



Aldar delivers record net profit in a year defined by strong operational performance and significant capital deployment

Abu Dhabi, UAE: 09 February 2023

	Revenue	Gross Profit	EBITDA	Net Profit
Q4 2022	AED 3.1 bn + 39% YoY	AED 1.3 bn + 10% YoY	AED 1.1 bn + 26% YoY	AED 1.0 bn + 28% YoY
FY 2022	AED 11.2 bn + 31% YoY	AED 4.7 bn + 31% YoY	AED 3.7 bn + 32% YoY	AED 3.1 bn + 35% YoY

Group Financial Highlights

- AED 11.3 billion of acquisitions made over 13 transactions completed in 2022 across logistics, commercial, retail, education, and hospitality sectors, as well as geographic expansion across Abu Dhabi, Dubai, and Ras Al Khaimah.
- Transformational growth agenda is set to accelerate further over the next 12-18 months with AED 5 billion of surplus equity capital earmarked to fund a strong pipeline of value-accretive acquisitions.
- The AED 5.1 billion Apollo transaction demonstrates Aldar's ability to attract foreign institutional capital, endorsing the fundamentals of UAE real estate, Aldar's market-leading position within it, and the company's growth strategy.
- The recent joint venture with Dubai Holding marks Aldar's entry into the lucrative Dubai market, expanding the company's geographic footprint, enhancing revenue diversification, and increasing its strategic land bank.
- Aldar is at the forefront of the Emirates' net zero agenda with the recent launch of its comprehensive Net Zero Plan.
- Record-breaking year for Aldar's development business with the highest-ever annual group development sales of AED 14.4 billion driven by strong resident and investor demand across existing inventory and new launches in Abu Dhabi and contributions from Egypt.
- Group development revenue backlog reached a record AED 17.6 billion, enhancing the platform's revenue visibility and predictability over the next 2-3 years to drive further scale, diversification, and earnings growth.
- Strong performance across Aldar's diversified and recurring income investment portfolio supported by contributions from new acquisitions and a strong recovery in the hospitality and retail portfolios.
- Strong liquidity position with AED 6.5 billion of free cash and AED 4.0 billion of committed undrawn facilities; well placed to capture attractive growth opportunities.
- Recommended dividend of AED 0.16 per share; 10-year dividend CAGR of 10% demonstrates Aldar's solid track record of delivering long-term and sustainable shareholder value through continued investment-led growth and cash returns. This represents a total dividend payout of AED 1.3 billion in 2022 and AED 10 billion over the last decade.



MOHAMED KHALIFA AL MUBARAK

CHAIRMAN OF ALDAR PROPERTIES

“The UAE economy is demonstrating remarkable stability in the face of global economic headwinds, with the country forging a confident path as a premier investment, business, and lifestyle destination. Against this backdrop, real estate market fundamentals remain robust, underpinning Aldar’s bold steps to play a pivotal role in the sustainable development of the sector and the wider economy.

Aldar’s agenda for transformational growth has advanced at scale and pace in the last year through significant transactions and a number of strategic development projects. In early 2022, the company attracted AED 5.1 billion of long-term institutional capital from Apollo Global Management, setting the tone for the accelerated execution of Aldar’s transformational growth agenda with significant geographic and sector expansion across the platform over the year.

Importantly, Aldar’s rapid growth is matched by an unwavering commitment to sustainability. We have recently launched a detailed Net Zero roadmap, which is one of the most comprehensive plans to de-carbonise a business of scale in our region. The company is focused on delivering strong financial performance, while driving fundamental change through its operations, supply chains and communities to create lasting value for its diverse stakeholders.”



TALAL AL DHIYEBI

GROUP CHIEF EXECUTIVE OFFICER OF ALDAR PROPERTIES

“Aldar has entered a new phase of growth that has driven record financial results in 2022 and reinforced the company’s status as a major force in the regional real estate sector.

Our prime investment property portfolio has proven resilient to global disruption and has experienced an increase in capital values, even at a time of rising interest rates and international market softness. Meanwhile, our development business attracted unprecedented demand from overseas buyers, and we have a strong pipeline of new developments, which will attract both local and international investment, including our first communities in Dubai.

The accelerated growth of our business coupled with prudent financial management is creating sustainable value for our shareholders. We are in a unique position whereby we have progressively increased dividends over the past decade, while continuing to invest significantly for long term growth and concurrently maintaining conservative leverage.

The year ahead will see our financial strength position us well to capitalize on our growing opportunity set. We will continue to deploy substantial capital in a disciplined manner to scale our platform across a diversified range of real estate asset classes.”

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 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.

Aldar Development <i>AED million</i>	FY 2022	FY 2021	% change
Revenue	6,965	5,033	38%
EBITDA	1,521	1,316	16%
Group Sales	14,436	7,247	99%
UAE-only sales	10,989	7,247	52%

- **Aldar Development's FY 2022 revenue** increased 38% YoY to AED 7 billion driven by record sales from new project launches, higher inventory sales, and contribution from SODIC.
- **Gross profit margin** for the full year stood at 37%, up slightly from FY 2021. Meanwhile, **EBITDA** increased 16% YoY to AED 1.5 billion.
- **Group sales** reached AED 14.4 billion, Aldar's highest-ever annual sales, driven by strong demand for existing inventory and new development launches.
- **Group revenue backlog** rose 195% YoY to AED 17.6 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 64.8 billion; continued ramp-up in activity driven by AED 35.6 billion of new project additions over 2022.
- In Q1 2023, Aldar made its entry into the lucrative Dubai market with plans to launch three developments across 3.6 million sqm of prime land through a joint venture partnership with Dubai Holding. In addition, Aldar acquired Al Fahid Island, a 3.4 million sqm island located between Saadiyat and Yas Island.

UAE Operations:

- **Total UAE sales** for FY 2022 reached a record AED 11 billion, up 52% YoY, driven by strong demand for existing inventory and a record 9 new individual developments launched in the UAE including Louvre Residences Abu Dhabi, Grove Views, Saadiyat Lagoons, Yas Golf Collection, Yas Park Gate, Yas Park Views, Yas Acres North Bay, Fay Alreeman and Reflection.
- **Sales from overseas customers** reached a record AED 1.8 billion demonstrating the continued appeal of Aldar's growing offering and the elevated demand from international end-users and investors.
- **Revenue backlog** up 102% YoY to reach AED 12.1 billion.
- **Cash collection** for FY 2022 reached AED 6.6 billion.

Egypt Operations:

- **SODIC** contributed AED 1.4 billion to Aldar Development's FY 2022 revenue, with FY EBITDA standing at AED 276 million.¹
- **SODIC's FY 2022 sales** reached AED 3.4 billion (EGP 21 billion), the highest-ever annual sales achieved by SODIC.²
- **Revenue backlog for SODIC** reached AED 5.5 billion (EGP 34.2 billion), providing strong visibility on revenue over the next 2-3 years as the platform continues to grow and expand its footprint.⁴
- SODIC continues to maintain a **strong liquidity position** with total cash and cash equivalents amounting to AED 251 million (EGP 1.7 billion).³

ALDAR INVESTMENT

Aldar Investment comprises four main segments representing over AED 32 billion⁴ 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 Investment⁵ <i>AED million</i>	FY 2022	FY 2021	% change
Revenue	4,120	3,284	25%
Adjusted EBITDA⁶	1,608	1,202	34%
Occupancy (Investment Properties)⁷	92%	93%	-

- **Aldar Investment's FY 2022 revenue** reached AED 4.1 billion, representing a 25% YoY growth while FY 2022 Adj. EBITDA rose 34% YoY to AED 1.6 billion. The strong performance was driven by strong contributions from new acquisitions completed during the year, as well as a significant rebound in both the retail and hospitality portfolios underpinned by higher occupancy rates and a strong market recovery.
- As at the end of FY 2022, assets under management across the portfolio reached over AED 32 billion compared to AED 21 billion at the end of FY 2021. The increase of AED 11 billion is predominantly driven by the strong level of acquisition activity and capital deployment over the year – mainly in the hospitality and commercial portfolio.
- The **Investment Properties** FY 2022 Adj. EBITDA⁸ increased 24% YoY to AED 1.1 billion. This was primarily driven by higher occupancy rates across the portfolio and positive contributions from recent acquisitions including ADGM towers, Al Hamra Mall and Abu Dhabi Business Hub. Occupancy across the portfolio remained relatively flat at 92% compared with 93% last year – excluding ADGM, the like-for-like occupancy stood at 93%.
 - o **Residential** FY 2022 Adj. EBITDA increased 7% YoY to AED 392 million. The overall portfolio showed continued strength, with occupancy reaching 97%, up from 89% at the end of FY 2021, as Aldar strengthens its position as a landlord of choice due to the location of its prime residential communities, commitment to quality and dedication to customer experience.

¹ EGP figures stated at the average exchange rate during the month prior to each quarter closing.

² EGP figures translated monthly based on average exchange rate during the month

³ EGP figures stated based on exchange rate as at 31/12/2022

⁴ AUM includes YTD acquisitions (Fair value)

⁵ Excludes Pivot.

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

⁷ Contracted or leased occupancy as of 31 December 2022.

⁸ EBITDA adjusted for fair value movements (excluding amortization of leasehold assets), reversal of impairments, and one-off gains/losses on acquisitions.

- o **Retail** FY 2022 Adj. EBITDA increased 17% YoY to AED 433 million primarily driven by the exceptional performance of Yas Mall, which ended the year with 98% occupancy, as well as contributions from the newly acquired Al Hamra Mall. Occupancy across the portfolio stood at 91%.
- o **Commercial** FY 2022 Adj. EBITDA increased 32% YoY to AED 336 million driven by the addition of the ADGM office towers to the portfolio and the successful execution of its lease-up strategy. The occupancy across the four office towers reached 90% - up from 75% at the time of the acquisition – demonstrating the strong demand for Grade A office space and the success of the lease-up programme. Occupancy across the commercial portfolio stood at 88%; excluding ADGM, on a like-for-like basis occupancy stood at 93%.
- o **Aldar Logistics** recorded an FY 2022 Adj. EBITDA of AED 39 million. Occupancy across the logistics portfolio stood at 93%.
- **The Hospitality and Leisure business** continues to benefit from the significant recovery in the travel and tourism sector witnessed over 2022, characterized by a busy entertainment, leisure, and business events calendar. FY 2022 EBITDA surged 172% YoY to AED 208 million. This considerable growth was also driven by positive contributions from new acquisitions including the Nurai Island Resort in Abu Dhabi, as well as the DoubleTree by Hilton and Rixos Bab Al Bahr in Ras Al Khaimah. Occupancy across the portfolio stood at 72%, up from 55% as at the end of FY 2021.
- **Aldar Education** FY 2022 EBITDA increased 6% YoY to AED 154 million driven by a 25% YoY increase in enrolments to 33,000 students across 28 operated and managed schools, up from 26,000 students and 20 schools as at the end of FY 2021.
- The **Principal Investments**⁹ witnessed a 72% YoY increase in FY 2022 EBITDA to AED 98 million largely driven by contributions from recent acquisitions and significant growth in the value of contracts.

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 launched its comprehensive Net Zero Plan, the first of its kind in the region in terms of depth of detail and breadth of scope for a company of scale, with a detailed roadmap to achieve Net Zero in Scope 1, Scope 2, and Scope 3 emissions by 2050 in line with Paris Agreement and UAE Net Zero by 2050 Strategic Initiative.
- Aldar witnessed a solid year-on-year improvement in its ESG ratings with an upgraded MSCI ESG rating to BBB from BB in 2021. Aldar also received an improved score of 16.1 on Sustainalytics' ESG risk assessment scale in 2022, indicating the company's lower level of ESG risk, compared to 16.6 in 2021. Aldar was ranked 11th in the global ranking among the 104 diversified real estate companies analysed. In addition, Aldar achieved 60 points on the Dow Jones Sustainability Index (DJSI) which moved the company into the top 7% of the 237 global real estate companies surveyed.
- Aldar joined the Science-based targets initiatives expert advisory group and Clean Energy Business Council.
- During the year, Aldar recirculated over AED 7.6 billion in the local economy through the National In Country Value (ICV) programme, by awarding contracts to local contractors and suppliers.
- The company invested in Fifth Wall's climate tech fund; the first investment of its kind completed by Aldar.
- Aldar partnered with Diamond Developers to develop The Sustainable City – Yas Island, in line with the UAE's net-zero goals and the highest sustainability standards. The planned development generated over AED 1 billion in sales demonstrating strong demand for sustainable developments.

⁹ Excluding Pivot

- During Q4 2022, Aldar refinanced AED 500 million of bank facilities that were due to mature in 2023 through a sustainability-linked loan which ties the interest margin payable to the achievement of sustainability targets across energy and water efficiency, waste recycling, and worker welfare.

Corporate Highlights

People

- Aldar is on track to meet its commitment to create job opportunities for 1,000 UAE nationals by 2026. The company has employed 319 UAE nationals as part of the NAFIS program since its launch in September 2021. 22% of the UAE nationals hired are graduate trainees and are benefiting from an agreement signed with Abu Dhabi Global Market Academy to develop programmes aimed at developing local talent within the private sector.
- At the end of 2022, UAE Nationals represented 42% of Aldar's head office, up from 35% at the end of 2021.
- Aldar also elected a new Youth Council in 2022, which sees 9 members from across the business driving the company's youth strategy and collaborating with other councils across the country to support the ambitious youth agenda of the Federal Youth Authority.
- Aldar was once again certified as a Great Place to Work in 2022.

Innovation and Digital Transformation

- Aldar launched 26 projects with a range of startups to implement innovative solutions across sustainability, customer engagement, and smart development.
- Aldar accelerated its exposure to global tech innovations through four investments during 2022, including funds managed by Taronga Ventures, Fifth Wall, Moderne Ventures and Shorooq Partners.
- In partnership with startAD, 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 retail portfolio.
- During 2022, Aldar put in place structures to enable buyers to sign property purchase agreements using online qualified electronic signatures, allowing for convenient and secure real estate sales transactions for customers. Digital purchase agreements were introduced for the first time at Sustainable City – Yas Island.
- Aldar awarded pilot contracts to 3 tech startups as part of the second cycle of its equity-free accelerator programme, Scale Up. The selected businesses specialize in digital twin and augmented reality.

-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 fee-based development 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 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:

