

ALPHA DHABI HOLDING PJSC

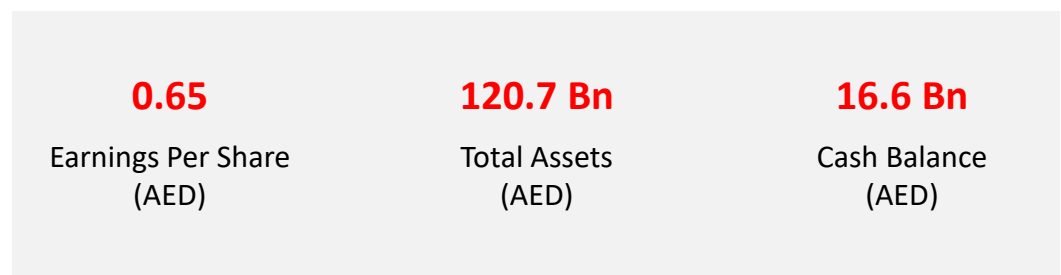
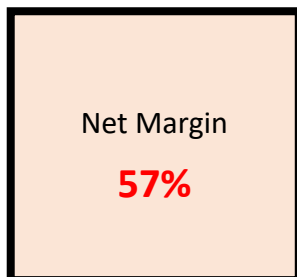
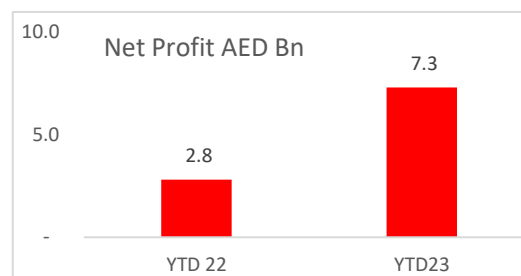
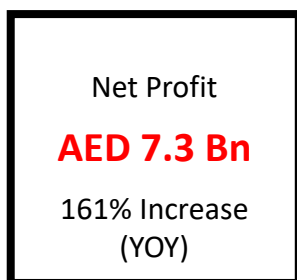
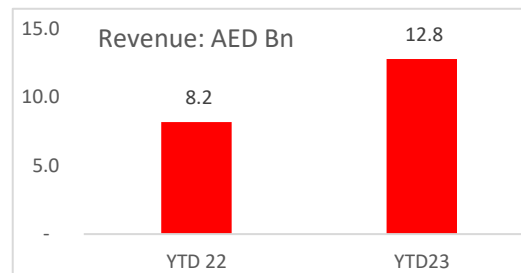
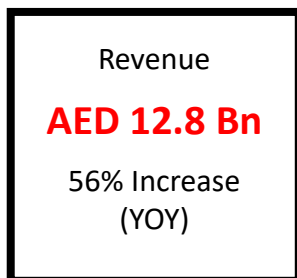
Management Discussion & Analysis

For the Period Ended 31 March 2023

DATE: May 04, 2023

Alpha Dhabi Holding PJSC (“ADH”) reports a Group net profit of AED 7.3 Bn for the first quarter of 2023, showing continued momentum in the execution of its strategy across key verticals and commitment to generate higher shareholder value.

Investor Metrics:



Key highlights during the period

- Group net profit at AED 7.3 Bn, up 161% YoY with a net margin of 57% while net profit for Q1 2022 was AED 2.8 Bn.
- Group revenue was AED 12.8 Bn, up 56% YoY increase for the first three months from AED 8.2 Bn for the comparative period in 2022.
- Earnings per share (EPS) jumped 225% YoY in the reporting period to AED 0.65.
- Total assets were AED 120.7 Bn compared to a total assets of AED 131.0 Bn for year ended 31 December 2022. The change is in-line with Group’s reorganization of subsidiary (Pure Health Holding) to investment in joint venture.

Company Overview

85,000+
Employees

150+
Businesses

AED 221 Bn
Market Cap as
at 31.03.23

A leading **Investment Holding company**, with **six 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 March 2023 are






Non-Listed

The group has a wide portfolio of strategic investments in privately held companies such as Pure Health, Mawarid Holding Investment LLC, Trojan Construction Group, etc.


- Industrial
- Construction
- Real Estate
- Healthcare
- Energy
- Services

Financial Investments

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

Listed

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

Non-Listed

The group has a wide portfolio of financial investments across geographies such as MICAD Credit JV in partnership with Mubadala, Alpha Wave Ventures, etc.

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 period led to continued operational efficiency.</p>

Management Discussion & Analysis

ADH is pleased to present its report on the performance of the Group for the period ended 31 March 2023. This report should be read in conjunction with the interim condensed consolidated financial statements for the same period.

Profit & loss analysis for the period ending March 2023

<i>Income Statement Summary (AED'Bn)</i>	YTD Q1 23	YTD Q1 22
Revenue	12.8	8.2
Gross profit	2.6	2.7
<i>Gross Margin</i>	20%	33%
Net Profit	7.3	2.8
<i>Net Margin</i>	57%	34%

Revenue: The Group generated revenue of AED 12.8 Bn during for the period ended 31 March 2023, equivalent to 56% YOY growth, driven by the following:

- Increased revenue across all business segments and the impact of strategic acquisitions and investments made since 2022 mainly due to consolidation of Aldar starting Q2 2022.

Gross Profit: The Group reported a gross profit of AED 2.6 Bn with a gross margin of 20% reflecting the impact of both organic growth and acquisitions.

Expense Analysis: General and administrative expenses for the period were AED 1.6 Bn versus AED 0.4 Bn during the same period in 2022, with the increase arising from the growth of the Group.

Other Income:

- During the period, the group derecognized its ownership interest in Pure Health Holding resulting in a fair value gain of AED 6.6 Bn.

Net Profit: First three months of 2023 reported a net profit of AED 7.3 Bn against AED 2.8 Bn during the comparable period in 2022, with a year-on-year growth of 161%.

Earnings per share: Earnings per share for the period was AED 0.65 per share, as compared to AED 0.20 during the same period last year, an increase of 225%.

Segment Performance

The Group is organised 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.

<i>AED Bn</i>	1	2	3	4	5	
Segments	Real Estate	Industrial	Healthcare	Construction	Services & Others *	Total
Revenue	2.5	3.2	2.7	1.8	2.6	12.8
Proportion to total	20%	25%	21%	14%	20%	100%
Net Profit	0.6	0.3	(0.1)	(0.0)	6.5	7.3
Proportion to total	8%	4%	-1%	0%	89%	100%
Total Assets	66.0	17.1	14.2	7.4	16.0	120.7
Proportion to total	55%	14%	12%	6%	13%	100%

* Includes eliminations

Balance Sheet Analysis for first three months of 2023

<i>Balance Sheet Summary (AED'Bn)</i>	YTD Q1 23	FY 22
Current Assets	61.5	74.9
Total Assets	120.7	131.0
Equity	68.7	70.0
Current Liabilities	28.4	37.5
Total Liabilities	52.0	61.0

Total assets Total assets were AED 120.7 Bn compared to a total assets of AED 131.0 Bn for year ended 31 December 2022. The change is in-line with Group's reorganization of subsidiary (Pure Health Holding) to investment in joint venture.

Non-current assets of AED 59.2 Bn compared to AED 56.1 Bn as at the end of 2022 representing a 6% YoY increase mainly arising from the growth and reorganization of the group.

Current assets of AED 61.5Bn with a current ratio of 2.2x compared to a current ratio of 2.0x as on 31 December 2022 with a reported current assets of AED 74.9 Bn.

Non-current liabilities at the period end were AED 23.6 Bn compared to AED 23.5 Bn at the end of 2022.

Current liabilities reported for the period were AED 28.4 Bn as at 31 March 2023 compared to AED 37.5 Bn at the end of 2022.

Equity reported for the period was AED 68.7 Bn as at 31 March 2023 comprised of owner's equity at 38.1 Bn, hybrid equity instruments at AED 1.8 Bn and non controlling interests at AED 28.7 Bn.

Key Investments during the period and Subsequent Events

Key Investments

MICAD Credit JV

During the period, the group and Mubadala Investment Company (“Mubadala”) formed a joint venture to co-invest in credit opportunities. Alpha Dhabi and Mubadala aim to collectively deploy up to ~AED 9 billion (approximately US \$2.5 billion) over the next five years, leveraging Mubadala’s long-term and strategic partnership with Apollo (NYSE: APO), one of the world’s largest alternative asset managers, to access high-quality private credit investment opportunities. Mubadala holds 80% ownership in the JV, with the remaining 20% being held by Alpha Dhabi.

Mustard & Linen Interior Design Holdings Limited (“M&L”)

During the period, Aldar Properties PJSC, a subsidiary of the group acquired 75% equity interest in M&L, for a consideration of AED 25 Mn. M&L is a limited liability company, registered and incorporated in the Emirate of Abu Dhabi and is engaged in operation of a premium interior design business services.

Subsequent Events


ADMO lifestyle Limited

The Group has acquired 51% of ADMO lifestyle Limited, a company incorporated in Abu Dhabi, UAE on Abu Dhabi Global Market (‘ADGM’) and is involved in hospitality business. The group (ADMO) invested in Nammos Group, a luxury food and beverage brand operating in Mykonos, Dubai and with plans of future expansion into Maldives, London, Cannes and Abu Dhabi.

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.



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 Abu Dhabi based investment holding companies, with more than 150 businesses spread across healthcare, renewable energy, petrochemical and other industries as well as real estate, construction and hospitality. With over 85,000+ 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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