MULTIPLY
GROUP

Multiply Group P.J.S.C

Financial results for Q1 2023

ADX: **MULTIPLY**
www.multiply.ae

01 May 2023

Multiply Group Reports Net Profit Excluding Fair Value Gains (losses) of AED 266 million for Q1 2023, a 241% Growth Compared to the Same Period Last Year – Closes Q1 with AED 0.51 million in Net Profit.

Profit and loss statement highlights Three months period ended 31 March 2023	AED '000
Revenue	269,086
Cost of sales	(130,744)
Gross margin	51.41%
General and administrative expenses	(59,422)
Operating margin	32.08%
Investment and other income	14,126
Finance cost	(90,400)
Net profit for the period	508

GROUP LEVEL PERFORMANCE

Group Net Profit
(Financial quarter ending 31 March 2023)

AED **0.51** million

Gross margin
(Financial quarter ending 31 March 2023)

51.41 %

Total Assets
(As at 31 March 2023)

AED **41.45** billion

Capital Deployment
(Last 12 months)

AED **13** billion

Dividend to the Group
(Financial quarter ending 31 March 2023)

AED **303** million

OPERATING BUSINESS PERFORMANCE (Q1 2023 vs Q1 2022)

Revenue

AED **269.1 million**

11.55 % growth y-o-y

Operating Businesses' Net Profit

AED **87.02** million

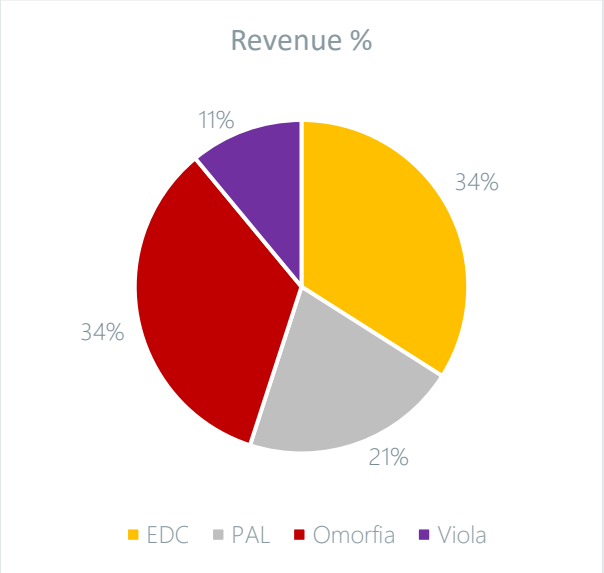
11.77% growth y-o-y

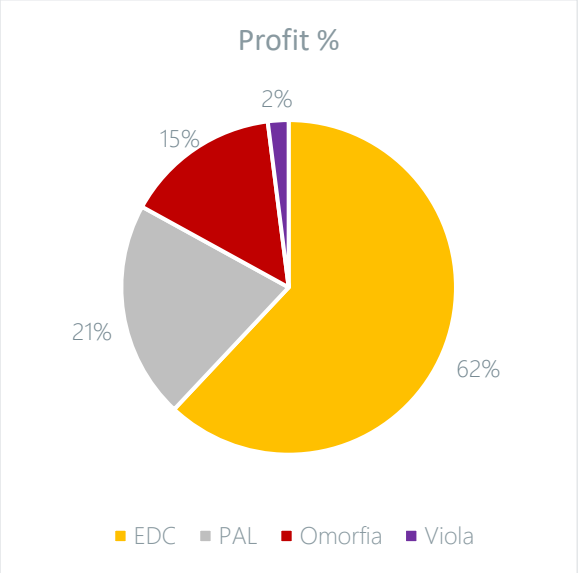
Cash from Operating Activities

AED **255.51** million

Revenue and Profit Split Per Subsidiary Company

(Financial quarter ending 31 March 2023)





MULTIPLY+

Value of Public Market Portfolio

(As at 31 March 2023)

AED **33.67** billion

VS

Invested Amount

AED **12.67** billion

SAMIA BOUAZZA

GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

As we release our first earnings report for 2023, we continue to build a leadership position across our portfolio companies, with aggressive pursuit of organic growth. Notably, we have begun the year growing our Media and Communications vertical with the aim of consolidating country wide assets in the out-of-home media space.

Our results this quarter are the sum of robust earnings from our operating businesses as well as cash dividends from our investments, and of the loss we have recorded on our public portfolio.

The Group's net profit excluding fair value gains/ losses, reached over AED 266 million, a 241% growth year-on-year. I am confident that the stability and growth demonstrated by these businesses, and our focused acquisition strategy leave us well positioned to accelerate our growth plans over the coming quarters.

We have had significant gains from our public portfolio since 2022. While that has substantially boosted our balance sheet, the gains are largely unrealised, and so is the AED 265 million fair value loss this quarter. Our net income for Q1 is AED 0.51 million.

During Q1, the Group generated AED 303 million of dividends from its public market portfolio. This is a key value driver amid the ongoing market volatility and uncertainty surrounding the global macros.

Over the next 12 to 18 months, we remain largely fixated on building our verticals and growing our operating businesses and recurring income. We have access to over AED 1.2 billion in cash and over AED 6 billion in financing capacity and are on the lookout for good deals globally.

Finally, Multiply+ remains our opportunistic investment arm, which is especially useful considering the prevalent market dislocations. This will be a key factor in accruing free cash flow and growing our earnings per share.

ABU DHABI, 01 May 2023 – Multiply Group (ADX: MULTIPLY), an Abu Dhabi-based investment holding company, reported a net profit excluding fair value gains (losses) of AED 266 million, a 241% growth compared to the same period last year. The Group generated AED 303 million of dividends from its public market portfolio.

Notably, revenue from our operating business reached AED 269 million during Q1, an 11.6% growth year-on-year with over 50% gross margin. This reflects the Group's continued focus on building its verticals.

Fair Value Losses of AED 265 million were incurred in Q1. It is imperative to note that these fair value changes are largely unrealised, and the short-term movements do not impact the Group's long-term view of these assets. From a total invested amount of AED 12.6 billion, the Group's current public market portfolio stands at over AED 33 billion, a 166% appreciation. Multiply Group's investment portfolio is a key part of its asset base, and it has been an important growth driver.

Multiply Group sees more value accretive acquisition opportunities emerge globally across its operating verticals and investment arm. The Group has a strong cash flow position with over AED 1.2 billion, very healthy debt to equity and debt to assets parameters, and access to over AED 6 billion in financing capacity. In parallel, across operating businesses several measures including tech infusion, bolt-on acquisitions are being lined-up to enhance organic growth. Multiply Group is well-positioned and focused on generating a more robust and sustainable EPS growth.

Q1 2023 Group Highlights

Subsidiary Milestones

Emirates Driving Company launched the first test of Auve Tech's autonomous vehicles in the Middle East, which will significantly strengthen and improve Abu Dhabi's mobility sector. The new partnership symbolises EDC's growing focus on smart mobility systems and its contribution to making Abu Dhabi a smarter, safer and more sustainable city. EDC also held its second engaging edition of the 'EDC - Innovation Lab' with a selected group of external experts, partners and the company's professionals to discuss various topics about the future of mobility under the theme of 'Future Mobility: Where To'.

Omorfia Group, which comprises of personal care and beauty companies, expanded its Bedashing Beauty Lounge brand reaching 23 locations with the opening of two new branches, one in Al Taif entering Fujairah market and another one in Al Jada, its second branch in Sharjah. More recently, Omorfia Group opened the 9th branch of Jazz Lounge Spa in Port de la Mer, Dubai.

International Energy Holding's Kalyon Enerji commenced operations of the Kalyon Karapınar Solar Plant after receiving the certificate of acceptance of the final section of the power plant, issued by the Ministry of Energy and Natural Resources (MENR) in Turkey. Kalyon Enerji also received a development impact assessment from J.P. Morgan's Development Finance Institution for the Kalyon Karapınar Solar Power Plant and has set a series of development objectives that are expected to advance four of the United Nations Sustainable Development Goals (SDGs): SDG #7: Affordable and Clean Energy, SDG #8: Decent Work and Economic Growth, SDG #13: Climate Action and SDG #15: Life on Land. The company also started development of 390 MW Solar - ANKA Project, 200 MW Wind - STORM Project, and 1 GW YEKA Wind Project (Kalyon shareholding 40%).

Meanwhile, Viola Communications, a fully-integrated marketing and communications solutions provider successfully arranged and managed multiple big scale events, such as ADAA's International Ethical Standards Board for Accountants (IESBA) under the theme "Building the Ethical Foundations for Sustainability", the launch of Sea La Vie - a luxurious residential project at Yas Bay that will be developed by Nine Yards, and the open-air art gallery, DIFC Sculpture Park, featuring immersive experiences and artworks from over 70 local and international artists at DIFC.

Inclusion In Indices

The quarter saw the Group being upgraded from Mid Cap Index to Large Cap Index in FTSE Global Equity Index Series (FTSE GEIS) in its March 2023 semi-annual review.

Recognition

In January 2023, Multiply Group was recognised as a Great Place to Work® Jan 2023 - Jan 2024 by the global authority on corporate culture.

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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 Mobility, Energy and Utilities, Media and Communications and Beauty and Wellness. Anchor investments provide long term recurring income, through which bolt-on acquisitions are made. The aim is to launch a new vertical in 2023.

Multiply+, a flexible, sector-agnostic and opportunistic investment arm.

CONTACTS

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