



## PIF Announces Completion of Investment in the Middle East Paper Company (MEPCO)

- PIF has acquired a 23.08% stake in MEPCO by way of capital increase and subscription to new shares
- MEPCO is a leading company in the manufacturing and recycling of paper products and a vital supplier of materials used in rapidly growing sectors in Saudi Arabia, including building materials and packaging

**Riyadh – January 04, 2024:** The Public Investment Fund (PIF) has announced the completion of a deal to invest in the Middle East Paper Company (MEPCO), a leading manufacturer specialized in producing and recycling paper-based products in the Middle East and North Africa. PIF has acquired a 23.08% stake in MEPCO by way of a capital increase and subscription to new shares.

Through its investment, PIF will enable MEPCO to expand its production, raise its operational efficiency, and support environmental sustainability, through recyclable products – including paper goods – in line with the sustainability goals of both Saudi Arabia and PIF.

The investment will further contribute to achieving MEPCO’s expansion strategy, especially for packaging and specialized building materials like gypsum boards, also known as “drywall,” strengthening the local supply chain for current and future projects. PIF has a diversified portfolio of investments in the construction services sector to support the sustainable growth of the Saudi

economy, attract local and foreign investments, expand operational capacity and transfer technology.

PIF is empowering 13 priority sectors locally, in partnership with private businesses, contributing to achieving the goals of Vision 2030 by diversifying the economy. These include the retail, construction and real estate sectors, within the framework of PIF's investment strategy.

**Muhammad Aldawood, Head of Industrials and Mining Sector in MENA Investments at PIF, said:** "PIF's investment in MEPCO reflects the attractive opportunities for growth in promising sectors such as recycling, retail and building materials. This investment enables MEPCO to expand its sustainable production activities while focusing on high value-added products and growing its export activities."

**Eng. Sami Al Safran, CEO of MEPCO, commented:** "PIF's investment further enables the implementation of our expansion strategy and captures significant growth potential, both locally and regionally. This will help create new opportunities, as MEPCO continues its journey to become a national champion in our industry. Our company strives for sustainable growth and a better future, thanks to its unique strategy which integrates paper products and waste management. MEPCO is investing in the sector through ambitious projects to support Saudi Arabia's goals of sustainability and transition to a circular economy by recycling, reducing waste and converting waste into energy sources to meet our business needs."

The Saudi market provides promising opportunities for investment in paper products and related industries such as tissues due to its rapid growth and the drive for localization of production. Additionally, PIF's investment in MEPCO supports the private sector in Saudi Arabia, boosts local content, increases high-value ready-for-market exports, and improves quality and competitiveness.

The transaction was completed after securing approvals from relevant authorities as well as MEPCO's shareholders, who approved it at an extraordinary general meeting.

**-ENDS-**

**About MEPCO:**

MEPCO is the leading, vertically integrated paper manufacturer in the Middle East, offering a diverse range of containerboard, specialty paperboard products, and paper for the packaging, construction, furniture, paper core, and tissue industries worldwide. MEPCO supplies its products to the local Saudi market, and GCC countries. Its growing global footprint spans over 40 countries, including across South Asia, the Americas and Europe. The company's innovative approach, including energy and water-efficient production; enables it to deliver significant environmental and economic benefits. Through its wholly owned subsidiary, WASCO, MEPCO sources raw material from across the Kingdom and neighboring countries, ensuring a secure supply while providing measurable value to the Saudi economy.

MEPCO is listed on the Saudi Stock Exchange under Tadawul symbol 'MEPCO'.

For more information, visit [www.mepco.biz](http://www.mepco.biz)

**About PIF:**

The Public Investment Fund (PIF) is one of the largest and most impactful sovereign wealth funds in the world. Since 2015, when the board was reconstituted and oversight transferred to the Council of Economic and Development Affairs, PIF's board of directors has been chaired by His Royal Highness Crown Prince Mohammad bin Salman bin Abdulaziz, Prime Minister, Chairman of the Council of Economic and Development Affairs, and Chairman of the Public Investment Fund. PIF plays a leading role in advancing Saudi Arabia's economic transformation and diversification, as well as contributing to shaping the future of the global economy. Since 2017, PIF has established 93 companies. PIF is building a diversified portfolio by entering into attractive and long-term investment opportunities in 13 strategic sectors in Saudi Arabia and globally. PIF's strategy, as set out in the PIF Program 2021-2025 – one of the Vision 2030 realization programs – aims to enable many promising sectors and contribute to increasing local content by creating partnerships with the private sector, in addition to injecting at least SAR150 billion annually into the local economy. PIF works to transfer technologies and localize knowledge to build a prosperous and sustainable economy domestically. As the investment arm of Saudi Arabia, PIF looks to make unique investments, and is building strategic alliances and partnerships with significant international institutions and organizations, which contribute to achieving real long-term value for Saudi Arabia, in line with the objectives of Vision 2030. PIF has also created an operational governance model that reflects its main tasks and objectives, in line with best international practices. Applying this model of governance enhances the level of transparency and effectiveness in decision-making and future progress.

More information about PIF can be found at: [www.pif.gov.sa](http://www.pif.gov.sa)

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