



Q2 2024 EARNINGS PRESENTATION

AUGUST 8, 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.



Heirloom tomato & SpinneysFOOD Burrata Salad, from Spinneys.com.

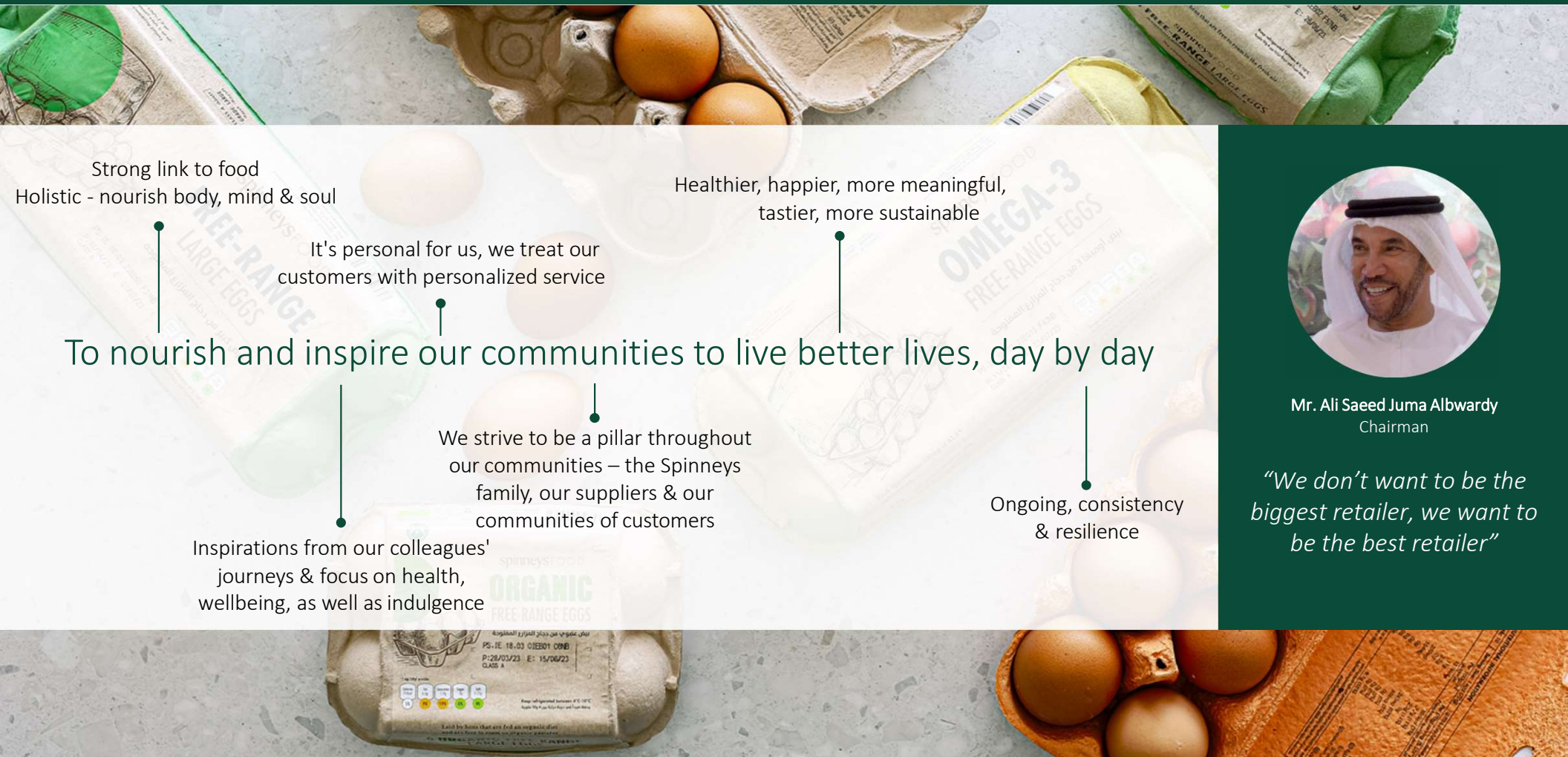
Contents

- 1 Business Overview
- 2 Delivering on Our Strategy
- 3 Key Financial Highlights
- 4 Outlook
- 5 Appendix



One of our delicious lamb recipes on Spinneys.com, to celebrate Eid Al-Adha.

Our Purpose and Vision



Strong link to food
Holistic - nourish body, mind & soul

It's personal for us, we treat our customers with personalized service

Healthier, happier, more meaningful, tastier, more sustainable

To nourish and inspire our communities to live better lives, day by day

We strive to be a pillar throughout our communities – the Spinneys family, our suppliers & our communities of customers

Ongoing, consistency & resilience

Inspirations from our colleagues' journeys & focus on health, wellbeing, as well as indulgence



Mr. Ali Saeed Juma Albwardy
Chairman

“We don’t want to be the biggest retailer, we want to be the best retailer”

1 BUSINESS OVERVIEW

Sunil Kumar, Chief Executive Officer



Pick up some summer energy from our green goddess salad, featuring SpinneysFOOD Hass Avocados.

Business Overview

STRONG H1 RESULTS AND FIRST POST-IPO INTERIM DIVIDEND

Revenue at record high of AED 1.6bn for H1 2024

Like-for-like revenue up 10% and adjusted EBIDTA margin at 19%

Profit for the period at AED 146m, up 15%

Ecommerce sales up 22% YoY, 14% of total revenue

Interim dividend of AED ~103m, equivalent to 2.85 fils per share



H1 Business Highlights (Y-o-Y)



Transactions

16.8m → 18.3m



Fresh sales

61.7% → 63.8%



Private label

40.5% → 42.8%



Average basket size at

AED 87 → AED 88



Store footprint

75 → 79 stores



First KSA store opening

La Strada, Riyadh

Market Conditions

H1 EVENTS AND TRENDS

Consumer Goods Forum Trends reinforcing our Strategy

- Worldwide wellness and healthy living trends: fresh food on the go
- Don't fight gravity – meet customers where they are: Spinneys Swift
- Quality private label: SpinneysFOOD

Record two years' worth of rain in a single day in April

- Our priority was the safety of customers and staff
- We kept maximum # of stores open to serve our communities
- Rapidly recovered 100% operational capacity

Continued supply chain challenges due to Red Sea blockades

- Sea containers delayed 2-4 weeks due to extended sailing time for shipments from West, as well as congestion at ports
- Mitigated by increased air freight and higher stock cover



Asparagus churros recipe from Spinneys.com.

2

DELIVERING ON OUR STRATEGY

Sunil Kumar, Chief Executive Officer



A nourishing vegetable pasta salad recipe from Spinneys.com.

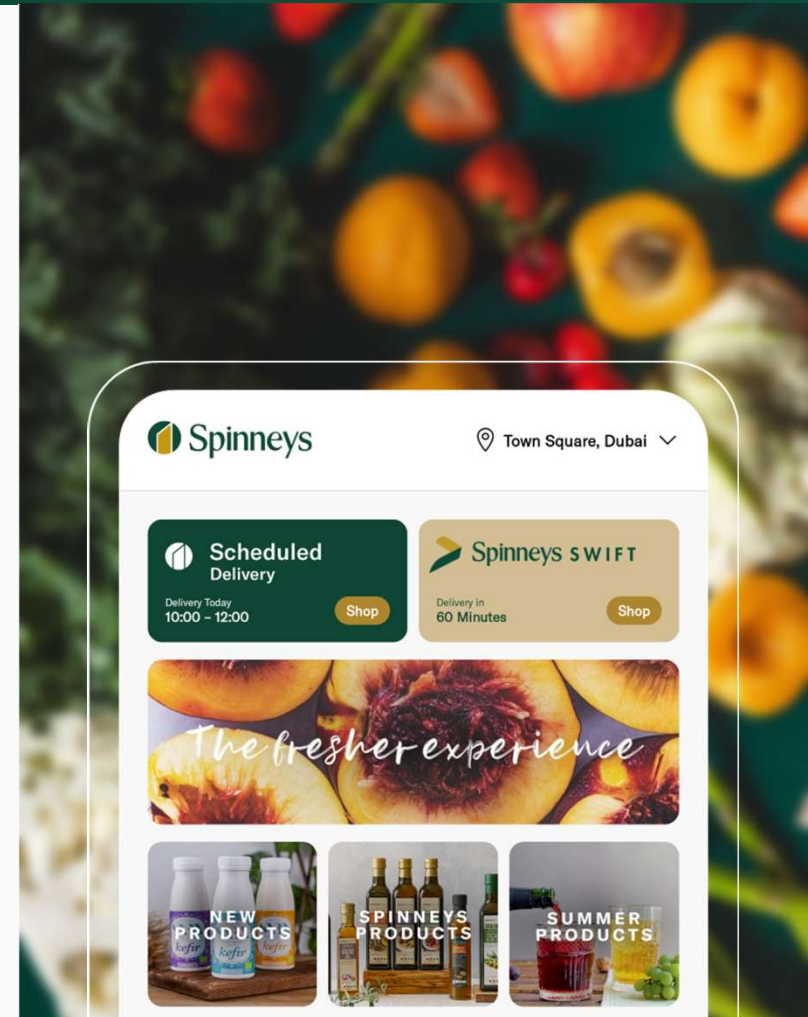
Hyperlocal Ecommerce

SPINNEYS SWIFT

Refreshed Ecommerce App including hyperlocal

Empowers customers with **scheduled and express delivery options**

Innovative 60-minute delivery service **successfully piloted in 4 key locations**



Continued Growth in Store Network

EXPANDING OUR FOOTPRINT

Opened **4 new stores** in H1 2024, adding 7.9% gross selling area (GSA)

Launched **first-ever foodhall** concept, "The Kitchen, by Spinneys"

Launched first-ever store in the **Kingdom of Saudi Arabia**

+7.9%

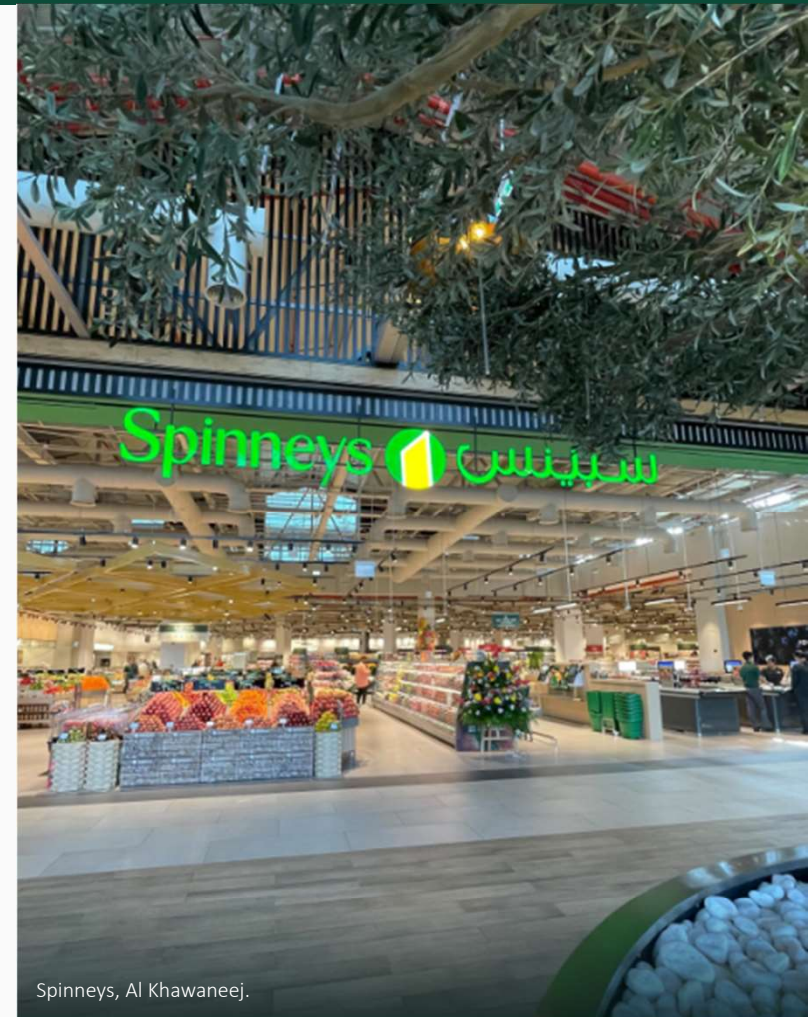
GSA INCREASE



NEW CONCEPT



NEW MARKET



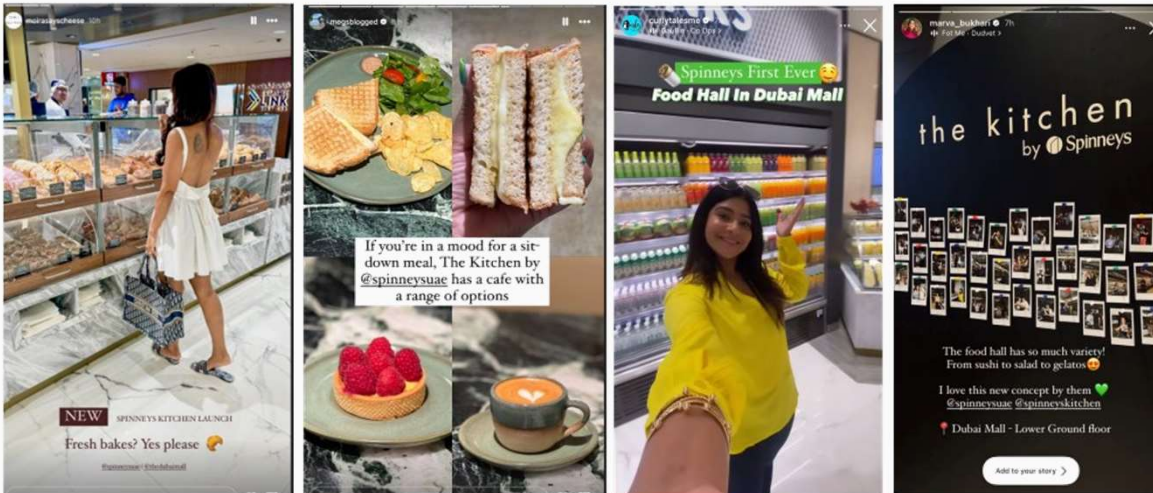
Spinneys, Al Khawaneej.

First-Ever Foodhall Concept

THE KITCHEN, BY SPINNEYS

Launched in Dubai Mall in Q2, margins well above grocery retail margins

In-mall and F&B influencer-led launch campaign reaching 1.2m+ people



The Kitchen, by Spinneys, Dubai Mall.

Saudi Arabia Launch

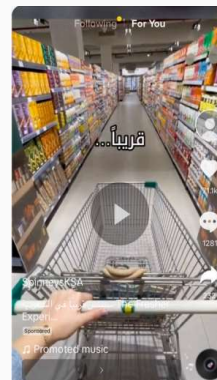
SPINNEYS LA STRADA

Successful launch of first Spinneys store in Riyadh, Saudi Arabia on 24 June - a major strategic milestone

Exceptional response from customers, demonstrating strong demand for premium fresh food offering in this critical market

Digital and social media focused phase 1 launch, driving awareness within Riyadh - influencer/own content reaching 6.8m

Focus on core Saudi social media channels: Instagram, Snapchat, TikTok



4,000 SQM
STORE SIZE

23,000 PRODUCTS LISTED
PRODUCTS



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

3

KEY FINANCIAL HIGHLIGHTS

Mukesh Agarwal, Chief Financial Officer



All new SpinneysFOOD confectionery, launched in Q2 2024.

H1 Financial Highlights

AED 1,598m +9.9% YOY	AED 659m +12.3% YOY	AED 304m +9.4% YOY	AED 146m +15.2% YOY
REVENUE	GROSS PROFIT	Adjusted EBITDA	PROFIT
AED 168m 84.5% FCF Conversion	AED 388m 1.3x Net Debt / Adj. EBITDA	AED 553m	AED~ 103m 70% of Profit for the Period
FREE CASH FLOW ¹	NET DEBT ²	CASH AND BANK BALANCES	INTERIM 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.



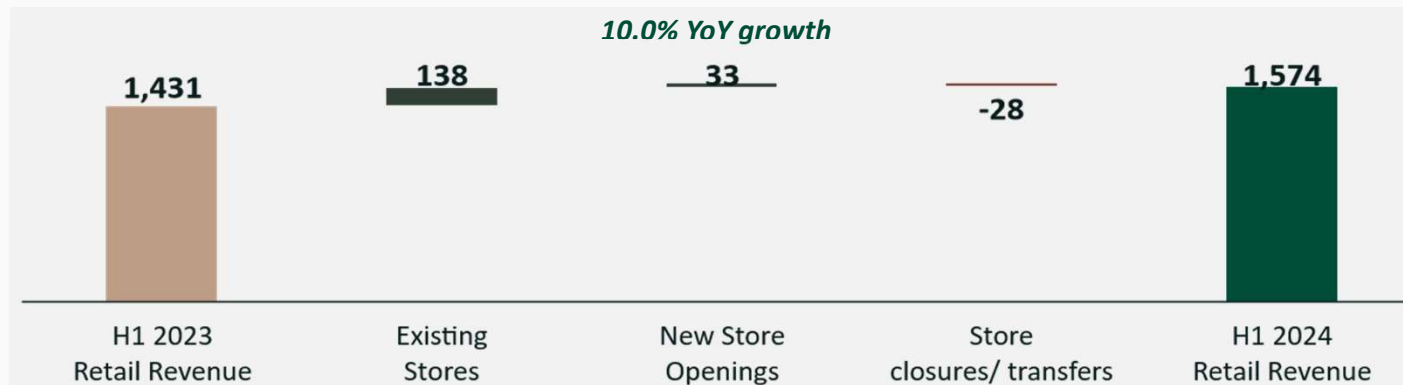
SpinneysFOOD lamb kebabs from our Grill range.

Retail Revenue

Retail Revenue (AED m)



H1 2023 – H1 2024 Retail Revenue Bridge (AED m)

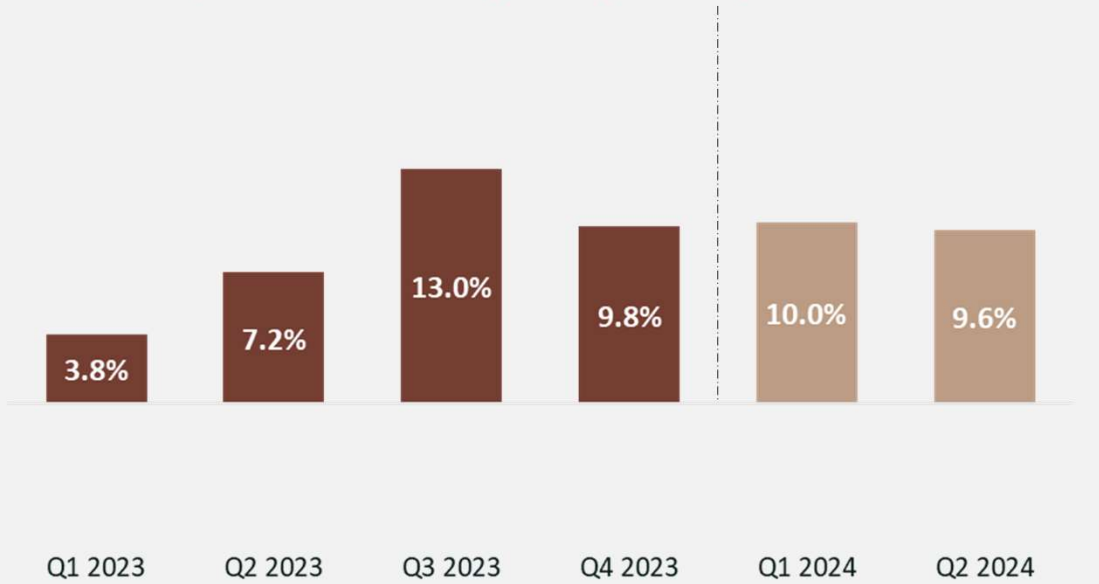


- 5 stores opened since July 2023
 - Damac (in Q3 2023)
 - The Kitchen, by Spinneys (Q2 2024)
 - Al Khawaneej (Q2 2024)
 - Sobha (Q2 2024)
 - La Strada (KSA) (Q2 2024)
- 2 stores closed / transferred
 - Sahara (May 2023)
 - Etihad Plaza (August 2023)
- Online penetration increased to 14%
- LFL growth of 10% from existing stores

Like-for-Like Retail Revenue Growth

Quarterly YoY Like-for-Like Retail Revenue Growth

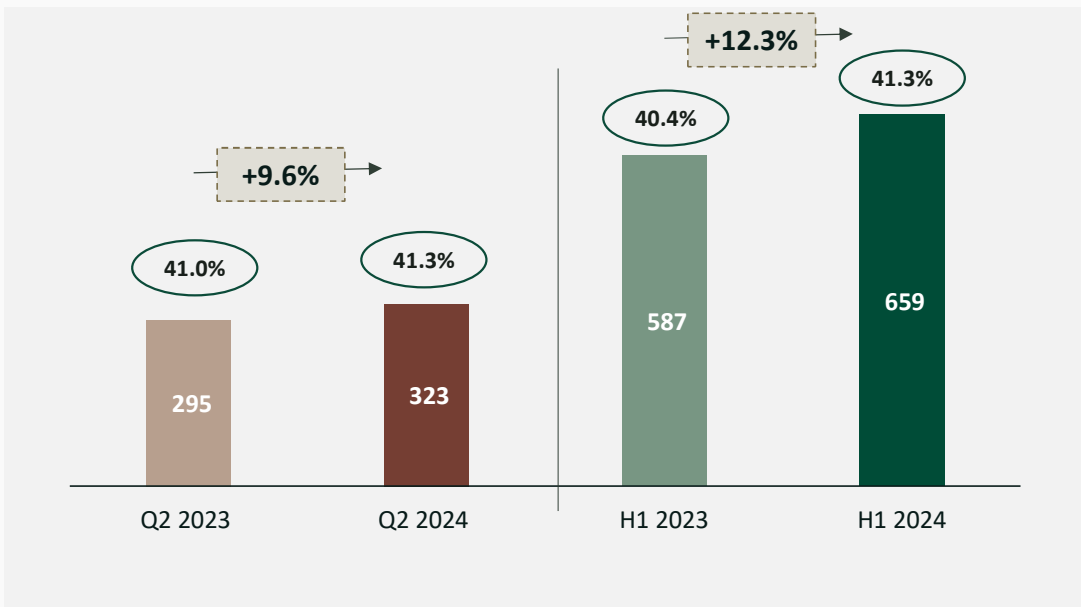
Like for like retail revenue growth of 9.6% in Q2 2024



Heirloom tomato & SpinneysFOOD burrata salad, from Spinneys.com.

Gross Profit

Gross Profit (AED m) and GM %

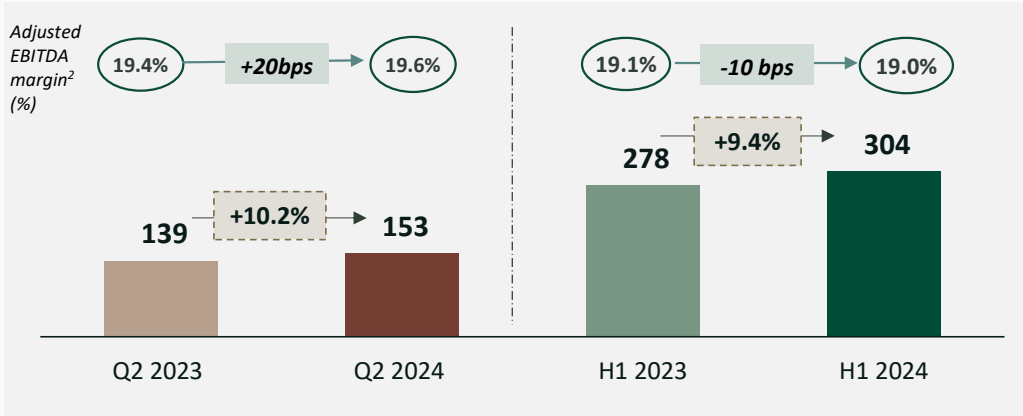


Spinneys' Secret Recipe for Profitability

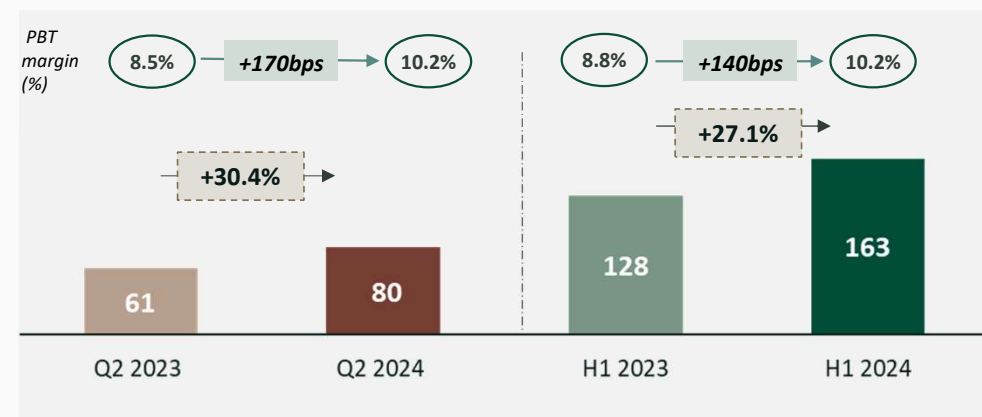
- Efficient sourcing and supply chain, achieved through proximity to suppliers providing significant cost advantage
- “Fresh premium” offering targeting affluent customers belonging to mid-high income socio-economic group
- Successful private label strategy, underpinned by a strategic shift towards high margin products
- Strong brand reputation securing favourable supplier terms, optimizing both front- and back-end margins

Adjusted EBITDA and Profit

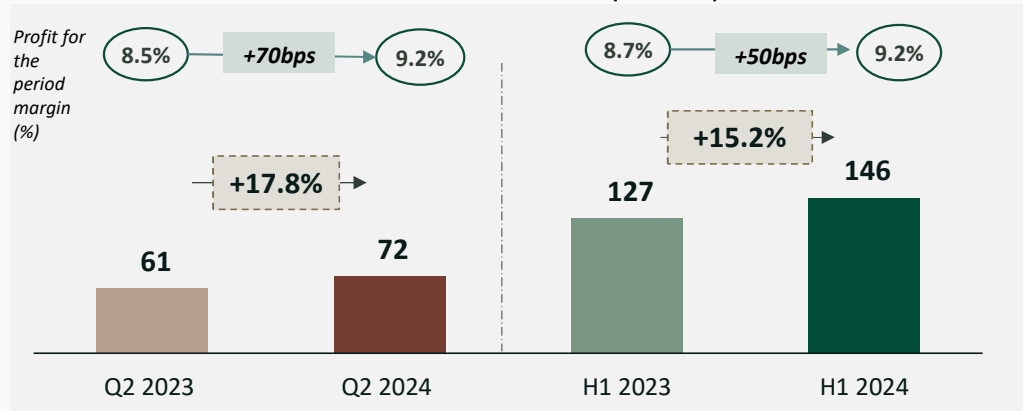
Adjusted EBITDA¹ (AED m)



Profit Before Tax (AED m)



Profit for the Period (AED m)

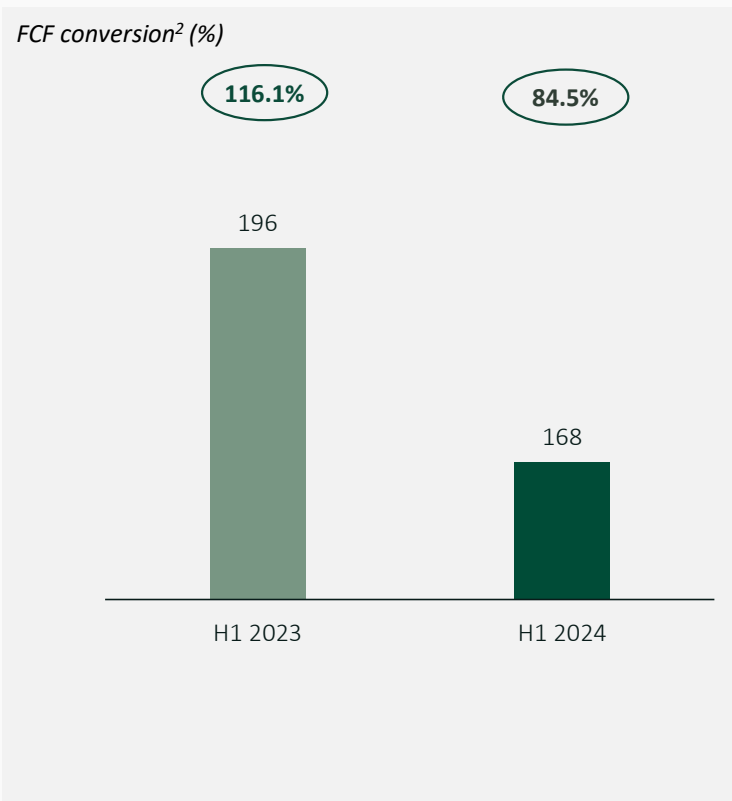


- Includes the impact of one-off IPO-related costs, and pre-opening expenses in KSA amounting to more than AED 10m
- Impact of 9% corporate tax effective from January 2024, affected profit for the period vs. 2023

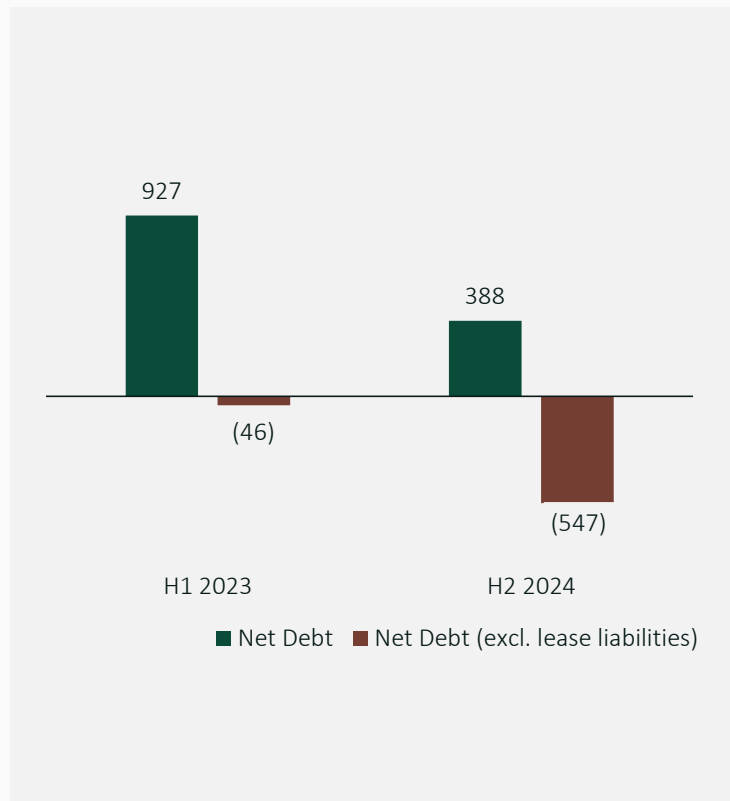
Notes: 1. Adjusted EBITDA is profit before tax plus depreciation and impairment of property, plant and equipment, depreciation and impairment of right-of-use assets, impairment of goodwill, finance costs minus finance income. 2. Adjusted EBITDA divided by revenue.

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 553m

20 **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.

4

OUTLOOK

Sunil Kumar, Chief Executive Officer



SpinneysFOOD British Strawberries.

Positive Medium-Term Outlook

SPINNEYS GROWTH DRIVERS

Supportive Macro Environment



Robust macroeconomic conditions, with strong GDP growth momentum and a growing affluent population

Healthy Pipeline of New Stores in the UAE



Significant whitespace opportunity in the UAE, continuing to expand our footprint in 2024

Saudi Arabia Market Entry



After highly successful opening of Spinneys La Strada, we continue expansion in KSA during 2024

The Kitchen, by Spinneys



Standalone dining concept 'The Kitchen, by Spinneys' opens a new revenue vertical we will continue to grow

Spinneys Swift



Soft launch of hyperlocal delivery service complete, with focus on wider roll-out to enhance customer experience

5 APPENDIX



Harissa-roasted carrots with labneh and carrot top-coriander pesto recipe from Spinneys.com

Consolidated Statement of Profit or Loss

AED '000	Q2 2023	Q2 2024	H1 2023	H1 2024
Revenue from contracts with customers	707,374	770,241	1,431,497	1,573,632
Rental income	11,276	12,511	22,067	23,876
Revenue	718,650	782,752	1,453,564	1,597,508
Cost of sales	(423,670)	(459,365)	(866,954)	(938,525)
Gross Profit	294,980	323,387	586,610	658,983
Other income	819	1,256	3,682	4,304
Selling, general and administrative expenses	(156,558)	(171,194)	(312,233)	(358,998)
Depreciation and impairment of right-of-use assets	(44,443)	(41,969)	(88,091)	(81,791)
Depreciation and impairment of property, plant and equipment	(21,266)	(22,945)	(39,603)	(40,995)
Impairment of goodwill	(470)	-	(940)	-
Finance income	-	3,560	-	5,387
Finance costs	(11,743)	(12,152)	(21,483)	(24,247)
Profit Before Tax	61,319	79,943	127,942	162,643
Income tax expense	(352)	(8,152)	(758)	(16,147)
Profit for the Period	60,967	71,791	127,184	146,496
Earnings per Share* (AED per share)	0.017	0.021	0.035	0.042

Consolidated Statement of Financial Position

AED '000	31-Dec 2023	30-Jun 2024
ASSETS		
Non-current assets		
Property, plant and equipment	408,582	425,625
Right-of-use assets	808,475	811,399
Intangible assets	34,000	34,000
Other non-current assets	50,148	51,037
Deferred tax assets	1,250	1,245
	1,302,455	1,323,306
Current assets		
Inventories	133,161	136,850
Trade receivable, prepayments and other receivables	59,244	73,235
Amounts due from related parties	6,722	5,820
Bank balances and cash	354,061	553,491
	553,188	769,396
TOTAL ASSETS	1,855,643	2,092,702
EQUITY AND LIABILITIES		
Share capital	36,000	36,000
Restricted reserve	4,778	4,778
Retained earnings	66,155	218,674
Actuarial reserve	7,585	7,585
Foreign currency translation reserve	851	771
	115,369	267,808
Non-controlling interest	(1,688)	(7,711)
	113,681	260,097
LIABILITIES		
Non-current liabilities		
Interest-bearing loans and borrowings	6,355	5,997
Trade payable, accruals and other payables	14,308	18,393
Employees' end of service benefits	68,480	77,375
Lease liabilities	779,324	784,706
	868,467	886,471
Current liabilities		
Trade payable, accruals and other payables	689,607	738,029
Income tax payable	463	15,900
Amounts due to related parties	38,830	41,368
Interest-bearing loans and borrowings	762	757
Lease liabilities	143,833	150,080
	873,495	946,134
TOTAL LIABILITIES	1,741,962	1,832,605
TOTAL EQUITY AND LIABILITIES	1,855,643	2,092,702

Consolidated Statement of Cash Flows

AED '000	30-Jun 2023	30-Jun 2024
OPERATING ACTIVITIES		
Profit for the period before tax	127,942	162,643
Adjustments to reconcile profit before tax to net cash flows:		
Net gain on disposal of property, plant and equipment and intangible assets	(1,141)	(406)
Finance income	-	(5,387)
Finance costs	21,483	24,247
Depreciation and impairment of PPE	39,603	40,995
Depreciation and impairment of ROU	88,091	81,791
Impairment of goodwill	940	-
(Gain) / loss on change in fair value of forward exchange contracts	3,105	3,009
Provision for old and obsolete inventories	4,987	3,310
Loss/ (gain) on termination of leases	(1,599)	831
Provision for employees' end of service benefits	6,526	9,506
	289,937	320,539
Working capital changes:		
Inventories	15,662	(6,999)
Trade receivable, prepayments and other receivables	(28,470)	(17,889)
Related parties balances	(82,207)	6,386
Trade payable, accruals and other payables	71,530	52,507
	266,452	354,544
Employees' end of service benefits paid	(3,697)	(3,571)
Interest paid	(228)	(266)
Income tax paid	(695)	(710)
Net cash flows from operating activities	261,832	349,997
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(31,538)	(58,465)
Proceeds from disposal of property, plant and equipment and intangible assets	1,206	713
Investment in short-term deposits	-	(36,000)
Interest received	-	5,387
Net cash flows used in investing activities	(30,332)	(88,365)
FINANCING ACTIVITIES		
Dividends paid	(112,991)	-
Repayment of loans and borrowings	(381)	(250)
Repayment of lease liabilities	(103,447)	(97,898)
Net cash flows used in financing activities	(216,819)	(98,148)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	14,681	163,484
Cash and cash equivalents at 1 January	39,671	354,061
Net foreign exchange difference	(405)	(54)
CASH AND CASH EQUIVALENTS AT 31 Mar	53,947	517,491



THANK YOU

ir@spinneys.com