
ALPHA DHABI HOLDING PJSC

**Management Discussion &
Analysis**

For the Year Ended 31 December 2022

DATE: March 03, 2023

Alpha Dhabi Holding PJSC (“ADH”), an Abu Dhabi headquartered company listed on ADX (ticker: ALPHADHABI) reports a group net profit of AED 10.6 bn for the year ended 31 December 2022, showing continued momentum in the execution of its strategy across key verticals and commitment to generate higher shareholder value. Our strategy is aligned with Abu Dhabi’s Economic vision 2030.

Investor Metrics:



Key highlights during the period

- Group net profit at AED 10.6 bn, up 104% YoY with a net margin of 26.5%, while net profit for FY 2021 was AED 5.2 bn.
- Group revenue was AED 40.0 bn, with a 114% YoY increase compared to the revenue reported as at 31 December 2021 at AED 18.7 bn.
- Total costs of the group for the year ended 31 December 2022 were AED 35.1 bn, compared to AED 14.0 bn for the year 2021. The growth is aligned with the company’s expansion and revenue increase.
- Earnings per share (EPS) jumped 62% YoY in the reporting period to AED 0.73, from AED 0.45.
- Total assets were AED 131.0 bn, an increase of AED 83.7 bn from 31 December 2021, an increase of 177% YoY.

Company Overview

100,000+
Employees

150+
Businesses

AED 270 Bn
Market Cap as
on 31.12.22

A leading **Investment Holding company**, with **five verticals** and 150+ businesses across Middle East, Europe, Asia and North America, each of which is committed to be transformed into platforms of potential, progress, and prosperity.

Strategic Investments

Investments in which the group has control or significant influence and is able to participate and support in the growth strategy of the respective businesses.

Listed

Key listed strategic investments as at 31 December 2022 are






Non-Listed

The group has a wide portfolio of strategic investments in privately held companies.

- Industrial**
- Construction**
- Real Estate**
- Healthcare**
- Services**

Financial Investments

Investments are investments in which the group does not have any control or significant influence.

Listed

The Group participated as a cornerstone investor in the IPOs of Borouge and DEWA




Non-Listed

The group has a wide portfolio of financial investments across geographies.

Built on strong key values focused on maximizing share holders returns

Strengthening Portfolio	Corporate Governance	Effective Leadership	Synergies
 <p>Significant capital deployment, successful expansion of our platform, and enhancing our geographic footprint.</p>	 <p>Across our group, we maintain a steadfast commitment to corporate governance.</p>	 <p>Strong performance delivered by highly engaged colleagues and business heads of the company and its subsidiaries.</p>	 <p>Various acquisitions during the year led to continued operational efficiency.</p>

Management Discussion & Analysis

Alpha Dhabi is pleased to present its report on the performance of the Group for the year ended 31 December 2022. This report should be read in conjunction with the interim condensed consolidated financial statements for the same period.

Execution on Alpha Dhabi's ongoing and accelerated growth agenda continues to drive growth and expansion across the Group's core verticals and diversified platforms.

Summary of Financial Results

<i>Income Statement Summary (AED Bn)</i>	FY 22	FY 21	YOY %
Revenue	40.0	18.7	114%
EBITDA	13.0	5.9	120%
<i>EBITDA Margin</i>	32.5%	31.6%	
Net Profit	10.6	5.2	104%
<i>Net Margin</i>	26.5%	27.8%	

<i>Balance Sheet Summary (AED Bn)</i>	FY 22	FY 21	YOY %
Current Assets	74.9	25.8	190%
Total Assets	131.0	47.3	177%
Equity	70.0	26.0	169%
Current Liabilities	37.5	15.8	137%
Total Liabilities	61.0	21.3	186%

Profit & loss analysis for the year ended 31 December 2022

Revenue: The Group generated revenue of AED 40.0 bn for the year ended 31 December 2022, equivalent to 114% YoY growth, driven by the following:

- Increased revenue across all business segments and the impact of strategic acquisitions and investments made in 2021 and 2022.
- Continued expansion outside the UAE, with overseas revenue of AED 5.2 bn, in comparison to AED 2.9 bn in 2021, 79% YoY increase.

EBITDA: The Group reported an EBITDA of AED 13.0 bn, which increased by 120% versus the period ended 31 December 2021, reflecting the impact of both organic growth and acquisitions.

Expense Analysis: General and administrative expenses for the period were AED 4.8 bn versus AED 1.0 bn during the same period in 2021, with the increase arising from the continued growth of the Group.

Net Profit: Alpha Dhabi has delivered a remarkable set of financial results for full year 2022 with net profit of AED 10.6 bn, up 104% year-on-year from AED 5.2 bn - exceeding the guidance of AED 10 bn net profit provided at the beginning of 2022.

Earning per share: Earnings per share for the period was AED 0.73 per share, an increase from AED 0.45 during the same period last year.

Balance Sheet Analysis for year ended 31 December 2022

Alpha Dhabi remains well capitalized with a strong balance sheet which has continued to grow as a result of the acquisition activity and Alpha Dhabi's burgeoning portfolio of operating subsidiaries.

As at 31 December 2022:

Total assets grew to AED 131.0 bn as at 31 December 2022 against AED 47.3 bn as at the end of 2021 driven by the acquisitions and consolidation of Aldar Properties, SEHA and Daman.

Non-current assets of AED 56.1 bn compared to AED 21.5 bn as at the end of 2021. The 161% YoY increase is mainly arising from the consolidation of new entities.

- Increase in total property, plant and equipment by AED 8.0 bn as a result of consolidation and business combinations.
- Increase in investment properties by AED 22.6 bn mainly due to consolidation of Aldar Properties.

Current assets of AED 74.9 bn compared to AED 25.8 bn as at the end of 2021, being an increase of 190%.

Non-current liabilities at the year end were AED 23.5 bn compared to AED 5.5 bn at the end of 2021.

Current liabilities have reached to AED 37.5 bn as at 31 December 2022 compared to AED 15.8 bn at the end of 2021.

Equity increased to AED 70.0 bn from AED 26.0 bn at the end of 2021 due to increase in retained earnings of AED 6.2 bn and non-controlling interests of AED 33.4 bn.






Segment Performance

The group has categorized its business into two categories of segment for reporting purposes:

Operating Segments:

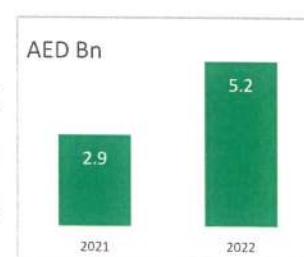
The Group is organized into 5 segments segregated based on the operating activities. All the segments during the period delivered a notable performance and each of the segments was profitable.

Segment Information (AED Bn)	Healthcare	Industrial	Real Estate	Construction	Services & others	Total
Revenue	11.3	10.8	6.8	6.6	4.5	40.0
Net Profit	3.8	1.2	0.6	0.4	4.6	10.6
Total Assets	20.5	16.4	56.3	6.8	31.0	131.0

Segment	Revenue Contribution	Activities
Healthcare		Hospitals and medical management services and laboratory diagnostic services.
Industrial		Provision of dredging and associated land reclamation works.
Real Estate		Rental income from properties and income from investment in real estate companies or sale of real estate.
Construction		Contracting services relating to commercial and residential buildings, infrastructure development and civil construction works.
Services		Management services, insurance related services, hospitality income as well as a variety of smaller ancillary activities.

Geographical Segments

Further to operating segments, the Group has aggregated its geographical segments into the UAE and international. Revenue attributable to international segments for the period ended 31 December 2022 increased to AED 5.2 bn compared with AED 2.9 bn as at 31 December 2021 with a 79% YoY increase.



Key Investments for the Year

WIO Bank PJSC

The investment in WIO Bank, a UAE-based digital banking platform, was made through a consortium comprising ADQ, FAB, Etisalat and Alpha Dhabi, who together invested a total of AED 2.3 bn. The investment supports the development of the UAE's thriving financial services sector.

Aldar Properties

Alpha Dhabi increased its shareholding in Aldar and was consequently able to appoint a majority of Aldar's Board of Directors and became Aldar's parent company. Accordingly, the Group has fully consolidated Aldar's financial results and made Aldar a part of the Alpha Dhabi Group; reaffirming its support as a long-term, strategic shareholder and believer in Aldar's growth strategy.

SpaceX

Alpha Dhabi made its first investment into SpaceX, a leading manufacturer and launch operator for advanced rockets and spacecrafts. The AED 92 mn investment bolsters the Group's growing investment portfolio across companies driving innovation globally.

Alpha Wave Ventures Fund II

Alpha Dhabi committed AED 9.2 bn into Alpha Wave Ventures II Fund; of which AED 2.9 bn has been contributed during 2022. The fund targets investments in high growth, tech-enabled and tech-driven businesses that provide pioneering and innovative solutions to key problems both regionally and globally.

Ardent Health Services

Alpha Dhabi's subsidiary Pure Health entered into a definitive purchase agreement to acquire a minority equity investment in Ardent Health Services (Ardent), a leading U.S. healthcare provider based in Nashville, Tennessee, for a total investment of AED 1.8 bn.

Kalyon Enerji Yatirimlari A.Ş (Kalyon Enerji)

Alpha Dhabi agreed to invest AED 370 mn alongside Multiply Utilities Holding LLC in Kalyon Enerji Yatirimlari A.Ş. The investment represents 20% of a 50% interest in the share capital of Kalyon Enerji. This transaction is the Group's first investment in Turkey as part of its geographic diversification strategy.

Gordon Technologies

Alpha Dhabi acquired a 25% stake in Gordon Technologies, a leading provider of MWD (Measurement While Drilling) technology to the oil and gas industry for AED 602 mn. The transaction demonstrates Alpha Dhabi's commitment to driving value through making investments in innovation and disruptive technologies.

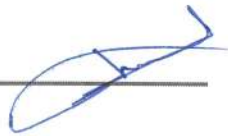
Future Plans

Management confirms its commitment to support and enhance the core investment activities of the company to drive continuous growth via:

- The addition of exciting new operating assets through acquisitions and geographic diversification.
- Implementing robust and exemplary corporate governance across the ADH portfolio of businesses to ensure strong growth is supported by an effective framework of controls and risk management.
- Key areas of focus include growing the new established verticals of energy and lifestyle where the group has identified unique opportunities to grow shareholder value.

Hamad Salem Al Ameri

Managing Director



About Alpha Dhabi Holding

Alpha Dhabi Holding (ADH), the UAE listed conglomerate, was established in 2013 and is one of the fastest growing investment holding companies in the MENA region, with more than 150 businesses spread across healthcare, renewable energy, petrochemical and other industries as well as real estate, construction and hospitality. With over 100,000 employees, ADH is a strategic contributor to the UAE economy and is committed to drive continuous growth for its stakeholders through investments in emerging businesses, supporting innovation and diversity



Alpha Dhabi Holding

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