

**MULTIPLY**  
**GROUP**

**Group CEO and  
Managing Director  
Letter to Shareholders**

From the Annual Report 2022

## LEADERSHIP

### Group CEO & Managing Director's Message



**Samia Bouazza**  
Group CEO & Managing Director  
of Multiply Group

Our Valued Shareholders,

2022 was a great year paralleled by both financial achievement and strategic long-term planning for us at Multiply Group. In our first full year as a public company; we consolidated new acquisitions, executed big deals, onboarded experts, and reported extraordinary results. We grew our asset base four-fold, recorded triple digit revenue growth from our core businesses and AED 18.56 billion in profit, mainly from atypical gains on investments. It truly was a year of transformation and immense growth, both for us as a company and as individuals.

On the operating side, our businesses performed remarkably well, with a 38.6% weighted average profitability growth of our subsidiaries, despite several headwinds. Emirates Driving Company (EDC) grew its profits by 51% - the highest in the company's 23-year history. Our subsidiary, Viola which is digitising the out-of-home media landscape of Abu Dhabi and capitalising on post-covid spending on events, grew its operating income by 345%. Our energy-efficient district cooling company, PAL Cooling Holding brought in AED 125m in operating profits and our beauty group Omorfia, already a market leader in the region, made over AED 50 million in profit and expanded to reach a total of 69 branches.

Internally, we called 2022 the year of housekeeping and TAQA.

Housekeeping; because we finalised much of the necessary foundational groundwork. For example, we crafted well-defined strategies for each of our verticals, as well as compliance and governance policies and procedures. We held code of conduct and business ethics workshops across the Group and embedded the risk management protocols expected of a company of our size. We poached senior talent with deep capital market experience as we continue to build a winning team that challenges each other and makes the best value-creating decisions for our shareholders. Moreover, I'm pleased to say we negotiated deals with banks to ensure access to capital ahead of the interest hikes that we've been seeing globally; and built a prime global network for deal origination. As we enter the Year of Sustainability, we are also looking forward to building on our ESG priorities, as well as, our CSR commitment to clean up our oceans.

And TAQA; because we deployed our largest ticket size to date, which has added significant value to our balance sheet, growing our asset base by 255%. We recorded atypical gains on investments, driven by the fair value gain through profit and loss of TAQA by AED 18.1 billion.

In terms of deal making, we invested AED 13 billion, including being cornerstone investors in both the DEWA and Borouge IPOs, investing AED 367 million and AED 183 million respectively. We acquired 80% of International Energy Holding, which includes 50% of Turkey's Kalyon Enerji, for AED 1.4 billion. And, of course, we deployed our largest ticket, AED 10 billion, acquiring 7.3% in TAQA.

Our duty is to continue to identify and create value for our long-term partners and shareholders.

Finally, we remained one of the highest traded stocks on ADX throughout the year, with an average daily volume of 44 million trades. Our substantial public float of almost 30% meant that we hit the ground running. This, along with a sustained appreciation in market value of 153% (FY 2022) and our continuous engagement with investors led to our inclusion in major benchmark indices such as the MSCI Emerging Markets Index as well as FTSE Russell's Global Equity Index Series.

Beyond financial success, a particularly proud moment for me was Multiply Group's recognition as a Great Place to Work by the global authority on workplace culture. Our culture is defined by our people, their agility and ability to transform, their mindset and their grit. This distinction not only ensures our ability to attract top talent but also recognizes we have built a high-performance culture that also values work-life balance. On that note, I personally chose to block my calendar every Wednesday at 6pm for quality time with my 6-year-old daughter because, when you keep yourself grounded and make time for your loved ones, which I encourage my team to do, you are better equipped to give shareholders the best you have.

Looking ahead, with a strong balance sheet, a healthy borrowing facility, robust free cash flow and a clear strategy, Multiply Group will continue to deploy capital across its two distinct arms, Multiply (our portfolio of subsidiaries) and Multiply+ (our investment arm), both of which follow a disciplined approach to investing, whether in the long or short term.

- Multiply operates and invests in four current verticals (Mobility, Energy and Utilities, Media and Communications and Beauty and Wellness). Our subsidiaries provide long-term recurring income that we plan to optimize through bolt on acquisitions, synergies and by embedding technologies to ensure efficiency and growth. (In 2023, Multiply is planning to launch a fashion vertical).
- Multiply+, our recently added investment arm that is sector-agnostic and opportunistic, under which we deploy capital in several asset classes (private and public equities, pre-IPO deals, etc.) with a shorter investment horizon, targeting double-digit returns.

Now that we enter our second year as a listed company, we are operating in an ever more complex world that is vying with high interest rates, inflation, an ongoing conflict in Europe, fragmentation of the global economy, a market downturn and a supply chain crisis. The world is changing too fast, which reminds me of what Yuval Harari said: "To survive and flourish in such a world, you will need a lot of mental flexibility and great reserves of emotional balance."

Thankfully, we are based in the UAE, a country of tolerance and co-existence that has been hailed by the IMF for its handling of the pandemic. It is one of the world's safest places and Abu Dhabi's economic growth is the fastest in the MENA region at 10.5%. We are also listed on the capital's exchange, the Abu Dhabi Securities Exchange, which continues to be one of the top-performing markets globally and, in sharp contrast to several other indices, registered 20% growth in 2022. It is by design that our portfolio and operating income are heavily weighted in the UAE.

And so, despite this global complexity, our focus is actually quite straight-forward: continue to sustainably grow our verticals, invest in bolt-ons that will increase core profitability margins through synergies, scalability and free cash flow and acquire strong companies as valuations remain soft.

Our most critical tasks for 2023 are to remain guardians of our holding's, and our companies', balance sheets; organically grow our subsidiaries; pinpoint cash-generating opportunities to invest in, as valuations soften around the world; continue to drive our EPS growth; and contribute through our investments, initiatives and ESG priorities to the Year of Sustainability in the UAE.

And as always, our unwavering belief remains that the best is yet to come.

**Samia Bouazza**

Group CEO and Managing Director



