

ALPHA DHABI HOLDING PJSC
Management Discussion & Analysis
For the Period Ended 31 March 2024

03 May 2024



Eng. Hamad Al Ameri, CEO of Alpha Dhabi Holding

“Alpha Dhabi has started 2024 in the same way as we finished 2023, by delivering strong performance and building on our relentless growth momentum. Our record revenue of AED 14.2 billion as well as a jump of 232% in net profit across our operations reflect the pace at which we're moving to capture opportunities across our diversified portfolio and throughout the investment landscape. Fundamentally, we're primed to continue making investments that position us for future growth and that deliver meaningful impact across our vibrant economy.”

Financial Highlights

Key Data as of 31 March 2024

Alpha Dhabi Holding PJSC
 Ticker: ALPHADHABI
 Market Cap: AED 137 Bn
 (As at 03.05.2024)

Alpha Dhabi Holding PJSC (“ADH”) reports a Group net profit of **AED 4.6 Bn** for the first quarter of 2024, showing continued momentum in the execution of its strategy across key verticals and commitment to generate higher shareholder value.

Q1-2024		
Revenue AED 14.2bn 11% Increase (YOY)	Net Profit AED 4.6bn 37% Decrease (YOY)	Net Profit from Operations¹ AED 2.6bn 232% Increase (YOY)
Net Profit Margin 32%	Earning per Share AED 0.33 49% Decrease (YOY)	EBITDA AED 5.5bn 32% Decrease (YOY)
EBITDA Margin 39%	Total Assets AED 147bn 5% Increase (YOY)	Total Liabilities AED 68bn 6% Increase (YOY)
Total Equity AED 79bn 4% Increase (YOY)	Cash Balance AED 21.5bn	Net Debt AED 5.2bn
Net Debt to Owners' Equity 0.11x		Return on Owners' Equity² 17%

¹ Net profit from operations: excludes gain on of accounting treatment of investment in associates and joint-ventures, derecognition of a subsidiary, increase in equity of an associate and other income.

² Based on LTM net profit divided by average owners' equity.

ABOUT ALPHA DHABI HOLDING



Alpha Dhabi Holding PJSC (ADH), the UAE listed company, was established in 2013 and is one of the fastest growing Abu Dhabi based investment holding companies, with more than 250 businesses spread across healthcare, renewable energy, oil & gas and other industries as well as real estate, construction and hospitality. With over 95,000+ 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.

Company Overview

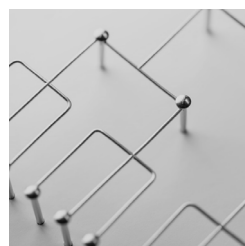
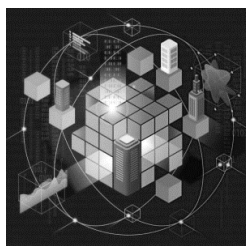


A leading **Investment Holding company**, with **eight operating verticals** and **250+** businesses across the Middle East, Europe, Asia and North America, each of which is committed to being elevated to achieve its potential.

Built on strong key values focused on maximizing shareholders returns

STRENGTHENING PORTFOLIO

Significant capital deployment, successful expansion of our platform, and enhancing our geographic footprint.



CORPORATE GOVERNANCE

The group maintains a steadfast commitment to corporate governance.

EFFECTIVE LEADERSHIP

Strong performance delivered by highly engaged colleagues and business leaders focused on building world class organizations.



TRANSFORMATION

The group aims to continuously identify and deliver portfolio transformation through digital and process innovation, integrating AI technologies to enhance its initiatives.

Portfolio Overview

Construction



Industries



Real Estate



Energy



Climate Capital



Healthcare



Investment



Hospitality

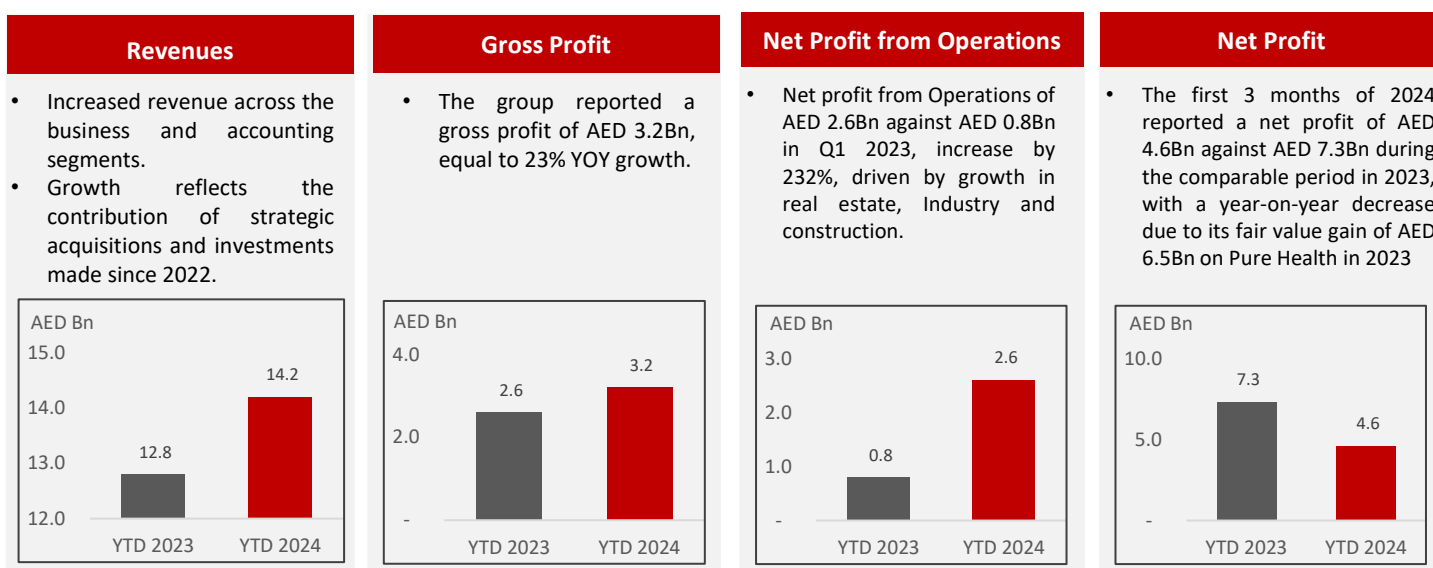


Management Discussion & Analysis

ADH is pleased to present its report on the performance of the Group for the period ended 31 March 2024. This report should be read in conjunction with the interim condensed financial statements for the same period.

Profit & loss analysis for the period ending March 2024

<i>Income Statement Summary (AED'Bn)</i>	YTD Q1 2024	YTD Q1 2023	YOY %
Revenue	14.2	12.8	11%
Gross profit	3.2	2.6	23%
EBITDA	5.5	8.1	-32%
Net Profit from Operations	2.6	0.8	232%
Net profit	4.6	7.3	-37%
EBITDA margin	39%	63%	-25%
Net Profit margin	32%	57%	-25%



Expense Analysis: General and administrative expenses for the period were AED 0.82 Bn versus AED 1.61 Bn in the corresponding period in 2023, with the decrease arising from cost control measures implemented, and the deconsolidation of Pure Health.

Other Income: In Q1 other income of AED 0.4Bn includes net changes in fair value of investments at fair value through profit and loss (FVTPL) of AED 0.25Bn.

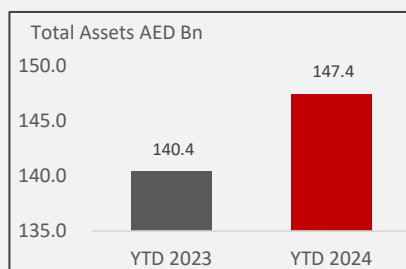
Earnings per share: Earnings per share for the period was AED 0.33 per share, as compared to AED 0.65 for year 2023, a decrease of 49%.

Balance Sheet Analysis for the period ending March 2024

Balance Sheet Summary (AED'Bn)	YTD Q1 2024	YTD Q4 2023	YOY %
Total assets	147.4	140.4	5%
Current assets	80.6	72.8	11%
Assets of group held-for-sale	-	0.7	nmf
Non-current Assets	66.8	66.9	0%
Total liabilities	68.3	64.4	6%
Current liabilities	40.8	37.4	9%
Liabilities of group held-for-sale	-	0.0	nmf
Non-current Liabilities	27.5	27.0	2%
Total Equity	79.0	76.0	4%
Owners' equity	45.2	42.0	8%
Hybrid equity instruments	1.8	1.8	0%
Non-controlling interests	32.0	32.2	-1%

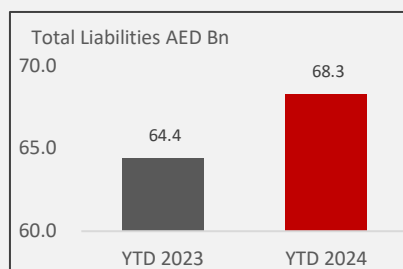
Total Assets

- The change is in-line with the Group's derecognition of an associate (Q Holding) to investment in FVTPL and including the performance of existing portfolio in the current year.



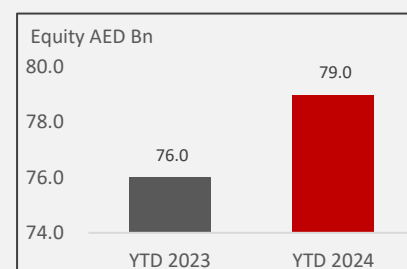
Total Liabilities

- Total Liabilities were AED 68.3 at the period ended 31 March 2024 compared to year of 2023 with a YOY increase of 6%



Equity

- Equity reported for the period ended 31 March 2024 was AED 79.0Bn comprised of owner's equity at AED 45.2Bn, hybrid equity instruments at AED 1.8Bn and non-controlling interests at AED 32.0Bn.



Net Debt

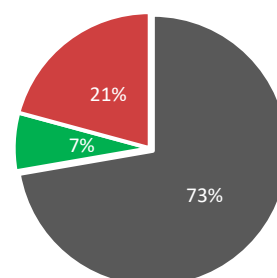
AED 5.2 Bn

Borrowings
AED 26.6Bn

Cash
AED 21.5 Bn

Borrowings Breakdown

- External Borrowings
- Lease Liabilities
- Non Convertible Suksuks



Return on Owners
Equity

17%

Net Debt to EBITDA

0.9x

Debt to Equity

33.7%

Segment Performance

The 8 operating segments of the group is segregated into 5 segments

Segmental Revenue Bridge (AED Bn)

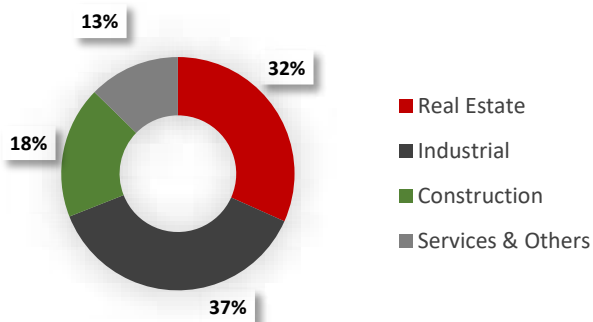


- Industrial segment delivered a revenue of AED 2.1Bn, Real estate AED 2.0Bn and Construction AED 0.8Bn.
- The decrease in healthcare segment is due to a difference in accounting treatment for Pure Health from subsidiary to an investment in associate that happened in Q1 2023.
- A summary of segmental performance is shown in the table below:

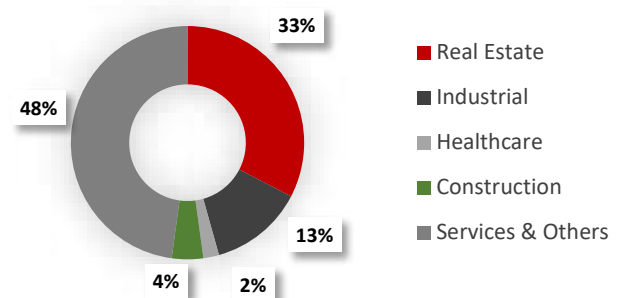
Segments (AED Bn)	Real Estate	Industrial	Healthcare	Construction	Services & Others *	Total
Revenue	4.5	5.3	-	2.6	1.8	14.2
Proportion to total	32%	37%	0%	18%	13%	100%
Net Profit	1.5	0.6	0.1	0.2	2.2	4.6
Proportion to total	33%	13%	2%	4%	48%	100%
Total Assets	74.6	25.5	14.0	9.8	23.5	147.4
Proportion to total	51%	17%	9%	7%	16%	100%

*Services & Others includes other small segments such as Energy, Hospitality, Climate Capital, one time gain as a result of the derecognition of Pure Health and consolidation eliminations

1. Revenue



2. Profit



Key Investments



PUREHEALTH⁺

Pure Health Holding PJSC acquired Sheikh Shakhbout Medical City LLC – OPC ('SSMC'). This resulted in an increase in the Group's share of equity of Pure Health by AED 557 million. The Group has recognized this as an increase in the investment in an associate with corresponding credit to interim condensed consolidated statement of profit or loss for the period ended 31 March 2024.



Q Holding PSC ('Q Holding') acquired 100% of the share capital of Abu Dhabi National Exhibitions Company ('ADNEC'), Modon Properties PJSC ('Modon'), Miza Investments LLC, Sahel 1 Restricted Limited, Sahel 2 Restricted Limited, and Oryx Action Restricted Limited from ADQ Real Estate and Hospitality LLC ('ADQ') and IHC Capital Holding LLC ('IHC') and issued new shares in Q Holding to ADQ and IHC.



ADMO Lifestyle Holding acquired a 99% equity interest in Ce La Vi, for a consideration of AED 190.8 million. Ce La Vi operates luxury F&B venues in Singapore, Tokyo, Taipei and Dubai. It plans to open a new venue in London in Q4 2024.

Key Investments

ALPHAMIND

ADMO Lifestyle Holding a subsidiary of Alpha Dhabi, acquired 51% equity interest in AlphaMind. Alpha Mind is a joint venture with Addmind group which is a leading lifestyle and entertainment group headquartered in Dubai. It operates brands including Clap, Iris, Bar Du Port, Sucre and Babylon. Its venues are in Dubai, London and it will open a Clap venue in Ibiza in 2024.



GORDON TECHNOLOGIES

ADNOC Drilling and Alpha Dhabi's "EnerSol" JV completed its first strategic investment, where Alpha Dhabi contributed to EnerSol a 25% holding in Gordon Technologies, a US-based market leading provider of 'measurement while drilling' technology.

Energol is actively advancing plans to acquire and invest in multiple businesses and foster a scalable ecosystem that will enhance market value and optimize operational efficiencies. A major driver of investment decisions will be the ability of those investments to support the UAE's wider energy transition ambitions, net zero agenda and ongoing economic diversification efforts.



Key Highlights



Backed by ADQ, Alpha Dhabi, e&, and FAB, U.A.E.-based Wio Bank topped the Forbes Middle East Top 50 Fintech 2024.

ALPHAMIND

AlphaMind Opened Clap restaurant in Mayfair, London. The new location will showcase CLAP's commitment to delivering captivating experiences and genuine hospitality, solidifying AlphaMind as a leading force in the hospitality industry.



MÜDON



Modon announced the launch of its freehold project 'Nawayef', part of the first phase of the Hudayriyat Island masterplan. Luxury residential villas, the first of their kind in the area, will be built on two manmade hills, 45 and 55 metres high, offering stunning panoramic views of Abu Dhabi's skyline and the Arabian Gulf.

Subsequent Events

Both transactions are subject to customary closing conditions, including regulatory approvals.



The Group announced a divestment of a 49% shareholding in Alpha Dhabi Construction Holding LLC ('ADCH') to ADQ Development Holding LLC. This divestment underscores the Group's commitment to optimizing its asset portfolio to enhance value creation and align with evolving market dynamics ADCH is involved in the construction business.



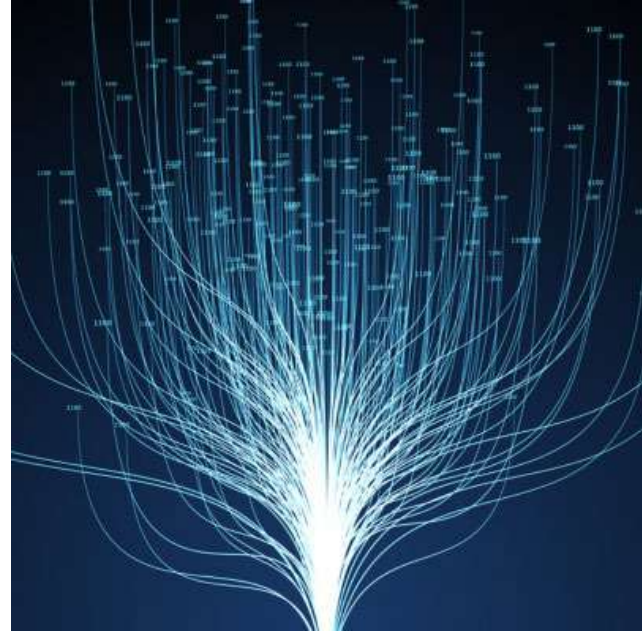
Alpha Dhabi and National Corporation for Tourism & Hotels- NCT&H announced the expansion of its hotel portfolio through strategic acquisitions of entities which operate luxury hotel resorts, including the St Regis Saadiyat and Al Wathba Luxury Collection in Abu Dhabi. In addition, the transaction will also include Cheval Blanc, Maldives and the Cheval Blanc, Seychelles (currently under development).



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.
- Implementation & adoption of Artificial Intelligence solutions across key sectors within the group's platform.



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