Multiply Group P.J.S.C

Financial results Q3 2024

ADX: **MULTIPLY**
www.multiply.ae

29 October 2024

Multiply Group registered 47% YoY Revenue Growth across its operating portfolio on the back of 3 acquisitions in 2024, while advancing on its Year of Efficiency programme.

Financial Highlights (AED million)	Q3 2024
Revenue	**518**
Gross profit *margin %*	**227** *43.8%*
General & admin expenses	**(107)**
Investment and other income	**221**
Share of profit from investment in a joint venture	**25**
EBITDA *(excluding fair value changes)*	**436**
Net profit *(excluding fair value changes)*	**207**
Reported Group Net profit *(including fair value changes)*	**744**

GROUP LEVEL PERFORMANCE (Q3 2024)

EBITDA
(excluding fair value changes in public investments)

AED **436** million

Group Net Profit
(excluding fair value changes in public investments)

AED **207** million

Investment & Other Income

AED **221** million

Total Assets
(As at 30 September 2024)

AED **40.3** billion

OPERATING BUSINESS PERFORMANCE[1] (Q3 2024 vs Q3 2023)

Revenue

AED **518** million

+47% growth YoY

EBITDA of Operating Companies

AED **228** million

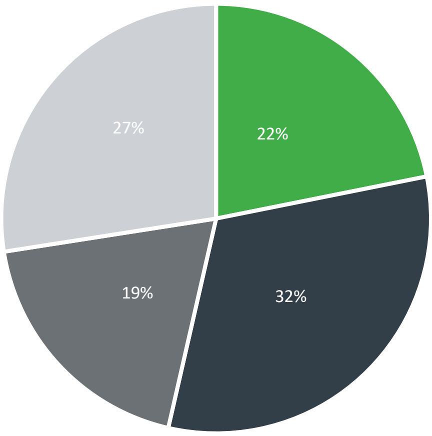
+53% growth YoY

Cash Flow from Operations (9M 2024)

AED **958** million

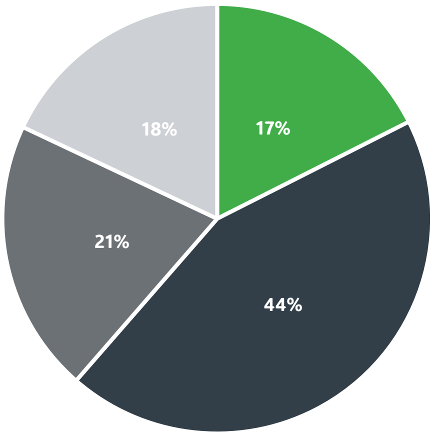
Revenue and EBITDA Split Per Vertical (Q3 2024)

Revenue % split



- Media & Communications
- Mobility
- Energy & Utilities
- Wellness & Beauty

EBITDA % split



MULTIPLY+

Value of Public Market Portfolio

(As of 30 September 2024)

AED **29** billion

VS

Invested Amount

AED **15** billion

[1] Operating Business performance includes performance of revenue contributing businesses under each vertical (Viola + Media 247 + BackLite Media under Media & Communications, EDC & Excellence under Mobility, PAL Cooling Holding under Utilities, and Omorfia Group & TGCH under Wellness & Beauty)

SAMIA BOUAZZA

GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

"In Q3 2024, Multiply demonstrated strong performance across its verticals, successfully integrating recent acquisitions to achieve new synergies while advancing our strategy of building vertical expertise within the Group's portfolio. Our Group revenue in Q3 2024 increased by 47% compared to the same period last year to AED 518 million, driven by the consolidation of 3 new acquisitions in 2024 along with the organic growth across all verticals, while the blended gross profit margin remained healthy at 44%. In this quarter, we reported net profit excluding fair value changes of AED 207 million, bringing net profit for the first nine months to AED 920 million.

Operationally, Multiply Media is capturing increased market share and unlocking additional revenue through increased capacity. Strategic investment and business integration across the Mobility and Beauty portfolios also support group revenue growth.

Finally, the Group's efficiency programme, launched in Q2, accelerated significantly during the quarter. The programme has now achieved over AED 25 million in efficiency gains, more than half the Group's AED 45 million target, which includes identifying new revenue gains, savings in procurement, and areas to consolidate or restructure roles and businesses. Looking ahead, we will be deploying AI capabilities to identify additional, unseen opportunities to make our operations even more efficient."

ABU DHABI, 29 October 2024 – Multiply Group (ADX: MULTIPLY), the Abu Dhabi-based holding company that invests in and operates businesses globally, today reports its Q3 2024 results with a net profit excluding fair value changes of AED 207 million, bringing net profit for the first nine months to AED 920 million. The year-to-date strong performance (+13% year-on-year) reflects the successful integration of recent acquisitions, aligning with the Group's strategy of building vertical expertise within its portfolio. Reported net profit for the quarter of AED 744 million includes AED 537 million unrealized fair value gains from the public investment portfolio.

Group revenue in Q3 2024 increased by 47% YoY to AED 518 million, driven by organic growth across all verticals (+9% YoY) and the consolidation of BackLite Media, The Grooming Company Holding, and Excellence Premier Investment. Blended gross profit margin remained healthy at 44%, reflecting the change in revenue mix within the Media vertical and the consolidation of Excellence under the Mobility vertical. Investment and other income including dividend income totalled AED 221 million.

Balance sheet remains strong, with cash balance of AED 1.88 billion and additional liquidity of up to AED 4 billion available for future investments. This financial flexibility reflects a disciplined approach to capital allocation, as evidenced by the approximately AED 1 billion deployed in 2024 in three strategic acquisitions that align with Multiply's vertical building strategy.

2024 at Multiply Group is The Year of Efficiency. Multiply Group's efficiency programme which launched in Q2 has accelerated significantly over the quarter, achieving over AED 25 million of efficiency gains (over 50% of the Group's AED 45 million target).

The Group's impactful cost-cutting initiatives include identifying savings in procurement, consolidating duplicated roles as it grows, and restructuring to remove business layers. On the revenue side, Multiply Group has captured more market share in media given its significant presence across three dominant OOH brands in the UAE. It has also unlocked revenue within mobility by restructuring the training schedule of Emirates Driving Company (EDC) to add more trainer capacity. Digital transformation has also enabled the Group to be more efficient. Here it has automated backend processes, launched new revenue sources with a focus on programmatic within Media—which leverages AI to automate ad buying for improved targeting and revenue growth— and modernised its technology infrastructure to enable better decision making. The Group has also launched new online portals & services, reduced cash transactions, and gathered insights into customer spend behaviours.

Going forward, the Group aims to leverage AI and advanced technologies across its businesses to extract additional value. This includes driving increased revenue productivity, such as using predictive maintenance for EDC's vehicles to ensure maximum utilisation, as well as cost optimization initiatives like automating proposal generation to save man-hours within its media operations.

Under Multiply+, the public market portfolio closed the quarter with a valuation of AED 29 billion, compared to an initial investment of AED 15 billion. Despite market fluctuations affecting the fair value of some assets, performance across the portfolio remains strong as does the underlying long-term potential from targeted investments. In its core operational portfolio, the Group focusses on driving synergies and integration among the businesses under each vertical, with emphasis on accelerating digital transformation and operational efficiencies.

Group Highlights

Strategic Investments in Q3'24

In July 2024, Emirates Driving Company (EDC), a 48% subsidiary of Multiply Group, marked a landmark collaboration between leading entities in Abu Dhabi and Dubai, strategically expanding its market presence in the UAE by acquiring a 51% stake in Excellence Premier Investment LLC, parent company of the renowned Excellence Driving Centre based in Dubai. The move is part of EDC's ongoing efforts to achieve significant expansion and enhance its distinguished services. It also solidifies its position as a leading provider of driver education and road safety services in the region, enabling it to offer a wider range of services to its customers in Dubai.

In June 2024, Multiply Group's 51% owned beauty anchor and UAE leading beauty provider, Omorfia Group, acquired 100% of The Grooming Company Holding (TGCH), a premier provider of salon and beauty services in the UAE. This strategic move reinforces Omorfia's commitment to expanding its beauty services portfolio within the UAE and beyond. With the addition of TGCH's 62 salons (47 owned and 15 franchises), Omorfia solidifies its leading position boasting a combined network of 132 owned salons across 5 geographies.

Earlier this year, Multiply Group consolidated 100% of BackLite Media, a premier Digital Out-of-Home (DOOH) advertising company renowned for its strategic assets in the UAE's most iconic locations, including Sheikh Zayed Road, Dubai and Galleria Mall, Abu Dhabi. This acquisition reflects a bold strategic move to strengthen Multiply Group's position in the rapidly growing Out-of-Home (OOH) advertising market, enhancing its ability to deliver impactful, high-visibility advertising solutions and capturing a larger share of the advertising landscape across key urban areas in the UAE.

Vertical updates

Media and Communications (Viola Communications + Media 247 + BackLite Media)

Profitability (EBITDA) of the vertical increased 126% year-on-year with the inclusion of BackLite Media from March 2024. An increased focus on technology aims to maintain the Media vertical's leading position in the UAE's programmatic DOOH market, including Multiply Media adding 20 strategic digital assets in Abu Dhabi (including bridge banners) to its existing programmatic portfolio of 299 digital screens across the UAE. This strategic expansion not only broadens market reach across the UAE, but also ensures that its advertising solutions cater to the needs of global clients. Additionally, Multiply Media's Innovation Lab is exploring new ways to amplify OOH engagement, including 3D-enabled content, augmented reality, and gamification, by engaging with a wide range of 3rd party global tech providers and testing and incubating suggested solutions. BackLite Media also launched 'The T3' – three elegantly designed billboards that provide brands with unparalleled visibility and impact in one of Dubai's busiest areas, reaching more than 50% of the emirate's population.

Mobility (Emirates Driving Company EDC[2])

Emirates Driving Company delivered 40% YoY underlying EBITDA[3] growth largely driven by the consolidation of Excellence Premier Investment, parent company of the renowned Excellence Driving Centre, in July 2024 coupled with effective cost management strategies at EDC level. Substantial upgrades to EDC's Online Booking Portal have significantly streamlined the student registration process, leading to a 3x year-on-year increase in online registrations, resulting in increased customer satisfaction rates and fewer inquiries to the Customer Happiness department. Other EDC initiatives are ensuring more effective utilisation of resources to cater to customer demand and drive revenue growth.

Beauty & Wellness (Omorfia Group)

The vertical's profitability (EBITDA) surged 122% year-on-year largely led by the consolidation of Juice Spa & Salon in Q4 2023 and The Grooming Company Holding (TGCH) in June 2024. The Group is now aiming for a unified platform within its Beauty vertical, focusing on productivity gains and updates. These include integrating new capabilities from TGCH to complement existing strengths at Omorfia Group, such as its franchise model. With increased scale, Multiply aims to improve profitability and minimise customer churn by ensuring any customer demand is met by one of its brands. Operationally, the vertical can now leverage the greater scale of purchasing to optimise Group procurement, while access to larger data sets will provide deeper analysis of customer needs and wants. An enhanced Omorfia mobile app further places the vertical at the forefront of digital innovation, creating a seamless digital experience for convenient booking, personalised promotions, and loyalty programmes at the forefront of customer-centric innovation.

Utilities & Energy (PAL Cooling Holding + IEH[4])

The vertical's profitability (EBITDA) was compromised by lower contribution from the Kalyon JV (AED 25 million in Q3 2024 vs AED 158 million last year) on hyperinflation, currency hedge accounting and higher finance cost. In August, Kalyon Enerji secured €249 million (AED 1,015 million) financing from U.K. Export Finance (UKEF) and Poland's export credit agency, to advance Türkiye's second-largest solar project. Kalyon Enerji's 390MWp project will consist of seven sites across the provinces of Niğde-bor, Gaziantep and Sanliurfa-Viransehir, and are expected to generate enough clean energy to power more than 65,000 households annually. All three Projects (Niğde-Bor, Gaziantep and Şanlıurfa-Viranşehir) will reduce approximately 645,000 tons of carbon annually at full capacity.

Corporate Social Responsibility (CSR)

At Multiply Group, sharing knowledge through books and digital learning tools is at the heart of our company culture and a belief in its power to bring positive change. On International Literacy Day,

[2] EDC includes Excellence Premier Investment which was consolidated in July 2024

[3] EBITDA of EDC excludes unrealized fair value changes from their public portfolio

[4] IEH (International Energy Holding) does not contribute to top-line but includes share of profit from a 50% JV investment in Kalyon.

Multiply Group launched its Corporate Social Responsibility program, 'Read to Lead,' dedicated to supporting lifelong learning and community empowerment through the power of reading. Under the motto of “Empowering Minds, Igniting Futures”, the CSR program will focus on expanding access to books, promoting reading habits, supporting educational resources, and encouraging knowledge-sharing. 'Read to Lead,' will deliver a series of impactful contribution initiatives, giving back to both local and global communities by expanding access to books and learning resources.

Earlier this year, as part of its ‘Cleaning up the Oceans’ initiative, the Group ran a beach cleanup in Al Bahia, where a dedicated team of employees successfully collected over 300 pounds of plastic waste, contributing to the broader effort of environmental preservation.

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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 minority investment arm.
For more information, visit www.multiply.ae

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