



Aldar posts 22% YoY increase in Q1 net profit with record quarterly development sales of AED 4.5 billion and strong contributions from recurring income portfolio

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	Revenue	Gross Profit	EBITDA	Net Profit
Q1 2023	AED 3.1 bn + 14% YoY	AED 1.3 bn + 18% YoY	AED 955 mn + 18% YoY	AED 836 mn + 22% YoY

Group Q1 2023 Highlights

- Cross-platform growth driven by ongoing execution of development revenue backlog, strong quarterly development sales and rising recurring income from investment properties, reflecting the evolution of Abu Dhabi's real estate market.
- Record quarterly development sales of AED 4.5 billion supported by increased demand from overseas and resident expat buyers in the UAE.
- Highest ever development revenue backlog of AED 18.8 billion providing revenue visibility over the next 2-3 years.
- Expansion of Aldar's strategic landbank through the acquisition of Al Fahid Island, adding a unique waterfront offering to its development pipeline.
- Entry into Dubai real estate market through a joint venture with Dubai Holding to develop three new communities across 3.5 million sqm of land.
- A joint venture partnership with Mubadala to develop commercial assets in Al Maryah Island, capitalising on the high demand for prime office spaces in Abu Dhabi's growing international finance centre.
- Solid performance across Aldar's diversified investment portfolio driven by a buoyant rental market and rising occupancy across the portfolio, with recent acquisitions performing above expectations.
- Significant dry powder for disciplined capital deployment to drive earnings growth, build scale, and enhance diversification.
- Healthy liquidity position with AED 6.1 billion of free cash and AED 4.4 billion of committed undrawn facilities; well placed to capture attractive growth opportunities.
- Aldar leads the way in climate action with the launch of its comprehensive Net Zero Plan outlining its commitment to decarbonize the business by 2050.
- In April, Moody's reaffirmed Aldar Properties' Baa2 rating and Aldar Investment Properties' Baa1 rating with a stable outlook for both, reflecting the company's sizeable development landbank, diversified recurring income portfolio, strong liquidity position, and prudent approach to financial management.



TALAL AL DHIYEBI

GROUP CHIEF EXECUTIVE OFFICER OF ALDAR PROPERTIES

“Aldar has maintained positive momentum in the first quarter of 2023, reporting a strong set of results against the backdrop of positive economic fundamentals in the UAE.

During Q1, we launched a variety of new residential concepts in Abu Dhabi that proved incredibly popular amongst investors locally and overseas. The success of these launches paved the way for our highest ever quarterly sales of AED 4.5 billion and played a large part in Aldar’s stellar performance during the first three months of the year. Aldar’s investment platform continued to grow at pace driven by tenant occupancy of 93% across assets, strong rental returns, and positive contributions from new acquisitions within the portfolio, particularly the four office towers at ADGM.

As the UAE continues to broaden its appeal as a business and lifestyle destination, we expect robust real estate market dynamics to sustain through 2023. Against this backdrop, Aldar will continue to deploy capital in a disciplined manner across its platforms to drive our transformational growth agenda.”

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 investments zones across Abu Dhabi, Dubai, and Ras Al Khaimah; **Project Management Services**, which manages Aldar’s project management business, including government housing and infrastructure projects in the UAE; and **Egypt**, which manages Aldar’s investment in Egyptian real estate company SODIC.

Aldar Development <i>AED million</i>	Q1 2023	Q1 2022	% change
Revenue	1,917	1,777	8%
EBITDA	551	457	20%
Group Sales	4,549	2,191	108%
UAE sales	4,202	1,512	178%

- **Aldar Development’s Q1 2023 revenue** increased 8% YoY to AED 1.9 billion driven by ongoing execution of the revenue backlog.
- **Gross profit margin** for the first quarter of 2023 stood at 40%, up from 37% in Q1 2022.
- **EBITDA** increased 20% YoY to AED 551 million.
- **Group sales** rose 105% to AED 4.5 billion, Aldar’s highest-ever quarterly sales, driven by strong demand from a growing base of overseas and resident expat buyers in the UAE.
- **Group revenue backlog** reached a record AED 18.8 billion, providing strong visibility on the group’s revenue across both the UAE and Egypt with revenue recognition expected over the next 2-3 years.

- **Project management services backlog** of AED 62 billion demonstrates the long-term nature of the franchise.

UAE Operations:

- **Total sales** for Q1 2023 reached a record AED 4.2 billion, up 178% YoY, driven by high demand for existing inventory and new launches including The Sustainable City, Saadiyat Lagoons, Yas Park Views, Fay Al Reeman, Reeman Living, and Manarat Living.
- **Sales from overseas and expat buyers** reached a record AED 1.9 billion demonstrating the continued appeal of Aldar's growing offering and Abu Dhabi's emergence as a premier investment and lifestyle destination.
- **Revenue backlog** of AED 14.7 billion with an average duration of 29 months.
- **Cash collections** for Q1 2023 stood at AED 1.2 billion.

Egypt Operations:

- **SODIC** contributed AED 177 million to Aldar Development's Q1 2023 **revenue**, with **EBITDA** standing at AED 23 million.¹
- **SODIC's** Q1 2023 **sales** reached AED 346 million (EGP 2.7 billion).¹
- **Revenue backlog for SODIC** reached AED 4.1 billion (EGP 34 billion), with an average duration of 27 months, providing strong visibility on revenue over the next 2-3 years.²
- SODIC continues to maintain a **strong liquidity position** with total cash and cash equivalents amounting to AED 223 million (EGP 1.9 billion).²

ALDAR INVESTMENT

Aldar Investment comprises four main segments representing over AED 32 billion of assets under management. **Investment Properties** houses Aldar's core asset management business comprising over AED 24 billion of prime real estate assets across retail, residential, commercial, and logistics segments. **Hospitality and Leisure** owns a AED 4.5 billion portfolio of hotel and leisure assets principally located on Yas Island, Saadiyat Island, and Ras Al Khaimah. **Aldar Education** is the leading private education provider in Abu Dhabi with managed schools footprint extending across UAE. **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>	Q1 2023	Q1 2022	% change
Revenue	1,247	859	45%
Adjusted EBITDA⁴	536	374	43%
Occupancy (Investment Properties)⁵	93%	92%	-

¹ EGP figures stated at the average exchange rate during the quarter (EGP/AED 0.127990)

² EGP figures stated based on exchange rate as at 31/03/2023 (EGP/AED 0.119)

³ Excludes Pivot.

⁴ Aldar Investment EBITDA adjusted for fair value movements (excluding amortization of leasehold assets), reversal of impairments, and one-off gains/losses on acquisitions.

⁵ Contracted or leased occupancy as of 31/03/2023.

- **Aldar Investment's Q1 2023 revenue** reached AED 1.2 billion, representing a 45% YoY growth while Q1 2023 Adj. EBITDA rose 43% YoY to AED 536 million. The standout performance was driven by higher occupancy rates, strong rental rates, and significant contributions from new acquisitions across the portfolio.
- The **Investment Properties** Q1 2023 Adj. EBITDA⁶ increased 16% YoY to AED 347 million. This was primarily driven by higher occupancy and rental rates across the portfolio, as well as positive contributions from new acquisitions. Occupancy across the portfolio rose to 93% compared with 92% for the same period last year.
 - **Residential** Q1 2023 Adj. EBITDA declined 11% YoY to AED 95 million, mainly attributed to the sale of strata units. The overall portfolio showed continued strength as NOI increased by 2% on a like-for-like basis and occupancy reached 95%. This is due to the excellent location of its prime residential communities, unwavering focus on delivering high quality, and enduring commitment to providing an exceptional customer experience.
 - **Retail** Q1 2023 Adj. EBITDA held firm at AED 117 million supported by a strong occupancy rate at 90%. Tenant sales and footfall in Yas Mall rose 30% and 48% respectively. Meanwhile, the occupancy rate at Yas Mall stood at 99%, representing a 3-percentage point increase compared to the same period last year.
 - **Commercial** Q1 2023 Adj. EBITDA increased 89% YoY to AED 141 million driven primarily by the successful execution of Aldar's leasing strategy and the ongoing high demand for prime Grade A office space in Abu Dhabi. Since the time of acquisition, market leasing rates at the ADGM office towers have increased by more than 10%, with occupancy rising to 97% from 79%. Likewise, occupancy at International Tower and HQ Building increased to 91% and 92% respectively driven by higher leases from both global corporate firms and GREs. Al Maryah Tower, set to be tenant-ready in August 2023, continues to benefit from the strong leasing pipeline with the emergence of Grade A commercial pre-leasing market in Abu Dhabi.
 - **Aldar Logistics** recorded a Q1 2023 Adj. EBITDA of AED 13 million. Occupancy across the logistics portfolio stood at 89%.
 - In April, Moody's reaffirmed Aldar Investment Properties' (AIP) Baa1 rating with stable outlook citing AIP's strong market position in Abu Dhabi, AIP's high quality and diversified investment property portfolio, and the ongoing recovery and positive real estate market outlook in Abu Dhabi.
- **The Hospitality and Leisure business** continues to benefit from a busy entertainment, leisure, and business events calendar and the return of travel and tourism more broadly. Q1 2023 EBITDA surged 417% YoY to AED 116 million driven by positive contributions from new acquisitions as well as higher occupancy and average daily rates (ADR). Occupancy across the portfolio stood at 74%, up from 69% as at the end of Q1 2022. ADR increased to AED 596 across the portfolio, up 65% compared to the same period last year.
- **Aldar Education** Q1 2023 EBITDA increased 14% YoY to AED 41 million driven by a 25% YoY increase in enrolments to just under 33,000 students across 27 operated and managed schools, up from over 26,000 students and 20 schools as at the end of Q1 2022.
- The **Principal Investments**⁷ witnessed a 96% YoY increase in Q1 2023 EBITDA to AED 32 million largely driven by contributions from recent acquisitions – which have added considerable scale to the platform – and significant growth in the value of contracts.

⁶ EBITDA adjusted for fair value movements (excluding amortization of leasehold assets), reversal of impairments, and one-off gains/losses on acquisitions.

⁷ Excluding Pivot

ESG Highlights

As one of the UAE's leading real estate developers, Aldar has a duty to uphold best practice international ESG standards. 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:

- In January, Aldar launched its Net Zero Plan, with a commitment to becoming a Net Zero carbon business ("Net Zero") across its Scope 1, Scope 2, and Scope 3 greenhouse gas ("GHG") emissions by 2050. Aldar also set science-aligned 2030 interim targets, which will see it achieve Net Zero in its Scope 1 and Scope 2 GHG emissions and deliver a 45% reduction in the intensity of its Scope 3 GHG emissions relative to the company's 2021 baseline.
- In February, Aldar and the Ministry of Climate Change and Environment ('MOCCA') launched a Real Estate Climate Pledge. By signing the Pledge, the signatories will be supporting the UAE's Net Zero by 2050 Strategic Initiative through a commitment to publishing their own decarbonisation targets before COP 28 as well as sharing data and best practices to help improve carbon emissions and reporting throughout the lifecycle of a real estate asset.
- In Q1 2023, Aldar renewed its strategic partnership with Special Olympics UAE until 2025 and reinforced its long-standing partnership with Emirates Red Crescent by signing a new year-long agreement to cooperate on humanitarian efforts.
- At the end of the first quarter, UAE Nationals represented 41% of Aldar's head office employees, with Emiratis now forming 66% of Aldar's leadership team. Aldar also received awards from NAFIS during Q1 in recognition of outstanding Emiratisation efforts within the private sector.

-ENDS-

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About Aldar

Aldar Properties PJSC is the leading real estate developer, investor, 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 is Aldar's dedicated project delivery arm and the manager of its project management business; 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 32 billion portfolio of investment grade and income-generating assets diversified across retail, residential, commercial, hospitality, and logistics segments. 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 27 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:

