



Aldar reports 62% year-on-year increase in net profit as its transformational growth strategy accelerates

Abu Dhabi, UAE: 28 July 2022

	Revenue	Gross Profit	EBITDA	Net Profit
Q2 2022	AED 2.67 bn + 22% YoY	AED 1.19 bn +45% YoY	AED 978 mn + 52% YoY	AED 841 mn + 62% YoY
H1 2022	AED 5.35 bn + 26% YoY	AED 2.31 bn +44% YoY	AED 1.79 bn + 37% YoY	AED 1.53 bn + 44% YoY

Recent Group Highlights

- Aldar is delivering on its transformational growth strategy with over AED 11 billion announced transactions in H1 2022 across logistics, commercial, retail, and hospitality sectors, as well as geographic expansion
- AED 5 billion of further equity capital to be deployed over the next 12 months.
- Landmark US\$1.4 billion transaction with Apollo Global Management provides significant firepower to strengthen and accelerate long-term growth.
- Acquisition of a 6.2 million square metre land plot on Saadiyat Island bolsters Aldar's land bank for future development.
- Record half-year Group sales of AED 5.33 billion, driven by strong local and international demand for existing inventory and new property launches in the UAE as well as robust sales from SODIC.
- Significant ramp-up of the fee-based business with projects backlog of AED 57.6 billion.
- Acquisition of Abu Dhabi Global Market (ADGM) office towers for AED 4.3 billion – one of the largest real estate transactions in the UAE.
- Strong liquidity position, with AED 6.0 billion of free cash and AED 4.9 billion of committed undrawn facilities.



TALAL AL DHIYEBI

GROUP CHIEF EXECUTIVE OFFICER OF ALDAR PROPERTIES

“Aldar continues to execute on its transformational growth agenda as we consolidate our position as the leading real estate developer and manager in the UAE. Over the first half of the year, we deployed and committed over AED 11 billion of capital adding considerable scale and diversification to our portfolio as we expanded into new markets and sectors, and enhanced earnings growth across our platform.

Our diversified business continues to grow from strength to strength with a buoyant market sentiment in Abu Dhabi, underpinned by strong economic fundamentals. We achieved robust development sales driven by substantial demand from end-users and international investors. Our fee-based business demonstrated strong momentum with a significant ramp-up in government projects and our investment property portfolio showed continued strength in terms of occupancy, income, and value appreciation.

Looking ahead, we remain focused on delivering new development launches and remaining active on the acquisition front as we continue to deploy capital effectively in value-accretive opportunities. We have already demonstrated this commitment with the recent announcement of our acquisition of prime commercial properties in Abu Dhabi Global Market from Mubadala.

Backed by a strong liquidity position and the additional firepower from Apollo Global Management’s investment, we are well-positioned to further progress our transformational growth strategy. This enables us to add further scale to our portfolio, specifically in the education and logistics sectors, as well as expand our geographical footprint across UAE, Egypt, and Saudi.”

Business Unit Highlights

ALDAR DEVELOPMENT

This core business unit comprises three main segments: **Property Development and Sales**, which is responsible for developing and marketing Aldar's diverse and strategic land bank located in key investment zones in the UAE including Saadiyat Island and Yas Island; **Project Management Services**, which manages Aldar's fee-based development management business, including government housing and infrastructure projects in the UAE; and **Egypt**, which manages Aldar's investment in Egyptian real estate company SODIC (Sixth of October Development and Investment Company).

Aldar Development <i>AED million</i>	Q2 2022	Q2 2021	% change	H1 2022	H1 2021	% change
Revenue	1,761	1,348	31%	3,537	2,534	40%
EBITDA	501	381	31%	958	734	30%
Group Sales	3,119	2,353	33%	5,332	3,443	55%
Sales (UAE-only)	2,497	2,353	6%	4,010	3,443	16%

- **Group sales** in the first half of 2022 reached a record of AED 5.33 billion, a 55% increase from the same period last year. Meanwhile, Q2 Group sales increased 33% to AED 3.12 billion.
- **Aldar Development's** Q2 EBITDA increased 31% YoY to AED 501 million with revenue increasing 31% YoY to AED 1.76 billion. This increase was driven by record sales from new project launches and existing inventory in the UAE, robust performance of project management services, and continued contributions from SODIC. H1 EBITDA increased 30% to AED 958 million compared to the same period last year with revenue increasing 40% YoY to AED 3.54 billion.
- **Gross profit margin** increased to 41% up from 33% in Q2 2021 while gross profit margin for H1 2022 increased to 39% up from 32% in the same period last year. This was driven by high margin commercial land sales for the period.
- **Group revenue backlog** rose 168% YoY to AED 11.38 billion, providing strong visibility on future revenue in both UAE and Egypt operations.
- **Projects backlog** of AED 57.6 billion at the end of Q2 2022 (versus AED 41.2 bn at the end of Q1 2022) driven by project additions across infrastructure, community buildings, schools, and national housing. This provides visibility of future earnings for the next 4 years.

UAE Operations:

- Q2 **UAE sales** of AED 2.50 billion, up 6% from the same period last year. In the first six months of 2022, total UAE sales reached AED 4.01 billion, up 16% from the same period last year.
- Sales performance was driven by strong local and international demand for existing inventory and new launches including Louvre Residences Abu Dhabi, Grove Museum Views, and Fay Alreeman. At the beginning of Q3, Aldar sold out three apartment buildings at Grove District, achieving AED 600 million in sales, and launched Yas Golf Collection, a AED 1.70 billion resort-style community development overlooking Yas Links Abu Dhabi.
- **Revenue backlog** up 48% YoY to reach AED 6.27 billion.
- **Cash collections** during the year stood at AED 3.33 billion.
- Q2 EBITDA for the **Project Management Services** held firm at AED 105 million, supported by steady progress in government projects.

Egypt Operations:

- **SODIC contributed AED 283 million** to Aldar Development's Q2 revenue, with Q2 **EBITDA** standing at AED 84 million. Over H1, SODIC contributed AED 564 million in revenue and AED 135 million in EBITDA.
- **SODIC's Q2 sales** reached AED 622 million (EGP 3.1 billion, up 54% YoY from EGP 1.91 billion). H1 sales reached AED 1.32 billion (EGP 6.59 billion, up 77% YoY from EGP 3.76 billion).
- **Revenue backlog for SODIC** reached AED 5.10 billion (EGP 25.50 billion) at the end of Q2 2022, demonstrating a solid pipeline for future revenue.
- SODIC continues to maintain a **strong liquidity position** with total cash and cash equivalents amounting to AED 434 million (EGP 2.17 billion).

ALDAR INVESTMENT

Aldar Investment comprises four main segments representing over AED 30 billion¹ of assets under management. **Investment Properties** houses Aldar's core asset management business comprising over AED 18.4 billion of prime real estate assets across retail, residential, commercial, and logistics segments. **Aldar Logistics** owns a 70% stake in Abu Dhabi Business Hub which owns a strategically located warehousing, industrial, and office complex in Industrial City Abu Dhabi with a total net lettable area of c. 166,000 sqm. **Aldar Education** is the leading private education provider in Abu Dhabi. **Hospitality and Leisure** owns a portfolio of hotel and leisure assets principally located on Yas Island, Saadiyat Island, and Ras Al Khaimah. **Principal Investments** includes Provis, the property management business, Khidmah, the facilities management business, and Pivot, a construction services business.

Aldar Investment² <i>AED million</i>	Q2 2022	Q2 2021	% change	H1 2022	H1 2021	% change
Revenue	893	777	15%	1,752	1,565	12%
Adjusted EBITDA³	369	297	24%	743	638	16%
Occupancy (Investment Properties)⁴				92%	88%	4%

- **Aldar Investment's** Q2 revenue grew 15% YoY to AED 893 million while Adj. EBITDA for the quarter increased 24% YoY to AED 369 million. The robust performance was mainly driven by a rebound of the hospitality and leisure business, continued uplift in performance in retail, and contributions from new acquisitions during the year. H1 revenue grew 12% YoY to AED 1.75 billion while Adj. EBITDA increased 16% YoY to AED 743 million.
- The **Investment Properties** Q2 Adj. EBITDA⁵ increased 12% YoY to AED 276 million while H1 Adj. EBITDA increased by 10% YoY to AED 575 million compared to the same period last year. This was primarily driven by higher occupancy rates across the portfolio and positive contributions from the Al Hamra Mall and Abu Dhabi Business Hub acquisitions. Occupancy across the portfolio increased to 92% which represents a 4% uplift compared to H1 2021.
 - **Residential** Q2 Adj. EBITDA increased 4% YoY to AED 98 million while H1 2022 Adj. EBITDA increased 7% YoY to AED 205 million. The overall portfolio showed continued strength, reaching an occupancy rate of 95%, a 7% increase from the same period last year. This was driven by strong demand for residential villas and apartments particularly at the Al Oyoum Village and The Bridges.

¹ AUM includes YTD acquisitions

² Excludes Pivot.

³ Aldar Investment EBITDA adjusted for fair value movements (excluding amortization of leasehold assets) and one-off gains/losses on acquisitions.

⁴ Contracted or leased occupancy as of 30 June 2022.

⁵ Investment properties EBITDA adjusted for fair value movements (excluding amortization of leasehold assets) and one-off gains/losses on acquisitions.

As part of its monetisation strategy, Aldar continued the sale of its strata residential units achieving AED 209 million in YTD sales at an average of 14% above book value.

- **Retail** Q2 Adj. EBITDA increased 22% YoY to AED 110 million driven by an uplift in occupancy rates, an increase in contractual recurring revenue streams, and contributions from new acquisitions including Al Hamra Mall in Ras Al Khaimah. H1 Adj. EBITDA increased 18% to AED 228 million compared to the same period last year. Yas Mall achieved 95% occupancy, up from 84% a year earlier as a result of a successful repositioning and redevelopment project. This has significantly contributed to the overall retail portfolio occupancy of 90% compared to 86% in the same period last year.
- **Commercial** H1 Adj. EBITDA⁶ increased 3% compared to the same period last year driven by higher occupancy levels. Occupancy stood at 92% registering an increase of 2% compared to H1 2021 driven by an increase in interest in Grade A office spaces from both the government and the private sector. Due to the expiry of Al Mamoura Building leasehold, Q2 Adj. EBITDA declined 10% YoY to AED 57 million. In July, Aldar announced the acquisition of the ADGM office towers from Mubadala for AED 4.3 billion representing one of the largest real estate transactions in Abu Dhabi. The acquisition of four Grade A commercial buildings located on Al Maryah Island with a total net leasable area of 179,000 sqm significantly bolsters the platform's AUM, diversification, and recurring income base.
- **Aldar Logistics** recorded an Adj. EBITDA of AED 12 million driven by strong demand in warehousing and logistics space. The logistics facilities are over 90% occupied, with long-term tenants including Spinneys, ZonesCorp, and Twofour54.
- The **Hospitality and Leisure** business witnessed significant growth in Q2, recording a 476% YoY increase in EBITDA to AED 23 million. During the first six months of 2022, the business recorded an EBITDA of AED 45 million, an increase of over 459% compared to H1 2021. This was driven by an ongoing recovery in the travel and tourism sector. Occupancy across the portfolio stands at 66% which represents a 21% increase compared to the same period last year. In Q2, Aldar Investment broadened its hospitality portfolio with the acquisition of Nurai Island Resort, Rixos Bab Al Bahr, and two new islands in Abu Dhabi. It also acquired DoubleTree by Hilton Resort & Spa Marjan Island and the adjacent land for AED 810 million in July.
- **Aldar Education** reported a 12% YoY increase in Q2 EBITDA to AED 46 million whilst H1 EBITDA rose 3% YoY to AED 83 million in the first six months of 2022. This was driven by a 6% YoY increase in enrolments to over 27,000 students. Aldar Education further diversified its portfolio of schools with the acquisition of Al Shohub Private School in June.
- The **Principal Investments**⁷ business witnessed a 49% YoY increase in Q2 EBITDA to AED 23 million. This was largely driven by increased contributions from Provis from the addition of new revenue streams such as the integrated facilities management services for the government, as well as additional revenues from both the owner's association and advisory functions. H1 EBITDA increased 35% YoY to AED 39 million.

ESG Highlights

As one of the UAE's leading real estate developers, Aldar has a duty to uphold the highest international standards for ESG practices. ESG is a core pillar of the company's long-term growth strategy, with **strong governance** and **responsible environmental and social impact** integrated into its investment processes and business decisions.

Under the theme 'Commitment and Action', highlights of Aldar's ESG activities this quarter include:

- Aldar's In Country Value (ICV) programme is a key tenet of Aldar's sustainable procurement strategy and the company reinvested AED 1.92 billion locally through contracts awarded to UAE-based partners during the first six months of 2022.

⁶ Excludes expired leasehold assets.

⁷ Excludes Pivot.

- Aldar invested AED 4 million in two social contracting projects by the Authority of Social Contribution – Ma'an with a commitment of AED 2.7 million to support the family counselling services project of Abu Dhabi Early Childhood Authority (ECA) and AED 1.3 million to support Abu Dhabi Social Support Authority's programme for the upskilling and employment of Emiratis.
- Aldar pledged AED 5 million to the "1 Billion Meals Initiative" organized by Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI).
- In April 2022, Aldar installed a 31 kWp plant in Al Gurm Phase 2 project following the success of the first 48.7 kWp plant installed in the Baniyas project site office. Aldar plans to power all site offices located in off-grid locations through solar hybrid power plants by 2023.

Corporate Highlights

People

- During the first half of the year, Aldar focused on increasing its UAE national employee headcount through the NAFIS programme. To date, Aldar has hired 140 employees as part of the programme and is on course to achieve its commitment to create employment opportunities for 1,000 nationals by 2025.

Customer Experience

- As a customer-centric organisation, Aldar continues to evolve and enhance experience at all touchpoints. During H1, Aldar's NPS score increased 16 points compared to the same period in 2021 and saw its loyalty programme grow 9% to reach more than 60,000 members.

Innovation

- Cloud Spaces, Aldar's flexible workplace solutions brand and the GCC's first mall-based business and lifestyle co-working space, launched its second location at ADGM.
- Aldar completed its fifth investment into a global real estate technology fund through a partnership with Taronga Ventures to gain access to technology co-investment opportunities providing additional revenue streams and new efficiencies for Aldar's portfolio.
- Aldar launched the third cycle of its Manassah programme, a six-month incubator aimed at cultivating entrepreneurial talent and advancing retail concepts in the UAE to become part of Aldar's thriving retail portfolio. It also launched the second cycle of Scale Up Programme, Aldar's equity-free accelerator, which awarded five pilot projects to tech startups.

-ENDS-

For further information, please contact:

IR

SAMAR KHAN

Aldar Properties

+971 2 810 5555

skhan@aldar.com

MEDIA

CECILLE ASIS

Brunswick Group

+971 (4) 560 9600

ALDARFIN@brunswickgroup.com

About Aldar

Aldar Properties PJSC is the leading real estate developer and manager in the UAE with a diversified and sustainable operating model centered around two core businesses: Aldar Development and Aldar Investment.

Aldar Development is a master developer of integrated, liveable, and thriving communities across Abu Dhabi's most desirable destinations, including Yas Island, Saadiyat Island, Al Raha, and Reem Island. It is responsible for developing Aldar's c. 69 million sqm land bank and includes three businesses: Aldar Projects, which manages Aldar's fee-based development management business including 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 Investment houses Aldar's core asset management business comprising over AED 30 billion portfolio of investment grade and income-generating real estate assets diversified across retail, residential, commercial, hospitality, and logistics segments. Aldar Logistics owns a 70% stake in Abu Dhabi Business Hub which owns a strategically located warehousing, industrial, and office complex in Industrial City Abu Dhabi with a total net lettable area of c. 166,000 sqm. Aldar Investment also manages three core platforms: Aldar Education, Aldar Estates, and Aldar Hospitality and Leisure. Aldar Education includes Aldar's entire educational portfolio, including Aldar Academies, the leading education group in Abu Dhabi, with 21 schools, over 27,000 students, and a growing network of 3,000 educators from over 100 nationalities, offering a wide range of curriculum and ancillary services such as a Teacher Training Academy. Aldar Estates consolidates Aldar's Retail Operations alongside existing Residential and Commercial real estate operations within Provis and will further include Community Management under one integrated property management platform. Aldar Hospitality and Leisure looks after Aldar's portfolio of hotel and leisure assets, which are anchored around Yas Island and Saadiyat, in addition to Ras Al Khaimah. It includes Aldar's portfolio of 13 hotels, comprising over 4,250 hotel keys and managing operations across golf courses, beach clubs, and marinas.

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 is driven by a vision to be a leading real estate developer and manager in the region by playing a key role in the development of quality, comfortable, desirable destinations that people can live in, work at and visit.

For more information on Aldar please visit www.aldar.com or follow us on:

