Press Release

The Middle East Paper Co. ("MEPCO") Invests SAR 345 million in Tissue Mill Expansion to Increase Production Capacity by 2026

MEPCO's SAR 345 million Investment in its KAEC Tissue Mill to Boost Production by 60,000 Tons

Strategic Expansion to Meet Market Needs and Increase Market Share

Jeddah, Saudi Arabia, August 18, 2024: The Middle East Paper Company (MEPCO), a leading regional paper manufacturer, announced today the approval of a project to expand its tissue production capacity with an additional Tissue Machine (TM-6) to be located in Juthor, King Abdullah Economic City (KAEC). The project, approved by the Board of Directors on the 15th of August 2024, represents a total investment of SAR 345 million.

The expansion aims to increase MEPCO's production capacity by an additional 60,000 tons of Jumbo Tissue Rolls annually. The project will be completed within 24 months and is expected to have a positive impact on the company's results after the commencement of commercial operation in the fourth quarter of 2026.

This project is a significant step towards MEPCO's strategic ambitions, reinforcing its leadership in the paper and tissue industry and contributing to the growth of the Saudi Arabian economy. It aligns with the Kingdom's Vision 2030 goals of economic diversification and import substitution.

The project will be financed mainly by government financial institutions, Bank loans, and the proceeds of the recent investment by the Public Investment Fund ("PIF") into MEPCO. The selection of the machine supplier is pending and will be announced later upon signing the contract.

Rob Jan Renders, Acting President of MEPCO Group, commented:

"The TM6 expansion project marks a significant milestone in MEPCO's growth trajectory. By investing in state-of-the-art tissue production technology and expanding our manufacturing footprint in the Kingdom of Saudi Arabia, we are not only increasing our production capacity but also reaffirming our commitment to meeting the evolving needs of our customers both domestically and regionally. This strategic investment aligns with our vision of leading the paper industry in the Middle East while contributing to the Kingdom's economic diversification goals."

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About MEPCO

The Middle East Paper Co. (MEPCO) is one of the largest paper mills in the Middle East and Africa, offering a diverse range of paper products to customers worldwide. The company serves a wide array of industries in the paper and packaging sectors. MEPCO's innovative approach to business enables it to achieve significant environmental and economic benefits for its local market. The company exports its products from Saudi Arabia to GCC countries, the Middle East, and Africa, with growing expansion into South Asia, the Americas, and Europe. MEPCO is listed on the Saudi Stock Exchange (Tadawul) under the symbol 1202. For a complete list of products, click here. For more information about MEPCO, click here.

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