

# Sector Focus: F&B

Financial Advisory

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# Interview with Elias Madbak, CEO of RMAL Hospitality



We engage with leading figures in the food and beverage industry to gather valuable market insights. This time, we had the pleasure of speaking with Elias Madbak, the CEO of RMAL Hospitality, a specialized hotel and restaurant development company established by the Al Fahim Group in 2007.

## 1. Can you share the story of your journey to becoming a leader in the F&B industry? What initially attracted you to this?

My path to becoming a leader in the F&B industry was driven by a blend of personal passion and professional curiosity. Growing up surrounded by a rich culinary heritage, I've always been fascinated by how food brings people together. My love for entertaining and connecting with people played a crucial role in attracting me to this sector.

Throughout my career, I've had the privilege to work with some incredible brands such as Bob Evans, Applebee's, The Cheesecake Factory and Celebrity Chef Marco Pierre White. Each experience enriched my understanding of the industry and fueled my passion for crafting extraordinary dining experiences.

The industry's dynamic nature and capacity for innovation were irresistible. Restaurateurs have the unique opportunity to touch lives daily, transforming dining into an art form and a memorable experience. My passion for food, combined with my love for creating enjoyable moments for guests, fueled my pursuit.

# Interview (cont'd)

2. What factors drive your decision-making to partner with iconic brands such as Wagamama, Trader Vic's, Marco Pierre White restaurants, Allo Beirut and Oche? Could you share your thought process when it comes to new franchising opportunities and the specific qualities you seek in a brand?

When partnering with iconic brands, we focus on several fundamental factors. First and foremost, this is a people business. Aligning values is crucial for choosing the right partners. The core of our decision-making lies in ensuring that potential partners share our commitment to exceptional guest experiences and community.

When considering new franchising opportunities, we seek brands with a distinctive identity and a proven track record for excellence. We look for qualities that resonate with our ethos —innovation, quality, and a passion for delivering unforgettable dining experiences.

Additionally, the brand's adaptability within our regional market is a key consideration. We evaluate how well the brand's concept can complement local preferences while maintaining its unique appeal.

In the end, our partnerships are driven by shared values and collective goals, ensuring each collaboration enriches the dining landscape and resonates with guests in meaningful ways.



3. How do you ensure that each franchise maintains its brand identity but is sufficiently tailored to local market expectations at the same time?

Navigating the balance between maintaining brand identity and catering to local market tastes is a nuanced challenge. Brands like Wagamama exemplify a successful approach through several strategic practices.

Firstly, keeping a core menu that reflects the brand's distinctive offerings is essential. For wagamama, key dishes, such as ramen and chicken katsu curry, remain consistently available across all wagamama outlets, reinforcing brand recognition and consumer trust.

Incorporating local flavors or popular ingredients into the menu can also significantly enhance appeal. At wagamama, for instance, we introduced a sweet and sour dish in regions where these flavors have a strong following.

Offering flexible customization by enabling customers to tailor their meals to specific tastes and offering the option to add more protein to dishes, catering to communities focused on high-protein diets accommodates regional preferences without altering the brand's core offerings.

Conducting in-depth cultural research and engaging with local communities is crucial to ensuring that franchise adaptations resonate well. Regular feedback loops with local consumers are invaluable for pinpointing elements that may need adjustments, such as spice levels or portion sizes.

# Interview (cont'd)

Unified branding and rigorous training also play pivotal roles. Consistent branding elements, including restaurant decor, service style, and marketing materials, reinforce brand identity. Meanwhile, comprehensive staff training ensures that employees embody the brand's values and service standards, delivering a consistent customer experience.

Strategic partnerships with local suppliers or brands can further enhance authenticity and acceptance.

Finally, regular monitoring and evaluation of sales data, customer feedback, and market trends are crucial to remaining agile and responsive to ever-changing local dynamics.

## 4. What are some of the key challenges you have faced establishing and managing franchises in the GCC and how do you overcome them?

Navigating the landscape in the GCC region presents a host of unique challenges. Among the most pressing issues are labor shortages and a highly competitive market. Notably, cities like Dubai boast more restaurants per capita than even New York City, significantly amplifying this competitive environment.

Challenge: Labor Shortage - The difficulty of securing skilled and reliable staff is a major challenge due to regional labor shortages. The service industry, in particular, also suffers from high turnover rates.

### Solutions:

- Training Programs: Implementing comprehensive training programs can foster in-house talent, ensuring that staff are well-prepared and efficient.
- Incentive Structures: To retain skilled workers, developing attractive incentive structures is essential for cultivating a loyal workforce.

### Challenge: Intense Competition

Franchises face fierce competition in the region, as international brands seek to establish themselves in the region and local innovation is adding to the rise of home-grown concepts.

### Solutions:

- Unique Offerings: Introducing unique menu items or dining experiences can help in attracting a devoted customer base.
- Local Adaptation: Customizing offerings to local tastes while maintaining core brand identity can broaden appeal to a wider audience.
- Marketing Strategies: Utilizing targeted marketing campaigns and social media can enhance brand awareness and foster customer loyalty.



# Interview (cont'd)



## 5. What do you believe are the key factors that set RMAL Hospitality's brands apart in this very competitive UAE hospitality market?

We boast a diverse portfolio, ensuring it offers a broad spectrum of dining and hospitality experiences tailored to cater to different tastes and preferences. By maintaining high standards of quality and consistency, RMAL Hospitality has fostered brand loyalty, encouraging repeat visits.

Innovation is at the heart of RMAL's strategy, with the company continuously introducing new concepts and staying ahead of dining trends. This forward-thinking approach keeps their offerings refreshing and appealing to both locals and tourists who seek novel experiences. Their brands also show a deep understanding of the local culture and preferences, adapting offerings to align with the UAE market's specific demands while maintaining international quality.

Strategically positioned in prime locations, our outlets benefit from significant foot traffic and visibility, which naturally attracts more patrons. Additionally, the organization leverages strong brand partnerships with internationally acclaimed franchises and brands, which enhances its credibility and appeal.

## 6. How are the brands in your portfolio leveraging technology today, and what role do you believe it will play in the future of F&B?

Our portfolio brands are increasingly embracing technology to enhance both dining experiences and operational efficiency. Nowadays, technology is pivotal in areas ranging from reservations to personalized customer interactions. AI-driven platforms simplify reservations and manage bookings, offering personalization based on history and preferences. Additionally, the emphasis on contactless dining has grown, with solutions like digital menus, mobile payments, and self-service kiosks becoming standard ensuring safety while adding convenience for our guests.

Data-driven insights help understand customer preferences, aiding in menu optimization and personalized marketing, allowing us to tailor experiences to meet evolving expectations.

Looking into the future, technology will markedly influence the F&B industry in various important ways. The integration of AI will transform backend processes, from inventory management to predictive analytics, improving efficiency and reducing costs while machine learning will enable even greater personalization of the dining experience. Additionally, technology will assist in tracking the supply chain, promoting sustainability, and offering transparency about sourcing and nutritional details to consumers.

## 7. As sustainability becomes increasingly important to consumers, what efforts are being made to implement sustainable practices across RMAL Hospitality's brands?

Our approach to sustainability mirrors several strategies observed in campaigns like "Waste Less with Wagamama."

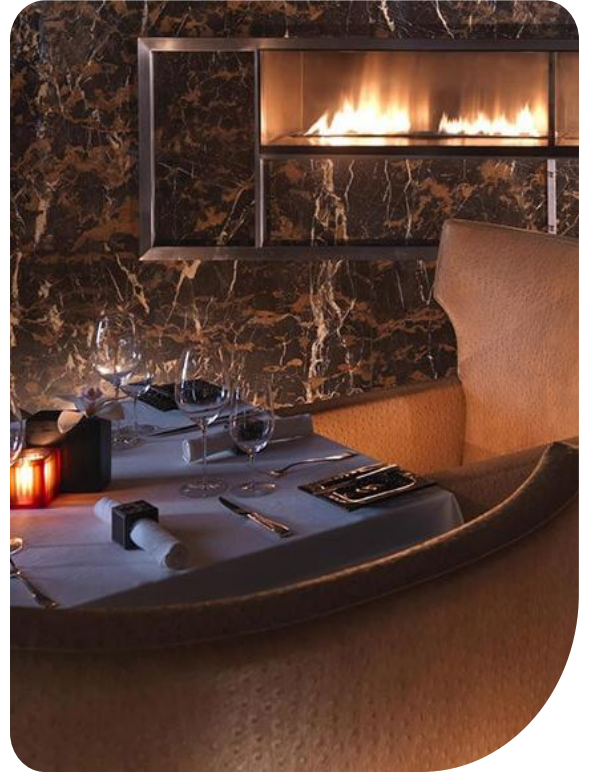
# Interview (cont'd)

The focus is on integrating environmentally friendly practices that resonate with consumer values while enhancing operational efficiency.

To begin, there is a strong emphasis on responsible sourcing across their brands. This involves selecting suppliers who prioritize sustainability, thereby ensuring that ingredients and materials are obtained in a manner that reduces environmental impact.

Efficient resource management is another cornerstone optimizing energy and water usage, RMAL not only reduces its operational costs but also minimizes its environmental footprint. Using energy-efficient technologies and practices support broader sustainability goals.

Customer engagement is key in our sustainability efforts, we try to actively involve customers in sustainability initiatives, raising awareness about environmental issues and encouraging responsible consumption. By creating conversations around sustainability, we foster an informed community that supports and appreciates eco-friendly practices.



## 8. What are RMAL Hospitality's strategic goals and plans for the coming years in terms of expanding your portfolio and presence?

Looking ahead, RMAL Hospitality is set to continue its impressive growth trajectory, with exciting plans including the opening of five new restaurant openings slated for 2025. This expansion will feature the launch of a new quick-service restaurant division, further diversifying our portfolio in line with evolving consumer demands. Additionally, the brand is actively exploring opportunities to expand into new territories, enhancing the reach of existing brands. Since 2017, RMAL has maintained a strong growth trajectory, and we are looking forward with confidence to achieving multi-digit growth in the coming years.



# Regional F&B Market overview

USD 38.3 bn

As of H12024, the 2024 UAE F&B sector was expected to have revenues of USD 38.3 bn

4.7% CAGR

The UAE F&B market is expected to grow at a CAGR of 4.7% between 2024 to 2028

26,000+

F&B establishments in the Emirate of Dubai as of Feb'24 (up from c. 18,000 in 2022)



## Continued investment in the sector

- In 2024, there was continued investment into F&B startups, particularly those in the tech-driven and health-conscious segments. A USD 15mn Series B fundraising was closed earlier in 2024 by GrubTech, based in Dubai, a company that provides an end-to-end SaaS platform for restaurants and cloud kitchens.
- In addition to this, The UAE-based Epik Foods secured USD 15.5mn of private capital funding from Ruya Partners, an Abu Dhabi-headquartered fund, in what is just one example of private funding of F&B businesses.



## Technology & Innovation

- The F&B sector has embraced digital transformation with online ordering, contactless payments, and the rise of ghost kitchens.
- According to a report by ADCCI, Abu Dhabi's online food and beverage sales are projected to hit USD 619 million in 2025, fueled by rising e-commerce adoption and a market increasingly open to technological advancements in the F&B sector.



## Gulf Food Green

- Launched in Dubai (Sep 2024), Gulfood Green supports the UAE's Food Security Strategy 2051, advancing sustainability through agritech, foodtech, and policy innovation.
- Over 500 exhibitors from 50+ countries showcased solutions in sustainable farming, supply chains, and food production. Key features at the event included Food For Future Summit, B2B exhibition, startup pitch competition, and investor matchmaking.
- The event highlighted AI-driven agriculture, smart irrigation, food waste reduction, and plant-based food innovations, reinforcing Dubai as a global foodtech and agritech hub.



## IPO activity

- Talabat Holding, a UAE-based online food ordering and delivery platform, debuted on the Dubai Financial Market (DFM) and raised over USD 2 bn, valued at USD 10.2 bn in the largest global tech IPO of the year.
- ADNH Catering, a unit of Abu Dhabi National Hotels, listed on the Abu Dhabi stock exchange and raised USD 235 mn through its IPO, offering 900 mn shares, or 40% of its share capital, implying a market valuation of USD 588.2 mn.

Sources: ADCCI, Statista, AGBI, MenaBytes, Zawya, Mordor Intelligence, The National News, The Emirates News Agency – WAM



# Growing segments and trends to watch

## Health Friendly Food Trending

The organic food market in the UAE is growing due to increasing health awareness. Specialty organic food and beverages have become a focus, with ongoing government projects promoting organic farming.

The UAE-based brand 'RAW Kombucha' is leading the trend in gut-health-friendly beverages, and high-end restaurant brands like Basta! and Coya Dubai are leading the charge with innovative plant-based menus and sustainable initiatives.

Restaurants and cafes now offer more and more sugar-free desserts and beverages, with products featuring stevia or erythritol becoming popular alternatives. Additionally, restaurants and cafes such as Baker's Kitchen and Freedom Pizza prominently feature gluten- and dairy-free menus to cater to dietary restrictions and allergies.

## Tech & Digital Revolution in the F&B Sector

Drone deliveries piloted in Dubai reduced delivery times for KFC by 25% and achieved a 95% satisfaction rate among test participants. Full-scale rollout in urban areas is expected by 2025, targeting a 30% reduction in last-mile costs.

Kitopi, operating more than 100 cloud kitchens in the UAE in 2024, saw a 20% boost in efficiency through AI-powered inventory management and expects to expand to 120 kitchens by 2025, targeting a 15% revenue increase.

Zomato has introduced AI-driven personalization features aimed at enhancing user experience. While specific projections for repeat order increases are not publicly detailed, a report by Gartner suggests that businesses leveraging AI-driven personalization can see revenue increases of up to 15% by 2025.

## International Brands and Fine Dining Restaurants' expansion in the UAE

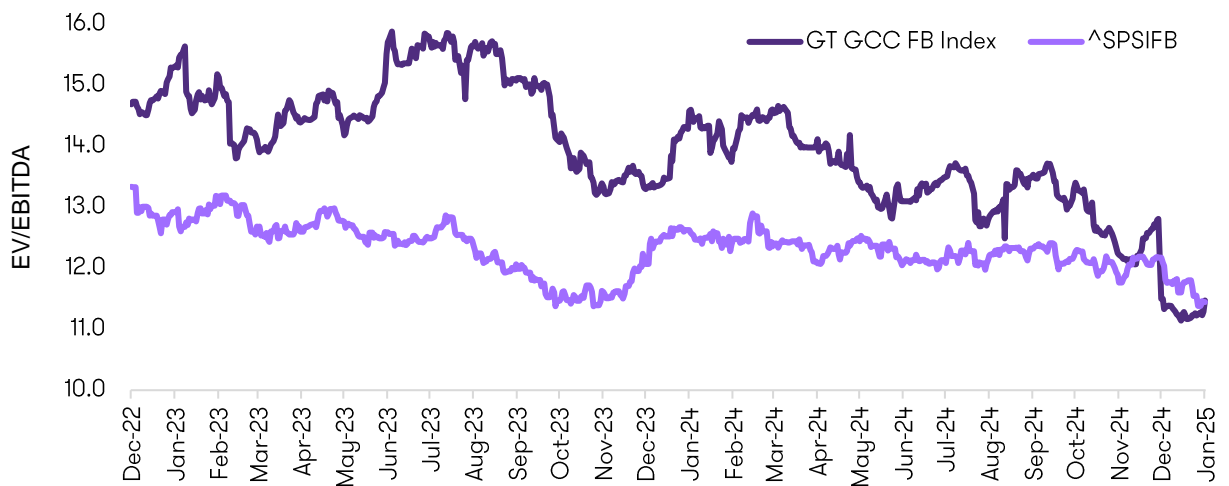
Chipotle Mexican Grill officially entered the UAE market in October 2024 by opening its first restaurant at The Beach at Jumeirah Beach Residence (JBR) in Dubai, continuing a broader Middle Eastern expansion and aiming to capitalize on the region's growing demand for high-quality, responsibly sourced food options.

Novikov, the globally renowned restaurant chain known for its Asian-Italian fusion cuisine and high-energy dining atmosphere, is set to open a branch in Abu Dhabi, reflecting the UAE's growing appeal as a hub for high-end international dining brands.

In 2024, The White Rabbit Group has elevated Dubai's dining scene with two exciting ventures. Krasota Dubai at The Address Downtown offers a unique "gastro-theatre" experience, combining haute cuisine with immersive high-tech visuals. Meanwhile, Sakhalin Dubai opened in Dec-24 at J1 Beach presents a luxurious blend of Mediterranean and Asian flavors.

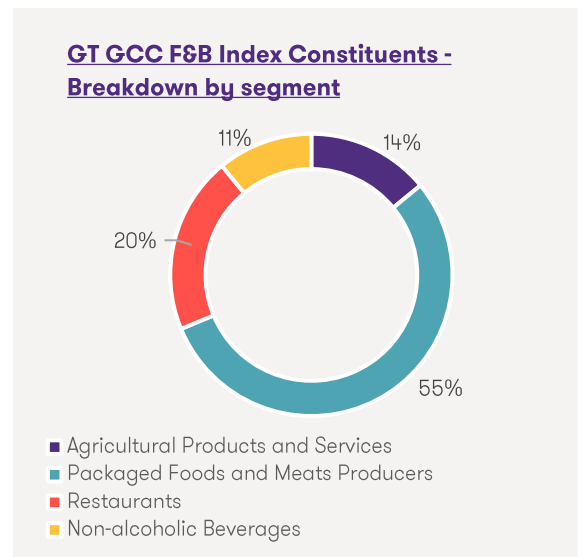
Sources: Digital Restaurant Association (DRA), Fact Magazines, Zawya, Middle East Economy, restaurant websites

# F&B Index trading multiples analysis



- The **GT GCC F&B Index** was created to track the performance of F&B companies listed in the GCC region, providing an overview of the sector's health and growth within the GCC. The **S&P 500 F&B Index** represents the performance of major F&B companies in the United States, serving as a benchmark for the industry in one of the world's largest markets.

- The GT GCC F&B Index consistently traded at a premium to the S&P 500 F&B Index in 2023 and up to November 2024, indicating higher implied valuations for GCC F&B companies.



- By late 2024, the gap between the GT GCC F&B Index and the S&P 500 F&B Index narrows significantly, with both indices converging around the 11.4x EV/EBITDA range as at 15<sup>th</sup> January 2025, indicating possible signs of a more mature and steady market. This alignment suggests that the GCC F&B sector is increasingly being viewed through a global lens, with valuation frameworks and investor expectations becoming more standardized and reflective of long-term stability.

- We will continue to track the GT GCC F&B Index against relevant benchmarks and assess the strength of correlations with regional and global indices.

# Upcoming F&B events in the region



## World of Coffee Dubai 2025

**Date:** 10 – 12 February 2025

**Location:** Dubai

**Description:** World of Coffee Dubai is a leading coffee trade show in the Middle East, designed for UAE coffee businesses and those interested in the region's growing coffee industry. It offers various attractions such as the roaster village, lectures, cupping room, UAE national championship, brew bar, sca community lounge, and a bustling trade show.

**Food Science and Technology  
(FOODTECH2025)**

## Global Summit on Food Science and Technology (FOODTECH) 2025

**Date:** 03 – 05 March 2025

**Location:** Dubai

**Description:** The 2<sup>nd</sup> Global Summit on Food Science and Technology (FOODTECH 2025) will take place in Dubai, UAE. This event, themed "Feeding Innovation: The Nexus of Food Science and Technology," will bring together experts, researchers, and industry leaders to discuss advancements in food processing, nutrition, quality assurance, and emerging trends and challenges in the food industry.



## Gulfood 2025

**Date:** 17 – 21 February 2025

**Location:** Dubai

**Description:** UAE's largest food and beverage processing event brings global food and beverage communities together, serving as a trendsetter and sourcing hub. Industry leaders and renowned chefs join to inspire transformation for the ecosystem.



## Expo Culinaire 2025

**Date:** 21 – 23 May 2025

**Location:** Sharjah

**Description:** Expo Culinaire 2025 is a major foodservice industry event happening at the Expo Centre Sharjah. It features a trade exhibition, the world's largest single-entry chef competition, and a HoReCa education platform, bringing together professionals from the culinary sector.



Sources: Food Business Gulf & Middle East, 10 Times, Caterer Middle East, Visit Dubai, Zawya, The National News

# Financial Advisory Team

Our Financial 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.



## Salmaan Khawaja

Partner  
Financial Advisory

T +971 52 537 3917  
E salmaan.khawaja@ae.gt.com



## Neha Julka

Partner  
Financial Advisory

T +971 54 373 5405  
E neha.julka@ae.gt.com



## Imran Jaffer

Partner  
Financial Advisory

T +971 58 524 4274  
E imran.jaffer@ae.gt.com



## Andy Southall

Director (F&B focus)  
Financial Advisory

T +971 58 577 9701  
E andy.southall@ae.gt.com



## Salim Hussein

Director  
Financial Advisory

T +971 55 604 9756  
E salim.hussein@ae.gt.com



## Ehsen Khokher

Director  
Financial Advisory

T +971 50 971 6756  
E ehsen.khokher@ae.gt.com



## Alex Tsui

Director  
Financial Advisory

T +971 56 369 7722  
E alex.tsui@ae.gt.com



## Armand Hicham Kantar

Director  
Financial Advisory

T +971 50 741 8144  
E armand.kantar@ae.gt.com



## Qasim Memon

Director  
Financial Advisory

T +971 50 270 6382  
E qasim.memon@ae.gt.com

## Abu Dhabi

Unit 2, Floor 14  
Sila Tower  
ADGM Square  
Al Maryah Island  
Abu Dhabi, UAE

**T** +971 2 666 9750

**F** +971 2 666 9816

## Sharjah

5<sup>th</sup> Floor  
City Gate Tower  
Al Etihad Street  
Al Tawoon  
PO Box 88  
Sharjah, UAE

**T** +971 6 525 9691

**F** +971 6 525 9690

## Dubai

The Offices 5  
Level 3, Office 303  
One Central, DWTC  
PO Box 1620  
Dubai, UAE

**T** +971 4 388 9925

**F** +971 4 388 9915



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