



FY 2024
EARNINGS PRESENTATION

12 February 2024

Disclaimer

No statement in this document is intended to be nor may be construed as a profit forecast.

Any statements made in this document which could be classed a “forward-looking” are based upon various assumptions, including, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant risks, uncertainties and contingencies.

Forward-looking statements are not guarantees of future performance.

Risks, uncertainties, contingencies could cause the actual results of operations, financial condition and liquidity of the Company to differ materially from those results expressed or implied in the document by such forward-looking statements.

No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved.

No reliance should be placed on any forward-looking statement.



Organic produce introduced in Q4 2024, sourced directly from Rungis market in France.

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Our new range of 'on the clock' convenience meal centres was launched in Q4 2024

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2024 at a Glance

Sunil Kumar, Chief Executive Officer



Potato stacks recipe from spinneys.com, part of the 2024 festive campaign

2024 at a Glance

With strong momentum in 2024, Spinneys continues to build on its unique market position

Revenues hit record high of AED 3.2bn for FY2024

Like-for-like revenue up 11.3% and adjusted EBITDA margin at an industry-leading 19.5%

Profit before tax of AED 323m in FY2024, up 26.2%

Profit for the period at AED 290m, up 13.9% despite corporate tax impact

Board recommends final dividend of AED ~ 101m, equivalent to 2.80 fils per share



In season premium white grapes, sourced from South Korea.

2024 at a Glance



Transactions

33.8m → 37.3m

▲ 10.5%



Fresh Sales

61.5% → 63.3%

▲ 1.8%



Private Label Penetration

40.8% → 43.3%

▲ 2.5%



Average Basket Size

AED 86 → AED 87

▲ 1.4%



Store Footprint

75 → 80

▲ 7%



Ecommerce Participation

12.5% → 14.1%

▲ 1.6%

Supportive Macroeconomic Environment

Macroeconomic Dynamics (UAE)

GDP



~5.1%

2025 forecast (3)

Inflation



2-4%

In the medium term (3)

Population



+10%

11 million by 2030 (2)

HNW-UHNW



+30%

By 2030 (1)

Supply chain challenges impacting retail

- Longer sailing times due to rerouting and multiple port congestions.
- Shortages of equipment, such as reefer containers, causing intermittent delays.
- Mitigated by efficient sourcing and supply chain management.



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DELIVERING ON OUR STRATEGY

Sunil Kumar, Chief Executive Officer



Spinneys Food Gingerbread range, part of the 2024 festive season.

Spinneys' Strategy & Growth Drivers

Spinneys

LFL Growth

Increasing fresh product retail revenue

Increasing private label retail revenue

Online penetration

UAE Retail Market Growth

+3.9%

2022-2028 CAGR

UAE Food Service Market Growth

+4.8%

2022-2028 CAGR

KSA Retail Market Growth

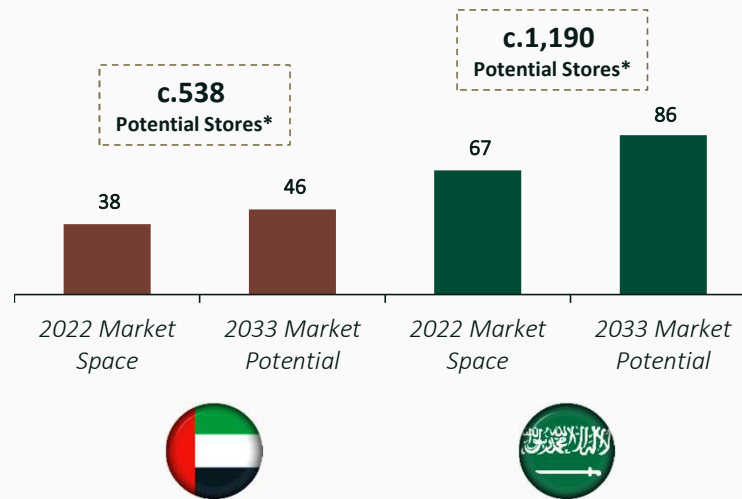
+6.8%

2022-2028 CAGR

Market expert analysis

Sizable Whitespace with High Rollout Potential

Sizable Whitespace Potential (million sqft)



* Potential stores is based on Spinneys' average store area of 16k sqft

The Kitchen

Roll-out of Standalone Grocerant Concept

Rise of meal solutions and convenience to attract more customers into stores

Operational Excellence

Supply chain efficiencies

Fixed cost control

In-house production

Operating leverage through scaled presence

Increased private label participation

Steady Expansion with Healthy Store Opening Pipeline

FY2023 – FY2024 Stores Bridge



New Stores 2024 - UAE

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- Al Khawaneej
- Marina Promenade
- Sobha Hartland
- The Kitchen – Dubai Mall
- The Kitchen – Creek Beach

New Stores 2024 - KSA

2

- La Strada
- KAFD

Store Closures 2024 - UAE

2

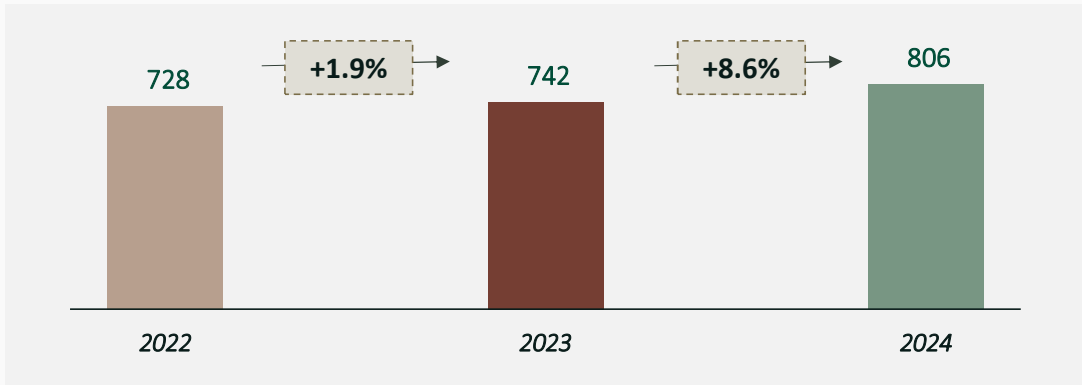
- Damac
Small store (3,946 sqft), replaced with Damac Ventura Store (20,363 sqft)
- Nad Al Sheba
Small store (6,407sqft), will be replaced by larger one in 2025



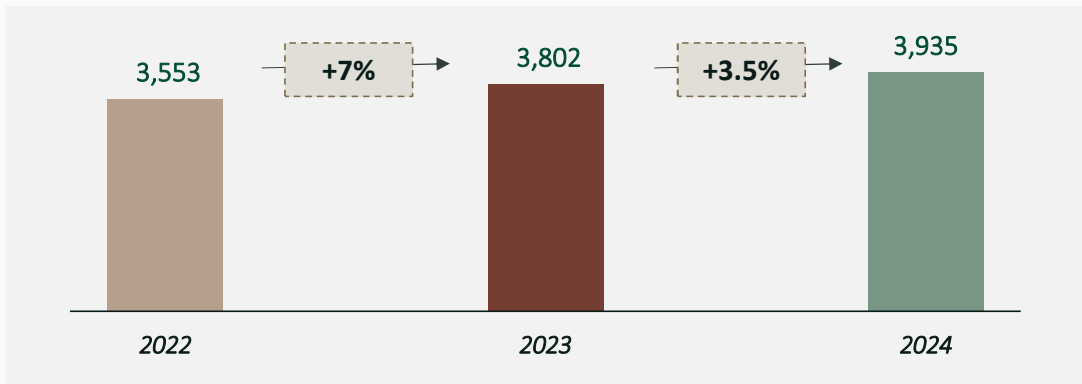
Our second Spinneys store in Saudi Arabia at KAFD in Riyadh.

Expanding Gross Selling Area and Revenue per SQFT

Total GSA (excl. Abu Dhabi) – SQFT 000s



Retail Revenue per SQFT - AED



Successful Launch of Spinneys Saudi Arabia

A year of valuable learnings

Successfully established **local office in Riyadh** to manage Commercial, Supply Chain, HR and Operations

Partnered with specialized service providers to assist with import product registration, cross-border shipments and to acquire Produce Import Permit

Opened flagship 29,490 sqft store in **La Strada Yard (Riyadh)**, followed by a 7,807 sqft store in **KAFD (Riyadh)**

Currently in process of **transitioning to a new 3PL partner**, better equipped to meet our needs

Leveraging power of **social media platforms** to create awareness and **build our brand** among the Riyadh community

Continuous refinement of our Saudi business model to improve our **product offering** and achieve our **targeted margins**



Our first store in Saudi Arabia, at La Strada Yard, Riyadh

Continued Growth in Ecommerce

SPINNEYS SWIFT

- Launched new Spinneys App with Swift delivery option, resulting in 13% uptick in orders
- Agreement with 3rd party last mile service provider for Swift deliveries
- Spinneys Swift reached 21% sales participation of spinneys.com, including 6% incremental sales

UPGRADES

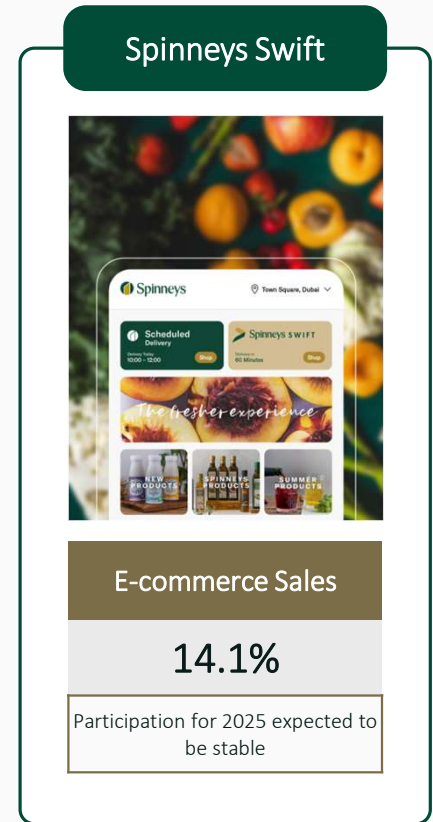
- Introduced real-time updates for Picking App, improving picking efficiencies
- Implemented Delivery App improvements to allow for external partners to use our solution

The Kitchen by Spinneys

- Our range of high-quality convenient products specialising in food on the go is available for online delivery

SAUDI ARABIA

- Soft-launch of NowNow platform in Spinneys La Strada (December), customer launch planned in Q1 2025
- Onboarding one of the largest food & grocery platforms in Saudi, aiming to launch spinneys.com in H1 2025



The Kitchen by Spinneys

Evolution to the 'grocerant' concept

The Kitchen by Spinneys launched in **Dubai Mall** in Q2, followed by **Creek Beach** in Q4, which is a grocerant (combination of The Kitchen by Spinneys and small grocery section)

We set up a **Cloud Kitchen facility** during Q1, enabling us to produce and blast-freeze products centrally, requiring minimal preparation and processing at store level

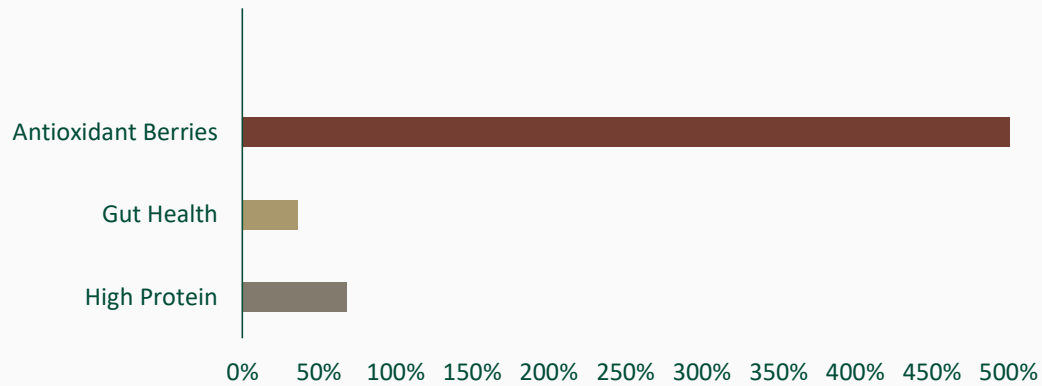
The Kitchen by Spinneys is allowing us to access locations with **high traffic footfall** not accessible to traditional supermarkets resulting in a **margin accretive offering**

The Kitchen by Spinneys in Dubai Mall was named by IGD as one of the 35 global "must-see stores in 2025"



Product Trends Driven by Health and Convenience

Selected Health-Focused & Premium Product Sales Growth



Top Performing Categories



Fresh Fruit Sales
+21.6%



Meal Solution Sales
+16.7%



Organic Products
6.4% of total sales



Fresh Sales
63.3% participation
+1.8%



Private Label
43.3% penetration
+2.5%

Award-Winning Retailer with a Strong Brand

Driving brand heritage

In 2024 we celebrated 100 years of Spinneys with a campaign that highlighted our brand heritage. The campaign reached 3.6m people in store and online.

Spinneys was recognised as 2024 Grocery Retailer of the Year at the RetailME Awards and at the Good Food Awards.



Living Our Purpose

Nourishing and inspiring our communities to live better lives

Record entries for the 2024 Spinneys Dubai 92 Cycle Challenge

Spinneys Farm to Table Program now in 158 schools across the UAE, reaching 210,000+ educators, students and parents

Spinneys Family Run Series reached 8 more communities in 2024

The Kitchen by Spinneys ranked Top 5 F&B outlet at Emirates Dubai Rugby 7's 2024



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2024 FINANCIAL HIGHLIGHTS

Mukesh Agarwal, Chief Financial Officer



Spinneys prawn & mango salad, available at all of our salad counters.

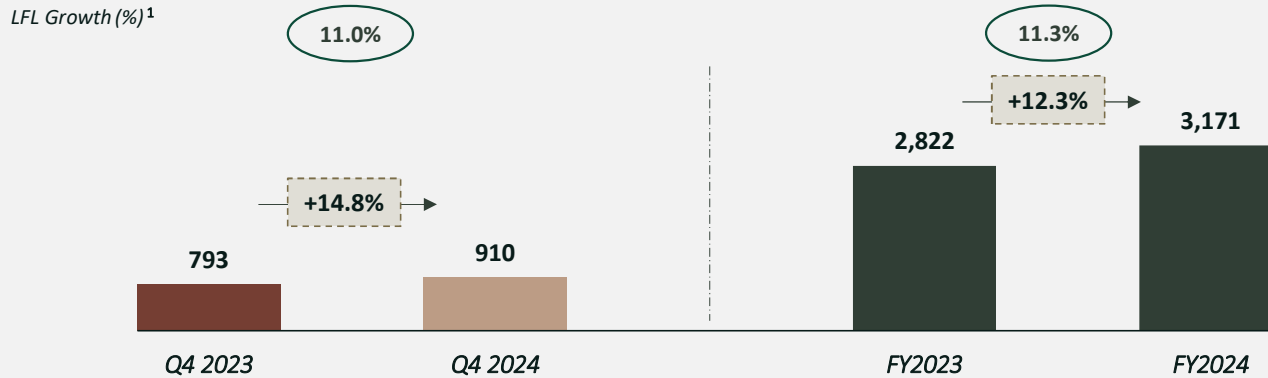
FY2024 Financial Highlights

REVENUE			
AED 3.2bn +12.3% YOY			
AED 1.3bn +10.8% YOY	AED 631m +12.1% YOY	AED 323m +26.2% YOY	AED 290m +13.9% YOY
GROSS PROFIT	ADJ. EBITDA	PROFIT BEFORE TAX	PROFIT
AED 243m 58.9% FCF Conversion	AED 530m 0.8 Net Debt / Adj. EBITDA	AED 536m	AED ~ 101m 70% of Profit
FREE CASH FLOW ¹	NET DEBT ²	CASH AND BANK BALANCES	PROPOSED FINAL DIVIDEND

Notes: 1. FCF: Adjusted EBITDA +/- change in net working capital (NWC) +/- change in related party balances, minus purchase of property, plant and equipment, depreciation and impairment on right-of-use assets and interest on lease liabilities. 2. Total interest-bearing loans and borrowings plus lease liabilities minus cash and short-term deposits.

Retail Revenue

Retail Revenue (AED m)



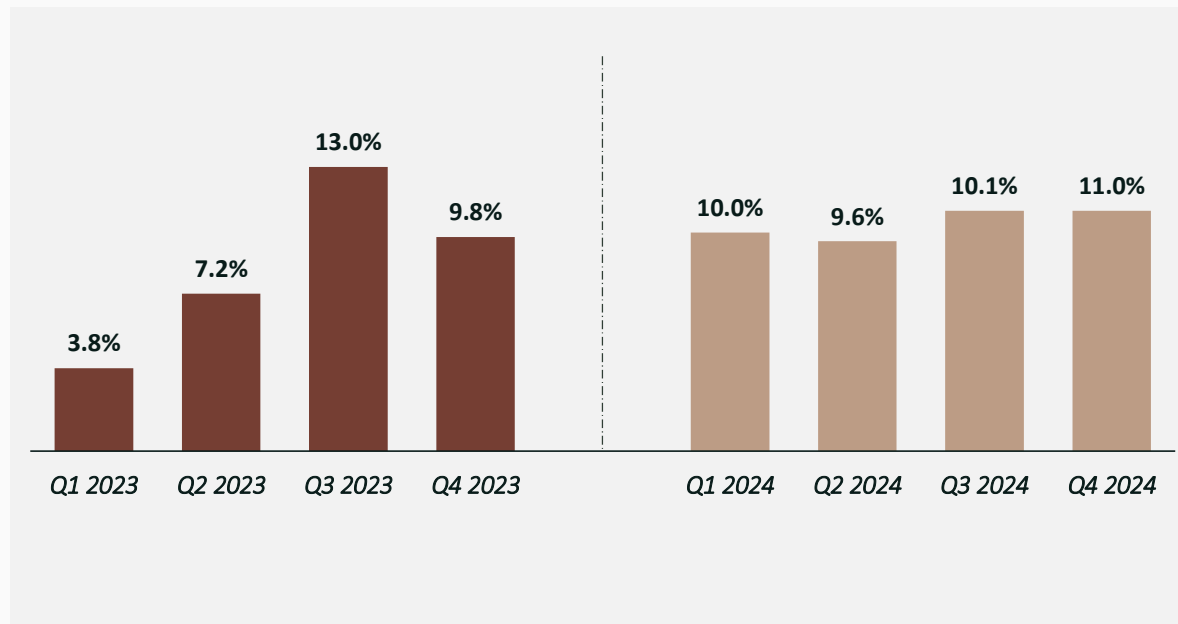
2023-2024 Retail Revenue Bridge (AED m)



- 7 stores opened since January 2024
- Increase in Fresh Sales and Private Label penetration by 1.8% and 2.5%, respectively
- LFL growth of 11.3% from existing stores
- Online sales penetration increased to 14.1%

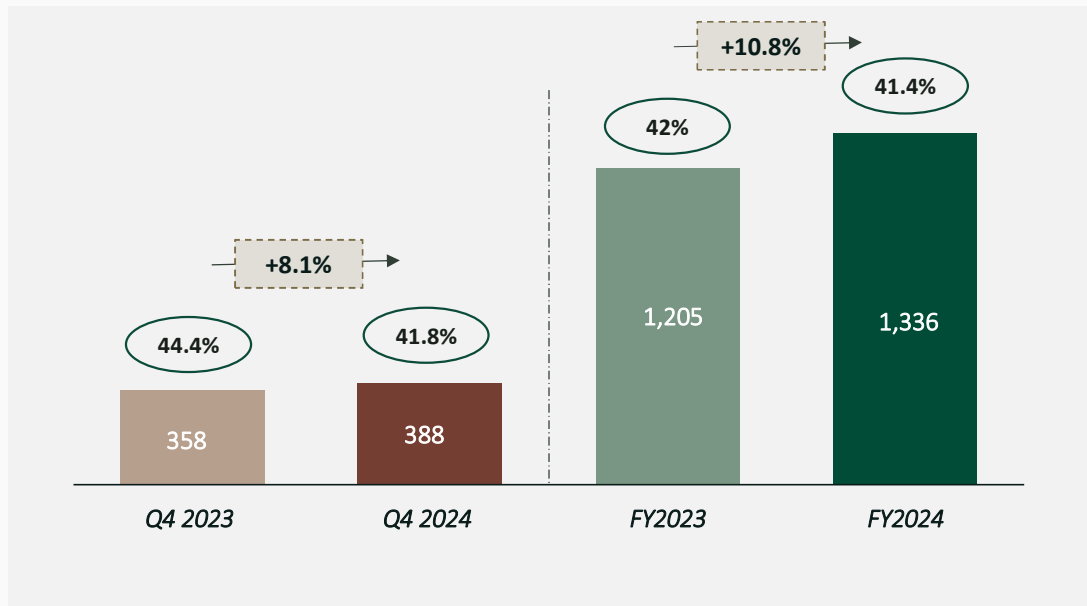
Like-for-Like Retail Revenue Growth

Quarterly Like-for-Like Retail Revenue Growth (2023-2024)



Gross Profit

Gross Profit (AED m) and GM %



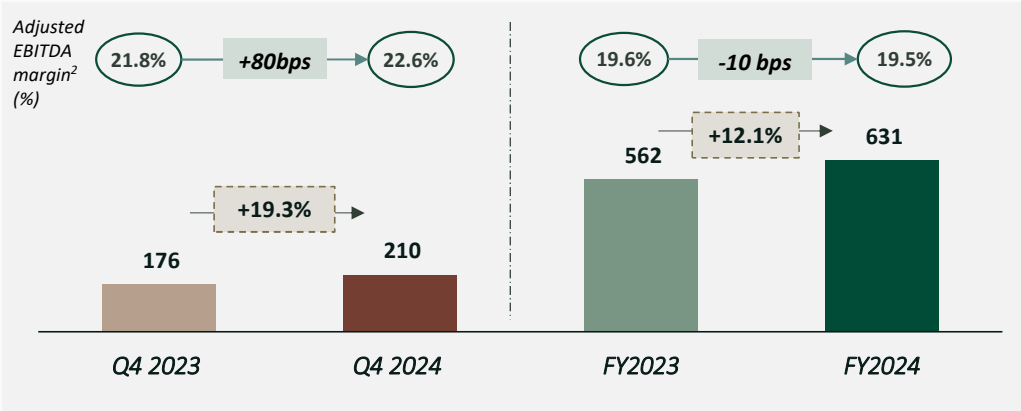
- Overall margin impacted due to lower margin in Saudi Arabia and higher wastage in new stores, which was offset by increase in Fresh and Private Label penetration.

Spinneys' Secret Recipe for Best-in-Class Profitability

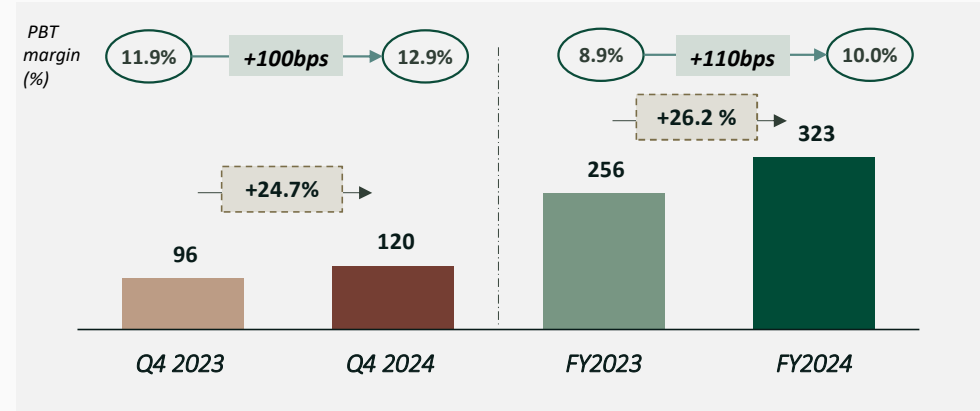
- Efficient sourcing and supply chain, achieved through proximity to suppliers providing significant cost advantage
- "Fresh premium" offering targeting affluent customers belonging to mid-high income socio-economic group – no comparable peer in the market
- Successful private label strategy, underpinned by a strategic shift towards high margin products
- Strong and unique brand reputation securing favorable supplier terms, optimizing both front- and back-end margins

Adjusted EBITDA and Profit

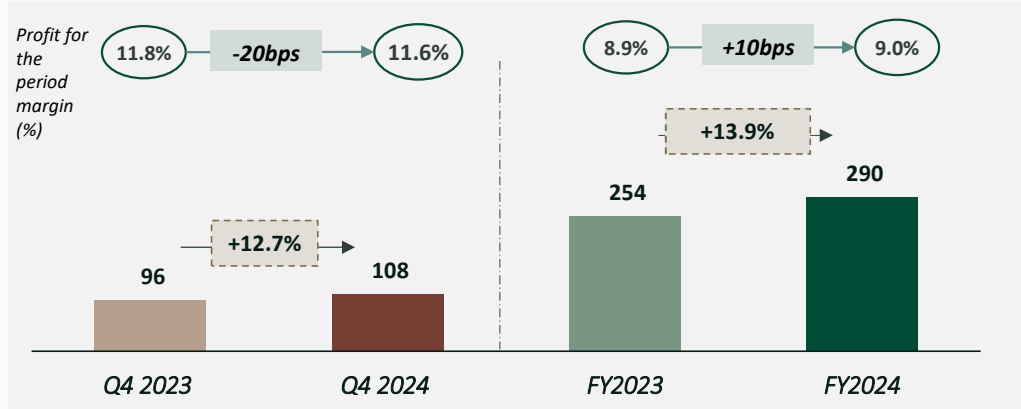
Adjusted EBITDA¹ (AED m)



Profit Before Tax (AED m)



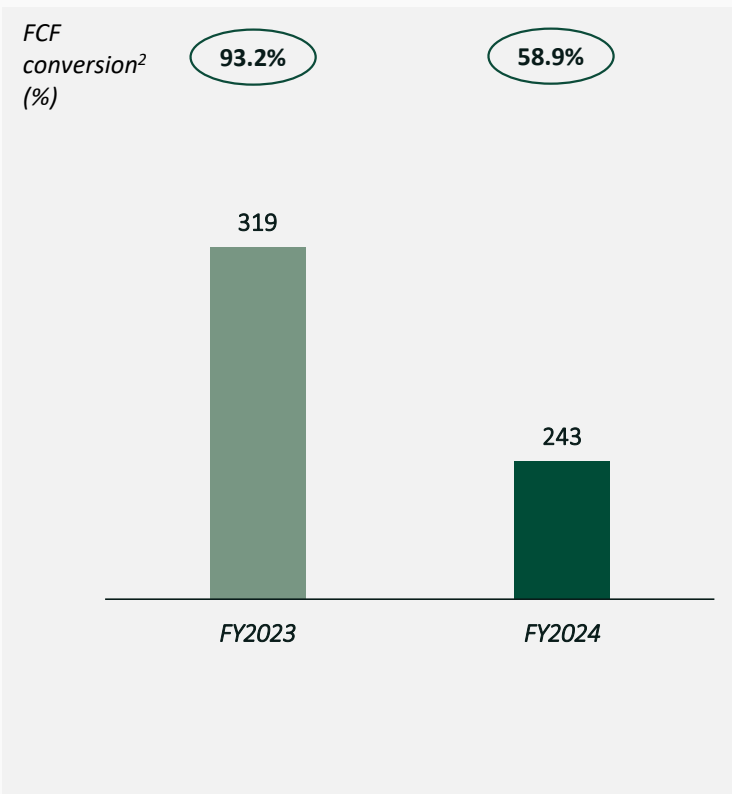
Profit for the Period (AED m)



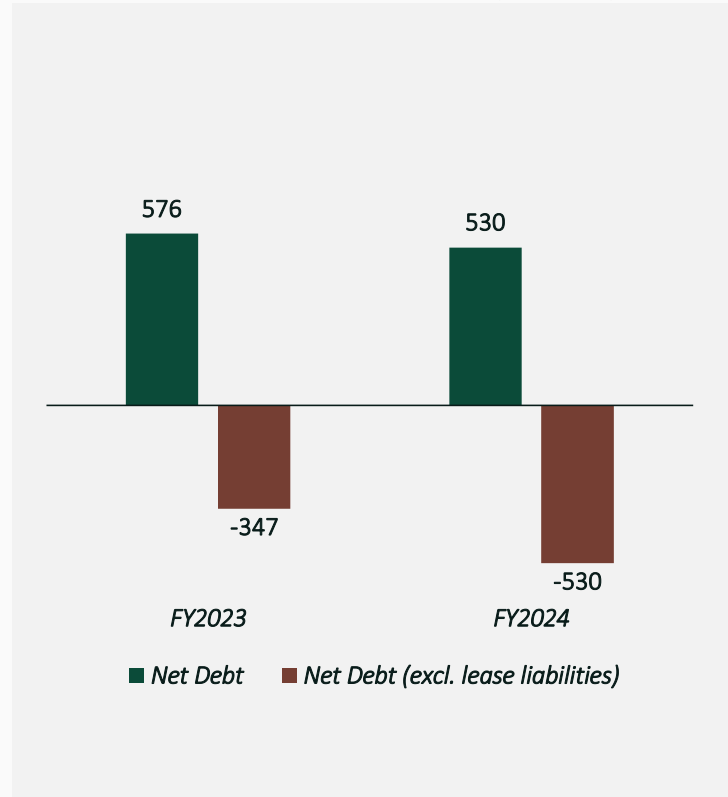
- Includes impact of **one-off IPO-related costs** incurred in H1 2024 and **pre-opening expenses in Saudi Arabia** amounting to more than AED 10m
- Impact of **9% corporate tax**, effective from January 2024, affects profit for the period vs. 2023 only

Free Cash Flow and Net Debt

Free Cash Flow¹ Evolution (AED m)



Net Debt Evolution³ (AED m)



- > 99% of gross debt relates to lease liabilities
- Self-funded growth with minimal financial debt on balance sheet
- Cash and bank balance of AED 536m

24 **Notes:** 1. FCF: Adjusted EBITDA +/- change in net working capital (NWC) +/- change in related party balances, minus purchase of property, plant and equipment, depreciation and impairment on right-of-use assets and interest on lease liabilities. 2. FCF conversion: FCF divided by Adjusted EBITDA (post lease related expenses). 3. Total interest-bearing loans and borrowings plus lease liabilities minus cash and short-term deposits.

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OUTLOOK AND STRATEGIC FOCUS

Sunil Kumar, Chief Executive Officer



Three new salads introduced in Q4 2024

2025 Outlook and Strategic Focus

UAE

- Launch 10 new stores across Dubai and Abu Dhabi, with 3 stores featuring the Kitchen concept

KSA

- Continue to grow Saudi business at a steady pace, with 1 new store opening in Riyadh, and 1 store in Jeddah



REFURBISHMENTS

- Continue to invest in existing stores to deliver outstanding in-store experience
- Planning to refurbish 4 supermarkets

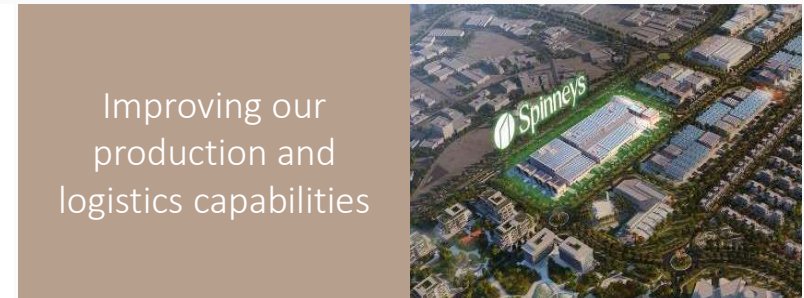


FOOD TECH VALLEY FACTORY

- Plot lease signed and master plan design started, planned launch H1 2027

UAE FREE ZONE WAREHOUSE

- To setup bonded warehouse to avoid double duties when exporting from UAE to other countries



2025 Outlook and Strategic Focus

SELF SUFFICIENCY

Key to our success has been our ability to source products direct from growers and manufacturers



INTERNATIONAL SOURCING

- Leverage strategic relationships to strengthen direct sourcing capabilities and exploring international food trends in new territories
- This allows higher on shelf availability and higher margins



PRIVATE LABEL

- Continue to drive private label strategy in order to sustain market share and higher margins as well as brand equity

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2025 GUIDANCE

Sunil Kumar, Chief Executive Officer



FY2025 Guidance

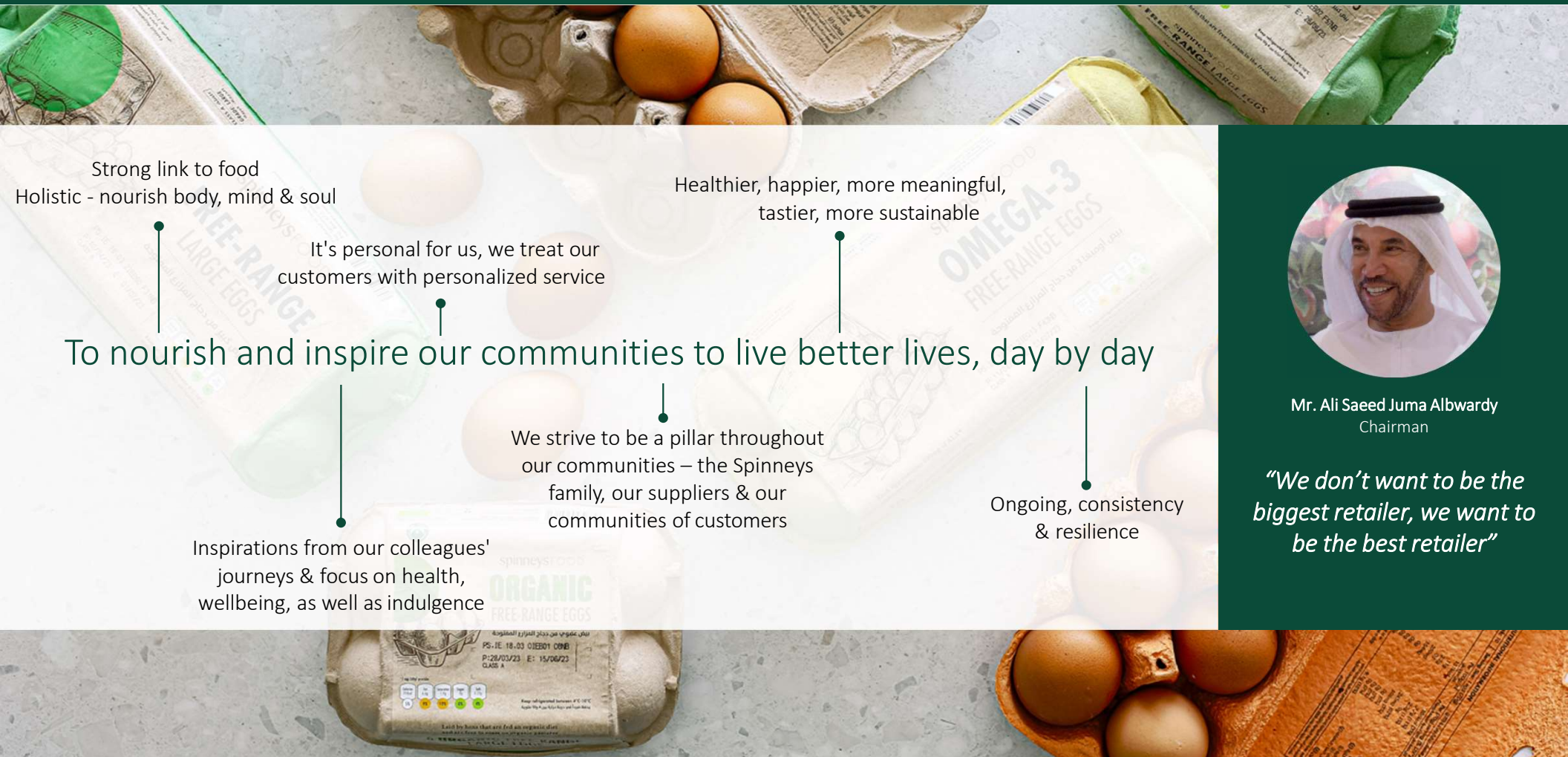
	<i>FY2024 (A)</i>	<i>FY2025 (E)</i>
Store openings	7	10-12
Store closures	2	2
Revenue Growth %	12.3%	9-11%
LFL Revenue Growth %	11.3%	4-6%
Adj. EBITDA Margin %	19.5%	19-20%
Capex as % of Revenue	3.5%	3.5-4.5%

6 APPENDIX



Spinneys Food Cookie Jars

Spinneys' Purpose and Vision: What Makes Spinneys Different



Mr. Ali Saeed Juma Albwardy
Chairman

"We don't want to be the biggest retailer, we want to be the best retailer"

Consolidated Statement of Profit or Loss

AED '000	Q4 2023	Q4 2024	FY2023	FY2024
Revenue from contracts with customers	792,661	910,211	2,821,837	3,170,661
Rental income	14,432	16,505	49,327	54,956
Revenue	807,093	926,716	2,871,164	3,225,617
Cost of sales	(448,651)	(539,155)	(1,665,955)	(1,890,060)
Gross Profit	358,442	387,561	1,205,209	1,335,557
Other income	11,468	6,415	19,214	12,507
Selling, general and administrative expenses	(194,001)	(184,125)	(661,997)	(717,532)
Depreciation and impairment of right-of-use assets	(48,692)	(50,444)	(180,508)	(174,656)
Depreciation and impairment of property, plant and equipment	(19,999)	(29,856)	(78,315)	(95,571)
Impairment of goodwill	-	-	(3,463)	-
Finance income	-	3,857	-	13,300
Finance costs	(11,292)	(13,755)	(44,546)	(50,977)
Profit Before Tax	95,926	119,653	255,594	322,628
Income tax expense	(289)	(11,884)	(1,277)	(33,003)
Profit for the Period	95,637	107,769	254,317	289,625
Earnings per Share* (AED per share)			0.0712	0.0845

Consolidated Statement of Financial Position

AED '000	31-Dec 2023	31-Dec 2024
ASSETS		
Non-current assets		
Property, plant and equipment	408,582	425,792
Intangible assets	34,000	34,000
Right of use assets	808,475	923,749
Other non-current assets	50,148	56,045
Deferred tax assets	1,250	1,099
Total Non-current Assets	1,302,455	1,440,685
Current assets		
Inventories	133,161	157,111
Trade receivable, prepayments and other receivables	59,244	55,086
Amounts due from related parties	6,722	3,765
Bank balances and cash	354,061	536,168
Total Current Assets	553,188	752,130
TOTAL ASSETS	1,855,643	2,192,815
EQUITY AND LIABILITIES		
Equity Attributable to equity holders of the company	115,369	315,535
Share capital	36,000	36,000
Restricted reserve	4,778	4,778
Retained earnings	66,155	267,825
Actuarial reserve	7,585	6,144
Foreign currency translation reserve	851	788
Non-controlling interest	(1,688)	(16,316)
Total Equity	113,681	299,219
LIABILITIES		
Non-current liabilities		
Interest-bearing loans and borrowings	6,355	5,507
Other non-current liabilities	14,308	14,591
Lease liabilities	779,324	886,736
Employees EOS benefits	68,480	79,172
Total Non-current Liabilities	868,467	986,006
Current liabilities		
Trade payable, accruals and other payables	689,607	677,666
Lease liabilities	143,833	173,657
Interest bearing loans and borrowings	762	751
Amounts due to related parties	38,830	23,632
Income tax payable	463	31,884
Total Current Liabilities	873,495	907,590
TOTAL LIABILITIES	1,741,962	1,893,596
TOTAL EQUITY AND LIABILITIES	1,855,643	2,192,815

Consolidated Statement of Cash Flows

AED '000	31-Dec 2023	31-Dec 2024
OPERATING ACTIVITIES		
Profit for the year before tax	255,594	322,628
Adjustments to reconcile profit before tax to net cash flows:		
Net gain on disposal of property, plant and equipment and intangible assets	(4,255)	(1,342)
Finance income	-	(13,300)
Finance costs	44,546	50,977
Depreciation and impairment of PPE	78,315	95,571
Depreciation and impairment of ROU	180,508	174,656
Impairment of goodwill	3,463	-
(Gain) / loss on change in fair value of forward exchange contracts	-	6,770
Provision for old and obsolete inventories	10,940	12,061
Loss/ (gain) on termination of leases	(2,287)	(545)
Provision for employees' end of service benefits	10,182	11,740
Total Adjustments	577,006	659,216
Working capital Adjustments:		
Inventories	(21,024)	(36,011)
Trade receivable, prepayments and other receivables	(30,952)	(8,509)
Related parties' balances	127,472	(9,301)
Trade payable, accruals and other payables	127,008	(11,658)
Employees' end of service benefits paid	(6,609)	(5,441)
Interest paid	(489)	(490)
Income tax paid	(1,004)	(1,448)
Net cash flows from operating activities	771,408	586,358
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(91,550)	(113,762)
Proceeds from disposal of property, plant and equipment and intangible assets	8,316	2,020
Investment in short-term deposits	-	(476,000)
Interest received	-	13,300
Net cash flows used in investing activities	(83,234)	(574,442)
FINANCING ACTIVITIES		
Dividends paid	(197,639)	(102,600)
Issuance of Shares	36,000	-
Repayment of lease liabilities	(210,951)	(202,596)
Repayment of loans and borrowings	(762)	(765)
Net cash flows used in financing activities	(373,352)	(305,961)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	314,822	(294,045)
Cash and cash equivalents at 1 January	39,671	354,061
Net foreign exchange difference	(432)	152
CASH AND CASH EQUIVALENTS AT 31 December	354,061	60,168



THANK YOU

ir@spinneys.com