

Spinneys Reports Record Sales of AED 815mn in Q1 2024, Following DFM Debut; Preparation Ongoing for Saudi Expansion and Store Openings

- Q1 2024 total revenue grew by 10.9% year-on-year to AED 815 million.
- Record sales were driven by strong like-for-like growth, up 10.0% in the period.
- E-commerce sales increased by 26.8% year-on-year, surpassing AED 110 million, representing 14% of total revenue.
- Gross Profit increased by more than 15% year-on-year, with margins expanding by 150bps.
- First quarter Adjusted EBITDA¹ grew 8.7% year-on-year to AED 151 million, with an Adjusted EBITDA margin² of 18.5%.
- Spinneys expects to launch in Riyadh in H1 2024, marking its first-ever expansion into Saudi Arabia.

Dubai, UAE – 14 May 2024: Spinneys (“Spinneys” or the “Company”), recently listed on the Dubai Financial Market (“DFM”) and one of the UAE’s leading fresh food retailers, today announced its financial results for the three-month period ending 31 March 2024. This marks the Group’s first financial update since its successful listing on DFM on 9 May 2024.

Q1 2024 Financial Highlights

AED (million)	Q1 2024	Q1 2023	YoY Reported Growth (%)	Like-for-Like Growth (%)
Revenue	815	735	10.9%	10.0%
Gross Profit	336	292	15.1%	-
Adjusted EBITDA ¹	151	139	8.7%	-

Sunil Kumar, Chief Executive Officer at Spinneys, commented: *“We are very pleased with our strong start to 2024, a year which will be Spinneys’ first as a listed company. Our performance in the first quarter underscores the strength of our business model and has been enabled by our relentless pursuit of growth. This provides us with a solid foundation to maintain our already strong momentum through the coming periods. With our entry into the highly-attractive Saudi market set to take place in the current quarter, we look forward to continue delivering exceptional value to our customers, achieving sustainable growth and creating long-term shareholder value.”*

Strong Start to the Year, with Q1 2024 Revenue Growth Exceeding 10%

Revenue: grew by 10.9% year-on-year to reach AED 815 million in the first quarter, driven by an increase in retail revenue, with transactions remaining healthy, up by 9.5% year-on-year.

Profitability: Gross Profit increased by over 15% year on year to reach AED 336 million in the first quarter. Gross Profit margins were robust, reaching 41.2% in Q1 2024, a 150-basis point improvement versus the prior year. This margin expansion was mainly due to the Group’s efficient sourcing and supply chain capabilities, alongside its successful private label strategy.

Adjusted EBITDA¹ totaled AED 151 million in the first quarter, up 8.7% year-on with an Adjusted EBITDA margin² of 18.5%, impacted by one-off IPO related costs of AED c.10 million and pre-store opening expenses in Saudi Arabia. Profit for the period increased by 12.8% year on year to AED 75 million, with a net profit margin of 9.2%, a c.20 basis point improvement from the prior year.

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 margin: Adjusted EBITDA divided by revenue

Transaction growth: Spinneys saw strong growth in the number of transactions through the first quarter, up 9.5% year-on-year to 802k in Q1 2024.

Average basket size: grew by 1.0% year-on-year, supported by continued strength in customer demand.

Online sales and penetration: Spinneys' e-commerce sales increased by 26.8% year-on-year, surpassing AED 110 million for the period. Overall e-commerce sales as a percentage of revenue reached 14% in the period. Spinneys remains committed to developing its digital retail offering to meet evolving consumer preferences and growing demand, having recently completed the soft launch of its Spinneys Swift app to offer a hyperlocal delivery service to customers.

New store openings: Spinneys opened three new stores in the twelve-month period between Q1 2023 and Q1 2024, with the Group operating a total of 75 stores as at the end of March 2024. The three new stores were partially offset by the closure/transfer of two stores. Spinneys remains committed to expanding the number of stores within its portfolio, tapping the significant whitespace opportunity in both the UAE and the Kingdom of Saudi Arabia. La Strada, the first Saudi store in Riyadh, is expected to open in H1 2024.

Q1 2024 Strategic Highlights – Healthy Progress on Key Growth Initiatives

Spinneys' growth potential is supported by a number of important drivers, with healthy progress made in several key areas, including:

- **New stores pipeline for UAE in 2024;** significant whitespace opportunity in the UAE, with three new stores expected to open in the year.
- **New stores pipeline for KSA in 2024;** La Strada store expected to launch in Saudi Arabia in H1 2024, with three more stores targeted to open by the end of the year.
- **The Kitchen, by Spinneys;** First standalone dining concept expected to launch in H1 2024.
- **Spinneys Swift;** completed the soft launch of Spinneys Swift app to provide a hyperlocal delivery service to customers.

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About Spinneys

Spinneys' story started in 1961 when the first supermarket opened in Al Nasr Square. It has since grown to be one of the leading premium supermarket retailers in the UAE, with 75 stores (64 owned and 11 under management, including Waitrose) across the UAE and Oman. 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 is majority owned by UAE national Mr. Ali Albwardy, has built a strong 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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