

In view of the Reorganisation of ADNH Catering plc in 2024, 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, combining Income Statements as if the three entities were operating as a single business throughout the twelve- or three-month periods. 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 2<sup>nd</sup> May 2025.

## **ADNH Catering Delivers Q1 2025 Revenue Growth of 1.7% to AED 410 million, with 1.3% Growth in Net Profit to AED 39 million**

- *Building on the success of Q4 2024, solid Q1 2025 performance is driven by growth in new contracts, focus on retention of existing contracts and margin improvements*
- *Total contracts in Q1 2025 grew by 4.1% year-on-year to 404*
- *Contract retention rate stood at a best-in-class rate of 99% as of 31 March 2025*
- *Food Nation acquisition completed on 17 March 2025, with the business now fully integrated into ADNH Catering.*
- *AGM approved the special dividend of AED 60 million, to be distributed in May 2025*

**Abu Dhabi, UAE – 2nd May 2025:** ADNH Catering plc (the "Company" or "ADNH Catering"), a leading food and support services provider in the UAE, has announced a strong start to the year with its financial results for the three-month period ended 31 March 2025. On a pro forma basis, the Company reported solid financial performance in Q1 2025, driven by healthy growth in new contracts and the retention of key existing clients and margin improvements. Revenue for the quarter rose by 1.7% year on year to AED 410 million, supported by growth in catering and support services. This growth was achieved despite the decision to scale back activity in Zadsources GPO model, which had been undergoing market testing since 2023, as it had not delivered the targeted margins. EBITDA was up 11.1% year-on-year to AED 60 million with an improved EBITDA margin of 14.6% as lower margin business was replaced by higher margin activity and due to a few one-off events in catering and support services segments. Net profit improved by AED 0.5 million or 1.3% year on year to AED 39 million, underscoring the success of strategic initiatives across the business and the positive impact of robust supply chain management and operational efficiencies.

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

*"We are pleased to report a solid performance in first quarter of 2025, building on the strong foundation of the growth strategy we set out during our IPO. Our expansion in Saudi Arabia, by increasing our stake in our Joint Venture, will allow us to grow our operations across business segments and provinces in the Kingdom. Complementing this regional expansion, we are proving our capacity to continuously secure new contracts while maintaining a retention rate of over 97% in 2024 and a 99% retention rate in Q1-2025, underscoring our market-leading position and our ability to deliver on our commitments and capitalize on market opportunities. These achievements highlight the strength of our business model and the commitment of our entire team to creating long-term value for our shareholders. We remain focused on driving sustainable growth by not only expanding our footprint but also growing within key sectors, ensuring that we continue to meet the evolving needs of our clients and reinforce our regional leadership."*

### **Strategy Execution and Growth Drivers**

ADNH Catering secured 17 new contracts in Q1, bringing the total number of contracts to 404 as of 31 March 2025. The Company continues to lead the market with an impressive retention rate of 99% in the quarter, reflecting its deep focus on securing new business while strengthening key client relationships through active tender participation.

In December 2024, ADNH Catering took a significant step in its strategic expansion in Saudi Arabia by signing a Sale and Purchase Agreement to acquire an additional 20% equity stake in its Saudi Joint Venture ("Saudi JV"), increasing its ownership to 50%, enabling full consolidation of the business upon completion that is expected in H1 2025. The Company has a strategic plan to drive SAR 500 million in growth for its Saudi operations in the

next 5 years, aligning with Saudi Arabia's economic development and growth of high-potential sectors, such as private healthcare, energy and infrastructure development. Building on a decade of partnership and a 17% increase in clients served from 2021 to 2024, ADN H Catering plans to continue to leverage its expertise and proven track record to expand its operations and capture market share across the Kingdom.

As part of its strategy to pursue horizontal integration and adjacent expansion, ADN H Catering continues to make significant progress with "HUSK", its coffee and grab-and-go brand. By the end of H1 2025, 25 outlets are expected to be operational across the UAE, with an additional 25 locations set to open in H2 2025. This expansion reflects ADN H Catering's commitment to diversifying its offering and enhancing consumer convenience.

In January 2025, ADN H Catering announced the all-cash acquisition of 100% of the share capital of Food Nation Catering Services, a chef-driven school catering business in the UAE that currently feeds more than 70,000 students across three Emirates. The transaction enhances the Company's strategy to broaden its service offering and expand into high-potential sectors such as Education. This transaction has been completed and we are now in the process of integrating the acquired business's operations and management into our structure.

## Financial Performance

**Revenue:** On a pro forma basis, revenue for Q1 2025 increased by 1.7% year-on-year to AED 410 million compared to AED 403 million in Q1 2024. Good growth in catering and support services was partially offset by a scaling back of our Group Purchasing Office business, Zadsourse, which didn't achieve targeted margins during beta phase testing.

**Profitability:** The Company's stable base of contract profitability was supported by proficient operational, procurement, supply chain and people management. For Q1 2025, pro forma EBITDA grew to AED 60 million, or by 11.1%, with an industry-leading EBITDA margin of 14.6%. EBIT for Q1 was of AED 44 million at an EBIT margin of 10.7%. Pro forma net profit for the Q1 2025 period stood at AED 39 million at a margin of 9.5% compared to AED 38.5M, 9.5% in Q1 last year.

**Special Dividend Reaffirmed:** The AGM approved a special dividend of AED 60 million for 2024, equivalent to 2.7 fils per share to be distributed in May 2025.

## Management Outlook

Management and the Board have a positive outlook for growth in 2025, supported by an expanding addressable market that offers significant opportunity to gain new business and increase market share. Inorganic growth will be considered where there is strategic significance and/or benefits of scale. The Company's full-year performance for 2024 exceeded expectations, with a particularly strong Q4: We see this momentum carrying us through 2025, driven by growth in new contracts, retention of existing contracts, and margin improvements.

The Company's focus continues to be on maintaining 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, ADN H Catering aims to drive revenue growth by 5-7% annually from 2025 over the near- and medium-term, while achieving an EBITDA margin in the range of 13.5% to 14.0% over the same period. The guidance is provided on a like-for-like organic basis, excluding future contributions from recently announced acquisitions such as Food Nation Catering and the Saudi Joint Venture.

For the full-year 2025 period, the Company intends to pay a dividend of AED 180 million, distributed semi-annually in October 2025 and in April 2026; this being subject to business performance and Board of Directors' and shareholder approvals.

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## **Note Regarding Pro Forma Financials**

ADNH Catering plc was incorporated in the Abu Dhabi Global Market on 21 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 ADNHCatering's parent company, Abu Dhabi National Hotels Company 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 ADNHCatering published on 2<sup>nd</sup> May 2025 comprise:

- ADNHCATERING L.L.C.-O.P.C ("ADNH Catering Abu Dhabi") for the full 3-month period.
- ADNHCatering L.L.C. ("ADNH Catering Dubai") and ADNHCcompass L.L.C SP ("ADNH Catering Sharjah") for the full 3-month period; and
- 30% shareholding of Compass Arabia for the full 3-month period.

The prior year comparative financial information for the 3 months ending 31 March 2024 only reflects the performance of ADNHCatering Abu Dhabi.

In view of the reorganization during the year, the Company believes that presenting unaudited unreviewed Proforma Combined Income Statements (for Q1-2024) 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, and as if the three entities were operating as a single business throughout the three-month periods. 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. Proforma and statutory income statements are also provided in the Appendix for ease of reference and comparison.

## Appendix

### Unaudited unreviewed Proforma Combined Income Statement for the 3-month period ending 31st March:

in AED	3 months to March 2025 (Reviewed)	3 months to March 2024 (Unaudited and unreviewed)
Food services	252,519,702	247,192,925
Support services	157,590,711	155,919,932
<b>Revenue</b>	<b>410,110,413</b>	<b>403,112,857</b>
Cost of revenue	(341,191,830)	(343,168,636)
Admin expenses	(24,598,309)	(19,021,825)
Other income, net	6,520	9,787
Impairment loss of trade receivables	(901,648)	-
Reversal for impairment of financial assets	-	-
Share of profit from Joint venture	356,011	-
Add-back: Depreciation on PP&E	4,070,983	2,742,119
Add-back: Depreciation on ROU	9,303,232	10,036,865
Add-back: Amortization of intangible assets	24,129	24,129
Add-back: Amortization of intangible assets (client relationship)	2,501,250	-
<b>EBITDA</b>	<b>59,680,753</b>	<b>53,735,297</b>
<i>% margin</i>	14.6%	13.3%
Less: Depreciation on PP&E	(4,070,983)	(2,742,119)
Less: Depreciation on ROU	(9,303,232)	(10,036,865)
Less: Amortization of intangible assets	(24,129)	(24,129)
Less: Amortization of intangible assets (client relationship) <sup>(1)</sup>	(2,501,250)	-
<b>EBIT</b>	<b>43,781,158</b>	<b>40,932,184</b>
<i>% margin</i>	10.7%	10.2%
Net (finance cost) / Finance income	(751,745)	1,340,088
<b>EBT</b>	<b>43,029,413</b>	<b>42,272,272</b>
Income tax expense	(4,286,753)	(3,804,504)
Deferred tax	225,113	-
<b>Net Profit</b>	<b>38,967,772</b>	<b>38,467,767</b>
<i>% margin</i>	9.5%	9.5%

**Consolidated statement of Profit or loss:**

in AED	3 months to March 2025 (Reviewed)	3 months to March 2024 (unaudited and not reviewed)
Food services	252,519,702	192,321,554
Support services	157,590,711	125,786,641
<b>Revenue</b>	<b>410,110,413</b>	<b>318,108,195</b>
Cost of revenue	(341,191,830)	(259,807,740)
Admin expenses	(24,598,309)	(18,794,720)
Other income, net	6,520	296,369
Impairment loss of trade receivables	(901,648)	-
Reversal for impairment of financial assets	-	-
Share of profit from Joint venture	356,011	-
Add-back: Depreciation on PP&E	4,070,983	1,981,257
Add-back: Depreciation on ROU	9,303,232	7,765,308
Add-back: Amortization of intangible assets	24,129	24,129
Add-back: Amortization of intangible assets (client relationship)	2,501,250	-
<b>EBITDA</b>	<b>59,680,753</b>	<b>49,572,798</b>
<i>% margin</i>	14.6%	15.6%
Less: Depreciation on PP&E	(4,070,983)	(1,981,257)
Less: Depreciation on ROU	(9,303,232)	(7,765,308)
Less: Amortization of intangible assets	(24,129)	(24,129)
Less: Amortization of intangible assets (client relationship) (1)	(2,501,250)	-
<b>EBIT</b>	<b>43,781,158</b>	<b>39,802,104</b>
<i>% margin</i>	10.7%	12.5%
Net finance cost	(751,745)	1,504,793
<b>EBT</b>	<b>43,029,413</b>	<b>41,306,897</b>
Income tax expense	(4,286,753)	(3,717,621)
Deferred tax <sup>(1)</sup>	225,113	-
<b>Net Profit</b>	<b>38,967,772</b>	<b>37,589,276</b>
<i>% margin</i>	9.5%	11.8%

## **About ADNHC Catering**

ADNHC 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, ADNHC Catering has earned a reputation for excellence.

Recent awards received by ADNHC 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, ADNHC Catering became fully owned by ADNHC and further expanded its portfolio with major contracts in hospitality and healthcare.

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