

# MULTIPLY GROUP INVESTORS' UPDATE

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## OUR UPDATES

### Multiply Group reports net profit of AED 18.56 billion 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, highlighting the strength of these businesses and the resilience of their industries. For example, Emirates Driving Company (EDC) grew by 51%; Viola Communications grew by 203%, supported by post-covid spending on events and out-of-home media and the growth of the economy; and Omorfia Group grew by 47%.

The Group deployed more than AED 12 billion in 2022, making strategic investments in dynamic and healthy businesses across high-growth thematic industries such as energy, namely in Abu Dhabi National Energy Company (TAQA), Dubai Electricity & Water Authority (DEWA) and International Energy Holding (IEH). At the same time, these businesses offer predictable, recurring income that will deliver a sustained increase in shareholder value.

Andre Sayegh, Chairman of Multiply Group, commented:

"Multiply Group is well-positioned for 2023 and beyond to build on the strong performance of 2022 for a number of reasons. Firstly, the UAE economy is on a strong growth momentum and secondly, corporate profitability will remain solid due to increasing economic activity that is supported by positive government regulations and projects. We have also achieved continued strong performance across the Group's diverse portfolio of operating subsidiaries across multiple industries. We will expand further organically by deepening our existing businesses as well as inorganically through scalable acquisitions. Finally, we have an incredible team with extensive expertise and industry knowledge, which is the true drive of the Group's success".

Samia Bouazza, Group Chief Executive Officer and Managing Director, said:

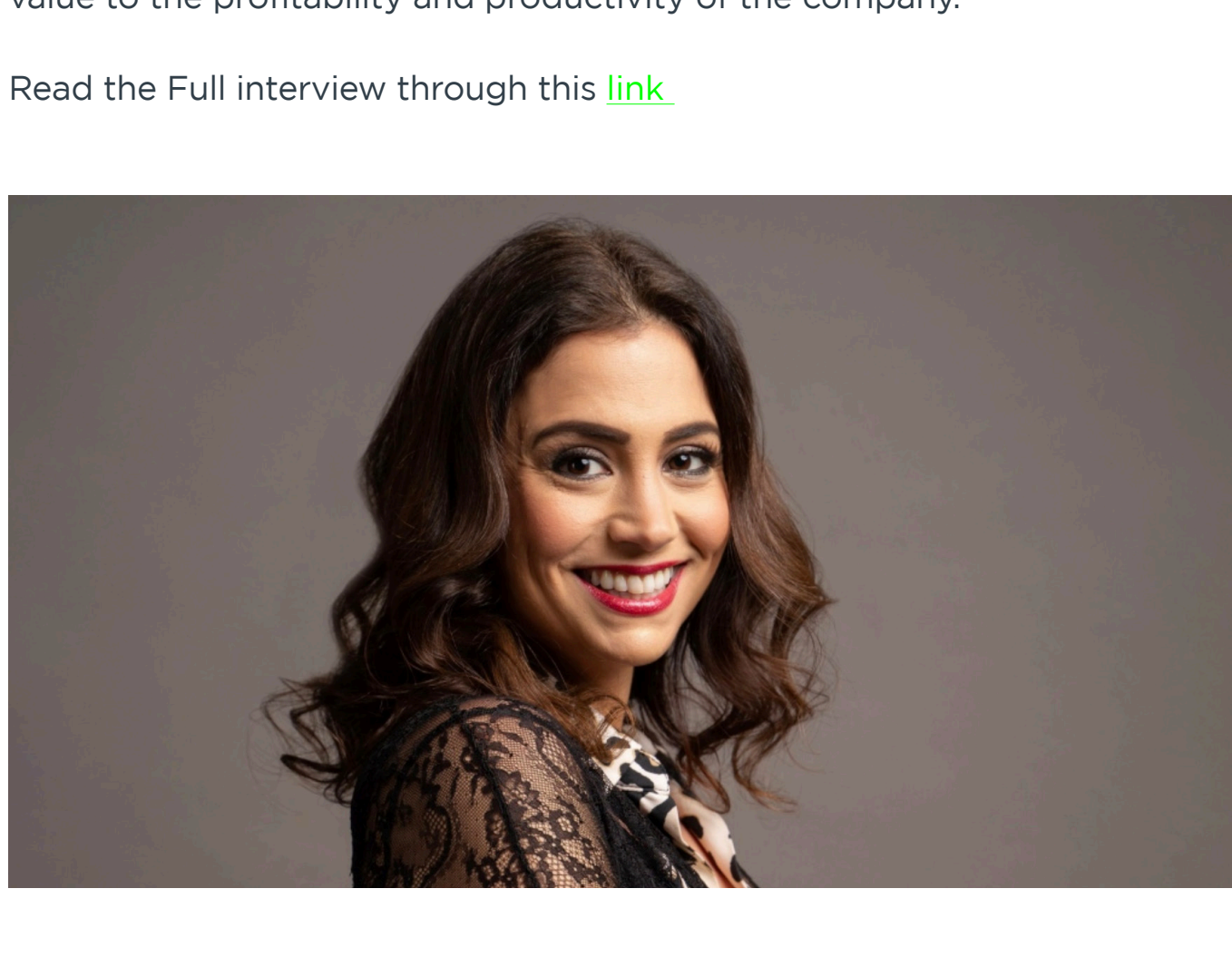
"2022 was a transformative year for Multiply Group, culminating in AED 18.56 billion of net profit. We made a series of significant strategic investments that accelerated the growth of the company while, at the same time, our operating companies continued to deliver strong recurring earnings. Our diverse portfolio has reached a scale that positions us well to continue growing our verticals and move forward with our strategy of focusing on cash-generating businesses with agile strategies. We have a strong balance sheet, AED 41 billion of assets in 2022, and significant capacity to deploy capital at a time when valuations are softening and our focus industries are gaining more traction amid the current macroeconomic and geopolitical backdrop. And finally, in our first year as a public listed company, we have been included across major indices such as MSCI Emerging Markets, enhancing Multiply Group's position as a trusted investor on the global benchmark investing map. In addition, our recognition as a Great Place to Work by the global authority on workplace culture, is a particularly rewarding accolade that highlights that we have built a high-trust, high-performance growth-oriented culture".

Multiply's diverse portfolio has reached a scale that positions it well to push ahead with its strategy to create medium to long-term value for its shareholders. Going forward, the Group will maintain its focus on growing and sustaining its core business profits, optimising the asset-rich balance sheet built in 2022 and, as valuations are softening, identifying new investments which will derive shareholder value.

Multiply Group Reported  
**AED 18.56** billion  
in Net Profit for FY 2022

### Multiply Group at CI Capital's 7th Annual MENA Investor Conference

Multiply Group's IR participated in CI Capital's 7th Annual MENA Investor Conference, organised by CI Capital Holding, a leading Egyptian diversified financial services group, connecting with investors. The event features the participation of the public business sector, as well as a group of investors, investment banks, private sector companies and CEOs from Egypt and the MENA region.



## MEDIA

### The Middle East's 100 Most Powerful Businesswomen 2023

Our Goup CEO and Managing Director, Samia Bouazza, is ranked among Forbes Middle East's 100 Most Powerful Business Women, leading the Group towards transformation and growth.

She talked to Forbes Middle East about how fostering a growth mindset and surrounding herself with the right team in many areas like investment, capital markets, and business transformation has brought direct added value to the profitability and productivity of the company.

Read the Full interview through this [link](#).



## SUBSIDIARIES' NEWS

### Emirates Driving Company launched the first test of Auve Tech's autonomous vehicles

Emirates Driving Company, in partnership with the Estonian- leading autonomous transport developer, Auve Tech, launched the first test of Auve Tech's autonomous vehicles in the Middle East, which will significantly strengthen and improve Abu Dhabi's mobility sector.

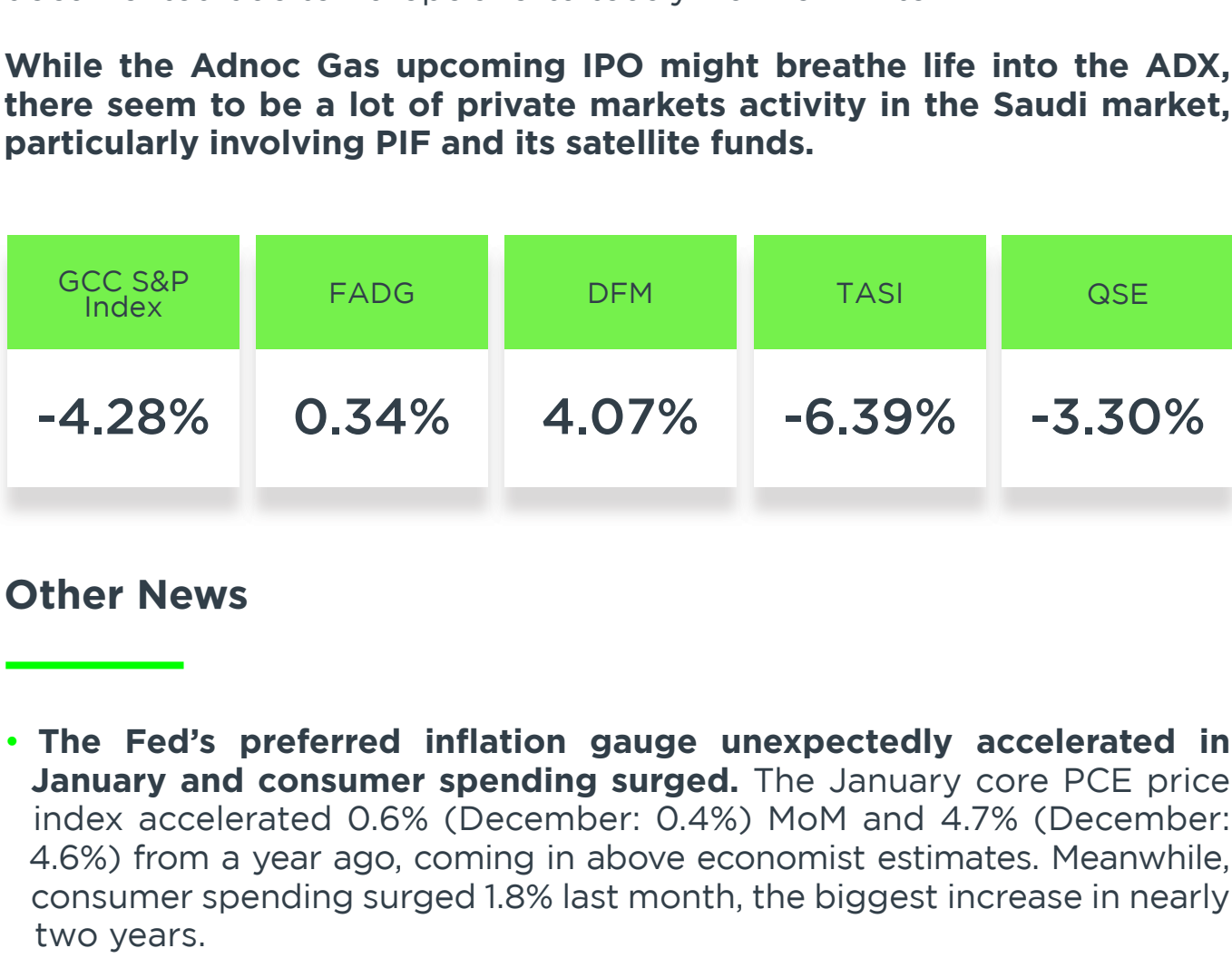
Combining cutting-edge European autonomous driving systems with safety standards, Auve Tech's MiCa self-driving vehicles can be powered with electricity or hydrogen. The new partnership symbolises EDC's growing focus on smart mobility systems and its contribution to making Abu Dhabi a smarter, safer and more sustainable city.



### Emirates Driving Company explores the Future of Mobility autonomous vehicles

Emirates Driving Company held its second engaging edition of the 'EDC - Innovation Lab' with a selected group of external experts, partners and EDC's professionals to discuss various topics about the future of mobility.

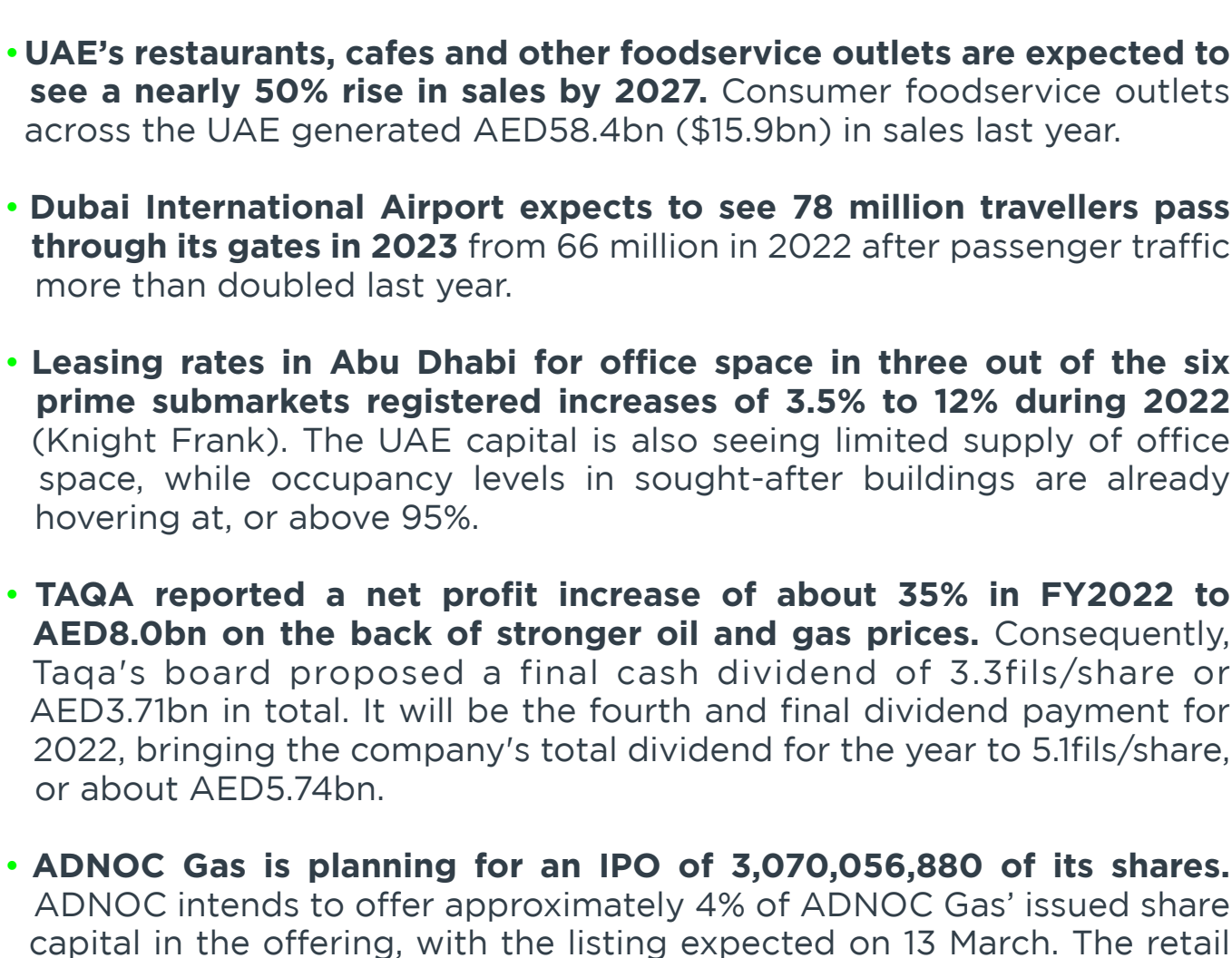
The enlightening sessions were focused on the theme of 'Future Mobility: Where To', and attendees were invited to take part in an interactive breakout group that looked at the potential challenges, solutions and opportunities that may arise in the coming years.



### Viola Communications supports the launch of DIFC's Tales Under The Gate"

Viola Communications successfully designed and produced the launch event of the open-air art gallery, "Tales Under The Gate" at DIFC Sculpture Park, featuring immersive experiences and artworks from over 70 local and international artists at DIFC.

Watch highlights of the event: [Link](#)



## MARKET MONITOR

### Global Markets

**While, overall, global stocks experienced a tough February due to equities inflation readings and a hot jobs market in the US, European equities, including the UK, were standout outperformers.** A better-than-feared winter energy demand likely contributed to the strong European market. However, March has started on a worrying note with the region releasing hot inflation numbers. Again, investors must recalibrate their interest rate path models. **Bar China, PMIs global are coming in softer than last month, and we may start to hear "stagflation noises" again.** The situation that both policymakers and investors find themselves in on the analytical framework front seems untenable. It appears no one quite knows what to look for, or rely on, to make inferences about the future as market participants seem like they must relearn with each new data release. It is a tricky investing environment when everyone seems to be making stuff up as they go, more so for policymakers.

Most of the main risk factors remain, including **monetary and quantitative tightening which has been incongruent high-frequency economic data; moderating but sticky global inflation; tight labour market stoking wage-price spiral;** recession risk; deglobalisation or nearshoring; Europe's energy risk remains real with no end in sight for the Russia-Ukraine war, though an uncharacteristically warmer European winter has been fortuitous. A new but still low-profile risk factor is the US debt limit that has been breached with the impasse in congress may yet compound market volatility. Also, geopolitics seems to have taken a turn for the worse in February, primarily between the world's biggest economies, China and the US. With this backdrop, **we believe a barbell portfolio** strategy remains appropriate given the elevated tail risks on both ends.

MSCI All Country World Index	S&P 500	Euro Stoxx 600	FTSE 100	MSCI Emerging Markets Index
-2.98%	-2.61%	1.74%	1.35%	2.72%

US Dollar Index	Bitcoin	Crude Oil (Brent)	Gold
2.72%	0.03%	-0.73%	-5.55%

### Regional Markets

Saudi and Qatar had a weaker February, with brent struggling to get any traction despite China's reopening. Specifically, the world's biggest chemicals maker Saudi Basic Industries said profit margins would remain tight as it is yet to see an uptick in demand from the Chinese market, compounded by the generally weaker global demand for plastics and building materials. Meanwhile, the story of natural gas prices has been well documented due to Europe's fortuitously warmer winter.

**While the Adnoc Gas upcoming IPO might breathe life into the ADX, there seem to be a lot of private markets activity in the Saudi market, particularly involving PIF and its satellite funds.**

GCC S&P Index	FADG	DFM	TASI	QSE
-4.28%	0.34%	4.07%	-6.39%	-3.30%

### Other News

- The Fed's preferred inflation gauge unexpectedly accelerated in January and consumer spending surged.** The January core PCE price index accelerated 0.6% (December: 0.4%) MoM and 4.7% (December: 4.6%) from a year ago, coming in above economist estimates. Meanwhile, consumer spending surged 1.8% last month, the biggest increase in nearly two years.
- Federal Reserve officials were almost unified in its decision on February 1st to raise interest rates by one-quarter of a percentage point,** the group's meeting minutes showed. Some policymakers, however, said they supported raising rates by a half-percentage point to more effectively combat inflation. Following the release of the minutes, **investors lifted expectations for where rates will peak to around 5.36%.**
- EU slashed its gas demand this winter by almost a fifth,** beating a voluntary 15% goal that was made to help it survive the heating season with much lower Russian flows. The bloc's consumption between August and January was 19% below the average of the previous five years.
- The world's largest-ever trial of a four-day work week was a success,** with most companies involved deciding not to return to the five-day tradition. Around 2,900 workers and 61 companies in Britain, ranging from banks to fast-food restaurants, said employee turnover and stress mostly fell while productivity remained flat or rose.
- Microsoft unveiled an AI-enhanced version of its Bing search engine** - powered by the same technology behind ChatGPT. **Finding itself on the back foot, Google launched Bard, its rival to ChatGPT.** However, the company's share price fell sharply when Bard gave the wrong answer to a question on space telescopes in a video promoting its abilities. Meanwhile, China's Baidu Inc. surged after affirming it's on track to publicly roll out its ChatGPT-like service in March.

- China's passenger car sales slumped 38% in January,** reversing a 2.4% gain in the previous month, as demand weakened after a tax cut on combustion engine cars and subsidies on electric vehicles expired
- Russia's GDP contracted by 2.2% last year,** which defied many economists' expectations of an annual decline of 10% or more.

- UAE's restaurants, cafes and other foodservice outlets are expected to see a nearly 50% rise in sales by 2027.** Consumer foodservice outlets across the UAE generated AED58.4bn (\$15.9bn) in sales last year.
- Dubai International Airport expects to see 78 million travellers pass through its gates in 2023** from 66 million in 2022 after passenger traffic more than doubled last year.

- Leasing rates in Abu Dhabi for office space in three out of the six prime submarkets registered increases of 3.5% to 12% during 2022** (Knight Frank). The UAE capital is also seeing limited supply of office space, while occupancy levels in sought-after buildings are already hovering at, or above 95%.

- TAQA reported a net profit increase of about 35% in FY2022 to AED8.0bn on the back of stronger oil and gas prices.** Consequently, Taqa's board proposed a final cash dividend of 3.3fiils/share or AED3.71bn in total. It will be the fourth and final dividend payment for 2022, bringing the company's total dividend for the year to 5.1fiils/share, or about AED5.74bn.

- ADNOC Gas is planning for an IPO of 3,070,056,880 of its shares.** ADNOC intends to offer approximately 4% of ADNOC Gas' issued share capital in the offering, with the listing expected on 13 March. The retail offering is expected to run from 23 February 2023 to 1 March 2023. The qualified institutional investor offering is expected to run from 23 February 2023 to 2 March 2023. ADNOC holds a 95% stake in ADNOC Gas, and before the offering, it transferred 5% of the share capital of ADNOC GAS to TAQA. After the IPO, ADNOC is expected to own approximately 91% of ADNOC Gas.

- Abu Dhabi's economy grew by 10.5% annualised in the 9M2022,** the fastest expansion in the Mena region, driven by strong growth in the non-oil sector.

- DEWA updates strategic plan to include achieving net-zero by 2050,** in line with the government plans and strategies that aim to achieve by 2050.