



Q2 & H1 2025 Results

Management Discussion & Analysis Report

6 August 2025



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Agthia Delivers Resilient Underlying Q2 Results; BoD Recommends AED 85.7mn Dividend

- Group Net Revenue stood at AED 1.1 billion up 5.9% year-on-year, driven by strong performance in Water & Food Segment (+19.8%) and Snacking (+5.0%)
- Underlying Group EBITDA¹ at AED 94.5 million with a margin of 8.3%
- Underlying Group Net Profit¹ at AED 10.2 million; Net Profit Margin at 0.9%
- Group Board of Directors recommended dividend of 10.31 fils per share for H1 2025²

Agthia Group PJSC (AGTHIA: UH) today announces its results for the period ending 30 June 2025.

Financial Highlights

Figure 1: Key Financial Highlights – Period Ending June 2025

(AED MN)	Q2 2025	Q2 2024	YoY % Change	H1 2025	H1 2024	YoY % Change
Revenue	1,140.2	1,076.6	5.9%	2,424.0	2,525.9	-4.0%
Reported EBITDA	43.0	149.8	-71.3%	228.7	382.4	-40.2%
Underlying EBITDA¹	94.5	159.8	-40.9%	280.1	392.4	-28.6%
<i>Underlying EBITDA¹ Margin</i>	<i>8.3%</i>	<i>14.8%</i>	<i>-655 bps</i>	<i>11.6%</i>	<i>15.5%</i>	<i>-398 bps</i>
Reported NP	-37.0	62.4	-	49.1	190.0	-74.2%
Underlying NP¹	10.2	71.5	-85.8%	96.3	199.1	-51.6%
<i>Underlying NP¹ Margin</i>	<i>0.9%</i>	<i>6.6%</i>	<i>-575 bps</i>	<i>4.0%</i>	<i>7.9%</i>	<i>-391 bps</i>

Group Revenue increased by 5.9% year-on-year to AED 1.1 billion in Q2 2025 (+10.3% from volume, -4.3% from pricing). This performance was driven by growth in the Water & Food and Snacking segments, partially offset by softer results in the Protein & Frozen and Agri-Business segments. Group Revenue for H1 2025 reached AED 2.4 billion, reflecting a year-on-year decline of 4.0%. Excluding the last year's one-time wheat trading activity (AED 120.0 million) and the impact of the Egyptian pound (EGP) devaluation (AED 128.1 million), Group Revenue would have recorded year-on-year growth of 6.1% in H1 2025.

Group Underlying EBITDA stood at AED 94.5 million, reflecting a 40.9% decline year-on-year, with an EBITDA Margin of 8.3% (-655bps year-on-year). The decline was primarily driven by margin pressure in the Dates and Protein & Frozen segment, partially offset by solid performance in Agri-Business and Water & Food segments, as well as ongoing cost optimization efforts across the Group.

Group Underlying Net Profit declined 85.8% year-on-year to AED 10.2 million, with a margin of 0.9%. The decline was broadly in line with the EBITDA trend.

The Underlying result excludes AED 47.1 million in one-off provisions for legacy receivables (AED 37.7 million in Water & Food, AED 9.4 million in Al Foah), a one-off cost of AED 4.4 million related to the exit from the Timarat JV (in Q2 2025) and a one-off cost of AED 10.0 million related to the exit from the Yoplait (in Q2 2024). Underlying Net Profit is also adjusted to reflect the tax impact of non-underlying items.

¹ Underlying Group EBITDA and Underlying Group Net Profit excludes the impact of bad debt provisions for legacy receivables recorded in Q2 2025, as well as loss related to exit from Timarat joint venture and closure of Yoplait business. Please refer to Appendix 1 for reconciliation.

² Subject to Shareholder General Meeting's approval

Financial Position

We maintain AED 252.5 million in cash and equivalents, with Net Debt at AED 1.6 billion and Net Debt-to-EBITDA ratio of 3.0x (up from 1.5x in December 2024). The increase in leverage was partly driven by cash outflow related to acquisitions of Riviere and minority stake in Abu Auf, as well as lower utilization of supply chain financing. 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.

Group Cash Flow

In H1 2025, **net cash used in operating activities** stood at AED 112.3 million, compared to net cash generated from operating activities of AED 240.2 million in the same period last year. The decline was primarily driven by lower EBITDA and adverse movements in working capital.

The cash outflow related to changes in **working capital** was fully attributable to a substantial reduction in the use of supply chain financing, down from AED 415 million at the end of 2024 to zero by 30 June 2025, which led to higher cash outflows on the payables side. Excluding the impact of supply chain financing, underlying working capital performance remained broadly stable year-on-year.

H1 2025 **Capital expenditure** remained disciplined at AED 51.9 million (2.1% of revenue), aligned with our strategic investment priorities. Spending during the period was focused on capacity optimization, innovation, and efficiency enhancement across core production facilities, with no major expansionary projects undertaken.

Agthia remained active on the M&A front. In Q1 2025, the Group increased its stake in Abu Auf from 70% to 80%, deepening integration within the Snacking segment and reinforcing our confidence in its long-term growth potential. In May 2025, we completed the acquisition of Riviere, home and office water delivery business in the UAE, expanding our Water & Food footprint and strengthening our position in the high-margin direct-to-consumer channel. Total cash outflow related to these two transactions amounted to AED 229.4 million during the first half of the year.

Free cash flow for H1 2025 stood at negative AED 139.1 million. Agthia continues to maintain a prudent capital allocation approach, with a clear focus on operational discipline, working capital optimization, and maintaining strategic flexibility to support long-term growth.

Dividend

Reflecting the Group's commitment to shareholder returns and disciplined capital allocation, the Board of Directors has recommended an interim cash dividend of AED 10.31 fils per share for H1 2025. The decision highlights the short-term impact of one-timers and confirms our confidence in the underlying business performance. The Group remains committed to its strategy, supported by a resilient and diversified portfolio, operational discipline, and a clear commitment to sustainable value creation.

Segment Reporting

Top-line performance in the quarter reflected a mix of volume-led growth in the Water & Food segment, pricing adjustments across select categories, and the impact of category-specific dynamics, particularly in the Protein & Frozen segment.

Figure 2: Reported Revenue by Segment – Period Ending June 2025

Revenue (AED MN)	Q2 2025	Q2 2024	YoY % Change	H1 2025	H1 2024	YoY % Change
Water & Food	317.1	264.6	+19.8%	605.4	525.3	+15.3%
LFL Sales ³	301.5	264.6	+14.0%	589.9	525.3	+12.3%
Agri-Business	297.4	299.2	-0.6%	635.7	747.9	-15.0%
Snacking	284.7	271.3	+5.0%	695.1	718.4	-3.2%
Protein & Frozen	241.0	241.5	-0.2%	487.9	534.4	-8.7%
Total Group	1,140.2	1,076.6	+5.9%	2,424.0	2,525.9	-4.0%

- **Water & Food:** The Water & Food segment delivered strong 19.8% year-on-year revenue growth in Q2 2025 (+15.3% in H1). Excluding Riviere, which was consolidated starting May 2025, Water & Food LFL revenue grew 14.0% year-on-year during Q2 (+12.3% in H1), reflecting continued strong organic growth.

Total UAE water revenue (excluding Riviere) rose by 13.0% year-on-year during the reporting period, with Al Ain bottled water maintaining its market leadership position (value share 30.4%, +3.4pts⁴ year-on-year). Our Home and Office Services (HOS) business (excluding Riviere) grew 12.7% year-on-year during Q2 2025 driven by our ongoing commitment to providing excellent customer service. Agthia's international water business also recorded positive momentum, with particularly strong performance in Turkey (+28.9%), Oman (+5.3%), and Kuwait (+5.1%).

Meanwhile, the food portfolio, which mainly constitutes trading food, delivered 49.9% year-on-year revenue growth, supported by the successful introduction of new brands, including Campa Cola and SunRice, and the strength of Agthia's distribution platform.

- **Agri-Business:** Revenue in the Agri-Business slightly declined by 0.6% year-on-year in Q2 2025 (+1.2% in H1 2025 on a like for like basis excluding wheat trading activity recorded in Q1 last year).

Feed volumes grew by 3.7% during the quarter, supported by strong open market execution and continued participation in the Abu Dhabi Agriculture and Food Safety Authority's (ADAFSA) compound feed program. However, overall Feed sales declined by 3.1%, reflecting reduced average selling prices due to the commoditized nature of the category and softer global commodity trends.

Flour sales grew 2.4% year-on-year during Q2, supported by strong market demand and a continued shift in mix toward more premium flour offerings.

- **Snacking:** Revenue increased by 5.0% year-on-year in Q2 2025 (-3.2% in H1), primarily on sustained strong performance by Abu Auf (+40.7%), reflecting continued healthy consumer demand and the strength of the brand in Egypt, supported by the opening of 25 new stores since the beginning of the year.

Al Foah recorded strong sales volume growth; however, revenue remained under pressure as the oversupply of international date varieties from the 2024 season resulted in sales at reduced prices to effectively manage inventory levels. Whilst the global dates market remains robust, Agthia continues to re-set the business in preparation for the 2025 season.

- **Protein & Frozen:** Revenue in the segment remained broadly stable (-0.2% year-on-year) during Q2 2025 (-8.7% in H1), primarily due to continued pressure in Egypt. Atyab remains impacted by weaker consumer purchasing power, despite sustained efforts around strengthening affordability through product tiering. In Jordan, while local sales strengthened (+5.9% in Q2 2025), overall revenue was affected by lower export sales as the Group reviews its distribution footprint and price positioning.

³ LFL Sales excludes recent Riviere acquisition, whose inclusion in consolidated financial statements began in May 2025

⁴ Based on ePOS data ending June'25

Agthia's Saudi protein facility continues to ramp up towards full capacity. Combined protein sales in KSA, including Nabil export volumes and local sales from the KSA facility, grew by 52.7% year-on-year, underscoring our strengthened market presence and expanding production capabilities in the region. Saudi Phase II is scheduled to go live in early 2026, which will unlock additional production capacity and improved economies of scale. This expansion underlines Agthia's long-term commitment to strengthening its regional protein footprint and capturing strategic growth opportunities in the KSA.

Gross Profit and Gross Profit Margin

Group Gross Profit declined by 9.0% year-on-year in Q2 2025, with Gross Profit Margin contracting 431bps to 26.2%, reflecting mainly one-time profitability pressure in the dates business and the Protein & Frozen segment. Al Foah's profitability was impacted by the depletion of older crop, which were sold at reduced prices to manage inventory levels ahead of the new harvest. In the Protein & Frozen segment, gross profit margin declined by 536bps year-on-year, driven by higher input costs in Egypt, as well as ongoing ramp up costs in our KSA facility, where current production volumes remain below optimal levels required to absorb the fixed cost base of the site.

Agri-Business delivered a 208bps improvement in Gross Profit Margin, driven by improved profitability in the flour business. Higher capacity utilization in Agri-Business enabled better absorption of fixed costs and provided greater flexibility in managing our product mix. As a result, we were able to shift production toward more profitable SKUs, further enhancing overall segment margins.

EBITDA (Earnings before Interest, Tax, Depreciation, and Amortization)

Figure 3: Reported EBITDA and Margin by Segment – Period Ending June 2025

EBITDA (AED MN)	Q2 2025	Q2 2024	YoY % Change	H1 2025	H1 2024	YoY % Change
Water & Food						
EBITDA	17.5	37.5	-53.3%	68.1	80.6	-15.4%
EBITDA Margin	5.5%	14.2%	-865 bps	11.3%	15.3%	-408 bps
Agri-Business						
EBITDA	52.5	49.5	6.1%	120.8	108.3	11.5%
EBITDA Margin	17.6%	16.5%	111 bps	19.0%	14.5%	452 bps
Snacking						
- EBITDA	-45.9	38.4	-	7.6	147.0	-94.8%
- EBITDA Margin	-16.1%	14.2%	-3,029 bps	1.1%	20.5%	-1,937 bps
Protein & Frozen						
- EBITDA	22.9	35.6	-35.6%	38.8	69.3	-44.0%
- EBITDA Margin	9.5%	14.7%	-522 bps	8.0%	13.0%	-500 bps
Total Group						
- EBITDA	43.0	149.8	-71.3%	228.7	382.4	-40.2%
- EBITDA Margin	3.8%	13.9%	-1,014 bps	9.4%	15.1%	-570 bps

- **Water & Food:** EBITDA declined 53.3% year-on-year in Q2 2025 (-15.4% in H1), with EBITDA margin contracting to 5.5%. Profitability for the period was affected by one-off provisions related to legacy receivables (AED 37.7 million) recorded to rectify past exposures. Underlying performance remained strong in Q2 2025, with EBITDA growing 16.2% year-on-year. This was driven by a favorable mix shift toward premium offerings, such as glass bottles, functional water, and 100% rPET bottles, as well as ongoing operational efficiencies. These gains were partially offset by an increased contribution from lower-margin food trading sales.
- **Agri-Business:** EBITDA in Agri-Business grew 6.1% year-on-year in Q2 2025 (+11.5% in H1), with EBITDA margin expanding by 111bps, reflecting the gross profit margin improvement in flour.
- **Snacking:** EBITDA in the Snacking segment declined to AED -45.9 million in Q2 2025 from AED 38.4 million in Q2 2024. The decline was primarily driven by one-timers. In the dates business, gross profit margin contracted due to the depletion of older crop sold at reduced prices, alongside bad debt provisions that further impacted EBITDA Margin. Abu Auf's EBITDA grew at a slower pace compared to revenue due to a decline in profitability driven by an increase in input costs, particularly for coffee. BMB also experienced margin contraction, mainly driven by elevated cocoa prices.
- **Protein and Frozen:** EBITDA declined 35.6% year-on-year in Q2 2025 (-44.0% in H1), with EBITDA margin contracting by 522 bps to 9.5%, in line with the gross margin contraction.

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: During H1 2025, export from Egypt reached AED 55.3 million. Abu Auf continued to expand its retail presence in Egypt. Since the beginning of the year, Abu Auf has opened 25 new stores, strategically located along the North Coast, as well as in sporting clubs, universities, and new residential compounds, further solidifying its position in the market and enhancing the brand's loyalty. In Q2 2025, Agthia's Egyptian businesses combined delivered 14.7% revenue growth in AED terms, while EBITDA remained flat due to margin contraction.

Investing in innovation: Innovation is central to our goal of becoming a leading food and beverage company in the MENA region. Notably, innovation contributed AED 83.3 million to Agthia's H1 2025 growth. Here are some of our Q2 2025 innovation highlights:

- **Snacking:** Abu Auf expanded its coffee portfolio with the launch of a new Mazag-brand Turkish coffee blend tailored for the HORECA and catering segment. This marks Abu Auf's entry into the mainstream catering category, opening significant new growth opportunities within a market segment previously untapped by the brand. Additional innovations included a new iced coffee range, canned juices, and a portable Munch Box featuring pretzels, popcorn, and instant coffee. New product launches also included a sugar-free pistachio chocolate bar, as well as choco-dates under the Sahara brand. Meanwhile, BMB introduced Freakin' Wholesome choco and filled-dates, along with four new gummy variants.
- **Protein & Frozen:** In Egypt, both Atyab and Chicketita launched several new products, including new flavors and varieties of chicken strips, while Chicketita launched new bone-in chicken products with a refreshed packaging design to drive growth in the Tier-2 segment. In Jordan, Nabil launched new luncheon products specifically to cater to the Iraqi market, including new chicken Mortadella varieties (such as black pepper, olives, and other vegetables), as well as new flavored chicken strips and beef hotdog products for the local market.
- **Agri-Business:** On the flour side, Grand Mills launched new Mushattalt Flour as well as new premium baking flour. In feed, Agrivita launched a new 30kg premium golden barley product.

Progressing on our sustainability agenda: Agthia continued to advance its sustainability roadmap in H1 2025, achieving a 2.5% reduction in waste to landfill. The Group partnered with the Authority of Social Contribution - Ma'an and Khubza Bakery on the "A Million Pieces of Bread" initiative during Ramadan as part of the UAE's Year of Community campaign. It also earned gold recognition as Sustainable Brand Owner of the Year 2025 for its 100% recyclable monolayer flexible packaging for "Freakin' Wholesome roasted walnuts stuffed dates pouch". To further strengthen ESG governance and transparency, Agthia launched a Smart ESG Platform this quarter, integrating over 150 KPIs, enabling real-time audits and streamlined reporting across the business.

Accelerating our digital roadmap: Agthia advanced its digital transformation efforts in H1 2025, enhancing both customer experience and operational efficiency, driving a 26.4% surge in e-commerce revenue, now representing 6.0% of total revenue. During Q2, we advanced improvements across our Home and Office Services (HOS) digital touchpoints, including the mobile app, website, WhatsApp channel, and contact center, guided by continuous customer feedback. Enhancements to the Zadina online shop also progressed, and we successfully launched a new point-of-sale solution for Zadina, marking the first step toward a seamless omnichannel experience and leading to a 91% year-on-year increase in number of orders during the quarter. On the operations side, we rolled out Smart Manufacturing Energy Monitoring Systems, already contributing to improved energy tracking and early savings across select sites.

Salmeen Alameri, Managing Director and Chief Executive Officer of Agthia Group, commented: "Our first-half results reflect the continued strength of the Water & Food and Agri-Business, extending their multi-quarter growth trajectories – which are clear indicators of our operational resilience and execution strength. While we have been experiencing pressures in select segments, we are taking targeted initiatives to enhance Agthia's competitive foundation, reinforcing a more agile, disciplined, and future-ready organization that is well-positioned to deliver sustainable value to stakeholders."

– End of Announcement –

Conference Call Details

The Consolidated Financial Statements for six months period ended 30 June 2025 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 7 August 2025. The presentation accompanying the call will be available on Agthia Group's website under the Investors section from 4:00pm on 7 August 2025: <https://www.agthia.com/investors/results-call-materials/>

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Appendix 1

Figure 4: Underlying EBITDA Reconciliation

(AED MN)	Q2 2025	Q2 2024	H1 2025	H1 2024
Reported EBITDA	43.0	149.8	228.7	382.4
Bad debt provisions for legacy receivables ⁵ , incl.:	47.1	-	47.1	-
- <i>Water & Food</i>	37.7	-	37.7	-
- <i>Snacking</i>	9.4	-	9.4	-
Timarat JV exit (Snacking)	4.4	-	4.4	-
Yoplait Closure (Water & Food)	-	10.0	-	10.0
Underlying EBITDA	94.5	159.8	280.1	392.4

Figure 5: Underlying Net Profit Reconciliation

(AED MN)	Q2 2025	Q2 2024	H1 2025	H1 2024
Reported NP	-37.0	62.4	49.1	190.0
Bad debt provisions for legacy receivables ⁵ , incl.:	47.1	-	47.1	-
- <i>Water & Food</i>	37.7	-	37.7	-
- <i>Snacking</i>	9.4	-	9.4	-
Timarat JV exit (Snacking)	4.4	-	4.4	-
Yoplait closure	-	10.0	-	10.0
Tax on non-underlying items	-4.2	-0.9	-4.2	-0.9
Underlying NP	10.2	71.5	96.3	199.1

⁵ The adjustment for bad debt provisions includes only the catch-up amounts recorded against legacy receivables. Recurring provisions created in line with the Group's standard policy are reflected in both reported and underlying performance