

TECOM Group FY 2024 net profit grows 14% to AED 1.2 billion driven by record revenue and strong performance across all business segments

- FY 2024 revenue increases 11% YoY to a record AED 2.4 billion, driven by high occupancy rates of 94% and retention rates of 92%
- FY 2024 EBITDA increases 12% YoY to reach AED 1.9 billion, reflecting strong operational performance across all business segments
- FY 2024 net profit grows 14% YoY to AED 1.2 billion, driven by record revenue as the Group continues to benefit from enhanced operational efficiencies and ongoing prudent financial management
- Funds from operations (FFO) exceed AED 1.6 billion due to an increase in revenue and operational efficiencies
- Group's asset portfolio expands through strategic acquisitions and development projects totalling AED 2.7 billion through 2024
- Fair value of Group's Investment Property (IP) Portfolio increases by 11% on like-for-like basis and by 22% inclusive of new acquisitions to reach AED 28 billion in 2024
- Board of Directors proposes dividend payment of AED 400 million (8 fils per share) for the second half of 2024, subject to shareholder approval at its upcoming Annual General Meeting to be held on 10 March 2025

Dubai, UAE, 6 February 2025: TECOM Group PJSC (DFM: TECOM), (the “Company” or the “Group”), the creator of specialised business districts and vibrant communities, today announced a record AED 2.4 billion in revenue, representing an 11% year-on-year (YoY) increase, and resulting in a 14% YoY increase in net profit to AED 1.2 billion for the financial year ended 31 December 2024 (FY 2024). The figures reflect the impact of the Group’s strategy to further strengthen its core business proposition in Dubai through targeted portfolio expansion and increased operational efficiencies, as well as its robust occupancy and retention rates through 2024.

FINANCIAL HIGHLIGHTS

AED Millions (Unless otherwise stated)	FY		%Change (YoY)	Q4		%Change (YoY)
	2024	2023		2024	2023	
Revenue	2,402	2,173	11%	643	580	11%
EBITDA	1,854	1,654	12%	458	419	9%
EBITDA Margin	77%	76%	1%	71%	72%	(1%)
Net Profit	1,228	1,078	14%	286	311	(8%)

OPERATIONAL HIGHLIGHTS

As of	31 December 2024	31 December 2023	YoY%
Commercial and Industrial Occupancy	94%	89%	5%
Land Lease Occupancy	95%	94%	1%
Number of Customers	+11,900	+11,000	8%



Malek Al Malek, Chairman of TECOM Group, said: "TECOM Group's strong results in 2024 reaffirm our commitment to leveraging Dubai's robust economic fundamentals and contributing to its knowledge economy by attracting global companies and skilled talent across six key sectors.

"Supported by its consistent track record and its strategic roadmap, TECOM Group continues to attain strong performance, in addition to expanding its commercial and industrial portfolios through targeted acquisitions and the development of high-quality assets. The AED 2.7 billion of investments announced through 2024 will further expand the Group's portfolio, enabling its continued sustainable growth and reinforcing its role as a strategic driver in Dubai's business sector. We are investing in TECOM Group's future while delivering exceptional financial results, carefully managing costs, and maintaining high levels of customer satisfaction, and will continue along our strategic roadmap to achieve long-term growth and returns for our shareholders."



Abdulla Belhoul, Chief Executive Officer of TECOM Group, said: “Led by dynamic non-oil GDP growth, Dubai and the UAE are delivering sustained growth across the commercial real estate and the industrial sectors. We are perfectly positioned to support this trajectory as the leading owner and operator of specialised business districts that are attracting global companies and talent participating in Dubai’s success story.”

“Driven by robust asset performance, strong customer demand, prudent cost management, and increased customer satisfaction, TECOM Group delivered substantial growth across revenue, EBITDA, and property valuation in 2024. We are confident in our ability to contribute towards Dubai’s thriving economy as well as its blueprint for future growth as envisioned by Dubai Economic Agenda ‘D33’. Our success through 2024 is demonstrated in our strong share price performance, with a YoY increase of 15% representing positive shareholder returns as well as the sustainable, long-term value of TECOM Group’s proposition.”

Commentary on FY 2024 Financial Highlights:

- Revenue increased by 11% YoY to more than AED 2.4 billion, driven by a 5% YoY rise in occupancy to 94%, an impressive retention rate of 92%, and higher rental rates.
- EBITDA grew by 12% YoY (AED 200 million) to AED 1.9 billion from enhanced revenue quality and strong operational performance across all business segments. EBITDA margin increased to 77%, a 1% increase compared to FY 2023.
- Net profit increased by 14% YoY to reach AED 1.2 billion, driven by strong revenues and continued prudent cost management.
- Occupancy and retention levels continued to grow across the portfolio as the Group’s focus on creating high-quality business ecosystems encourages customer loyalty. Commercial Portfolio occupancy reached 90%, with a strong retention rate of 91%. Industrial Portfolio occupancy reached 98% (+9% YoY), with retention levels of 94% (+6% YoY).
- Funds from operations (FFO) stood at AED 1.6 billion, representing a 14% YoY increase, led by improved collections and increased performance of income-generating assets.
- Fair value of the Group’s Investment Properties (IP) portfolio, conducted by CBRE, ascertained a fair value of AED 28 billion as of 31 December 2024, representing a like-for-like increase of 11% compared to 2023 levels, and a YoY increase of 22% including new acquisitions during the year.
 - The increase was driven by the enhanced fundamentals of Dubai’s real estate market and increased occupancy and retention across TECOM Group’s portfolio of Commercial and Industrial assets.

Commentary on Q4 2024 Financial Highlights:

- Revenue increased 11% YoY to AED 643 million, continuing the Group's healthy business performance in 2024 and delivering another strong quarter to contribute to its full year position.
- EBITDA grew by 9% compared to FY 2023, reaching AED 458 million, with an EBITDA margin of 71%.
- Net profit reached AED 286 million, lower by 8% compared to Q4 2023, due to the application of corporate tax starting from 2024, and due to an increase in financing cost as a result of additional facilities' drawdown for new acquisitions.

FY 2024 Corporate Highlights

- TECOM Group invested AED 2.7 billion in strategic acquisitions and project developments to fuel its long-term growth in 2024, including:
 - Development of six Grade-A office buildings within Phase 2 of Dubai Design District (d3). The new development spans a gross floor area of 629,000 sq.ft. and represents a significant investment of AED 825 million.
 - Launch of Grade-A offices at Dubai Internet City with Innovation Hub Phase 3, an AED 340 million development.
 - Acquisition of two operational Grade-A office buildings at Dubai Internet City through an AED 420 million transaction that will add 334,000 sq.ft. of premium GLA.
 - Acquisition of a land bank spanning 13.9 million sq.ft. for industrial leasing at Dubai Industrial City through an AED 410 million transaction.
 - Acquisition of Office Park in Dubai Internet City for AED 720 million.
- Dubai Internet City welcomed tech leaders including Alibaba Cloud, Hisense, and Salesforce to its community in 2024 as it marked 25 years of enabling the region's digital economy.
- Business leaders from diverse sectors, such as Neelkanth Cables, OZON Pharma, and Elite Group Holding, joined Dubai Industrial City in 2024 as the district marked 20 years of advancing the region's manufacturing and logistics sectors.
- Alongside Isola Design Group, Dubai Design District (d3) launched Design Next, a forward-thinking exhibition focused on the circular economy and welcomed L'ÉCOLE, School of Jewelry Arts' first Middle East campus.
- Dubai Knowledge Park welcomed new customers including Plekhanov University and Symbiosis International University.

ESG Highlights

In 2024, TECOM Group demonstrated its commitment to reducing its environmental impact, fostering transparent governance, supporting communities, and promoting diversity and well-being across its operations.

Key highlights for the year include:

- 49% of the Group's Commercial Portfolio (GLA) is LEED-certified. The total number of LEED-certified buildings reached 43 in 2024.
- Solar generation increased by 15.5% to 14.2 GWh in 2024 (2023: 12.3 GWh), contributing to 7.7% of total electricity consumption.
- 36.3% of all waste sent to waste-to-energy plants.
- 7.8% increase in active start-ups under the Group's in5 incubator to total 410, compared to 380 in 2023, with 30% of start-ups owned by women.
- Investments worth AED 1.4 million in CSR activities that delivered initiatives such as The Good Store and WeWalk.

Dividend

The Board of Directors has proposed a dividend payment of AED 400 million (8 fils per share) for the second half of 2024, subject to shareholders' approval at the upcoming Annual General Meeting on 10 March 2025, and in line with the dividend policy valid through the first half of 2025. The Board of Directors has also reviewed the interim cash dividend for the second half of 2025 which is expected to increase by 10%.

-ENDS-

FINANCIAL RESULTS

2024

REVENUE

AED **2.4 BILLION**

↑ 11% (YOY)

EBITDA

AED **1.9 BILLION**

↑ 12% (YOY)

NET PROFIT

AED **1.2 BILLION**

↑ 14% (YOY)

OCCUPANCY LEVEL

COMMERCIAL AND INDUSTRIAL

LAND LEASE

NUMBER OF CUSTOMERS

