

# Aldar Properties PJSC

FY / Q4 2020

Financial Results

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**PRESS RELEASE**



# Aldar reports 17% increase in revenue to AED 8.4 billion and 8% increase in gross profit to AED 3 billion driven by record development business performance in 2020

Abu Dhabi, UAE: 14 February 2021

- **Development business delivers record revenues and gross profit, Investment portfolio holds firm** amid Covid-19 challenges
- Aldar to **manage and deliver AED 50 bn of projects over 3-5 years**, with AED 40 bn in recent agreement with Abu Dhabi Government.
- **New operating model** adopted to propel growth and achieve sustainability target
- **Consistent and transparent approach to dividend** with recommended cash distribution of AED 1.14 billion, or 14.5 fils/share for 2020
- **Robust net profit** at AED 1.93 bn in 2020 with 28% growth in Q4 net profit to AED 729 million
- UAE economic recovery underpinned by effective Covid-19 testing programme and **among highest vaccination rates in the world** at 50 doses per 100 people. With over 5 million doses administered to date, on track to vaccinate half of eligible population by end-March. At Aldar, 85% of the workforce **chose to vaccinate** in less than a month



**MOHAMED KHALIFA AL MUBARAK**  
CHAIRMAN OF ALDAR PROPERTIES

Abu Dhabi has successfully navigated the considerable challenges of the global pandemic and is now moving into recovery. A rapid and globally pioneering approach to promoting health and safety has been backed by the Emirate's financial strength and the Government's proactive support of our communities. This effective combination has underpinned the long-term fundamentals of the economy and sustained investor confidence in the real estate sector. During this critical period, Aldar has reinforced its position as the trusted partner for public-private collaboration on strategic real estate and infrastructure investment. I am proud that Aldar's robust balance sheet and best-practice governance ensure that the company will be an important driver of Abu Dhabi's growth in the coming years.



**TALAL AL DHIYEBI**  
GROUP CHIEF EXECUTIVE OFFICER OF ALDAR PROPERTIES

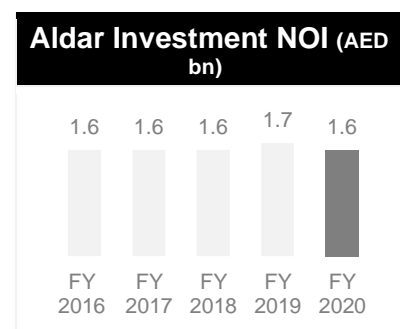
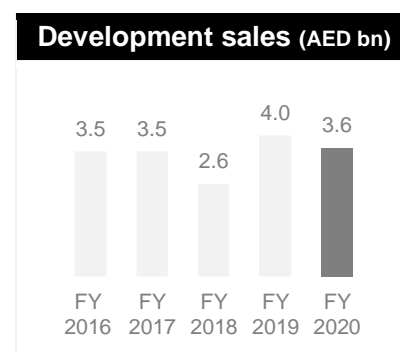
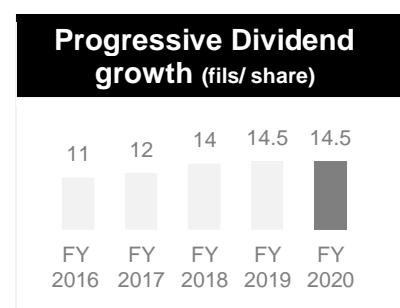
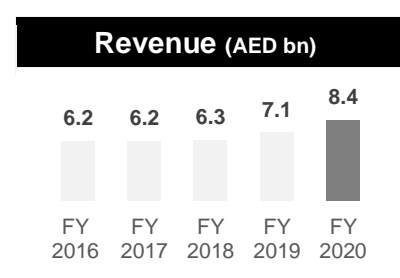
Aldar's powerful performance in 2020 has set the tone for a new phase of sustainable growth. We have adopted a new operating model to propel the company to the next level in terms of scale and breadth of activity and to meet our ambitious sustainability targets. This will involve a major programme to accelerate the recycling of capital and to invest in expansion. Aldar is the trusted partner in the transformation of Abu Dhabi's real estate sector, in alignment with the Emirate's plans for investment and economic diversification. We are highly appreciative of the Government's decisive management of the Covid-19 challenges and its leadership in setting a clear ambition for recovery and future growth.

# Group Financial Highlights

## ALDAR GROUP

Aldar Group <i>AED million</i>	Q4 2020	Q4 2019	% change	FY 2020	FY 2019	% change
<b>Revenue</b>	2,534	2,122	<b>+19%</b>	8,392	7,148	<b>+17%</b>
<b>Gross profit</b>	873	716	<b>+22%</b>	2,983	2,770	<b>+8%</b>
<b>Total net profit</b>	729	569	<b>+28%</b>	1,932	1,925	<b>+0.4%</b>
<b>2020 Recommended Dividend</b>	<b>14.5 fils per share (cash distribution of AED 1.14 billion)</b>					

- Strong financial and operating performance in 2020 driven by record annual development revenue and increased income from management of government infrastructure contracts.
- 2020 revenue increased 17% to AED 8.39 billion, and gross profit rose 8% to AED 2.98 billion. Full-year net profit steady at AED 1.93 billion.
- Q4 2020 net profit growth of 28% to AED 729 million, from AED 569 million a year earlier.
- Recommended 2020 dividend of AED 0.145 per share, in line with Aldar's commitment to providing sustainable returns to shareholders. Dividend payments in 2020 and 2021 consistent despite macro-economic challenges presented by Covid-19.
- Aldar Development revenue of AED 4.96 bn (+60% y-o-y) and gross profit of AED 1.40 bn (+ 31% y-o-y) on strong development sales and increase in ramp-up of development management projects. Successful launch in Q4 of Noya development project reflects strength of Aldar's franchise and deep understanding of local market dynamics.
- Aldar Investment gross profit of AED 1.6 bn (-7% y-o-y), with resilient performance supported by steady occupancy across its diversified portfolio of investment properties and higher contribution from adjacent businesses. The strategy to actively recycle capital produced gains on two investment exits in December: the sale of two district cooling assets and sale of the Abu Dhabi Golf Club Complex including the Westin Hotel and the Abu Dhabi Golf Course.
- Appointment of Aldar by the Abu Dhabi Government on an exclusive basis as strategic delivery partner for an initial AED 40 billion of key capital projects, including public housing and associated community infrastructure projects. The Mandate, which begins in Q1 2021, demonstrates strong alignment between Abu Dhabi's public and private sectors and endorses Aldar's position as the leading developer and asset manager in the Emirate.
- Strong cash position driven by AED 4.0 billion of development collections in 2020, with AED 3.3 billion of free cash and AED 4.0 billion of undrawn credit facilities as at year end.
- New operating model adopted to deliver on next phase of growth, aligned with Aldar's strategy and in-line with Abu Dhabi's plans for investment and economic diversification.



# Business Unit Highlights

## ALDAR DEVELOPMENT

Aldar Development is responsible for developing Aldar's c. 70 million sqm land bank and includes three businesses: Aldar Projects, which is managing Aldar's fee-based development management business, including AED 45 billion of government housing and infrastructure projects; Aldar Ventures, which incubates and nurtures new business opportunities and innovation areas; and Aldar Egypt, the platform focused on developing mixed-use communities in Egypt.

Aldar Development <i>AED million</i>	Q4 2020	Q4 2019	% change	FY 2020	FY 2019	% change
<b>Sales</b>	1,594	966	<b>+65%</b>	3,634	3,952	<b>(8%)</b>
<b>Revenue</b>	1,598	1,044	<b>+53%</b>	4,962	3,097	<b>+60%</b>
<b>Gross profit</b>	400	271	<b>+48%</b>	1,404	1,070	<b>+31%</b>

- Aldar Development FY 2020 revenue increased 60% to a record AED 4.96 billion and Q4 revenues increased 53% year on year to AED 1.6 billion driven by handovers, inventory sales and recurring high-margin income from the third-party development management business. Gross profit for the business reached a record AED 1.4 billion in 2020, up 31%.
- Record quarterly development sales at AED 1.59 billion, up 65% year on year, driven by robust demand for high-end development projects across prime destinations of Saadiyat Island and Yas Island.
- Development sales during 2020 totaled AED 3.63 billion, stable year-on-year, reflecting sustained investor confidence in Abu Dhabi's real estate fundamentals. Aldar has experienced strong demand for its high-quality residential units at the Water's Edge, Mamsha and Nareel Island developments. By introducing digital solutions and virtual tours, the company has achieved continuity in sales in 2020 despite the restricted mobility due to Covid-19 earlier in the year.
- Strong progress on cash collections for handovers and stage payments during the year at AED 4.0 billion.
- Successful launch of residential project Noya on Yas Island generating AED 1 billion in sales to be booked in line with progress of the development. The launch of the 510-unit mid-market villa and townhouse community demonstrates Aldar's deep understanding of the local market and customer base including absorption trends and product demand.
- Significant projected growth in third-party development management business through agreement signed in Q4 2020 to manage an initial AED 40 billion of capital projects for the Abu Dhabi Government. Transfer of management or oversight of projects to Aldar will begin in Q1 2021. Including the company's own current capital expenditure programme of AED 5 billion and AED 5 billion of existing government infrastructure contracts, Aldar will manage a total of AED 50 billion of real estate and infrastructure projects to be delivered over the next three to five years, providing significant impetus to Abu Dhabi's economy.
- Aldar, is currently assessing opportunities to enter the Egypt market through Aldar Egypt, a newly established platform to focus on developing mixed-use communities in this key geography for international expansion.

## ALDAR INVESTMENT

Aldar Investment houses Aldar’s core asset management business, comprised of an AED 16 billion portfolio of prime real estate assets (across retail, residential and commercial segments) as well as three additional platforms: Aldar Education, a leading education group in Abu Dhabi, Aldar Estates, which consolidates Aldar’s property services platform, and Aldar Hospitality and Leisure, a portfolio of hotel and leisure assets anchored around Yas Island and Saadiyat Island.

<b>Aldar Investment</b> <i>AED million</i>	<b>Q4 2020</b>	<b>Q4 2019</b>	<b>% change</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>% change</b>
<b>Revenue</b>	936	1,078	<b>(13%)</b>	3,431	4,051	<b>(15%)</b>
<b>Total Net Operating Income</b>	473	445	<b>6%</b>	1,579	1,701	<b>(7%)</b>
<b>Occupancy (retail, office and commercial)</b>				88%	90%	

- Aldar Investment demonstrated notable resilience amid challenging macro-economic conditions and lockdowns during the year, drawing on its key strengths: robust governance, active asset management by a highly professional team and a well-diversified portfolio of assets. Total net operating income for the business was AED 1.58 billion in FY 2020, a decline of just 7% year on year.
- FY 2020 revenue declined 15% to AED 3.43 billion partially due to reduced income from the retail and hospitality segments. Revenue was at AED 936 million in Q4 2020, when there was a significant increase in hotel occupancy and improvement in retail footfall and sales.
- Net operating income (NOI) for investment properties (retail, commercial and residential) held firm at AED 1.31 billion in FY 2020, only 5% decline on the previous year. The large portfolio of investment properties has displayed a high degree of stability despite the difficult operating environment due to Covid-19, with average occupancy across the diversified retail, commercial and residential assets standing at 88% at the end of 2020.
- Provis, the property management company which will be contributed to Aldar Estates as part of the new operating structure, and facilities management company Khidmah produced a combined gross profit of AED 50 million in FY 2020, a rise of 22% from the previous year.
- Aldar Education reported a 25% increase in gross profit to AED 122 million in FY 2020. The company is well established as the leading provider of private education in Abu Dhabi, with student enrolments increasing to 25,000 for the 2020-2021 academic year, from 16,000 in the previous year.
- Aldar Hospitality and Leisure, which was impacted significantly by global travel restrictions, recorded gross profit of AED 36 million in 2020, compared to AED 126 million in 2019. Income rebounded in Q4 2020 as Aldar-owned hotels partnered with the Department of Culture and Tourism to host several “event bubbles” on Yas Island including UFC and Formula 1. The ability to implement “safe zones” to allow major sporting events to proceed smoothly affirms Abu Dhabi’s position as one of the leading hubs for cultural and leisure tourism in the region.

## Areas of corporate focus

### ESG: Sustainability practices embedded across the Group

- Aldar's ESG strategy and framework are aligned to both national and international sustainability frameworks, including Vision 2021, Ghadan 21, the National Climate Change Plan, UAE Green Agenda and UN Sustainable Development Goals.
- Key sustainability commitments for 2021 include the introduction of Sustainability Data Management system (SDMS) to enhance the reporting process of Aldar's sustainability data. In addition, Aldar will prioritize the development of Waste Management Plan as well as the implementation of the second phase of the Energy Efficiency Plan and for the Asset Management business.

### Covid-19 Support: Proactive response to support key stakeholders through exceptional circumstances in 2020

- Aldar continues to implement precautionary safety measures across all assets and in its communities, including deploying specialised disinfection services to ensure a safe and seamless property handover process.
- Aldar launched targeted programmes worth up to AED 190 million in March 2020 to support tenants, homebuyers and the wider community.
- Series of initiatives targeting retail partners reaching over AED 90 million with a particular focus on SMEs and start-ups.
- AED 60 million has been allocated to support residential buyers and tenants through market beating home finance products, rent to own units and monthly payment plans. Aldar also introduced a more flexible rent payment for its residential tenants, by allowing them to pay rent using a credit card. Over 330 residential buyers have taken advantage of the subsidized mortgage, supporting unit purchases in excess of AED 1 billion.
- Aldar Academies has been allotted AED 50 million, including 20% discount applied to nearly 7,500 students at its schools, around AED 10 million investment in technology including provision of laptops and distance learning education platform and a AED 6 million hardship fund was established for Aldar Academies.
- AED 20 million allocated to various other initiatives including national sanitation efforts and waiving all administrative fees associated with transacting with Aldar.

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## About Aldar

Aldar Properties PJSC is the leading real estate developer in Abu Dhabi, and through its iconic developments, it is one of the most well known in the United Arab Emirates, and wider Middle East region.

From its beginnings in 2005 through to today, Aldar continues to shape and enhance the urban fabric of the UAE's Capital City in addition to other key areas of the Emirate.

Aldar develops exciting and innovative projects, such as the internationally recognized HQ building situated in the Al Raha Beach development, the Gate Towers in Shams Abu Dhabi on Al Reem Island, in addition to Yas Island's F1 circuit.

Aldar's shares are traded on the Abu Dhabi Securities Exchange (Stock quote: ALDAR:UH), and is a profitable, cash generative business that provides recurring revenues, and benefits from a diverse and supportive shareholder base. Aldar operates according to high standards of corporate governance and is committed to operating a long term and sustainable business in order to provide ongoing value for its shareholders.

Aldar seeks to create quality, comfortable, desirable destinations that enrich the lives of Abu Dhabi residents as well as tourists within the Emirate. Aldar is playing a leading role in the development and provision of world class retail - Yas Mall, international standard education through Aldar Academies, iconic entertainment venues such as the Yas Marina Circuit, and community amenities across its entire portfolio.

Aldar is driven by a vision to be the most trusted and recognized real estate lifestyle developer in Abu Dhabi and beyond.

For more information on Aldar please visit [www.aldar.com](http://www.aldar.com) or follow us on:

