

Directors' Report

Abu Dhabi Aviation Group Reports FY2024 Revenue of AED 7.12 Billion, Marking 6% YoY Growth and Reinforcing its Position as a Regional Aviation Leader

- A strategically diversified portfolio of assets due to acquisitions and combination of the General Aviation, MRO, and Investments segments ("Combined Segments") within the Group.
- Stable revenue of AED 7,116 million, reflecting a 6% year-on-year increase. This growth was primarily driven by the post-acquisition contribution of the ADA legacy group, which added AED 693 million, along with revenue increases of AED 185 million from Global Aerospace Logistic LLC (GAL) and AED 108 million from Etihad Airways Engineering LLC (EYE). However, the overall increase was partially offset by a decline in Advanced Military Maintenance Repair and Overhaul Centre LLC (AMMROC) revenue, which decreased by AED 592 million.
- Robust EBITDA of AED 1,411 million (inclusive of gain on bargain purchase), largely driven by improved profitability at AMMROC, GAL, and the inclusion of ADA's legacy group results.
- Attractive net profit reported at AED 1,292 million (inclusive of gain on bargain purchase), demonstrating a solid 18% net profit margin.
- Positive business outlook driven by a favorable macro environment and government-led initiatives to transform the UAE into an aviation hub, boosting demand for aviation services and supporting the Company's margin expansion through cross-group synergies.

Abu Dhabi, UAE – 20 February 2025: Abu Dhabi Aviation Group ("ADA" or the "Group"), the UAE-headquartered diversified aviation services provider, has announced its financial results for the year ended 31 December 2024. The Group delivered robust top- and bottom-line performance, aligned with its long-term strategy to position itself as a global aviation leader, and underpinned by favorable macroeconomic conditions, which continue to drive demand across its core business segments: General Aviation, Maintenance, Repair and Overhaul ("MRO"), and Investments.

At the Group level, annual revenue of AED 7,116 million reflected 6% year-on-year growth, which includes a post-acquisition contribution of AED 693 million from the ADA legacy group. The revenue growth was mainly driven by higher revenue at GAL, supported by new contract awards, and revenue growth at EYE, resulting from a rise in airframe hours and sub-contract revenue. Overall growth was partially offset by a decline at AMMROC due to reduced activities across multiple contracts.

ADA maintained strong profitability during the period, reporting EBITDA of AED 1,411 million (inclusive of gain on bargain purchase) and an EBITDA margin of 20%. This performance was primarily driven by the inclusion of ADA legacy group results, which generated a gain of AED 241 million, along with the significant profitability improvement at GAL and AMMROC, contributing AED 477 million and AED 232 million, respectively, to the Group's overall profitability. Additionally, EYE's EBITDA increased by AED 3 million.

The Group's financial position remains robust, with growth across total assets, liabilities and equity following the inclusion of new segments. As of 31 December 2024, total debt stood at AED 934 million, while total cash reached AED 3,755 million, translating into a conservative Total Debt to LTM EBITDA ratio of 0.66x. The Group generated free cash flow of AED 1,809 million in 2024, reflecting a free cash flow margin of 25%.

Segmental Breakdown

General Aviation: Revenue declined by 12% year-on-year over the twelve-month period (with statutory reporting covering May to December due to the reverse acquisition). This decrease was primarily driven by lower government sales by Maximus. However, the decline was partially offset by increased revenue from ADA, driven by higher spare part deliveries, collection of ADNOC In-Country-Value retention and additional ad hoc flights. Other contributing factors included growth in operations at the Abu Dhabi Aviation Training Centre, increased sales of AgustaWestland spare parts, and better results from Royal Jet's private jet and non-charter services.

Operating profit declined by 8% year-on-year, in line with the reduction in revenue. Despite the decline in revenue, General Aviation maintained a strong profitability, achieving a net profit of AED 384 million with a healthy 16% profit margin.

MRO: The MRO business has emerged as a well-established aviation leader, strengthened by the successful acquisition of 100% stake in EYE and AMMROC, and 50% in GAL from a wholly owned subsidiary of ADQ in May 2024. With over 8,500 employees and a comprehensive service offering, MRO is strategically positioned to capitalise on growing demand across markets in the Middle East, North Africa and beyond.

In 2024, MRO revenue declined by 4% year-on-year, primarily due to the completion of existing contracts and the absence of new ones at AMMROC. This decline was partially offset by revenue growth at GAL, driven by new professional and technical services contracts, along with higher airframe revenue and improved yields at EYE.

Despite a decline in AMMROC's revenue in 2024, the company reversed its FY2023 performance, shifting from a negative EBITDA of AED 190 million and a net loss of AED 225 million to a positive EBITDA of AED 42 million and a net profit of AED 23 million in FY2024. Furthermore, with expectations of a notable increase in utilization at AMMROC's blade shop, this is anticipated to contribute to improved financial performance and greater customer satisfaction.

MRO's operating profit increased to AED 696 million, driven by a rise in airframe hours, higher sub-contract revenue, and strong performance in key maintenance and manpower service contracts. Additionally, penalty reversals and prudent inventory provisions were instrumental in offsetting shortfalls and boosting profitability.

MRO's net profit increased to AED 482 million, largely attributable to higher earnings at AMMROC and GAL, which benefited from provisions reversal, interest income on fixed deposits, and higher income from maintenance and manpower contracts.

Investments: Delivered strong performance during the twelve-month period (noting that statutory reporting is May to December only in line with the reverse acquisition), with revenue up 10% YoY, to AED 26 million, mainly due to a 5% rise in new rental rates, along with a higher occupancy rate in Rawdhat. EBITDA of AED 24 million and net profit of AED 23 million were generated during the twelve-month period, up 8% and 5% respectively. Highlighting the segment's underlying return potential, the return on investment property, which makes up 39% of the investment portfolio's value, was an attractive 6.5%.



Business Outlook

The region's macroeconomic environment continues to be supportive, driven by population growth, increasing tourism, and industrial expansion, all underpinned by long-term national vision and growth initiatives. Holding a market-leading position, ADA is committed to becoming a global aviation leader based in Abu Dhabi, further reinforcing its role as a premier hub for aviation, maintenance, repair and overhaul services, as well as logistics and advanced engineering.

ADA's healthy financial position is underpinned by its diversified portfolio, recently enhanced by the acquisition of stakes in EYE, AMMROC and GAL, further bolstering and widening its offering. Looking ahead to 2025, ADA aims to sustain growth across its segments, improving efficiency and competitiveness, and exploring new market opportunities.

In Aviation, fleet upgrades are a priority, with potential market entry being considered in Brazil, Thailand and Indonesia, as well as potential Oil & Gas opportunities in the wider African region.

In MRO, ADA is optimistic on the segment's future growth potential. GAL will remain focused on expansion by actively pursuing new contract awards and strategically targeting opportunities across key sectors to drive growth. The company aims to strengthen its market position, enhance its service offerings, and expand its operational footprint through the successful acquisition of high-value contracts. EYE has launched the strategic program "Al Massar" (The Path), which focuses on growth, product diversification, customer experience, and operational excellence. The subsidiary maintains a positive outlook, having recently secured new customers and is currently constructing two widebody hangars expected to be completed in 2025. AMMROC has identified new contract opportunities and is focused on forging new OEM partnerships with local and international industry leaders. This will enhance its capabilities and competitiveness in the MRO sector, while reinforcing its ability to deliver sustained value to shareholders in the years ahead. With the substantial completion of its blade shop, AMMROC has unlocked a promising new revenue stream. The introduction of new Line Replaceable Units has enhanced its service capabilities and expanded its revenue potential. Additionally, ongoing cost optimization initiatives are expected to drive sustainable growth in the future.

Nader Ahmed Mohamed Al Hammadi, Chairman of ADA, commented: "We are, collectively, very pleased with the significant strides Abu Dhabi Aviation has made in reinforcing its leadership within the regional aviation sector. Our robust financial performance in 2024, coupled with strategic acquisitions and ongoing expansion, have positioned us for continued growth and long-term success. The seamless integration of EYE, AMMROC and GAL has not only enhanced our capabilities, but driven substantial value creation. We remain unwavering in our commitment to advancing our vision, fortifying Abu Dhabi's role as a global aviation hub, and delivering sustainable growth and lasting value for our shareholders."

Group Companies
12

Aircraft
74

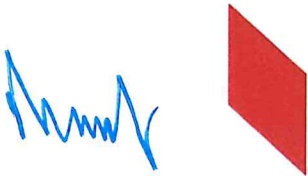
Simulators
5

Employees
10,000 +

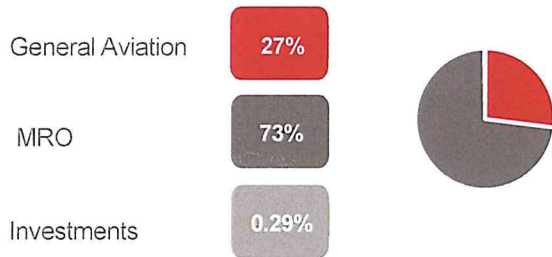
Investment (Property)
AED 357 million

Investment (Securities)
AED 565 million

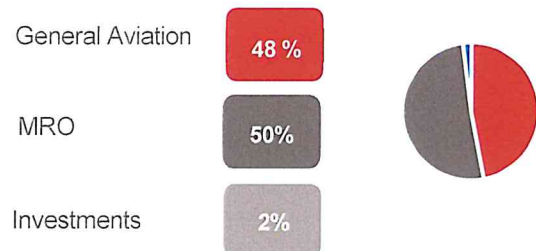
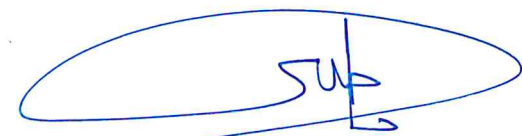
Investment (JV and Associates)
AED 872 million



Segments by Revenue
(Twelve months contribution from All Entities)



Segments by Operating Profit
(Twelve months contribution from All Entities)

Nader Ahmed Mohamed Al Hammadi
Chairman
Date: 20 Feb 2025

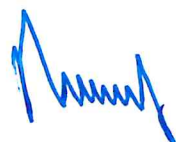


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About ADA

Abu Dhabi Aviation (ADA) stands out as a global leader in aviation. ADA offers a comprehensive range of services for both military and civilian sectors, specialising in rotary and fixed-wing aircraft. The company's expertise extends to maintenance, repair, and overhaul (MRO) services, air cargo solutions, luxury air travel, helicopter leasing, advanced aircraft simulator training, and technical training.

Abu Dhabi Aviation provides aviation services to a range of sectors, including offshore oil support, medical evacuation, and search and rescue. The company also offers MRO services for helicopters, delivering comprehensive maintenance, repair, and overhaul services for various helicopter models to ensure their optimal performance and safety. In addition, Abu Dhabi Aviation provides maintenance and overhaul services for fixed-wing aircraft, including narrow and wide-body jets and turboprops, catering to the needs of both civil and military aviation. The company also specialises in maintenance services for aircraft engines and components, ensuring reliability and extending the lifespan of aviation assets.

Beyond aviation, ADA is engaged in property investment, property management, and facility management, enhancing its portfolio and service offerings. The company also manages multi-asset investments in shares and bonds, demonstrating its diversified approach to business and finance.

The company is certified by major OEMs such as Leonardo, Honeywell, Bell, Boeing, and Airbus, and holds approvals from leading regulatory bodies, including the GCAA, FAA, and EASA. With a dedicated workforce of 9,650 +, Abu Dhabi Aviation continues to set benchmarks in the aviation and related sectors.

ADA's shareholding structure consists of 59.4% ADQ Aviation & Aerospace Services; 12.1% Mamoura Diversified Global Holding; and 28.5% Free Float.