PRESS RELEASE

In view of the recent Reorganisation of ADNH Catering plc, the Company believes that presenting unaudited unreviewed Proforma Combined Income Statements is the most effective and informative way of communicating its financial results. Unaudited, unreviewed Proforma Combined Income Statements are therefore used in this document showing the impact of the Company's Reorganisation as if it had taken place on 1 October 2023. These unaudited and unreviewed Income Statements have been prepared for illustrative purposes only and are based on available information and certain assumptions and estimates that the Company believes are reasonable. The proforma financials included in this press release therefore differ materially from the statutory financial statements disclosed by the Company on 7 November 2024.

ADNH Catering Reports Revenue of AED 1.2 Billion for 9M 2024, Reaffirms Planned AED 60 Million Dividend for FY 2024

- *Company published first unaudited pro forma financials since IPO on ADX*
- *The Company serves more than 11 million meals per month, annualized, and cleans 184 facilities as at the end of September 2024*
- *Total contracts in the UAE grew by 8.1% year-on-year to 385*
- *As disclosed during the IPO process, ADNH Catering intends to pay a dividend of AED 60 million in April 2025 for the 2024 financial year, and a dividend of AED 180 million for the 2025 financial year*

Abu Dhabi, UAE – 7th November 2024: ADNH Catering plc (the "Company" or "ADNH Catering"), a leading food and support services provider in the UAE, has announced its unaudited financial results for the three-month and nine-month periods ended 30 September 2024. On a pro forma basis, ADNH Catering reported revenue of AED 1.2 billion during the first nine months of 2024, resulting in EBITDA of AED 167 million at an EBITDA margin of 13.7%. Pro forma net profit of AED 110 million at a robust net profit margin of 9.0% reflected ADNH Catering's efficient supply chain management, operational efficiencies and proactive contract management.

Commenting on the results, Clive Cowley, CEO of ADNH Catering, said:

"We are pleased to report our first set of results since listing on ADX, with a solid revenue base, sound EBITDA margins and robust free cash flow for the nine months ended September 2024. Over the course of this period we have achieved healthy growth in contracts, particularly for our support services segment, underscoring our commitment to strategic expansion across key verticals and geographies. As we continue to focus on diversifying our service offering to meet client needs, driving value, and deepening our market presence in high-growth sectors, we are pressing ahead with our plans to grow and consolidate our presence both in Saudi Arabia and the UAE. We remain focused on building on this strong foundation to deliver exceptional client service, profitable growth and sustainable shareholder value creation."

Strategy Execution and Growth Drivers

ADNH Catering's growth strategy is centered on both organic and inorganic expansion to drive long-term growth. The core focus on winning new business and retaining key clients through active tender participation has delivered 37 new contracts and 20 clients over the last nine months, with 15 new contracts and seven new clients secured in the most recent quarter, with a retention rate of over 97% on average for the last 12 months. The Company is also actively pursuing inorganic growth through targeted bolt-on acquisitions outside its core catering operations, aimed at broadening service offerings and expanding into high-potential sectors and underserved regions, including in education and energy. ADNH Catering is also actively pursuing growth opportunities in Saudi Arabia, where it is in talks to increase its stake in its existing joint venture, and where it sees compelling opportunities in the Eastern Region, Jeddah and Riyadh, particularly in private healthcare. ADNH Catering is also committed to driving margins by enhancing efficiency, improving productivity, and implementing strategic pricing initiatives to strengthen its market position.

Key Financial Indicators

Revenue: On a pro forma basis, revenue for the nine-month period ended 30 September 2024 (9M 2024) stood at AED 1.2 billion, supported by a focus on strategic business selection and operational scale-up. While 9M 2024 base revenue increased by 12.1% year-on-year due to proactive business selection in tandem with scaling of operations, actual revenue fell on a comparative basis due to a change in its revenue recognition model for part of its support services business and as a result of a voluntary decision in 2023 to de-risk the business by opting out of a contract that did not deliver on ADNH Catering's strict profitability requirements. As such, resources were reallocated to focus on more profitable areas and to reduce reliance on large contracts. With growing diversification in its contract base, the Company's dominant catering business is well balanced across sectors.

Profitability: Despite a high inflationary period, the Company's stable base of contract profitability continued to see higher costs mitigated by effective supply chain management, operational efficiencies and proactive contract management. For 9M 2024, EBITDA stood at AED 167 million at an industry-leading double-digit margin of 13.7%, with EBIT of AED 120 million at an EBIT margin of 9.9%. Net profit for the period stood at AED 110 million at a margin of 9.0%.

Dividend policy: ADNH Catering has implemented a dividend policy that aligns with its financial performance, with semi-annual cash dividend payments. For the financial year 2024, the Company intends to distribute a cash dividend of AED 60 million in April 2025. In 2025, the Company aims to pay a total cash dividend of AED 180 million. In 2026, ADNH Catering plans to increase the annual dividend by at least 5% over the previous year, demonstrating management and the Board's confidence in its future earnings and cash flow generation. From 2027 onwards, the Company intends to maintain a progressive dividend policy linked to financial performance, with semi-annual cash dividend distributions.

Management Outlook

ADNH Catering maintains a positive outlook on its growth prospects, as its expanding addressable market offers compelling opportunities to increase market share. The Company's focus continues to be on maintaining high client retention rates above 95% over the near- and medium-term, as it strengthens its position in key sectors. With a disciplined approach to scaling operations, ADNH Catering aims to drive revenue growth by 5-7% annually from 2025 over the near- and medium-term, while achieving an EBITDA margin of 13-14% over the same periods.

-Ends-

Note Regarding Pro Forma Financials

ADNH Catering plc 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 ADNH Catering'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 ADNH Catering published on 7 November 2024 therefore correspond to the 12-month period ending 30 Sept 2024, and comprise:

- A D N H CATERING L.L.C.-O.P.C ("ADNH Catering Abu Dhabi") for the full 12-month period;
- A D N H Catering L.L.C. ("ADNH Catering Dubai") and A D N H Compass L.L.C SP ("ADNH Catering Sharjah") trading 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 series of acquisitions by ADNH Catering throughout 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. Unaudited, unreviewed Proforma Combined Income Statements are therefore used in this document showing the impact of the Reorganisation as if it had taken place on 1 October 2023. These additional unaudited and unreviewed income statements have been prepared for illustrative purposes only and are based on available information and certain assumptions and estimates that the Company believes are reasonable.

Appendix

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

in AED (FYE 31-Dec)	2022	2023	9 months ended 30 Sept 2023	9 months 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.

Proforma Combined Income Statement for the 12-month period ending 30th September:

in AED (FYE 30-Sep)	2022 (Audited)	2023 (Audited)	2024 (Unaudited and unreviewed)
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.

Condensed consolidated interim statement of profit or loss

	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%*

About ADNH Catering

ADNH Catering has a strong heritage in the UAE, built on over 45 years of experience in the food and support services industry. The Group offers a comprehensive range of services, including food preparation and service, as well as support services including general (non-technical) cleaning, housekeeping, pest control, and procurement services. With a significant market presence in the UAE and operations extending to the Kingdom of Saudi Arabia, ADNH Catering has earned a reputation for excellence.

Recent awards received by ADNH Catering include the 'Best Company to Work For – Large' and 'Best Retention & Recruitment Strategy' awards at the UAE Employee Happiness Awards 2022/23. In 2024, ADNH Catering became fully owned by ADNH and further expanded its portfolio with major contracts in hospitality and healthcare.

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