

Spinneys Announces Record AED 2.3bn Revenue for 9M 2024, Pre-Tax Profit Climbs 27%

Industry-leading margins and unique market position see Spinneys named 'Most Admired Grocery Retailer of the Year'

- 9M 2024 revenues reach a record AED 2.3bn, growing by 11.4% YoY
- 9M 2024 Adjusted EBITDA up 8.8% YoY with an industry-leading EBITDA margin of 18.3%
- Profit before tax up 27.1%, with profit for the period up 14.6% despite UAE corporate tax impact
- Spinneys is executing on its growth strategy, with strong momentum on new store openings in the UAE and Saudi Arabia expanding the network to 79 locations and driving sales growth

Dubai, UAE – 7 November 2024: Spinneys (“Spinneys” or the “Company”), the region’s leading premium fresh food retailer, today announced its financial results for the three-month and nine-month periods ended 30 September 2024. Nine-month revenue hit a record high of AED 2.3 billion, increasing by 11.4% compared to the same period in 2023. Profit before tax grew by 27.1% to AED 203 million, with profit for the period growing by a healthy 14.6% to AED 182 million, reflecting Spinneys’ best-in-class margin profile and the efficiency of its operations. During Q3 2024, the Company paid an interim dividend of AED 102.6 million, or 2.85 fils per share, to shareholders.

Spinneys continues to benefit from the strength of its brand equity and strategy, with growth momentum sustained throughout the year. In September, the Company was recognized at the prestigious Retail Middle East Awards for ‘Most Admired Grocery Retailer of the Year’ and for ‘Market Expansion of the Year’ in light of its successful entry into Saudi Arabia. Meanwhile, Advantage Group’s latest “Advantage Report” for the UAE saw retail industry suppliers rank Spinneys #1 for Partnership, Reputation and Vision.

Financial Highlights

AED (m)	Q3 2024	Q3 2023	YoY Growth (%)	9M 2024	9M 2023	YoY Growth (%)
Revenue	701	611	14.9%	2,299	2,064	11.4%
Gross Profit	289	260	11.1%	948	847	12.0%
Adj. EBITDA ¹	116	108	7.3%	421	387	8.8%
Profit Before Tax	40	32	27.1%	203	160	27.1%
Profit for the Period	35	31	12.3%	182	159	14.6%

Sunil Kumar, Chief Executive Officer at Spinneys, commented:

“We are pleased to report very robust year-to-date performance, with revenues growing to record levels and strong profitability metrics both before and after tax. All at Spinneys remain firmly committed to delivering on our ambitious growth plans as we widen our footprint in the UAE, accelerate our expansion in Saudi Arabia, roll-out new concepts and deepen our ecommerce offering. With efficiency at the heart of our business model, coupled with supportive macroeconomic tailwinds, the power of our brand continues to see us secure favorable supplier terms, optimize our supply chain and deliver the most attractive margins in our industry. As we aggressively pursue sustained and profitable growth, our unique premium fresh positioning continues to set us apart. This is the platform on which we are building our future.”

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.

Profitable Growth, Industry-Leading Margins

Revenue: Increased by 11.4% year-on-year to reach AED 2.3 billion for the 9M 2024 period, driven by like-for-like sales growth of 11.1% and supported by the opening of four new locations since October 2023: The Kitchen by Spinneys in Dubai Mall, Spinneys Al Khawaneej (Dubai), Spinneys Sobha (Dubai) and Spinneys La Strada (Riyadh). Ecommerce accounted for 14.5% of total revenue in 9M 2024. Revenue in Q3 2024 grew by 14.9% year-on-year to AED 701 million, with strong momentum generated in H1 2024 sustained through the third quarter.

Profitability: Gross profit increased by 12% year-on-year to AED 948 million for the 9M 2024 period, with a stable gross profit margin of 41.2%, achieved through efficient sourcing and supply chain management and Spinneys' highly successful private label strategy, emphasizing sales of high-margin products.

Adjusted EBITDA² totaled AED 421 million in 9M 2024, up 8.8% year-on-year, with an Adjusted EBITDA margin³ of 18.3%, including the impact of one-off IPO-related costs incurred in H1 2024 and more than AED 10 million in pre-opening expenses in Saudi Arabia. Profit before tax grew by 27.1% to AED 203 million (representing an 8.8% profit before tax margin), while profit for the period increased by 14.6% to AED 182 million (representing a 7.9% net profit margin), after absorbing the impact of the recently introduced 9% Corporate Tax in the UAE.

Transaction growth: Grew by 9.8% year-on-year, reaching 27 million transactions in 9M 2024, reflecting growing customer demand on the back of supportive macroeconomic dynamics.

Average basket size: Remained stable, up 1% year-on-year on continued strength in customer demand.

Solid Progress on Key Growth Initiatives

Store network expansion: Spinneys continued to make rapid progress on its store expansion program. Having opened four new stores since October 2023, the Company has 12 signed leases in the UAE and Saudi Arabia to further support network expansion and tap into the compelling whitespace opportunity presented by both markets. In addition, Spinneys completed refurbishment and expansion at selected stores, expanding Spinneys RAK Al Hamra and Waitrose Saadiyat Beach by 26% and 51% respectively, as well as introducing meal solutions and health & beauty sections.

Operational efficiencies and digital transformation: In Q3 2024, Spinneys inaugurated a new warehouse facility in Kezad (UAE), increasing storage capacity by 220%. The Company also improved The Kitchen by Spinneys' central production capabilities to support future Kitchen locations, as well as to supply essential products to selected stores. Since the beginning of 2024, Spinneys has made significant strides in enhancing customer convenience through the continued expansion of Spinneys Swift, its hyperlocal delivery service. The service now covers 31% of the ecommerce catchment area and accounts for 18% of own platform ecommerce sales, reinforcing Spinneys' focus on meeting customer expectations with a 60-minute delivery promise.

Food Tech Valley partnership: In a post-period event in October 2024, Spinneys signed a 27-year agreement with Food Tech Valley, a UAE-government-led initiative aimed at building a sustainable food ecosystem. As part of this agreement, Spinneys will establish a state-of-the-art 500,000sqft food processing facility planned to be operational by 2027. Investment in the facility is expected to contribute to increasing the UAE's domestic food production capacity, reducing reliance on imports.

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² 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.

³ Adjusted EBITDA margin: Adjusted EBITDA divided by revenue



About Spinneys

Spinneys' story started in 1961 when the first grocery opened in Al Nasr Square, Dubai. It has since grown to become the leading premium fresh food retailer in the region, with 79 stores (including Waitrose) across the UAE, Oman and Saudi Arabia. Much loved by expats and locals in the region, Spinneys enjoys a well-deserved reputation for forward thinking, keeping pace with changes in cooking trends and the emergence of new products worldwide. Today, Spinneys has built a name for supplying top-quality produce and offering an elevated level of customer service. Food quality, safety and freshness have always been at the forefront of the Company's ethos – just one reason the Spinneys brand is defined as 'The fresher experience'.
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