



Aldar delivers record nine-month development sales of AED 9.3 billion while transformational growth strategy continues to power strong performance across the Group

Abu Dhabi, UAE: 27 October 2022

	Revenue	Gross Profit	EBITDA	Net Profit
Q3 2022	AED 2.71 bn + 30% YoY	AED 1.14 bn + 36% YoY	AED 757 mn + 28% YoY	AED 601 mn + 27% YoY
YTD 2022	AED 8.07 bn + 28% YoY	AED 3.45 bn + 42% YoY	AED 2.54 bn + 34% YoY	AED 2.13 bn + 38% YoY

* Year-to-date represents the 9 months from the beginning of 2022 until 30th September 2022

Recent Group Highlights

- Execution of transformational growth strategy continues with over AED 11 billion in transactions announced in 2022 year-to-date across multiple geographies and sectors, including the AED 4.3 billion acquisition of the ADGM towers in one of the largest real estate transactions to be completed in the UAE.
- Remaining components of US\$1.4 billion Apollo Global Management transaction closed and fully drawn during Q3, including US\$ 500 million land JV and US\$ 400 million equity investment into AIP at 100% of NAV, adding significant financial backing to continue scaling up the real estate platform through further transformative acquisitions.
- AED 5 billion of surplus capital allocated to fund equity contributions towards acquisitions over the next 9-12 months.
- Strong liquidity position, with AED 5.4 billion of free cash and AED 4.9 billion of committed undrawn facilities.
- Ninth consecutive quarter of record-breaking group sales, with year-to-date sales standing at AED 9.3 billion, surpassing FY2021 total group sales by AED 2 billion. Driven by continued strong demand for existing inventory and new property launches in the UAE as well as robust sales in Egypt. The group's development backlog stands at AED 14.5 billion.
- Strong year-to-date performance across all segments in Aldar's investment portfolio, led by the retail, commercial and hospitality segments. New acquisitions already delivering meaningful contributions in Q3 and set to accelerate into Q4.
- Continued strengthening of Aldar's project management business, Aldar Projects, with AED 31.6 billion of new projects awarded year-to-date, giving significant visibility into the segment's future revenue. Current project management backlog of AED 64.2 billion.



TALAL AL DHIYEBI

GROUP CHIEF EXECUTIVE OFFICER OF ALDAR PROPERTIES

“Having demonstrated strength and agility through various economic cycles, Aldar continues to accelerate its sustainable growth in a bullish UAE market, while creating long-term value for its shareholders. As such, we are intent on maintaining our pace of investment activity in the region, backed by our strong liquidity position and driven by our transformational growth strategy. We will also continue to activate our extensive land bank to sustain our elevated level of development sales, in line with the growth of off-plan sales to international and expatriate buyers as Abu Dhabi’s position as a global investment destination matures.”

Real Estate Market Outlook

Amid an uncertain global landscape characterised by inflationary pressures and rising interest rates, the macroeconomic dynamics of the UAE and the wider region remain strong with sustained levels of solid FDI. The Central Bank of the UAE expects to see Real GDP growth of 5.4% in 2022, representing the fastest pace of expansion in more than a decade.

Moreover, the government continues to invest heavily in the UAE, as demonstrated by the comprehensive programme of economic and social reforms that have already been implemented – such as the introduction of the UAE’s Golden Visa programme – and large-scale transformational projects in the pipeline that have encouraged an even more open, tolerant, and vibrant environment. This commitment has also been showcased by the approval of the Federal General Budget’s plan to spend AED 252 billion between 2023 and 2026.

These reforms have led to an increasingly mature asset market and an increased stream of international and resident expatriate buyers. With a busy Q4 events calendar and tourist season now in play, Aldar sees a strong and buoyant real estate market with positive sentiment continuing well into 2023 as Abu Dhabi continues to position itself as a premier investment destination and world-renowned location to live, work and visit.



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>	Q3 2022	Q3 2021	% change	YTD 2022	YTD 2021	% change
Revenue	1,643	1,256	31%	5,181	3,790	37%
EBITDA	389	291	33%	1,347	1,026	31%
Group Sales	3,930	2,694	46%	9,261	6,137	51%
Sales (UAE-only)	3,189	2,694	18%	7,198	6,137	17%

- **Group sales** in Q3 2022 reached AED 3.93 billion, a 46% increase from the same period last year. Year-to-date sales have broken Aldar's previous record to reach AED 9.3 billion, surpassing the total group sales achieved in the full year of 2021, which stood at AED 7.2 billion.
- **Aldar Development's** Q3 EBITDA increased 33% from Q3 2021 to AED 389 million with revenue increasing 31% to AED 1.64 billion. This increase was driven by record sales from new project launches and existing inventory in the UAE, project management services, and continued contributions from SODIC.
- **Gross profit margin** increased to 37% up from 36% in Q3 2021.
- **Group revenue backlog** rose 148% YoY to AED 14.5 billion, providing strong visibility on the group's growing future revenue in both the UAE and Egypt.
- **Projects backlog** of AED 64.2 billion at the end of Q3 2022, versus AED 57.6 billion at the end of Q2 2022. This was driven by project additions across infrastructure, community buildings, schools, and national housing. The AED 64.2 billion backlog is split between active projects (AED 35.4 billion) and projects under design (AED 28.8 billion).

UAE Operations:

- Q3 **UAE sales** of AED 3.19 billion, up 18% from the same period last year. Total UAE sales for the year-to-date stand at AED 7.20 billion, up 17% compared to Q3 2021.
- Sales performance was driven by strong local and international demand for existing inventory and new launches including Yas Park Gate, Louvre Residences, Fay Alreeman, Grove Heart, and Yas Golf Collection.
- **Revenue backlog** up 55% YoY to reach AED 9.06 billion.
- **Cash collections** year-to-date reached AED 5.18 billion.
- Q3 EBITDA for the **Project Management Services** up 3% YoY at AED 122.8 million, supported by steady progress in government projects.



Egypt Operations:¹

- **SODIC** contributed AED 360 million to Aldar Development's Q3 revenue, with Q3 EBITDA standing at AED 63 million. In 2022 so far, SODIC has contributed AED 924 million in revenue and AED 199 million in EBITDA.
- **SODIC's Q3 sales** reached AED 741 million (EGP 4.88 billion). Year-to-date sales stand at AED 2.06 billion.
- **Revenue backlog for SODIC** reached AED 5.45 billion (EGP 28.8 billion) at the end of Q3 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 291 million (EGP 2.07 billion).

ALDAR INVESTMENT

Aldar Investment comprises four main segments representing over AED 30 billion² of assets under management. **Investment Properties** houses Aldar's core asset management business comprising over AED 23 billion of prime real estate assets across retail, residential, commercial, and logistics segments. **Aldar Education** is the leading private education provider in Abu Dhabi with managed schools footprint extending across UAE. **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, Spark Security Services, and Pivot, a construction services business.

Aldar Investment³ <i>AED million</i>	Q3 2022	Q3 2021	% change	YTD 2022	YTD 2021	% change
Revenue	1,048	783	34%	2,800	2,341	20%
Adjusted EBITDA⁴	424	318	33%	1,167	956	22%
Occupancy (Investment Properties)⁵				91%	90%	1%

- **Aldar Investment's** Q3 revenue grew 34% YoY to AED 1.05 billion while Adj. EBITDA for the quarter increased 33% YoY to AED 424 million. The robust performance was mainly driven by new acquisitions and continued strong performance of Aldar's Investment portfolio as post-pandemic recovery gathered momentum.
- The **Investment Properties** Q3 Adj. EBITDA⁶ increased 23% YoY to AED 342 million. This was primarily driven by higher occupancy rates across the portfolio and positive contributions from the ADGM towers, Al Hamra Mall and Abu Dhabi Business Hub acquisitions. Occupancy across the portfolio increased to 91% which represents a one percentage point uplift compared to Q3 2021.
 - **Residential** Q3 Adj. EBITDA⁶ increased 7% YoY to AED 105 million. The overall portfolio showed continued strength, reaching an occupancy rate of 97%, up 5% compared to the same period last

¹ EGP figures stated at an exchange rate of 1 EGP to 0.189 AED

² AUM includes YTD acquisitions

³ Excludes Pivot.

⁴ Aldar Investment EBITDA adjusted for fair value movements (excluding amortization of leasehold assets) and one-off gains/losses on acquisitions; there were no adjustments in Q3 2022

⁵ Contracted or leased occupancy as of 30 September 2022.

⁶ EBITDA adjusted for fair value movements (excluding amortization of leasehold assets) and one-off gains/losses on acquisitions. There were no fair value movements in Q3 2022 and 2021.



year as Aldar strengthens its position as a landlord of choice due to its prime residential communities and dedication to customer experience. Aldar continued the sale of strata residential units as part of its monetisation strategy. During the first nine-months of 2022, Aldar achieved AED 232 million in sales at an average of 14% above book value.

- **Retail** Q3 Adj. EBITDA⁶ increased 12% YoY to AED 117 million, driven by increased footfall and occupancies in Yas Mall as well as community retail and dining destinations. Yas Mall occupancy stood at 97% showing an increase of 8% compared to the same period last year. This has significantly contributed to the overall retail portfolio occupancy of 90% compared to 88% in Q3 last year.
- **Commercial** Q3 Adj. EBITDA⁶ increased 46% to AED 108 million compared to the same period last year, driven by the positive contribution from the ADGM acquisition. Like-for-like occupancy (excluding ADGM towers) held flat at 89%.
- **Aldar Logistics** recorded a Q3 Adj. EBITDA⁶ of AED 14 million. The logistics facilities are 87% occupied.
- The **Hospitality and Leisure** business witnessed momentous growth in Q3, recording a significant YoY increase in Adj. EBITDA⁶ to AED 30 million. This was driven by the significant recovery in the travel and tourism sector post-Covid and the positive contributions of new acquisitions including Nurai Island Resort, DoubleTree by Hilton and Rixos Bab Al Bahr in Ras Al Khaimah. Occupancy across the portfolio stood at 70% compared to 47% in the same period last year.
- **Aldar Education** Q3 EBITDA increased 14% to AED 29 million. The platform is poised for growth with a 25% YoY increase in enrolments to almost 33,000 students across 28 operated and managed schools. The AED 1 billion investment plan is now fully committed with new schools coming to Khalifa City, Yas Island and Saadiyat Island over the course of the next three academic years that will enhance the portfolio and further broaden the choice of high-quality education options for students.
- The **Principal Investments**⁷ business witnessed a 60% YoY increase in Q3 EBITDA to AED 24 million. This was largely driven by increased contributions from Provis given 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. Further diversification and scale has been achieved through the acquisition of Spark Security Services in early September for AED 125 million. The acquisition further strengthens the property and facilities management platform, providing fully integrated services for Aldar's growing portfolio of assets and for third-party clients.

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. Highlights of Aldar's ESG activities this quarter include:

- Aldar has improved its ratings across three global ESG indices, including a two-point increase on Dow Jones Sustainability Index (DJSI), while the sector average slightly declined. MSCI upgraded Aldar from a BB rating to BBB, and Sustainalytics lowered the company's risk from 16.6 to 16.1 in its ESG Risk Assessment Scale.
- Aldar committed to investing AED 25 million in energy retrofit projects in 13 of its managed residential communities, making them more energy efficient and environmentally friendly. The investment will offset 19,000 tCO₂ per year and reduce utility consumption by a total of AED 12 million per year across the 13 communities.

⁷ Excludes Pivot.



- Aldar joined the Science Based Targets initiative (SBTi)'s Expert Advisory Group, making it the first Middle Eastern company to advise SBTi on a science-based net-zero target-setting for real estate and construction companies around the world.
- Aldar – alongside The Ministry of Climate Change and Environment (MoCCA) and 20 other UAE companies – signed the UAE Climate-Responsible Companies Pledge, which aims to increase the engagement of the private sector in the country's decarbonisation drive, in line with the UAE Net Zero by 2050 Strategic Initiative.

Corporate Debt⁸

- During the third quarter, Aldar refinanced AED 1.4 billion of bank facilities due to mature in 2023 (Aldar Properties: AED 500 million and Aldar Investment Properties: AED 900 million). In addition, Aldar entered into AED 1.5 billion of new bank facilities. These facilities have been put in place whilst strictly adhering to our LTV debt policies and form part of the AED 4.9 billion undrawn facilities that will support Aldar's ambitious growth acquisition plan.
- The combined effect of these new facilities has extended the weighted average debt duration for the group from 3.6 years to 5.2 years with no material debt maturities until October 2025. Aldar remains committed to its group leverage policies, 25% LTV for the Development Business and 40% LTV for Aldar Investment.
- Aldar also continues to monitor and manage its interest rate risk exposure and currently has USD 350 million (AED 1.3 billion) of forward starting interest rate swaps to partially hedge the interest rate exposure to future debt funding requirements as the group executes its growth strategy. As at the reporting date these hedges had a derivative asset value of AED 206 million.

Corporate Highlights

People

- Aldar is on track to meet its commitment to create job opportunities for 1,000 UAE nationals by 2026. Since the introduction of the NAFIS programme in September 2021, Aldar has hired 260 employees across the group as part of the programme. Today, UAE nationals represent 40% of Aldar's workforce compared to 33.7% at the end of Q3 2021.

Customer Experience

- As a customer-centric organisation, Aldar continues to evolve and enhance experience at all touchpoints. During Q3, Aldar's NPS score increased 36% compared to the same period in 2021.
- The company's loyalty programme, Darna saw a 10% increase in active users compared to the previous quarter. During Q3, Darna became the first loyalty programme in the region to offer customers earn and redeem capability through both Mastercard and Visa linked cards.

Innovation

- Aldar advanced its interest in global tech funds with a first-time investment in Fifth Wall's Climate tech fund and an additional investment into Moderne Ventures fund.
- Aldar awarded pilot contracts to five tech startups as part of the second cycle of its equity-free accelerator programme, Scale Up. The selected businesses specialise in the rapidly evolving technologies of spatial and artificial intelligence, blockchain, NFT applications and data analytics.
- During the first nine months of the year, Aldar launched 21 pilot projects with startups, 7 of which launched during Q3. The pilots include solutions implemented in areas such as customer engagement, sustainability, space utilization, employee wellbeing, smart development, and web 3.0.

⁸ Corporate Debt section excludes SODIC



-ENDS-

For further information, please contact:

IR

OMAR NASHAAT

Aldar Properties

+971 2 810 6237

onashaat@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, with almost 33,000 students across 28 operated and managed schools, 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:

