



Q3 & 9M 2025 Results

## Management Discussion & Analysis Report

5 November 2025



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## Agthia Builds Momentum in Q3 2025 with Strong Performance Across Core Categories

- Group Net Revenue stood at AED 1.1 billion up 5.0% year-on-year, driven by strong performance across all segments
- Group Underlying EBITDA at AED 146.8 million with a margin of 12.9%
- Group Underlying Net Profit at AED 62.3 million; Net Profit Margin at 5.5%

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

### Financial Highlights

**Figure 1: Key Financial Highlights – Period Ending September 2025**

(AED MN)	Q3 2025	Q3 2024	YoY % Change	9M 2025	9M 2024	YoY % Change
<b>Revenue</b>	<b>1,136.0</b>	<b>1,081.6</b>	<b>5.0%</b>	<b>3,560.0</b>	<b>3,607.6</b>	<b>-1.3%</b>
Reported EBITDA	88.6	155.1	-42.9%	317.2	537.4	-41.0%
<b>Underlying EBITDA<sup>1</sup></b>	<b>146.8</b>	<b>155.1</b>	<b>-5.3%</b>	<b>427.0</b>	<b>547.4</b>	<b>-22.0%</b>
<i>Underlying EBITDA<sup>1</sup> Margin</i>	<i>12.9%</i>	<i>14.3%</i>	<i>-141 bps</i>	<i>12.0%</i>	<i>15.2%</i>	<i>-318 bps</i>
Reported NP	4.1	65.0	-93.7%	53.2	254.9	-79.2%
<b>Underlying NP<sup>1</sup></b>	<b>62.3</b>	<b>65.0</b>	<b>-4.0%</b>	<b>158.6</b>	<b>264.0</b>	<b>-39.9%</b>
<i>Underlying NP<sup>1</sup> Margin</i>	<i>5.5%</i>	<i>6.0%</i>	<i>-52 bps</i>	<i>4.5%</i>	<i>7.3%</i>	<i>-286 bps</i>

**Group Revenue** increased by 5.0% year-on-year to AED 1.1 billion in Q3 2025 (+5.6% from volume, -0.5% from pricing). This performance was driven by growth across all four segments. Group Revenue for 9M 2025 reached AED 3.6 billion, reflecting a year-on-year decline of -1.3%. Excluding the last year's one-time wheat trading activity (AED 120.0 million) and the impact of the Egyptian pound (EGP) devaluation (AED 128.6 million), Group Underlying Revenue would have recorded year-on-year growth of 5.8% in 9M 2025.

**Group Underlying EBITDA** stood at AED 146.8 million, reflecting a -5.3% decline year-on-year, with an EBITDA Margin of 12.9% (-141bps year-on-year). The decrease was primarily driven by margin pressure in the Agri-Business, Protein & Frozen, and Snacking segment, partially offset by modest margin expansion in Water & Food segment and continued cost optimization efforts across the Group.

**Group Underlying Net Profit** declined -4.0% year-on-year to AED 62.3 million, with a margin of 5.5%. The decline was broadly in line with the EBITDA trend.

One-off adjustments year-to-date include AED 51.5 million of one-offs recorded in Q2 2025, a one-off provision of AED 58.3 million recognized in connection with a commercial counterparty in Q3 2025, as well as 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.



## Financial Position

We maintain AED 366.4 million in cash and equivalents, with Net Debt at AED 1.6 billion and Net Debt-to-EBITDA ratio of 3.6x (up from 1.5x in December 2024). The increase in leverage was mainly driven by the decrease in EBITDA but also impacted 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 favourable borrowing terms leveraging our strong balance sheet and network of leading banks.

## Group Cash Flow

YTD Sept 2025, the **net cash generated from operating activities** stood at AED 35.3 million, compared to AED 530.1 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 mainly 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 September 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.

YTD Sept 2025, the **Capital expenditure** remained disciplined at AED 93.9 million (2.6% 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 YTD Sept 2025 stood at negative AED 17.9 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.



## Segment Reporting

### Sales Analysis

Top-line performance in the quarter was supported by strong growth in the Water & Food segment, driven in part by the consolidation of the Riviere home and office water delivery service (HOS) business. Protein & Frozen and Snacking segments delivered mid-single-digit growth, while the Agri-Business segment saw moderate growth, with volume expansion partially offset by softer pricing dynamics.

**Figure 2: Reported Revenue by Segment – Period Ending September 2025**

Revenue (AED MN)	Q3 2025	Q3 2024	YoY % Change	9M 2025	9M 2024	YoY % Change
Water & Food	306.4	278.4	10.1%	911.8	803.7	13.5%
LFL Sales <sup>1</sup>	282.5	278.4	1.5%	872.3	803.7	8.5%
Agri-Business	288.5	284.7	1.3%	924.2	1,032.6	-10.5%
Snacking	289.3	278.5	3.9%	984.4	996.9	-1.3%
Protein & Frozen	251.7	239.9	4.9%	739.6	774.3	-4.5%
<b>Total Group</b>	<b>1,136.0</b>	<b>1,081.6</b>	<b>5.0%</b>	<b>3,560.0</b>	<b>3,607.6</b>	<b>-1.3%</b>

- **Water & Food:** The Water & Food segment delivered strong 10.1% year-on-year revenue growth in Q3 2025 (+13.5% in 9M). Excluding Riviere, which was consolidated starting May 2025, Water & Food LFL revenue grew 1.5% year-on-year during Q3 (+8.5% in 9M), reflecting continued strong organic growth.

Total UAE water revenue (excluding Riviere) rose by 2.2% year-on-year during the reporting period, with Al Ain bottled water maintaining its market leadership position. Our Home and Office Services (HOS) business (excluding Riviere) grew 5.2% year-on-year during Q3 2025 driven by our ongoing commitment to providing excellent customer service. Agthia's international water businesses experienced increased competitive pressure during the quarter, where volume growth was offset by pricing challenges, leading to a 9.7% overall decrease in international water sales.

During Q3 2025, the food portfolio, which mainly constitutes trading food, achieved 21.9% increase in revenue compared to last year (+40.2% in 9M 2025). This growth was driven by the successful introduction of new brands, including Campa Cola and SunRice, along with the robust performance of Agthia's distribution platform.

- **Agri-Business:** Revenue in the Agri-Business recorded moderate year-on-year growth of 1.3% in Q3 2025 (+1.3% in 9M 2025 on a LFL basis, excluding wheat trading activity recorded in Q1 last year).

Feed volumes increased by 3.8% 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 grew by only 0.6%, as reduced average selling prices, driven by commoditized nature of the category, softer global commodity trends, and intensified competition, weighed on top-line performance.

Flour sales rose 2.1% year-on-year during Q3, driven by solid volume growth, but overall revenue was impacted by more competitive pricing environment and targeted price adjustments across select SKUs.

<sup>1</sup> LFL Sales excludes recent Riviere acquisition, whose inclusion in consolidated financial statements began in May 2025

- **Snacking:** Revenue increased by 3.9% year-on-year in Q3 2025 (-1.3% in 9M), driven mainly by Abu Auf's strong performance (+34.5% in Q3 2025), reflecting sustained consumer demand and the brand's strong market position in Egypt, further enhanced by the opening of 47 additional stores since the start of the year.

Sales in both Al Foah and BMB came under pressure in Q3 2025, reflecting the ongoing recalibration of the businesses as part of the Group's broader efforts to refine product portfolios and strengthen route-to-market capabilities. These initiatives are designed to enhance long-term competitiveness and unlock future growth across targeted snacking sub-categories.

- **Protein & Frozen:** Revenue in the Protein & Frozen segment returned to growth in Q3 2025, delivering a 4.9% year-on-year growth (-4.5% in 9M), supported by improved commercial execution and portfolio focus across key geographies. Al Ain Egypt led the segment with strong revenue growth of 24.5%, while both Atyab and Nabil delivered solid mid-single-digit growth, reflecting the Group's continued efforts to regain market share, rebuild consumer loyalty, and strengthen brand equity through sharper positioning and disciplined trade activations.

The segment's performance was further supported by the ramp-up of the KSA protein facility, which continues to contribute positively to overall segment sales. Phase II of the facility is expected to go live in early 2026, unlocking additional capacity and enhancing cost competitiveness.

### Gross Profit and Gross Profit Margin

Group Gross Profit increased by 7.0% year-on-year in Q3 2025, with Gross Profit Margin expanding by 57bps to 31.5%, reflecting strong profitability improvement in Snacking and Water & Food segments.

- **Water & Food:** Gross profit margin expanded by 265bps, supported by improved profitability in the UAE bottled water business, driven by favourable mix as well as further gross margin improvement in the HOS business.
- **Agri-Business:** Gross profit margin declined by -212bps, mainly due to lower profitability in the flour business. The segment faced pressure from heightened competition and selective price adjustments made to safeguard market share.
- **Snacking:** Gross profit margin expanded by 292bps, primarily driven by Al Foah's improved profitability. The year-on-year Al Foah improvement reflects the absence of inventory impairments that had impacted Q3 2024 results. This improvement was partially offset by continued margin pressure in BMB and Abu Auf, stemming from a volatile commodity cycle and intensified competition.
- **Protein & Frozen:** Gross profit margin declined by -210bps year-on-year, mainly driven by higher manufacturing overheads in Egypt, less favourable product mix in Jordan, 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.

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

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

EBITDA (AED MN)	Q3 2025	Q3 2024	YoY % Change	9M 2025	9M 2024	YoY % Change
<b>Water &amp; Food</b>						
- EBITDA	50.8	46.2	9.9%	119.9	127.4	-5.8%
- EBITDA Margin	16.6%	16.6%	-2 bps	13.2%	15.8%	-270 bps
<b>Agri-Business</b>						
- EBITDA	51.7	58.4	-11.5%	172.4	166.7	3.5%
- EBITDA Margin	17.9%	20.5%	-260 bps	18.7%	16.1%	252 bps
<b>Snacking</b>						
- EBITDA	-30.2	29.6	-202.2%	-22.6	176.5	-112.8%
- EBITDA Margin	-10.4%	10.6%	-2,106 bps	-2.3%	17.7%	-2,001 bps
<b>Protein &amp; Frozen</b>						
- EBITDA	21.7	26.8	-18.8%	59.5	95.4	-37.6%
- EBITDA Margin	8.6%	11.2%	-252 bps	8.0%	12.3%	-427 bps
<b>Total Group</b>						
- EBITDA	<b>88.6</b>	<b>155.1</b>	<b>-42.9%</b>	<b>317.2</b>	<b>537.4</b>	<b>-41.0%</b>
- EBITDA Margin	<b>7.8%</b>	<b>14.3%</b>	<b>-654 bps</b>	<b>8.9%</b>	<b>14.9%</b>	<b>-599 bps</b>

- **Water & Food:** EBITDA increased by 9.9% year-on-year in Q3 2025 (-5.8% in 9M), with EBITDA margin remaining broadly stable. Gross profit margin expansion was offset by a higher contribution from lower-margin food-trading sales as well as higher marketing investments, particularly in the UAE Bottled water business.
- **Agri-Business:** EBITDA in Agri-Business declined -11.5% year-on-year in Q3 2025 (+3.5% in 9M), with EBITDA margin contracting by -260bps, in line with the gross margin contraction.
- **Snacking:** Underlying EBITDA in the Snacking segment declined by -5.1% in Q3 2025. The decline was primarily driven by margin pressure in Abu Auf and BMB, while Al Foah delivered moderate underlying margin improvement in Q3 2025. Reported EBITDA was further impacted by one-off AED 58.3 million provisions in relation to the above mentioned commercial counterparty.
- **Protein and Frozen:** EBITDA declined -18.8% year-on-year in Q3 2025 (-37.6% in 9M), with EBITDA margin contracting by -252bps to 8.6%, in line with the gross margin contraction.
- **Head Office cost:** Central costs declined by -7.8% year-on-year in Q3 2025, reflecting the early benefits of a Group-wide cost optimization program launched earlier this year to enhance efficiency across support functions.



## 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 9M 2025, export from Egypt reached AED 83.1 million. Abu Auf continued to expand its retail presence in Egypt. Since the beginning of the year, Abu Auf has opened 47 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 Q3 2025, Agthia's Egyptian businesses delivered combined revenue growth of 18.8% year-on-year in AED terms, supported by strong top-line momentum across all businesses. EBITDA remained broadly stable, as margin contraction, primarily driven by raw material cost volatility, offset the benefit of higher sales.

**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 126.8 million to Agthia's 9M 2025 growth. Here are some of our 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 dates biscuits. 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 and chocolate domes.
- **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, and saj beef kebab 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 9M 2025, achieving a -3.8% reduction in emission rate. Agthia received two gold and two silver awards during Gulf Sustainability Awards 2025 and two platinum awards and one gold Award for the Global ESG award 2025 for Renewable Energy Integration, Education and Awareness Program and Promoting Decent Work Environment. 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 9M 2025, enhancing both customer experience and operational efficiency, driving a 20.7% surge in e-commerce revenue, now representing 6.2% of total revenue. In Q3 2025 we continue the improvements on the experience for our Home Office Services digital touchpoints, bringing new features and continuing improvements on the App, Chatbot and new AI features on our Contact Center. We have also launched a new point of sales solutions for Zadina stores, enabling a seamless omnichannel experience across



physical stores, the website and the contact center. As a result of these recent enhancements, Zadina e-commerce sales grew by 82.2% in 9M 2025.

**Salmeen Alameri, Managing Director and Chief Executive Officer of Agthia Group, commented:** “Our results demonstrate progress for Agthia, with all segments gaining momentum and contributing to improved overall performance, reinforcing our market position. This reflects the strength and adaptability of our diversified portfolio and the impact of the actions we’ve taken to enhance efficiency and increase investment in innovation and digital capabilities. Behind this progress are our teams, whose discipline and commitment continue to shape a more agile and focused Agthia positioned for sustainable growth.”

– End of Announcement –

### Conference Call Details

The Consolidated Financial Statements for nine months period ended 30 September 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 6 November 2025. The presentation accompanying the call will be available on Agthia Group’s website under the Investors section from 4:00pm on 6 November 2025: <https://www.agthia.com/investors/results-call-materials/>

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## Appendix 1

**Figure 4: Underlying EBITDA Reconciliation**

AED MN	Q3 2025	Q3 2024	9M 2025	9M 2024
<b>Reported EBITDA</b>	<b>88.6</b>	<b>155.1</b>	<b>317.2</b>	<b>537.4</b>
Provision related to Al Foah commercial counterparty	58.3	-	58.3	-
Bad debt provisions for legacy receivables <sup>2</sup> , incl.:	-	-	47.1	-
- <i>Water &amp; Food</i>	-	-	37.7	-
- <i>Snacking</i>	-	-	9.4	-
Timarat JV exit (Snacking)	-	-	4.4	-
Yoplait Closure (Water & Food)	-	-	-	10.0
<b>Underlying EBITDA</b>	<b>146.8</b>	<b>155.1</b>	<b>427.0</b>	<b>547.4</b>

**Figure 5: Underlying Net Profit Reconciliation**

AED MN	Q3 2025	Q3 2024	9M 2025	9M 2024
<b>Reported NP</b>	<b>4.1</b>	<b>65.0</b>	<b>53.2</b>	<b>254.9</b>
Provision related to Al Foah commercial counterparty	58.3	-	58.3	-
Bad debt provisions for legacy receivables <sup>5</sup> , incl.:	-	-	47.1	-
- <i>Water &amp; Food</i>	-	-	37.7	-
- <i>Snacking</i>	-	-	9.4	-
Timarat JV exit (Snacking)	-	-	4.4	-
Yoplait closure	-	-	-	10.0
Tax on non-underlying items	-	-	-4.2	-0.9
<b>Underlying NP</b>	<b>62.3</b>	<b>65.0</b>	<b>158.6</b>	<b>264.0</b>

<sup>2</sup> 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