the GCC governments have introduced policy reforms and established international collaborations to contain imports and ensure a steady supply of food through home-grown produce. All such measures have resulted in higher investments towards ensuring domestic food processing in the GCC.

Regional Food Security Strategies

In a bid to ensure a self-sufficient food system, the GCC governments have established long-term strategies that focus on agricultural innovation, sustainable farming techniques, strategic public-private collaborations, reducing wastages, and improving trade and marketing of regional agrarian goods. For instance, the UAE's 'National Strategy for Food Security' aims to establish the country as a leader in the Global Food Security Index by 2051. The strategy includes 38 short and long-term key initiatives that will help the country facilitate global food trade through enhanced local production, diversification of its import sources, and identification of alternative supply schemes, covering three to five sources for each major food category. It also aims to develop a comprehensive national system based on enabling sustainable food production by using modern technologies¹⁸³. Recently, the UAE Ministry of Climate Change and Environment (MOCCA) launched the 'National Farms Sustainability Initiative' - a program that aims to improve domestic production through securing purchase agreements, increasing the UAE's self-sufficiency on selected food commodities, and increase farmer incomes without affecting food trade. The first phase of the program aims to increase the share of purchases by government contractors to 50% of the domestic production in 2023, followed by increasing it to 70% by 2025, and to 100% by 2030¹⁸⁴. The UAE aims at transforming the food and agriculture sector to grow its contribution to GDP by US\$ 10 billion in the next five years. Key strategies to achieve the goal include localizing innovation, fostering food supply chain, and providing necessary support and resources for innovation and sustainability¹⁸⁵. Similarly, Saudi Arabia's strategy to achieve food security involves 11 programs that aim to protect and improve the use and sustainability of natural resources, contribute to sustainable rural development, and enhance the Kingdom's production efficiency, competitiveness and the investment environment for agricultural products by 2030¹⁸⁶. One of the key objectives for the Kingdom is also to attain water security. Saudi Arabia, which currently engages in seawater desalination projects and the operation of 563 dams, plans to build 1,000 new dams to enhance the utilization of rainwater¹⁸⁷.

Post the diplomatic embargo, Qatar too developed a 'National Food Security Strategy' (2018-2023) to improve local self-sufficiency, strategic reserves, enhance international

¹⁸³ Source: "National Food Security Strategy 2051", UAE

¹⁸⁴ Source: "UAE launches national dialogue for food security", Zawya, March 21, 2023

¹⁸⁵ Source: "H.E. Abdulla bin Touq al Marri unveils key pillars for transforming UAE food and agriculture sector into global power", Zawya, September 22, 2023

¹⁸⁶ Source: "Vision 2030 – Saudi Arabia", ADF Strategy (2021-2025)

¹⁸⁷ Source: "Saudi Arabia's strategic plans to safeguard food security for pilgrims", Yahoo Finance, June 19, 2023

Food security has remained a perennial concern for the GCC due to the scarcity of arable land and water, forcing the region to rely on import of its food requirements

trade, and streamline the domestic market¹⁸⁸. The country is developing the new 'Qatar National Food Security Strategy (2023-2030)', which is considering extending the strategic food reserve period and set new goals of self-sufficiency in food production to deal with emerging challenges in the way of ensuring food security¹⁸⁹. As part of the 'The Oman Vision 2040', the Sultanate launched the Food Security Laboratory that aims to promote local and foreign investments in the food security sector to achieve Oman Vision 2040, enhance the competitiveness of local products, implement a local content policy, develop a food security strategy, localize high-tech projects in the sector, and limit structural imbalances¹⁹⁰. Kuwait too has been strengthening their food security system, establishing strategies that cover all activities in the agricultural sector, issuing commercial licenses in order to meet the needs of farmers, increase domestic production and strengthen the country's position on the global agricultural tourism map¹⁹¹. Bahrain's 'National Strategy for Food Security' aims at imposing restrictions on excessive imports that compete with local products, encouraging banks to finance food security projects, seeking financial support from international organizations, forging unified deals with other GCC states on food security, and securing plots in other countries that Bahrainis could invest in for agriculture¹⁹².

Investments in Domestic Food Production/Manufacturing

Food security has remained a perennial concern for the GCC due to the scarcity of arable land and water, forcing the region to rely on import of its food requirements. Nevertheless, the GCC nations have been working relentlessly to attain self-sufficiency in terms of food production. This has led to a significant rise in investments towards integration of technology in the agricultural ecosystem as well as unified response from regional and global institutions in the form of aid/packages to curb the food supply crisis. For instance, the Arab Coordination Group (ACG) provided an initial US\$ 10 billion in June 2022 to cover the import costs of basic commodities such as seeds, grains, and fertilizers while supporting medium and long-term security of food supply in partner countries¹⁹³. At the same time, the GCC nations have started imposing and raising import tariffs on various food products as a means of protecting domestic producers and improving their competitiveness for the local market.

Saudi Arabia's investment in food manufacturing accounts for approximately 7% of the total investments made in its industrial sector, equating to more than SAR 94 billion (US\$ 25.1 billion). Majority of this investment is directed towards increasing its vegetation cover, which has led to the Kingdom achieving self-sufficiency in agricultural products such as dates (~125%), and vegetables (~87%), in addition to possessing the Middle East's largest wheat and flour storage with a daily milling capacity of 3.3 million tons¹⁹⁴. Saudi Arabia's, Sustainable Agricultural Rural Development Program (Reef) has extended support to more than 63,000 agricultural projects in the Kingdom. These initiatives helped develop several agricultural crops that contributed to filling the shortage in emergency situations, in addition to facilitating access of small farmers to food. As a result, the self-sufficiency rate in the value-added sector rose to more than 63%¹⁹⁵. Recently, the Saudi Arabia Agricultural Development Fund (ADF) has taken several initiatives to enhance production efficiency and expand the fund's involvement in various agricultural activities. These include signing contracts worth US\$ 246.7 million with a number of companies to finance imports of soybeans, barley, and corn¹⁹⁶; and approving US\$ 400 million to improve farm productivity

¹⁸⁸ Source: "Qatar National Food Security Strategy 2018 – 2023", Food Security Department, January 2020

¹⁸⁹ Source: "New strategy mulls raising food production target", The Peninsula Qatar, January 11, 2023

¹⁹⁰ Source: "Oman to kick off food security lab today", Muscat Daily, October 28, 2023

¹⁹¹ Source: "Municipality 'finalizes' food security strategy in Kuwait", Zawya, December 23, 2022

¹⁹² Source: "National Strategy to Achieve Food Security", Bahrain

¹⁹³ Source: "Arab Coordination Group (ACG) Institutions Launch Food Security Action with Initial US\$10 Billion Package", Islamic Development Bank, June 20, 2022

¹⁹⁴ Source: "Saudi Arabia's strategic plans to safeguard food security for pilgrims", PR Newswire, June 19, 2023

¹⁹⁵ Source: "Reef supports 63,000 agricultural projects in Saudi Arabia to reduce global food price fluctuations", Saudi Gazette, August 2, 2023

¹⁹⁶ Source: "Saudi fund signs contracts worth \$246 mln for agricultural imports", AlArabiya News, July 9, 2023

Governments, in partnership with the private sector, are optimizing production capabilities by adopting technology enabled agricultural practices

in the Kingdom¹⁹⁷. The Saudi Authority for Industrial Cities and Technology Zones (Modon) has also signed agreements with numerous stakeholders to localize the domestic F&B industry with investments up to SAR1.7 billion (US\$ 0.5 billion)¹⁹⁸. In a bid to achieve food security and sustainability, Saudi Arabia's Tanmiah Food Co. plans to invest SAR 4.5 billion (\$1.2 billion) by 2030 to cover 80% of the Kingdom's poultry needs by 2025¹⁹⁹. The UAE is also continuing to strengthen its food security system, through a comprehensive range of policies that include promoting cooperation with other countries, diversifying sources, and attracting local and foreign agricultural investment. For instance, Kezad Group recently signed a 50-year land lease agreement with Al Ghurair Foods to set up three mega food processing projects with total investments worth more than AED 1 billion (US\$ 272 million) to boost the domestic food production capabilities and enhance food security²⁰⁰.

The other GCC nations too have ramped up investments in building local food-manufacturing units while forging strategic collaborations with private sector participants to achieve sustainable food security. Qatar recently completed its QAR 1.6 billion (US\$ 0.4 billion) project for developing Strategic Food Security Facilities (SFSF) at Hamad Port. The project is in line with the 'Qatar National Food Security Strategy', and will contribute to enhance the country's reserve capabilities, as well as securing, strengthening and developing a strategic food inventory management²⁰¹. Oman's Ministry of Housing and Urban Planning (MHUP) signed six contracts worth OMR 32 million (US\$ 83.1 million) to establish agricultural projects in four governorates. The contracts, which provide land under the system, will help support the economy and investments towards the agricultural sector²⁰². The MHUP also signed 11 agreements with various companies and private establishments worth OMR 20 million (US\$ 51.8 million). Five of the agreements were inked within the framework of the Food Security Lab, while the others are land usufruct agreements to set up agricultural projects²⁰³. Bahrain Agricultural Foods Storage and Security (Bafco) opened its US\$ 12 million factory, located in Hidd, which specializes in producing and distributing food grains locally and exporting them internationally. The aim of this project is to achieve sustainable food security through effective partnerships with the private sector²⁰⁴.

Investments in AgriTech

The GCC governments are heavily investing towards innovation in key areas such as water desalination, efficient irrigation technology, protected agriculture, hydroponics, plant breeding and soil restoration to build a resilient land agricultural ecosystem. They are also focusing on precision agriculture, harnessing data analytics, drones, AI and Internet of Things (IoT) to monitor crop health, manage irrigation, and control pests. Regulators are also advancing food security agendas through grants for start-ups and launching their own AgriTech initiatives. Notably, the governments, in partnership with the private sector and international organizations, are optimizing production capabilities by adopting technology-driven agricultural practices. For instance, Saudi Arabia's NEOM intends to construct the world's most sustainable food systems using technologies developed at the King Abdullah University of Science and Technology²⁰⁵. The government has also signed a \$120 million

¹⁹⁷ Source: "Saudi Agricultural Development Fund approves \$400m to improve farm productivity", Arab News, June 20, 2023

¹⁹⁸ Source: "Modon attracts new investments up to one billion riyals to achieve food security in Saudi Arabia", Saudi Gazette, February 25, 2023

¹⁹⁹ Source: "New Projects Aim to Achieve Food Security in Saudi Arabia", Ashraq Al Awsat, February 17, 2023

²⁰⁰ Source: "KEZAD Group, Al Ghurair Foods sign lease agreements for over AED 1bn mega projects across 1mln sqm", Zawya, April 28, 2023

²⁰¹ Source: "Strategic Food Security Facilities completed at Hamad Port", The Peninsula Qatar, April 30, 2023

²⁰² Source: "Ministry of Housing and Urban Planning signed multiple usufruct contracts today to establish agricultural projects worth over RO 32 million", Oman Observer, April 27, 2023

²⁰³ Source: "OMR20mn agreements inked to increase food security in Oman", Times of Oman, February 27, 2022

²⁰⁴ Source: "Bahrain opens \$12mln food storage and security factory", Zawya, January 30, 2023

²⁰⁵ Source: "NEOM: The Future Of Food | Sustainable Food Supply & ESG", NEOM

contract with a Dutch greenhouse company for design and construction of two AgriTech test facilities at NEOM's outskirts. The contract also includes the service and operation of the advanced greenhouses and vertical farming facilities over multiple years. The initiative will carve out an area with the size of approximately 15 football fields to form a horticulture oasis. Separately, the Saudi sovereign wealth fund has signed a pact with US-based AeroFarms to establish a company in Riyadh to build and operate indoor vertical farms in the Kingdom²⁰⁶.

The regional authorities are also offering financial assistance to bolster local AgriTech companies in developing next generation agriculture ecosystem. Notably, tech companies are using UAE and Saudi Arabia, the two most prominent food markets in GCC, as testing grounds for innovative AgriTech solutions. In 2020, the Abu Dhabi Investment Office (ADIO) partnered with seven AgriTech companies to establish R&D and operational facilities and develop new projects in the Emirate. Its new Innovation Program also committed US\$ 545 million to accelerate opportunities for investors in the sector²⁰⁷. Earlier it had announced more than AED 110 million (US\$ 30 million) in financial incentives to AgriTech companies looking to establish or expand their presence in Abu Dhabi. The Agriculture and Food Safety Authority (ADAFSA) and ADIO had also announced AED 1 billion (US\$ 270 million) investment opportunities and awarded five investment projects worth AED 75 million (US\$ 20.4 million) to four local companies²⁰⁸. Dubai is also building a dedicated hub for tech-based food and agriculture products to achieve the objectives of its 'National Food Security Strategy'. Supported by the UAE government, the International Center for Biosaline Agriculture (ICBA) is leading R&D initiatives of AgriTech solutions that will help produce food locally²⁰⁹. As a result, there has been a rise in the number of international and domestic players that are working towards increasing food production in the region in recent years. Such companies, which are deploying technologies including remote sensing, AI and data analytics, have started garnering significant investor interest. Since 2020, AgriTech players in the UAE and Saudi Arabia alone have raised approximately US\$ 330 million²¹⁰. As government efforts manifest and tech enablers build scalable solutions in agriculture, the region will continue to witness investor interest in home-grown innovations.

Investments in Overseas Cultivable Land

GCC nations are strategically collaborating with foreign countries through investments in agricultural lands based outside of their home nations to diversify and stabilize their food sources. The region has started to look at newer avenues for land in the wake of the Russia-Ukraine conflict, which has led the GCC nations to lose arable land investments previously made in Ukraine. Prior to the conflict, Saudi Arabia, Qatar and the UAE had been leasing arable lands in Ukraine for agriculture and livestock farming. For instance, Saudi Agricultural and Livestock Investment Co. (SALIC), an arm of Public Investment Fund (PIF), signed an agreement to acquire Ukraine's domestic agricultural holding Mriya in 2018. In 2021, Qatar initiated negotiations for a livestock project until the Ukraine conflict hampered all such initiatives by the GCC nations. In 2023, Pakistan passed a bill for attracting investment in the food and agriculture sectors from the GCC. This has led to Saudi Arabia, UAE, Qatar and Bahrain showing particular interest in promoting the production of wheat, cotton, rice, sunflower, fruits and poultry in Pakistan²¹¹. Amid rising interest from GCC state-owned and private investors, countries with arable land and water resources in Africa, South and Central

GCC nations are strategically collaborating with foreign countries through investments in agricultural lands based outside of their home nations to diversify and stabilize their food sources

²⁰⁶ Source: "Saudi city of future enlists Dutch help to grow crops in desert", Economic Times, August 07, 2023

²⁰⁷ Source: "How UAE and Saudi Arabia are tackling food security issues", Zawya, June 1, 2022

²⁰⁸ Source: "Securing Supply", MEED, March, 2021

²⁰⁹ Source: "How UAE and Saudi Arabia are tackling food security issues", Zawya, June 1, 2022

²¹⁰ Source: "How UAE and Saudi Arabia are tackling food security issues", Zawya, June 1, 2022

²¹¹ Source: "GCC investments in Pakistan's farmlands: The regional collaboration dreams are made of" Arab News, July 11, 2023

Asia, and Latin America have also started offering large tracts of farmland to foreign investors.

UAE, Saudi Arabia and Qatar are focusing on overseas agricultural investments that involves strategic food crops such as wheat, rice, vegetables and fruits and livestock. UAE-based agribusiness Al Dahra is in talks to acquire agricultural land in Egypt. The company, owned by the Al Nahyan family from Abu Dhabi and sovereign wealth fund ADQ, is in talks with the Egyptian military's National Service Projects Organization (NSPO) to buy/lease over 210,000 hectares of land in Toshka, in phases²¹². Al Dahra has invested heavily in Serbia as well since 2018, and in 2021 opened five new animal feed plants in Serbia, Romania and Bulgaria. It had bought privately owned Agricos in Romania and 45,000 acres of state-owned farmland near Belgrade²¹³. The UAE also has investments in the Rashid Al Dhahiri Olive Presses Company and the Al Marmouqa Food Company in Jordan. In Morocco, the UAE's Al Qudra Holding Company is investing in various sectors such as farming and fisheries. The country also plans to invest US\$ 2 billion in tech-enabled agricultural food parks across India that aims to create joint investments and initiatives in water and food security. The food parks will be set up in the Indian states of Madhya Pradesh and Gujarat, fostering crops such as potatoes, rice, and spices²¹⁴.

In Saudi Arabia, SALIC has been actively investing in large farms across the US, Sudan, Egypt, Argentina, Australia, and Ukraine. SALIC wholly owns Ukraine-based Continental Farmers Group through which it manages 195,000 hectares of agricultural, as well as the Australia-based Merredin Farms, which manages 211,000 hectares of agricultural land. In Canada, it owns 75% of G3 that specializes in the trading and handling of grains in partnership with the American company Bunge²¹⁵. Till date, it has signed over 40 deals across 13 countries, in addition to investments made in AgriTech firms abroad. It had earlier invested US\$ 9.2 million in British AgriTech firm Hummingbird Technologies²¹⁶. These strategic investments have led SALIC to supply over 30% of Saudi Arabia's wheat needs²¹⁷. Additionally, the state-owned entity has bought numerous stakes in foreign companies to meet the rising demand for food commodities across the Kingdom. Recently, SABIC acquired 10.7% stake in the Brazilian company BRF, a provider of poultry, at a value of SAR 1.3 billion (US\$ 0.4 billion)²¹⁸. It has also acquired 9.2% stake in India-based LT Foods, the holding company of Dawat rice, for a value of US\$ 54.7 million²¹⁹.

Expanding Food Services Sector

The GCC food services sector, comprising of Full Service Restaurants (fine and casual dining), Quick Service Restaurants (fast food), Cafe & Bakery, and Lounges, remains one of the most promising sectors driving food consumption in the region. Despite the setback caused by the COVID-19 pandemic, it has expanded significantly driven by a strong economy, favorable demographics, rising urbanization, booming tourism industry, and a steady rise in per capita income. All these factors, coupled with the demand for diverse cuisines and new dining concepts among the region's multicultural population, have led to the expansion of new F&B outlets and influx of several global brands in the region.

Amongst the GCC nations, UAE has established itself as the gastronomical hub for global cuisines. Notably, Dubai has attracted a host of globally renowned chefs and culinary

Favourable demographics, rising urbanization, booming tourism industry, and a steady rise in per capita income is driving the food services sector

²¹² Source: "UAE agribusiness in talks to acquire land in Egypt", Reuters, October 29, 2023

²¹³ Source: "Commercial seed planted by UAE's Al Dahra grows into a mighty food producer in Romania and Serbia", CMS, 2022

²¹⁴ Source: "India welcomes UAE-led investment initiative for agriculture innovation", The National News, July 14, 2022

²¹⁵ Source: "SALIC imports 355,000 tons of wheat through its overseas investments", SALIC, February 23, 2021

²¹⁶ Source: "Saudi city of future enlists Dutch help to grow crops in desert", Economic Times, August 07, 2023

²¹⁷ Source: "SALIC supplies 30% of Saudi Arabia's wheat needs as country's wheat imports grow", Agricensus, March 31, 2023

²¹⁸ Source: "Saudi Arabia's SALIC buys 180 million BRF shares", Watt Poultry, July 19, 2023

²¹⁹ Source: "CCI approves SALIC's equity buy in LT Foods", The Hindu, February 19, 2023

innovators to establish their food outlets in the Emirates. The city has more than 13,000 F&B outlets, including Michelin-star restaurants that have now become hotspots for international culinary palettes. The city has now topped the charts to claim more restaurants per capita than New York²²⁰. Recently, 15 restaurants from Dubai featured in the second edition of the 'Middle East & North Africa's Best Restaurant' list by World's 50 Best magazine. It now ranks among the world's top gastronomy destinations in terms of service standards, the variety and quality of cuisine on offer and fine dining options²²¹. Similarly, Saudi Arabia's food services sector has expanded in recent years with the culture of foreign cuisines and restaurants serving dishes from across the globe establishing presence across the Kingdom. In addition to cafes and fast food restaurants that cater to the growing millennial population, several casual and fine dining options have entered the market. At the same time, Michelin star restaurants and signature restaurants from local chefs are also opening across the Kingdom²²². Qatar too has witnessed a significant rise in number of quick service and high-end restaurants setting up base in the country. Notably, the opening of more than 50 hotels in the country for the FIFA World Cup 2022 led to the establishment of around 70 fine dining restaurants²²³. While the food services market in the other GCC nations remains largely fragmented, infrastructure developments such as malls and entertainment zones are bolstering it. Notably, the food services sector in the GCC, which was dominated by franchised American concepts, has seen the development of several homegrown concepts in recent years. This has made the GCC's F&B industry highly competitive and is driving the demand for food items from across the world in the region.

On the other hand, the growing demand for food services among the youth and working class population has led to the rise in cloud kitchen and delivery-only models for many restaurant brands. At the same time, there has been a rising trend of investments from domestic and foreign firms in food services tech-enablers such as online ordering platforms, logistics providers and third-party aggregators. Consequently, food delivery service providers such as Deliveroo, Tawseel and online ordering platforms like Zomato, talabat.com, MRSOOL, and foodonclick.com have established a strong foothold in the region, especially in the UAE and Saudi Arabia. The expansion of the e-commerce industry coupled with changing consumer behavior has been a key driving factor for the last mile delivery market in the region. The sector has matured considerably due to increasing internet penetration, smartphone usage, and diversity on e-commerce platforms. Among the large number of players in the UAE's food delivery sector, Talabat accounted for the largest market share as of May 2022 (78%), followed by Deliveroo (12%), Zomato (8% - owned by Delivery Hero and operated by its subsidiary Talabat Middle East), and Careem Now (4%). The sector has gone through consolidation in recent years with Zomato selling its UAE food delivery business to Germany's Delivery Hero in 2019 for US\$ 172 million while Careem acquired subscription-based food delivery platform Munch:On in the UAE during 2022 to expand its services and geographic footprint²²⁴. Such strong food services dynamics continue to positively spur the food consumption pattern across the GCC.

²²⁰ Source: "Dubai Has More Restaurants Per Capita Than New York", New York Times, December 13, 2022

²²¹ Source: "Dubai emerges top global Gastronomy hub", The Times of India, May 15, 2023

²²² Source: "The growth of Saudi Arabia's food and beverage industry — from local startups to multinational chains", Arab News, September 11, 2021

²²³ Source: "Qatar Retail Restaurant Industry Outlook to 2027", Ken Research, July 2023

²²⁴ Source: "UAE food delivery sector has strong appetite for growth" AGBI, February 22, 2023

5. Challenges

Global Economic Vulnerability

The IMF expects global growth to slow from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the pre-pandemic historical (2000–19) average of 3.8%

The global economy is expected to remain weak in the short to mid-term, largely impacted by the Russia-Ukraine and Israel-Palestine conflict. Both these geopolitical issues are likely to weigh heavily on global economic activity, raise inflation, increase food insecurity, drive up supply-chain problems, and cause environmental as well as agricultural degradation. The IMF expects global growth to slow down from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024, well below the pre-pandemic historical (2000–19) average of 3.8%. While the advanced economies are expected to slow down from 2.6% in 2022 to 1.5% in 2023 and 1.4% in 2024, emerging markets and developing economies are projected to have a modest decline in growth from 4.1% in 2022 to 4.0% in both 2023 and 2024. The GCC is not immune to the global slowdown, with the IMF projecting GDP growth for the region to decline from 7.7% in 2022 to 1.6% in 2023 and stabilize to 3.7% in 2024²²⁵.

Inflationary Pressure

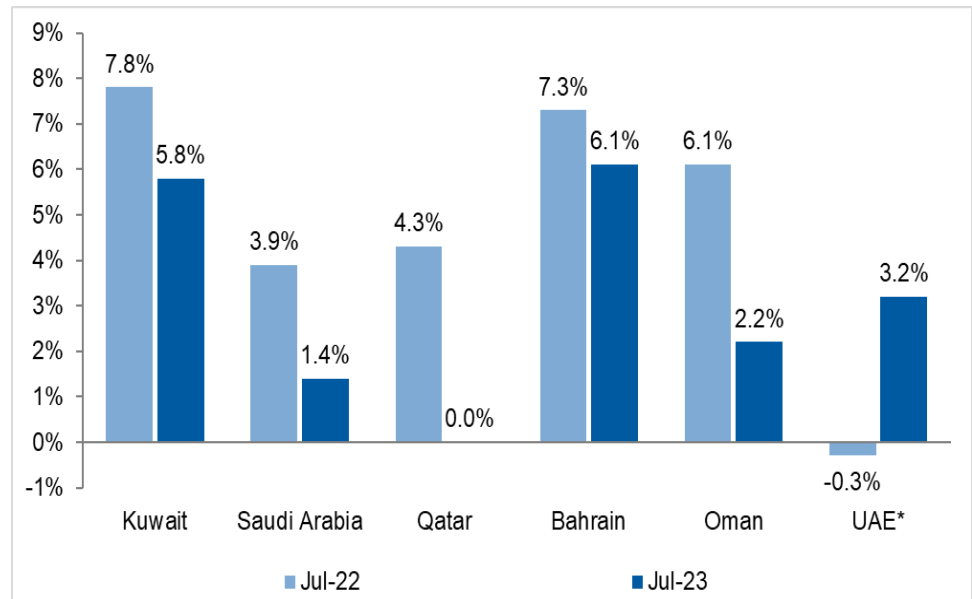
Fuel and food shortages due to the geopolitical conflicts are making post-pandemic inflation worse for majority of the economies

Fuel and food shortages due to the geopolitical conflicts are making post-pandemic inflation worse for majority of the economies, which had already peaked in most of the world. The existing concerns could further amplify with disruptions to global trade in commodities that will affect food prices and economic activity. Although global inflation trends have shown a gradual deceleration in 2023 compared to the previous year, core inflation remains notably above the targets set by central banks. This remains a major concern for global policymakers. In recent years, the F&B sector has been one of the largest constituents in terms of weight in the GCC's inflation performance. Consumer Price Index (CPI) for F&B in the GCC has witnessed moderate growth in recent months and remains vulnerable to any fluctuation in the global food supply-chain ecosystem. Amongst the GCC nations, Bahrain recorded the highest y-o-y growth in F&B CPI of 6.1% as of June-July 2023, followed by Kuwait (5.8%), UAE (3.2%), and Oman (2.2%). The F&B CPI grew 1.4% y-o-y during the same period in Saudi Arabia while Qatar remained relatively flat (see Exhibit 54)²²⁶. Consequently, monetary policy actions by the regional governments remain crucial at the current juncture to keep inflation expectations within the desired target.

²²⁵ Source: "World Economic Outlook Database", IMF, October 2023

²²⁶ Source: IMF, Bloomberg, KAMCO Invest

Exhibit 54: GCC Food and Beverage Inflation (%)



Source: Bloomberg, IMF

In response to the Fed's rate hike, GCC central banks have also increased their benchmark borrowing rates

Interest Rate Hikes

Global economies have been raising interest rates to control inflation and support the economy. In July 2023, the US Federal Reserve increased its benchmark overnight interest rate by 0.25% to a new range of 5.25% and 5.5% to reign against inflation. In response to the Fed's rate hike, GCC central banks have also increased their benchmark borrowing rates. The Central Bank of the UAE has increased its base rate on overnight deposits by 0.25% (25 bps) to 5.4%. Similarly, Saudi Arabia's Central Bank (SAMA) matched the US Federal Reserve's rate increase by increasing its repo and reverse repo rates by 25 bps to 6.0%, recording 100 bps rate increase. Bahrain's Central Bank increased its interest rate on overnight deposits by 0.25% to 6.0% but maintained its four-week deposit rate at 6.75% and lending rate at 7.0%. The Central Banks of Kuwait, Qatar and Oman too raised their key borrowing rates by 0.25 bps each to 4.25%, 6.0%, and 6.0%, respectively as of July 2023²²⁷. The decisions by GCC economies underscore the close economic ties and financial dynamics between the region and the current global economic landscape.

Climate in the GCC is characterized as arid with high temperatures, rare rainfall, high evaporation rates and limited non-renewable groundwater resources

Harsh Climatic Conditions and Limited Resources

The environmental conditions in the GCC - primarily characterized as arid with high temperatures, rare rainfall, high evaporation rates and limited non-renewable groundwater resources - are not favorable for conventional agriculture. Arable land in the region accounts for only 1.4% of the total land area (see Exhibit 55)²²⁸. This has compelled the nations to depend on food imports from other countries. However, the region is collectively seeking innovative solutions to ensure food security, conserve water, and mitigate climate change amidst limited arable land. To overcome the climatic challenges, huge investments are needed to establish a plant-growing environment, which includes importing appropriate supplies needed for cultivation. Produce from this high-cost source is particularly more

²²⁷ Source: IMF, Bloomberg, KAMCO Invest

²²⁸ Source: FAO, World Bank

expensive than produce from traditional farming methods. Nevertheless, the GCC has been investing in emerging and sustainable technologies to harness their untapped agricultural potential through the development of new greenhouse technologies. These include transparent solar panels that collect infrared energy, high-powered solar panels that act as agrivoltaics, and low-energy systems for desalination of seawater. Most notably, implementation of water recycling and management system is contributing to the reduction of water requirement to around 40% of that needed for traditional greenhouses²²⁹.

Exhibit 55: Agricultural and Arable Land in GCC (2021)

Country	Agricultural Land (%)	Arable Land (%)
Saudi Arabia	80.8%	1.6%
UAE	5.5%	0.7%
Qatar	5.8%	1.2%
Bahrain	11.0%	2.0%
Kuwait	8.4%	0.5%
Oman	4.7%	0.3%
GCC	68.6%	1.4%

Source: FAO, World Bank

The GCC nations have been leaders in water desalination investment and development of a cost-effective technology used to transform salt water into a reliable supply of fresh water. The region accounts for approximately 50% of global water desalination capacity, producing around 40% of the total desalinated water in the world using over 400 desalination plants across the region. Around 90% of Kuwait's drinking water comes from desalination plants, followed by Oman (86%), Saudi Arabia (70%), and UAE (42%). The countries are focusing on technological improvements required for decreasing the energy requirements of desalination plants. For instance, Saudi Arabia's Saline Water Conversion Corporation set a new record for the lowest energy desalination plant in the world, using 2.27 kWh per cubic meter of treated water in 2021. Technologies such as reverse osmosis are more energy efficient than thermal desalination and currently account for around 60% of capacity in Oman and approximately 50% in Saudi Arabia²³⁰. The Kingdom, where agriculture takes up over 80% of its water supply²³¹, announced plans to invest around US\$ 80 billion into desalination over the next decade as its desalination capacity is expected to reach 8.5 million cubic meters per day by 2025. At the recently concluded Independent Water Regulatory Forum in Oman, the GCC nations announced plans to invest US\$ 100 billion to address their water requirements. Overall, the regions aim to boost its global desalination capacity by another 37% through wider investments in technology over the next five-years²³².

High Reliance on Food Imports

The challenge of food insecurity among the GCC nations has been perennial, with the recent COVID-19 health scare exposing the region to multitudes of food challenges. Despite successful efforts to increase production, the GCC relies extensively on food imports. GCC countries import around 85% of their food needs, including approximately 93% of cereals, 62% of meat, and 56% of vegetables. The dependence on food imports can be largely

GCC accounts for approximately 50% of global water desalination capacity, producing around 40% of the total desalinated water in the world

GCC countries import around 85% of their food needs, including approximately 93% of cereals, 62% of meat, and 56% of vegetables

²²⁹ Source: "RedSea Commissions Greenhouse Facility In Abu Dhabi Powered By Agrivoltaics", Solar Quarter, March 2, 2023

²³⁰ Source: "The Costs and Benefits of Water Desalination in the Gulf", Arab Center Washington DC, April 12, 2023

²³¹ Source: "The process of improving farming in Saudi Arabia", Borgen Project, August 25, 2020

²³² Source: "GCC aims for \$100 bln investment in water desalination capacity", Zawya, August 23, 2023

attributed to the limited availability of arable land, water scarcity, and harsh climatic conditions that are not suitable for cultivation. As of 2021, Saudi Arabia was the largest importer of food in the region with a share of 45.8% of the total GCC imports, followed by the UAE (26.3%), and Oman (14.9%)²³³. Additionally, the region faces increasing demand for food from a population that is fast expanding and desires a variety of food products for consumption. To counter the long-standing challenges, the regional governments have taken a range of measures aimed at enhancing local food production, supporting food trade and diversifying sources of food imports through partnerships and investments in the sector.

The positive initiatives and policy changes in recent years have led to the GCC nations being considered relatively food secure as per the Global Food Security Index (GFSI). According to the 2022 GFSI, the scores for all the GCC countries deteriorated over the last five-years, excluding the UAE and Bahrain (see Exhibit 56). In 2022, UAE ranked 1st amongst the GCC nations and 23rd among all 113 countries analyzed by the GFSI, followed by Qatar (30th), Oman (35th), Bahrain (38th), Saudi Arabia (41st), and Kuwait (50th). Kuwait reported the highest negative change in the index, followed by Qatar, Oman, and Saudi Arabia (see Exhibit 56)²³⁴. More than 90% of Kuwait's food needs are met by imports and the country has been using financial buffers to cushion itself from extensive price rises. Kuwait has also been subsidizing essential food items through ration cards and has implemented price controls on essential food products. Staples such as wheat and other grains are primarily imported from Russia, Ukraine and Australia, and the country remains at threat of falling short due to the ongoing geopolitical conflict. The country is currently facing shortages in commodities such as poultry and lentils²³⁵. The fall in ranks of other GCC nations were largely driven by the pandemic, as the crisis put a disproportionate impact on these import-dependent countries facing risks of food shortage. On the other hand, UAE has secured its position as a safe haven for food largely driven by the government's effective implementation of National Food strategy, AgriTech initiatives, and partnerships with countries to enhance food security, including the India-UAE Food Corridor and I2U2 Initiative²³⁶.

Exhibit 56: GCC Rankings in the Global Food Security Index

Country	Overall Score and Ranking										5-yr Change in Score
	2018		2019		2020		2021		2022		
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	
Kuwait	74.8	28	74.8	27	70.7	33	72.2	30	65.2	50	-9.6
Oman	74.4	29	68.4	46	70.2	34	70.0	40	71.2	35	-3.2
Qatar	76.5	22	81.2	13	69.6	37	73.6	24	72.4	30	-4.1
Saudi Arabia	72.4	32	73.5	30	69.5	38	68.5	43	69.9	41	-2.5
UAE	72.5	31	76.5	21	68.3	42	71.0	35	75.2	23	2.7
Bahrain	67.8	41	66.6	50	64.6	49	68.1	44	70.3	38	2.5

Source: Economist Intelligence Unit

Note: Scores are out of 100 and rankings are amongst a total of 113 countries

²³³ Source: FAO

²³⁴ Source: "Source: Global Food Security Index - Economist Intelligence Unit (EIU)

²³⁵ Source: "Food shortages are a bigger threat than food inflation for import-dependent GCC countries", Food Navigator Asia, August 22, 2023

²³⁶ Source: "India-UAE cooperation to sow regional food security", The Hindu, April 20, 2023

The food security challenge in the GCC primarily lies in the accessibility due to its heavy reliance on imports, which remains vulnerable to economic conditions and other global events

Although food imports are not currently a threat to the GCC nations due to their high purchasing power and low cost of imports, the region's expanding population base and rising demand are expected to be causes for concern in the future. Consequently, the region's dependence on imports is expected to continue due to production constraints and steady growth in food consumption.

Supply Chain Vulnerabilities

The food security challenge in the GCC primarily lies due to its heavy reliance on imports, which remains vulnerable to economic conditions and other global events. The recent pandemic-imposed lockdowns, ongoing geopolitical crisis and climate change have shed light on the fragility of supply chains and has affected prices²³⁷. Despite significant progress in fortifying their strategic stores and embracing innovation in food production, the GCC countries are still susceptible to export prohibitions and panic buying, which frequently occurs during emergencies (e.g. COVID-19 and 2007-08 crisis when prices of staple foodstuffs increased by 60% in the region)²³⁸. This can be largely attributed to lack of sufficient control and access to its food chains that has led to a considerable reliance on imports to meet domestic requirements. This has left the GCC vulnerable to supply-side shocks, which have often put inflationary pressures on the economies. For instance, food-shipping costs to Kuwait reportedly increased ten-fold from US\$ 1,400 to US\$ 14,000 per ton during January 2022 while food inflation peaked at 7.5% y-o-y in March 2023²³⁹.

Any such disruption in the supply chain caused by a geopolitical conflict or economic crisis will again expose traders to increased freight costs and drive the food prices higher. This will not only strain the purchasing power of mid-income families, leaving them with limited disposable income, but also push the GCC nations to find substitutes and alternative supplies at a relatively higher cost.

²³⁷ Source: "Food shortages are a bigger threat than food inflation for import-dependent GCC countries", Food Navigator Asia, August 22, 2023

²³⁸ Source: "Food insecurity remains concern in MENA region", EIU, October 12, 2020

²³⁹ Source: "GCC dependence on food imports makes it vulnerable to supply shocks", CIPS, August 1, 2023

The regional governments have started advocating health benefits from non-processed foods and have adopted several strategies to promote active lifestyle

6. Trends

Growing Awareness of Healthy Eating Habits

With chronic and lifestyle-related diseases like diabetes, heart disease and obesity becoming a major concern for the GCC population, awareness for healthy eating has spread across the GCC. The regional governments have also started advocating health benefits of non-processed foods and adopted several strategies to promote healthy lifestyle, including implementing policy programmes and educational campaigns that encourage physical activity and reduce sedentary lifestyle.

The UAE has been at the forefront of introducing initiatives aimed at community wellbeing and encouraging healthy eating habits²⁴⁰. The Ministry of Health and Prevention (MoHAP) has launched the National Nutrition Strategy 2022-2030, which aims to create healthier school settings and coordinate efforts to encourage healthy eating habits. The strategy has five targets, namely developing sustainable and flexible food systems for healthy diets, providing health systems and comprehensive coverage of basic nutrition measures, offering nutrition education, providing safe and supportive environments for nutrition at all ages, and following an advanced food strategy²⁴¹. Earlier, the government had launched three national initiatives - Wellbeing Model for Residential Communities that aims to promote wellbeing in the society; Community Wellbeing Nutrition Program; and the Community Program for Active Lifestyle that encourages community members to exercise. In addition to developing the culture of healthy diet in the society, it aims to increase the number of healthy diet programs for children, improve follow up on these programs, and ensure regular monitoring of food suppliers in schools and other venues in the UAE²⁴². Similarly, the Saudi Food and Drug Authority (SFDA), in collaboration with other government entities, has developed a Healthy Food Strategy (HFS) aimed at enhancing healthy lifestyles and reducing the intake of salt, sugar, saturated fatty acids and trans fatty acids. The initiative will encourage private food companies to concentrate on producing healthy food and foodstuffs that contribute to promoting public health²⁴³.

The COVID-19 pandemic has further amplified the demand for healthy food options in the region, leading to many operators offering non-GMO, pesticide-free food with high nutritional value. Consumers have also started preferring fresh and plant-based products. This has created a new opportunity for manufacturers to offer a variety of vegetarian and vegan, including dairy-free options. While food chains like Starbucks in the UAE and Kuwait have introduced plant-based meat options in their menu, several domestic brands such as Healthy Farm and Al Islami are also introducing new product lines. A growing number of restaurants in Saudi Arabia too are offering meal plans that send salads and other healthy meals to customers' homes and workplaces²⁴⁴. Moreover, the organic and convenient packaged food segment has started witnessing accelerated growth amid rising consumer health consciousness in the region²⁴⁵.

Rising Demand for Organic Food

There has been a paradigm shift post the COVID-19 pandemic as consumers in the GCC strive to change their dietary habits, leading to the rise in demand for healthy and organic food segments, as a preventive health measure. Although the conscious change is growing

The organic food segment in the GCC remains at a nascent stage with significant growth potential

²⁴⁰ Source: "New initiative launched to promote healthier food choices", Zawya, August 21, 2022

²⁴¹ Source: "UAE launches National Nutrition Strategy 2022-2030 to encourage healthy eating habits", Healthcare Middle East & Africa, November 30, 2022

²⁴² Source: "UAE Government Launches 3 Initiatives to Promote Wellbeing", UAE Ministry of Cabinet Affairs

²⁴³ Source: "Saudi Arabia's Healthy Food Strategy: Progress & Hurdles in the 2030 Road", NCBI, June 22, 2021

²⁴⁴ Source: "Embracing healthy eating habits, Saudis swap kabsa for kale", The Arab Weekly, March 1, 2023

²⁴⁵ Source: "Health awareness of people strong in Middle East", Gulf Today, March 30, 2021

To meet the rising demand, numerous organic farms, markets, and stores have emerged across the GCC

among the locals and expatriates alike, the organic food segment in the GCC remains at a nascent stage with significant growth opportunities. While initially being limited to select strata of the population, a large number of millennial consumers have now started consuming plant-based and gluten-free produce as part of their alternative protein sources. Such products not only are high in nutrition but also support sustainable agricultural practices that promote biodiversity, soil conservation and preservation of the ecosystem. Consequently, the market has witnessed a variety of plant-based meat substitutes, dairy alternatives and plant-based protein powders, catering to the growing consumer interest in sustainable food options. There has also been a surge in organic snack options, including granola bars, chips, popcorn and energy bars that has captured the packaged food industry. Manufacturers are thus focusing on creating healthier, organic alternatives to traditional processed snacks to meet the demand for convenient and 'ready to eat' options. The segment is likely to receive further impetus from the GCC government while companies introduce new organic product lines and restaurants start offering a wider range of healthier options such as vegan and whole grain food in their menu.

To meet the rising demand, numerous organic farms, markets, and stores have emerged across the GCC. For instance, UAE-based Emirates BioFarm (EBF), the largest organic farm in the country, currently produces more than 55 different types of fruits and vegetables in greenhouses and shade houses along with eggs. It further plans to expand its production using technology to meet the rising demand²⁴⁶. Abu Dhabi Farmers' Service Centre (ADFSC) aims to convert 100 farms, at a rate of 20 per year, for organic agriculture over the next four years²⁴⁷. NRTC Fresh, a UAE based fresh fruits and vegetable platform, launched a new range of homegrown organic produce including potatoes, tomatoes, cucumbers, etc. sourced from an organic farm in Abu Dhabi²⁴⁸. Other players in the UAE and Saudi Arabia such as Al Ain Farms, Al Rawabi, Almarai, Emirates Bio Farm, Koita and Greenheart Organic Farms, are also making significant contribution in pushing the industry forward²⁴⁹. Many of these farms offer farm-to-table experiences, allowing visitors to learn about organic farming and directly purchase fresh and locally grown produce²⁵⁰. On the other hand, Union Co-op., one of the largest consumer cooperative in the UAE launched Union Farm, a new retail concept that aims to produce 16 varieties of organic vegetables with a production capacity of 15-20 kg per day²⁵¹.

To support the drive for organic produce and encourage sustainable production, the UAE's Ministry of Environment and Water (MOEW) has launched several awareness programs that address organic farming, environmental issues, health issues, as well as affordability. The Ministry has established a large number of organic farmers' markets, helping farmers sell their products and increase awareness about organic food among consumers²⁵². On the other hand, Saudi Arabia has initiated a programme to help small farmers switch to organic farming as part of a goal to bolster organic output by 300% by 2030²⁵³. Consequently, production of organic food such as vegetables, dates, poultry and eggs has been spreading throughout these countries, providing greater value to local products.

²⁴⁶ Source: "In the UAE, this Farm Wants to Create an Ecosystem of Sustainable Agriculture", Foodtank, 2022

²⁴⁷ Source: "Abu Dhabi Farmers' Services launches Agricultural Plan", Zawya, July 2018

²⁴⁸ Source: "NRTC Fresh launches locally-produced organic fruits and vegetables range", Khaleej Times, April 20, 2020

²⁴⁹ Source: "Why the Middle East's organic market is ripe with opportunity", Dubai World Trade Centre, December 15, 2020

²⁵⁰ Source: "Organic Food Products in UAE", Lets Organic, July 20, 2023

²⁵¹ Source: "Dubai retailer launches farm concept, eyes organic expansion", Arabian Business, March 19, 2021

²⁵² Source: "Organic Farming in the UAE – The Need of the Hour", AAKSC, May 26, 2021

²⁵³ Source: "Agri-tech & Food Security in the GCC - Covid-19 Response Report", Oxford Business Group, April 2022

Growing demand and necessity for food amid challenges of climate change is leading the region to adopt innovative and efficient ways of food cultivation and move towards food sufficiency

Technological Advancements Aiding Food Production

Addressing food security is a growing challenge for the GCC governments amid challenging climatic conditions. With reliance on imports and limited availability of agricultural land, it has become important than ever to adapt new technologies to produce sufficient yields of affordable food resources and move towards food self-sufficiency. This has led to a large-scale movement in the AgriTech sector via investments and partnerships between the private players and governments with the aim of gradually building a capability to produce high quantities of food with minimal resource utilization²⁵⁴. Supported by enabling ecosystems, a number of AgriTech start-ups have emerged across the GCC in recent years to address regional food production challenges. At the same time, large-scale investments are being made by regional sovereign wealth funds, in collaboration with other private sector participants, in AgriTech across the region to avoid situations leading to food shortage. Governments are also making efforts to promote institutional research and development in a bid to improve food security. For example, the International Centre for Biosaline Agriculture in Dubai (UAE) conducts applied research to improve agricultural productivity in marginal and saline environments. The centre has already introduced climate-smart and resource efficient crops such as quinoa, pearl millet, sorghum and salicornia in several countries across Central Asia and MENA²⁵⁵.

The UAE and Saudi Arabia lead the region in adoption and augmentation of technology and innovation in food production. This includes developing new seeds and fertilizers, using AI, data analytics, and robotics to increase crop yields, while using drones to monitor and manage crops. Such technologies have drawn significant interest in Saudi Arabia with Wa'ed, the venture capital arm of Saudi Aramco, investing US\$ 18.5 million in AgriTech startup Red Sea Farms, which uses technology to grow produce in harsh, water-scarce environments. Additionally, Natufia Labs, which developed the world's first 'smart' indoor garden, relocated to Saudi Arabia from Estonia in 2021, citing the Kingdom's focus on science and technology and its desire to invest in innovative technologies. In the UAE, the government is making significant investments in AgriTech companies as it looks to reduce imports through vertical farming, aquaponics, hydroponics, and patented technology that helps track harvests. The Abu Dhabi Investment Office (ADIO) set up a US\$ 200 million fund to invest in a range of early-stage companies over the coming years²⁵⁶.

Some of the notable developments in controlled environments for cultivation and stimulated food production systems include:

Vertical Farming: Involves growing crops in vertically stacked layers that can help increase productivity of land and reduce water usage. It can produce crops throughout the year in indoor urban settings, reducing the reliance on food imports and promoting food security. GCC nations are largely deploying this technology using robotics and AI to increase crop yields, reduce water usage by up to 90% and eliminate the need for pesticides. In early 2023, US-based vertical farming company AeroFarms opened its 6,000 sqm R&D centre in Abu Dhabi, the largest of its kind in the world, with the aim of advancing sustainable agriculture in arid climates. Italian company Zero has also opened a 10,000 sq.ft vertical farm in Al Ain. Domestic ventures include Bustanica in Dubai and Pure Harvest Smart Farms in Abu Dhabi, among many others²⁵⁷.

Aquaculture: Involves the breeding, rearing, and harvesting of fish, shellfish, plants, algae and other organisms in all types of water environments. UAE-based Fish Farm LLC has

²⁵⁴ Source: "GCC: How tech can support food security", Gulf Business, June 11, 2023

²⁵⁵ Source: "Agri-tech & Food Security in the GCC - Covid-19 Response Report", Oxford Business Group, April 2022

²⁵⁶ Source: "Agritech offers path to food security in Middle East and North Africa", SRMG Think, May 22, 2023

²⁵⁷ Source: "Vertical farming rises to new heights in the UAE and Saudi Arabia", The Circuit, March 27, 2023

Major advancements in technologies have laid the groundwork for AgriTech to help establish a resilient food system across the GCC

been actively using this technology to breed fish. It produced 6 million fingerlings of assorted species, and sold roughly 2,500 tonnes of farmed fish. The majority of this production was European seabream grown in cages in the Gulf of Oman and Indian Ocean. It also produces organic and halal-certified Atlantic salmon, European seabass and yellowtail kingfish for sale to consumers in the UAE²⁵⁸. The farming system is one of the fastest growing food production segments in Saudi Arabia, providing more than half of the seafood consumed in the Kingdom. Saudi Arabia's aquaculture production is expected to reach 970,000 tons per year by 2029²⁵⁹.

Aquaponics: A closed-loop farming system combines aquaculture and hydroponics. Fish and plants are raised together in a sustainable system, generating healthy and fresh produce with minimum water usage. The Sharjah Research Technology and Innovation Park (SRTI Park) has developed hydroponics and Merlin Agrotunnel, an aquaponics farm that combines raising fish and cultivating plants in tanks with an area of around 150 sqm that can produce over one ton of organic vegetables and fruits every month²⁶⁰. The technology is being widely adopted in Saudi Arabia as well with Suwaidra farm, a subsidiary of the Saudi Irrigation Organization, gaining aquaponics-certification recently²⁶¹.

Additionally, the GCC nations are upgrading their logistics and storage systems to create smart warehouses. The nations are also looking at collaborative tools such as geographic information systems (GIS) and remote sensing tools to create precise maps of land and help farmers optimize their yields by providing information about soil moisture, nutrient levels, and crop health. Climate-smart agriculture technology such as precision irrigation systems, drought-resistant crops, and climate modelling are being evaluated to help farmers adapt to changing weather patterns and mitigate the impact of climate change on food production. At the same time, technologies such as blockchain and IoT sensors are being used to track food products from farm to counter, increasing accountability and transparency in the food supply chain²⁶². The UAE has also deployed remote-controlled drones to map farming areas across the country and develop an agricultural database, which enables optimum use of resources and identification of prime cultivation areas. GPS monitors, accelerators and sensor-equipped gyroscopes are being used to improve production by ensuring optimal use of soil and water and precise irrigation techniques to curb water wastage²⁶³. Major advancements in such technologies coupled with data analytics and expanded computing capacity have laid the groundwork for AgriTech to help establish a resilient food system across the GCC.

²⁵⁸ Source: "Dubai's aquaculture success story: Fish Farms LLC", The Fish Site, February 6, 2023

²⁵⁹ Source: "Aquaculture sector is growing rapidly", Saudi Aquaculture, October 2023

²⁶⁰ Source: "UAE's SRTI recommends aquaponics to boost food security across the country", GCC Business News, August 24, 2021

²⁶¹ Source: "Saudi Irrigation Organization uses aquaponics to reduce water consumption", Zawya, September 5, 2023

²⁶² Source: "GCC: How tech can support food security", Gulf Business, June 11, 2023

²⁶³ Source: "Technology will make the UAE one of the world's most food-secure countries by 2021", The National News

7. Merger and Acquisition (M&A) Activities

M&A activities across the GCC food sector has regained momentum post the COVID-19 induced economic slowdown; The region witnessed a total of 27 M&A deals since the beginning of 2022

M&A activities across the GCC food sector have regained momentum following the COVID-19 induced economic slowdown. The region witnessed a total of 27 M&A deals since the beginning of 2022, reflecting a revival in business sentiment. Despite the volatility, the food sector has remained relatively resilient compared to others, which helps open further opportunities for scalable and accelerated growth. The deals during the last two years comprised of a handful of cross-border and intra-regional acquisitions as companies focused on strengthening their position and expanding their portfolio, both domestically and internationally. While some of the deals were organic and strategic in nature, primarily aimed at forming stronger entities to offset weak profitability, there was active participation from alternative investment firms and sovereign wealth funds. There were four deals wherein an overseas operator acquired stakes in GCC-based food establishments, while regional investors made eight strategic investments in companies with foreign headquarters to diversify their geographical presence during the period (see Exhibit 57). Such inorganic growth strategies are likely to continue as companies look to capitalize on the burgeoning food demand in the GCC.

The uncertain global macroeconomic environment, coupled with rising inflation and operational challenges impacting profitability will likely motivate food manufacturers and operators to pursue consolidation. Moreover, normalization of valuations following the pandemic coupled with the need for businesses to remain competitive is likely to enhance the already compelling M&A landscape in the GCC. As the regional food deal making landscape continues to evolve, focus is likely to be directed towards value creating opportunities, with particular emphasis on AgriTech, where food security will remain a strong theme backed by the governments. At the same time, online business channels, including food aggregators and last-mile delivery platforms, are poised to play a pivotal role in reshaping the dynamics of the food market. The industry is likely to witness consolidation amid cost-containment issues and limited room for differentiation in service offerings.

Exhibit 57: Major M&A Deals in the GCC Food Industry

Acquirer	Acquirer's Country	Target Company	Target's Country	Year	Consideration (US\$ Million)	Percent Sought (%)
e&	UAE	Careem (Includes Quik grocery delivery)	UAE	2023	400.0	50.0
Deliverect	Belgium	ChatFood	UAE	2023	NA	NA
Silal	UAE	SAFCO Group	UAE	2023	NA	NA
GMG Ventures	UAE	aswaaq LLC	UAE	2023	NA	NA
Mubadala Capital	UAE	TruFood Manufacturing	USA	2023	NA	NA
SALIC	Saudi Arabia	LT Foods	India	2023	55.7	9.2
Delivery Hero	Germany	HungerStation	Saudi Arabia	2023	297.0	37.0
Almarai Group	Saudi Arabia	International Dairy and Juice	Egypt	2023	68.0	48.0
Kitopi	UAE	AWJ	UAE	2023	NA	NA
e&	UAE	ServiceMarket	UAE	2023	NA	NA
SALIC	Saudi Arabia	BRF Global	Brazil	2023	340.0	10.7



Qatar Investment Authority	Qatar	Reliance Retail Ventures	India	2023	995.2	1.0
e&	UAE	Service Souk (ServiceMarket)	UAE	2023	22.0	100.0
Careem	UAE	MUNCH:ON	UAE	2022	NA	NA
GMG ventures	UAE	Géant	UAE	2022	NA	NA
Agthia Group	UAE	Auf Group	Egypt	2022	118.0	60.0
LYVE	UAE	Jeebly	UAE	2022	NA	NA
Snoonu	Qatar	Akeed	Oman	2022	10.0	NA
Baladna	Qatar	Juhayna	Egypt	2022	18.4	5.0
Etisalat	UAE	elGrocer	UAE	2022	10.4	100.0
Western Bakeries Co.	Saudi Arabia	Modern Food Industries	Saudi Arabia	2022	67.0	25.0
Jahez	Saudi Arabia	The Chefz	Saudi Arabia	2022	172.9	100.0
Tyson Foods	USA	Agriculture Development Co.	Saudi Arabia	2022	NA	15.0
Tyson Foods	USA	Supreme Foods Processing Co.	Saudi Arabia	2022	NA	60.0
Foodics	Saudi Arabia	POSRocket	Jordan	2022	NA	NA
Taker	Saudi Arabia	Brisk Delivery	Saudi Arabia	2022	NA	100.0
BinDawood Holding	Saudi Arabia	International Applications Trading Co.	UK	2022	29.0	62.0

Source: Bloomberg, Media Articles

Note: Data sourced for the period January 01, 2022 to November 01, 2023. Only completed deals under consideration.

8. Financial and Valuation Analysis

8.1. Financial Performance

In this section, we have selected the top 22 listed food companies in the GCC (see Exhibit 58), which are from Saudi Arabia (7), UAE (4), Oman (4), Bahrain and Qatar (3 each), and Kuwait (1). Based on their primary business activity, these companies have been categorized into the following five sub-segments:

- Agri. & agri. processing
- Dairy
- Livestock (meat and poultry)
- Processed and frozen food
- Diversified

These companies were analyzed based on their financial performance for the year 2022 and 9M 2023, including the revenue, EBITDA, net profit, margins and return ratios.

Revenue Analysis

Total revenue of the selected 22 listed food companies in the GCC stood at US\$ 19.1 billion in FY 2022, an increase of 16.4% compared to FY 2021

In FY 2022, the total revenue reported by the 22 selected food companies in the GCC amounted to US\$ 19.1 billion, an increase of 16.4% compared to FY 2021. The diversified segment, accounting for 78.3% of the overall revenues, grew by 16.2% during the same period. The three largest publicly traded food companies in the region, Savola Group, Almarai, and Agthia Group, have continued to increase their share within the region over the past three years. Collectively these companies accounted for 71.2% of the total revenues in FY 2022 compared to 71.0% in 2021 and 68.9% in 2020.

Profitability Analysis

The EBITDA of the selected GCC food companies reached US\$ 2.7 billion in FY 2022, an increase of 16.2% compared to previous year

The combined EBITDA of the selected GCC food companies reached US\$ 2.7 billion, an increase of 16.2% from previous year, which is broadly in line with the growth witnessed in revenues. The growth was mainly driven by the diversified and dairy segments, while the processed and frozen food and agri. & agri. processing companies experienced a decline in revenues during the period.

The combined EBITDA margin of the selected GCC food companies stood at 14.2% in FY 2022, which is in line with the previous year but lower compared to 17.7% in 2020 and 17.5% in 2019. Amongst the sub-segments, EBITDA margins of the dairy segment were the highest with 18.4%, followed by 15.9% in agri. & agri. Processing and 14.1% in the diversified segment during the same period.

The combined Return on Average Assets (ROAA) and Return on Average Equity (ROAE) of the selected food companies was 4.0% and 8.8%, respectively, in FY 2022. The dairy segment recorded the highest return ratios within the sub-segments of the industry with ROAA of 7.3% and ROAE of 11.0%, while the livestock segment had the lowest ratios with ROAA of 0.5% and ROAE of 1.1%.

Exhibit 58: Financial Performance of Major Food Companies in the GCC (FY 2022)

Company Name	Country	Market Cap* (US\$ Million)	Revenue (US\$ Million)	Revenue Growth 3-yr Avg. %	EBITDA Margin 3-Yr avg. %	Net Income Margin 3-Yr avg. %	ROAA 3-Yr avg. %	ROAE 3-Yr avg. %
Agri. & Agri. Processing								
Oman Flour Mills Co. SAOG	Oman	220.3	308.6	11.2%	9.6%	5.8%	7.3%	4.7%
Salalah Mills Co. SAOG	Oman	65.0	196.3	12.5%	8.1%	2.4%	4.5%	2.1%
Bahrain Flour Mills Co. BSC	Bahrain	22.5	20.3	2.7%	13.1%	30.5%	9.5%	6.9%
<i>Sub-segment Average</i>				8.8%	10.3%	12.9%	7.1%	4.6%
Dairy								
Saudia Dairy & Foodstuff Co. SJSC	Saudi Arabia	2,520.3	706.2	9.2%	17.6%	11.2%	16.6%	11.4%
National Agriculture Dev. Co. SJSC	Saudi Arabia	1,680.2	718.6	6.9%	11.1%	(2.5%)	NA	NA
Baladna QPSC	Qatar	664.8	270.7	11.2%	35.6%	14.7%	5.4%	3.2%
<i>Sub-segment Average</i>				9.1%	21.4%	7.8%	11.0%	7.3%
Livestock (Meat / Poultry)								
A'Saffa Foods SAOG	Oman	99.6	146.4	24.1%	3.0%	1.5%	1.1%	0.5%
Widam Food Co. QSC	Qatar	114.9	132.9	(12.6%)	(4.6%)	(8.0%)	NA	NA
<i>Sub-segment Average</i>				5.7%	(0.8%)	(3.2%)	1.1%	0.5%
Processed & Frozen Foods								
Dubai Refreshments PJSC	UAE	441.1	204.8	6.6%	22.0%	12.9%	9.4%	7.0%
Foodco Holding PJSC	UAE	131.9	13.6	(28.2%)	(36.9%)	(43.8%)	NA	NA
Halwani Brothers Co. Ltd	Saudi Arabia	12,521.6	273.2	4.8%	14.4%	5.9%	12.0%	6.5%
Oman Refreshment Co. SAOG	Oman	271.5	247.1	14.8%	15.7%	10.4%	11.0%	7.0%
Trafco Group BSC	Bahrain	53.3	113.2	4.6%	7.8%	5.6%	6.8%	4.5%
Zad Holding Company SAQ	Qatar	1,065.8	418.3	4.1%	23.0%	14.9%	14.5%	8.1%
Herfy Foods Co. SJSC	Saudi Arabia	517.4	331.7	0.1%	26.0%	5.6%	6.9%	3.4%
Wafrah for Industry and Dev.	Saudi Arabia	236.2	36.0	28.9%	5.9%	(5.8%)	NA	NA
<i>Sub-segment Average</i>				4.5%	9.8%	0.7%	10.1%	6.1%
Diversified								
Mezzan Holding Co. KSCP	Kuwait	524.6	831.7	4.8%	7.8%	2.8%	5.8%	2.7%
Agthia Group PJSC	UAE	1,078.3	1107.6	27.5%	12.0%	5.3%	6.8%	3.4%
Savola Group SJSC	Saudi Arabia	5,230.0	7482.2	9.6%	10.4%	3.1%	8.4%	2.7%
Almarai Co. SJSC	Saudi Arabia	14,340.5	4993.2	9.4%	24.7%	10.7%	10.9%	5.5%
BMMI BSC	Bahrain	234.7	350.4	8.9%	11.4%	3.9%	6.5%	3.9%
United Foods Company	UAE	89.8	182.5	19.4%	5.9%	4.4%	7.2%	5.9%
<i>Sub-segment Average</i>				13.3%	12.0%	5.0%	7.6%	4.0%
Total Combined			19,085.7	9.5%	16.4%	6.6%	4.1%	8.8%
GCC Food Industry								
<i>Average</i>				8.2%	11.1%	4.2%	8.4%	5.0%
<i>High</i>				28.9%	35.6%	30.5%	16.6%	11.4%
<i>Low</i>				(28.2%)	(36.9%)	(43.8%)	1.1%	0.5%

Source: Bloomberg, Company Filings

Note: *Last updated on November 16, 2023

Segment-wise Performance

Agri. & Agri. Processing

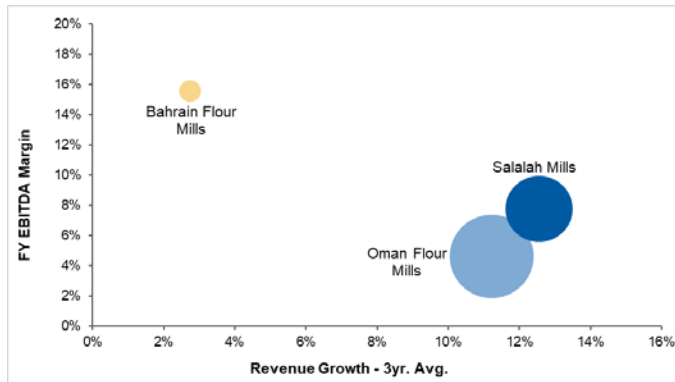
The combined revenue of the segment stood at US\$ 525.3 million in FY 2022, an increase of 22.8 y-o-y

EBITDA margins have been under pressure during the past two years largely due to rising input prices

In FY 2022, the combined revenues of agri. and agri. processing companies reached US\$ 525.3 million, an increase of 22.8% compared to US\$ 427.8 million in FY 2021 and US\$ 402.5 million in FY 2020. Two out of the three companies reported slower growth, while only one was able to record higher growth in FY 2022. Salah Mills reported an increase in revenues of 25.5%, while Oman Flour Mills and Bahrain Flour Mills witnessed growth of 21.9% and 11.2%, respectively.

During FY 2022, the combined EBITDA of the segment reached US\$ 32.6 million, a decline of 17.4% compared to the previous year. The segment is witnessing decline in EBITDA in the previous two years, broadly attributed to the rising input prices. As a result, the EBITDA margin was 6.2% in FY 2022 compared to 9.2% in FY 2021 and 12.2% in FY 2020. Bahrain Flour Mills had the highest EBITDA margin at 15.6%, followed by 7.7% by Salah and 4.6% by Oman Flour Mills (see Exhibit 59).

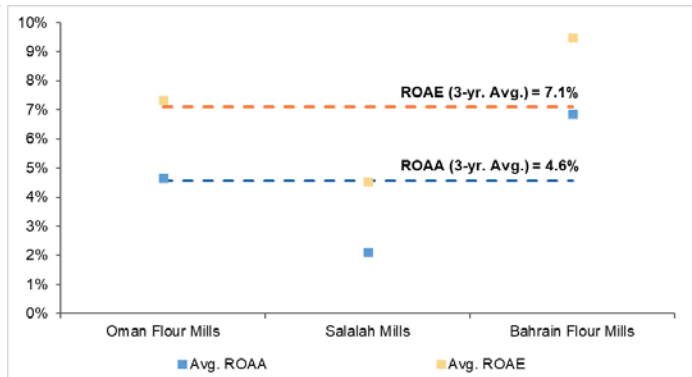
Exhibit 59: 3-yr. Average Revenue Growth & FY 2022 EBITDA Margin



Source: Company filings

Note: The size of the bubble is indicative of the FY 2022 revenue

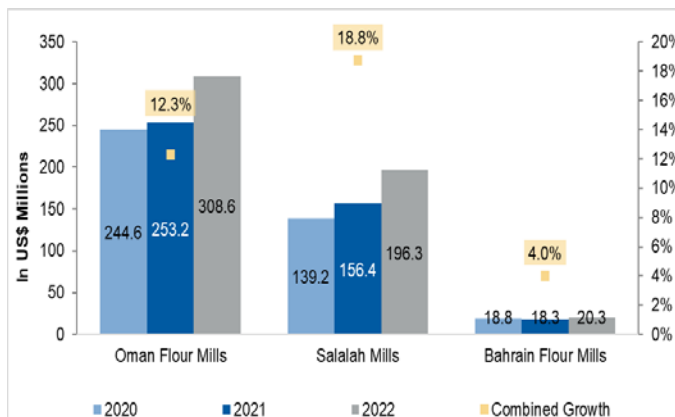
Exhibit 60: FY 2022 Average ROAE and ROAA



Source: Company filings

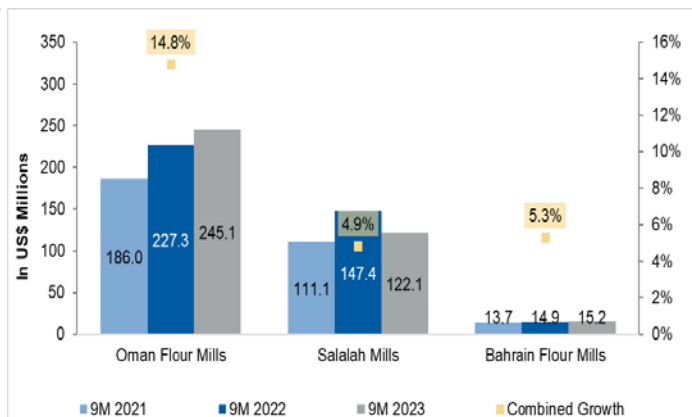
The segment's 2-year average ROAA and ROAE was 4.6% and 7.1%, which is broadly in line with the averages witnessed in 2020. Bahrain Flour Mills witnessed the highest return ratios, with ROAA of 6.9% and ROAE of 9.5%, while Salah Mills recorded the lowest return ratios with ROAA of 2.1% and ROAE of 4.5%.

Exhibit 61: Trend in Revenue (FY 2020 – FY 2022)



Source: Company filings

Exhibit 62: Trend in Revenue (9M 2021 – 9M 2023)



Source: Company filings

In 9M 2023, the total revenues of agri. & agri. processing segment stood at US\$ 382.4 million, a decline of 1.8% y-o-y, compared to US\$ 389.6 million during the same period previous year. This can be primarily attributed to a 17.2% decline in revenues reported by Salalah Mills, while the remaining two companies, Oman Flour Mills and Bahrain Flour Mills recorded an increase of 7.8% and 2.2% respectively during the period.

Dairy

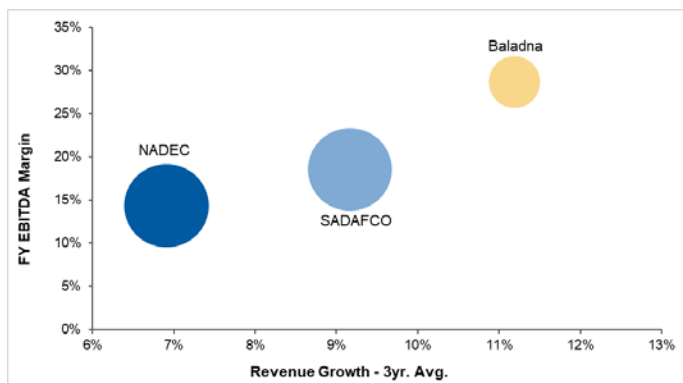
The dairy segment comprises of three companies, two Saudi Arabia-based companies, Saudia Dairy & Foodstuff Company (SADAFCO) and National Agriculture Development Co. (NADEC), and one Qatar-based company, Baladna QPSC.

In FY 2022, the segments total revenue amounted to US\$ 1.7 billion, a rise of 21.4% compared to previous year

In FY 2022, total revenues reported by the three companies amounted to US\$ 1.7 billion, an increase of 21.4% compared to US\$ 1.4 billion in the previous year. Collectively, SADAFCO and NADEC of Saudi Arabia accounted for 84.0% of the total revenue within this segment, while the remaining 16.0% was from Baladna of Qatar.

The combined EBITDA of the segment experienced strong growth of 66.0% to reach US\$ 311.4 million in FY 2022, after declining by 36.0% in previous year. Subsequently, the EBITDA margins also improved to 18.4%, highest amongst all segments within the industry, from 13.4% in FY 2021. Amongst the companies, Baladna has the highest EBITDA margin of 28.7% in FY 2022, primarily attributed to enhanced operational efficiency, including the increase of total herds and sales routes. SADAFCO and NADEC recorded EBITDA margins of 18.5% and 14.3% respectively in FY 2022. The high EBITDA margins of SADAFCO can be largely attributed to the company's prudent sourcing of inventories, appropriate pricing decisions, and achieving manufacturing cost efficiencies. SADAFCO and NADEC witnessed increase in EBITDA margins in FY 2022, while Baladna reported a drop in margins from 38.4% in 2021 to 28.7% in FY 2022. (see Exhibit 63).

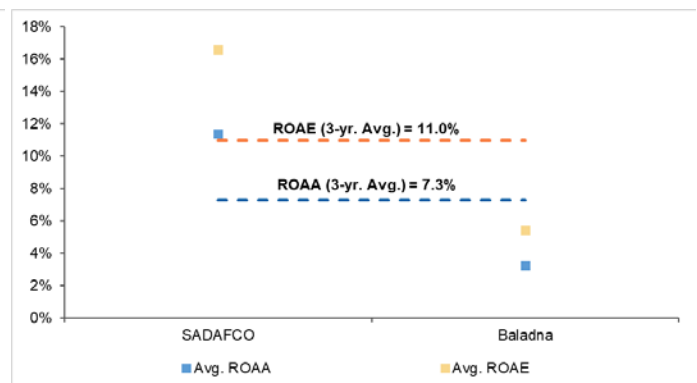
Exhibit 63: 3-yr. Average Revenue Growth & FY 2022 EBITDA Margin



Source: Company filings

Note: The size of the bubble is indicative of the FY 2022 revenue

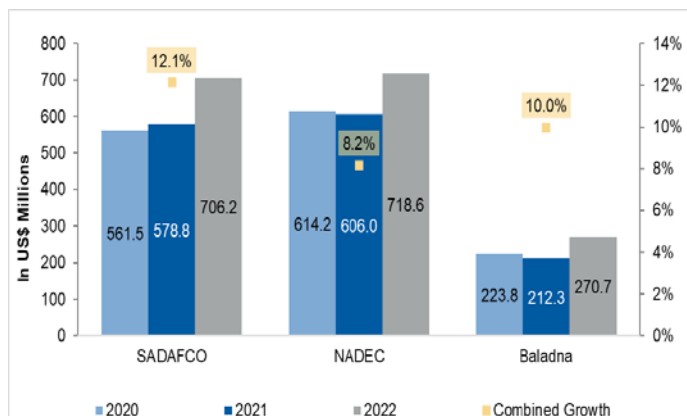
Exhibit 64: FY 2022 Average ROAE and ROAA



Source: Company filings

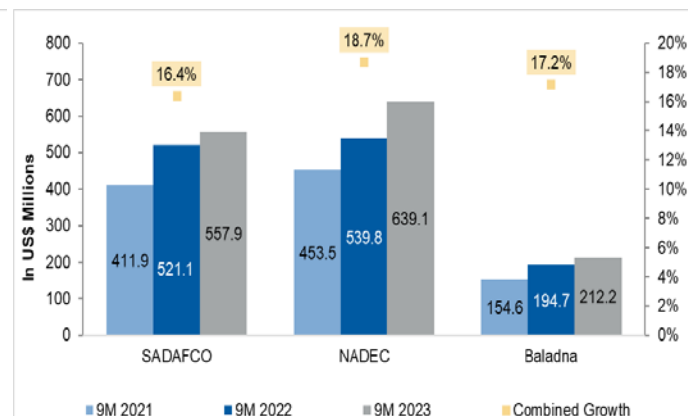
The average ROAA and ROAE for the segment was 7.3% and 11.0%, respectively. SADAFCO has the highest return ratio within the segment with a ROAA of 11.4% and ROAE of 16.6% in FY 2022 compared to ROAA of 3.2% and ROAE of 5.4% from Baladna (see Exhibit 64).

Exhibit 65: Trend in Revenue (FY 2020 – FY 2022)



Source: Company filings

Exhibit 66: Trend in Revenue (9M 2021 – 9M 2023)



Source: Company filings

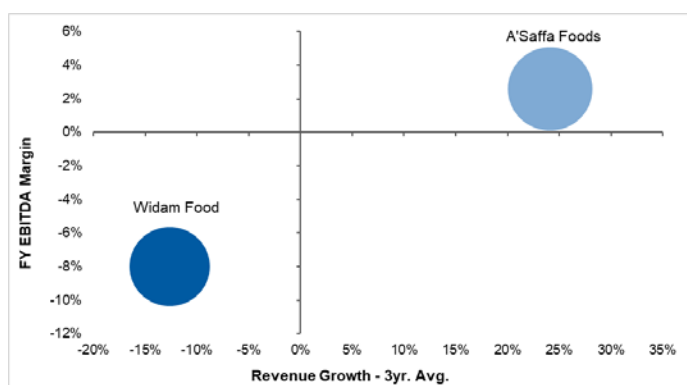
In 9M 2023, the dairy segment recorded revenues of US\$ 1,409.2 million, an increase of 12.2% compared to US\$ 1,020.0 million during the same period in the previous year. The double digit growth within the segment was broadly driven by NADEC, while the other two companies, SADAFCO and Baladna also reported growth in higher single digit during the period. NADEC, the largest company within the segment, reported an increase of 18.4% y-o-y to reach US\$ 639.1 million in 9M 2023, while SADAFCO and Baladna witnessed an increase of 7.1% and 9.0% respectively during the same period.

Livestock

The combined revenue of the segment stood at US\$ 279.3 million in FY 2022, an increase of 30.5% y-o-y

For this segment, we have analyzed Oman-based A'Saffa Foods and Qatar-based Widam Food. The combined revenue of the segment reached US\$ 279.3 million, an increase of 30.5% compared to the previous year. The segment witnessed a recovery in FY 2022 after declining by 44.7% in FY 2021, largely supported by strong performances in both A'Saffa Foods (48.7%) and Widam Food (15.0%), however the revenues are still lower compared to the levels of US\$ 387.1 million recorded in FY 2020.

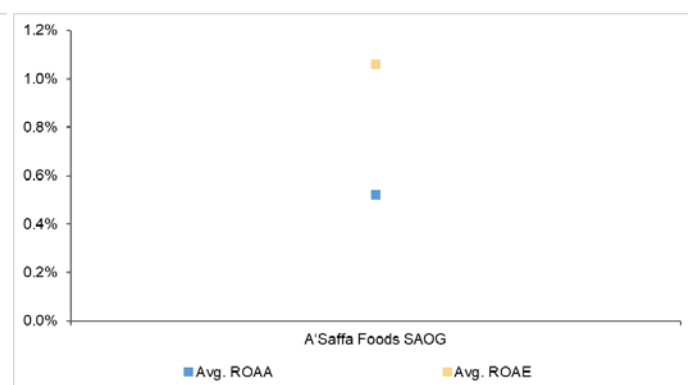
Exhibit 67: 3-yr. Average Revenue Growth & FY 2022 EBITDA Margin



Source: Company filings

Note: The size of the bubble is indicative of the FY 2022 revenue

Exhibit 68: FY 2022 Average ROAE and ROAA



Source: Company filings

Amongst the companies, A'Saffa Foods reported a growth of 48.7% in FY 2022, while Widam Food witnessed an increase of 15.0%. In terms of growth between 2020 and 2022,

A'Saffa witnessed a CAGR of 37.6%, while Widam recorded an annualized decline of 34.5% during the same period.

Exhibit 69: Trend in Revenue (FY 2020 – FY 2022)

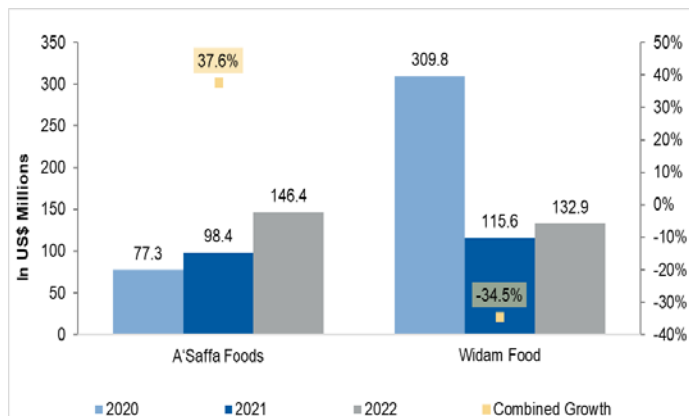
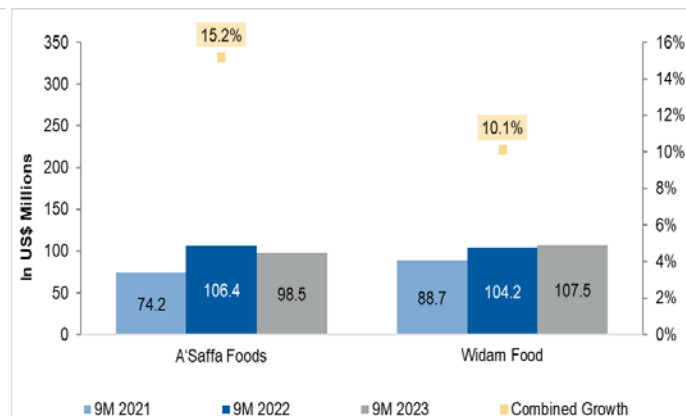


Exhibit 70: Trend in Revenue (9M 2021 – 9M 2023)



Source: Company filings

Source: Company filings

EBITDA for the segment has been under pressure during the past two years, especially in FY 2021

In terms of profitability, the segment continues to report negative EBITDA for the past two years, primarily due to the significant impact of Widam. In terms of companies, A'Saffa was able to turn positive with an EBITDA of US\$ 3.8 million in FY 2022 compared to a loss in the previous year. Subsequently, the company was able to record an EBITDA margin of 2.6% in FY 2022 compared to a negative margin of 3.9% in the previous year. Widam has continued to report EBITDA losses during the past two years, which has resulted in negative margins during the period. The EBITDA was impact by increase in cost of Logistics and food inflation rates worldwide. In terms of return ratios, A'Saffa reported ROAA and ROAE of 0.5% and 1.1%, respectively, lower compared to the levels witnessed in 2020 (see Exhibit 68).

Total revenues of the processed and frozen food segment stood at US\$ 1.6 billion, an increase of 9.6% y-o-y

In FY 2022, total revenues of the selected companies within the processed & frozen food segment stood at US\$ 1.6 billion, a CAGR of 9.9% between 2020 and 2022. Four of the eight companies witnessed a CAGR above the segment average, while two companies reported below it and the remaining two reported an annualized decline in revenues during the period. Saudi Arabia-based Wafrah witnessed the highest CAGR of 27.0%, followed by 21.9% in Oman Refreshment Co. from Oman and 15.4% by Dubai Refreshments from the UAE.

The segment's EBITDA margin dropped to 15.9% in FY 2022 after averaging around 20% in previous two years

In FY 2022, six out of the eight companies reported an increase in revenues, while only two companies experienced a decline during the same period. The largest company by revenue, Zad Holding of Qatar witnessed an increase of 17.8% in FY 2022 compared to the consolidated increase of 9.6% by the companies within the segment. The second largest company, Herfy Foods of the KSA reported a decline of 5.7% in revenues during FY 2022. Halwani Brothers of the KSA was another company that reported a decline of 6.1% in revenues during FY 2022.

The combined EBITDA of the segment witnessed a decline of 15.9% in FY 2022 to reach US\$ 260.6 million compared to US\$ 309.9 million recorded in the previous year. As a result, the margin of the segment declined to 15.9% in FY 2022 from 20.7% in FY 2021. In FY 2022, five out of the eight companies had a higher margin compared to the segment average. Amongst these, Dubai Refreshments reported the highest EBITDA margin of 21.6%, followed by 20.2% by Wafrah, 20.1% by Zad Holding, 19.9% by Herfy Foods, and 12.3% by Oman Refreshments.

Exhibit 71: 3-yr. Average Revenue Growth & FY 2022 EBITDA Margin

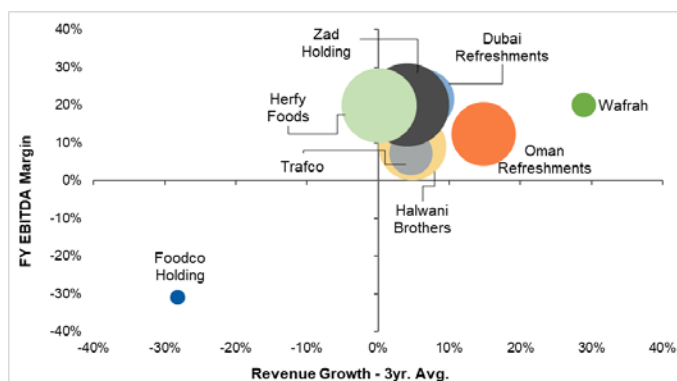
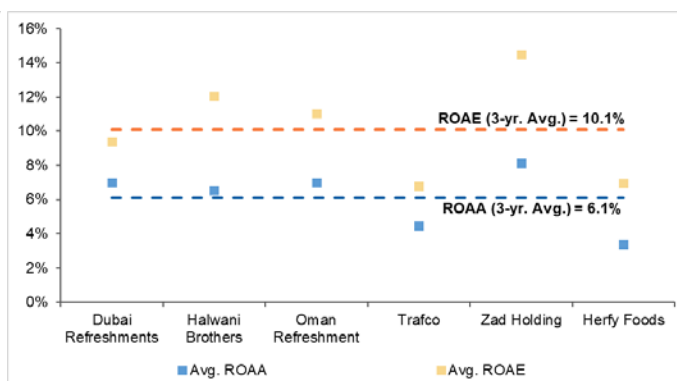


Exhibit 72: FY 2022 Average ROAE and ROAA



Source: Company filings

Source: Company filings

Note: The size of the bubble is indicative of the FY 2022 revenue

In FY 2022, the ROAA and ROAE for the segment stood at 6.1% and 10.1% respectively (see Exhibit 72). The return ratios of the segment declined compared to ROAA of 6.7% and ROAE of 11.6% reported in 2020. In 2022, Zad Holding recorded the highest return ratios with ROAA of 8.1% and ROAE of 14.5%, while Herfy Foods with the lowest ROAA of 4.5% and Bahrain-based Trafco Group with the lowest ROAE ratio of 6.8%.

Exhibit 73: Trend in Revenue (FY 2020 – FY 2022)

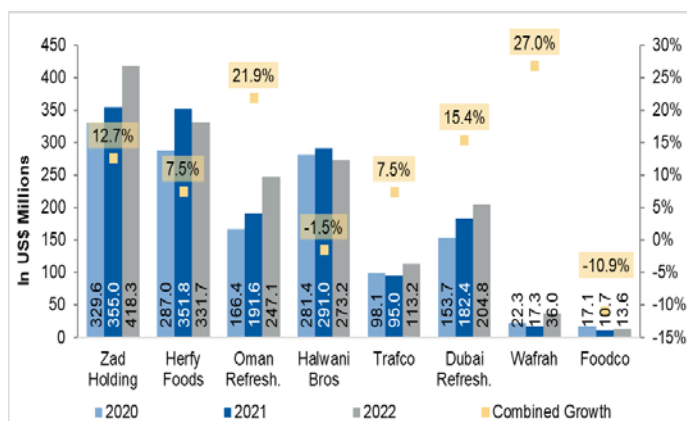
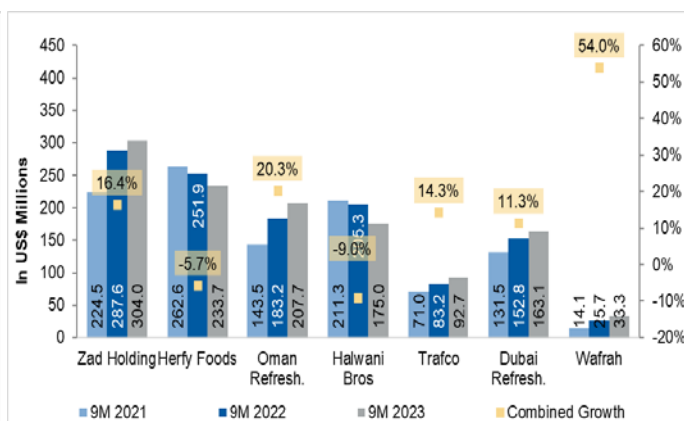


Exhibit 74: Trend in Revenue (9M 2021 – 9M 2023)



Source: Company filings

Source: Company filings

In 9M 2023, the processed and frozen food segment revenues stood at US\$ 1,217.9 million, an increase of 1.7% y-o-y, from US\$ 1,197.4 million during the same period previous year. This increase was primarily attributed to higher sales reported by three companies in the sector. Wafrah witnessed a rise of 54.0% y-o-y, followed by 20.3% by Oman Refreshment and 16.4% by Zad Holdings.

Diversified

The selected diversified companies recorded total revenues of US\$ 11.5 billion in FY 2020, up by 3.7% y-o-y

The selected companies within the diversified segment reported revenues of US\$ 14.9 billion, an increase of 16.2%, compared to the US\$ 12.9 billion in 2021 and US\$ 11.6 billion in 2020. The segment recorded a CAGR growth of 13.4% between 2020 and 2022, which was primarily driven by three companies, Agthia of the UAE and Savola and Almarai of KSA. Agthia reported the highest CAGR growth of 40.5% between 2020 and 2022, while Savola and Almarai recorded a growth of 13.7% and 10.4% respectively during the same period.

In FY 2022, collectively Savola and Almarai accounted for 83.5% of the total revenues, while 7.4% by Agthia. Almarai witnessed a double-digit growth of 18.1% in FY 2022, on the back

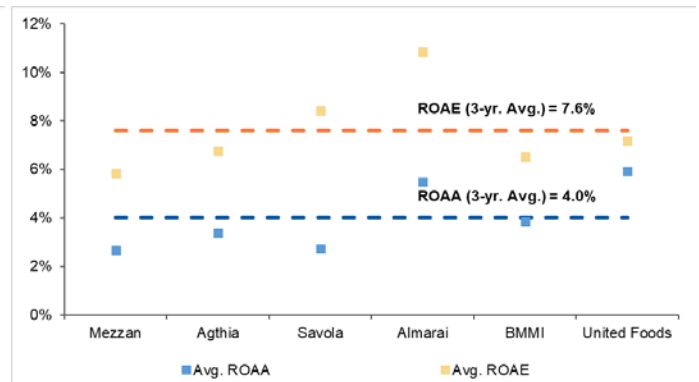
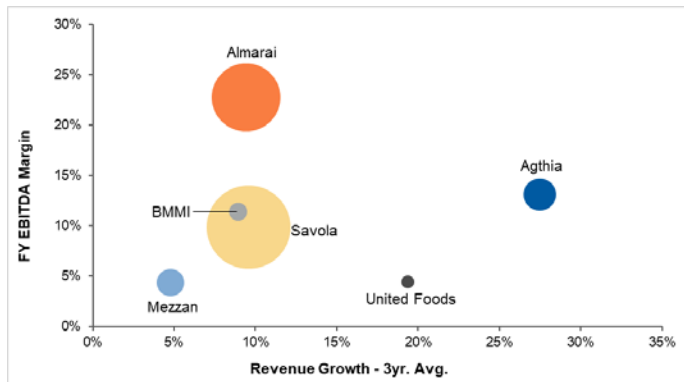
of rise across markets and product categories²⁶⁴. Savola recorded an annual growth of 13.7% in revenue during FY 2022, which was driven by rise in B2B volumes, new categories and implementing effective pricing strategies²⁶⁵. Agthia recorded the highest growth of 32.6% in FY 2022, which can be attributed to robust pricing strategies and strong demand in the protein and snacking segments, coupled with market leadership in bottled water in the UAE²⁶⁶. Kuwait-based Mezzan Holding witnessed a growth of 4.1% in revenue for FY 2022 after witnessing a decline of 0.5% in the previous year. Bahrain-based BMMI and UAE-based United Foods Co. reported a growth of 25.4% and 25.6% respectively in FY 2022.

EBITDA of the diversified companies reached US\$ 2.1 billion in FY 2022, an increase of 16.5% compared to the previous

EBITDA of the selected companies increased by 16.5% to reach US\$ 2.1 billion in FY 2022. The diversified companies account for around 78% of the total sector EBITDA in FY 2022, compared to around 76% in 2020. EBITDA margin of the diversified companies was 11.0% in FY 2022. From the sample, Almarai reported the highest EBITDA margin of 22.8%, largely driven by the company's cost control initiatives, direct marketing spend, and its efficiency in leveraging economies of scale. Followed by Agthia Group with a margin of 13.1%, and BMMI with a margin of 11.4%, while Mezzan Holding reported the lowest margin of 4.3% during the period (see Exhibit 75).

Exhibit 75: 3-yr. Average Revenue Growth & FY 2022 EBITDA Margin

Exhibit 76: Average 3-Yr ROAE and ROAA



Source: Company filings

Source: Company filings

Note: The size of the bubble is indicative of the FY 2022 revenue

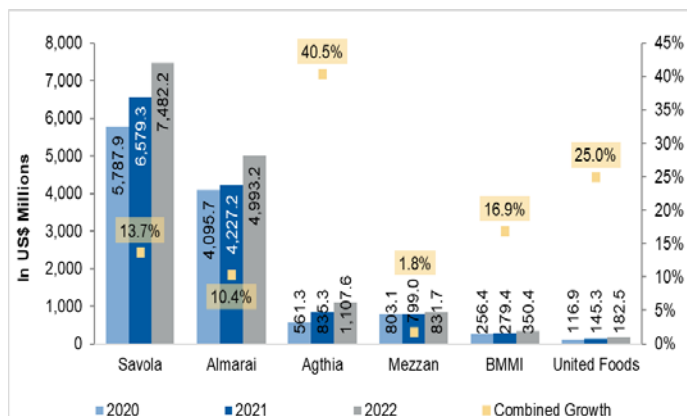
The average ROAA and ROAE for the diversified companies stood at 4.0% and 7.6%, respectively, in FY 2022 (see Exhibit 76). Almarai and Savola recorded one of the highest ratios within the segment with ROAE of 10.9% and 8.4%, respectively, and ROAA of 5.5% and 2.7%, respectively. Mezzan witnessed the lowest return ratios within the segment with ROAE of 5.8% and ROAA of 2.7% during the same period.

²⁶⁴ Source: Annual Report 2022, Almarai

²⁶⁵ Source: Annual Report 2022, Savola Group

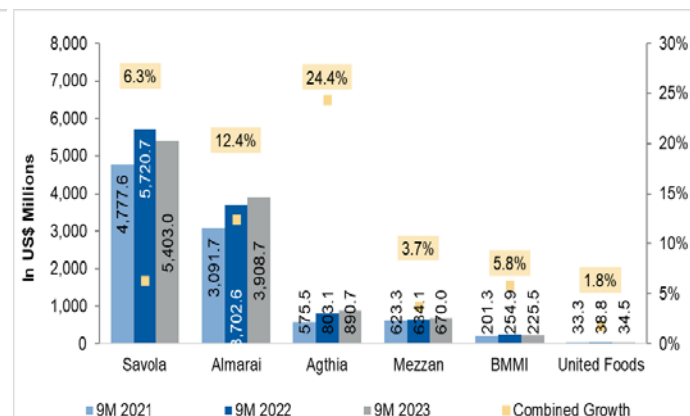
²⁶⁶ Source: Annual Report 2022, Agthia Group

Exhibit 77: Trend in Revenue (FY 2020 – FY 2022)



Source: Company filings

Exhibit 78: Trend in Revenue (9M 2021 – 9M 2023)



Source: Company filings

In 9M 2023, the selected companies within the diversified segment reported a total revenue of US\$ 11.13 billion, a marginal decline of 0.2% y-o-y compared to US\$ 11.15 billion during the same period last year. Amongst the selected companies, Agthia recorded the highest growth of 24.4%, on the back of growth in both volume and value of consumer business, especially the snacking category during the period. Almarai witnessed a growth of 12.4% between 9M 2021 and 9M 2023 to reach US\$ 3.9 billion, while Savola reported a rise of 6.3% in revenues to US\$ 5.4 billion during the period.

8.2. Valuation Analysis

In this section, we have analyzed the valuation ratios of selected food companies in the GCC in comparison with the industry average (P/E: 24.4x, EV/EBITDA: 18.3x) in each of the five sub-categories. 18 companies, the composite of which make up the industry average, were selected and categorized into respective sub-category based on operating activities to have a meaningful comparison within these companies.

Agri. & Agri. Processing

In this sub-segment, we have analyzed three companies for P/E multiples averaging at 41.4x - Oman Flour Mills, Salalah Mills, and Bahrain Flour Mills. While, two companies, i.e. Oman Flour Mills and Salalah Mills, for EV/EBITDA multiple trading at an average of 48.1x.

In terms of P/E multiple, the category average is broadly driven by Oman Flour Mills and Salalah Mills as they trade at a multiple of 80.5x and 38.3x, respectively. While, Bahrain Flour Mills saw the lowest within the segment at 5.3x. In terms of EV/EBITDA multiple, Oman Flour Mills trades at 67.9x, higher than the segment average as well as the industry average. While, Salalah Mills also trades at a higher multiple of 28.4x above the industry average of 18.3x.

The selected companies trade at an average P/E and EV/EBITDA multiple of 41.4x and 48.1x, respectively

Exhibit 79: LTM P/E Relative Valuation

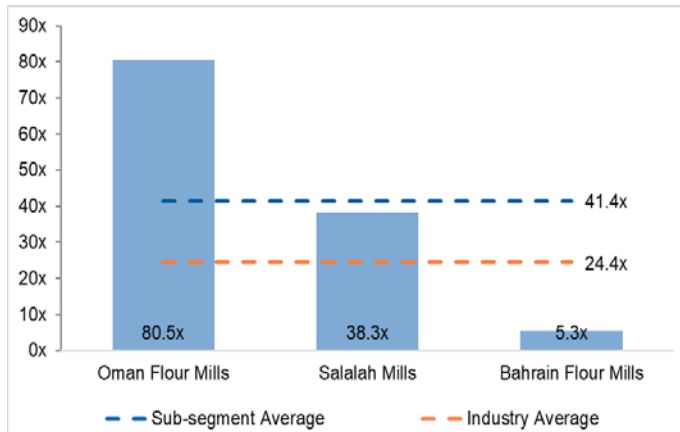
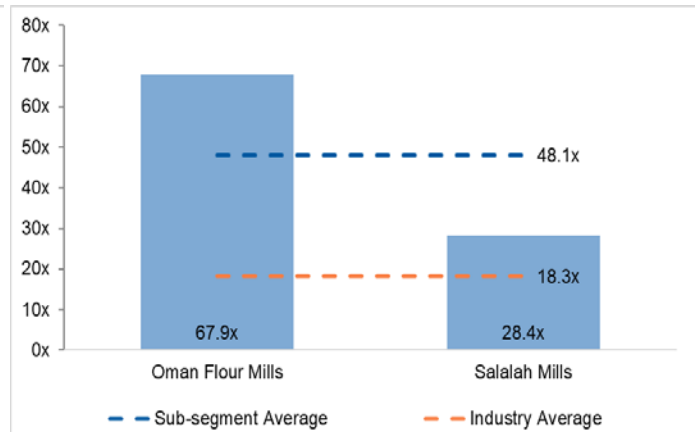


Exhibit 80: LTM EV/EBITDA Relative Valuation



Source: Bloomberg, Company Filings

Notes: Data as of November 16, 2023

Dairy

SADAFCO, NADEC and Baladna trade at an average P/E and EV/EBITDA multiple of 24.2x and 14.8x, respectively

In this sub-category, we have analyzed three companies - Saudi Dairy & Foodstuff Co. (SADAFCO), National Agriculture Development Co. (NADEC) and Baladna. The selected companies trade at an average P/E and EV/EBITDA multiple of 24.2x and 14.8x, respectively.

In terms of P/E multiple, Qatar's Baladna trades at a multiple of 27.1x, which is higher than both the industry and sub-segment averages. This is closely followed by SADAFCO and NADEC with multiples of 23.7x and 21.9x, respectively. Regarding the EV/EBITDA multiple, SADAFCO is trading at a multiple of 16.1x, compared to 14.9x by NADEC and 13.5x by Baladna.

Exhibit 81: LTM P/E Relative Valuation

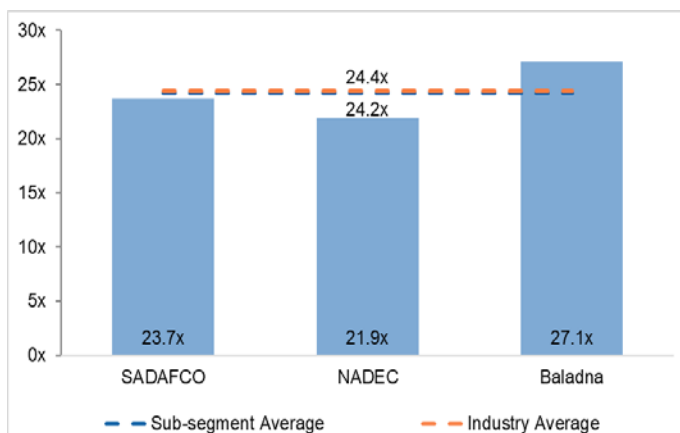
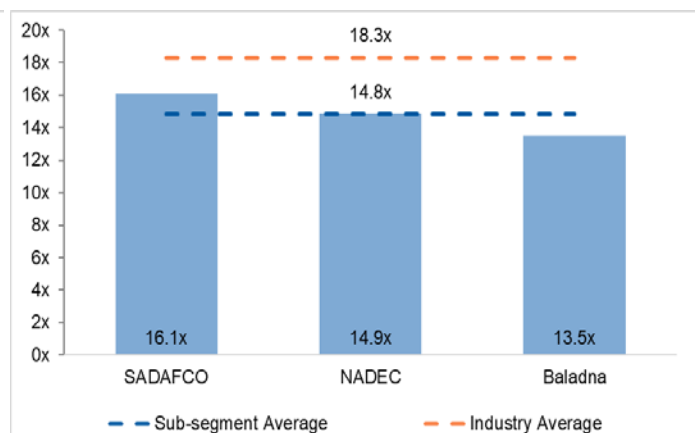


Exhibit 82: LTM EV/EBITDA Relative Valuation



Source: Bloomberg, Company Filings

Note: Data as of November 16, 2023

Processed & Frozen Food

The selected companies in the segment trade at a P/E and EV/EBITDA multiple of 21.2x and 12.7x, respectively

In this sub-category, we have analyzed six companies, namely Dubai Refreshment Co., Oman Refreshment Co., Traftco Group, Zad Holding, Herfy Foods, and Wafrah for Industry & Development. This selected group of companies is trading at a P/E and EV/EBITDA multiple of 21.2x and 12.7x, respectively.

In terms of average P/E multiple, Saudi Arabia-based Wafrah reported a high multiple of 62.7x, surpassing the industry average. Qatar-based Zad Holding which traded at 20.0x, followed by Herfy Foods and Trafco, which recorded P/E ratios of 18.8x and 11.6x, respectively. Conversely, Dubai Refreshment trades at a multiple of 4.6x, the lowest in its segment and the broader food industry.

In terms of EV/EBITDA multiple, Wafrah has one of the highest multiple of 26.6x, followed by Herfy Foods (16.2x) and Zad Holding (16.0x). Dubai Refreshment has the lower multiple of 3.0x within this category of selected companies.

Exhibit 83: LTM P/E Relative Valuation

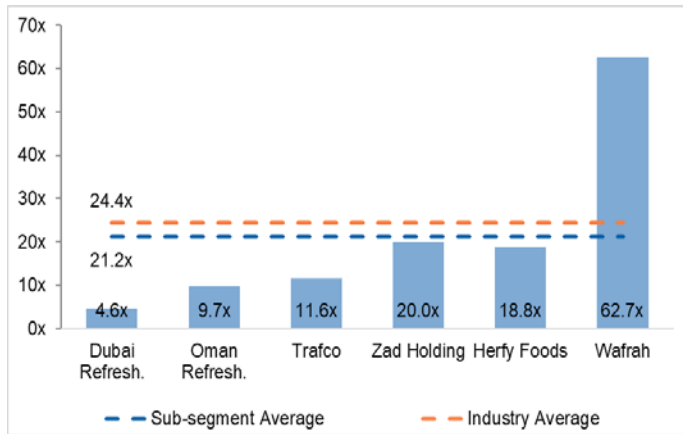
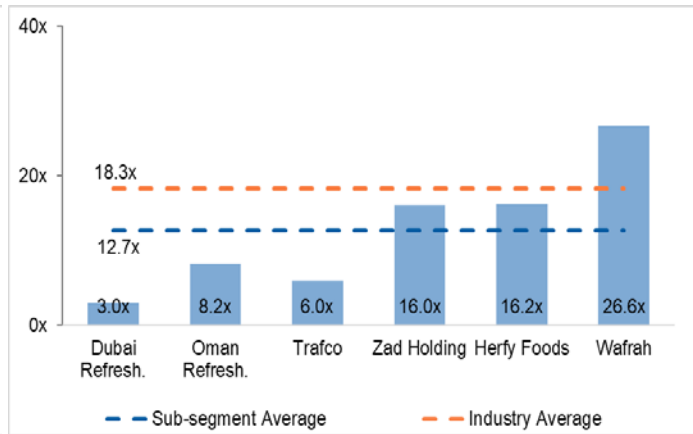


Exhibit 84: LTM EV/EBITDA Relative Valuation



Source: Bloomberg, Company Filings

Notes: Data as of November 16, 2023

The selected companies in the diversified segment trade at an average P/E and EV/EBITDA multiple of 20.6x and 8.7x, respectively

Diversified

In this category, we have analyzed six companies including Mezzan Holding, Agthia Group, Savola Group, Almarai, BMMI and United Foods. The set of selected companies under this category trade at a P/E and EV/EBITDA multiple of 20.6x and 8.7x, respectively.

In terms of the average P/E multiples among the selected companies, United Foods, based in the UAE, trades at a P/E multiple of 28.7x, with Saudi-based Almarai and Savola Group following closely at 26.5x and 25.6x, respectively. These P/E multiples are higher than the industry average, a reflection of United Foods' robust earnings growth driven by an improving product mix and the company's strategic acquisitions across the region. Bahrain-based BMMI trades at a P/E of 15.5x, slightly lower than the segment average, while Mezzan Holding has the lowest P/E among regional peers at 12.6x.

In terms of EV/EBITDA, Almarai is trading at a multiple of 12.4x, which is higher than the segment average. This is attributed to reasons similar to those mentioned earlier. Similarly, Savola, Agthia, and United Foods are also trading at higher multiples of 9.7x, 9.4x, and 9.2x, respectively, compared to the segment average of 8.7x. On the other hand, BMMI has the lowest multiple among the selected companies, standing at 3.6x.

Exhibit 85: LTM P/E Relative Valuation

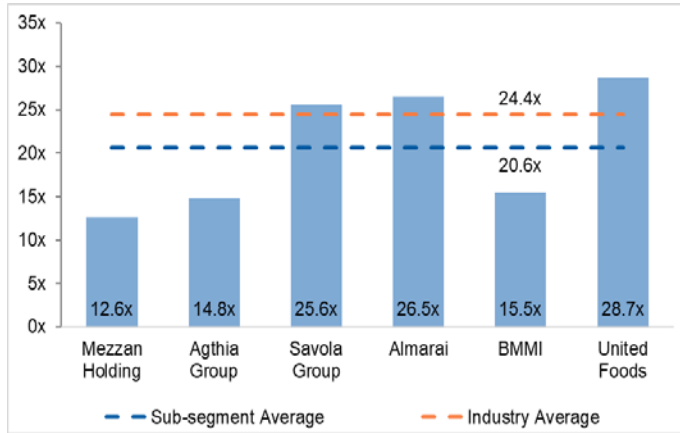
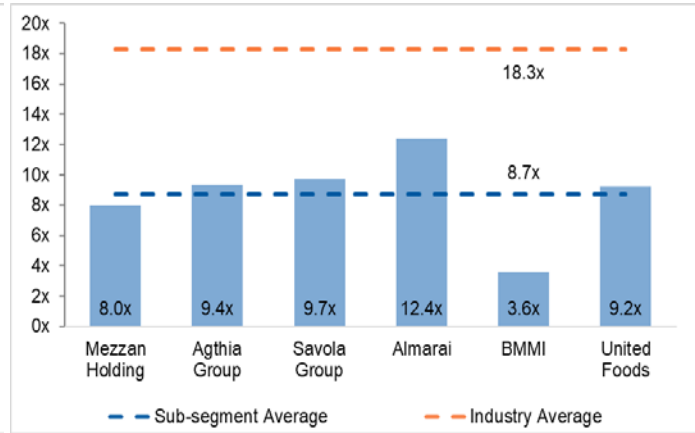


Exhibit 86: LTM EV/EBITDA Relative Valuation



Source: Bloomberg, Company Filings

Notes: Data as of November 16, 2023

Country Profiles

Saudi Arabia

Key Growth Drivers

- Population:** According to the IMF, the Kingdom's population is anticipated to reach 35.5 million by 2027, growing at a CAGR of 2.0% since 2022. The rise in youth population, which comprises of 63% of the total population, coupled with expatriates is expected to boost demand for international cuisines.
- Per capita income:** Saudi Arabia's GDP per capita increased at a CAGR of 8.3% between 2017 and 2022, with highest Y-o-Y growth of 22.1% in 2022. The IMF projects the Kingdom's GDP per capita to remain flat between 2022 and 2027 amid oil production cuts and lower prices. Nevertheless, the rising urbanization rate and high disposable income is likely to drive consumer propensity to spend on high-value food products.
- Tourism:** Saudi Arabia has implemented several liberalization policies that is uplifting its social and cultural environment. As part of the Vision 2030, the Kingdom aims to attract 70 million international tourists a year by 2030 as it looks to accelerate a US\$ 800 billion plan to become a global travel hotspot. The Kingdom also aims to increase the number of religious tourists to 30 million by 2025. As of 2022, tourism revenue in Saudi Arabia contributed 4.9% to its overall GDP. The opening up of the economy coupled with transformative measures is likely to translate to higher food consumption.
- Food Security:** Saudi Arabia's strategy to achieve food security involves 11 programs that aims to protect and improve the use of natural resources, contribute to rural development, as well as enhance production efficiency, competitiveness and the investment landscape for agriculture by 2030. The Kingdom also plans to build 1,000 new dams to enhance the utilization of rainwater.

Recent Industry Developments

- In 2023, the Kingdom announced the development of a US\$ 10 billion action plan to boost domestic production, diversify and localize food sources, and reduce dependence on imports.
- The Sustainable Agricultural Rural Development Program (Reef) is supporting more than 63,000 agricultural projects in Saudi Arabia. Reef has helped develop several agricultural crops and is facilitating access to food for small farmers.
- In 2022, Modon signed several agreements to localize the F&B industry with investments up to SAR 1.7 billion (US\$ 0.5 billion). It aims to increase the food factories in the Kingdom to more than 1,171 with a total area of ~10 million sqm.

Source: Thomson Reuters, IMF, Media Reports

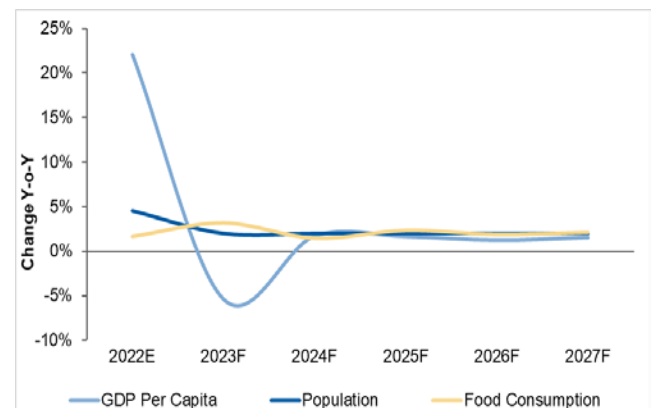
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	27.6	-3.5	3.7	3.6
GDP per capita at current prices (US\$)	34,441.1	32,586.2	33,695.1	34,642.9
Population (mn)	32.2	32.8	34.1	35.5
Inflation (%)	2.5	2.5	2.0	2.0
Food consumption (mn MT)	28.0	28.9	30.0	31.2

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
Almarai Co.	Dairy and Livestock
Al Jouf Agricultural Development Co. SJSC	Agri & agri processing
Halwani Brothers Co. Ltd.	Processed and frozen food
The National Agriculture Development Co.	Dairy
National Food Industries Co.	Processed and frozen food, Dairy and Beverages
Saudi Fisheries Co. SJSC	Livestock
Saudi Goody Products Marketing Company	Food packaging
Saudia Dairy and Foodstuff Co.	Dairy and Beverages
Savola Group Co. SJSC	Agri & agri processing
Sunbulah Group	Processed and frozen food

UAE

Key Growth Drivers

- Population:** According to the IMF, population in the UAE is expected to grow at a CAGR of 1.8% between 2022 and 2027 to reach 10.8 million. The country's already large expat population, which makes up of 88.5% of the total population, is likely to grow further supported by positive immigration laws, leading to a rise in demand for cuisines from across the globe.
- Per capita income:** The UAE's per capita income is forecasted to record a growth of 2.2% CAGR between 2022 and 2027 as per the IMF. This, coupled with high urbanization rate and increasing disposable income, is expected to positively drive the demand for a wide range of food products.
- Tourism:** The tourism industry continues to benefit from government's efforts to ease visa norms (Multiple-Entry Tourist Visas, 10-year Cultural Visa, and Golden Residence Visa and Remote Working Visas). By 2031, UAE plans to boost the contribution of the tourism sector to GDP, with a target of AED 450 billion (US\$ 122.5 billion) and an annual increment of AED 27 billion (US\$ 7.4 billion). A strong pipeline of leisure attractions coupled with major international events will further drive food consumption and aid the food services sector.
- Food Security:** The government has invested heavily to improve domestic production, while developing sustainable and integrated food security systems through formulation of the 'UAE National Food Security Strategy 2051'. The strategy aims to rank UAE as the best in the Global Food Security Index, and focuses on facilitating global food trade, diversifying food import sources and identifying alternative supply schemes. It also aims to promote organic farming amid a rise in demand for nutritious food due to growing incidence rates of NCDs.

Recent Industry Developments

- In September 2023, the UAE Ministry of Economy announced plans to transform the food and agriculture sector to grow its contribution to GDP by US\$10 billion, create 20,000 jobs in the next five years, and unveiled key pillars of the strategy. The key strategies include localizing innovation, fostering a UAE-first culture and food supply chain, and providing farmers with the necessary support and resources to make them a global leader in agri-food innovation and sustainability.
- In December 2022, ADAFSA partnered with 'ne'ma' – the National Food Loss and Waste initiative in the UAE, to work on developing a national baseline for measuring food loss and waste, which is in line with the National Food Security Strategy's goal to reduce food loss and waste by 50% by 2030.

Source: Thomson Reuters, IMF, Media Reports

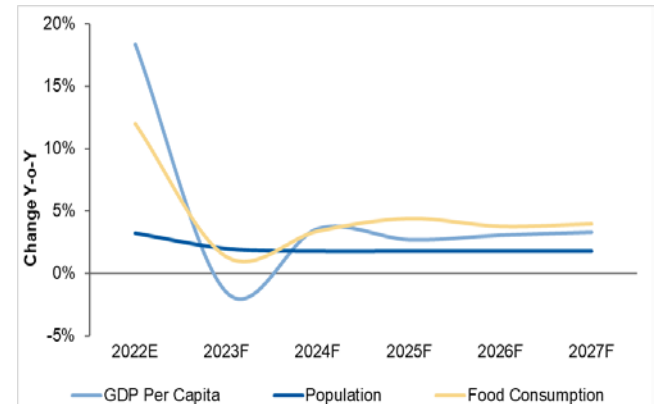
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	22.1	0.4	4.5	5.1
GDP per capita at current prices (US\$)	51,400.0	50,602.3	53,813.0	57,273.8
Population (mn)	9.9	10.1	10.4	10.8
Inflation (%)	4.8	3.1	2.0	2.0
Food consumption (mn MT)	8.8	8.9	9.6	10.4

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
Agthia Group PJSC	Agri & agri processing
Al Ain Farms	Livestock
Al Islami Food PSC	Processed and frozen food
Al Kabeer Group of Middle East	Processed and frozen food
Al Khaleej Sugar Co. LLC	Agri & agri processing
Al Rawabi Dairy Co.	Dairy and Beverages
Barakat Group	Agri, Processed and frozen food, and Catering
Dubai Refreshments PJSC	Processed and frozen food and Beverages
Foodco Holding PJSC	Processed and frozen food
IFFCO International Foodstuffs Co. LLC	Processed and frozen food, Agri & agri processing and Dairy
National Food Products Co.	Dairy and Beverages
Strategic Foods International Co.	Bakery Products

Kuwait

Key Growth Drivers

- Population:** According to the IMF, Kuwait's population is projected to increase at an annualized rate of 2.0% between 2022 and 2027 to reach 5.4 million. This growth is expected to be driven by a substantial composition of expatriates and working-age population, which is likely to have a favourable impact on food consumption in the country.
- Tourism:** Kuwait aims to become a regional hub for commercial, employment, leisure, and tourism destination as part of its Vision 2035. The Touristic Enterprises Company (TEC), backed by the Kuwaiti government, aims to finance a total of 95 tourism and hospitality initiatives and projects in the country. According to the World Travel and Tourism Council (WTTC), Kuwait's travel and tourism sector contributed 4.3% to the nation's overall economy in 2021/22. The WTTC anticipates Kuwait to attract over 570,000 international visitors by 2027, contributing ~6% boost to its GDP. This is likely to drive the country's food consumption in the long-run.
- Food Security:** In 2022, Kuwait developed its 'National Strategy for Food Security' that aims at encouraging banks to finance food security projects and seeking financial support from international organizations. The country has also started establishing deals with the neighboring GCC nations on food security and imposing restrictions on excessive imports.

Recent Industry Developments

- In June 2022, Kuwait announced multiple strategic projects that will enhance the food security system, in the short and long term. These projects aim to reduce the use of fresh water in agricultural production by using treated water. Other primary objectives include improving the efficiency of various agricultural practices in the production of crops, vegetables, fruits, animal production, fish and poultry through the use of modern technologies. It also aims at reducing agricultural production losses by establishing modern warehouses and light industries, curb wasting energy use in agricultural facilities, and irrigate crops through the use of renewable and alternative energy.
- Kuwait plans to host the Kuwait International Agro Food Expo (KIAFE) in August 2024. The expo will help increase food security and attract buyers looking to source products and innovative solutions. The event will help build a stronger food ecosystem by bringing together manufacturers and exporters specializing in agriculture - including farming, poultry, dairy, animal husbandry, and other food products.

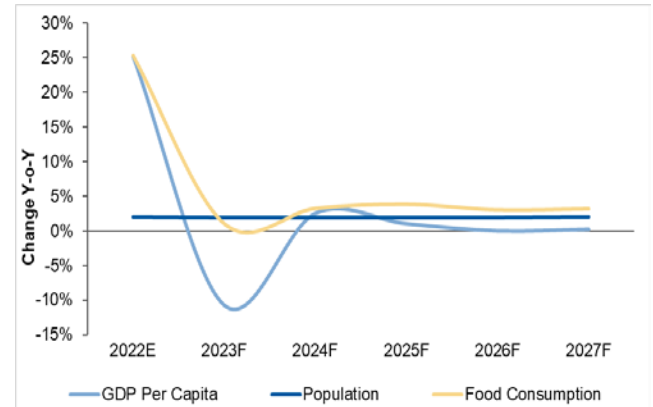
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	27.7	-9.0	3.1	2.2
GDP per capita at current prices (US\$)	36,092.4	32,215.0	33,376.6	33,460.8
Population (mn)	4.9	5.0	5.2	5.4
Inflation (%)	4.0	3.4	2.5	1.9
Food consumption (mn MT)	4.3	4.3	4.7	5.0

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
Danah Al Safat Foodstuff Co. KPSC	Livestock and Catering
Kuwait Food Co.	Processed and frozen food and Restaurants
Kuwait Dairy Co.	Dairy and Beverages
Livestock Transport and Trading Co. KPSC	Livestock
Mezzan Holding Co. KSCP	Agri & agri processing
Sadita Holding Co.	Processed and frozen food

Source: Thomson Reuters, IMF, Media Reports

Oman

Key Growth Drivers

- **Population:** According to the IMF, Oman's population is expected to grow at a CAGR of 3.2% between 2022 and 2027 to reach 5.8 million. Expatriates and young professionals account for a significant proportion of the country's population. This, coupled with a stable disposable income is likely to foster a strong demand for global cuisine and healthier food options.
- **Tourism:** As part of Oman's Vision 2040, the government has boosted investments in the tourism and hospitality sector with the aim to attract 11.7 million visitors by 2040, 5 million of which are expected to be international tourists. It has undertaken various initiatives to revitalize the sector such as providing specific credit lines to support tourism enterprises, granting exemptions from tourism levies and other fees, and implementing debt rescheduling measures. This is likely to increase foreign footfall in the country and help drive food consumption.
- **Food Security:** The Sultanate has undertaken initiatives that ensure food security and reduce imports as part of its 'Oman Vision 2040'. It has launched the 'Food Security Laboratory' that aims to promote local and foreign investments in the food sector, enhance the competitiveness of local products, develop a food security strategy, and localize high-tech projects.

Recent Industry Developments

- In October 2023, Omna's Ministry of Agriculture, Fisheries and Water Resources partnered with Oman Food Bank to launch the country's first food waste-recycling project. The project aims to repurpose food waste into agricultural fertilizer.
- In July 2023, an executive plan supervised by the National Employment Programme was signed for an initiative aimed at employing treated water in agricultural projects. The initiative aims to allow the use of treated water in innovative agricultural projects that contribute to achieving local food security.
- In April 2023, Oman's MHUP signed six contracts worth OMR 32 million (US\$ 83.1 million) to establish agricultural projects in four governorates. The MHUP also signed 11 agreements with various companies worth OMR 20 million (US\$ 51.8 million).
- In March 2023, Oman Food Investment Holding Co., the food sector investment arm of the Omani government, announced plans to develop a first-of-its-kind agri-industrial city centered around large-scale crop cultivation and food processing in the Najd area of Dhofar Governorate in the Sultanate.

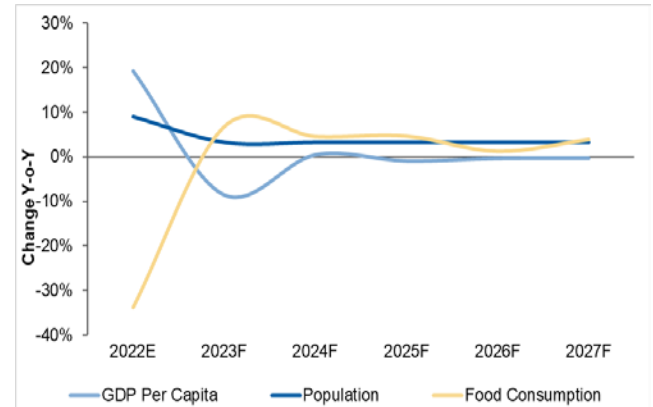
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	30.0	-5.6	2.3	3.0
GDP per capita at current prices (US\$)	23,240.1	21,265.6	21,195.8	21,093.7
Population (mn)	4.9	5.1	5.4	5.8
Inflation (%)	2.8	1.1	2.0	2.0
Food consumption (mn MT)	4.6	5.0	5.4	5.7

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
A'Safwah Dairy	Dairy and Beverages
Ali and Abdul Karim Trading Co. LLC	Processed and frozen food and Beverages
Ali Shaihani Group of Industries	Processed and frozen food and Beverages
A'Saffa Foods	Livestock
Oman Flour Mills Co.	Agri & agri processing
Oman Food Investment Holding Co. SAOC	Agri & agri processing, Dairy and Livestock
Oman Foodstuff Factory LLC	Dairy and Beverages, Processed and frozen food
Oman Refreshment Co. SAOG	Processed and frozen food and Beverages
Salalah Mills Co. SAOG	Agri & agri processing

Qatar

Key Growth Drivers

- **Population:** According to the IMF, Qatar's population is projected to grow at a CAGR of 0.8% between 2022 and 2027 to reach 2.9 million. The growth in population coupled with the country's initiatives towards liberalizing labour laws and enhancing business climate for expatriates is likely to aid the food services sector.
- **Per capita income:** Qatar's GDP per capita, one of the highest in the world, is projected to expand at a CAGR of 3.1% between 2022 and 2027, highest amongst the GCC nations. Rise in oil prices will further aid the disposable income, which in turn will facilitate higher spending on food consumption.
- **Tourism:** According to the UNWTO, international tourist arrivals in Qatar reached 2.6 million during 2022, largely supported by the FIFA World Cup. The country has also bid to hold several other international sporting and entertainment events over the next five years that will aid the food sector.
- **Food Security:** Qatar has ramped up its food production capacity while also developing alternative trade links for its food supply. Post the completion of its first five-year food strategy (2018-2023), the country is currently formulating the new 'Qatar National Food Security Strategy' (2023-2030) that aims to improve self-sufficiency, strategic reserves, enhance international trade, and streamline the domestic market.

Recent Industry Developments

- In 2023, Qatar implemented new strategic food and agricultural policies with an updated 'Qatar National Food Security Strategy' (2023-2030) focusing on innovative solutions and sustainable systems to increase domestic production.
- In September 2023, the International Horticultural Expo 2023 Doha announced partnerships with QNB, Mazzraty, Al Abdulghani Motors and Floward. The collaborations will contribute to launching several sustainable food initiatives - ranging from fresh, ready-to-eat agricultural products to measures aimed at reducing food waste.
- In April 2023, Qatar completed its QAR 1.6 billion (US\$ 0.4 billion) project for developing Strategic Food Security Facilities at Hamad Port. The project will contribute to enhance the country's reserve capabilities, as well as strengthening and developing a strategic food inventory management.
- In February 2022, Qatar-based Baladna entered into a partnership with Philippines' Department of Agriculture and the Department of Trade and Industry for the establishment of a US\$ 500 million integrated dairy facility in the Philippines.

Source: Thomson Reuters, IMF, Media Reports

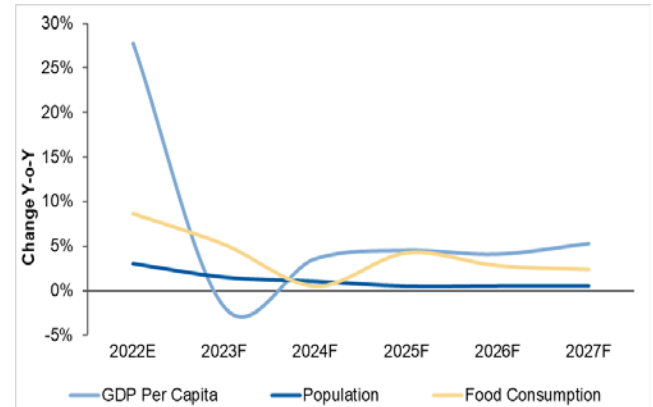
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	31.6	-0.4	5.0	5.8
GDP per capita at current prices (US\$)	83,521.0	81,968.3	88,731.5	97,239.1
Population (mn)	2.8	2.9	2.9	2.9
Inflation (%)	5.0	2.8	2.2	2.0
Food consumption (mn MT)	2.1	2.2	2.4	2.5

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
Ali Bin Ali Group	Beverages
Al-Sanabel Al-Qataria WLL	Livestock
Baladna Food Industries	Dairy and Beverages
Hassad Food	Agri & agri processing
Paris Group	Agri & agri processing, Beverages, Livestock, Processed and canned food and Supermarkets
Widam Food Co. QSC	Livestock
Zad Holdings Co. SAQ	Processed and frozen food

Bahrain

Key Growth Drivers

- **Population:** According to the IMF, Bahrain's population is estimated to grow at a CAGR of 2.5% between 2022 and 2027 to reach 1.8 million. This, coupled with the rising number of expatriates who make up over 52% of the population, is like to aid the food services sector in the country.
- **Per capita income:** According to the IMF, Bahrain's GDP per capita is expected to grow at a CAGR of 1.2% between 2022 and 2027. High standard of living and rising disposable income in the country is likely to bolster food consumption, which is projected to grow at a CAGR of 4.5% over the forecast period – the highest in the region.
- **Tourism:** Tourism significantly contributes towards the country's GDP and thus plays an important role in its economic growth. According to Bahrain Statistics, the country recorded a 51% surge in tourist arrivals during the first half of 2023 compared to the same period last year. This is likely to bode well for the Bahrain's food industry.
- **Food Security:** Bahrain's 'National Strategy for Food Security' aims at imposing restrictions on excessive imports that compete with local products, and encourage banks to finance food security projects. It also aims to seek financial support from international organizations, forging unified deals with other GCC states on food security, and securing plots in other countries that Bahrainis could invest in for agriculture.

Recent Industry Developments

- In November 2023, Bahrain launched a national strategic food production project that will generate large stocks locally. Under the project, local produce from farms are expected to reach more than 520 tonnes by 2024 with the first shrimp aquafarming scheme to be introduced amongst several fisheries aquafarms across the country.
- In March 2023, Bahrain-based Gulf Ventures Capital launched 'Green Corp', a new business creation platform, to initiate and develop sustainable agricultural, aquaculture, food processing and production projects across the GCC countries.
- In January 2023, Bahrain Agricultural Foods Storage and Security (Bafco) opened its US\$ 12 million factory in Hidd, which specializes in producing and distributing food grains locally and exporting them internationally. The aim of this project is to achieve sustainable food security through effective partnerships with the private sector.

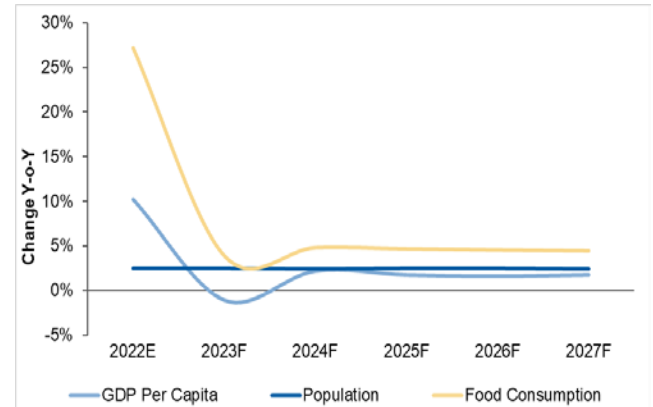
Macro-economic Indicators

Indicators	2022E	2023F	2025F	2027F
GDP growth at current prices (%)	13.0	1.4	4.3	4.3
GDP per capita at current prices (US\$)	28,781.5	28,464.2	29,581.4	30,571.1
Population (mn)	1.5	1.6	1.7	1.8
Inflation (%)	3.6	1.0	1.8	2.2
Food consumption (mn MT)	1.2	1.2	1.3	1.4

Source: IMF – October 2023, Alpen Capital

Note: E – Estimated, F – Forecasted

Change in Food Consumption vis-à-vis Population and GDP



Source: Alpen Capital, IMF

Note: E – Estimated, F – Forecasted

Key Players

Company	Type
Ali Rashid Al Amin Co. BSC	Agri & agri processing and Food Retail
Bahrain Flour Mills Co.	Agri & agri processing
BMMI BSC	Processed and frozen food
Hasan & Habib Sons of Mahmood Co. WLL	Processed and frozen food
Trafco Group	Processed and frozen food

Company Profiles

Agthia Group PJSC (Publicly Listed)

UAE

Company Description

Established in 2004, Agthia Group PJSC (Agthia) is a vertically integrated company that produces, distributes, and markets a variety of food and beverage products. Agthia has production plants in the UAE, Oman, Egypt, Kuwait, Saudi Arabia, Turkey, and Jordan. The company exports to more than 45 countries across the Middle East, North America, Europe, Asia, and Africa. Senaat (General Holding Corporation), an Abu Dhabi Development Holding Company (ADQ) subsidiary, owns a 59.2% stake in Agthia Group.

Business Segments/Product Portfolio

- **Consumer Business:** Agthia's consumer business consists of the water, beverage, and food categories. In FY 2022, this segment contributed 74.6% of total revenue.
 - **Bottled Water and Beverages:** The company produces and sells bottled water and beverages under the labels Al Ain, Alpin, Al Bayan, Ice Crystal, VOSS, Bambini, and Yoplait.
 - **Food:** Agthia offers a variety of products under the Al Ain, Al Foah, Abu Auf, Al Faysal, BMB, and Grand Mills brands, ranging from dairy to frozen veggies and bakery items.
- **Agri Business:** Agthia sells flour and animal feed under the labels Grand Mills and Agrivita. This category generated 25.4% of total sales in FY 2022.

Recent Developments/Future Plans

- In July 2023, Agthia launched Agitha Ventures, a US\$ 54 million Corporate Venture Fund, to expand its innovation capabilities and create mutual value with startups.
- In December 2022, Agthia and AD Ports signed a Memorandum of Understanding (MoU) to jointly investigate options to improve Agthia's supply chain connections.
- In November 2022, Agthia announced the completion of its acquisition of a 60% stake in Auf Group, an Egyptian maker and retailer of healthy snacks and coffee.
- In December 2021, Agthia completed the 100% acquisition of BMB Group, a prominent regional healthy snacks and food company with a growing global footprint.

Financial Performance

- Agthia's revenues increased by 32.6% y-o-y to US\$ 1,107.6 million in FY 2022 as compared to US\$ 835.3 million in FY 2021. The sales were driven by robust pricing strategies and strong demand in protein and snacking segments, as well as market leadership in bottled water in the UAE.
- The company's net profit rose 17.9% y-o-y to US\$ 74.2 million in FY 2022 from US\$ 63.0 million in FY 2021.

Current Price (US\$) 1.4

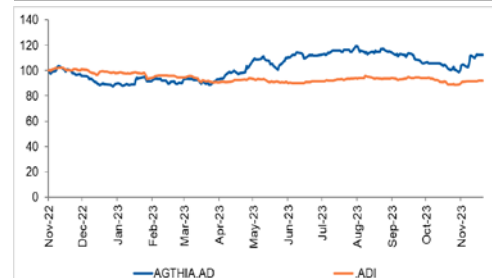
Price as on November 16, 2023

Stock Details	
Reuters ticker	AGTHIA.AD
52 week high/low	1.1 / 1.5
Market Cap (US\$ mn)	1,078.3
Enterprise value (US\$ mn)	1,444.3
Shares outstanding (mn)	791.6

Average Daily Turnover ('000)

	AED	US\$
3M	2,096.3	570.8
6M	2,273.0	618.9

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	11.8	14.8
P/B (x)	1.1	1.4
EV/S (x)	1.7	1.3
Dividend yield (%)	4.7	4.3

Shareholding Structure

General Holding Corp.	62.9%
Other	37.1%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	835.3	1,107.6
Operating Income	69.5	94.4
Net Income	63.0	74.2
NI Margin (%)	7.5	6.7
ROAA (%)	4.9	4.2
ROAE (%)	9.4	9.0

Company Description

Established in 1984, AI Adil Trading Co. LLC (AI Adil) oversees a network of more than 34 outlets, including retail stores and supermarkets, spanning across the GCC and India. The company has established a manufacturing facility in Dubai where it produces an extensive range of Indian food products under the Peacock brand name. These products include spices, pickles, flours, pulses, and various other items. In addition to this, AI Adil operates a subsidiary in India under the name Masala King Exports. This subsidiary specializes in exporting pulses, spices, grocery items, and even non-food products throughout the Indian subcontinent. Moreover, the company operates a modern and specialized supermarket chain that offers a comprehensive range of grocery and household items.

Business Segments/Services Portfolio

Below are the brands and subsidiaries under AI Adil:

- **Peacock:** Under this brand, AI Adil offers a comprehensive selection of grocery and household products. This includes a wide range of items such as Indian spices, masala, pulses, rice, flour, oils, ghee, pickles, chutneys, tea, coffee, canned and instant foods, ayurvedic medicines, herbs, cosmetics, dry fruits, mouth fresheners, savorys, confectionery, sweetmeats, and more, totaling over 4,500 products sourced from around the world.
- **Masala Kings Exports:** Founded in 2009 and headquartered in Mumbai (India), this company serves as an exporter of Indian pulses, spices, and various grocery items, in addition to non-food products. The company also places investments into essential aspects of supply chain and quality management.

Recent Developments/Future Plans

- In January 2022, AI Adil announced expansion of its product range to be sourced from Jammu and Kashmir, India. As part of a strategic initiative, the company signed agreements directly with concerned parties so that only the best products are made available from Jammu and Kashmir.

Company Description

Established in 1981, Al Ain Farms is one of the UAE's largest integrated dairy companies. It is engaged in the production of cow and camel milk and other associated dairy goods, as well as fresh juice and poultry items such as fresh chicken and eggs. The company operates four farms under its brand; owns 1,800 camels and 15,000 cows, with a capacity of 160 million eggs per year. It has a potential to produce 9 million broiler chicks per year. Approximately 12,000 outlets in the UAE sell the company's products.

Business Segments/Services Portfolio

- **Dairy:** Al Ain Farms sells a variety of dairy goods, including milk, yoghurt, laban, sweets, and chami cheese. The company also sells camel milk and milk powder in a variety of flavors.
 - **Milk:** It offers skimmed, low fat, and UHT milk in a variety of flavors including banana, chocolate, date, strawberry, and cardamom.
 - **Yoghurt:** The company sells a variety of yoghurt products, including reduced fat, cream, and Greek yoghurt. Al Ain Farms also sells flavored yoghurts like wild fruit, peach and apricot, strawberry and mango, among others.
 - **Laban:** It sells cream laban, low fat laban, laban drinks, and flavored laban.
 - **Desserts:** Milk snack chocolates and milk snack honey are two of the company's dessert offerings.
- **Poultry:** Al Ain Farms poultry goods include whole chickens, chicken parts, and eggs.
- **Water & Juices:** The company sells bottled water and pure fruit juices such as orange, apple, grape, berry, guava, mango, and mixed fruit drinks to its customers.

Recent Developments/Future Plans

- In October 2022, Al Ain Farms introduced new lactose-free dairy products in the UAE. This new product line will serve the UAE's rising lactose-intolerant population.
- In February 2022, Al Ain Farms announced the launch of its 2,270 sqm facility in Abu Dhabi as part of its strategic growth plans. The company intends to improve operating efficiency with its newly constructed building, which has 300% more storage capacity, enough to handle 3.3 million liters of dairy, 2.9 million kgs of chicken, and 55 million eggs.

Al Islami Foods (Privately Owned)

UAE

Company Description

Founded in 1981, Al Islami Foods (Al Islami) is a halal meat and frozen food manufacturer. Under two brands, the company offers more than 100 quick and easy-to-prepare products: Al Islami, which offers entire chicken, chicken parts, frozen fruits and vegetables, and conventional items; and Aladdin, which offers a variety of frozen foods for children. The company operates three warehouses and a production plant with a capacity of 17,000 MT per year in the Hamriyah Freezone in the UAE. Currently, Al Islami sells frozen goods to Bahrain, Qatar, Kuwait, Oman, Yemen, Saudi Arabia, Seychelles, Libya, Maldives, and Mauritius. The company is a subsidiary of the S.S. Lootah Group, a family-owned multinational organization with holdings in vital areas like construction, real estate, energy, food, and financial services.

Business Segments/Services Portfolio

- **Snacks Items:** Al Islami serves a variety of chicken and beef snacks, including burgers, cutlets, nuggets, fries, franks, samosas, marinated meat, and kebabs. The items are available under the labels Al Islami and Aladdin.
- **Vegetables & Fruits:** Under the Green's brand, the company sells vegetables and fruits such as molokai, mixed vegetables, okra, green peas, green beans, sweet corn, and strawberries.
- **Meat & Poultry:** Under the Al Islami brand, the company provides raw meat, including boneless meat, minced chicken, and chicken pieces, as well as grilled chicken.
- **Seafood:** Shrimp, white fish fillets, squid rings, and cocktail seafood are available under the Al Islami brand.

Recent Developments/Future Plans

- In August 2023, Al Islami announced the re-launch of its premium products in Qatari market. The company launched its Chicken Grillers and Chicken Parts, including a wide range of cuts such as drumsticks, breast, thigh, and more.

Almarai Co. (Publicly Listed)

Saudi Arabia

Company Description

Established in 1977, Almarai Co. (Almarai) is a vertically integrated dairy company that operates in several business categories across the MENA, including dairy and juice, bakery, poultry, newborn nutrition, and others. Other activities include arable farming in the US and Argentina, as well as horticulture and food services. For its business operations, the company also has joint ventures with PepsiCo and Chipita Group. Almarai's integrated supply infrastructure and extensive network of distribution serves over 100,000 customers in the GCC, Egypt, and Jordan.

Business Segments/Product Portfolio

- **Dairy and Juice:** Almarai sells natural fruit juices and dairy goods such as milk, flavored milk, yoghurt, cheeses, and dips, among others under the labels Almarai, Ice Leaf, Vetal, One Bean, and Teeba. In FY 2022, the dairy and juice divisions accounted for 44.4% and 9.1% of its total revenues, respectively.
- **Poultry:** This category includes fresh chicken, ready-to-cook chicken, frozen chicken, and other marinated items under the Alyoum brand. In FY 2022, this division contributed for approximately 16.0% of the overall company revenues.
- **Bakery:** Under the brands of 7Days and L'usine, the company sells bakery goods such as cakes, buns, sandwich rolls, puffs, croissants, and so on. The 7Days brand is operated by Modern Co. Industries, a joint venture with Chipita and Olayan Finance Co. In FY 2022, this division accounted for 12.8% of the company's total revenues.
- **Nutrition & Others:** The Nuralac brand is used by the company to offer a variety of products such as nutritional supplements and beverages. It also sells dates and marine food under the trademarks Almira and Seama.

Recent Developments/Future Plans

- In July 2023, Almarai Company announced plans to issue a US\$ denominated trust certificate as part of its \$2 billion Trust Certificate Issuance Program.
- In February 2023, Almarai completed the acquisition of International Dairy and Juice Limited (IDJ), a former PepsiCo joint venture in Egypt and Jordan.
- In December 2022, Almarai Company announced an investment of SAR 1.2 billion (US\$ 319.14 million) in Sakaka governorate in Al-Jouf region of Saudi Arabia to expand chicken hatchery production facilities.

Financial Performance

- Almarai's revenues increased 18.1% y-o-y to US\$ 4,993.2 million in FY 2022 from US\$ 4,227.2 million in FY 2021. The company's dairy business exceeded key performance targets by maintaining its focus on the GCC markets.
- The company's net profit increased 12.5% y-o-y to US\$ 469.4 million in FY 2022 from US\$ 417.1 million in FY 2021.
- Saudi Arabia accounted for 64.7% of the company's revenues in FY 2022, followed by the UAE which accounted for 8.6% of revenues during the year.

Current Price (US\$) 14.4

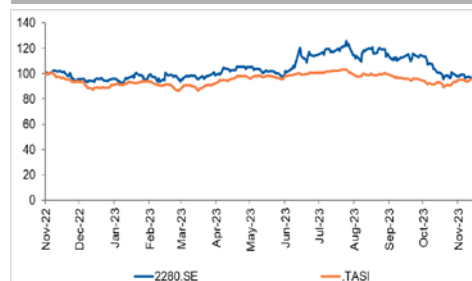
Price as on November 16, 2023

Stock Details	
Reuters ticker	2280.SE
52 week high/low	13.7 / 18.9
Market Cap (US\$ mn)	14,340.5
Enterprise value (US\$ mn)	17,111.5
Shares outstanding (mn)	1,000.0

Average Daily Turnover ('000)

	SAR	US\$
3M	28,653.1	7,639.6
6M	35,630.9	9,500.0

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	25.2	26.5
P/B (x)	3.0	3.1
EV/S (x)	4.0	3.4
Dividend yield (%)	1.8	1.9

Shareholding Structure

Savola Group	34.5%
Sultan Holding Co.	23.7%
Others	41.8%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	4,227.2	4,993.2
Operating Income	537.4	607.0
Net Income	417.1	469.4
NI Margin (%)	9.9	9.4
ROAA (%)	4.9	5.5
ROAE (%)	9.5	10.5

A'Saffa Foods SAOG (Publicly Listed)

Oman

Company Description

Established in 2001, A'Saffa Foods SAOG (A'Saffa) is a poultry meat manufacturer and distributor. A'Saffa's infrastructure includes chicken farms, hatcheries, a processing factory with a 1,700 MT annual output capacity, and a feed mill with a 15 MT capacity. Each year, it produces 21 million chickens as well as various fresh, frozen, and processed poultry goods, vegetables, fruit pulps, seafood products, and mineral water under the brand names A'Saffa, Khayrat, Ekhtiari, and Taybat. The items are exported to various nations such as the UAE, Qatar, Bahrain, and Yemen.

Business Segments/Product Portfolio

- **A'Saffa:** The company sells both frozen and fresh chicken under this brand name. Breaded chicken burgers, chicken franks, chicken nuggets, chicken meatballs, chicken kabab, breaded chicken fingers, and breaded chicken fillets are also available under the same brand.
- **Zingle Range:** Under this brand, A'Saffa sells chicken strips, breaded chicken popcorn, and chicken fillets.
- **Khayrat:** This brand is used by the company to market delicacies, fruit and fruit pulp, processed marine food, and frozen vegetables. The brand also sells meat dishes like burgers, kababs, minced beef, spring rolls, and samosas.
- **Taybat:** The company sells frozen and fresh chicken as well as delicacies such as chicken burgers, breaded chicken burgers, chicken fingers, chicken fillet, chicken popcorn, chicken nuggets, chicken mince, chicken franks, beef burger, beef mince, chicken burger bag, and fresh and frozen chicken under this brand.

Recent Developments/Future Plans

- NA

Financial Performance

- A'Saffa's revenues rose 48.7% y-o-y to US\$ 146.4 million in FY 2022 from US\$ 98.4 million in FY 2021, largely driven by increase in food prices.
- The company witnessed a profit of US\$ 1.8 million in FY 2022, compared to a loss of US\$ 4.7 million in the previous year.

Current Price (US\$) 0.8

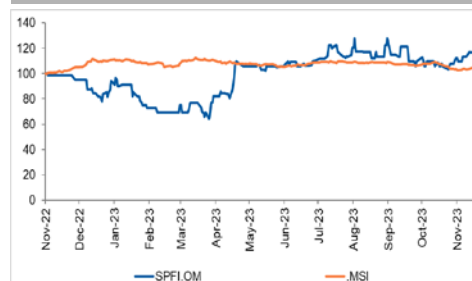
Price as on November 16, 2023

Stock Details	
Reuters ticker	SPFI.OM
52 week high/low	0.5 / 0.9
Market Cap (US\$ mn)	99.6
Enterprise value (US\$ mn)	229.1
Shares outstanding (mn)	120.0

Average Daily Turnover ('000)

	OMR	US\$
3M	9.5	24.6
6M	18.0	46.9

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	13.3	16.0
P/B (x)	0.8	1.0
EV/S (x)	2.3	1.6
Dividend yield (%)	2.8	NA

Shareholding Structure

Zulal Investment Co.	33.2%
Gulf Investment Corp.	20.0%
Others	46.8%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	98.4	146.4
Operating Income	1.6	12.2
Net Income	(4.7)	1.8
NI Margin (%)	(4.8)	1.2
ROAA (%)	(1.8)	0.7
ROAE (%)	(4.4)	1.8

Bahrain Flour Mills Company (Publicly Listed)

Bahrain

Current Price (US\$) 0.9

Price as on November 16, 2023

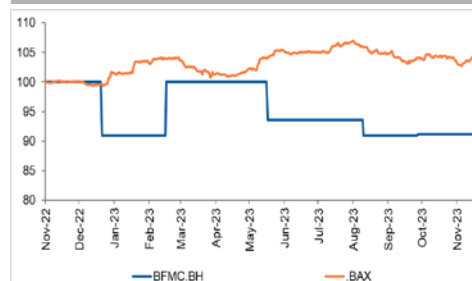
Stock Details

Reuters ticker	BFMC.BH
52 week high/low	0.9 / 1.0
Market Cap (US\$ mn)	22.5
Enterprise value (US\$ mn)	67.1
Shares outstanding (mn)	24.8

Average Daily Turnover ('000)

	BHD	US\$
3M	2.1	5.6
6M	2.3	6.2

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	6.0	5.3
P/B (x)	0.3	0.3
EV/S (x)	3.7	3.3
Dividend yield (%)	7.1	7.9

Shareholding Structure

Bahrain Mumtalakat Holding Co.	65.7%
Abdulhameed Zainal Mohamed Zainal	7.6%
Others	26.7%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	18.3	20.3
Operating Income	0.6	1.9
Net Income	10.5	3.8
NI Margin (%)	57.5	18.6
ROAA (%)	12.6	4.1
ROAE (%)	17.4	5.7

Company Description

Established in 1970, Bahrain Flour Mills Company (BFM), also known as Al Matahin, is a company that imports, manufactures, and markets wheat flour and related products for both domestic and international markets. The company sells items to bakeries, hotels and restaurants, supermarkets and hypermarkets. Bahrain Flour Mills Co. BSC is a subsidiary of Bahrain Mumtalakat Holding Co. BSC, which owns 65.7% of the company.

Business Segments/Product Portfolio

▪ **Key products of the company marketed under Al-Matahin brand includes:**

- Pizza Flour
- Flour for Bread, Pastries & Sweets
- Flour for Laqaimat
- All-Purpose Flour
- Dumpling Mix with Yeast
- Hab Harees
- Jereesh
- Semolina

Recent Developments/Future Plans

- NA

Financial Performance

- In FY 2022, BFM's revenues increased 11.2% y-o-y to reach US\$ 20.3 million compared US\$ 18.3 million in the previous year. The increase was largely driven by the demand for BFM's products, resulting in an increase in its sales volume.
- The company's net profit decreased 64.0% y-o-y to US\$ 3.8 million compared to US\$ 10.5 million in FY 2021.

Baladna QPSC (Publicly Listed)

Qatar

Company Description

Established in 2014, Baladna operates in the dairy and beverage industry, boasting two large-scale farms, as well as production, processing, and packaging facilities. Located in Doha, the company spreads over an area of 2.4 million sqm with a capacity to house 24,000 cows. It offers a wide range of dairy products, including fresh and UHT milk, desserts, yogurt, labneh, cheese, creams, long-life milk, and various other dairy items, all marketed under the Baladna and AWAFI brand names. Additionally, the company is engaged in the trade of food materials, packaging, dairy products, and animal feed. It operates retail stores specializing in dairy products, eggs, olives, and pickles, and also wholesales soft drinks, juices, mineral water, and fruit juices. Its clientele includes retail outlets, hotels, restaurants, and catering businesses, among others.

Business Segments/Product Portfolio

- **Baladna:** This brand offers a range of products including fresh milk, laban, ayran, yogurt, cheese, labneh, cream, desserts, long-life milk, chilled juice, and long-life juice, among others.
- **AWAFI:** The company has over 30 wholesale products including UHT milk, juice, yoghurt, cheese, and laban, among others.

Recent Developments/Future Plans

- In July 2023, Baladna announced that it had increased its stake in Egypt-based Juhayna Food Industries to 15%.
- In May 2023, Baladna signed deals with two Indonesian companies to co-operate on dairy farming.
- In February 2023, France-based Bel Group signed a manufacturing agreement with Baladna over the production of The Laughing Cow cheese jars.

Financial Performance

- Baladna reported revenues of US\$ 270.7 million, up 27.5% y-o-y, in FY 2022 compared to US\$ 212.3 million in the previous year. The growth was mainly attributed to an increase in sales volumes due to market share gains across all major product categories.
- The company reported net profit of US\$ 22.1 million in FY 2022, compared to US\$ 36.8 million in FY 2021.

Current Price (US\$) 0.35

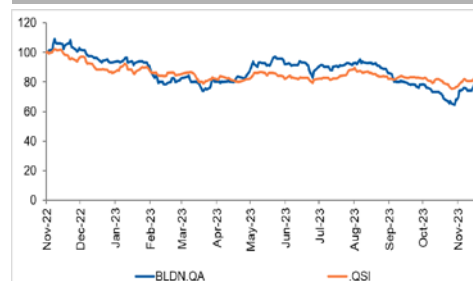
Price as on November 16, 2023

Stock Details	
Reuters ticker	BLDN.QA
52 week high/low	0.29 / 0.49
Market Cap (US\$ mn)	664.8
Enterprise value (US\$ mn)	1,175.7
Shares outstanding (mn)	1,901.0

Average Daily Turnover ('000)

	QAR	US\$
3M	10,595.3	2,910.4
6M	10,619.0	2,916.9

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	32.9	27.1
P/B (x)	1.2	1.0
EV/S (x)	5.5	4.3
Dividend yield (%)	0.9	3.5

Shareholding Structure

Ramez Mohammed Raslan Al Khayyat	13.7%
Mohamad Moataz Mohamad Raslan Al Khayat	13.6%
Others	72.7%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	212.3	270.7
Operating Income	46.9	39.0
Net Income	36.8	22.1
NI Margin (%)	17.3	8.2
ROAA (%)	3.6	1.9
ROAE (%)	5.9	3.6

Barakat Group (Privately Owned)

UAE

Company Description

Barakat Group (Barakat) was founded in 1976 and is a provider of fresh fruits and vegetables, fresh juices, cut fruits and vegetables, ice cream and ice pops, and specialty items. In addition, the company provides a wide range of hot kitchen items to five-star hotels, restaurants, stores, and large airline catering providers, among others. The company's infrastructure includes six cutting-edge facilities across the UAE and over 350 refrigerated vehicles with a monthly capacity of 6,000 tons of food. In addition, the Barakat group employs around 1,500 people. In 2018, the business established barakatfresh.ae - an online portal that provides consumers with home delivery of various fresh food products.

Business Segments/Services Portfolio

Barakat sells its products through its subsidiaries Barakat Vegetables and Fruits Co (BVFC), Barakat Quality Plus (BQP), and Mehtab and Pure Quality Foods Trading.

- **BVFC:** BVFC is Barakat's fresh produce trading division. The company provides fresh vegetables, fruits, and specialty items to hotels, restaurants, cafes, palaces, and airline catering companies in the region. Fresh vegetables include regular vegetables (asparagus, green chili, bitter melon, okra, etc.); leafy vegetables (spinach, cabbage, curry leaves, etc.); cress and herbs (basil, chervil, rosemary, sage, thyme, etc.); root vegetables (beetroot, carrot, ginger, horse radish, etc.); and squash and sprouts (bean sprout, zucchini, etc.). BVFC provides fresh fruits in a variety of categories, including conventional fruits (apples, avocado, etc.), citrus fruits (grapefruit, lemon, oranges, etc.), berries (red berries, strawberries, etc.), melons (honeydew, rock melon, watermelon, etc.), and exotic fruits (dragon fruits, passion fruit, lychee, etc.). Cresses (scarlet cress, melissa cress, shisho cress, etc.) edible flowers (violets, orchids, marigold, etc.) and exotic vegetables (purple cauliflower, agria potatoes, hyspi cabbage, etc.) are among the specialized items. BVFC has offices in Dubai and Abu Dhabi and imports fruits and vegetables from over 53 countries, including citrus fruits from South Africa, carrots from Australia, melons from Brazil, and kiwis from Italy. It also sources locally from UAE hydroponic crops.
- **BQP:** Established in 2001, BQP is Barakat's manufacturing division. BQP has two cutting-edge manufacturing and storage facilities in Dubai where it makes and distributes fresh juices, cut fruits and vegetables, fresh salads, and artisan ice creams and ice pops. In addition, BQP has a full commercial hot kitchen that creates a range of items such as soups, sauces, and hot meals. BQP offers single fruit juices (avocado, green apple, orange, etc.); special blend fruit juices (beetroot orange, mixed berries, etc.); healthy juices (green juice, coconut, etc.); smoothies (banana, date, matcha, etc.); juice shots (ginger, aloe vera, etc.); seasonal juices (Ramadan smoothie, tamarind, etc.); and frozen juices in various flavors. BQP sells a variety of ice cream and ice pops, including milk. Ice cream (vanilla, strawberry, cheesecake, etc.); sorbets (mango, lemon mint, cucumber, etc.); ice pops (orange, strawberry, etc.); frozen yoghurt, and soft serve. Soups (mushroom, carrot ginger, etc.); salads (Greek salad, green salad, etc.); and dips and sauces (beef Bolognese, herb dressing, Caesar dressing, etc.) are among the hot kitchen dishes.

Recent Developments/Future Plans

- NA

Foodco Holding PJSC (Publicly Listed)

UAE

Company Description

Established in 1979, Foodco Holding PJSC (Foodco), formerly known as Abu Dhabi National Foodstuff Co. PJSC, imports and distributes food and household supplies in the UAE through its subsidiaries. Other activities include packaging and repacking food goods, custom clearance, warehouse services, shipment services, and the development and management of real estate and commercial enterprises. In addition to operating Figaro's Pizza restaurants, the company also owns a department store.

Business Segments/Product Portfolio

The company's subsidiaries include:

- **Foodco LLC:** It offers a diverse range of FMCG products such as rice, sugar, edible oil, pasta, canned food, tuna, olives, as well as home aluminum foil and facial tissues. Food and non-food items are supplied to public and private organizations throughout the UAE as part of the company's trade activities. This group's primary brands are Pasta ZARA, Virginia, Gloden Gate, and Lajawab.
- **Foodco National Foodstuff PJSC:** This company, originally known as Sense Gourmet Food Co. PSC and founded in 2005, provides catering services through Abu Dhabi National Catering LLC and owns the Middle East franchise rights to Figaro Pizza restaurants and Caffe Verri in the UAE.
- **Oasis National Foodstuff Company LLC:** Founded in 1997, this subsidiary packages, re-packages, grinds, shrink-wraps, and tapping food products for private labels, hotels, restaurants, and the military. In addition, the company owns and operates a flourmill, which grinds, mixes, and packs a variety of spices.

Recent Developments/Future Plans

- In August 2023, Foodco collaborated with MGolden Group in Kuwait to expand its FMCG distribution capabilities across the region.

Financial Performance

- Foodco reported revenues of US\$ 13.6 million in FY 2022, up 27.4% y-o-y, compared to US\$ 10.7 million in FY 2021.
- The company reported losses of US\$ 5.1 million in FY 2022, compared to a loss of US\$ 5.7 million in FY 2021.

Current Price (US\$) 0.5

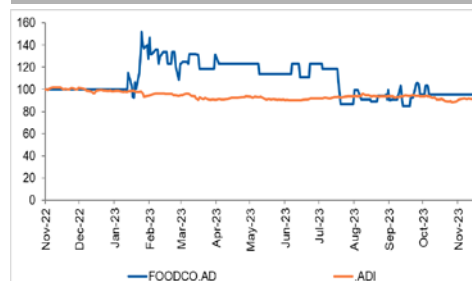
Price as on November 16, 2023

Stock Details	
Reuters ticker	FOODCO.AD
52 week high/low	0.7 / 1.5
Market Cap (US\$ mn)	131.9
Enterprise value (US\$ mn)	133.3
Shares outstanding (mn)	280.0

Average Daily Turnover ('000)

	AED	US\$
3M	86.4	23.5
6M	62.4	17.0

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	NA	18.0
P/B (x)	0.6	0.6
EV/S (x)	12.5	9.5
Dividend yield (%)	0.9	NA

Shareholding Structure

Hily Holding PJSC	97.8%
Others	2.2%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	10.7	13.6
Operating Income	(4.8)	(4.8)
Net Income	(5.7)	(5.1)
NI Margin (%)	(53.1)	(37.8)
ROAA (%)	(6.6)	(5.8)
ROAE (%)	(7.9)	(7.8)

Halwani Brothers Co. Ltd (Publicly Listed)

Saudi Arabia

Company Description

Established in 1950, Halwani Brothers Co. Ltd. (Halwani Bros) is a manufacturer and distributor of a wide range of food, wet wipes, and packaging materials. The items are made in 15 facilities in Saudi Arabia and Egypt and are exported to 32 countries across the globe under the brands Halwani Bros, Al Nakhla, Al Fallaha, and Mukhtarar, among others.

Business Segments/Product Portfolio

- **Halawa:** Under the Al Nakhla brand, the company sells a variety of halawa sweet items such as halawa with pistachio, and halawa chocolate, among others.
- **Maamoul:** Maamoul is one of Halwani Bros' most popular sweet products, available in a variety of sizes such as tiny maamoul, and finger maamoul, among others.
- **Meat:** Halwani Bros sell frozen chicken, beef and turkey of different varieties.
- **Jams:** It sells jams in a variety of flavors, including apricot, pineapple, strawberry, cherry, and orange.
- **Tahina:** Under the Al Nakha brand, the company sells tahina, a Middle Eastern condiment, in a variety of sizes.
- **Dairy:** It sells dairy goods such yoghurt under the Al Fallaha brand. The company also sells cream, labneh, and cheese.
- **Juice:** Under the Sahten brand, it sells juices such as orange, strawberry, and tamarind, among others.
- **Others:** It sells pickles and oils, ice cream, grains, spices, sugar, and tissues under the Mukhtarar brand, among other things.

Recent Developments/Future Plans

- In June 2022, Halwani Bros announced plans to invest \$53 million in Egypt to manufacture Albaik fast food goods.

Financial Performance

- Halwani Bros reported a decline of 6.1% in its revenues in FY 2022, reaching US\$ 273.2 million from US\$ 291.0 million in FY 2021.
- The company's net profit declined 96.5% in FY 2022, reaching US\$ 0.8 million from US\$ 22.5 million during the previous year.

Current Price (US\$) 12.5

Price as on November 16, 2023

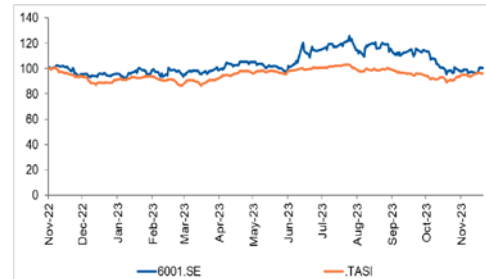
Stock Details

Reuters ticker	6001.SE
52 week high/low	10.7 / 19.6
Market Cap (US\$ mn)	442.7
Enterprise value (US\$ mn)	525.4
Shares outstanding (mn)	35.6

Average Daily Turnover ('000)

	SAR	US\$
3M	4,052.6	1,080.5
6M	8,303.3	2,213.9

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	11.9	12.5
P/B (x)	4.7	4.9
EV/S (x)	1.8	1.9
Dividend yield (%)	1.0	NA

Shareholding Structure

Aseer Arabian Indus. Invest. Ltd.	55.5%
Mohd Adul Hameed Halwani	7.0%
Others	37.5%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	291.0	273.2
Operating Income	33.1	12.5
Net Income	22.5	0.8
NI Margin (%)	7.7	0.3
ROAA (%)	8.6	0.3
ROAE (%)	15.3	0.6

Company Description

Established in 1975, IFFCO International Foodstuffs Co. LLC (IFFCO) has a diverse product portfolio that includes agricultural, food, beauty, oils and fats, chemicals, packaging, and logistics. The company's goods are divided into 20 categories, with agriculture, processed food, associated derivatives and intermediates such as bread pre-mixes and food components, oils and specialty fats for industrial and food service uses making up the food division. IFFCO also manufactures and supplies solvent and water-based polymers and packaging materials, as well as a variety of animal feed products for the regional livestock and poultry industries. IFFCO has 95 operations in 49 countries and represents over 80 brands. Brands such as London Dairy, Igloo, Tiffany, Noor, Rahma, Hayat, Allegro, Al Baker, and Allana have a global presence. The company serves a varied group of consumers throughout the Middle East, Africa, Europe, Western and South Asia, and the US through various channels. IFFCO is a subsidiary of the Allana Group, which is headquartered in India and operates in the FMCG sector.

Business Segments/Services Portfolio

- **Impulse Foods:** IFFCO offers a wide range of impulse foods under the labels London Dairy, Igloo, Quanta, Tiffany, Piccadeli, Tom, Nabil, including biscuits, wafers, nibbles, chocolates, confectioneries, cakes, and ice creams.
- **Agri Business:** The company sells animal nutrition goods such as poultry, dairy, cattle feed, fresh poultry, eggs, fruits, frozen foods, flour and baking components. Brands include Al Baker and Swarna (flour); Al Khazna and A'Rayaf (poultry); Pristine (baking solutions); Khaleej and Dana (eggs); Al Baker, Khaleej (frozen foods), Ian (animal nutrition), and Swarna (flour products).
- **Oils and Fats:** The company sells a wide variety of cooking oils and related products, including sunflower oil, olive oil, corn oil, and canola oil, vegetable ghee, pure ghee, creams, margarine, butter, specialty fats, olives, and vinegar. Among the brands are Noor, Rahma, Hayat, Alfa, Fern, Sunflow, and Golden Maize. IFFCO also makes and provides a diverse range of fats and oils for use in the food industry, animal feed, healthcare, cosmetics, and paint making. Additionally, the company sells ketchup and sauces, mayonnaise, dressings, seasonings, and creams (whipping and cooking creams) under the labels Noor, Tiffany, Hayat, Sunny, Pristine, Hulala, and Alfa.
- **Packaging:** Under the Empet, Emcap, and Emform trademarks, the company sells packaging and industrial products such as PET preform and closure, corrugated boxes, die and molds, PVC compound, and PVC waterstop masterbatches.
- **Sales & Distribution:** The activities of the corporation in this category are divided into two brands: IFFCO Out of Home and IFFCO Retail:
 - **IFFCO Out of Home (OOH):** IFFCO Out of Home evolved from IFFCO Food Services and is a company unit dedicated to the OOH industry. IFFCO Out of Home provides a comprehensive range of goods and services that enable enthusiastic and devoted food industry professionals to delight their customers.
 - **IFFCO Retail:** IFFCO Retail transports a variety of dry, temperature-controlled frozen foods. The company partnered with non-IFFCO companies to increase their distribution reach - from the most modern outlets to the smallest grocery stores.
 - **IFFCO Beauty:** Under the brand names Savannah, Guardex, Royal Leather, Eva, and IFFCO Ivy, the company manufactures a variety of soaps, liquid hand wash, shower gel, shampoo, scents, deodorants, and sanitizers.

Recent Developments/Future Plans

- NA

Kuwait Food Company (Privately Owned)

Kuwait

Company Description

Established in 1964, Kuwait Food Company (Americana) is a food service, manufacturing, and distribution company. The operations of the company are separated into two divisions: Americana Foodservice and Americana Food. With the debut of Wimpy in 1970, Americana pioneered the Quick Service Restaurant (QSR) concept, and it now has exclusive franchise rights to manage and operate over 2,227 restaurants of well-known worldwide brands in 12 markets across the MENA and Kazakhstan regions. Americana Food has a comprehensive food portfolio ranging from red meat to frozen vegetables to cakes and snacks.

Business Segments/Services Portfolio

- **Americana Foodservice:** This division includes 2,227 operational restaurants under the brands KFC, Hardee's, Pizza Hut, casual dining restaurants such as TGIF, Red Lobster, Olive Garden, and Longhorn, and growth segment restaurants such as Chicken Tikka, Costa Coffee, Krispy Kreme, Maestro, Fusion, Baskin Robbins, and Samadi.
- **Americana Food:** Food products manufactured and distributed by this division include red meat, chicken, canned beans, dairy, frozen vegetables, cold sandwiches, biscuits, cakes, chips, and snacks. It is the parent company of several brands, including Senyorita and its sub-brands Lion, Break, Windows, and ZeeGo; California Garden; Koki; and Al Mazraa. Furthermore, as a joint venture between Farm Frites Holland and Americana, the company manages the brand Farm Frites and International Corporation for Agricultural Production and Processing (ICAPP). ICAPP's goods include frozen fruits and vegetables, and the company owns and leases certified farms spanning 4,000 acres, as well as processing plants and cold storage facilities in the Middle East with an annual output capacity of 45,000 tonnes. Americana is the company's in-house brand, and it comprises of sub-brands such as Life, Al Sayyad, Pizzeria, Bakery, and Gourmet.

Recent Developments/Future Plans

- In January 2023, Americana Restaurants announced the inauguration of the first Peet's Coffee shop in Dubai Mall's Fashion Avenue.
- In October 2022, Americana Restaurants announced the addition of its Krispy Kreme franchise in Jordan. With this new opening, Americana Restaurants expanded its network of over 250 outlets spanning across the UAE, Saudi Arabia, Qatar, Bahrain, Kuwait, and Egypt.
- In August 2022, Americana Restaurants announced an exclusive master franchise agreement with Peet's Coffee, the US subsidiary of JDE Peet's. The arrangement will see Americana Restaurants introduce the Peet's brand in its GCC territories, giving both partners an opportunity to tap into the region's burgeoning coffee industry.

Mezzan Holding Co. KSCP (Publicly Listed)

Kuwait

Company Description

Established in 1945, Mezzan Holding Co. KSCP (Mezzan) is a vertically integrated conglomerate with two primary business lines: food and healthcare/consumer. The company operates in seven countries: Kuwait, Qatar, UAE, and Saudi Arabia in the GCC; Jordan and Iraq in the Middle East; and Afghanistan in Asia. Its consumer products business includes over 34,000 stock keeping units (SKUs) comprising of over 1,200 brands by its 34 subsidiaries.

Business Segments/Product Portfolio

- **Food (Manufacturing and Distribution):** Mezzan manufactures and distributes chips, snacks, meat, bottled water, dairy, and canned foods under trademarks such as Khazan, Kitco, Aqua Gulf, Dana, and Sara Cake. In addition, the company provides long-term retail and wholesale distribution services to over 100 worldwide brands in Kuwait, the UAE, and other countries. In FY 2022, this division accounted for approximately 51.8% of the company's total revenues.
- **Catering:** In Kuwait, Qatar, and the UAE, the company provides contract-based catering services to corporations, hotels, industrial sites, airlines, healthcare facilities, and ministries. Every day, the company serves over 100,000 meals. During FY 2022, this division accounted for approximately 11.7% of the company's total revenues.
- **Services:** Mezzan provides food supply services to non-governmental organizations (NGOs), relief organizations, governments, US government prime suppliers, and others. During FY 2022, this division accounted for approximately 5.1% of the company's total revenue.

Recent Developments/Future Plans

- NA

Financial Performance

- Mezzan Holding's revenues increased 4.1% y-o-y to US\$ 831.7 million in FY 2022 from US\$ 799.0 million in FY 2021.
- The company witnessed a net loss of US\$ 5.5 million in FY 2022, largely impacted by increased costs due to global inflation.

Current Price (US\$) 1.7

Price as on November 16, 2023

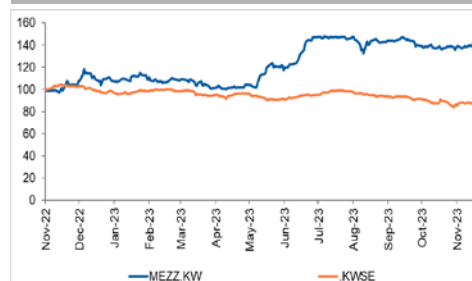
Stock Details

Reuters ticker	MEZZ.KW
52 week high/low	1.2 / 1.8
Market Cap (US\$ mn)	524.6
Enterprise value (US\$ mn)	737.2
Shares outstanding (mn)	310.2

Average Daily Turnover ('000)

	KWD	US\$
3M	322.7	1,047.3
6M	346.5	1,124.6

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	9.6	12.6
P/B (x)	1.1	1.5
EV/S (x)	0.9	0.9
Dividend yield (%)	3.3	4.2

Shareholding Structure

Al Wazzan Capital	34.2%
Jadeite Group RE Co. & Allied Parties	21.6%
Others	44.2%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	799.0	831.7
Operating Income	36.4	5.0
Net Income	31.1	(-5.5)
NI Margin (%)	3.9	(0.7)
ROAA (%)	3.7	(0.6)
ROAE (%)	8.1	(1.5)

National Agriculture Development Company (Publicly Listed) Saudi Arabia

Company Description

Established in 1981, the National Agriculture Development Company (NADEC) is engaged in providing a wide range of products and services including dairy, packaged juices, agricultural and livestock production, land reclamation, as well as marketing and distribution. The company has established a significant presence in Saudi Arabia, with its products available in over 40,000 stores and a fleet comprising more than 2,300 transport vehicles. Furthermore, it has extended its reach to encompass essential markets in the MENA and LEVANT regions, as well as the GCC.

Business Segments/Product Portfolio

- NADEC Food:** The company offers more than 100 products across food categories such as dairy, juices and other food items. Within the dairy category, NADEC offers variety of products including fresh milk, flavored milk, laban, yogurt, labneh, cream, cheese, butter, and more. Its product line extends to a diverse selection of fruit juices, as well as delectable food items such as olive oil, croissants, and flavored desserts. The company operates with daily production capacity of 1.4 million liters, encompassing both milk and juices combined. Furthermore, NADEC has established a prominent presence within the organic olive oil industry. As of 2022, the company has seen a notable uptick in its market share within the retail olive oil sector. This achievement can be attributed to the successful implementation of NADEC's new production facility, which has substantially bolstered its production capacity, nearly doubling it compared to the previous year.
- NADEC Agriculture:** The agricultural sector encompasses the cultivation of a wide variety of vegetables, fruits, crops, and fodder. Within this domain, the company is involved in the cultivation of fruits such as peaches, apricots, and plums, as well as vegetables like potatoes, onions, and tomatoes. These agricultural activities span across thousands of acres of land located in four distinct regions of Saudi Arabia: Haradh, Wadi Al-Dawasser, Hail, and Al Jouf.

Recent Developments/Future Plans

- In July 2023, NADEC signed a deal with Yadoum to produce fertilizer from biowaste.
- In June 2023, NADEC signed an agreement with Brazil-based Minerva Foods to enter into the red meat market.
- In September 2022, NADEC signed a non-binding MoU with Leha Agriculture to produce potato seeds in Saudi Arabia.

Financial Performance

- NADEC's revenues increased 18.6% y-o-y to reach US\$ 718.6 million in FY 2022 from US\$ 606.0 million in the previous year.
- The company's net profit stood at US\$ 25.5 million in FY 2022, recovering from a loss of US\$ 76.0 million in FY 2021.

Current Price (US\$) 5.6

Price as on November 16, 2023

Stock Details	
Reuters ticker	6010.SE
52 week high/low	5.2 / 13.9
Market Cap (US\$ mn)	1,680.2
Enterprise value (US\$ mn)	2,013.6
Shares outstanding (mn)	101.6

Average Daily Turnover ('000)

	SAR	US\$
3M	11,883.0	3,168.3
6M	17,587.1	4,689.1

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	19.9	21.9
P/B (x)	1.4	1.5
EV/S (x)	3.3	2.8
Dividend yield (%)	NA	NA

Shareholding Structure

Saudi Agri & Livestock Invest. Co.	32.5%
Saleh Hassan Abdullah Al Afaleq	1.2%
Others	66.3%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	606.0	718.6
Operating Income	(17.3)	43.8
Net Income	(76.0)	25.5
NI Margin (%)	(12.5)	3.5
ROAA (%)	(7.3)	2.5
ROAE (%)	(21.3)	7.7

Company Description

Established in 1971, National Food Products Co. (NFPC) is a food and beverage company headquartered in Dubai, UAE. It initially started its journey by manufacturing plastic packaging items, with a notable focus on cups. Over time, NFPC diversified its operations into producing and distributing an extensive range of dairy products, juices, mineral and sparkling water. NFPC boasts a diverse portfolio of well-known brands, including Oasis, Lacnor, Blu, Laban Up, Gulf & Safa, Melco, Milco, Royal Bakers, and Aqua Fresh. These products are distributed in more than 40 countries across the Middle East, Africa, and Asia, with a strong presence in the GCC and Levant markets. NFPC holds a dominant position in the UAE and Oman with over 5,000 employees, 9 manufacturing plants, direct sales and distribution centers across these two markets, which plays a key role in its export business to rest of the world.

Business Segments/Services Portfolio

- **Brands:** The company houses numerous brands, with notable ones including:
 - **Oasis:** Established in 1984, Oasis is engaged in the production and distribution of packaged drinking water across eight countries, in addition to the UAE. Oasis offers a diverse range of water sizes, ranging from 100 ml cups to five-gallon containers. Under its sub-brand, Blu, the company provides sparkling water in various sizes and flavors. Oasis also offers a range of accessories for sale, including plastic dispensers, electric dispensers, cup holders, bottle racks, plastic and paper cups, as well as tissue papers.
 - **Lacnor:** Established in 1978, Lacnor was acquired by NFPC in the UAE in 1981. The company sells a wide range of fruit juices, milk, and flavored milk, which are distributed in more than 30 countries across the globe.
 - **Gulf & Safa:** Founded in 1978, Gulf and Safa Dairies Co. provides an extensive selection of dairy products and juices crafted from fresh milk in the GCC region. Their product line includes yogurt, flavored milk, milkshakes, labneh, laban, fresh cream, halloumi cheese, sour cream, and double cream. These offerings are marketed under sub-brands like Safa, Freshco, and Just Juicy.
 - **Melco:** Established in 1982, Melco offers a diverse range of juice products of various sizes and flavors such as mango, orange, litchi, and fruit cocktail.
 - **Milco:** Founded in 1971, Milco offers dairy products such as yoghurt, labneh and milk.
 - **Royal Bakers:** Established in 2011, Royal Bakers products include sliced breads, Arabic breads, buns, rolls as well flavored croissants and cakes among others.
 - **Aqua Fresh:** Launched in 2001, Aqua Fresh is a drinking water company that offers packaged water in different sizes.
- **Industrium Group:** Established in 1977 in Abu Dhabi, Industrium is a subsidiary of NFPC and specializes in offering plastic packaging solutions for milk and dairy products. Additionally, the company is actively engaged in the fields of transportation packaging, composite materials, environmentally friendly solutions, general maintenance, as well as tools and engineering services. Industrium has successfully integrated and unified its various brands, including MPC (Milco Plastic Co.), Solid Green, and several others.
- **Arla:** Arla NFPC, founded in 1976, is a JV between NFPC and Arla Foods AMBA, a Danish company. It operates in the UAE and Oman and specializes in the production and distribution of various dairy products, such as milk, cream, cheese, yogurt, spreads, butter, and milk powder. Among the most popular products offered by Arla in the region are Lurpak, Three Cows, and Puck.

Recent Developments/Future Plans

- In January 2023, NFPC achieved digitalization and all-round process integration for its sustainable smart factory.

Oman Foodstuff Factory Ltd (Privately Owned)

Oman

Company Description

Established in 1989, Oman Foodstuff Factory LLC (OFF) is a Muscat-based food production company. The company's primary product line comprises of chips, snacks, tomato paste, and milk powder marketed under brands such as Al Mudhish, Ami's, and Surror. OFF also caters to private label manufacturing for clients across the globe. Moreover, OFF boasts its very own can-making facility, Muscat Cans, enabling the production of top-quality cans in various sizes. OFF distributes its products both domestically and regionally, with a presence in African markets as well. In the UAE, OFF operates through two entities: Ami's Food Industries, which specializes in producing Indian snacks, and Oman Foodstuff Trading Company, responsible for handling OFF's product trade. OFF has registered offices in Saudi Arabia and Kuwait to facilitate distribution. In Qatar and Bahrain, the company's products are distributed through a third-party distributor. Additionally, the company boasts of Oman's first fully integrated food processing plant which is accredited with Food Safety Management Systems ISO:22000 2005.

Business Segments/Services Portfolio

- **Chips:** The company's chip factory, situated in the Rusayl Industrial Estate of Oman, is equipped with cutting-edge technology and machinery, which not only streamlines the production process but also guarantees that packaging and storage meet international standards. The tortilla chips manufactured are branded under its flagship Al Mudhish brand and come in four different sizes: 20 grams, 40 grams, 100 grams, and 200 grams.
- **Milk:** OFF markets its milk powder through its Al Mudhish and Ami's brands. It produces a diverse range of packaging sizes and weights, catering to consumers in Oman, UAE, Saudi Arabia, Kuwait, Bahrain, Qatar, and even international markets, including African countries. Within this facility, the milk powder is sealed in aluminum pouches and enriched with nitrogen to extend its shelf life and preserve its freshness. Oman Milk Products (Dairy) Co., a subsidiary of OFF, and based in Salalah Free Zone, specializes in the production of evaporated milk and UHT flavored milk, marketed under the brand Al Mudhish
- **Tomato Paste:** Tomato paste production is done at the company's Rusayl and Raysut facilities. The company sources fresh and natural tomato paste from trusted suppliers and utilizes cutting-edge technologies for processing, packaging, and storage. Products within this category are promoted under the Al Mudhish and Ami's brand names.
- **Cans:** Muscat Cans Co. attends to the packaging requirements of notable brands such as Al Mudhish and Ami's, alongside various private labels. Furthermore, it extends its services to encompass a wide spectrum of rigid and flexible packaging solutions for the food packaging industry.
- **Manar Food Industries:** Established in 2000, Manar has a portfolio of more than 40 snack variants that are distributed by the company all over Oman while also extending its reach to five additional countries. Manar's shelf of snacks comprises of brands such as Suroor, Yum Yum, Zaaky, Kamel.
- **Ami's Food Industries FZCO:** Established in 2002 within the Jebel Ali Free Zone in Dubai (UAE), it specializes in the production of Indian snacks and ready-to-eat products. Ami's Food Industries has achieved a certification for Hazard Analysis and Critical Control Points (HACCP).

Recent Developments/Future Plans

NA

Saudi Dairy & Foodstuff Company (Publicly Listed)

Saudi Arabia

Company Description

Established in 1976, Saudia Dairy & Foodstuff Company (SADAFCO) manufactures and sells dairy products, beverages, and a variety of foods in Saudi Arabia, Poland, and other Gulf and Arab nations. SADAFCO has three manufacturing plants in Jeddah and Dammam, three distribution hubs in Jeddah, Riyadh, and Damman, and a network of 20 depots throughout Saudi Arabia, Qatar, Bahrain, Kuwait, and Jordan. The company sells approximately 170 Stock Keeping Units (SKUs), with its key items marketed under the Saudia brand. Crispy, Baboo, Majestique, Sensations, More, and UFO are among the other trademark brands in the company's portfolio. Al Qurain Petrochemicals Industries Company owns SADAFCO.

Business Segments/Product Portfolio

- **Milk:** Under the Saudia brand, SADAFCO produces a variety of milk products such as whole milk, reduced fat, skimmed milk, gold milk, evaporated milk, ready-to-drink milk, and flavored milk. In FY 2022-23, this division accounted for approximately 65% of SADAFCO's revenues.
- **Powdered Milk:** SADAFCO sells instant milk powder in a variety of sizes under the Saudia brand. In FY 2022-23, this division accounted for approximately 5% of SADAFCO's revenues.
- **Cheese:** Saudia branded cheese comes in many varieties, including feta cheese, cream cheese, and cheese triangles. In FY 2022-23, this division accounted for approximately 2% of SADAFCO's revenues.
- **Ice cream:** This segment, which accounted for approximately 14% of SADAFCO's FY 2022-23 revenues, sells Saudia-branded ice cream in a range of flavors including chocolate, mango, blackberry, strawberry, and others.
- **Tomato Paste:** Under the Saudia brand, the company sells tomato pastes and ketchups.
- **Others:** Under this segment, the company sells laban, soy drink, oat drink, cream, snacks, French fries, butter, and Arabic coffee. Under the Majestique brand, the company also sells flavored sparkling water.

Recent Developments/Future Plans

- In May 2022, SADAFCO announced the launch of Saudia Oat Milk, the Kingdom's first locally produced oat milk.
- In August 2021, SADAFCO announced the opening of a new ice cream factory in Modon Industrial Citv No. 1. Jeddah.

Financial Performance

- In FY 2023, SADAFCO's revenue reached US\$ 706.2 million, up 22.0% y-o-y. Of the total sales, 82.9% was contributed by sales in Saudi Arabia, amounting to US\$ 585.1 million.
- The company's net profit increased 48.5% y-o-y to reach US\$ 82.8 million in FY 2023.

Current Price (US\$) 77.6

Price as on November 16, 2023

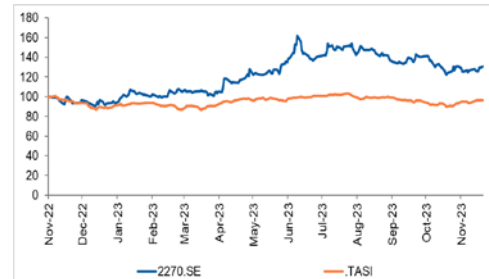
Stock Details

Reuters ticker	2270.SE
52 week high/low	53.8 / 100.8
Market Cap (US\$ mn)	2,520.3
Enterprise value (US\$ mn)	2,323.0
Shares outstanding (mn)	32.0

Average Daily Turnover ('000)

	SAR	US\$
3M	12,971.8	3,458.6
6M	15,475.2	4,126.0

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	17.0	23.7
P/B (x)	3.8	5.3
EV/S (x)	4.0	3.3
Dividend yield (%)	4.3	2.6

Shareholding Structure

Kuwait Projects Holding	40.1%
Al Sameh Trading Co. Ltd.	11.7%
Others	48.2%
Total	100.0%

Financial Performance

US\$ Million	FY 2022	FY 2023
Revenue	578.8	706.2
Operating Income	63.0	98.9
Net Income	55.8	82.8
NI Margin (%)	9.6	11.7
ROAA (%)	9.3	13.0
ROAE (%)	13.4	19.2

Savola Group Co. SJSC (Publicly Listed)

Saudi Arabia

Company Description

Established in 1979, Savola Group Co. SJSC (Savola) is an investment holding group that is actively engaged in the food and retail sectors across the MENA region. The company manages grocery store chains within the Kingdom and manufactures a wide range of household products, including edible oils, sugar, pasta, bakery items, frozen foods, and agricultural products, which are distributed in over 50 countries globally. Savola's primary manufacturing hubs are located in Saudi Arabia, Egypt, Algeria, Sudan, the UAE, and various other countries. Within the Kingdom, Savola Retail operates 569 stores, consisting of 187 stores under its subsidiary, Panda Retail Co., and 387 stores under Herfy Food Services. Savola also maintains significant strategic investments in two renowned GCC-based food companies, Almarai Co. (34.5% ownership) and Al Kabeer Co. (51% ownership), in addition to its investments in real estate firms.

Business Segments/Product Portfolio

- **Food:** Savola's main subsidiary, Savola Foods, which accounted for 30.2% of the company's total revenues in FY 2022, offers a wide range of products that are produced in more than six countries and exported to over 50 markets under brands such as Afia, Yudum, Zaaki, Shams, Rawaby, among others.
- **Retail:** Savola's retail division contributed 35% of the company's overall revenue in FY 2022. It owns and manages a chain of modern retail stores, serving more than 90 million customers annually in Saudi Arabia and Egypt. Five Panda Retail outlets situated in Egypt operate in both hypermarket and supermarket formats. Additionally, Savola's Quick Service Restaurant (QSR) sector is spearheaded by Herfy.

Recent Developments/Future Plans

- In August 2022, Savola announced plans to invest over US\$ 52 million to develop an Egyptian bakery unit.
- In June 2022, Savola acquired Egybelg amid plans to invest EGP 1.7 billion (US\$ 91 million) in Egypt over the next two years.
- In January 2022, Savola signed a MoU with Malaysia's Ministry of Plantation Industries and Commodities to further enhance Malaysia's palm oil exports in the region.

Financial Performance

- Savola's revenues increased 13.7% y-o-y in FY 2022 to reach US\$ 7,482.2 million from US\$ 6,579.3 million in FY 2021, led by growth in B2B volumes, expansion into new categories and the implementation of effective pricing strategies
- The company's net profit witnessed a growth of 118.3% y-o-y to US\$ 230.7 million in FY 2022 from US\$ 105.6 million during the previous year, largely due to the performance of the Foods Processing segment and share of profit from associates.

Current Price (US\$) 9.8

Price as on November 16, 2023

Stock Details	
Reuters ticker	2050.SE
52 week high/low	6.9 / 11.6
Market Cap (US\$ mn)	5,230.0
Enterprise value (US\$ mn)	7,979.7
Shares outstanding (mn)	531.8

Average Daily Turnover ('000)		
	SAR	US\$
3M	25,968.9	6,923.9
6M	30,431.2	8,113.7

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	18.5	25.6
P/B (x)	1.7	2.4
EV/S (x)	1.2	1.1
Dividend yield (%)	1.2	0.7

Shareholding Structure

Assila Investments Co.	11.2%
Abdulkader Al Muhaidib & Sons	8.2%
Others	80.6%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	6,579.3	7,482.2
Operating Income	271.0	453.8
Net Income	105.6	230.7
NI Margin (%)	1.6	3.1
ROAA (%)	1.4	3.0
ROAE (%)	4.3	9.4

Company Description

Established in 1932, M. A. Sharbatly Co. Ltd. (Sharbatly), specializes in the production, importation, and distribution of fresh produce. The company boasts an extensive presence with over 13 branches spread across distribution centres in Saudi Arabia, Bahrain, UAE and Egypt. Sharbatly is also the proprietor and distributor of the renowned Montana mineral water brand. Furthermore, the company operates Sharbatly Club, a produce delivery and pickup service exclusively operating in Jeddah (Saudi Arabia). Sharbatly is widely recognized for its premium-quality fruits under its brand name, with its products sourced from various countries such as Australia, Ecuador, Italy, France, Thailand, Canada, the US, and Brazil. All the company's facilities are certified by the ISO22000 and HACCP certifications. It has over 8 subsidiaries including, Arabian Transportation Co. Ltd, Agrisouth Estates, VATCO Various Talent Co., ARATCO Arabian Agriculture Co., Agrisouth Orchard, MASCO Mohammed Abdallah Sharbatly Fruit Co. LLC, MASCO Mohammed Abdallah Sharbatly Co. WLL, and MASCO Mohammed Abdallah Sharbatly Co. Ltd.

Business Segments/Services Portfolio

The company's products are categorized into two main categories:

▪ **Fruits:**

- **Citrus:** This includes valencia orange, navel orange, tangerine, lemon, lime, pomelo, and grapefruit.
- **Stone fruit:** This includes cherry, plum, peach, nectarine, flat peach, apricot, and mango.
- **Pears:** This category includes forelle, coscia, vermont beauty, rosemarie, anju, ercolini, and nashi varieties.
- **Tropical Fruit:** This includes fruits such as pineapple, papaya, mangosteen, rambutan, lychee, cherimoya, dragon fruit, and young coconut.
- **Berries:** This includes raspberry, blackberry, blueberry, red currant, strawberry, and cranberry.
- **Grapes:** Under this category different variety of grapes includes red globe, crimson, white, cotton candy, and black.
- **Apples:** This category includes different variety of apples such as pink lady, fuji, gala, golden, granny smith, red delicious, kanzi, and quince.
- **Bananas:** Varieties offered include cavendish, baby banana, and plantain.
- **Other Fruits:** Persimmon, kiwi, passion fruit, dates, fig, pomegranate, avocado, guava, and chestnut.

▪ **Vegetables:**

- **Inflorescences:** This category includes vegetables such as broccoli, cauliflower, red cabbage, green cabbage, brussel sprout and tenderstem broccoli.
- **Mushrooms:** This category includes different variety of mushrooms such as white button, chestnut, portobello, oyster, shitake, and shimeji.
- **Tomatoes:** This category includes different variety of tomatoes such as round, on vine, plum, cherry, cherry-plum, yellow, and green.
- **Bulbs:** Includes garlic, red onion, golden onion, white onion, spring onion and shallot.
- **Tubers:** Includes potato, sweet potato, yam, baby potato, purple potato, and beetroot.
- **Green leafy:** Includes iceberg lettuce, rocket, romaine, kale, lollo, frisee, and celery.
- **Others:** Includes carrot, raddish, ginger, capsicum, and asparagus.

Recent Developments/Future Plans

NA

Company Description

Established in 1980, Sunbulah Group (Sunbulah) is engaged in food manufacturing, processing, and distribution. The company boasts a diversified portfolio that encompasses trademark creation, catering services, logistics, retail, and pioneering projects. Sunbulah has established a strong presence across different food categories, offering more than 250 products, including frozen pastry and vegetables, frozen processed meat, premium cheese, and natural honey, among others. Currently, its leading brands, Sunbulah, Alshifa, Sary, and Walima, are present in 35 countries. Furthermore, Sunbulah has established its presence through three expansive industrial complexes in Jeddah, in addition to owning 12 units and several factories in Egypt.

Business Segments/Services Portfolio

- **Frozen Bakeries:** The company specializes in this segment, which offers different varieties of French baguettes and Vienna bread, rolls, ciabatta and panini, rustic bread and rolls, loaf, frozen cakes, donuts, and frozen croissant under the Sunbulah brand.
- **Frozen Pastry:** Offers several varieties of puff pastry dough of different sizes and flavours, samosa dough, konafa dough, spring roll dough, and baklava filo among others under the Sunbulah brand.
- **Frozen Cake:** Offers a wide range of frozen ready to defrost and serve cakes of different flavours such as vanilla, chocolate, banana, dates and orange marketed under the Sunbulah brand.
- **Frozen Fruits and Vegetables:** Offers a range of frozen fruits such as strawberry, mango, guava, etc. and frozen vegetables like green peas, mixed vegetable, sweet corn, molokhia, okra, and many more under Walima and Sunbulah brands.
- **Frozen Potato:** It includes Sunbulah and Walima brand finger foods such as French fries, potato wedges, etc.
- **Frozen Seafood:** It includes Sunbulah and Walima brand fish finger, breaded shrimp, and white fish fillet.
- **Frozen Meat and Poultry:** The company offers a variety of frozen chicken products, including breaded and unbreaded burgers, nuggets, chicken popcorn, chicken balls, fillets, franks, and more, under the Sunbulah and Walima brands. In the frozen beef and lamb category, the company provides beef and lamb burgers, meatballs, and kebabs under the Sunbulah brand.
- **Frozen Convenience:** Products include Sunbulah brand pizzas, spring rolls, pie, croquettes, and sambusak among others.
- **Frozen Chilled and Cheese:** It includes different varieties of mozzarella, cheddar, halloumi, labneh, and feta cheese marketed under the Sunbulah and Walima brands.
- **Honey and Jam:** Sunbulah offers natural honey and jam products under two brands namely Al Shifa and Sary.
 - **Al Shifa:** It is the company's flagship brand that offers premium quality natural honey sourced from flowers in South America, Australia, and Northern Europe.
 - **Sary:** It offers natural honey and jam products at comparatively modest prices for retail consumers as well as the food service sector.

Recent Developments/Future Plans

- In September 2022, Sunbulah announced the launch of a new honey product in partnership with Saudi Arabia's Al Baha Beekeepers Association. The product was launched under its popular Alshifa brand - Alshifa Saudi Talh honey.

Trafco Group B.S.C (Publicly Listed)

Bahrain

Company Description

Established in 1977, Trafco Group (TRAFKO) specializes in the trading and distribution of a diverse range of FMCG. The company boasts a comprehensive range of products, including canned goods, frozen foods, dry food items, non-food products, eggs, fresh fruits, vegetables, and frozen meats, which are sourced from a variety of countries. The company, together with its subsidiaries, operates within six distinct business segments: Wholesale, Retail, Investments, Dairy Products & Beverages, Fruits & Vegetables, and Storage & Logistics. TRAFKO holds international certifications such as ISO 22000:2018 and HACCP.

Business Segments/Product Portfolio

Company	Type	Country	Ownership
Bahrain Water Bottling & Beverage Co.	Subsidiary	Bahrain	100.0%
Bahrain Fresh Fruits Co.	Subsidiary	Bahrain	100.0%
Trafco Logistics Co.	Subsidiary	Bahrain	100.0%
Bahrain Livestock Co.	Subsidiary	Bahrain	100.0%
Awal Dairy Co.	Subsidiary	Bahrain	51.0%
Kuwait Bahrain Dairy Co.	Subsidiary	Kuwait	50.0%
Qatari Bahraini Food Trading Co.	Associate	Qatar	50.0%

Recent Developments/Future Plans

- In July 2022, TRAFKO completed the acquisition of remaining 63.7% stake in Bahrain Livestock Co. from Delmon Poultry Co. and Bahrain Mumtalakat Holding Co.

Financial Performance

- TRAFKO's revenues increased 19.2% y-o-y to reach US\$ 113.2 million in FY 2022 from US\$ 95.0 million in FY 2021 driven by positive impact on the volume of demand for food and consumer products in the catering and hotels sector.
- The company's net profit grew 5.0% y-o-y in FY 2022 to US\$ 5.6 million from US\$ 5.1 million during the previous year, largely supported by local demand.

Current Price (US\$) **0.72**

Price as on November 16, 2023

Stock Details	
Reuters ticker	GTFP.BH
52 week high/low	0.67 / 0.80
Market Cap (US\$ mn)	53.3
Enterprise value (US\$ mn)	47.7
Shares outstanding (mn)	74.2

Average Daily Turnover ('000)

	BHD	US\$
3M	13.9	37.1
6M	11.8	31.2

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	12.0	11.6
P/B (x)	0.7	0.7
EV/S (x)	0.5	0.4
Dividend yield (%)	6.2	5.3

Shareholding Structure

Abdulhameed Zainal	10.5%
Banz Group	8.2%
Others	81.3%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	95.0	113.2
Operating Income	4.1	4.4
Net Income	5.3	5.6
NI Margin (%)	5.6	4.9
ROAA (%)	4.3	4.2
ROAE (%)	6.3	6.4

United Food Company (Publicly Listed)

UAE

Company Description

Established in 1976, United Foods Co. PSC manufactures, processes, and markets vegetable ghee, cooking oil, margarine, butter products, and fat. The company is also involved in trading of other food items such as beverages, confectionary, frozen and chilled food across the GCC and beyond, with majority of its customers coming from the UAE. The company's portfolio consists of the following brands - Aseel, Nawar, Safi, Mumtaz, Della Terra, and Super Sun. It is an ISO 22000 and HACCP certified company that follows the standards required for distribution in the GCC, Europe, Canada, US, Australia, and Japan.

Business Segments/Product Portfolio

- **Oil & Fats:** United Foods Company manufactures a wide range of oils and fats free of hydrogenation and trans fatty acids. Its products are cholesterol-free and vitamin-enriched and are exported to over 60 countries worldwide, maintaining their position as a major player in the fats and edible oils industry.
- **Frozen & Chilled:** It offers some of the most well-known ice cream and frozen food brands, including Oreo, Toblerone, Cadbury, and Della Terra, among others. The company is the sole and exclusive distributor of Alfa in the UAE. Selections include Kihl (greek Filo spiral pies), Bougatsa (the traditional Greek pies), Kassiata (Zagori-style pies), and Metsovo Pies (traditional country pies). It also offers frozen panners under the brand Mumtaz Paneer.
- **Water & Beverages:** The company has bought Jeema Water from its portfolio of well-known consumer brands. The water is naturally sourced from the springs of Hatta, which are abstracted from the layers of mineral rocks enriched with calcium and magnesium, which gives it an unforgettable, unique, delicate taste.

Recent Developments/Future Plans

- NA

Financial Performance

- The company's revenues increased 25.6% y-o-y to reach US\$ 182.5 million in FY 2022 from US\$ 145.3 million in the previous year.
- The company's net profit increased to US\$ 4.7 million in FY 2022 from US\$ 2.4 million during the previous year.

Current Price (US\$) 3.0

Price as on November 16, 2023

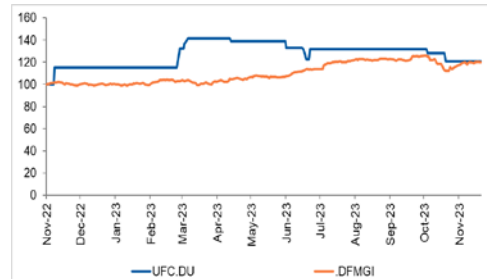
Stock Details

Reuters ticker	UFC.DU
52 week high/low	3.0 / 3.5
Market Cap (US\$ mn)	89.8
Enterprise value (US\$ mn)	71.0
Shares outstanding (mn)	30.3

Average Daily Turnover ('000)

	AED	US\$
3M	0.4	0.1
6M	9.1	2.5

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	27.3	28.7
P/B (x)	0.9	1.0
EV/S (x)	0.5	0.4
Dividend yield (%)	5.7	2.0

Shareholding Structure

Heirs of Humaid Ali Abdulla Alowais	13.8%
Mohammad and Obaid Al Mulla Private Ltd.	9.3%
Others	76.9%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	145.3	182.5
Operating Income	2.2	4.5
Net Income	2.4	4.7
NI Margin (%)	5.8	2.4
ROAA (%)	2.6	0.8
ROAE (%)	3.6	1.1

Wafrah for Industry and Development (Publicly Listed)

Saudi Arabia

Company Description

Established in 1989, Wafrah for Industry and Development (WID) owns and runs four contemporary and technologically advanced facilities that create a wide range of high-quality food products to meet the needs of Saudi and international consumers. Variety of pastas, frozen, chilled, and cooked meats, frozen French fries, peanuts, and morning cereals are among the various food items offered by WID.

Business Segments/Product Portfolio

- **Breakfast Cereals Products:** The company sells spices, salted peanuts, corn flakes, and peanut goods under this category.
- **Meat:** Under this category, the company sells meat products such as mortadella, minced chicken, chicken franks, and cooked meat.
- **Pasta:** Caprini Macaroni, Saudi Garden Macroni, and Wafrah Macaroni are the brands under which the company sells pasta.
- **Vegetable:** Under this category company offers French fries.

Recent Developments/Future Plans

- In November 2022, WID and Italy-based Pavan/GEA Company struck a deal to deliver pasta lines for the manufacturing of long-cut pasta and nested Nidi pasta as part of WID's aim to improve and automate its production lines in its various plants.
- In August 2022, WID signed an agreement with Saudi Arabia-based Tabuk Agricultural Development Company to purchase the latter's industrial potato product.

Financial Performance

- In FY 2022, WID's revenues reported growth of 107.9% y-o-y to reach US\$ 36.0 million from US\$ 17.3 million in the previous year.
- The company's net profit reached US\$ 5.1 million in FY 2022 from a net loss of US\$ 2.9 million during the previous year.

Current Price (US\$) 10.2

Price as on November 16, 2023

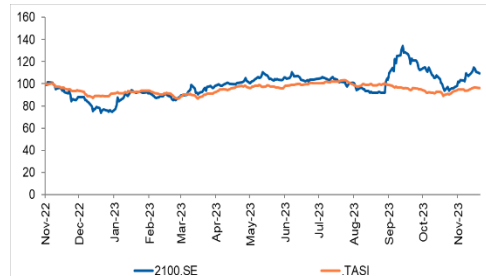
Stock Details

Reuters ticker	2100.SE
52 week high/low	6.7 / 12.5
Market Cap (US\$ mn)	236.2
Enterprise value (US\$ mn)	221.9
Shares outstanding (mn)	23.2

Average Daily Turnover ('000)

	SAR	US\$
3M	30,332.2	8,087.3
6M	21,899.2	5,838.8

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	42.8	62.7
P/B (x)	2.5	3.7
EV/S (x)	12.8	6.2
Dividend yield (%)	NA	NA

Shareholding Structure

Meraas Al Sharqiah Investment	22.5%
Saad Salib Mutlaq Al Otaibi	4.7%
Others	72.8%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	17.3	36.0
Operating Income	(3.2)	5.2
Net Income	(2.9)	5.1
NI Margin (%)	(16.8)	14.1
ROAA (%)	(7.2)	8.4
ROAE (%)	(19.0)	13.8

Widam Food Company (Publicly Listed)

Qatar

Company Description

Established in 2003, Widam Food Co. (Widam) is a Qatari livestock and frozen meat supplier. The company's operations include the import and export of meat, cattle, and feeds, as well as the management and operation of slaughterhouses and butcheries in Qatar, including the Al Sheehaniya and Al Wakra automated slaughterhouses. The company is the sole importer of subsidized Australian sheep and sheep meat. In Qatar, Widam works with approximately 200 corporate customers, including Ansar Group, Compass Group, Diet Delights, Diet House, the Diplomatic Club, Ezdan Hotel, La Cigale, Newrest, Rawabi, Regency Hotel Management and Sodexo.

Business Segments/Product Portfolio

- **Livestock and Meat Products:** Widam's products include locally slaughtered lamb from Australia, Syria, Sudan, and India; locally slaughtered beef from Sudan; frozen and chilled beef from Australia and Somalia; and premium cuts from Brazil, Austria, and Somalia.

Recent Developments/Future Plans

- In October 2022, Widam announced the formation of Widam Tanzania Company in Tanzania, which specializes in selling and exporting meat to Qatari market and the wider MENA region.
- In January 2022, Widam was awarded ISO certification in three areas: quality management (ISO-90001), food safety management (ISO-22000), and hazard analysis and critical control point (HACCP).

Financial Performance

- Widam's revenues increased 15.0% y-o-y to reach US\$ 132.9 million in FY 2022 from US\$ 115.6 million in the previous year.
- The company witnessed a net loss of US\$ 16.9 million in FY 2022, an improvement from US\$ 18.2 million net loss during the previous year.

Current Price (US\$) 0.6

Price as on November 16, 2023

Stock Details

Reuters ticker	WDAM.QA
52 week high/low	0.3 / 0.9
Market Cap (US\$ mn)	114.9
Enterprise value (US\$ mn)	178.5
Shares outstanding (mn)	180.0

Average Daily Turnover ('000)

	QAR	US\$
3M	7,587.3	2,084.1
6M	9,498.6	2,609.2

Share Price Chart



Valuation Multiples

	2022	LTM
P/E (x)	NA	NA
P/B (x)	3.0	3.4
EV/S (x)	1.5	1.3
Dividend yield (%)	3.3	NA

Shareholding Structure

Hassad Food	5.6%
Al Watani Fund III	4.6%
Others	89.8%
Total	100.0%

Financial Performance

US\$ Million	FY 2021	FY 2022
Revenue	115.6	132.9
Operating Income	(19.8)	(15.4)
Net Income	(18.2)	(16.9)
NI Margin (%)	(15.7)	(12.7)
ROAA (%)	(11.0)	(12.3)
ROAE (%)	(20.5)	(26.2)

Leading Hydroponic/Vertical and Organic Farming Companies

Madar Farms (UAE)

Madar Farms is an agriculture technology company that focuses on food and water security in the Arab world. The company uses an innovative 'micro-farming' technology to enhance domestic food production while conserving natural resources. Madar Farms creates hydroponic infrastructure in shipping containers with a regulated atmosphere. The company provides engineering, procurement, and construction (EPC) services to local farmers in order to develop these farming initiatives. It also offers training for the operation of these farms. The company also distributes this infrastructure, offers operational, and growth services to institutional clients such as retail stores, restaurants, and hospitality organizations, among others.

Fund Raising Activity

Madar Farms has raised an undisclosed amount from Abu Dhabi Investment Office (ADIO)

Date	Funding Details
April 9, 2022	Undisclosed amount raised from a venture round led by Abu Dhabi Office

Recent Developments/Future Plans

- In August 2022, Madar Farms introduced new recycled polyethylene terephthalate (rPET) packaging for its products. The new packs will allow a longer shelf-life due to the sealable covers and their ability to reduce humidity levels inside the packs.
- In March 2021, Madar Farms teamed with UK-based vertical farming startup Intelligent Growth Solutions (IGS) to improve food security in the Middle East. The agreement is the first to bring IGS's indoor farming systems to the UAE, and will aid in the creation of sustainable food supply channels for a growing population while decreasing demands on restricted water supplies. With initial plans of five Growth Towers, each standing six meters high, this offers a growing space of up to 1,500 sqm and the ability to produce up to 30 tonnes of crop per annum.

Bustanica (UAE)

Bustanica is an indoor vertical farming company operated by the Emirates Group in Dubai. The company is a US\$ 40 million joint venture (JV) investment between Emirates Flight Catering and Crop One. Bustanica has a 30,658 sqm facility that employs a closed-loop system, circulating water to optimize efficiency and utilize 95% less water than traditional agriculture. With the ability to produce over one million kilos of pesticide-free leafy greens annually, the indoor infrastructure allows a consistent output of 3,000 kgs per day, unaffected by weather or pests. Managed by a team of agronomy experts and driven by AI, Bustanica aims to provide fresh and clean produce to passengers on Emirates flights and other airlines, as well as local supermarkets across the UAE.

Fund Raising Activity

Bustanica, the world's largest hydroponic farm, opened in July 2022 with an investment of around US\$40 million.

Recent Developments/Future Plans

- In May 2023, Bustanica entered into a partnership with Siemens to engage automation and building technology for its vertical farms in Dubai. The Siemens Xcelerator portfolio has been integrated into Bustanica's farm, enhancing efficiency, reducing waste, and promoting sustainability. Additionally, the Desigo CC building management system from Siemens Smart Infrastructure oversees air-conditioning and ventilation, while SIMATIC control systems from Siemens Digital Industries optimize growing conditions by regulating lights and CO₂ levels. The SINAMIC series variable frequency and automation stations ensure nutrient and water supply for the plants, while SENTRON electrical components distribute power to the grow racks.
- In October 2022, Bustanica entered into a partnership with Géant UAE. Under the partnership, Bustanica will supply a new range of high-quality leafy greens, including lettuce, arugula, mixed salad greens, and spinach to all Géant Hypermarkets and supermarkets across the UAE.

Source: Company website, Media reports, Crunchbase

Leading Hydroponic/Vertical and Organic Farming Companies

Pure Harvest (UAE)

Established in 2016, Pure Harvest Smart Farms is a tech-based agribusiness focused on sustainable year-round production of premium-quality fresh fruits and vegetables. Pure Harvest is pioneering controlled-environment agriculture (CEA) in the MEASA region, harnessing technology to tackle some of the region's biggest challenges, including food security, water conservation, economic diversification, and sustainability needs.

Fund Raising Activity

Pure Harvest has raised US\$ 334.4 million in funding until date.

Date	Funding Details
June, 2023	Pure Harvest raised US\$ 180.5 million from global investors to fund expansion
2023	The company raised a total of US\$ 334.4 million.

Recent Developments/Future Plans

- In September 2023, Pure Harvest Farms formed an exclusive three-year partnership with Richel Group. The partnership intends to deploy smart growing systems worth \$150 million, with the option of expanding into new geographies.

Red Sea Farms (Saudi Arabia)

Red Sea Farms is an agriculture technology company enabling the commercial farming of produce using primarily salt water. The company's roots-to-roof solutions offer higher yields, profitability, and sustainability for growers in hot climates globally. The company distributes its products in more than 300 supermarket locations across the Kingdom.

Fund Raising Activity

Red Sea Farms has raised a total of US\$ 38.8 million in funding until date.

Date	Funding Details
April, 2023	Raised US\$ 18.5 million to fuel its expansion plans, including the expansion of its fresh produce business in the GCC.
2023	The company raised a total of US\$ 38.8 million.

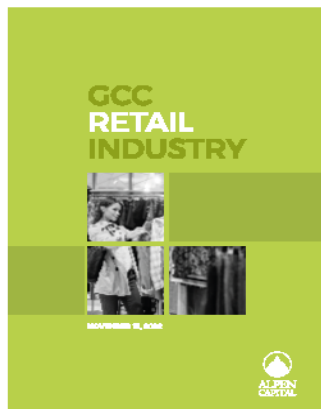
Recent Developments/Future Plans

- In August 2023, Red Sea Global established Red Sea Farm Co-operative (Tamala), with the goal of creating a model entity that reflects the Kingdom's desire to strengthen the role of cooperatives in the agricultural sector system.



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INDUSTRY RESEARCH



GCC Retail Industry
2009, 2010, 2011,
2012, 2015, 2017, 2019 & 2022



GCC Hospitality Industry
2011, 2012, 2014,
2016, 2018 & 2022



GCC Insurance Industry
2009, 2011, 2013,
2015, 2017, 2019 & 2022



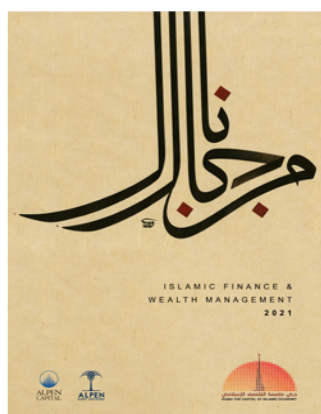
GCC Education Industry
2010, 2012, 2014,
2016, 2018 & 2021



GCC Food Industry
2011, 2013, 2015,
2017, 2019 & 2021



GCC Healthcare Industry
2009, 2011, 2014,
2016, 2018 & 2020



Islamic Finance
and Wealth Management
2021

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**Sale of 51% Equity Stake in
Al Kabeer Group of Companies**



to
Savola Group



Financial Advisor



RBL BANK LIMITED

US\$ 100,000,000
Unsecured Tier 2 Sub-ordinated Loan
Investor



Financial Advisor



**Sale of 100% Equity Stake in
Al Faysal Bakery and Sweets**



to
Agthia Group PJSC



Financial Advisor



Cholamandalam Investment and Finance
Company Limited

INR 10,570,000,000
(~US\$150 million)

Non Convertible Debentures

Investor



Asian Development Bank

Financial Advisor



SAHYADRI FARMS POST HARVEST CARE LTD.

INR 3,10,00,00,000
(~EUR 40 million)

Equity Capital

Investors



Financial Advisor



**Sale of 60% Equity Stake in Multi-Speciality
Healthcare Partner Holding Ltd.**



to
GFH

GFH Financial Group B.S.C.

Financial Advisor



IndusInd Bank

US\$ 75,000,000
Long Term Debt

Investor



GRUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

Financial Advisor



Sale of 100% equity stake in
Seven Seas Technology, UAE

to



Softline Group Inc
(A London Stock Exchange Listed Entity)

Financial Advisor



**SOUND
SOLUTIONS**

Debt Advisory • Mergers & Acquisitions and Equity Advisory



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