ADNH CATERING

# Q3 & 9M 2024 EARNINGS PRESENTATION

## ADNH Catering

*November 2024*

# Disclaimer

No statement in this document is intended to be nor may be construed as a profit forecast. Any statements made in this document which could be classed as "forward-looking" are based upon various assumptions, including, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant risks, uncertainties and contingencies. Forward-looking statements are not guarantees of future performance. Risks, uncertainties, contingencies could cause the actual results of operations, financial condition and liquidity of the Company to differ materially from those results expressed or implied in the document by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. No reliance should be placed on any forward-looking statement.

# Note on Pro Forma Financials

ADNH Catering plc ("ADNHC" or the "Company") was incorporated in the Abu Dhabi Global Market on 22 June 2024. On 30 June 2024, ownership of the catering and support services businesses in the UAE and the Kingdom of Saudi Arabia were contributed by ADNHC's parent company, Abu Dhabi National Hotels PJSC ("ADNH"), into the Company as part of a reorganisation (the "Reorganisation") using the Business Combination method. This method requires the Company to adopt the history of the entity it acquires for reporting purposes. The statutory accounts of ADNHC published on 7 November 2024 therefore correspond to the 12-month period ending 30 Sept 2024, and comprise:

- ADNH Catering LLC-OPC ("ADNH Catering Abu Dhabi")'s financial statements for the full 12-months' period;
- ADNH Catering LLC ("ADNH Catering Dubai") and ADNH Compass LLC – SP ("ADNH Catering Sharjah")'s operations from 1 April 2024, the first day of full ownership by ADNH of ADNH Catering Dubai and ADNH Catering Sharjah; and
- 30% shareholding of Compass Arabia from 1 July 2024, the date the shareholding was acquired by ADNH Catering Abu Dhabi.

The prior year comparative financial information for the 12 months ending 30 Sept 2023 only reflects the performance of ADNH Catering Abu Dhabi.

Given this reorganization during the year, the Company believes that presenting unaudited unreviewed Proforma Combined Income Statements is the most effective and informative way of communicating its financial results. As the Company has a December year end, this presentation focuses on the performance for the 9 months to September 2024 and is also consistent with how the business will be reported moving forward. Proforma accounts for the 12 months to September 2024 are also included in the Appendix to allow comparability with information previously provided within the IPO materials.

# Speakers

**Clive Cowley**
Chief Executive Officer

**Andrew Marshall**
Chief Financial Officer

**Anthony Childers**
Deputy Chief Financial Officer

# Contents





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# 9M 2024 Highlights

### First combined pro forma financials since listing

- Solid base revenue growth of **12.1%**
- Healthy EBITDA margin of **13.7%**
- Free cash flow of **74%**

### Successful IPO on ADX

- **15x** oversubscribed
- **AED 13bn** in orders
- Significant international and local demand

### Healthy growth in contracts

- **20** new clients
- **37** new contracts
- **Strong** underlying growth across sectors

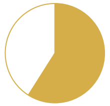
### Well-positioned for continued growth

- **On track** to increase stake in Saudi JV
- Exploring **inorganic consolidation** opportunities
- **Organic growth** in high-growth sectors
- Retention rate of **over 97%** (12-months)
- Continued implementation of **efficiency initiatives**

# Business Overview

# Proven Business Model

**ADNH Catering's distinct business segments and operational strengths enable attractive cross-selling opportunities**

| | Food Services | Support Services |
|---|---|---|
| |     |    |
| **Description** | Catering through on-site kitchens or centralized hubs | General cleaning and manpower services |
| **Key Sectors** | Defence, Correctional, Business & Industry[1], Healthcare, Education | Defence, Business & Industry[1], Healthcare, Education |
| **Number of Clients[2]** | 111 | 185 |
| **Number of Contracts[2]** | 175 | 210 |
| **Revenue Contribution[3]** | 62%  | 38%  |



Note: (1) Includes Energy & Remote. (2) Includes 18 overlapping clients between segments. (3) For the nine months ended 30-Sep-2024.

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# Our Business in the UAE

## Business Overview

- Since 1979, our UAE business serves c.93% of our total clients through:

Food Services | Support Services

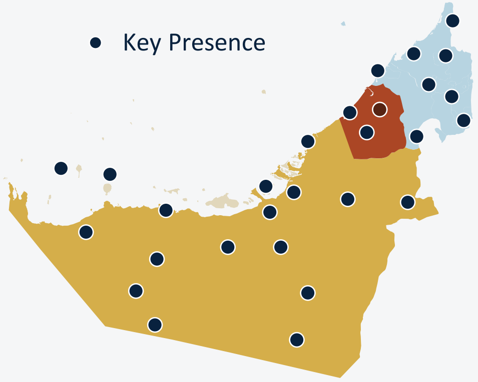
- Within Food Services, we are focused on serving clients in the following sectors:

Defence | Correctional | Business & Industry | Healthcare | Education

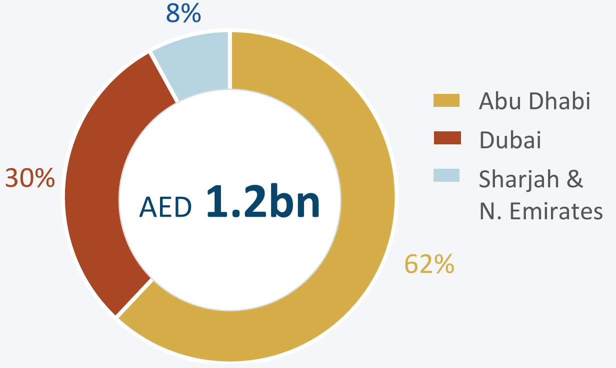
- We have explored centralised solutions that can support our core services through:

Husk | Events

## Geographic Presence




**Revenue Split**
9M 2024

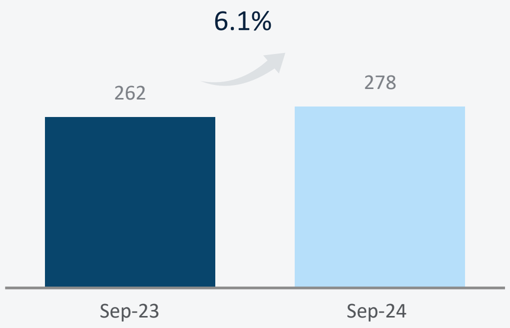



## Key Strengths

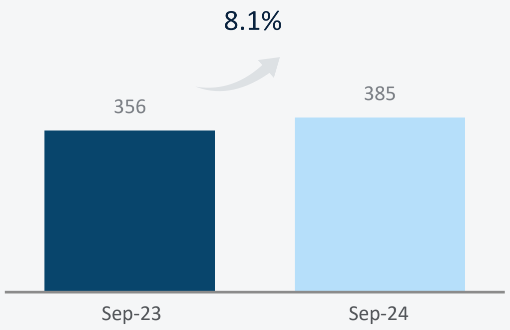
- Strong brand with a market leading position
- Blue chip and diversified client base
- Scaled operation with strong & sustainable margins
- Proven track record in securing major government contracts
- Diversified & sectorized business with good growth opportunities
- Strong and stable financial profile

## Operational Highlights

**Number of Clients**



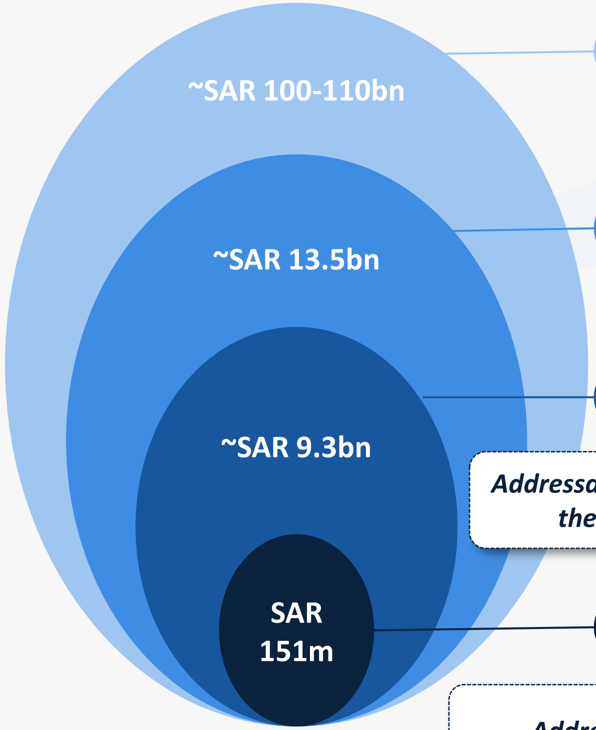

**Number of Contracts**



# Our Opportunity in Saudi Arabia

## Large Food Catering Addressable Market in KSA…

### KSA Food Catering Market




A — Total KSA Food Services Market[1]

B — Total KSA Food Catering Market

C — Addressable KSA Food Catering Market

*Addressable market comprises ~65-70% of the total Food Catering market*

D — ADNH Catering

*Addressable market is 2%[2]*

## …with High Growth Potential

### Projected Food Catering Addressable Market Growth

SAR 9.3bn (2023) → ~5% '23E – '28E CAGR → SAR 12.0bn (2028E)

### Projected Support Services Addressable Market Growth

SAR 17.9bn (2023) → ~6% '23E – '28E CAGR → SAR 24.5bn (2028E)



Source: Arthur D. Little. Note: (1) The estimates for the KSA Food Services market vary significantly from SAR 90bn to SAR 120bn depending on methodology and market definition. Arthur D. Little did not size the total Food Services market in this study but relied on 3rd party sources for a consensus estimate. (2) Computed by dividing ADNHC KSA business revenue (for financial year ending 31-Dec-2023) by addressable market size.

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# Spotlight on Saudi Expansion: Healthcare and Riyadh

**Opportunity to leverage expertise in Healthcare and focus on Riyadh as a priority market**

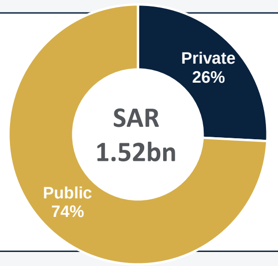
## Private Healthcare Focus and Specialism

**Since 2018, growth strategy in KSA has been focused on diversifying towards attractive private Healthcare market**

- 2018: First Healthcare sector entry with support from the UAE
- 2019: Expansion following the expansion of the 2018 contract
- 2021: Expansion of UAE client into KSA
- 2023: Expansion of UAE client into KSA

2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024

### KSA Healthcare Total Market[(1)]

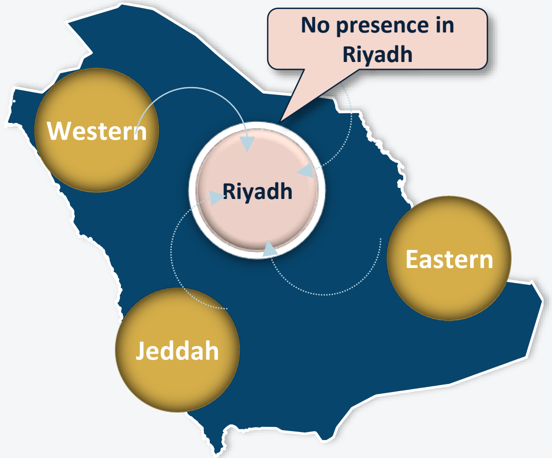



## Riyadh Opportunity

Company presence

**7.8m**
Population

**Largest Population in KSA**




- ✓ KSA growth strategy is to focus geographically on **3 main hubs: East, Jeddah and Riyadh** to allow for geographic diversification
- ✓ **Riyadh is a priority growth market due to size of opportunity**
- ✓ Focus on **raising awareness** of capabilities across clients in Riyadh



Source: Company information. Note: (1) Outsourced + In house.

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# Growth Strategy

# Positioned to Benefit From Multiple Growth Avenues

## 1 Sales and Retention

- **New business and sales through high tender activity**
- **Further formalize retention process** to underwrite and improve historical retention rate. **97% achieved** for 12 months to Sept 24
- **Drive margins** through efficiency, productivity and pricing
- **Continue to invest in people** with enhanced training & welfare program
- Further promote and communicate best-in-class Health & Safety performance

## 2 Segment Specific Strategy

- **Diversification towards private healthcare, B&I** and larger, higher margin support services contracts
- **Concentration on expanding and strengthening business presence throughout the Emirates,** with a particular emphasis on Dubai

## 3 Horizontal Integration

- Retail: **Scale HUSK** (43 locations in the pipeline) and **expand into Smart Markets**[(1)]
- **Events Solutions:** Expanding number of events across the region by building on experience from a large sports event

## 4 Inorganic Growth

- **Acquisition focus:**
  - Education sector
  - Complementary competitor
- **Bolt-on acquisitions (outside of contract catering) to strengthen and broaden service offerings**, for example: High-level glass cleaning, Landscaping, Laundry

## 5 KSA Opportunity

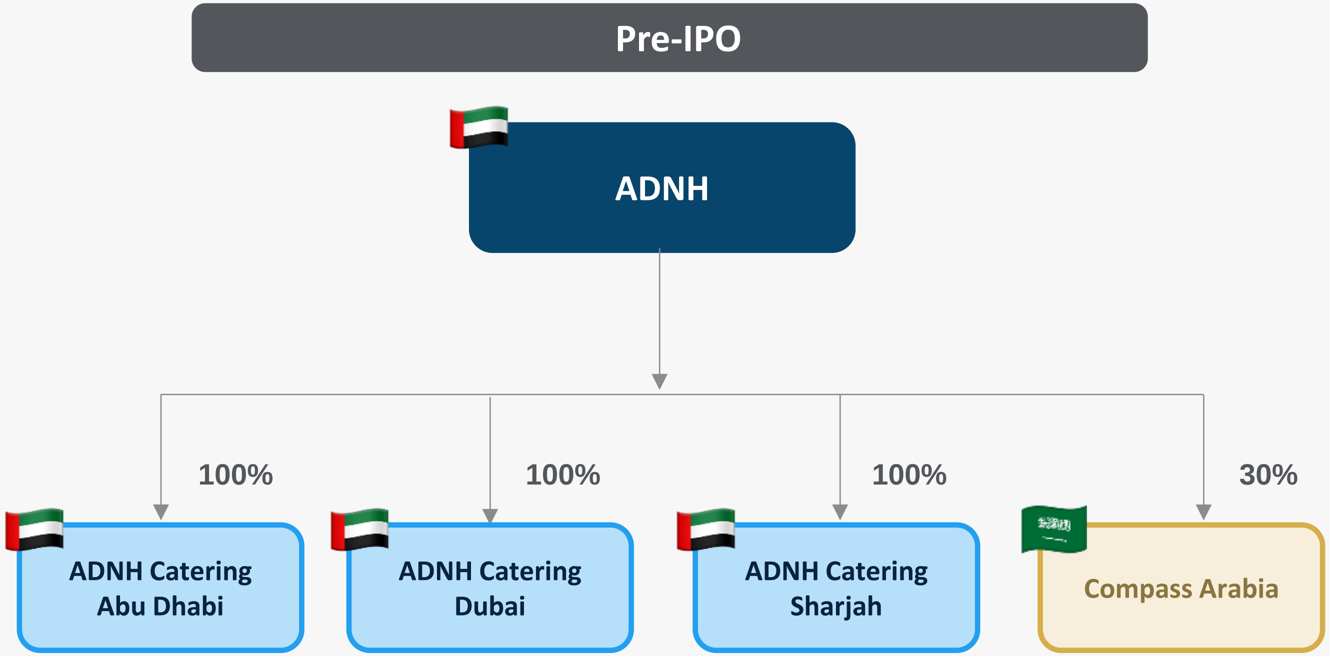
- **Private healthcare focus**
  - Focus on expanding in the KSA Healthcare sector by leveraging UAE Healthcare expertise
- **Opportunity in Riyadh**
  - Geographic diversification with plans to enter in Riyadh
- **Strong Saudi economy**
  - High growth potential in line with **KSA economic diversification towards non-oil sectors**

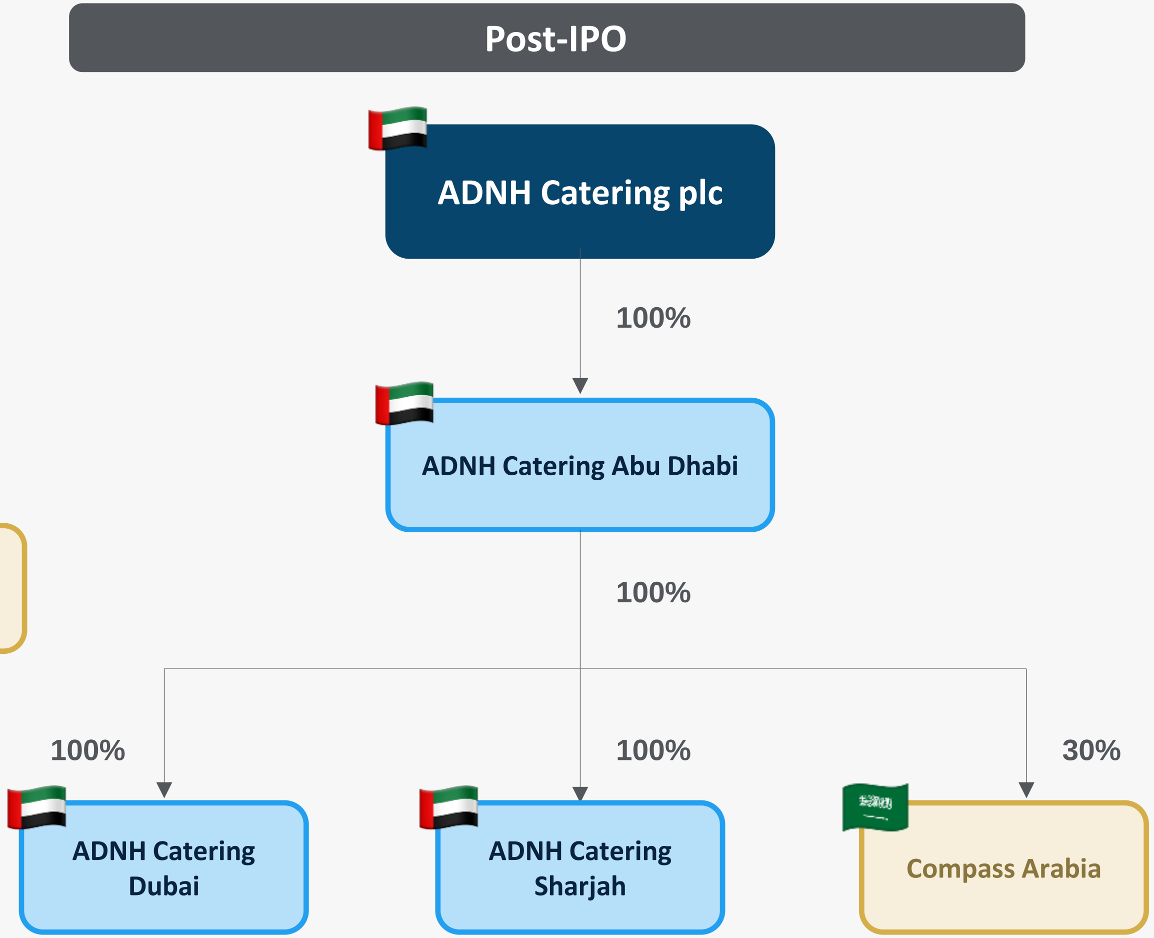


Note: (1) Smart markets are unmanned convenience stores typically selling beverages, grab and go (fresh) and impulse items. The smart technology allows the customer to access the fridge or machines through an app or QR code and will be charged based upon the items they take from the fridge / machine.

# Financial Performance

# Company Reorganisation Explained

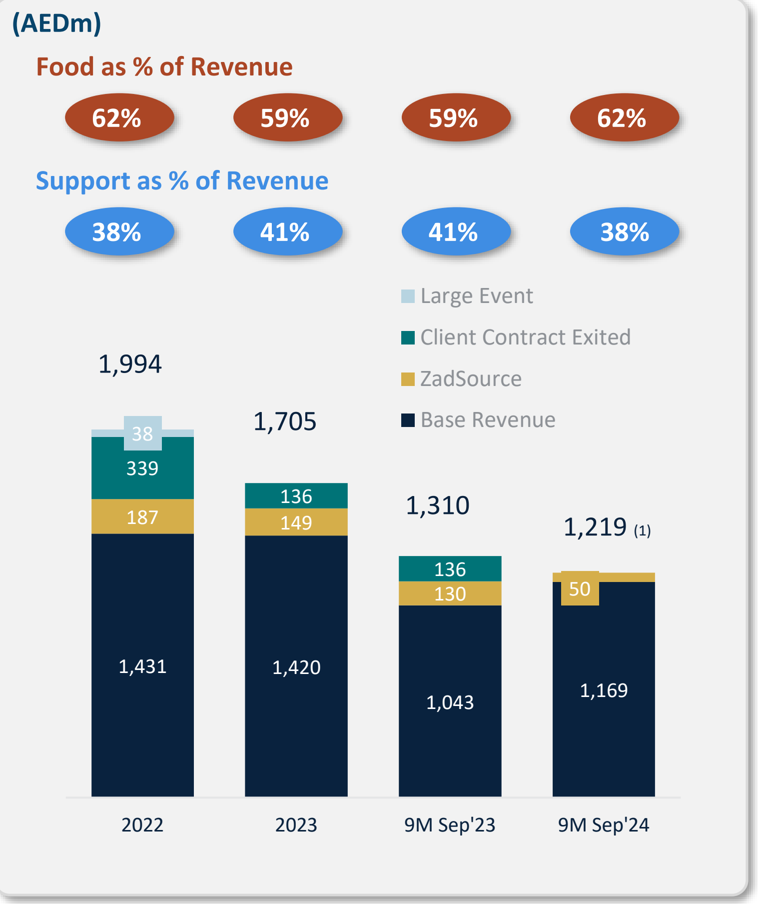


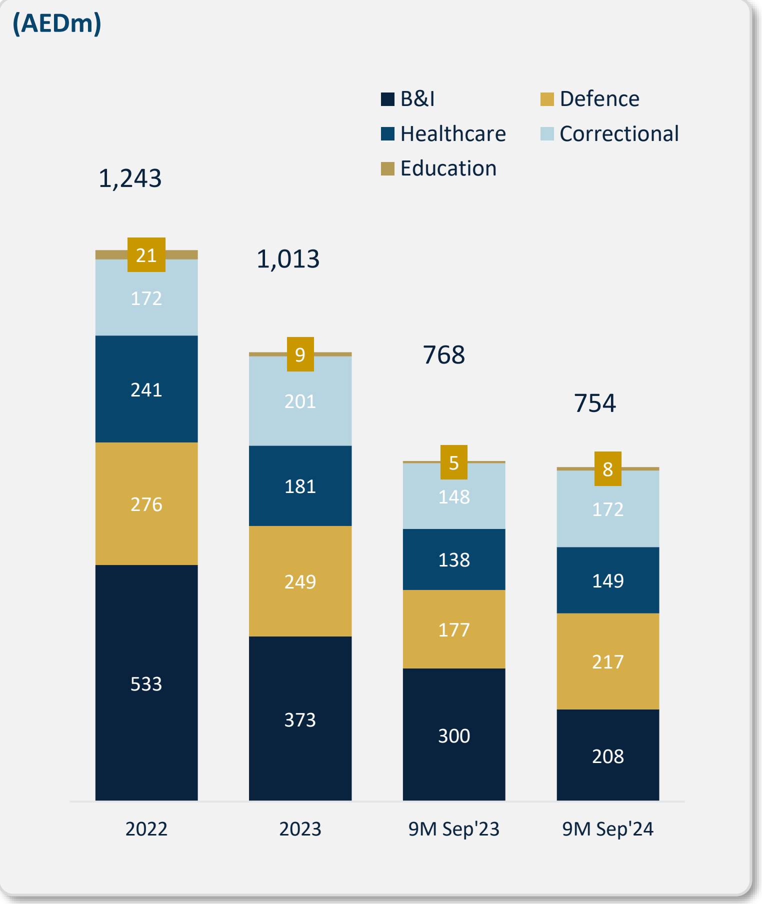

Reorganisation using Business Combination method under Common Control. ADNH Catering's combined condensed accounts for 12 months to September 2024 include ADNH Catering Abu Dhabi for 12 months, ADNH Catering Dubai and Sharjah for 6 months, and Compass Arabia for 3 months, with the comparative 12-month period including only ADNH Catering Abu Dhabi. Proforma combined accounts have therefore been prepared to better demonstrate year-on-year performance.

# Well-Diversified Revenues

## Revenue By Segment




## Revenue By Key Sector for Food Services




## Commentary

- **YoY base revenue growth for the 9-month period to September 24 of 12.1%;** growth across all sectors
- Absolute revenue drop from 9 months 23 **comprised of two factors**:
  - Voluntary **shift to de-risk business**. Walked away from a contract that had unrealistic price reduction requirements. Reallocated resources to **focus on profitable areas and reduce reliance on large contracts**
  - ZadSource: **change in GPO revenue recognition** model[(2)]
- **Q3 absolute revenue growth of 2.2% YoY,** 9.7% growth if adjusting for change in revenue recognition model
- Within the dominant food category, **ADNH Catering is well balanced, providing scale and resilience**
- **7 new clients and 15 new contracts** secured in the most recent quarter
- **97% client retention rate** over the last 12 months

Financials have been restated to be calendar year in line with the new year end of the Company.
Notes: (1) Change in revenue recognition model from 1 Oct 2023 to act as Agent as opposed to Principal for one of the businesses revenue streams. Restatement of revenues for the 9 months to Sept 2023 would reduce them by ~AED70m, Q3 impact was ~AED27m. (2) ZadSource is a GPO business acting as a food procurement arm for non-competing similar organisations such as hotels and restaurants.



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# Maintaining Strong Margins

## Contract Profit

(AEDm)

**Contract Profit Margin**

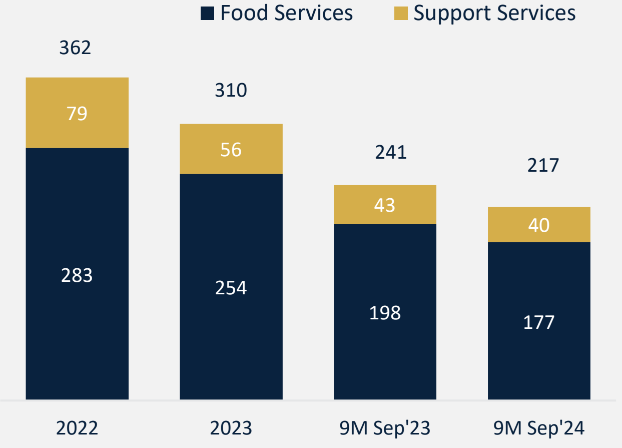
18.1% | 18.2% | 18.4% | 17.8%

**Support Services Margin**

10.5% | 8.1% | 8.0% | 8.5%

**Food Services Margin**

22.8% | 25.1% | 25.7% | 23.5%

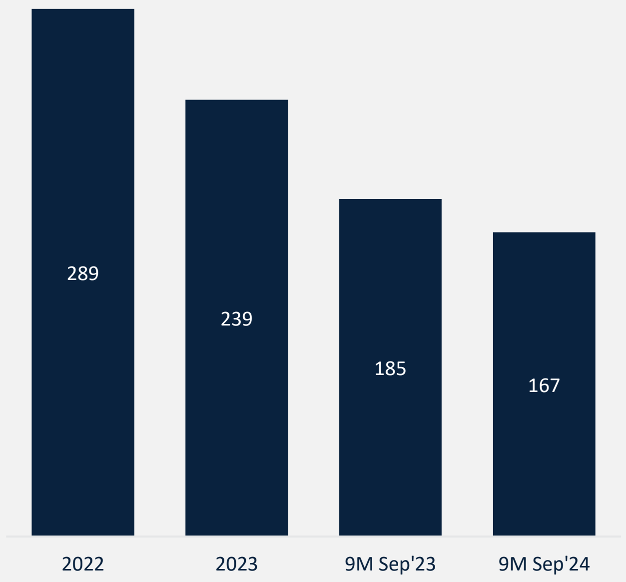



## Underlying EBITDA

(AEDm)

**EBITDA Margin**

14.5%(1) | 14.0%(1) | 14.1% | 13.7%




## Commentary

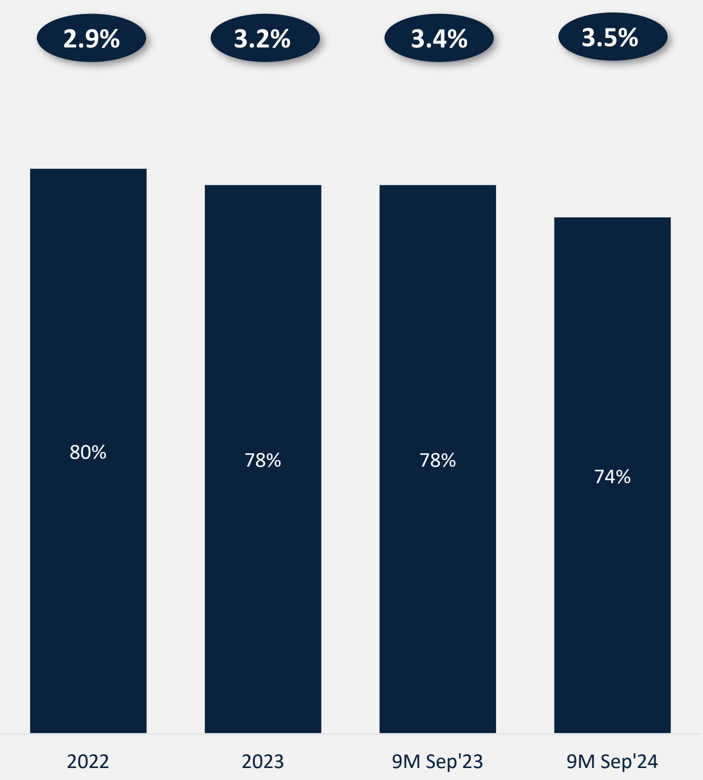
- **17.8% contract profit margin heading towards 18% guidance** (from 17.6% at June '24) on elevated mobilisation costs in Food Services
- **Support Services margin excluding ZadSource is 10%**
- **Stable base of contract profitability**, despite high inflationary period
  - High costs mitigated through supply chain management, operational efficiencies and proactive contract management
- **At the time of bidding for a tender:** special emphasis on ensuring sustainable profitable margins over contract life, in line with long-term strategy
- **Market leading double-digit margins driven by[2]:**
  - **Relative scale** compared to competitors
  - **Mature and sophisticated procurement model**
  - **High labour retention and productivity**
  - **Efficient overhead structure**

Financials have been restated to be calendar year in line with the year end of the Company.
Note (1): 2022 and 2023 numbers are underlying earnings as they exclude a provision charge / release to better reflect the true performance of the business and is consistent with prior presentations: 2022 actual EBITDA is AED 278m, 2023 EBITDA AED 265m & 9-month 2023 is AED210m. Note (2): Comparison against global select peer group, comprised of Catrion, Compass, Aramark, Sodexo and Elior.

# Sustained Profitability, Investing in High-Margin Contracts

## Cash Conversion[1]

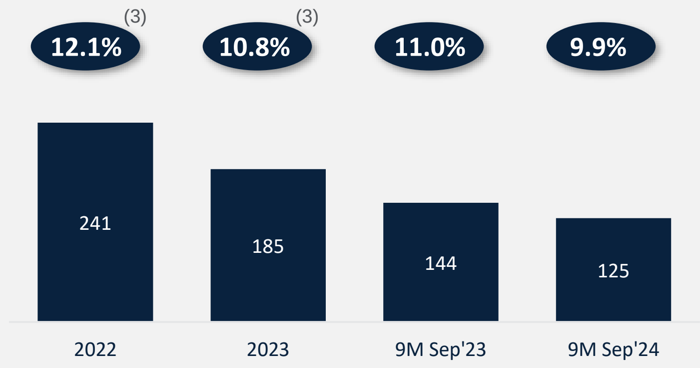
Total Investment as % Rev.[2]




## Underlying EBIT & Net Profit

EBIT Margin

(AEDm)




| AEDm | 2022 | 2023 | 9M'23 | 9M'24 |
|---|---|---|---|---|
| Prov. Charge / Release | (12) | 25 | 25 | - |
| Net Interest Expense[4] | (2) | (0) | 1 | (0.4) |
| Amortisation of intangibles | | | | (5.0) |
| JV profit share | - | - | - | 0.7 |
| Tax | - | (4) | - | (11.2) |
| **Net Profit** | **227** | **206** | **170** | **110** |
| *Margin (%)* | *11.4%* | *12.1%* | *12.9%* | *9.0%* |

## Commentary

- **High cash conversion,** supported by attractive long-term contracts
- **Capex light investment model tailored to clients' specific needs,** operations typically on client sites using their assets
- **Lower capex requirements: <1%** of revenue[5], over last 5 years compared to industry norm of ~3%[6]
- **Increase in investment due to securing of key client for additional 5 years**
- **Industry leading EBIT margin**: peers typically record in mid-single digit range[6]
- **Amortisation cost due to reorganisation of Group**
- **AED 250m Revolving Credit Facility –** AED 1.1m set up cost
- **Corporate tax** applies at 9% from 1 October 2023



Financials have been restated to be calendar year in line with the year end of the Company. Notes: (1) Cash Conversion defined as (EBITDA – Net Capex (Capex on owned assets and net of gains from disposals) – Principal portion of Lease Payments) / EBITDA. (2) Inclusive of Principal portion of Lease Payments. (3) 2022 and 2023 are underlying earnings as they exclude a provision charge / release: 2022 EBIT is AED 229m and 2023 EBIT is AED 210m. (4) Summation of Finance income and Finance costs. (5) Excluding Principal portion of Lease Payments. (6) Select global peers comprised of Catrion, Compass, Aramark, Sodexo and Elior.

# Robust Cash Conversion

## Free Cash Flow (FCF)

| (AEDm) | 2022 | 2023 | 9M Sep'23 | 9M Sep'24 |
|---|---|---|---|---|
| **Underlying EBITDA** | **289** | **239** | **185** | **167** |
| (-) Net Capex[1] | (12) | (7) | (6) | (11) |
| (-) Prin. Lease Payments | (45) | (45) | (35) | (32) |
| **Cash Conversion** | **233** | **188** | **144** | **124** |
| *% Cash Conversion[2]* | *80%* | *78%* | *78%* | *74%* |
| DSO | 143 | 134 | 144 | 144 |
| DPO | 136 | 124 | 134 | 120 |
| DSI | 3 | 3 | 3 | 3 |

## Commentary

- **Reduction in cash conversion** due to increased investment to secure key contract extension. **Strategic intent to invest more to secure attractive longer-term contracts.**
- **Average DSO[3] consistent at 144 days** over 2024 (9 months). Focusing on improving 3 government clients. No debt risk foreseen.
- **Average DPO[4] of 120 days** over 2024 (9 months). Reducing food cost through importing direct from suppliers. Some working capital impact while developing credit history.
- **Limited cost and risk of inventory due to 3PL model.**

Financials have been restated to be calendar year in line with the year end of the Company. (1) Net Capex includes Capital expenditure on owned assets and net of gains from disposals. (2) Defined as Cash Conversion / EBITDA. (3) DSO = Days Sales Outstanding and is calculated as: Trade and Other Receivables / Revenue. (4) DPO = Days Payable Outstanding and is calculated as: Trade and Other payables / Cost of Revenue.

# Attractive Dividend Profile

Progressive dividend policy with **semi-annual cash dividend payments**

Intention to distribute a special cash dividend of **AED 60 million, for FY 2024,** in April 2025

For 2025, intention to distribute (semi-annually) a total cash dividend of **AED 180 million**

For 2026, intention to **increase the annual dividend by at least 5%** over the previous year

From 2027 onwards, intention to **maintain a progressive dividend policy,** with semi-annual distributions

# Financial Guidance

| Guidance[1] on Organic Growth Basis | | Near-Term Target[2] | Mid-Term Target[2] | Commentary |
|---|---|---|---|---|
| **Operational KPIs** | **New Contract Wins** | **8-10%** of total revenue per annum (annualised value of new business) | | Expect to be driven by increasing size of the addressable market and increasing market share of ADNH Catering |
| | **Renewal Rate** | **95%+** | **95%+** | Aim to continue with high retention rates of above 95% |
| **Financial KPIs** | **Revenue Growth** | **+5-7%** | **+5-7%** | Target to grow revenue in line with market growth |
| | **EBITDA Margin** | **~13.5%** | **~14%** | Driven by contract profit margin and SG&A as % of revenue |
| | **Capex (as % of Revenue)** | **~1.5%** | **~1%** | Expect to be slightly more than historical figures in near-term (excluding right of use assets) reflecting intent to use more capex to secure attractive longer-term contracts |
| | **Dividend Policy** | **2024** – a special dividend of AED60m, to be paid in April 2025<br>**2025** – a dividend of AED 180m, to be paid semi-annually<br>**2026** – a dividend that is at least 5% higher than that paid for 2025, to be paid semi-annually<br>*Thereafter, to adopt a progressive dividend policy, which will be determined based on a target payout ratio linked to profit after tax for the year, to be paid semi-annually* | | |



Financials have been restated to be calendar year in line with the new year end of the Company. Note: (1) All guidance given at the time of IPO remains unchanged. (2) We have not defined and do not intend to define by reference to specific periods the terms “near-term“ and "mid-term“, and the targets should not be read as indicating that we represent or otherwise commit to achieve any of these metrics or objects for any particular fiscal year or reporting period. These objectives should not be regarded as forecasts or expected results or otherwise as a representation by us or any other person that we will achieve these objectives in any financial year or reporting period. Our ability to meet these objectives are based on various assumptions and we may be unable to achieve these objectives.

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# Concluding Remarks

# Concluding Remarks

### Powerful macro tailwinds

The food services market in the UAE and Saudi Arabia is projected to grow to $6.8 billion by 2028

### Clear market leadership

Leading food and support services provider with a track record of more than 45 years and holding approximately c.28% market share

### Robust underlying performance

Delivering robust financial performance with a solid revenue base, sound EBITDA margins, and robust cash conversion

### Diverse portfolio with long-term contracts

Diversified client base across key sectors and long-standing relationships with multiple clients, with average contract retention rate of over 91%

### Attractive dividend profile

Attractive and progressive dividend policy with semi-annual cash payments

# Q&A

# Appendix

# Investment Highlights

1. Large and growing target market supported by strong macro market tailwinds
2. Market leader with significant regional presence and a diversified and sectorised business
3. Diverse portfolio of strategic clients with competitive edge in securing long-term and high-quality contracts
4. Strategically located central production facilities with clear procurement processes to deliver centralised solutions and innovative food services technologies
5. Robust financial performance driven by strong margins resulting in high cash conversion and shareholder value
6. Well positioned to benefit from additional growth levers with aim to create a leading GCC platform
7. Firm commitment to ESG, driving operational excellence and sustainable growth
8. Experienced management team backed by a committed and reputable shareholder

# Unaudited unreviewed Proforma Combined Income Statement for the 12-month period ending 30 September

| AED (FYE 30-Sep) | 2022 (Audited) | 2023 (Audited) | 2024 |
|---|---|---|---|
| Food services | 1,284,734,059 | 1,072,997,335 | 998,838,434 |
| Support services | 705,020,389 | 744,495,824 | 615,498,669 |
| **Revenue** | **1,989,754,448** | **1,817,493,159** | **1,614,337,102** |
| Cost of revenue | (1,674,007,388) | (1,523,903,424) | (1,376,758,420) |
| Admin expenses | (76,298,964) | (50,527,123) | (76,269,701) |
| Other income, net | 2,195,106 | (1,941,979) | 110,834 |
| Impairment loss of trade receivables | (9,308) | (17,576,077) | - |
| Add-back: Depreciation on PP&E | 9,743,018 | 11,016,675 | 14,378,896 |
| Add-back: Depreciation on ROU | 31,738,173 | 43,183,013 | 40,331,203 |
| Add-back: Amortization of intangible assets | 291,534 | 72,800 | 96,516 |
| Add-back: Amortization of intangible assets (client relationship) (1) | - | - | 5,002,500 |
| **EBITDA** | **283,406,619** | **277,817,043** | **221,228,930** |
| % margin | 14.2% | 15.3% | 13.7% |
| Less: Depreciation on PP&E | (9,743,018) | (11,016,675) | (14,378,896) |
| Less: Depreciation on ROU | (31,738,173) | (43,183,013) | (40,331,203) |
| Less: Amortization of intangible assets | (291,534) | (72,800) | (96,516) |
| Less: Amortization of intangible assets (client relationship) (1) | - | - | (5,002,500) |
| **EBIT** | **241,633,895** | **223,544,555** | **161,419,815** |
| % margin | 12.1% | 12.3% | 10.0% |
| Net finance cost | (1,641,082) | (436,953) | (895,884) |
| Share of profit from Joint venture (1st Jul-30th Sep 24) | - | - | 651,257 |
| EBT | 239,992,813 | 223,107,602 | 161,175,187 |
| Income tax expense | - | - | (14,850,099) |
| Deferred tax (1) | | | 450,225 |
| **Net Profit** | **239,992,813** | **223,107,602** | **146,775,313** |
| % margin | 12.1% | 12.3% | 9.1% |
| | | | |
| **Results excluding provision release:** | | | |
| Charge / Release of specific provision | 11,722,948 | (25,210,000) | - |
| EBITDA (excl. Provision release) | 295,129,567 | 252,607,043 | 221,228,930 |
| % margin | 14.8% | 13.9% | 13.7% |
| EBIT (excl. Provision release) | 253,356,843 | 198,334,555 | 161,419,815 |
| % margin | 12.7% | 10.9% | 10.0% |



(1) Amortization of intangibles (client relationship) from Apr to Sep-24.

# Unaudited unreviewed Proforma Combined Cash Flow Statement for the 12-month period ending 30 September

| AED (FYE 30-Sep) | 2022 (Audited) | 2023 (Audited) | 2024 |
|---|---|---|---|
| **Cash flow from operations** | | | |
| EBITDA | 295,129,567 | 252,607,043 | 221,228,929 |
| Charge of specific provision / reversal | (11,722,948) | 25,210,000 | - |
| Provisions | 31,077,378 | 23,163,874 | 21,327,380 |
| Employees end of services benefits paid | (32,982,714) | (30,416,252) | (13,808,831) |
| Change in NWC | 55,645,171 | (142,906,573) | (48,678,937) |
| Other | (1,662,782) | 17,577,284 | (82,032) |
| **Cash generated from operations** | **335,483,672** | **145,235,376** | **179,986,509** |
| **Cash flow from investing** | | | |
| Acquisition of PP&E | (13,425,242) | (13,534,851) | (12,571,659) |
| Proceeds from sale of PP&E | 2,858,720 | 1,907,520 | 441,309 |
| Proceeds from sale of other assets | - | 225,078 | - |
| Addition to intangible assets | - | (289,550) | - |
| Acquisition of joint venture | - | - | (10,000) |
| Investment in subsidiaries | - | - | (20,000) |
| Interest received | 2,933 | 2,783,853 | 2,943,685 |
| **Cash generated from investing** | **(10,563,589)** | **(8,907,950)** | **(9,216,665)** |
| **Cash flow from financing** | | | |
| Dividends | (262,532,974) | (239,992,814) | (161,553,801) |
| Principal payments related to lease liabilities | (41,218,415) | (44,990,154) | (37,423,910) |
| Interest payments related to lease liabilities | (1,644,014) | (3,220,806) | (2,714,568) |
| Finance cost paid | - | - | (1,125,000) |
| **Cash generated from financing** | **(305,395,403)** | **(288,203,774)** | **(202,817,280)** |
| **Net increase cash and cash equivalents** | **19,524,680** | **(151,876,348)** | **(32,047,436)** |
| **Beginning cash and cash equivalents** | **298,352,742** | **317,877,422** | **166,001,074** |
| **Ending cash and cash equivalents** | **317,877,422** | **166,001,074** | **133,953,638** |



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# Unaudited unreviewed Proforma Combined Balance Sheet for the 12-month period ending 30 September

| AED (FYE 30-Sep) | 2022 (Audited) | 2023 (Audited) | 2024 |
|---|---|---|---|
| **Assets** | | | |
| PP&E | 19,544,925 | 20,154,559 | 17,988,045 |
| Intangible assets | 68,784 | 285,534 | 189,018 |
| Right-of-use assets | 85,826,442 | 105,108,100 | 67,992,592 |
| Investment in joint venture | - | - | 10,369,138 |
| Investment in subsidiaries | - | - | 20,000 |
| **Total non-current assets** | **105,440,151** | **125,548,193** | **96,558,793** |
| Inventories | 15,697,110 | 13,232,529 | 11,832,654 |
| Trade & other receivables | 681,945,227 | 687,603,861 | 633,686,936 |
| Due from related parties | 5,934,996 | 1,723,248 | 9,788,787 |
| Cash and cash equivalents | 317,877,422 | 166,001,074 | 133,953,638 |
| **Total current assets** | **1,021,454,755** | **868,560,712** | **789,262,015** |
| **Total current assets** | **1,126,894,906** | **994,108,905** | **885,820,808** |
| | | | |
| **Liabilities and Equity** | | | |
| **Equity** | | | |
| Share capital | 20,450,000 | 20,450,000 | 20,450,000 |
| Statutory reserve | 10,225,000 | 10,225,000 | 10,225,000 |
| Capital contribution | - | - | 71,261,683 |
| Other reserves | - | - | (1,145,169) |
| Retained earnings | 240,308,446 | 223,423,235 | 151,643,222 |
| **Total Equity** | **270,983,446** | **254,098,235** | **252,434,736** |
| **Liabilities** | | | |
| Provision for employees' end of service benefits | 117,518,032 | 110,272,285 | 117,667,124 |
| Lease liabilities | 46,570,108 | 56,663,360 | 28,408,680 |
| **Total non-current liabilities** | **164,088,140** | **166,935,645** | **146,075,804** |
| | | | |
| Trade and other payables | 638,530,987 | 509,576,123 | 416,088,782 |
| Due to related parties | 23,257,201 | 23,966,902 | 22,792,923 |
| Lease liabilities | 30,035,132 | 39,532,000 | 33,578,464 |
| Income tax provision | - | - | 14,850,099 |
| | | | |
| **Total current liabilities** | **691,823,320** | **573,075,025** | **487,310,268** |
| **Total liabilities** | **855,911,460** | **740,010,670** | **633,386,072** |
| **Total liabilities & equity** | **1,126,894,906** | **994,108,905** | **885,820,808** |



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# Unaudited unreviewed Proforma Combined Income Statement for the 12-month period ending 31 December and 9-month period ending 30 September

| AED (FYE 31-Dec) | 2022 | 2023 | 9M ended 30 Sept 2023 | 9M ended 30 Sept 2024 |
|---|---|---|---|---|
| Food services | 1,243,223,746 | 1,013,283,034 | 768,309,865 | 753,865,265 |
| Support services | 751,141,464 | 691,985,610 | 541,274,865 | 464,787,923 |
| **Revenue** | **1,994,365,210** | **1,705,268,644** | **1,309,584,730** | **1,218,653,188** |
| Cost of revenue | (1,689,732,317) | (1,429,519,780) | (1,089,857,521) | (1,037,006,775) |
| Admin expenses | (76,469,522) | (48,062,285) | (33,050,601) | (61,259,238) |
| Other income, net | 1,094,731 | 109,158 | 100,313 | 13,824 |
| Impairment loss of trade receivables | (4,323) | (17,576,077) | (17,576,077) | - |
| Add-back: Depreciation on PP&E | 11,833,322 | 11,455,333 | 8,491,293 | 11,414,855 |
| Add-back: Depreciation on ROU | 36,257,497 | 42,981,472 | 32,602,030 | 29,951,761 |
| Add-back: Amortization of intangible assets | 282,583 | 28,520 | 4,391 | 72,387 |
| Add-back: Amortization of intangible assets (client relationship)(1) | - | - | - | 5,002,500 |
| **EBITDA** | **277,627,181** | **264,684,985** | **210,298,559** | **166,842,503** |
| % margin | 13.9% | 15.5% | 16.1% | 13.7% |
| Less: Depreciation on PP&E | (11,833,322) | (11,455,333) | (8,491,293) | (11,414,855) |
| Less: Depreciation on ROU | (36,257,497) | (42,981,472) | (32,602,030) | (29,951,761) |
| Less: Amortization of intangible assets | (282,583) | (28,520) | (4,391) | (72,387) |
| Less: Amortization of intangible assets (client relationship) (1) | - | - | - | (5,002,500) |
| **EBIT** | **229,253,779** | **210,219,660** | **169,200,844** | **120,400,999** |
| % margin | 11.5% | 12.3% | 12.9% | 9.9% |
| Net finance cost | (2,241,485) | (160,793) | 380,788 | (354,302) |
| Share of profit from Joint venture (1st Jul-30th Sep 24) | - | - | - | 651,257 |
| EBT | 227,012,294 | 210,058,866 | 169,581,632 | 120,697,954 |
| Income tax expense | - | (3,642,951) | - | (11,207,148) |
| Deferred tax (1) | - | - | - | 450,225 |
| **Net Profit** | **227,012,294** | **206,415,915** | **169,581,632** | **109,941,031** |
| % margin | 11.4% | 12.1% | 12.9% | 9.0% |
| | | | | |
| **Results excluding provision release:** | | | | |
| Charge / Release of specific provision | 11,722,948 | (25,210,000) | (25,210,000) | - |
| EBITDA (excl. Provision release) | 289,350,129 | 239,474,985 | 185,088,559 | 166,842,503 |
| % margin | 14.5% | 14.0% | 14.1% | 13.7% |
| EBIT (excl. Provision release) | 240,976,727 | 185,009,660 | 143,990,844 | 120,400,999 |
| % margin | 12.1% | 10.8% | 11.0% | 9.9% |



(1) Amortization of intangibles (client relationship) from Apr to Sep-24.

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# Unaudited unreviewed Proforma Combined Cash Flow Statement for the 12-month period ending 31 December and 9-month period ending 30 September

| AED (FYE 31-Dec) | 2022 | 2023 | 9M ended 30 Sept 2023 | 9M ended 30 Sept 2024 |
|---|---|---|---|---|
| **Cash flow from operations** | | | | |
| EBITDA | 289,350,129 | 239,474,985 | 185,088,559 | 166,842,503 |
| Charge of specific provision / reversal | (11,722,948) | 25,210,000 | 25,210,000 | - |
| Provisions | 22,736,615 | 24,455,244 | 19,430,717 | 17,185,464 |
| Employees end of services benefits paid | (27,623,500) | (28,073,887) | (23,460,167) | (9,720,442) |
| Change in NWC | 66,559,002 | (5,864,825) | (17,911,766) | (61,165,192) |
| Other | 4,323 | 17,576,077 | 17,576,077 | - |
| **Cash generated from operations** | **339,303,622** | **272,777,594** | **205,933,420** | **113,142,333** |
| | | | | |
| **Cash flow from investing** | | | | |
| Acquisition of PP&E | (12,468,743) | (10,301,168) | (8,687,535) | (10,958,026) |
| Proceeds from sale of PP&E | 2,177,291 | 684,584 | 669,072 | 425,797 |
| Addition to intangible assets | - | (289,550) | (289,549) | - |
| Acquisition of joint venture | - | - | - | (10,000) |
| Investment in subsidiaries | - | - | - | (20,000) |
| Interest received | 3,220 | 3,047,387 | 2,782,920 | 2,679,218 |
| **Cash generated from investing** | **(10,288,232)** | **(6,858,747)** | **(5,525,093)** | **(7,883,011)** |
| | | | | |
| **Cash flow from financing** | | | | |
| Dividends | (262,532,974) | (239,992,814) | (239,992,814) | (161,553,801) |
| Principal payments related to lease liabilities | (42,651,547) | (41,427,798) | (33,085,165) | (29,081,276) |
| Interest payments related to lease liabilities | (2,244,705) | (3,208,180) | (2,402,132) | (1,908,520) |
| Finance costs | | | | (1,125,000) |
| **Cash generated from financing** | **(307,429,226)** | **(284,628,792)** | **(275,480,111)** | **(193,668,597)** |
| | | | | |
| **Net increase cash and cash equivalents** | **21,586,163** | **(18,709,945)** | **(75,071,785)** | **(88,409,276)** |
| **Beginning cash and cash equivalents** | **219,486,695** | **241,072,859** | **241,072,859** | **222,362,914** |
| **Ending cash and cash equivalents** | **241,072,859** | **222,362,914** | **166,001,074** | **133,953,638** |

# Unaudited unreviewed Proforma Combined Balance Sheet for the 12-month period ending 31 December and 9-month period ending 30 September

| AED (FYE 31-Dec) | 2022 | 2023 | 9M ended 30 Sept 2023 | 9M ended 30 Sept 2024 |
|---|---|---|---|---|
| **Assets** | | | | |
| PP&E | 23,009,976 | 18,722,848 | 20,154,559 | 17,988,045 |
| Intangible assets | 376 | 261,405 | 285,534 | 189,018 |
| Right-of-use assets | 101,416,434 | 95,539,387 | 105,108,101 | 67,992,592 |
| Investment in joint venture | - | - | - | 10,369,138 |
| Investment in subsidiaries | - | - | - | 20,000 |
| **Total non-current assets** | **124,426,786** | **114,523,640** | **125,548,194** | **96,558,793** |
| Inventories | 16,156,101 | 13,131,985 | 13,232,529 | 11,832,654 |
| Trade & other receivables | 774,626,820 | 621,198,193 | 687,603,860 | 633,686,936 |
| Due from related parties | 6,960,601 | 4,971,423 | 1,723,248 | 9,788,787 |
| Cash and cash equivalents | 241,072,859 | 222,362,914 | 166,001,074 | 133,953,638 |
| **Total current assets** | **1,038,816,381** | **861,664,515** | **868,560,711** | **789,262,015** |
| **Total current assets** | **1,163,243,166** | **976,188,155** | **994,108,905** | **885,820,808** |
| | | | | |
| **Liabilities and Equity** | | | | |
| **Equity** | | | | |
| Share capital | 20,450,000 | 20,450,000 | 20,450,000 | 20,450,000 |
| Statutory reserve | 10,225,000 | 10,225,000 | 10,225,000 | 10,225,000 |
| Capital contribution | - | - | - | 71,261,683 |
| Other reserves | - | - | - | (1,145,169) |
| Retained earnings | 293,834,419 | 260,257,520 | 223,423,235 | 151,643,222 |
| **Total Equity** | **324,509,419** | **290,932,520** | **254,098,235** | **252,434,736** |
| **Liabilities** | | | | |
| Provision for employees' end of service benefits | 116,956,824 | 110,177,988 | 110,272,285 | 117,667,124 |
| Lease liabilities | 58,732,973 | 49,330,161 | 56,663,359 | 28,408,680 |
| **Total non-current liabilities** | **175,689,798** | **159,508,150** | **166,935,644** | **146,075,804** |
| | | | | |
| Trade and other payables | 610,707,564 | 463,047,796 | 509,576,124 | 416,088,782 |
| Due to related parties | 18,082,532 | 19,723,444 | 23,966,902 | 22,792,923 |
| Lease liabilities | 34,253,854 | 39,333,293 | 39,532,000 | 33,578,464 |
| Income tax provision | - | 3,642,951 | - | 14,850,099 |
| | | | | |
| **Total current liabilities** | **663,043,950** | **525,747,485** | **573,075,026** | **487,310,268** |
| **Total liabilities** | **838,733,748** | **685,255,635** | **740,010,670** | **633,386,072** |
| **Total liabilities & equity** | **1,163,243,166** | **976,188,155** | **994,108,905** | **885,820,808** |

# Statutory condensed consolidated statement of profit or loss

| AED | Three-month period ended 30 September | | Twelve-month period ended 30 September | |
|---|---|---|---|---|
| | **2024 (Unaudited)** | **2023 (Unaudited and unreviewed)** | **2024 (Unaudited)** | **2023 (Unaudited and unreviewed)** |
| Food services | 255,878,085 | 169,737,034 | 890,623,535 | 874,867,984 |
| Support services | 151,368,351 | 122,298,374 | 558,519,465 | 513,924,216 |
| **Revenue** | **407,246,436** | **292,035,408** | **1,449,143,000** | **1,388,792,200** |
| Cost of revenue | (342,597,351) | (223,326,215) | (1,223,923,140) | (1,124,771,033) |
| Admin expenses | (21,902,488) | (19,598,044) | (72,636,923) | (74,955,882) |
| Provision for impairment of financial assets | - | (897,915) | - | (904,989) |
| Other income, net | 33,635 | 22,650,173 | 374,738 | 23,275,823 |
| | | | | |
| Add-back: Depreciation on PP&E | 3,365,968 | 2,159,741 | 12,844,755 | 8,165,846 |
| Add-back: Depreciation on ROU | 9,858,894 | 8,141,645 | 35,777,978 | 31,468,505 |
| Add-back: Amortization of intangible assets | 24,129 | 4,015 | 5,099,017 | 72,800 |
| **EBITDA** | **56,029,222** | **81,168,809** | **206,679,425** | **251,143,270** |
| % margin | 13.8% | 27.8% | 14.3% | 18.1% |
| Less: Depreciation on PP&E | (3,365,968) | (2,159,741) | (12,844,755) | (8,165,846) |
| Less: Depreciation on ROU | (9,858,894) | (8,141,645) | (35,777,978) | (31,468,505) |
| Less: Amortization of intangible assets | (24,129) | (4,015) | (5,099,017) | (72,800) |
| **EBIT** | **42,780,232** | **70,863,407** | **152,957,675** | **211,436,119** |
| % margin | 10.5% | 24.3% | 10.6% | 15.2% |
| Finance (costs)/income, net | (1,501,805) | 899,081 | (721,563) | (393) |
| Share of profit from joint venture | 651,257 | - | 651,257 | - |
| EBT | 41,929,684 | 71,762,488 | 152,887,369 | 211,435,726 |
| Income tax expense | (3,715,187) | - | (13,792,335) | - |
| **Net Profit** | **38,214,497** | **71,762,488** | **139,095,034** | **211,435,726** |
| % margin | 9.4% | 24.6% | 9.6% | 15.2% |

# Statutory condensed consolidated statement of cash flow

| AED (FYE 30-Sep) | 2023 | 2024 |
|---|---|---|
| **Cash flow from operations** | | |
| Profit for the period before tax | 211,435,726 | 152,887,369 |
| Adjustments for: | | |
| Depreciation on PPE | 8,165,846 | 12,844,755 |
| Depreciation on ROU | 31,468,505 | 35,777,978 |
| Amortisation | 72,800 | 5,099,017 |
| Gain on derecognition of lease liabilities | - | (152,544) |
| Allowance for doubtful receivables | 904,989 | |
| Loss on disposal of PPE | - | (198,036) |
| Share of profit in JV | - | (651,257) |
| End of service benefit | 20,218,570 | 20,059,671 |
| Finance costs | 2,784,246 | 3,665,248 |
| Finance income | (2,783,853) | (2,943,685) |
| | **272,266,829** | **226,388,516** |
| End of service benefits paid | (30,416,252) | (13,808,831) |
| **Working capital changes:** | | |
| Inventories | 7,018,100 | (2,628,512) |
| Trade and other receivables | 4,153,514 | 59,175,889 |
| Due from related parties | (8,743,282) | 17,229,845 |
| Trade and other payables | (140,615,963) | (83,323,685) |
| Due to relates parties | 58,434 | (41,689,631) |
| **Cash Generated From Operating Activities** | **103,721,380** | **161,343,591** |
| **Investing activities** | | |
| Acquisition of PPE | (9,814,513) | (10,554,813) |
| Interest income received | 2,783,853 | 2,943,685 |
| Proceeds from sale of PPE | 1,650,460 | 443,336 |
| Acquisition of intangibles | (289,550) | - |
| Acquired on transfers of subsidiaries | - | 455,837 |
| **Net Cash Flow From Investing Activities** | **(5,669,750)** | **(6,711,955)** |
| **Financing activities** | | |
| Payments towards lease liabilities | (32,754,686) | (32,828,155) |
| Finance cost | (2,784,246) | (3,665,248) |
| Dividends paid | (214,350,828) | (149,881,924) |
| **Net increase cash and cash equivalents** | **(249,889,760)** | **(186,375,327)** |
| **Net (Decrease) / Increase In Cash And Cash Equivalents During The Year** | **(151,838,130)** | **(31,743,691)** |
| **Beginning cash and cash equivalents** | **317,535,458** | **165,697,328** |
| **Ending cash and cash equivalents** | **165,697,328** | **133,953,637** |



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# Statutory condensed consolidated statement of financial position

| AED (FYE 30-Sep) | 2023 | 2024 |
|---|---|---|
| **Assets** | | |
| Property and equipment | 14,958,362 | 17,988,045 |
| Right-of-use assets | 86,656,545 | 67,823,148 |
| Intangible assets | 285,534 | 283,258,108 |
| Investments in joint ventures | - | 10,369,138 |
| **Total non-current assets** | **101,900,441** | **379,438,439** |
| Inventories | 6,819,045 | 11,832,654 |
| Trade and other receivables | 567,478,224 | 633,686,936 |
| Due from related parties | 27,041,715 | 9,795,543 |
| Cash and bank balances | 165,697,328 | 133,953,637 |
| **Total current assets** | **767,036,312** | **789,268,770** |
| **Total current assets** | **868,936,753** | **1,168,707,209** |
| | | |
| **Liabilities and Equity** | | |
| **Equity** | | |
| Share capital | - | 225,000,000 |
| Statutory reserve | 10,000,000 | 10,000,000 |
| Additional shareholder contribution | 20,000,000 | 142,354,198 |
| Other reserves | - | 372,769 |
| Retained earnings | 212,421,946 | 140,081,254 |
| **Total Equity** | **242,421,946** | **517,808,221** |
| **Liabilities** | | |
| Lease liabilities (non-current) | 47,584,568 | 28,353,374 |
| Deferred income tax liabilities | - | 17,548,759 |
| Provision for employees' end of service benefits | 110,130,739 | 117,683,719 |
| **Total non-current liabilities** | **157,715,307** | **163,585,852** |
| | | |
| Trade and other payables (current) | 415,234,941 | 416,099,360 |
| Income tax provision | | 14,850,099 |
| Due to related parties | 23,177,917 | 22,785,212 |
| Lease liabilities (current) | 30,386,642 | 33,578,465 |
| **Total current liabilities** | **468,799,500** | **487,313,136** |
| | | |
| **Total liabilities** | **626,514,807** | **650,898,988** |
| **Total liabilities & equity** | **868,936,753** | **1,168,707,209** |

# Thank you

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