

UAE's Agthia Group reports AED 1.3 Bn in Q1 2025 revenue

15 May 2025 | News

Agthia's revenue would have shown a solid 5.2 per cent growth, indicating underlying strength in core operations



Agthia's revenue would have shown a solid 5.2 per cent growth, indicating underlying strength in core operations

Agthia Group PJSC, a leading food and beverage company in the MENA region, announced its financial results for the first quarter ending March 31, 2025, reporting AED 1.3 billion in revenue. While this reflects a year-on-year decline of 11.4 per cent, the dip was primarily due to the absence of one-off wheat trading activity (AED 120 million), the significant devaluation of the Egyptian pound in 2024, and continued operational challenges in the dates segment.

Excluding these exceptional items, Agthia's revenue would have shown a solid 5.2 per cent growth, indicating underlying strength in core operations.

Group EBITDA stood at AED 185.7 million, marking a 20.2 per cent drop compared to Q1 2024, with a margin of 14.5 per cent. Net profit for the quarter reached AED 86.1 million, translating to a 6.7 per cent profit margin. The introduction of the UAE's Pillar II corporate tax framework pushed the Group's effective tax rate to 19.3 per cent, up from 13.5 per cent last year, further impacting profitability.

- **Water & Food:** The segment emerged as a key growth driver, registering a 10.6 per cent year-on-year revenue increase. Al Ain Water continued to lead the UAE bottled water market, securing major contracts, including with the Marriott Group. Segment EBITDA rose 17.6 per cent, with margin expansion to 17.5 per cent, supported by SG&A efficiency gains.
- **Agri-Business:** Although revenue declined due to the absence of last year's wheat trading, core growth stood at 2.9 per cent. EBITDA for the segment surged by 16.1 per cent, aided by favourable commodity prices and cost discipline, resulting in a 708bps margin improvement.
- **Snacking:** Revenues dropped 8.2 per cent due to lower performance in the Dates business, which faced pricing pressures from inventory sell-offs. However, BMB recorded strong double-digit EBITDA growth, offsetting some of the impact. Agthia also raised its stake in Abu Auf from 70 per cent to 80 per cent, reinforcing its investment in the snacking category.
- **Protein & Frozen:** The segment saw a 15.7 per cent revenue decline, attributed to ongoing softness in Egypt and reduced exports from Jordan. Despite margin pressures at Nabil and Al Ain Egypt, Atyab posted a 158bps

improvement in EBITDA margin. Agthia remains optimistic about future performance as Phase II of its new KSA facility progresses toward early 2026 completion.

In line with its strategy to grow high-potential segments, Agthia's Board approved the acquisition of Riviere, a leading home and office bottled water supplier in the UAE. This move is expected to further expand Agthia's direct-to-consumer footprint and solidify its leadership in the water category.