



MULTIPLY
GROUP

Multiply Group P.J.S.C
Financial results
Q1 2024

ADX: MULTIPLY
www.multiply.ae

3 May 2024

Multiply Group registered AED 393 million in Group Net Profit excluding fair value changes in Q1 2024, with 45% Revenue Growth across its operating portfolio – Continues global acquisitions and declares 2024 Year of Efficiency

Financial highlights (AED million)	Q1 2024
Revenue	391
Gross profit <i>margin %</i>	200 51%
General & Admin Expenses	(85)
Investment and other income	361
Share of profit from investment in a joint venture	(13)
EBITDA <i>(excluding fair value changes)</i>	482
Net profit <i>(excluding fair value changes)</i>	393
Reported Group Net profit <i>(including fair value changes)</i>	(4,244)

GROUP LEVEL PERFORMANCE (Q1 2024)

EBITDA

(excluding fair value changes in investments)

AED **482** million

Group Net Profit

(excluding fair value changes in investments)

AED **393** million

Investment & other income

AED **361** million

Total Assets

(As of 31 March 2024)

AED **39** billion

OPERATING BUSINESS PERFORMANCE¹ (Q1 2024 vs Q1 2023)

Revenue

AED **391** million

+45% growth YoY

Net Profit from Operating Companies

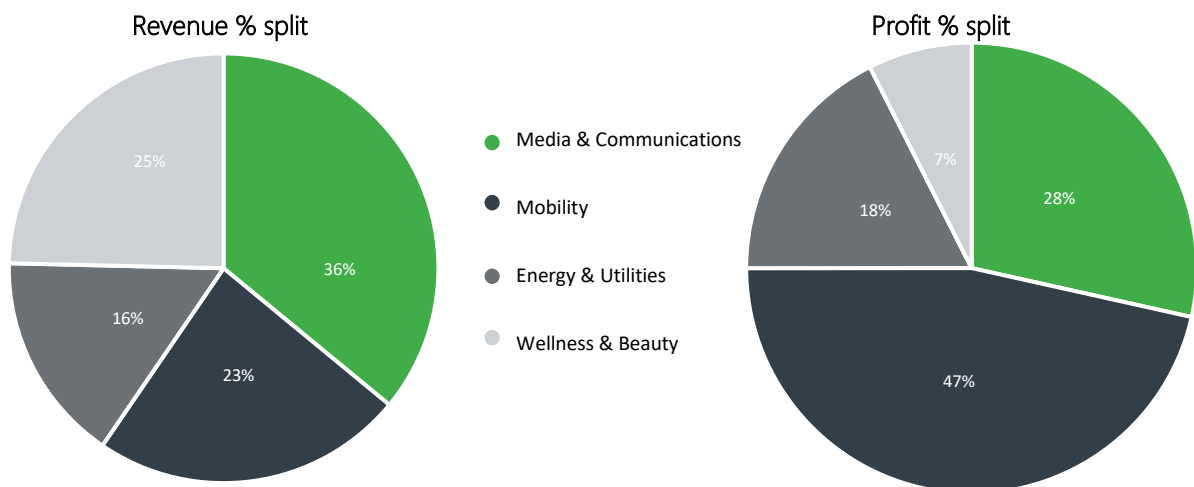
AED **136** million

+39% growth YoY

Cash flow from operations

AED **483** million

Revenue and Profit Split Per Vertical



MULTIPLY+

Value of Public Market Portfolio

(As of 31 March 2024)

AED **28** 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 under Mobility, PAL Cooling Holding under Utilities and Omorfia under Wellness)



SAMIA BOUAZZA

GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Throughout Q1 2024, we maintained our focus on delivering strong growth across existing subsidiaries and adding new high-value acquisitions to our portfolio. As a result, net profit and revenue of our operating portfolio grew by 39% and 45% respectively with Q1 net profit standing at AED 393 million excluding fair value changes. Throughout the quarter, we unlocked value across our businesses by adding new services, introducing efficiencies and reducing operating costs - making us leaner while elevating margins and shareholder returns. Our first acquisition in 2024 was Backlite Media and we will continue to invest in value-accretive targets and acquire profitable companies in emerging markets and across the globe, both in existing and new sectors.

Finally, 2024 is the Year of Efficiency at Multiply Group, where we have identified areas of EBITDA uplift across our businesses that will come from revenue synergies, (e.g. geographic expansion, value accretive bolt-ons), cost optimization (e.g. back-office integration) and digital transformation and AI initiatives that enhance customer acquisitions and automate processes. Therefore, we are positive about our outlook for 2024, but more importantly the long-term sustainable growth of Multiply Group.

ABU DHABI, 3 May 2024 – Multiply Group (ADX: MULTIPLY), a leading Abu Dhabi-based investment holding firm, today reports its Q1 2024 results with a net profit excluding fair value changes of AED 393 million, representing 48% growth compared to the same period last year (AED 266 million Q1 2023). Robust underlying profit growth was driven by strong performance across business verticals. Reported loss of AED 4.2 billion includes over AED 4.6 billion paper losses from unrealized changes in fair value driven by periodic market fluctuations with no implications on the operational performance of the business. In year 2022, we reported paper gains of AED 18.5bn which gives us fair value gains of AED 13bn since then.

Group revenue increased by 45% YoY to AED 391 million, driven by growth across all verticals and the consolidation of Media 247 and BackLite Media under the Media vertical. Blended gross profit margin remained healthy at 51.1%, reflecting continued profitability across core verticals. Investment and other income was +29% YoY at AED 361 million.

Group net profit growth excluding unrealised fair value changes was driven by strong vertical performance (48% YoY blended growth) – excluding the Kalyon JV contribution, which was negative AED 13 million on higher deferred tax expense impacted by hyperinflation accounting in Turkey. In Q1 2024, we reported income tax benefit of AED 46 million on the recognition of fair value losses during the period.

Balance sheet remains robust with cash balance of AED 1.62 billion. The Group again demonstrated the value of its long-term strategy by building a diversified portfolio of strong assets across its four

core verticals (Mobility, Energy and Utilities, Media and Communications, and Beauty and Wellness) whilst investing in lucrative assets under Multiply+ for double-digit returns.

2024 at Multiply Group is The Year of Efficiency. The Group has identified across its portfolio areas of EBITDA uplift worth up to AED 45 million run-rate. 50% of which will come from revenue synergies (e.g. geographic expansion, cross-selling and value-accretive bolt-ons), up to 40% through cost optimization (e.g. back-office integration and streamlining procurement) and up to 10% from Digital Transformation and Artificial Intelligence initiatives that look to enhance customer acquisition and automate processes.

Under Multiply+, the public market portfolio closed the quarter with a valuation of AED 28 billion, compared to an initial investment of AED 15 billion. Despite market fluctuations affecting the fair value of some assets, notably from the Q1 decline in the share price of TAQA, 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. This is reflected in continued and strong revenue growth.

Group Highlights

Strategic Investments in Q1'24

In a strategic move to expand its footprint in the burgeoning Out-of-Home (OOH) advertising space, Multiply acquired 100% of BackLite Media, a premier Digital Out-of-Home (DOOH) advertising company with assets in landmark locations in the United Arab Emirates (UAE) and revenues of AED 232 million in 2023. The deal encompasses all operating entities of BackLite Media and is a key step in Multiply Group's broader strategy to enhance and consolidate its Media vertical. The strategic pivot into DOOH advertising aligns with market trends and future growth opportunities. With a portfolio that comprises 86% digital and 14% static advertising solutions, BackLite Media has established itself as one of the leading media companies in the UAE. The acquisition seamlessly complements Multiply Group's existing portfolio, which includes Media 247 and Viola Communications, and underscores the Group's dedication to investing in profitable enterprises and creating synergies.

Vertical updates

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

Profits of the vertical surged 19x YoY with the inclusion of Media 247 in H2'23 and Backlite in March 2024. Viola net profit more than doubled YoY, driven by enhanced efficiencies, significant increase in agency services revenue, and higher occupancy of Out-of-Home (OOH) media assets alongside the addition of new signboards, specifically digital bridge banners. In Q1, Viola signed a 10-year strategic partnership with ADNOC, which includes operating outdoor media in the capital and supporting ADNOC's brand visibility in Al Dhannah city. Additionally, Viola has introduced D.Toplight, a 3D-enabled digital rooftop media platform, at a prime location on Airport Road in Abu Dhabi's central downtown hub, strategically positioned for maximum exposure and reach. Media 247 is strengthening its digital marketing agency which specializes in supporting brands and creating targeted and effective social and programmatic advertising. The latest addition to Multiply Media's portfolio, BackLite Media, has expanded its reach to the capital with the launch of its Landmark Series digital billboards. The Landmark Series will feature a collection of iconic outdoor advertising structures strategically positioned in key, high-profile locations across the city.

Mobility (Emirates Driving Company EDC)

EDC reported consistent and steady profitability growth impacted by corporate taxes in 2024, which was largely negated by improved EBITDA margins on lower operational costs YoY. A new partnership with Du, EDC's cloud partner, aims to transform the customer journey and facilitate cost optimization for service level agreements. This collaboration also explores advanced technologies such as artificial intelligence (AI) to enhance customer service. Additionally, EDC has introduced advanced training simulators featuring the latest computer technology, providing a realistic and immersive learning experience. EDC continues to invest in technology and ensures the company remains at the forefront of driving education with cutting-edge tools and realistic experiences.

Beauty & Wellness (Omorfia)

The vertical net profit is down 35% year-on-year due to a combination of both the introduction of corporate income tax and the negative contribution from LVL's consolidation given the early-stage nature of the business. Brands under Omorfia Group have managed to deliver growth of 8% y-o-y despite a shift in the Ramadan months in March. Other significant milestones achieved for the period include the inauguration of Bedashing Beauty Lounge in Zayed International Airport Terminal A, the 24th branch under this brand. In addition, Tips and Toes launched its 41st branch in Marina Vista, Dubai cementing its position as the largest salon and spa chain in the Middle East. The combined footprint of Omorfia current stands at 85 owned and operated salons across the Emirates and the Kingdom of Saudi Arabia.

Utilities & Energy (PAL Cooling Holding + IEH²)

Profitability of the vertical was impacted by an AED 13 million share of losses from the Kalyon JV, one of Multiply's investments under International Energy Holding, on higher deferred tax expense impacted by hyperinflation accounting in Turkey. PAL Cooling reported 15% YoY net profit growth on improved gross margins and lower operating expenses. Pursuing growth, Kalyon Enerji, launched its latest development in Nigde-Bor, Turkey. The Nigde-Bor Solar Power Plant (SPP) adds 130MWDC/100MWAC to Kalyon Enerji's portfolio – and is recognised as the second-largest SPP in Turkey after Kalyon's 1.3 GW Karapinar Project, which is in turn recognised as the largest SPP in Europe. The Nigde-Bor SPP is estimated to reduce 180 thousand tonnes of carbon dioxide emissions annually, contributing to a greener future, and meet the needs of approximately 75,000 households and around 300,000 people across the country.

Corporate Social Responsibility (CSR)

- **Cleaning up the Oceans:** In the year of sustainability, an inspiring initiative took flight in partnership with the US-based organisation 4ocean. The Group offset over 100,000 pounds of plastic waste in 2023. Moreover, 2024 kicked off on a positive note with a beach cleanup in Al Bahía, where a dedicated team of employees successfully collected over 300 pounds of plastic waste, contributing to the broader effort of environmental preservation and setting a proactive tone for continued environmental stewardship throughout the year.
- **Crescents of Dreams:** Embracing the spirit of giving this Ramadan, Tips & Toes collaborated with the Dubai Center for Special Needs. With each AED 70 purchase, clients were offered a limited-edition hand-painted crescent, delicately crafted by the

² IEH (International Energy Holding) does not contribute to top-line but its net profit includes share of profit from a 50% JV investment in Kalyon.

students of DCSN. Every purchase was a heartfelt contribution, with all proceeds dedicated to supporting the students.

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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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