



Full Year 2024 Results

Management Discussion & Analysis Report

26 February 2025



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AGTHIA GROUP PJSC | Fiscal Year 2024 Results

Agthia's Growth Story Continues in 2024, Fueled by Innovation and Market Leadership

- Group Net Revenue grows 7.7% YoY to AED 4.9 billion, fueled by strong performance in Snacking, Agri-Business, and Water & Food segments
- Group EBITDA declines 1.5% YoY to AED 679 million on short-term operational challenges in Dates; EBITDA Margin stood at 13.8%
- Reported Net Profit increases 7.4% to AED 322 million; with a margin of 6.5%
- Increase in full-year cash dividends by 19.0% to AED 175 million, with full year DPS of 21.03 fils per share (subject to AGM approval)

Agthia Group PJSC (AGTHIA: UH) today announces its audited results for the fiscal year ending 31 December 2024.

Financial highlights

Revenue

Agthia sustained its growth momentum in 2024, with strong topline expansion across Snacking, Agri-Business, and Water & Food. While operational challenges in the dates business impacted short-term performance, the Group's fundamentals remain strong, and the company is well-positioned to create long-term value across its diverse businesses and markets.

Reported Net Revenue increased by 7.7% year-on-year, reaching AED 4.9 billion in FY 2024. This growth was primarily driven by 9.6% volume growth which was partially offset by a 1.8% decline in prices. Excluding the impact of Egypt's currency (EGP) devaluation, FY 2024 Group Revenue growth would be 16.7% year-on-year.

Figure 1: Reported revenue by segment – full year ending December 2024

Revenue (AED MN)	FY 2024	FY 2023	YoY % Change
Snacking	1,491.8	1,300.1	+14.7%
Protein & Frozen	1,008.5	1,026.2	-1.7%
Water & Food	1,082.2	1,007.7	+7.4%
Agri-Business	1,332.2	1,227.2	+8.6%
Total Group	4,914.6	4,561.2	+7.7%

Figure 2: Impact of USD / EGP exchange rate on revenue growth – assuming an average rate of 40 vs. 45 during full year 2024

The table below shows revenue growth for full year 2024, assuming an average USD / EGP exchange rate of 40 in line with the FY 2024 guidance assumption.

Revenue Growth	Snacking	Protein & Frozen	Total Group
Adjusted for USD / EGP exchange rate	+18.1%	+2.7%	+9.7%

- **Snacking:** The Snacking segment achieved 14.7% year-on-year revenue growth for the year (+15.9% in Q4 2024), led by Abu Auf, which delivered a strong 33.3% revenue growth in AED terms, despite the impact of EGP devaluation. Abu Auf's performance was bolstered by smart pricing, product innovation, and store openings. Agthia's dates business delivered 11.0% revenue growth in FY 2024, while our specialty chocolate and Mediterranean sweets business (BMB) grew by 11.3%.
- **Water & Food:** The Water & Food segment delivered strong 7.4% year-on-year revenue growth in FY 2024 (+12.2% in Q4 2024).

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Total UAE water revenue rose by 9.6% year-on-year during the reporting period, with Al Ain bottled water maintaining its market leadership position. Al Ain glass bottles continued to maintain double-digit revenue growth. Our Home and Office Services (HOS) business delivered strong growth of 9.5% year-on-year during FY 2024 (+9.9% in Q4 2024) as a result of our commitment to providing excellent customer service. During FY 2024, international water business revenue increased 4.4% year-on-year, with strong performance in Oman (+9.0%) and Kuwait (+4.7%).

Agthia continues to explore new opportunities in the food sector, leveraging its expansive distribution network across the UAE. In Q3 2024, we signed a new distribution agreement, becoming the exclusive distributor of Australian rice under the “SunRice” brand in the UAE. This contributed to strong Food performance, delivering 10.3% revenue growth in FY 2024.

- **Protein and Frozen:** Revenue declined by 1.7% year-on-year in reported currency during FY 2024, impacted by the pressure from the EGP devaluation. Excluding the FX impact, the segment's revenue growth was 20.1% year-on-year (+17.7% in Q4 2024).

In Egypt, balanced pricing strategy and a favorable product mix across domestic channels helped mitigate macroeconomic challenges, showcasing strong brand equity and effective tiering. This, combined with double-digit growth in revenue from domestic and export frozen vegetables, resulted in local currency revenue growth of 35.2% year-on-year in FY 2024.

In Jordan, overall category and general market headwinds posed a challenge for the local business, resulting in a 1.6% year-on-year decline in Nabil revenue (-1.2% year-on-year in Q4 2024). With the recent launch of the new KSA protein facility, Agthia has focused on expanding Nabil's exports into other markets, resulting in a 10.3% year-on-year increase in Nabil's FY 2024 export sales excluding Saudi Arabia.

The Saudi protein facility, inaugurated in July 2024, continues to build towards full capacity, further solidifying Agthia's presence in the GCC's largest market.

- **Agri-Business:** Revenue growth of 8.6% year-on-year was largely volume driven as a further strengthening of our leading market share position, helped by unlocking capacity at our Grand Mills facility and supported by wheat trading activity.

Strong volume growth in Feed (FY 2024 revenue +5.2% year-on-year) benefited from good open market execution, participation in the Abu Dhabi Agriculture and Food Safety Authority's (ADAFSA) compound feed program, and related new product development. Feed sales through our Agrivita app continue to perform well on a growing userbase, offering end-users added convenience and further enhancing our competitive advantage.

In the Flour business, Agthia continuously strives to increase market share across the UAE, enabled by our high-quality range of flours and solutions for our partners and consumers.

EBITDA (Earnings before interest, tax, depreciation, and amortization)

Group Reported EBITDA stood at AED 678.8 million, reflecting a 1.5% decline year-on-year, with an EBITDA Margin of 13.8% (-130bps year-on-year). Strong contributions from Abu Auf in Egypt and Water & Food and Agri-Business segments helped partially offset the operational setbacks faced by the dates business.

Adjusted EBITDA¹ increased by 3.1% year-on-year, while Margin declined by 91bps, due to the same operational challenges in the dates business.

¹ Adjusted performance figures account for key factors to ensure comparability. FY 2024 adjusted figures reflect the impact of EGP devaluation, calculated based on a USD/EGP 40 exchange rate assumption as per our full-year guidance, and a one-off AED 10 million write-off related to the closure of our Yoplait Dairy business.

Figure 3: Reported EBITDA and Margin by segment, full year ending December 2024

EBITDA (AED MN)	FY 2024	FY 2023	YoY % Change
Snacking			
- EBITDA	183.2	243.6	-24.7%
- EBITDA Margin	12.3%	18.7%	(645 bps)
Protein & Frozen			
- EBITDA	118.0	113.4	+4.1%
- EBITDA Margin	11.7%	11.1%	65 bps
Water & Food			
- EBITDA	172.5	146.8	+17.5%
- EBITDA Margin	15.9%	14.6%	137 bps
Agri-Business			
- EBITDA	222.5	164.8	+35.0%
- EBITDA Margin	16.7%	13.4%	327 bps
Total Group			
- EBITDA	678.8	689.3	-1.5%
- EBITDA Margin	13.8%	15.1%	(130 bps)

- **Snacking:** EBITDA declined 24.7% year-on-year primarily due to short-term operational challenges in the dates business. Thanks to smart pricing, portfolio premiumization and product innovations, Abu Auf delivered EBITDA margin expansion of 593bps.
While the dates business delivered 11.0% revenue growth, operational headwinds resulted in an oversupply position, leading to margin dilution, increased customer exposure risk, and an inventory write-down that impacted the segment's overall profitability. The segment's EBITDA Margin declined to 12.3%, compared to 18.7% in FY 2023. While near-term, seasonal challenges persist, proactive measures are in place to restore profitability and drive sustained long-term growth.
- **Protein and Frozen:** EBITDA grew by 4.1% year-on-year despite input cost volatility and currency headwinds in Egypt, as well as external market pressure in Jordan. Effective margin management through a strategic combination of pricing, product mix, and efficiencies resulted in a 65bps EBITDA Margin improvement to 11.7% in FY 2024.
- **Water & Food:** A continued focus on mix and pricing management, supported by disciplined cost control and improved efficiency across our supply network, resulted in EBITDA growth of 17.5% year-on-year and EBITDA Margin expansion of 137bps. Notable performances came from UAE bottled water (EBITDA +37.5% year-on-year). The decision to exit our loss-making Yoplait business resulted in a one-off asset write-off of AED 10 million, which negatively impacted profitability. This strategic decision, however, is expected to result in annual savings of AED 5 million going forward.
- **Agri-Business:** EBITDA growth of 35.0% year-on-year (+20.9% in Q4), outpacing revenue growth. This strong performance was underpinned by improved product mix, continued cost efficiencies, and a more favorable commodity backdrop. Driving productivity and efficiency is also an important facet of Agthia's operations, and during FY 2024 we unlocked additional capacity by further reducing unplanned downtime and improving the overall equipment effectiveness of the flour mills.

Reported Group Net Profit increased 7.4% year-on-year to AED 321.8 million for the full year, maintaining a stable margin of 6.5%.

Adjusted Group Net Profit² rose by 0.8% year-on-year to AED344.8 million during 2024, with a margin of 6.9%, down 61bps year-on-year. While core businesses delivered strong performance, the short-term operational headwinds in dates affected overall results.

Financial Position: Agthia's financial position remains solid. In 2024, the Group invested AED 187 million in capital expenditures to support long-term growth and operational enhancements, alongside AED 220 million to increase its ownership in key strategic assets. As of December 31, 2024, Agthia held 100% ownership in BMB and Atyab and has increased its stake in Abu Auf from 60% to 70%³, further strengthening control and integration within the Snacking and Protein & Frozen segments. We maintain AED 0.7 billion in cash and equivalents, with Net Debt at AED 1.0 billion and Net Debt-to-EBITDA ratio of 1.5x (up from 1.3x in December 2023). Our debt is USD and AED-denominated, and we continue to achieve favorable borrowing terms leveraging our strong balance sheet and network of leading banks.

Proposed cash dividends: Agthia's board of directors has recommended a 2024 full-year cash dividend payment of 21.03 fils per share. This represents a total dividend amount of AED 175 million, reflecting a 19.0% increase compared to the cash dividend distributed in 2023. Subject to AGM approval, Agthia will pay a cash dividend of 10.72 fils per share for the second half of 2024, aligning with the Group's semi-annual dividend policy. The Group has already paid an interim cash dividend of 10.31 fils per share (AED 85.7 million) for the 6 months ending on 30 June 2024.

Expanding in-house capabilities and leveraging efficiencies to future proof our growth

We continue to make strong progress in expanding our capabilities and driving efficiencies.

Leveraging our Egyptian platform: We continued to execute our strategy of transforming Egypt into an export hub. During FY 2024, export revenue from Egypt reached AED 105.3 million (+52.0% growth year-on-year), supported by the new IQF strawberry line. Abu Auf has significantly expanded its retail presence. During this period, it opened 59 new stores (on a net basis), strategically located in sporting clubs, universities, and new residential compounds, further solidifying its position in the market and enhancing the brand's accessibility across diverse consumer segments. Agthia's Egyptian businesses combined delivered 8.1% revenue growth in AED terms, while the EBITDA Margin expanded by 454bps in FY 2024.

Investing in innovation: Innovation is central to our goal of becoming a leading food and beverage company in the MENA region. Spearheading these efforts is the Group's dedicated Central Innovation Team, which ensures seamless collaboration across business units, R&D, and external innovation. Notably, innovation contributed AED 159 million to Agthia's FY 2024 growth. Here are some of our FY 2024 innovation highlights:

- **Snacking:** Abu Auf expanded its coffee offerings with instant coffee jars and espresso beans to diversify its coffee portfolio while diversifying its snacking range with savory flavored popcorn, crackers, coated peanuts, protein bars, and nut bars.
- **Protein & Frozen:** Nabil launched premium beef and chicken burgers in Jordan and a new frozen potato range in the UAE.
- **Agri-Business:** Introduced two new specialty flour products tailored to specific client needs and launched the Agrivita Dairy Premix to support the growing demand for improved animal nutrition among UAE farmers.

Progressing on our sustainability agenda: Agthia continued to advance its sustainability leadership in 2024, achieving a 6.3% reduction in CO2 emissions. Additionally, sustainability-driven cost optimization initiatives delivered total savings of AED 8.97 million, including AED 3.3 million in savings from reduction in packaging.

² Adjusted performance figures account for key factors to ensure comparability. FY 2024 adjusted figures reflect the impact of EGP devaluation, calculated based on a USD/EGP 40 exchange rate assumption as per our full-year guidance, and a one-off AED 10 million write-off related to the closure of our Yoplait Dairy business. FY 2023 adjusted net profit is net of AED 42.6 million one-off technical adjustment for a deferred tax liability on historical goodwill and intangible assets to comply with IFRS interpretation (IAS 12) due to the enactment of the new UAE corporate tax law to ensure consistency in comparison.

³ In February 2025, Agthia announce the acquisition of another 10% stake in Abu Auf.

Agthia remains at the forefront of circular economy practices, with its commitment to environmental responsibility recognized with Gold at the Gulf Sustainability Awards for Best Sustainable Product, and Bronze for Best Circular Economy Practice for its rPET water bottles. Further strengthening its environmental agenda, the Group joined the UAE Alliance for Climate Action (UACA) and signed an agreement with Emirates Nature-WWF to drive long-term sustainability initiatives.

Accelerating our digital roadmap: Agthia continued to enhance customer experience and operational efficiency through its digital roadmap. In 2024, the Group launched a B2B Customer Portal, expanded e-commerce across leading regional platforms, and improved its Home & Office Delivery app, driving a 55% surge in e-commerce revenue, now representing 5.4% of total revenue (excluding wheat trading). AI-powered solutions, including Microsoft Copilot for customer service and a proprietary Dates AI Recognition Model, developed in collaboration with MBZUAI and Contango/Next50, streamlined operations and optimized Agthia's value chain. Additionally, AI-driven safety technology was introduced across multiple facilities, reinforcing Agthia's commitment to employee safety and digital excellence.

Khalifa Sultan Al Suwaidi, Chairman of Agthia Group, commented: "Agthia's growth strategy remains strong, underpinned by solid fundamentals and a clear vision for long-term value creation. Despite macroeconomic challenges and short-term setbacks in the dates business, we continue to execute with discipline, leveraging our diversified portfolio, operational resilience, and commitment to innovation to drive sustainable growth. We have proposed an increase in dividends, reaffirming our commitment to delivering on our fundamentals and reinforcing confidence in our long-term strategy and vision. As the UAE strengthens its position as a global economic hub, Agthia remains aligned with the nation's ambitions, reinforcing its leadership across the region and beyond."

Alan Smith, Group Chief Executive Officer of Agthia Group, added: "Agthia's investments in innovation and digitalization are paying off, helping us sharpen execution and strengthen our core businesses. Our businesses have delivered strong results and retained their market leadership. While the dates business faced operational setbacks, we are taking proactive steps to address these challenges and improve overall performance. Our growth story is a testament to the hard work, agility, and growth mindset of our employees, whose dedication drives our ability to adapt, innovate, and lead in a dynamic market. As we approach the final year of our 2025 strategy, we remain focused on building on this momentum, ensuring we stay ahead of evolving market needs while reinforcing Agthia's position as an industry leader."

– End of announcement –



Khalifa Sultan Al Suwaidi
Chairman
26 February 2025

Conference Call Details

The Consolidated Financial Statements for the Fiscal Year ended 31st December 2024 will be available through the following link on Agthia Website: <https://www.agthia.com/investors/quarterly-results/>.

A conference call for analysts and investors will be held at 4:00pm UAE time on February 27, 2025. The presentation accompanying the call will be available on Agthia Group's website under the Investors section from 4:00pm on February 27, 2025: <https://www.agthia.com/investors/results-call-materials/>

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