

# MULTIPLY GROUP INVESTORS' UPDATE

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## OUR UPDATES

### Multiply Group reported AED 18.56 billion in net profit for FY 2022

Multiply Group reported AED 18.56 billion in net profit for 2022, driven by the strong performance of the Group's investments and growth in its operating portfolio. Despite several global headwinds, most of its subsidiaries showed growth in operating profits in 2022, proving the strength and resilience of these businesses: Emirates Driving Company (EDC) grew by 51%, Viola Communications grew by 203%, and Omorfia grew by 47%. The Group deployed over AED 12 billion in 2022, making strategic investments in dynamic and healthy businesses across high-growth industries. Such businesses offer predictable, recurring income that will deliver a sustained increase in shareholder value.

In addition, Multiply Group was added to several indices, including MSCI Emerging Markets Index, which enhances its position on the global benchmark investing map and is expected to attract substantial investment inflows. The Group has also been attracting and recruiting talent with capital market and investment banking expertise. Most recently, it was recognised as a Great Place to Work by the global authority on corporate culture.

"Multiply Group is well-positioned for 2023 and beyond to build on the strong performance of 2022 for several reasons. Firstly, the UAE economy is on strong growth momentum, and secondly, corporate profitability will remain solid due to increasing economic activity that is supported by positive government regulations and projects," Multiply Chairman Andre Sayegh said in the statement.

Looking ahead, Multiply Group will continue to capitalise on market trends and remains in a strong position to carry on with its strategy of investing in transformative, cash-generating businesses that are exploring new revenue models in transitioning industries.

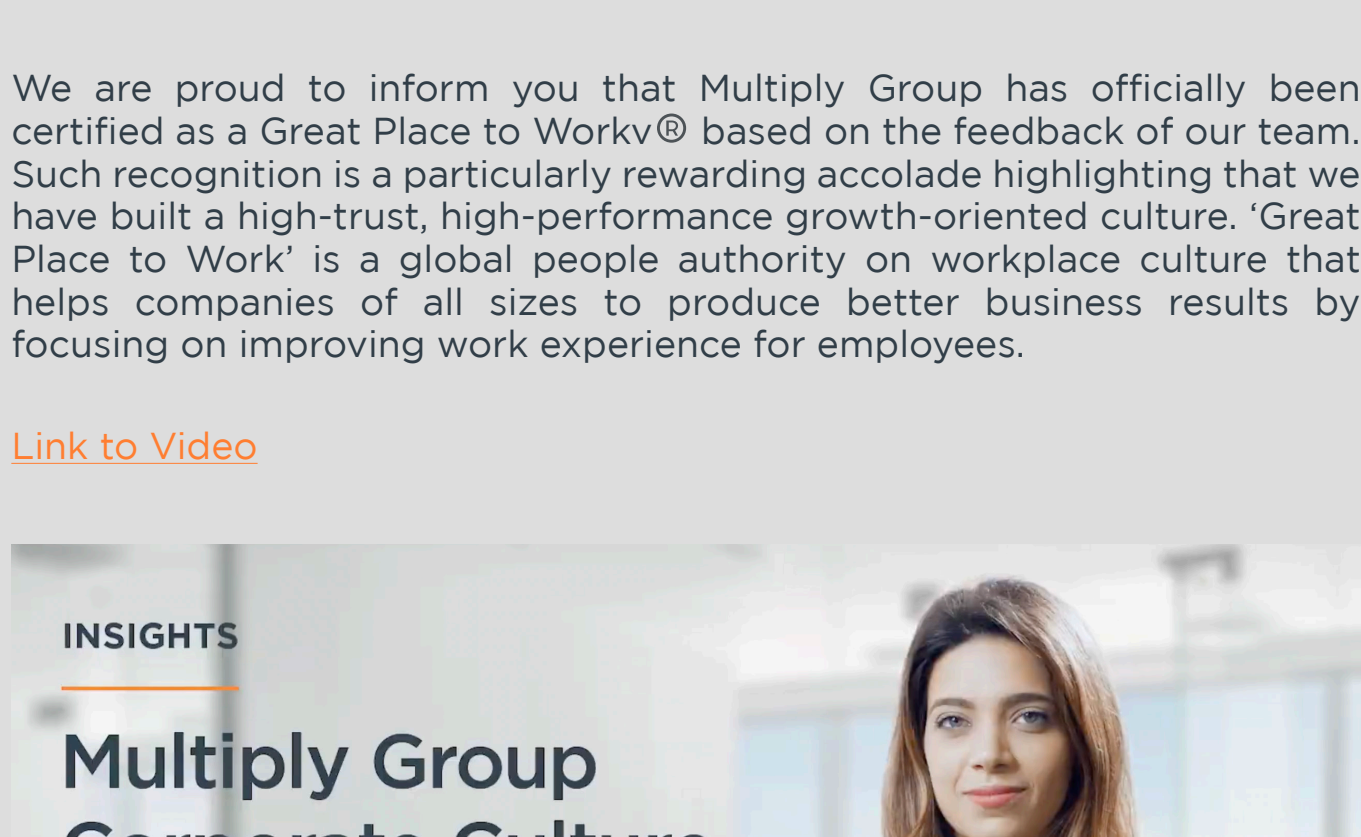
[Link to Video](#)

## 2022 The Year of Transformation and Growth

### Multiply Group's full-year profit surges on higher revenue

The National highlighted that net profit attributable to the owners for the 12-month surged to Dh18.4 billion, from about Dh185 million for the same period in the previous year. Also, revenue for the period rose more than three times to Dh1.12 billion. Similarly, total assets more than tripled to Dh41.2 billion.

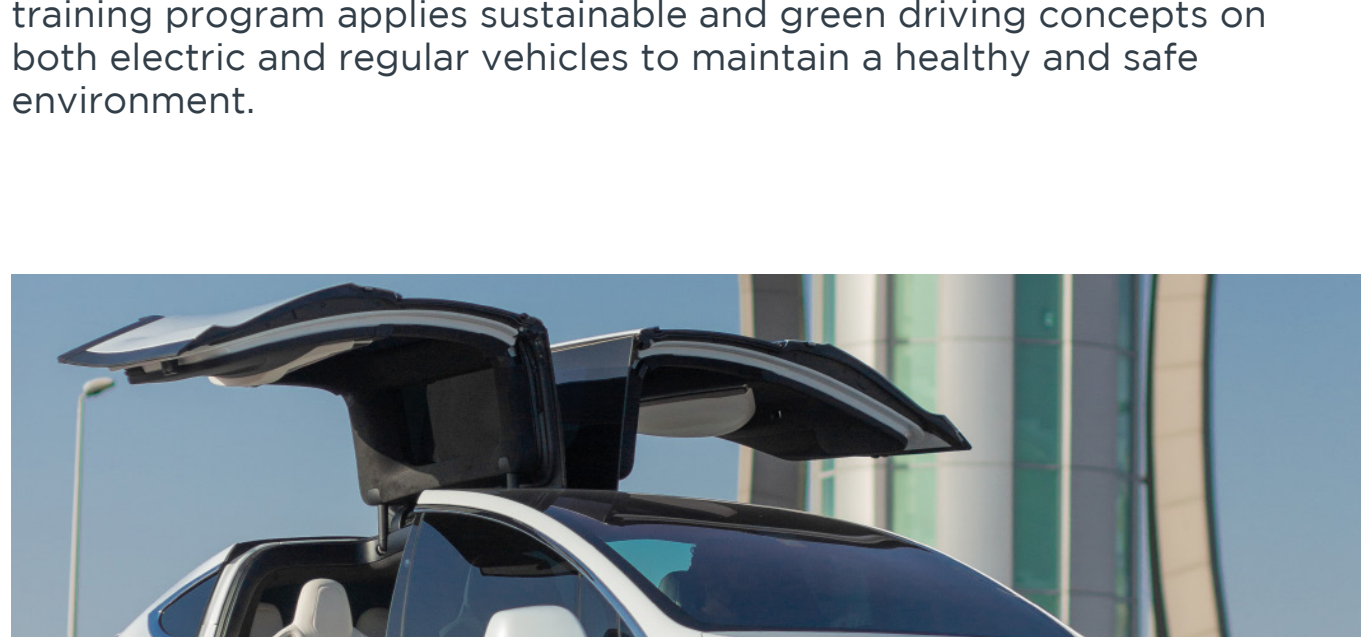
[Full article can be found here](#)



### Multiply Group has been certified as a Great Place to Work®

We are proud to inform you that Multiply Group has officially been certified as a Great Place to Work® based on the feedback of our team. Such recognition is a particularly rewarding accolade highlighting that we have built a high-trust, high-performance growth-oriented culture. 'Great Place to Work' is a global people authority on workplace culture that helps companies of all sizes to produce better business results by focusing on improving work experience for employees.

[Link to Video](#)



## SUBSIDIARIES' NEWS

### Emirates Driving Company participated in the World Future Energy Summit 2023

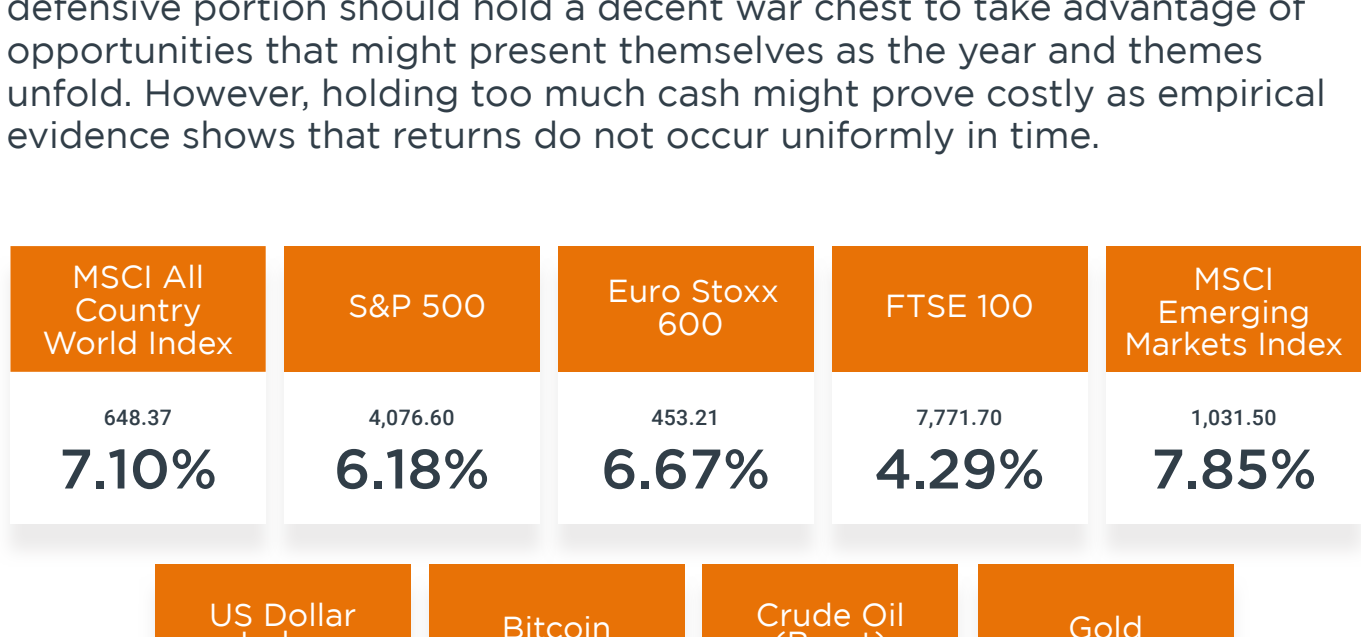
Emirates Driving Company (EDC) showcased its unique "Eco-Driving" program during Abu Dhabi Sustainability Week's leading event, the World Future Energy Summit. Launched last year, the "Eco-Driving" training program applies sustainable and green driving concepts on both electric and regular vehicles to maintain a healthy and safe environment.



### Multiply Group completed the first phase of its Corporate Wellness Program

As part of Multiply Group's holistic corporate wellness programme powered by its subsidiary, HealthierU, the Group has completed the first phase. This phase included a comprehensive health assessment covering nutrition, fitness, ergonomics, biometric screenings, blood tests, well-being webinars, and more. The corporate wellness programme includes an educational series, providing employees with information on managing concerns such as healthy living, nutrition, and workplace stress and burnout. We aim to empower our 3000+ employees to take charge of their health and well-being across the Group.

[Link to Video](#)



## MARKET MONITOR

### Global Markets

Global equities soared in January, recording their second-best monthly performance since the beginning of last year. Despite the headwinds in global markets since the beginning of last year, 2023 has brought some air of optimism initially with China abandoning its zero-Covid strategy, in addition to global disinflation which is becoming evident. It is compelling monetary authorities to slow rate increases. However, major monetary authorities still guide for more rate hikes.

Most of the main risk factors remain including monetary and quantitative tightening complicated by economic slowdown as shown by high-frequency data (eg. weak PMIs). Both global inflation and recession risk are still high but moderating. Also, tight labour market result in wage-price spiral. Other factors include deglobalisation and energy risk, particularly in Europe with no end in sight for the Russia-Ukraine war prolongs. A new low-profile risk factor is the US debt limit. It has been breached with the impasse in congress adding to market volatility. The divergence between the IMF and World Bank on their global outlook epitomises the low level of consensus in markets.

We maintain a barbell portfolio strategy. Combining defensive assets and deep-value cyclical might prove a winning strategy this year. Also, the defensive portion should hold a decent war chest to take advantage of opportunities that might present themselves as the year and themes unfold. However, holding too much cash might prove costly as empirical evidence shows that returns do not occur uniformly in time.

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
648.37	4,076.60	453.21	7,771.70	1,031.50
7.10%	6.18%	6.67%	4.29%	7.85%

US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold
102.10	\$ 23,139.28	\$ 84.49/bbl	\$ 1,945.30/oz
-1.35%	39.37%	2.57%	6.90%

### Regional Markets

The UAE was relatively weaker in January, with most of the weakness coming after the country's biggest bank FAB reported disappointing Q4 financial results. Meanwhile, Brent crude finished the month in the black, while natural gas prices have taken a severe beating due to unfavourable market dynamics in Europe. For the foreseeable future, hydrocarbons markets will likely be primarily influenced by (1) more unilateral restrictions on Russia's hydrocarbon exports coming into effect this month, and (2) China emerging from a three-year lockdown, promising to provide a floor for oil prices.

GCC S&P Index	FADG	DFM	TASI	QSE
141.51	9,811.56	3,303.27	10,792.85	10,932.29
1.66%	-3.91%	-0.98%	3.00%	2.35%

### Other News

- IMF raised its forecast global economic growth rate for 2023 by 0.2pp to 2.9%** from its October estimate, with resilient US spending and China's reopening. Growth is expected to accelerate to 3.1% next year.
- EU agreed to a cap of \$100 per barrel for exports of Russia's refined-oil products**, such as diesel, to take effect on Sunday 5 February. Fuel oil and other low-value exports will be capped at \$45. A cap of \$60 already applies to Russian crude. Insurers and shippers are prohibited from dealing in items covered by the cap unless they were bought below or at the designated price.
- Google invested about \$300m and took a 10% stake in Anthropic, an artificial-intelligence startup**, the Financial Times reported on Friday. Big tech is arming itself for competition in AI. Microsoft recently announced a further \$10bn investment and partnership with OpenAI, which built ChatGPT, a chatbot built on top of OpenAI's GPT-3 family of large language models and has been fine-tuned using both supervised and reinforcement learning techniques.
- IMF's World Uncertainty Index, which tracks economic unknowns across 143 countries, fell in December MoM, but it remained at high levels.** The level of uncertainty is higher than in November 2021, prior to the Omicron wave. The war in Ukraine, which continued to be the biggest driver, accounted for 19% of overall uncertainty during the month, up from just 8% in November.
- Bank of Canada signalled that it would become the first major central bank to stop increasing interest rates.** After inflation slowed from 8.1% in June to 6.3% in December, it raised interest rates by a quarter of a percentage point, to 4.5%, their highest level since 2008.
- Microsoft is slashing 5% of its global workforce**, about 10,000 roles, with some roles expected to be eliminated in human resources and engineering divisions
- Japanese yen tumbled against the dollar and yields, which had risen in recent weeks, fell in response to an announcement by the BoJ sticking to its ultra-loose monetary policy framework.** Markets had expected the central bank to overhaul its yield-curve control policy after it widened the band for ten-year bond yields in December.
- Deglobalization could dominate M&A priorities in the near term:** Instead of deals being hatched to enter new territories or product areas, the focus could shift to more selective acquisitions, with a focus on buying key suppliers. Meanwhile, inflationary pressure will likely spur the striking of conventional cost-cutting mergers in regions close to home.
- Most GCC banks followed the Fed by hiking rates.** The Central Bank of UAE raised its base rate on overnight deposits by 25bps to 4.65%. However, Qatar kept rates unchanged, maintaining its lending rate at 5.50%; deposit rate at 5% and repo rate at 5.25%.
- IHC announced the acquisition of a 55% majority stake in Reach Employment Services for AED\$15mn (\$86mn).** Reach is one of the largest market leaders for employees' recruitment and outsourcing, serving a diverse range of government and private organizations in the UAE.
- ADCB has sold a portfolio of non-performing loans worth AED4.2bn (\$1.1bn)** to investment funds advised by Davidson Kempner Capital Management LP.
- UAE has 11 IPOs in the pipeline with a value exceeding AED8bn (\$2.2bn)** after it saw its highest level of offerings by aggregate value in 2022 since 2008, including four free-zone entities and two SPACS (Securities and Commodities Authority).
- TAQA has expanded its stake in Taweelah B Independent Power and Water Plant with an investment of AED239mn (\$65mn).** It acquired an additional 10% ownership stake in the owner of the Taweelah B IWPP – Taweelah Asia Power Company, thereby increasing TAQA's overall ownership stake in TAPCO to 70%. In addition, TAQA acquired a 25% ownership stake in Asia Gulf Power Service Company Limited (the O&M contractor to TAPCO).
- UAE and Qatar, among the GCC states, are the best placed to weather softening in oil prices in 2023** as they can maintain external financing surpluses even at lower oil prices (Bank Paribas). These countries can maintain external financing surpluses at prices as low as 80\$/bbl.
- UAE aims to be among the top 10 hydrogen-producing countries globally.** French investment bank Natixis estimates that investment in hydrogen will exceed \$300bn by 2030.
- Borouge Plc says its block polypropylene materials have been selected by the consultant and contractor of the engineering, procurement and construction works** to manufacture drainage pipelines of the third line of the Greater Cairo Metro project in Egypt.