



MULTIPLY
GROUP

Multiply Group P.J.S.C
**Financial results
for Q3 2023**

ADX: MULTIPLY
www.multiply.ae

21 October 2023

Multiply Group Announces 337% YoY Increase in Net Profit Excluding Fair Value Changes for Q3 2023

Profit and loss statement highlights Three-month period ended 30 September 2023	AED '000
Revenue	351,790
Cost of sales	(175,563)
Gross profit	176,227
Gross margin	50.09%
General and administrative expenses	(82,801)
Operating income	93,426
Operating margin	26.56%
Investment and other income	33,817
Share of profit from investment in a joint venture	157,558
Finance cost	(107,961)
Tax expense	(31,067)
Net profit for the period	145,773

GROUP LEVEL PERFORMANCE

Group Net Profit

(Q3- 2023)

AED **145.77** million

Gross margin

(Q3-2023)

50.09 %

Total Assets

(As of 30 Sept 2023)

AED **42.13** billion

Capital Deployment

(Last 12 months)

AED **649** million

Dividend to the Group

(Q3-2023)

AED **194.37** million

OPERATING BUSINESS PERFORMANCE (Q3 2023 vs Q3 2022)

Revenue

AED **351.79 million**

23.82% growth y-o-y

Net Profit from Operating Companies

AED **134.28 million**

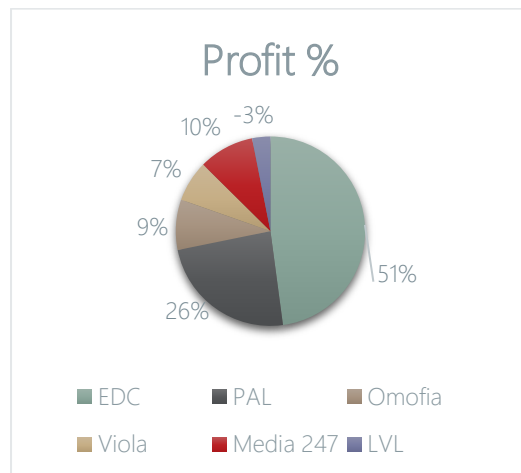
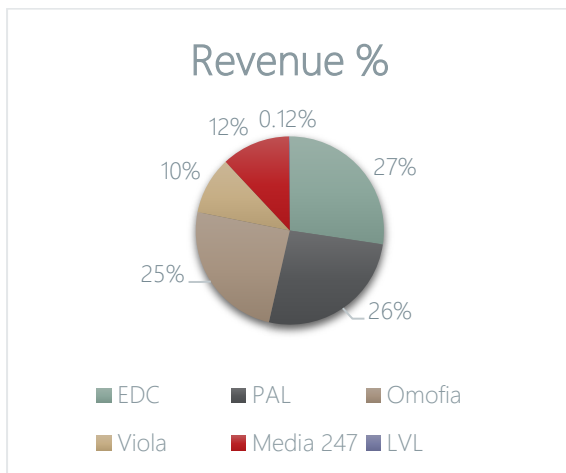
26.61% growth y-o-y

Cash from Operating Activities

AED **538.80 million**

Revenue and Profit Split Per Subsidiary Company

(Q3-2023)



MULTIPLY+

Value of Public Market Portfolio

(As of 30 Sept 2023)

AED **33.28 billion**

VS

Invested Amount

AED **15.43 billion**



SAMIA BOUAZZA

GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Our Q3 2023 results highlight our Group's continual growth, with net profit excluding fair value changes soaring to AED 331 million, rising 337% from the same period last year. As we continue to diversify our asset portfolio and prepare selected verticals for IPO, we are also making significant strides investing and embedding new innovations and technologies to augment operations across our verticals.

ABU DHABI, 21 October 2023 – Multiply Group (ADX: MULTIPLY), a leading Abu Dhabi-based investment holding firm, today announced a net profit excluding fair value changes of AED 331 million for Q3 2023. This marks a significant 337% increase from AED 76 million reported in the same quarter of 2022. In Q3, 2023, the Group's net profit, including fair value changes in investments¹, stands at AED 145.77 million.

The Group's Q3 2023 revenue of AED 351.8 million is a 23.82% YoY growth driven by the organic growth across its 4 core verticals (+9% YoY) and the consolidation of Media 247 and LVL effective 1 July 2023. The gross profit margin rose to 50.1%, reflecting an improvement of 128 basis points from Q3 2022.

This growth was bolstered by dividend income amounting to AED 194.37 million from the Group's public portfolio and an increased share of profit to reflect the change in the functional currency of the Turkish JV Kalyon from Turkish Lira to USD.

In the first nine months of 2023, the Group's year to date net profit excluding fair value changes rose to AED 811.17 million, a 199% YoY growth.

Multiply Group remains poised to capitalize on emerging value-accretive acquisition opportunities worldwide, spanning its operating verticals and investment arm. The Group boasts a robust cash position of AED 1.65 billion, favourable debt-to-equity and debt-to-assets ratios, and access to over AED 4 billion in financing capacity.

With its dual investment arms, Multiply and Multiply+, the Group continues to demonstrate its financial prowess, targeting lucrative opportunities across a spectrum of asset classes. Multiply's current investment verticals encompass Mobility, Energy and Utilities, Media and Communications, and Beauty and Wellness. Meanwhile, Multiply+ remains sector-agnostic, aiming for double-digit returns across asset classes. Under Multiply+, the public market portfolio is currently valued at AED 33.28 billion, compared to an initial investment of AED 15.43 billion.

¹ Fair value changes in investments = FV gains / losses from the Group's investments in public equities which are mainly unrealized from changes in market prices. Multiply Group believes these unrealized changes are generally misrepresentative in understanding its reported quarterly or annual results or evaluating the economic performance of its operating businesses. As these gains and losses cause significant volatility in the Group's periodic earnings, it excludes them from its underlying profitability metrics in this report.

On the sustainability front, Sustainalytics, a global leader in environmental, social and governance (ESG) rating and research, has rated Multiply Group's risk level at 15.8. This commendable rating places the Group in the "Low Risk" category, positioning it among the top 10% of companies in the Diversified Financials sector. This is a testament to our commitment to sustainability.

Q3 2023 Group Highlights:

Key Investments

Multiply Group successfully acquired a 55% majority stake in **Media 247**, a leading UAE outdoor advertising firm, at an investment of AED 225 million. Media 247, known for its extensive portfolio of over 45 exclusive outdoor premium hoardings, unipoles, and 3D structures across Dubai's most prominent locations, solidifies Multiply Group's position in the media vertical. In H1 2023, Media 247 overachieved both revenue and profitability targets, highlighting its strong financial capabilities.

In a move to bolster its footprint in the wellness domain, **MG Wellness Holding LLC**, the wellness-centric subsidiary of Multiply Group, secured a 49.38% equity interest in LVL Technology Holding in August. LVL Technology Holding is renowned for its LVL Wellbeing platform, which offers a comprehensive suite of individual, team, and corporate well-being solutions, championing a balanced work-life dynamic. This strategic investment is poised to amplify operations and bolster regional expansion. Furthermore, the integration of HealthierU into the LVL Wellbeing platform has created a holistic offering, positing it as the region's premier source for preventative health and wellbeing services for its clientele.

Under Multiply+ arm, Multiply Group invested AED 367 million for a minority stake in EIG's Breakwater Energy which owns 25% interest in Repsol E&P, a North American-based gas-weighted exploration and production company. Through this acquisition, Multiply+ taps into a highly profitable and cash generative, diversified global upstream portfolio offering a highly attractive dividend profile.

Subsidiary Milestones

Emirates Driving Company (EDC) registered a 14.15% net profit increase YoY driven by favourable revenue mix and higher interest income versus last year. In line with the expansion strategy into new markets, EDC's board approved the investment in the Consultants Driving School in KSA by signing a convertible notes agreement with a total value of SAR 10 million. Further details to be disclosed subject to financial and legal approvals. Furthermore, the company achieved the ISO 31000 certificate for its risk management system and the company hosted the 11th National Dialogue for Climate Ambition in partnership with the UAE Ministry of Climate Change and Environment (MOCCA).

Omorfia Group, Multiply Group's Wellness & Beauty vertical, reported a 22.18% net profit growth YoY driven by gross margin expansion on favourable revenue mix and a spike in interest income. The company expanded its flagship brand, Tips & Toes, by inaugurating two new branches in Abu Dhabi and Dubai. With a network of 40 branches across the UAE and Saudi Arabia, Tips & Toes is positioned as the region's largest and most successful salon and spa chain. Additionally, Bedashing Beauty Lounge, with its 23 branches, was celebrated as the UAE's favourite beauty salon in the FACT Spa & Wellness Awards 2023, continuing its expansion and enhancing its comprehensive beauty services across the country.

Pal Cooling Holding (PCH), a leader in the UAE's district cooling industry, reported a flat YoY profit growth as the double-digit growth in revenue on new connections was countered by higher finance costs and additional expenses related to the commissioning of the first phase of Tamouh district cooling plant's expansion (additional capacity of 5,000 RT). During the quarter, PCH successfully connected the new Nord Anglia School in Reem Island, with a 1,250 RT cooling load requirement, to

its Tamouh district cooling plant. With the impending second phase due for completion this year, the plant's total installed capacity will reach 75,000 RT. Moreover, PCH's upcoming Danat district cooling plant will feature a design capacity of 37,500 RT, elevating PCH's total design capacity to a staggering 257,000 RT, with an installed capacity of 183,000 RT, across its seven plants.

Viola Communications, a fully-integrated marketing and communications solutions provider, reported a 84% net profit growth YoY led by significant increase in agency services revenues and higher occupancy of Out-Of-Home (OOH) media assets. The company marked its presence among the top 100 event organizers and agencies in 2023 on the prestigious Eventex index, becoming the only UAE agency to earn this distinction. The agency cinched five awards for its campaign for Abu Dhabi Department of Community Development's Abu Dhabi Moments, an integrated initiative designed to help foster a sense of belonging amongst communities. Furthermore, Viola Communications secured nominations for the MENA Digital Awards in the "Best Integrated Digital Campaign" and "Best Use of Social Media" categories.

In a strategic partnership with Atlantis Dubai, **LVL Wellbeing** is set to offer guests an immersive wellness experience. Whether guests seek relaxation, workouts, or sound healing, they can now access exclusive content through in-room TVs and the state-of-the-art digital wellbeing studio at Atlantis Dubai's AWAKEN Spa. This initiative complements the AWAKEN Wellness programme, marking a first for Dubai's hospitality sector.

Corporate Social Responsibility

As part of its "**Cleaning up the Oceans**" initiative, Multiply Group made a significant environmental impact by extracting 30,000 pounds of plastic waste from the world's oceans during the Year of Sustainability. This initiative not only supports the global ocean and coastline clean-up efforts but also aligns with the objectives of the upcoming COP28 environmental summit. In partnership with US-based 4ocean, the Group is ambitiously targeting the offset of more than 100,000 pounds of plastic waste by the close of 2023.

Multiply Group concluded the final phase of its comprehensive **corporate wellness program**, spanning six months. This initiative has been instrumental in mitigating chronic diseases among high-risk employees within the Group. The program's holistic approach included personalised nutritional sessions, doctor consultations, fitness challenges, biometric screenings, blood tests, and a series of well-being webinars, ensuring the overall health and well-being of its workforce.

In a bid to **foster knowledge and literacy**, Multiply Group undertook a significant book collection drive. Thanks to the generous contributions from its employees, a substantial collection of books was donated to one of the UAE's authorised cultural foundations, furthering the cause of education and reading.

Earlier this year, Multiply Group extended its support to the **Logos Hope** ship mission during its stopover at the Abu Dhabi port. Recognised as the world's largest floating book fair, the Logos Hope mission embodies the noble cause of disseminating knowledge, providing assistance, and instilling hope globally.

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ABOUT MULTIPLY GROUP

With its trademark growth mindset, Multiply Group PJSC is an Abu Dhabi-based holding company that invests in transformative cash-generating businesses it understands.

Multiply Group will continue to deploy capital across its two distinct arms, both of which follow a disciplined approach to investing and ensure consistent, sustainable value creation for our shareholders in the short-, medium- and long-term:

Multiply, the investments and operations in long-term strategic verticals, currently investing and operating in Mobility, Energy & Utilities, Media & Communications and Wellness & Beauty. Anchor investments provide long-term recurring income, through which bolt-on acquisitions are made.

Multiply+, a flexible, sector-agnostic, and opportunistic investment arm.

For more information, visit www.multiply.ae

CONTACTS

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