

Agthia Group Reports AED 4.56 Billion Net Revenue, AED 342 Million Underlying Group Net Profit During 2023

ABU DHABI, ABU DHABI, UNITED ARAB EMIRATES, March 5, 2024 /EINPresswire.com/ -- Agthia Group PJSC ("Agthia" or "the Group"), one of the region's leading regional food and beverage companies, today announced its final results for the fiscal year ending 31 December 2023. Agthia delivered strong performance during 2023, outperforming guidance ranges. The group's profitable growth across the Snacking, Water & Food, and Agri-Business segments, combined with leveraging group-wide efficiencies, resulted in both Group EBITDA and Group underlying net profit growing faster than revenue.



Financial highlights

□ Group net revenue increased 12.1% year-on-year to AED 4.56 billion (8.1% growth from volume# and 4.1% from pricing), with strong performance from the Snacking, Agri-Business, and Water & Food segments mitigating the adverse impact of continued currency devaluation in Egypt and increased competitiveness in the Jordan protein market. Adjusted revenue for the impact of currency devaluation in Egypt (AED -346.4 million), Group net revenue increased +20.7% year-on-year. LFL revenue, including Abu Auf in the prior comparable period, increased 5.7% year-on-year, or 13.8% excluding FX impact.

- Snacking revenue grew 38.0% year-on-year (+9.3% on a LFL basis) on strong revenue growth across the Group's snacking portfolio. This was led by dates strong innovations across mid and high value ranges, and expansion in date varieties, and strong value growth across retail channels in the UAE and internationally (e.g., India, Indonesia, Malaysia, and Brazil).

Besides dates, revenue contribution for FY'23 from BMB and Abu Auf collectively was AED 546.4 million, with the latter seeing stronger growth in core markets, and continued volume and value gain in premium-branded coffee at Abu Auf in Egypt resulting in a 72% increase in FY'23 local currency revenue.

- Water & Food revenue grew 6.0% year-on-year, reflecting significant growth in the UAE, driven by premiumization and innovation, with margins expanding on improved mix and productivity. The Group continued to retain its market leading position in the UAE bottled water segment, successfully launching value-added innovations such as Al Ain Plus (zinc fortified water), premium glass bottles, and a 100% rPET bottle (made of post-consumer recycled plastic which is infinitely recyclable). International business revenue also increased, with notable performances from Saudi Arabia, Kuwait, and Turkey.



Agthia Group Logo

- Protein & Frozen showcased resilience despite a reported decline in AED terms, amid the challenging macro and consumer environment of 2023, which included the significant devaluation of EGP.



Agthia's robust performance for the past year demonstrates the effectiveness of our strategic initiatives across key business segments and sustained demand for our products across diverse markets"

Alan Smith

Excluding impact of currency devaluation, revenue grew 19.3% year-on-year for the full-year period, with the segment proactively safeguarding and prioritizing its profitability and market leadership by implementing effective pricing strategies, portfolio tiering and optimizing costs.

- Agri-Business revenue grew 19.9% year-on-year, with strong volume growth across Flour and Feed. This was driven by consistency in quality and product performance and excellent in-market execution in our Flour business,

while strong performance in Feed reflected good open market growth, participation in Abu Dhabi Agriculture and Food Safety Authority's (ADAFSA) compound feed program and related new product development.

□ EBITDA growth was ahead of revenue, up 21.2% year-on-year to AED 689.3 million (+30.5% excluding currency headwind), reflecting strong growth in Snacking, Water & Food and Agri-Business profitability, combined with a continuing focus on profit protection in Egypt and group-wide efficiency generation.

- Snacking: EBITDA growth of +62.0% (+47.2% in Q4) reflected positive price and mix effects in both domestic and international date markets, strong growth in Abu Auf's market-leading

premium coffee, and a step up in profitability from BMB post cost reset in Saudi. LFL EBITDA, including Abu Auf in the prior comparable period, increased +22.4% year-on-year, with +LFL EBITDA margin expanding +237bps year-on-year.

- Protein and Frozen: A combination of channel optimization, productivity enhancements and disciplined cost management resulted in EBITDA growth (excluding devaluation impact) of +11.6% year-on-year, notwithstanding the inflationary cost environment in Egypt and external challenges affecting Jordan. Reported EBITDA margin modestly declined for the full-year period year-on-year, largely driven by increased competitiveness in Jordanian market, localization drive in Saudi market and EGP currency headwind.

The completion of our new Protein facility in Jeddah in Q2 2024 will provide localized production capacity at comparatively favorable economics and establish Agthia as a local protein producer in Saudi Market.

- Water & Food: A combination of positive volume growth, favorable mix toward high-margin premium products, further cost efficiencies in the UAE and Saudi, and a more benign commodity environment resulted in EBITDA growth of +21.8% year-on-year (Q4 EBITDA +8.9%), and EBITDA margin +229bps (+76bps in Q4). Notable performances came from UAE bottled water (EBITDA +15.8% year-on-year), Home and Office Delivery (+14.4%), Saudi (>+100% post cost reset last year).

- Agri-Business: EBITDA growth of +19.8% year-on-year (+28.9% in Q4), underpinned by improved Flour volumes and mix, cost efficiencies, and a more favorable commodity backdrop.

Khalifa Sultan Al Suwaidi, Chairman of Agthia Group, commented: "Agthia's 2023 results reinforce our growth story and continued progress against our strategic objectives, namely protecting the core business, reaping the rewards of recent value-accretive acquisitions, and investing in capability and innovation to deliver on its strategic vision of becoming a leading food and beverage company in the MENA region and beyond. At a time when the world's attention is focused on decarbonization initiatives across the region, I am particularly pleased with the progress made across its sustainability agenda and am positive that Agthia will continue to create value for all stakeholders in both the near and medium term. We continue to be inspired by the UAE's leadership with its commitment to pushing boundaries and showcasing what is possible when a well-defined vision meets seamless execution."

Alan Smith, Group Chief Executive Officer of Agthia Group, commented: "Agthia's robust performance for the past fiscal year demonstrates the effectiveness of our strategic initiatives across key business segments and the sustained demand for our products across diverse markets. We have been able to successfully implement operational efficiency strategies that have helped us consistently deliver and minimize the impact of global economic headwinds. These results are also a testament to the agility of our business and the dedication and resilience of our colleagues across the Group. I am confident that Agthia is well-positioned regionally

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Influence Commuincations

+20 102 192 2022

ehab.rizk@influence-me.com

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