Beat: Local

SADAFCO delivers healthy results despite challenging market conditions

Saudia Dairy and Foodstuff Company

Jeddah - Saudi Arabia, 02.06.2018, 20:09 Time

USPA NEWS - Despite the decline in consumer spending and aggressive price strategies of competition, Saudia Dairy and Foodstuff Company (SADAFCO) announced a net profit of SAR 260 million during the twelve-month period ending on 31 March 2018.

Strong working capital ratios and a free cash flow of SAR 559 million with zero leveraging after a dividend payout of 50% have contributed to enhanced shareholder value. Shareholders equity for the period was valued at SAR 1.321 billion, a 5% increase in comparison to the same period last year (SAR 1.261 billion).

“SADAFCO continues to strengthen its premium branded position despite the current challenging market environment,“ said Wout Matthijs, CEO of SADAFCO.

Furthermore, Earnings-Per-Share (EPS) were at SAR 8.1, representing a return of 15.4% of net sales. Additionally, the cost control initiatives by the Company resulted in a 3.6% reduction in expenses to offset the overall decline in revenues.

“Whilst we remain alert and agile in light of the new realities we face, we continue to be committed to delivering profitable sales investing behind our brands, and delivering a respectable return on our sales,“ added Mr. Matthijs. “We were able to secure healthy margins and, despite the lower sales value, we achieved a modest increase in volume, which resulted in continuous growth in market share, especially in our key categories of Milk, Tomato Paste and Ice Cream.“

“We do not project an imminent balancing in domestic fresh milk supply versus demand and are working on enhancing our existing broad non- UHT milk range, as well as adding to our overall consumer proposition,“ concluded Wout.

Established in 1976, SADAFCO is a leader in dairy and foodstuff manufacturing, importing, distributing and marketing in Saudi Arabia and has established a strong reputation and loyal following in the food and beverage industry across the GCC region

About Saudia Dairy & Foodstuff Company (SADAFCO):

SADAFCO is a publicly-listed company which has been producing high-quality dairy and foodstuff products under the Saudia brand name since 1977, a year after the company was formed. Saudia enjoys being one of the market leaders in the Kingdom of Saudi Arabia in the production of tomato paste, ice cream and milk.

Based in Jeddah, SADAFCO operates sales and distribution depots in 24 locations across the Kingdom of Saudi Arabia, Bahrain, Jordan and Kuwait. Saudia products are also exported to several countries in the MENA region.

SADAFCO currently operates three ISO22000:2005-certified factories in Saudi Arabia, two in Jeddah and one in Dammam. All three factories also have ISO14001 and OHSAS18001 accreditation.

Article online:
https://www.uspa24.com/bericht-13507/sadafco-delivers-healthy-results-despite-challenging-market-conditions.html

Editorial office and responsibility:
V.i.S.d.P. & Sect. 6 MDStV (German Interstate Media Services Agreement): Zayad Alshaikhli

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