

Food Investments

Al Kabeer Group of Companies



Savola Group has a 51% stake in Al Kabeer Group of Companies, one of the region's leading frozen food manufacturers and distributors.

About Al Kabeer Group of Companies

Founded in 1974 as a family business, Al Kabeer has become one of the leading frozen food suppliers in the GCC. The brand has three manufacturing facilities in the UAE and Saudi Arabia, and an in-house distribution network that services over 11,000 outlets through a fleet of over 300 vehicles backed by 9 cold stores in the region. The company manufactures over 200 products region wide, including frozen processed poultry, beef, seafood, popular snacks and ready-to-eat meals.

2019 Strategic and Financial Review

2019 cemented the collaboration between Savola Group and Al Kabeer towards strengthening corporate governance, business planning and strategic exercises and alignment.

Al Kabeer posted healthy revenue increases with growth for the year above 7%, partly due to a 2018 decision to move production for popular "Zing" or spicy products in-house. This alleviated supply chain disruption and boosted availability, as well as, had a positive impact on profitability on a normalized basis. However, a disruption to imported poultry operations in Saudi Arabia significantly impacted raw material prices, which in turn had a dampening effect on profitability.

Saudi Arabia was the fastest growing geography in Al Kabeer's portfolio, representing about two thirds of sales. The remainder of GCC countries, including UAE, Oman and Bahrain, posted positive growth during the year.

In 2019, opportunities persisted in the modern trade segment, while traditional trade remained challenging, especially in Saudi Arabia. However, the HORECA and food services segment offered growth opportunities given the sector's rapid growth in the Kingdom. The year also saw a focus on working capital management.

In 2020 and beyond, Al Kabeer is looking to tap new opportunities in the HORECA and food services segments. The Company is also looking to introduce new product ranges catering for a wider set of taste preferences, as well as, enter new markets. Financial prudence through 2019 has strengthened the balance sheet, allowing the business the leeway of exploring both organic and inorganic growth opportunities.

+200

Manufactured frozen products including poultry, beef, and seafood

11,000

Outlets Served through a fleet of +300 vehicles

51%

Savola Group shareholding