Grant Thornton

# Sector Focus: F&B

## Deals Advisory

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# Foreword

We are pleased to present the latest edition of Grant Thornton's F&B Sector Focus, sharing our perspective on the trends, challenges and investment themes shaping the food and beverage sector across MENA, with a particular focus on the UAE.

The sector, like many others, is navigating a complex regional environment. Geopolitical tensions across the Gulf persist and continue to warrant caution, yet recent signs of relative stability in the UAE are gradually restoring confidence, steadying supply chains and supporting a more constructive outlook. Global headwinds have not fully receded, but the direction of travel is encouraging, and we are seeing greater discipline return to valuation expectations and investment timelines.

Against this backdrop, the UAE's F&B sector remains fundamentally resilient, underpinned by a robust consumer base, sustained innovation and government-led investment in food security and local production. As sentiment steadies, these fundamentals continue to position the sector as a compelling opportunity for disciplined, long-term growth.

In this edition, we are pleased to feature an interview with Dani El-Zein, CEO of Supy, whose restaurant inventory platform is helping operators turn cost control from a monthly reckoning into a daily discipline. His perspective is a timely reminder that technology-led businesses like Supy now sit at the heart of a more resilient F&B ecosystem, giving operators the visibility to diversify suppliers, absorb volatility and protect margins when supply chains are tested.

As the sector adapts to a shifting landscape, we remain closely engaged with F&B leaders across the region and committed to keeping you informed with timely, relevant insight. We look forward to continuing the conversation.



**Salmaan Khawaja**

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Head of Deals Advisory



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# Disrupted, not derailed: the UAE F&B sector's test of resilience

PRE-CONFLICT (TO FEB 2026)

**86%**
Dubai hotel occupancy, Jan'26

**41.6%**
Full-service dine-in revenue share in UAE food service market, 2025

## Pre-conflict: a market in full expansion

The UAE entered 2026 with one of the region's strongest foodservice growth stories. The F&B market was worth USD 23.2 billion in 2025 and forecast to reach USD 61.2 billion by 2031, a 17.6% CAGR. Rising disposable incomes, a deep dining-out culture, rapid delivery adoption and 'premiumisation' were all heading in the same direction.

Dubai and Abu Dhabi anchored the expansion as regional F&B hubs. Dubai welcomed a record 19.6 million international overnight visitors in 2025 and was home to over 13,000 F&B establishments. Abu Dhabi recorded 24,594 active F&B licences as of September 2025, a 42.2% rise in new registrations in H1 2025, 40% year on year growth in 2024 and a 23.8% CAGR between 2019 and 2024.

Demand was broad, with full-service restaurants holding the largest revenue share at 41.6% in 2025. Delivery was expected to continue growing at 18.7% and hotel-based dining was the fastest-growing segment of all on the back of significant tourism infrastructure investment.

# Disrupted, not derailed: the UAE F&B sector's test of resilience

CONFLICT IMPACT

**~23%**
Dubai hotel occupancy at conflict peak (mid-Mar'26)

**-33%**
Dine-in orders, Jan – Mar'26

## Conflict impact: a sharp but uneven shock

The regional conflict that began on 28 February 2026, resulting in the sector's toughest trading period since the Covid-19 pandemic, landing squarely in Ramadan and the peak of corporate and tourism spending. International visitor spending losses in the Middle East were estimated at USD 600 million a day, a severe drag on an economy where tourism supports nearly 13% of GDP and over 800,000 jobs. Dubai hotel occupancy, 86% in January, fell to roughly a quarter of that level, with average daily rates falling as much as 40% in some properties.

The impact on restaurants was immediate and significant. Average like-for-like sales fell 27%, dine-in orders across the UAE dropped 33% between January and March, and some luxury venues saw footfall decrease by up to 90% with per-guest spend down 10–20% as consumers tightened their belts. Supply chains compounded the squeeze with operators reporting supplier cost increases of 13% on average as of early April, and with more than 80% of food imported, many simplified menus, froze recruitment and sought to renegotiate lease agreements.

Critically, the damage was uneven. Some 85% of operators said tourist-heavy districts underperformed and 63% flagged office-focused areas. Conversely, 48% reported residential venues trading ahead of expectations on the back of strong resident demand. Delivery absorbed much of the shift, with orders up 18% year on year to 1.9 million in Q1 and delivery›s share rising to 29% from 25% of total restaurant orders.

*Sources: DET, WTTC, Mordor Intelligence, Syrve MENA, ADCCI, RatingLuxury, GRIF x Juniper, World Economic Forum, AGBI*

# Resilience, in leadership and in earnings

## Resilience and recovery

**~$2.1bn**

Americana Q3 2026 revenue up 14.4% YoY

**$0.5bn**

Spinneys H1FY26 revenue, up 5.1% YoY

**~£1.4bn**

Investment in Richard Caring's restaurant empire by DIAFA

**100+**

Yolk Brands outlets targeted by Q1 FY27

## Policy moved fast

Food security was addressed first, and publicly. The Ministry of Economy confirmed strategic reserves covering four to six months of demand, with imports flowing normally, daily price monitoring across 627 major retailers and 420 scheduled inspection campaigns to deter hoarding. Confidence in supply, rather than subsidy, was the priority.

Targeted economic support followed quickly. Dubai launched two business packages worth a combined AED 2.5 billion in under two months, including exemptions from the tourism dirham and sales fees on hotel rooms and restaurants, while other Emirates such as Sharjah introduced their own relief packages tailored to their domestic economies.

Demand-side campaigns such as 'A Fine Way to Dine', with up to 50% off at leading restaurants, redirected resident spending back into the sector. More recently the 'A Dubai Invite' scheme to provide up to AED 3,000 of rewards for referring friends and family on their trips to Dubai have been a resounding success in boosting consumption across hospitality.

Structural measures reduced medium-term downside. The National Programme to Strengthen Supply Chain Resilience covers more than 150 priority commodities including food, alongside a climate-smart crops initiative targeting up to 50% lower water use. ADAFSA's 'Farm to Factory' strategy builds on Abu Dhabi food production of AED 13.3 billion in 2023, 36% of UAE food manufacturing output at the time.

## The proof is in the earnings and flow of capital

The listed F&B operators withstood the geopolitical forces remarkably. Americana Restaurants as an example has delivered record revenues for the year to date through to Q3 of USD 2.08 billion, resulting in net profit climbing 60.4% to USD 217 million. Many saw this as evidence of strong domestic consumption and a sticky residential population.

Retail and home-grown brands tell a similar story. Spinneys H1 profit rose 2.5% to AED 175 million, supporting an interim dividend of AED 122.4 million. Yolk Brands, the group behind Pickl and BonBird, now runs around 50 restaurants with a further 25 signed across 10 markets, since the conflict has openly targeted a portfolio of more than 100 outlets by Q1 2027 and expansion into Asia and Europe, an example of home-grown UAE brands taking center stage globally.

Capital kept moving, the clearest vote of confidence of all. Deal volumes have been resilient, and F&B has been a beacon of activity: flagship examples include EIIC's stake valuing Joe & The Juice at $1.8 billion, DIAFA's £1.4 billion acquisition of Richard Caring's premium hospitality platform, Mubadala's $1bn investment in Luckin Coffee, Americana's purchase of Malak Al Tawouk with a 75-year regional licence, and EGF's AED45 million investment in CarniStore.

*Sources: Americana Restaurants, Spinneys, DIAFA, Arabian Business, UAE Ministry of Economy, DET, WAM, ADAFSA, EIIC, Mubadala, EGF*



# A flavour of recent F&B activity in MENA

MENA's F&B sector continues to attract strong investor appetite, with recent deal activity spanning premiumisation, sector consolidation, and outbound GCC capital targeting global consumer brands.

## Recent transaction activity

| Date | Target | Acquirer | Target Country | Description |
|---|---|---|---|---|
| **Sep'26** | Luckin Coffee | Mubadala Investment Company |  | Mubadala agreed a significant minority investment in Luckin Coffee, China's largest coffee chain (36,000+ stores), alongside controlling shareholder Centurium Capital, in a transaction valued at c. USD 1bn. |
| **Jul'26** | Joe & Juice | Emirates International Investment Co. (EIIC) |  | EIIC took a strategic minority stake in Joe & Juice at a valuation of **USD 1.8bn (AED 6.6bn)**, funding the brand's next phase of international expansion and franchising. |
| **May'26** | AlShaghaf Arabia (Cravia Arabia) | Alamar Foods Company |  | Alamar Foods signed an SPA to acquire 100% of AlShaghaf Arabia (Cravia Arabia), the Five Guys franchisee in Saudi Arabia, for up to **SAR 85m**. |
| **Apr'26** | Richard Caring | DIAFA (an affiliate of IHC) |  | Abu Dhabi luxury platform DIAFA, an IHC affiliate, acquired a majority stake in Richard Caring's premium hospitality empire, including The Ivy and The Birley Clubs, for **GBP 1.4bn**. |
| **Mar'26** | Bla Bla Dubai | McGettigan's |  | McGettigan's Group acquired Bla Bla, a leading Dubai beach club and hospitality venue, reinforcing its footprint in experiential, entertainment-led dining. |
| **Mar'26** | CarniStore [1] | Emirates Growth Fund (EGF) |  | The Emirates Growth Fund (EGF) made an **AED 45m (USD 12.2m)** strategic minority investment in CarniStore, a UAE premium protein platform – EGF's first food-sector deal. |
| **Mar'26** | Al Khalejiah Catering Company | Catrion Catering Holding Company |  | Catrion, a leading Saudi culinary and hospitality group, acquired a majority stake in Al Khalejiah Catering for up to **SAR 441m (c. USD 117m)**. |
| **Feb'26** | Malak Al Tawouk | Americana Restaurants International PLC |  | Americana acquired 100% of Malak Al Tawouk's UAE (7 stores) and KSA (3 stores) franchisees for **USD 20.8m**, with a 75-year exclusive license across 13 markets. |
| **Feb'26** | Solutions Group | Sunset Hospitality Group (SHG) |  | SHG acquired a majority stake in Solutions Group, adding **15 venues** including Asia Asia and Lock, Stock & Barrel to a platform of 100+ sites across 26 markets. |
| **Jan'26** | Kitopi | EvolutionX (Temasek & DBS Bank) |  | EvolutionX, the Temasek and DBS-backed private credit platform, led a **USD 50m** growth round into Kitopi in its first GCC deal, backing the cloud kitchen operator's franchising push. |

1. ***Grant Thornton UAE is pleased to have supported Emirates Growth Fund (EGF) on the CarniStore transaction, marking a milestone deal in EGF's expansion into the regional food and beverage sector.***

*Sources: S&P Capital IQ, AGBI, Cateter Middle East, Company websites, EIIC, Gulf Business*

# Margins and multiples: where the sector stands

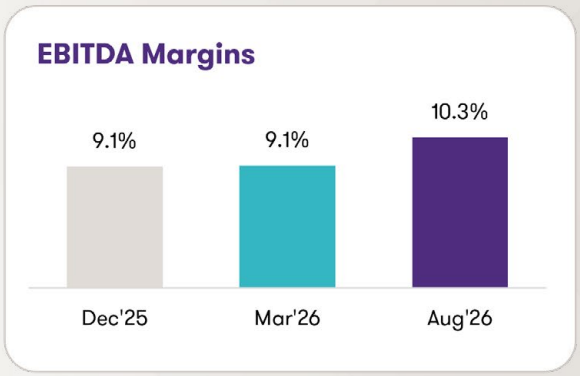
## Median GCC F&B margins and trading multiples, Dec'25 to Aug'26

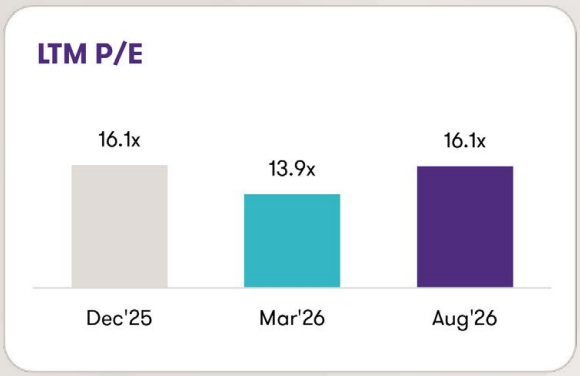
**10.3%**
EBITDA margin at Aug'26

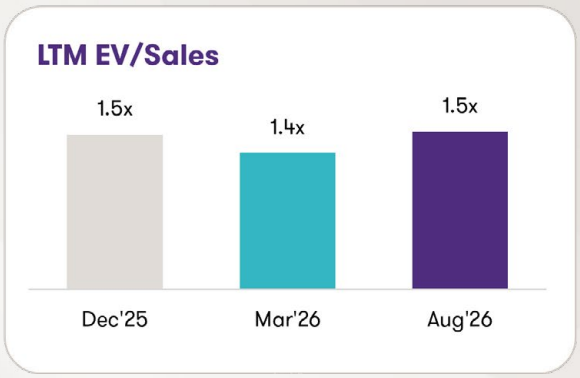
**16.1x**
LTM P/E at Aug'26

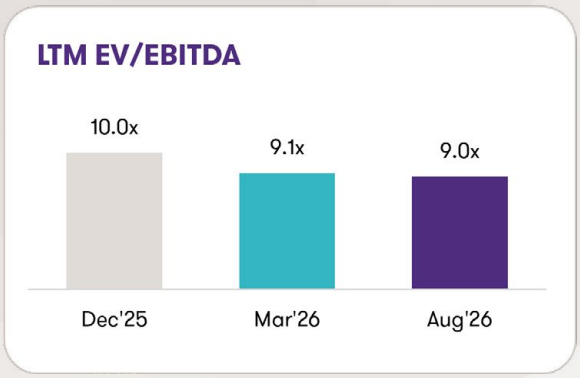
**1.5x**
LTM EV/Sales at Aug'26

**9.0x**
LTM EV/EBITDA at Aug'26




### Key movements

The LTM EV/EBITDA multiple sits 10.5% below December. With EV/Sales broadly flat and margins up 120bps over the same period. As these are trailing twelve-month figures, the August 2026 earnings base still carries some months of pre-conflict trading, so the full effect of the disruption may not yet be reflected in the earnings. On the equity side, P/E has recovered from its March level and now sits within 0.4% of where it began the period. We will keep tracking these measures as the post-disruption earnings picture develops and will report on them in upcoming editions of this pack.

**Note: All figures are medians of GCC-listed F&B companies on a last twelve months (LTM) basis.**

*Sources: S&P Capital IQ, GT UAE Analysis*

# Interview with Dani El-Zein

## CEO at Supy, Restaurant Inventory Software



*Few people see the pressures of the conflict as clearly as those inside restaurant operations. Supy builds the inventory and cost-control software behind hundreds of F&B groups across the region, giving it a live view of how operators priced, staffed and reordered through the disruption. We spoke to founder and CEO Dani El-Zein about what has structurally changed in how restaurants manage cost and risk.*

## 1.

**Over recent months, the F&B sector has faced inflation, geopolitical disruption, and supply chain instability at once. What has changed structurally in how restaurants think about cost and risk?**

Over recent months, the F&B sector has faced inflation, geopolitical disruption, and supply chain instability at once. What has changed structurally in how restaurants think about cost and risk?

Cost stopped being a month-end conversation and became a daily one. When supplier prices change frequently, and a shipment can be delayed by something happening two countries away, you have to adapt in real time – watching prices more closely, holding more flexibility with your suppliers, and sometimes changing the recipe itself when an ingredient goes out of stock or becomes too expensive to keep on the plate.

But pricing only takes you so far, because there›s a ceiling on what people will pay. So, the real lever is control – and when footfall rises and falls on the back of geopolitics, staffing and produce orders have to flex with it, week to week.

## 2.

**Supy tripled revenues in 2025 and has expanded to over 40 countries. What have been the key factors underpinning that growth?**

This came down to three things, and they compound on each other rather than standing alone. The first is retention, but retention is really a product story. I obsess over it, because growth only compounds if the base holds. When restaurants stay with us, every new client we sign adds to the base instead of backfilling someone who walked out the back door. And the only reason they stay is the product. Supy has to earn its place in their operation every single day, and when it does, retention takes care of itself.

The second is how we actually approach geography. People hear "40 countries" and assume we are running 40 separate market motions. We are not. We actively invest in four core markets. The rest of that map fills in on its own, through SEO, GEO, and our other organic channels, and through our existing clients taking us with them as they expand. A group that runs on Supy in Dubai opens in Riyadh or London, and we follow them in. That is the most efficient growth there is, because the customer is already won before we arrive.

The third ties the first two together: the product drives real operational results. When a client runs leaner because of Supy, they open more venues, and every new site is more revenue from a customer we already have. So retention, organic reach and expansion are not three engines. They are one flywheel.

## 3.

**Supy has seen strong adoption among multi-site restaurants and hospitality groups. What types of operators have been driving the most recent growth, and what problems are they trying to solve?**

The operators driving our recent growth tend to have crossed a threshold, usually past the ten to fifteen venue mark, where spreadsheets and a sharp finance person stop holding things together. A few profiles stand out: established groups that have outgrown a legacy ERP never built for hospitality, fast scaling brands opening faster than their back office can keep up, and groups running central kitchens or commissaries, where costing gets genuinely hard because you are tracking transformation, not just purchasing.

The problem they are solving is almost always the same one wearing different clothes. They cannot see their food cost across sites in a way they trust. Procurement is fragmented, supplier prices move and nobody catches it, and month end never reconciles. Decisions that should be daily are happening monthly, if at all, and by then the money is gone.

What we give them is a single source of truth, and increasingly an intelligent one. Supy does not just show them what happened, it forecasts what is coming, demand, ordering, and where cost is about to drift, so the system flags the problem before it lands rather than after. That turns month end from an autopsy into something they can act on while it still matters. The pitch is not inventory software. It is control. Operators do not come to us because they want a new system. They come because they have hit a ceiling, and the cost of not having visibility has gotten too high to ignore.

## 4.

**Many groups in the region still rely on full ERP suites or legacy back-office tools. How do you position Supy alongside traditional ERP systems, and at what point do you see Supy replacing rather than complementing them?**

An ERP is a finance system, built to close the books, run the GL, and handle HR, payroll and consolidation, and it does that well. What it was never built to do is operate a kitchen. It does not understand a recipe, a yield, a transfer between a central kitchen and a venue, or why theoretical and actual cost differed this week. To an ERP, a tomato is just a line item that was bought and then, apparently, vanished. It has no idea the poor thing was skinned, chopped, marinated, thrown into a tabbouleh and sold across forty covers at a margin nobody is tracking. Every one of those steps is where money leaks, and the ERP sees none of it.

So we sit alongside the ERP rather than against it. We own the back of house, from procurement to inventory to recipe costing, and feed clean, reconciled numbers up into the finance system. The mechanism is depletion data: we integrate with more than fifty restaurant POS systems, so every item sold flows back into inventory and costing in real time. An ERP has no line into the POS, which is exactly why its view of the kitchen is always a month behind. It goes further than feeding numbers upward. Every supplier invoice is scanned and read by AI inside Supy, then passed to the ERP via API, so finance stops keying invoices by hand, and every stock movement sits behind an open API for the ERP to pull. We are also far cheaper, with no per-transaction charge, so the bill does not climb as the business grows.

Where it gets interesting is over time. Most groups never wanted an ERP for back of house. They bought one because nothing better existed and bolted the kitchen onto a finance tool that resisted it the whole way. Once Supy is running the operation properly, the operational reason to keep that part of the ERP quietly disappears. We are not ripping out their finance system. But the back of house module they were tolerating, the one they fought with every month end, that is the part we replace.

So the short version: we complement the ERP where it is genuinely good, which is finance, and we replace it where it never belonged, which is the kitchen.

# 5.

**Do you see meaningful shifts toward local sourcing and supplier diversification in the region, or are quality, consistency and scale still limiting factors?**

There's been a real shift. The last few years taught restaurants that betting everything on one supplier, or one import route, is a risk they can't afford. So they're spreading it - bringing in local and regional suppliers, keeping a backup for when one falls through.

A restaurant usually sticks with a supplier for good reason. You know their quality, you know the delivery turns up on time every week, you know exactly what you're getting. Loyalty like that is a good thing - when you can afford it.

But this world rarely lets you sit still. Prices move, routes get disrupted, and you have to be ready to change, and change often. What stops most restaurants is the cost of switching - a new supplier means new orders, new invoice formats, more admin for a team that's already flat out. So they don›t bother. We take that away. On Supy every supplier works the same way, so adding a second or a third costs you nothing and you have a safety net on hand for when you need it.

# 6.

**In periods of geopolitical uncertainty and rising input costs, where do you see digital tools like Supy delivering the most immediate value: cost visibility, waste reduction, or operational agility - and how has that shaped customer conversations recently?**

Cost visibility comes first, but the real requirement underneath it is accurate numbers. That's the foundation everything sits on - clean data off real invoices, recipes and stock counts, in real time, not three weeks after the month closes. Without that, nothing else is worth much. Get it right and the leaks show themselves. One brand we work with was over-portioning a single ingredient by a few grams across hundreds of servings a day. Tens of thousands of dollars a year, and nobody had caught it, because nobody had the data to.

But accurate data is just the price of entry. The real value, the part clients actually feel, is what you build on top of it - intelligence that lets a lean team do far more with less, all designed around how restaurants actually work, not how a finance system wants them to. There's no reason a 20-site brand can't run with the same financial control a 100-site group has today. With Supy, they can. And for a growing brand, that's a real edge - the discipline of a much bigger operator, before they're that big.



# Upcoming F&B events in the region

## Gulfood Manufacturing 2026

3 – 5 November 2026 | Dubai, UAE

**Description:**

Gulfood Manufacturing 2026 will take place at Dubai World Trade Centre and is focused on the F&B manufacturing ecosystem, including ingredients, processing, packaging, automation and supply-chain systems. The event brings together manufacturers, technology providers, ingredient specialists and industry decision-makers to showcase innovations that support production efficiency, food security and industrial capability.

## Free From & Fine Food Dubai

16 – 18 November 2026 | Dubai, UAE

**Description:**

A dedicated trade and tasting showcase featuring 100+ exhibiting companies across organic, plant-based, natural, and gourmet food sectors. Free From & Fine Food Dubai brings together international brands, producers and suppliers across the categories that are growing fastest in modern food retail and foodservice. The exhibition focuses extensively on free-from alternatives (such as gluten-free, dairy-free, and allergen-free items), vegan products, and gourmet delicacies.

## Saudi Food Expo 2026

15 – 18 November 2026 | Riyadh, KSA

**Description:**

Saudi Food Expo 2026 will be held at Riyadh Front Expo and is focused on connecting vendors, wholesalers, suppliers and key decision-makers across Saudi Arabia's F&B sector. The event highlights opportunities in Saudi Arabia's growing food industry and provides a platform for exhibitors to expand networks, increase regional sales and engage with buyers across the wider food, hospitality and restaurant market.

## Saudi Horeca Riyadh 2026

7 – 9 December 2026 | Riyadh, KSA

**Description:**

Saudi Horeca Riyadh 2026 is a major hospitality, food and beverage exhibition in Saudi Arabia, covering the hotel, restaurant, café, foodservice and beverage sectors. The event includes industry showcases, workshops, culinary demonstrations and competitions, and attracts exhibitors, visitors and key industry players from local and international markets.

# Connect with us

Our Deals Advisory Team actively originates and executes transactions across a range of sectors. Some of the current as well as recently completed transactions include businesses in food & beverage, logistics, technology, real estate, healthcare, education, financial services and oil & gas.




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