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# ALPHA DHABI HOLDING PJSC

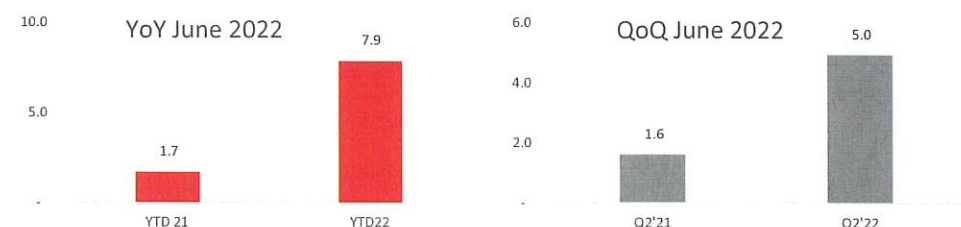
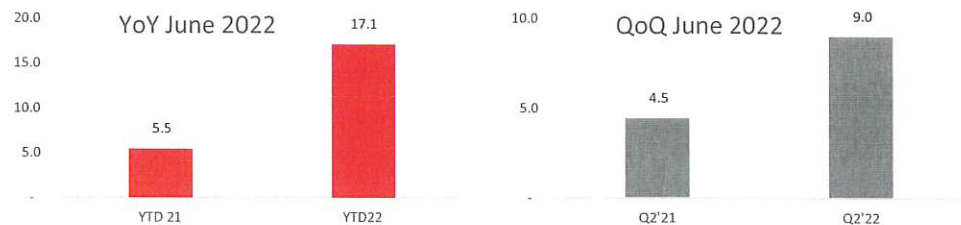
## Management Discussion & Analysis

For the Period Ending 30 June 2022

DATE: July 28, 2022

Alpha Dhabi Holding PJSC (“ADH”) reports a Group net profit of **AED 7.9Bn** for the first six months of 2022, showing continued momentum in the execution of its strategy across key verticals and commitment to generate higher shareholder value.

### Investor Metrics:



**0.63**

Earnings Per Share (AED)

**46%**

Net Margin

**101.3 Bn**

Total Assets (AED)

**4.6 Bn**

Cash Flow from Operations (AED)

### Key Highlights during the period

- Group net profit at AED 7.9Bn, up 4.6X YoY while Q2 2022 was AED 5.1Bn with a 3.1X YoY increase compared to Q2 2021.
- Group revenue was AED 17.1Bn, with a 3.1X YoY increase for the first six months, while the Q2 2022 revenue was AED 9.0Bn, up 2.0X compared to Q2 2021.
- Gross margin of the Group for the first six months was 29% and for the quarter was 25%.
- Earnings per share (EPS) jumped 215% in H1 2022 YoY to AED 0.63.
- Total assets were AED 101.3Bn, an increase of AED 54.0Bn from December 31, 2021.
- During the period, Alpha Dhabi Holding became the parent company of Aldar Properties PJSC by acquiring an additional stake in the company making it the single largest shareholder with almost 32% of the outstanding share capital.



## Management Discussion & Analysis

ADH is pleased to present its report on the performance of the Group for the period ended 30 June 2022. This report should be read in conjunction with the interim condensed consolidated financial statements for the same period.

## Summary of Financial Results

<i>Income Statement Summary (AED'Bn)</i>	<b>H1 2022</b>	<b>H1 2021</b>	<b>YOY %</b>
Revenue	17.1	5.5	211%
Gross profit	5.0	1.8	178%
Gross margin	29%	33%	
Net profit	7.9	1.7	365%
Net margin	46%	31%	
<i>Balance Sheet Summary (AED'Bn)</i>	<b>H1 2022</b>	<b>FY 2021</b>	<b>YOY %</b>
Current assets	55.4	22.7	144%
Total assets	101.3	47.3	114%
<b>Equity</b>	<b>56.2</b>	<b>26.0</b>	<b>116%</b>
Current liabilities	25.8	13.6	90%
Total liabilities	45.2	21.4	111%

The company has reported a strong performance primarily led by its operating structure. The company operates via five segments focused on Strategic Investments and Financial Investments.

## Market Capitalization & Listed Strategic Investments

As at 30 June 2022, Alpha Dhabi Holding had a market cap of **AED 273.6 Bn**

<b>Summary of Listed Strategic Investments</b>	<b>Type</b>	<b>ADH %</b>	<b>Market Cap AEDBn</b>	<b>ADH's Share AEDBn</b>
National Marine Dredging Co.	Subsidiary	68%	21.3	14.6
Aldar Properties PJSC	Subsidiary	32%	35.0	11.1
Q Holding PSC	Associate	21%	28.7	6.0
Response Plus Holding PrJSC	Associate	36%	1.6	0.6



## Investment Highlights

During the second quarter of 2022, ADH expanded its business operationally and through strategic investments, which contributed to a total asset growth of AED 54Bn. The key transactions during this period comprised the following:

<b>Aldar Properties</b>	The Group gained control over another 2% ownership interest in Aldar. As a result, the Group was able to appoint four out of the seven board members. Aldar Properties is a premier real estate development, management and investment company headquartered in Abu Dhabi, UAE.
<b>Safeen Survey and Subsea Services LLC</b>	During the current period, the Group through its subsidiary NMDC, incorporated a joint venture, Safeen Survey and Subsea Services LLC ("Safeen") with Abu Dhabi Ports PJSC as a joint venture partner.
<b>Cornerstone Investments</b>	During the period, the Group became a cornerstone investor for both Dewa IPO and Borouge IPO with an investment value of AED 367Mn in each, respectively.
<b>Alpha Wave Ventures II</b>	During the period, the Company committed to an investment of AED 9.2Bn in Alpha Wave Ventures II Fund. The total commitment comprises a capital contribution of AED 2.6Bn and undrawn capital commitment of AED 6.6Bn which will be drawn down over the investment period of the fund. The fund will target investments in high growth, tech-enabled and tech-driven businesses that provide pioneering and innovative solutions to key problems both regionally and globally.
<b>Reem Investments PJSC</b>	During the period, a Group's associate, Q Holding PJSC ("Q Holding") acquired Reem Investments PJSC ("Reem") and issued new shares to the shareholders of Reem at a premium. This resulted in increase in the equity of Q Holding and diluted the Group's ownership interest in Q Holding from 25.24% to 20.61%.

The Group thus showed remarkable growth in its financials in the current period due to these strategic investments and management's vision of opportunistic growth.



## Profit & loss analysis for first six months of 2022

**Revenue:** The Group generated revenue of AED 17.1Bn during the first six months of 2022, equivalent to 211% YOY growth, driven by the following:

- Increased revenue across all business segments and the impact of strategic acquisitions and investments made in 2021.
- Continued expansion outside UAE, with overseas revenue of AED 2.1Bn, 6.1X increase compared to same period last year.

Revenue for the quarter was AED 9.0Bn compared to revenue of AED 4.5Bn for the comparable period in previous year, witnessing a YoY growth of 100%.

**Gross Profit:** The Group reported a gross profit of AED 5.0Bn, which improved by 2.8 times versus the first six months of 2021, reflecting the impact of both organic growth and acquisitions.

Gross Profit for the quarter was AED 2.3Bn compared to Gross Profit of AED 1.6Bn for the comparable period in previous year with a 44% YoY jump.

**Expense Analysis:** General and administrative expenses for the period were AED 1.5Bn versus AED 0.3Bn during the same period in 2021, with the increase arising from the transformation of the Group, while general and administrative expenses for the quarter was AED 1.0Bn.

### Other Income:

- Investment and other income for the period was approximately AED 1.0 Bn and for the quarter was AED 0.4Bn.
- The group reported a gain on the disposal of investment in associates and joint ventures of AED 3.7Bn arising due to derecognition of its investment in Aldar Properties PJSC as an associate and reclassifying it to a subsidiary and its deemed disposal of 4.63% shares in Q Holding PJSC. Both these disposals are in-line with the company's strategy and active management of its portfolio.

**Net Profit:** First six months of 2022 reported a net profit of AED 7.9Bn against AED 1.7Bn during the comparable period in 2021, with a year-on-year growth of 4.6 times while Q2 net profit was AED 5.1Bn and the company witnessed an YoY growth of 219%.

**Earning per share:** Earnings per share for the period was AED 0.63 per share, an increase from AED 0.20 during the same period last year.



## Segment Performance

### Segment Information (AED'Bn)

Segments	Industrial	Construction	Real Estate	Healthcare	Services	Total
Revenue	3.6	3.4	2.2	6.3	1.6	17.1
Proportion to total	21%	20%	13%	37%	9%	100%
Net Profit	0.6	0.2	0.6	2.4	4.1	7.9
Proportion to total	8%	3%	7%	30%	52%	99%

All the segments during the period delivered a notable performance and each of the segments was profitable.

## Balance Sheet Analysis for first six months of 2022

**Total assets** grew to AED 101.3Bn as at 30 June 2022 against AED 47.3Bn as at the end of 2021 driven by the acquisitions and consolidation of Aldar Properties.

**Non-current assets** of AED 45.9Bn compared to AED 21.5Bn as at the end of 2021. The 2.1X increase is mainly arising from the consolidation of new entities.

- Increase in total property, plant and equipment by AED 5.2Bn as a result of consolidation due to business combinations of AED 4.1Bn.
- Increase in investment properties by AED 18.2Bn mainly due to consolidation of Aldar Properties

**Current assets** of AED 55.4Bn compared to AED 22.7Bn as at end of 2021, being an increase of 2.1X mainly due to the consolidation of new entities.

**Non-current liabilities** at the period end were AED 19.4Bn compared to AED 5.5Bn at the end of 2021, again due to consolidation of 8 new entities.

**Current liabilities** have reached AED 25.8Bn as at 30 June 2022 compared to AED 13.6Bn at the end of 2021.

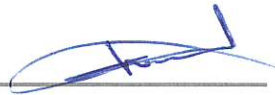
**Equity** increased to AED 56.2Bn from AED 26.0Bn at the end of 2021 due to increase in retained earnings of AED 6.3Bn and non-controlling interests of AED 21.2Bn.



## 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 100 businesses spread across healthcare, renewable energy, petrochemical and other industries as well as real estate, construction and hospitality. With over 65,000 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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