

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, 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 12 February 2025.

## **ADNH Catering Delivers Q4 2024 Revenue Growth of 12% to AED 443 million, With 20% Growth in Net Profit**

- *Strong Q4 2024 performance driven by growth in new contracts, retention of existing contracts and margin improvements*
- *Total contracts for 2024 grew by 5.4% year-on-year to 388*
- *Contract retention rate stood at a best-in-class 97% as of December 2024*
- *ADNH Catering expanded its presence in Saudi Arabia by increasing its equity stake in Saudi Joint Venture from 30% to 50%*
- *Company reaffirms special dividend of AED 60 million, to be distributed in April 2025*

**Abu Dhabi, UAE – 12 February 2025:** ADNH Catering plc (the "Company" or "ADNH Catering"), a leading food and support services provider in the UAE, has announced its financial results for the three- and twelve-month periods ended 31 December 2024. On a pro forma basis, ADNH Catering reported strong financial performance in Q4, driven by healthy growth in new contracts and the retention of key existing clients and margin improvements. Revenue for the fourth quarter grew 12% to AED 443 million. EBITDA was up 22.2% year-on-year to AED 66.5 million with an improved EBITDA margin of 15%. Net profit improved by 20% to AED 44 million, demonstrating the positive impact of ADNH Catering's robust supply chain management, operational efficiencies and proactive contract management.

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

*"Our strong performance in both the full-year and fourth quarter reflect the continued execution 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. Complimenting this regional expansion, we are proving our capacity to continuously secure new contracts while maintaining a retention rate of over 97%, 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 stakeholders. 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 14 new contracts in Q4 and 61 new contracts over the past twelve months, bringing the total number of contracts to 388 in 2024. As of 31 December 2024, the Company serves a total of 283 clients. The Company maintained an industry-leading average retention rate of over 97% during the year, underscoring its focus on securing new business while strengthening key client relationships through active tender participation.

In December 2024, ADNH Catering advanced 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%. Upon completion, expected in H1 2025, the business will be consolidated into ADNH Catering. The Company has a strategic plan to drive SAR 500 million in growth for its Saudi JV over the next 3-5 years in alignment with its vision to leverage opportunities in the Saudi market. Saudi Arabia's economic development and growth of high-potential sectors, such as private healthcare and energy remain key pillars of the Company's strategy. Building on a decade of partnership and a 17% increase in clients served from 2021 to

2023, ADNH 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, ADNH 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 ADNH Catering's commitment to diversifying its offering and enhancing customer convenience.

In a post-period event in January 2025, ADNH Catering continued to pursue inorganic growth through targeted bolt-on acquisitions, announcing 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 is in line with the Company's strategy to broaden its service offering and expand into high-potential sectors such as education.

## **Financial Performance**

**Revenue:** On a pro forma basis, revenue for Q4 2024 increased by 12% year-on-year to AED 443 million compared to AED 396 million in Q4 2023 driven by the securing of profitable new contracts while maintaining strong client retention and expansion of existing contracts. The fourth quarter was the first in 2024 where, on a comparative basis, financial results were no longer affected by the impact of exiting certain unprofitable contracts, which had previously weighed on performance. The absence of this impact reflects the Company's return to a normalized revenue base.

Pro forma revenue for the twelve months ended 31 December 2024 was AED 1.7 billion. On an adjusted like-for-like basis, excluding the one-off negative impact of the Company's decision in 2023 to de-risk its portfolio by exiting the above-mentioned unprofitable contracts and the change in its revenue recognition model for part of its Support Services business, full-year pro forma revenue improved 12.9% against 2023 (whereas on an unadjusted basis it declined by 2.6%).

**Profitability:** The Company's stable base of contract profitability continued to see higher costs mitigated by effective supply chain management, operational efficiencies and growth in new contracts. For Q4 2024, pro forma EBITDA grew to AED 66.5 million year-on-year, or by 22.2%, with an industry-leading EBITDA margin of 15%, and EBIT of AED 49 million at an EBIT margin of 11.1%. Pro forma EBITDA for the twelve-month period was AED 233 million, improving by 10.6% when adjusted for the impacts stated above, and declining by 11.8% on an unadjusted basis.

Pro forma net profit for the Q4 period stood at AED 44 million at a margin of 10%. Strong profitability in Q4, as compared to prior quarters in 2024 as well as to the comparative period in 2023, demonstrates the success of management's strategy to reallocate resources toward higher-margin opportunities, diversify the contract base, improve contract-level margins and implement better cost controls – all of which had a material role in offsetting one-off costs such as IPO expenses. Pro forma net profit for the twelve-month period was AED 153.6 million improving by 1% when adjusted for the impacts stated above, and declining by 25.6% on an unadjusted basis.

**Special Dividend Reaffirmed:** ADNH Catering's Board of Directors has approved a recommended dividend of AED 60 million for 2024, equivalent to 2.7 fils per share to be distributed in April 2025, subject to approval by shareholders at the General Meeting to be held in April 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 win new business and increase market share and inorganic growth. The Company's full-year performance exceeded expectations, with a particularly strong Q4 driven by growth in new contracts, retention of existing contracts, and margin improvements, with sustained momentum carrying into 2025.

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, 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 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 — first in October 2025 and second in April 2026 — subject to business performance, the Board of Directors' recommendation and shareholder approvals.

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#### **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 12 February 2025 therefore correspond to the 15-month period ending 31 December 2024, and comprise:

- ADNH CATERING L.L.C.-O.P.C ("ADNH Catering Abu Dhabi") for the full 15-month period;
- ADNH Catering L.L.C. ("ADNH Catering Dubai") and ADNH 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 September 2023 only reflects the performance of ADNH Catering Abu Dhabi.

In view of the 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. 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 twelve- and 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.

## Appendices

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

	in AED	3 months to December 2024 (Unaudited and unreviewed)	3 months to December 2023 (Unaudited and unreviewed)
Food services	286,847,188	244,973,169	
Support services	156,231,808	150,710,745	
<b>Revenue</b>	<b>443,078,996</b>	<b>395,683,914</b>	
Cost of revenue	(367,236,756)	(339,597,052)	
Admin expenses	(17,923,772)	(15,011,683)	
Other income, net	40,274	(56,364)	
Impairment loss of trade receivables	(9,228,153)	-	
Reversal for impairment of financial assets	-	-	
Share of profit from Joint venture	541,622	-	
Add-back: Depreciation on PP&E	5,243,743	2,964,040	
Add-back: Depreciation on ROU	9,425,232	10,379,451	
Add-back: Amortization of intangible assets	24,129	24,129	
	2,501,250	-	
Add-back: Amortization of intangible assets (client relationship)			
<b>EBITDA</b>	<b>66,466,565</b>	<b>54,386,435</b>	
% margin	15.0%	13.7%	
Less: Depreciation on PP&E	(5,243,743)	(2,964,040)	
Less: Depreciation on ROU	(9,425,232)	(10,379,451)	
Less: Amortization of intangible assets	(24,129)	(24,129)	
	(2,501,250)	-	
Less: Amortization of intangible assets (client relationship) <sup>(1)</sup>			
<b>EBIT</b>	<b>49,272,211</b>	<b>41,018,815</b>	
% margin	11.1%	10.4%	
Net finance cost	(864,638)	(541,581)	
<b>EBT</b>	<b>48,407,573</b>	<b>40,477,234</b>	
Income tax expense	(4,486,039)	(3,642,951)	
Deferred tax <sup>(1)</sup>	225,113	-	
<b>Net Profit</b>	<b>44,146,647</b>	<b>36,834,283</b>	
% margin	10.0%	9.3%	

**Proforma Combined Income Statement for the 12-month period ending 30th September and 15 months ending 31st December :**

in AED	15 Months to Dec-2024 (Unaudited and unreviewed)	12 Months to Sep-2023 (Audited)
Food services	1,285,685,620	1,072,997,335
Support services	771,730,477	744,495,824
<b>Revenue</b>	<b>2,057,416,098</b>	<b>1,817,493,159</b>
Cost of revenue	(1,744,520,614)	(1,523,903,424)
Admin expenses	(94,193,366)	(50,527,123)
Other income, net	151,107	(1,941,979)
Impairment loss of trade receivables	(9,228,153)	(17,576,077)
Reversal for impairment of financial assets	-	-
Share of profit from Joint venture (1st Jul-31st Dec 24)	1,192,879	-
Add-back: Depreciation on PP&E	19,622,638	11,016,675
Add-back: Depreciation on ROU	49,753,095	43,183,013
Add-back: Amortization of intangible assets	120,646	72,800
	7,503,750	-
Add-back: Amortization of intangible assets (client relationship)	(7,503,750)	-
<b>EBITDA</b>	<b>287,818,080</b>	<b>277,817,043</b>
% margin	14.0%	15.3%
Less: Depreciation on PP&E	(19,622,638)	(11,016,675)
Less: Depreciation on ROU	(49,753,095)	(43,183,013)
Less: Amortization of intangible assets	(120,646)	(72,800)
	(7,503,750)	-
Less: Amortization of intangible assets (client relationship)	(7,503,750)	-
<b>EBIT</b>	<b>210,817,951</b>	<b>223,544,555</b>
% margin	10.2%	12.3%
Net finance cost	(1,760,521)	(436,953)
<b>EBT</b>	<b>209,057,430</b>	<b>223,107,602</b>
Income tax expense	(19,336,138)	-
Deferred tax <sup>(1)</sup>	675,338	-
<b>Net Profit</b>	<b>190,396,629</b>	<b>223,107,602</b>
% margin	9.3%	12.3%

<b>Results excluding provision release:</b>		
Charge / Release of specific provision	-	(25,210,000)
<b>EBITDA (excl. Provision release)</b>	<b>287,818,080</b>	<b>252,607,043</b>
% margin	14.0%	13.9%
<b>EBIT (excl. Provision release)</b>	<b>210,817,951</b>	<b>198,334,555</b>
% margin	10.2%	10.9%

(1) considered amortization of intangibles (client relationship) from Apr to Dec-24.

**Unaudited unreviewed Proforma Combined Income Statement for the 12-month period ending 31<sup>st</sup> December:**

AED (FYE 31-Dec)	2023 (Un-audited unreviewed)	2024 (Un-audited unreviewed)
Food services	1,013,283,034	1,040,712,452
Support services	691,985,610	621,019,732
<b>Revenue</b>	<b>1,705,268,644</b>	<b>1,661,732,184</b>
Cost of revenue	(1,429,519,780)	(1,404,756,922)
Admin expenses	(48,062,285)	(79,194,949)
Other income, net	109,158	54,097
Impairment loss of trade receivables	(17,576,077)	(9,228,153)
Reversal for impairment of financial assets	-	-
Share of profit from Joint venture (1st Jul-30th Sep 24)	-	1,192,879
Add-back: Depreciation on PP&E	11,455,333	16,658,598
Add-back: Depreciation on ROU	42,981,472	39,376,993
Add-back: Amortization of intangible assets	28,520	108,562
		7,503,750
Add-back: Amortization of intangible assets (client relationship)		
<b>EBITDA</b>	<b>264,684,985</b>	<b>233,447,039</b>
% margin	15.5%	14.0%
Less: Depreciation on PP&E	(11,455,333)	(16,658,598)
Less: Depreciation on ROU	(42,981,472)	(39,376,993)
Less: Amortization of intangible assets	(28,520)	(108,562)
		(7,503,750)
Less: Amortization of intangible assets (client relationship) <sup>(1)</sup>		
<b>EBIT</b>	<b>210,219,660</b>	<b>169,799,136</b>
% margin	12.3%	10.2%
Net finance cost	(160,793)	(1,218,940)
<b>EBT</b>	<b>210,058,866</b>	<b>168,580,196</b>
Income tax expense	(3,642,951)	(15,693,182)
Deferred tax <sup>(1)</sup>	-	675,338
<b>Net Profit</b>	<b>206,415,915</b>	<b>153,562,351</b>
% margin	12.1%	9.2%
<b>Results excluding provision release:</b>		
Charge / Release of specific provision	(25,210,000)	-
<b>EBITDA (excl. Provision release)</b>	<b>239,474,985</b>	<b>233,447,039</b>
% margin	14.0%	14.0%
<b>EBIT (excl. Provision release)</b>	<b>185,009,660</b>	<b>169,799,136</b>
% margin	10.8%	10.2%

(1) considered amortization of intangibles (client relationship) from Apr to Dec-24.

## Statutory Consolidated Statement of Profit or Loss:

AED	12 months to September 2023 (Audited)	15 months to December 2024 (Audited)
Food services	874,867,984	1,177,470,723
Support services	513,924,216	714,751,271
<b>Revenue</b>	<b>1,388,792,200</b>	<b>1,892,221,994</b>
Cost of revenue	(1,124,771,033)	(1,594,013,184)
Admin expenses	(74,955,882)	(88,231,567)
Other income, net	23,275,823	262,468
Impairment loss of trade receivables	(904,989)	(9,228,153)
Reversal for impairment of financial assets	-	-
Share of profit from Joint venture	-	1,192,879
Add-back: Depreciation on PP&E	8,165,846	18,082,108
Add-back: Depreciation on ROU	31,468,505	45,205,866
Add-back: Amortization of intangible assets	72,800	120,646
	-	7,503,750
<b>Add-back: Amortization of intangible assets (client relationship)</b>	<b>251,143,270</b>	<b>273,116,807</b>
<b>EBITDA</b>	<b>251,143,270</b>	<b>273,116,807</b>
% margin	18.1%	14.4%
Less: Depreciation on PP&E	(8,165,846)	(18,082,108)
Less: Depreciation on ROU	(31,468,505)	(45,205,866)
Less: Amortization of intangible assets	(72,800)	(120,646)
	-	(7,503,750)
<b>Less: Amortization of intangible assets (client relationship)</b>	<b>211,436,119</b>	<b>202,204,437</b>
<b>EBIT</b>	<b>211,436,119</b>	<b>202,204,437</b>
% margin	15.2%	10.7%
Net finance cost	(393)	(1,433,658)
<b>EBT</b>	<b>211,435,726</b>	<b>200,770,779</b>
Income tax expense	-	(18,728,342)
Deferred tax	-	674,952
<b>Net Profit</b>	<b>211,435,726</b>	<b>182,717,389</b>
% margin	15.2%	9.7%

## **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.

## **INVESTOR ENQUIRIES**

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