

## Agthia Group Announces 2019 Preliminary Results

- Agthia continues to preserve market leadership across key categories
- Group net revenues surpass the AED 2 billion mark
- Flour business outperforms on retail expansion and export sales
- Positive top-line momentum in food segment, 5-gallon HOD business and international operations

**Abu Dhabi, UAE, February 10, 2020** - Agthia Group PJSC, one of the region's leading food and beverages companies, today announced preliminary and unaudited results for the fiscal year ending 31 December 2019. The Group posted AED 137 million in net profit, as well as net revenues of AED 2.04 billion. Agthia grew its revenues by 2% year-on-year on geographic expansion and product category diversification.

The consumer-business contribution to Agthia's top-line increased to 56 percent versus 54 percent from the previous year. Agthia's 5-gallon Home and Office Delivery (HOD) business in the UAE, Food segment along with international operations in the Kingdom of Saudi Arabia (KSA) and Kuwait drove the consumer business's top-line growth. On the local front, the company's water portfolio consisting of UAE's popular Al Ain Water, as well as Al Bayan, and Alpin retained market leadership with volume and value shares at 29 and 27 percent, respectively.

With regards to Agthia's Agri-business, composed of Grand Mills Flour and Agrivita Animal Feed, the Flour business outperformed despite pulled out subsidy environment, as volumes recorded strong growth in export sales, retail penetration specifically in the Northern Emirates, as well as wheat trading. On the other hand, Animal Feed sales fell short due to lower grain sales and a decrease in demand from small-sized farms.

**H.E. Eng. Dhafer Ayed Al Ahbabi, Agthia Chairman, said:** "Agthia's 2019 financial results are a testament to the company's agility in the ability to maintain leading market share and grow revenues against headwinds. This is underscored by Agthia's resilience

and commitment to uphold and protect shareholder value, as well as our unwavering alignment to the UAE's economic diversification agenda.”

**Eng. Tariq Ahmed Al Wahedi, Agthia Group CEO, said:** “Our positive revenue growth momentum has been led by diversification of our product portfolio, as well as increasing our geographical footprint in the face of unfavorable external factors. Agthia continues to demonstrate dominancy in the UAE when it comes to the water segment despite aggressive competitive activity, price promotions, and changing consumer habits which has added pressure to the bottled water category, yet came in favor of the growth in shipped volumes of our 5-gallon HOD business. Our success is also supported by the flour business beating the zero-subsidy competitive environment along with the vigorous performance in the food segment and international markets.”

**Al Wahedi added,** “Furthermore, our commitment to cost optimization across the entire organization, better agri-business profitability and one-time Turkey tax credit has reduced the collated impact of the withdrawal of the remaining bakery channel subsidy, de-growth in bottled water category in UAE and bad debt provisioning against longer collection days in international markets.”

Agthia Group's total assets stood at AED 3.1 billion as of 31 December 2019, increasing marginally compared to the same time last year on IFRS 16 implementation.

Agthia held a General Assembly Meeting on 9 February 2020, where the proposed amendments to the Articles of Association of the Company along with the appointment of Mr. Rashed Abdul Kareem Al Blooshi as a board member due to the resignation of Mr. Musallem Obaid Al Ameri were approved.

The Company's preliminary results and General Assembly Meeting results are available at the Company's website [www.agthia.com](http://www.agthia.com) and at [www.adx.ae](http://www.adx.ae).

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## **About Agthia**

Agthia Group is a leading Abu Dhabi based food and beverage company. Established in 2004, the Company is listed on the Abu Dhabi Securities Exchange (ADX) and has the symbol "AGTHIA". 51 percent of the Company's shares are held by Senaat (General Holding Corporation), an Abu Dhabi Government entity, with the balance held by retail and institutional investors. The Company's assets are located in the UAE, Saudi Arabia, Kuwait, Oman, Egypt and Turkey. Agthia offers a world class portfolio of integrated businesses providing high quality and trusted food and beverage products for customers and consumers across the UAE, GCC, Turkey and the wider Middle East. More than 4,000 employees are engaged in manufacturing, distribution and marketing various food and beverage products: Water (Al Ain, Al Bayan, Alpin Natural Spring Water, Delta, Bambini); Flour (Grand Mills); Animal Feed (Agrivita, Agrivita Marabea); Juices (Al Ain Fresh, Capri Sun); Dairy (Yoplait); Processed Food (Al Ain Tomato Paste, Frozen Vegetable); Ambient and Frozen Bakery (Grand Mills). For more information: [www.agthia.com](http://www.agthia.com) | [corpcoms@agthia.com](mailto:corpcoms@agthia.com) | Tel: 971 2 506 0600.