

TECOM GROUP H1 2024 NET PROFIT SURGES 24% TO AED 603 MILLION, DRIVEN BY HIGH OCCUPANCY RATES AND BUSINESS PERFORMANCE

- *H1 2024 revenue grows by 9% year-on-year (YoY) to AED 1.1 billion driven by occupancy rates exceeding 92% and successful business strategy*
- *EBITDA for the first six months of the year increases by 9% YoY to AED 896 million led by overall revenue growth and operation optimisation*
- *Robust growth of 24% YoY in funds from operations (FFO), reaching AED 840 million*
- *In line with Dividend Policy, TECOM Group's Board of Directors approves an interim cash dividend payment of AED 400 million for H1 2024 to be distributed by September 2024*

Dubai, UAE, 2 August 2024 – TECOM Group PJSC (DFM: TECOM), (the “Company” or the “Group”), the creator of specialised business districts and vibrant communities, today announced its financial results for the second quarter (Q2) and first half (H1) of the year ended 30 June 2024. The Group’s H1 net profit grew by 24% to AED 603 million, with revenues rising 9% year-on-year (YoY) to reach AED 1.1 billion.

The performance follows solid results reported in the first quarter of the year and reaffirms TECOM Group’s role in enabling Dubai’s knowledge-based economy by attracting global and regional companies across six vital sectors to its 10 specialised business districts.

FINANCIAL HIGHLIGHTS

AED Millions (Unless otherwise stated)	H1		%Change (YoY)	Q2		%Change (YoY)
	2024	2023		2024	2023	
Revenue	1,148	1,049	9%	584	535	9%
EBITDA	896	825	9%	457	426	7%
EBITDA Margin	78.0%	78.6%	(0.6%)	78.2%	79.6%	(1.4%)
Net Profit	603	485	24%	311	229	35%

OPERATIONAL HIGHLIGHTS

As of	30 June 2024	30 June 2023	YoY%
Commercial and Industrial Occupancy	92%	87%	5%
Land Lease Occupancy	96%	85%	11%
Number of Customers	+11,000	+10,000	11%

Malek Al Malek, Chairman of the Board, TECOM Group, said: “The UAE’s and Dubai’s pro-business



framework has strengthened the local knowledge and innovation-based economy, and TECOM Group is leveraging our city’s robust fundamentals to support the growth of global businesses in the Emirate. The Group’s first-half financial results demonstrated the success of our prudent capital management and future-focused business strategy. In recognition of this achievement, TECOM Group’s Board approved an interim dividend distribution of AED 400 million to shareholders for the first half of this year. We are committed to strengthening our portfolio and continuing to deliver sustainable shareholder value.”

Abdulla Belhoul, Chief Executive Officer of TECOM Group, said: “As Dubai reaffirms its position on



the global map as a destination of choice for foreign direct investment, TECOM Group is enriching the homegrown knowledge economy by consistently enhancing the ease of doing business and contributing to the city’s commercial real estate, which continues to outperform global peers.

Our commitment to delivering high-quality offerings for investors and talent from around the world is reflected in the Group’s first-half performance, with high occupancy levels across our Grade-A portfolio serving six priority sectors. Dubai remains a global magnet for the world’s leading innovators and investors, and we are harnessing the city’s appeal to continue generating long-term value for our shareholders.”

H1 2024 Financial Highlights

- Supported by sustained growth in rental rates and occupancy rates across all business segments, including healthy retention figures, revenues grew 9% YoY to reach AED 1.1 billion in H1 2024.
- Outstanding topline growth has contributed to a YoY surge of 9% in EBITDA, which reached AED 896 million during the first half of this year.
- Net profit reached AED 603 million, representing YoY growth of 24%, driven by revenue growth, operational optimisation and efficient capital management.
- Reflecting TECOM Group’s successful business strategy, occupancy levels across its Commercial and Industrial assets grew to over 92% in H1 2024, representing YoY growth of 5%.
- Occupancy levels across the Land portfolio reached 96%, representing YoY growth of 11% in H1 2024, supported by visionary strategies and initiatives including Operation 300bn, Make it in the Emirates and Dubai Economic Agenda ‘D33’.
- The Group’s healthy retention rate of 91% complemented overall occupancy growth.
- More than 1,000 new customers, including multinational and regional leaders, joined the Group’s portfolio across Commercial, Industrial, and Land during this period.
- EBITDA margins remained healthy at 78%.
- Funds from operations (FFO) increased by 24% YoY to reach AED 840 million supported by healthy collections and improved revenue quality across the Group’s income-generating assets.

Q2 2024 Financial Highlights

- Second quarter revenues grew by 9% to AED 584 million YoY, supported by high occupancy rates.
- Higher occupancy demand across the Commercial, Industrial, and Land segments, supported by growing demand in Dubai's commercial real estate market, has contributed to a YoY rise of 35% in net profit to AED 311 million.
- New customers, improved rental rates, and healthy retention revenues contributed to a 7% YoY hike in EBITDA, which reached AED 457 million in the second quarter of the year.

H1 2024 Key Operational Highlights

Operational highlights for TECOM Group in the first half of 2024 include:

- Inaugurated the first permanent Middle East campus of L'ÉCOLE, School of Jewelry Arts at Dubai Design District (d3).
- Expanded Dubai Industrial City's customer base with key new customers including Neelkanth Cables' state-of-the-art manufacturing facility; Dubatt Battery Recycling's integrated battery recycling plant, the first-of-its-kind in the UAE; MD Pharma Factory's manufacturing facility; and a parts distribution centre serving as a hub for industry innovation by Arabian Automobiles Company, the flagship company of the AW Rostamani Group.
- Partnered with VFS Global to enhance the ease of doing business across its sector-focused districts with access to more than 200 services offered through TECOM Group's digital platform, 'axs'.
- Hosted the Autumn/Winter 24/25 edition of Dubai Fashion Week, Dubai's official fashion week co-founded by Dubai Design District (d3) and Arab Fashion Council.
- Welcomed the Spanish National Professional Football League La Liga's anti-piracy lab to Dubai Media City following La Liga's memorandum of understanding with the UAE Ministry of Economy.
- Unveiled the MEA training centre of Alibaba Cloud at Dubai Internet City.
- Welcomed Middlesex University Dubai's MDX Innovation Hub and John von Neumann University at Dubai Knowledge Park.

H1 2024 Key ESG Highlights

- Reaffirmed commitment to environmental sustainability by raising the total number of LEED-certified structures in the portfolio to 41 during H1 2024.
- Generated 9.7% of electricity from solar plants across its portfolio and enhanced electric vehicle (EV) charging capacity with 13 new stations.
- Reported growth at start-up incubator in5 as a testament to Dubai's entrepreneurial credentials and robust investor confidence in the city's pro-business environment, with more than 940 start-ups supported since in5's inception, a 28% increase from the same period in 2023.
- Secured an average overall satisfaction score of 87.4% in customer experience index surveys, including in-depth interviews with customers.
- Reaffirmed support for increased female participation in the private sector, with 34% of TECOM Group's workforce comprised of women.

- Joined Dubai Media Council's Emirati Media Talent Pledge initiative to develop promising national media talent and strengthen the city's vibrant media sector.
- Received the 'Exemplary Retrofit Project 2024' award as part of Dubai Supreme Council of Energy's inaugural Dubai Demand Side Management Recognition Programme that acknowledged outstanding efforts in energy efficiency and sustainability.
- In partnership with the Emirates Red Crescent, launched The Good Store, a philanthropic initiative to offer a seamless donation platform during Ramadan for the second consecutive year.

Dividend

During its meeting held on 1 August 2024, the Board of Directors approved an interim dividend payment of AED 400 million for H1 2024 to be distributed by September 2024. As per the approved dividend policy, TECOM Group is committed to paying a total dividend amount of AED 800 million per annum through September 2025.

-ENDS-

Note to Editors

Definitions

TECOM Group has an integrated portfolio of real estate assets, spread across 10 strategically located business districts in Dubai. These business districts serve six industry sectors. We refer to each sector we serve as a Cluster, which consists of one or more business districts operating in the same industry.

- **Technology Cluster:** Consists of Dubai Internet City and Dubai Outsource City.
- **Media Cluster:** Consists of Dubai Media City, Dubai Studio City and Dubai Production City.
- **Education Cluster:** Consists of Dubai International Academic City and Dubai Knowledge Park.
- **Science Cluster:** Consists of Dubai Science Park.
- **Design Cluster:** Consists of Dubai Design District.
- **Manufacturing Cluster:** Consists of Dubai Industrial City.

More broadly, the Group provides real estate solutions across three segments: Commercial Leasing, Land Leasing and Industrial Leasing.

- **Commercial Leasing.** TECOM Group provides state of the art built-to-lease (BTL) and built-to-suit (BTS) properties across office and retail spaces including purpose-built business centres and HQs tailored to customer specifications as well as industry specialised facilities (e.g. sound stages, film studios, university campuses, lab facilities, etc.). Typically, BTL properties have a lease term of one to five years and BTS properties have lease terms of 10 years and over.
- **Industrial Leasing.** Warehouse space, showrooms and worker accommodation facilities utilised by large corporates and other businesses to accommodate their employees. Typically, lease terms for Industrial Leasing are one to five years.
- **Land Leasing.** Available land within our various business districts for which infrastructure (e.g. roads, water, electricity, sewage) is already in place or will be put in place allowing us to lease the land or utilise it for our planned future investments. Typically, lease terms for Land Leasing are between 30 to 50 years.

TECOM Group also provides an array of value-added government and business services (e.g. visa, immigration, licensing, etc.) including services promoting individual talent, startups and entrepreneurship through our dedicated platforms axs, in5, gofreelance, marketplace.ae and D/Quarters respectively, as well as advertising, property and venue management services specific to each industry/district. Collectively, we refer to these services as **Services & Others**.

For more information, please visit www.tecomgroup.ae.

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2024 FINANCIAL RESULTS

REVENUE

AED **1.1 BILLION**

↑ **9%** (YOY)

EBITDA

AED **896 MILLION**

↑ **9%** (YOY)

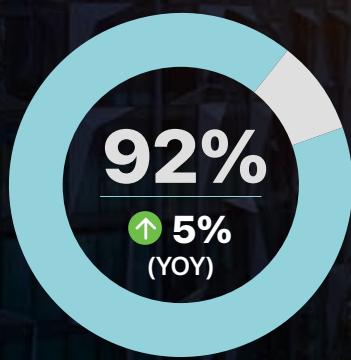
NET PROFIT

AED **603 MILLION**

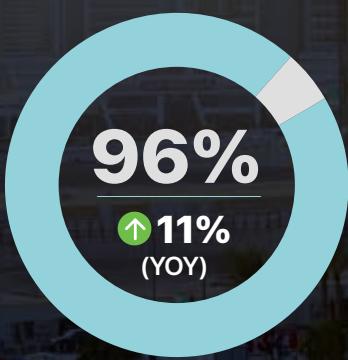
↑ **24%** (YOY)

OCCUPANCY LEVEL

COMMERCIAL AND
INDUSTRIAL



LAND LEASE



NUMBER
OF CUSTOMERS



11,000+

↑ **11%** (YOY)

2024

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

H1