## with 60% Revenue Growth across its operating portfolio

Multiply Group has reported its Q2 2024 results with a net profit excluding fair value changes of AED 319 million, representing 49% growth compared

to the same period last year (AED 214 million Q2 2023). Robust underlying profit growth was largely led by the consolidation of new acquisitions as we deliver on our vertical building strategy. Reported net profit of AED 992 million includes AED 673 million unrealized fair value gains from the public investment portfolio. Group revenue in Q2 2024 increased by 60% YoY to AED 442 million, driven by organic growth across all verticals (+8% YoY) and the consolidation of Media 247, BackLite Media, and The Grooming Company Holding. Blended

gross profit margin remained healthy at 43.5%, reflecting the change in revenue mix with increased contribution from the Media vertical post new acquisitions (33% of Q2'24 revenue vs 8% in Q2'23). Investment and other income including dividend income was at AED 218 million.

Balance sheet remains robust with cash balance of AED 1.62 billion and up to AED 5 billion in firepower ready to be deployed in new investments towards vertical building. 2024 at Multiply Group is The Year of Efficiency. Multiply Group's efficiency programme which launched in Q2 has started yielding results, achieving over AED 5 million of efficiency gains (over 10% of the Group's AED 45 million

run-rate target). The Group's impactful cost-related initiatives include identifying savings in procurement, consolidating duplicated roles as it grows, and restructuring to remove business layers. On the revenue side, Multiply Group started capturing more wallet share in media given its significant presence across three dominant OOH brands in the UAE. It has begun to unlock revenue by

increasing capacity across its media assets as well as reducing customer

churn across brands such as beauty. 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, 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. 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. Read the full article here Financial Results



### was listed in the Top 10 Middle East's CEOs by Forbes in 2023. Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC continually being in the top performers of the Abu Dhabi Bourse's listed companies.

Company (IHC) and is an accomplished and respected senior executive, he has substantial and diversified experience across various industries, and



also forms part of EDC's strategic priorities where it is exploring sustainable growth through various opportunities locally and across the GCC as well as working to achieve national and international accreditation for excellence

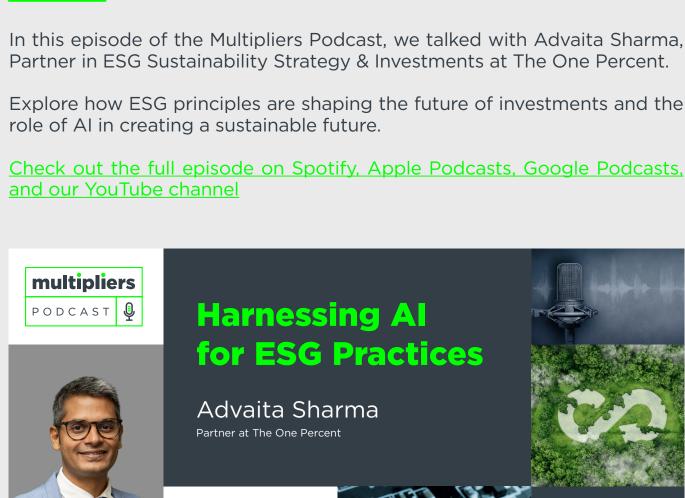
Founded in 2020, Excellence Driving Centre aims to deliver comprehensive vehicle driving education in Dubai through its extensive network of over 20

in driver education.

strategic locations across the city.

EXCELLENCE DRIVIN

**Harnessing AI for ESG Practices** In this episode of the Multipliers Podcast, we talked with Advaita Sharma, Partner in ESG Sustainability Strategy & Investments at The One Percent. Explore how ESG principles are shaping the future of investments and the



**SUBSIDIARIES' NEWS** 



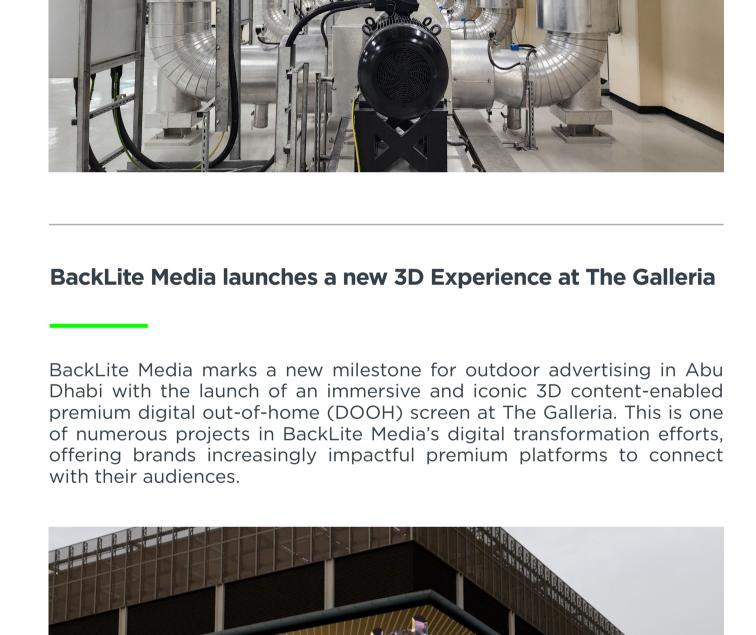
# **PAL Cooling Holding completes the Danat Development**

**Cooling Plant** 

PAL Cooling Holding (PCH) has completed a landmark project that integrates advanced technology with efficiency and sustainability features. The Danat Development Cooling Plant is equipped with a state-of-the-art control system capable of operating in fully automatic mode. It also utilizes analytics, including reports and trend analysis, to achieve higher efficiency. The cooling system features green refrigerant

chillers that use hydrofluoro-olefins (HFOs). These refrigerants have zero ozone depletion potential and ultra-low global warming potential,

ensuring the cooling plant has a minimal environmental impact.



Work<sub>®</sub>

Viola Communications secured the 4th place in GCC's 'Best Workplaces™' for Media, Advertising, and Marketing. 'Great Place to Work' is a global people authority on workplace culture that helps companies of all sizes produce better business results by focusing on the work experience for

Viola Communications is a Great Place to Work

every employee.

(-5.9%) retreated.

Chinese Q2 GDP

September cut; BoJ tightens

Rotation trade, out of tech, gathers pace

July:

(1)

(2)

(3)

(4)

(5) (6)

(7)

MARKET MONITOR **Global Markets** The barometer for global equities was on track to record a decline in July

but staged a last-day rally on dovish Fed comments, maintaining its winning momentum for a third straight month. MSCI ACWI rose 1.5% in July. Under the hood, markets were mixed, with Africa, Australia and India leading the charge. The US, despite elevated volatility, and Europe also showed resilience, while China, Japan, and tech lagged behind. Equity volatility in equity markets was mixed, while bond markets remained calm. Yield on the US 10-year government bonds eased markedly, its yield slipped 35.7bps to 4.035%. Across assets, performances were mostly lower. Bitcoin (7.1%) and gold (5.1%) notched gains, while the dollar (-1.3%), brent crude (-5.0), natural gas (-21.6%), iron (-0.5%), and copper

The following are the overriding themes that drove market sentiment during

Strong US Q2 GDP; Largely in-line Eurozone Q2 GDP growth; Weak

Softer US inflation (CPI & PCE Price Index); Slightly sticky Eurozone

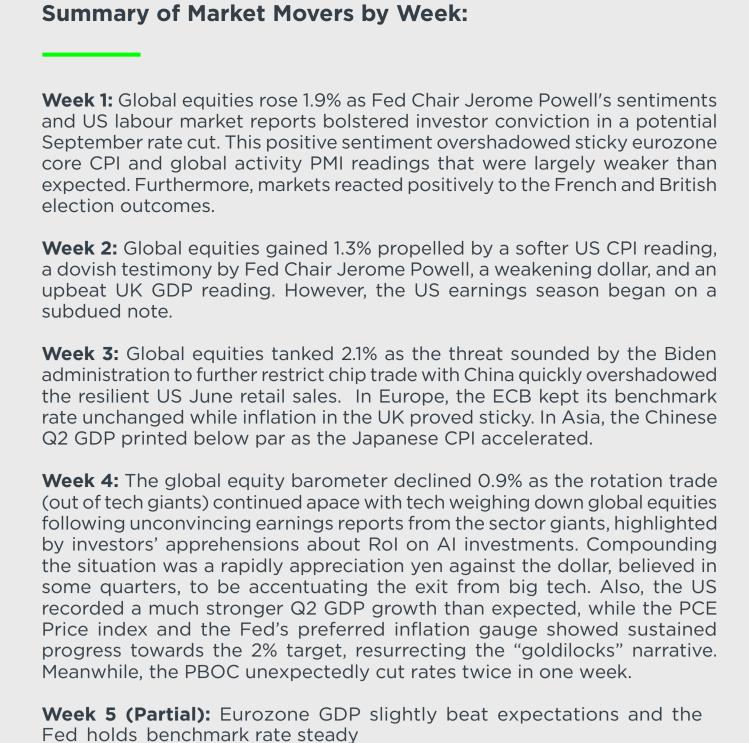
Dovish Fed, with a September rate cut looking more and more likely

Musing of more restrictions by the US on chips trade with China

ECB & Fed hold rate steady, and Fed put strong indications of a

& UK CPIs; Weak Chinese CPI; Accelerating Japanese CPI

French and British election outcomes gravitate to the left



By 26 July, 41% of S&P500 companies had reported actual earnings for 2Q: 78% of reported beat EPS expectations, which is above the 5-year average of 77% and the 10-year average of 74%. In aggregate, actual earnings reported by these companies have exceeded estimated earnings by 4.4%, below the 5-year average beat of 8.6% and the 10-year average of 6.8%. Consequently, the updated earnings growth rate expectation for the S&P500 for Q2 has increased by 0.9ppts to 9.8%, up from 8.9% that was expected at the beginning of the earnings season. If 9.8% ends up as the actual growth rate for Q2, it will mark the highest YoY earnings growth rate reported by the index in Q4 2021 of 31.4%. It will also mark the fourth

Some of the themes driving investment thought include the pricing of a **September Fed rate cut price;** sector-rotation with investors betting on other sectors outside tech and re-evaluating the promise of AI; cooling of the US labour market; renewed worries about the Chinese economy; India as the fastest-growing major economy and big budget economic boost, increased uncertainty in geopolitics; and the shift from private equity to private debt.

1. The impact of long and variable lags of restrictive monetary policy but

Risk of a wider Middle East war compounded by ructions along the

1.3%

The S&P GCC regional equity performance indicator continued its recovery by 2.5% in July (June: +2.5%). All major regional sub-indices that we follow closed higher with the DFM gaining the most. Brent declined by 5.0% as expected weakness in Chinese oil demand due to economic uncertainty is offsetting any upbeat demand signals from around the world. However, regional tensions are back in the spotlight following escalation by Israel.

DFM

5.9%

Bitcoin

7.1%

MSCI

Emerging

Markets Index

-0.1%

QSE

1.9%

Gold

5.1%

**FTSE 100** 

2.5%

TASI

3.7%

Crude Oil

(Brent)

-5.0%

5. Al-generated misinformation; 6. Extreme weather events; 7. A concentrated rally in a few global tech stocks. MSCI All S&P 500 Euro Stoxx Country 600 World Index

1.1%

**US** Dollar

-1.3%

**Regional Markets** 

GCC S&P Index

3.9%

**S&P 500 Q2 Earnings Season Update** 

consecutive quarter of YoY earnings growth.

The main risk factors to watch include:

3. China's indebted real estate sector:

4. Heightened geopolitics:

1.5%

Red Sea trade route: Russia-Ukraine war;

major central banks are beginning to loosen; 2. Major governments' high levels of indebtedness;

 Washington dysfunction plus US election year; Trade wars - deglobalisation and nearshoring.

Outlook & risks

**Other News** 

FADG

3.1%

- most important." Saudi Arabia's sovereign wealth fund PIF swung to a profit of SR138.1bn (\$36.81bn) in 2023, it said on Monday, after posting a loss of \$15.6bn a year earlier. PIF, which has around \$925bn in assets under management, is the chosen vehicle of Crown Prince Mohammed bin Salman to drive an economic
- agenda aimed at weaning the Gulf country's economy off oil. The first six months of 2024 saw 27 mega-deals, of more than \$1bn in value invested or divested by sovereign investors. Investments were led by the top sovereign wealth funds in the Middle East - 'Oil Five' ie Saudi's PIF, Abu Dhabi's ADIA, Mubadala and ADQ, and Qatar's QIA - which invested \$ 38.2 billion in 58 different deals, according to industry tracker Global SWF. Shares worth approximately SR1.02trn (\$272.9bn) were traded between

January and June this year on the Tadawul, surging by 72.07% over the

- Federal Reserve Chair Jerome Powell said that recent economic data indicate inflation is returning to a downward trajectory, but stressed that policymakers require additional evidence before reducing interest rates. While Powell refrained from offering any specific guidance on the timing of the first rate cut, he acknowledged that the central bank has made "quite a bit of progress" in lowering inflation. He added that he would like to see that progress continue: "Because the US economy is strong and the labor market is strong, we have the ability to take our time and get this right." Eurozone's annual inflation rate eased to 2.5% as expected in June from 2.6% in May, while the region's annual core inflation rate unexpectedly remained steady at 2.9% vs. 2.8% expected. Now, according to LSEG data, money market pricing indicates that the ECB will lower rates by 25bps twice more by the end of the year. US saw a 0.1% CPI drop from May to June, much better than an increase of 0.1% expected, and smacks of an important dovish watershed for data-dependent Fed policymakers. China's economy grew 4.7% year on year in Q2. GDP, which added 5.3% in Q1, had been expected to rise 5.1%. Meanwhile, the IMF upgraded its forecast for China's GDP to 5% in 2024 from its April projection of 4.6%, citing a rebound in private consumption and strong exports. The Core PCE Price Index and Fed's preferred gauge to measure underlying inflation rose by 0.2% from the previous month in June of 2024, above market expectations of a 0.1% increase. Still, increases of 0.2% MoM are viewed positively. It marked an acceleration from the 0.1% increase in the prior month, which was the softest increase since November of 2023. The US economy grew at a +2.8% annualized rate in the second quarter, surpassing the +2.0% consensus estimate and accelerating from +1.4% in the prior quarter, highlighting a resilient consumer and more business spending in the face of economic worries. The Q2 core personal consumption
  - "In September we will have another two months of data on inflation and underlying inflation, but the new macroeconomic projections will be the
  - billion by the end of April 2024, a YoY growth of 25% from approximately AED631.63 billion in April 2023. Private equity and real estate continue to be favoured by Middle East investors, while hedge funds and VC has become less popular, according to UK data firm Pregin. Real estate stood out with the proportion of investors allocating 20% or more AUM to this class more than doubling compared with 2022. This accounted for almost half of the survey group in 2024, compared with less than a quarter in 2022. Meanwhile, 6.7% of the investors surveyed reported no holdings at all in private equity, and 3.3% in real estate, whereas almost two-thirds (64%) of institutions held no assets in hedge funds in 2024, compared with a quarter in 2022.
- expenditures price index rose +2.90%, slowing from +3.70% in Q1. ECB Vice President Luis de Guindos suggested the possibility of an interest rate cut in September, highlighting the ECB's new projections as the "most important" factor in assessing whether inflation is returning to the 2% target.
  - first half of 2023. The balance sheet of the Central Bank of the UAE hit a record AED789.82
  - UAE's economy is expected to grow by 3.9% in the current year, 2024, rising to 6.2% in 2025, according to the Arab Monetary Fund. The expected growth is driven by continued improvements in tourism activity, real estate, and international trade, increased capital spending, and ongoing efforts to support the economy, including developments in high-tech industries.

Contents: Our Updates Subsidiaries' News Market Monitor **OUR UPDATES** Multiply Group registered AED 439 million in EBITDA excluding fair value changes in Q2 2024, a 33% increase YoY,