Tabreed Announces its 9M 2023 Results, with a 10% Rise in Revenue to AED 1.8 Billion

- *On track to add 120,000 RT capacity over FY 2023-24, supported by new projects and new connections across existing concessions*
- *Tabreed reports 9% year-on-year growth in consumption volumes*
- *Tabreed maintains 'Investment Grade' credit rating from Moody's & Fitch, demonstrating prudent cash flow management and solid financial position*

Abu Dhabi, United Arab Emirates – 15 November 2023: Tabreed, the world's leading district cooling company, today reported its financial results for the nine-month period ending 30 September 2023. During the first nine months of the year, Tabreed sustained positive momentum, recording a robust top line of AED 1.8 billion, a 10% increase year-on-year, compared to AED 1.7 billion in the same period last year. Attributed to this success is the steady growth Tabreed achieved in its consumption volumes (9% year-on-year) driven by new connections and higher demand from existing customers.

During the first nine months of 2023, Tabreed delivered an additional 41,319 Refrigeration Tons (RT) across its portfolio, having commissioned the all-new SeaWorld Abu Dhabi plant in the UAE, two new plants in the Kingdom of Saudi Arabia, and completed an acquisition of a plant from Tata Realty in India, bringing Tabreed's tally to 89 plants and a total connected capacity to more than 1.3 million RT.

Reflecting its commitment to driving efficiencies across its operations, Tabreed's Gross Profit increased by 3% year-on-year in the nine-month period to AED 804 million, from AED 781 in 9M 2022, while EBITDA reached AED 914 million (AED 912 million in 9M 2022) with healthy EBITDA margin of 50%. This is further mirrored in efficient working capital management marked by a 11% year-on-year increase in Net Cash from Operating Activities (AED 959 million in 9M 2023 versus AED 866 million in 9M 2022). Tabreed's balance sheet reflected further strength underscored by an improved Net Debt/EBITDA ratio of 4.18x (4.49x as end of FY 2022). Strong cash flow generation and prudent financial management has enabled the company to maintain an 'Investment Grade' credit rating with Moody's & Fitch.

Driven by revenue growth, healthy EBITDA, and lower net finance costs, the Group reported a Net Profit Before Tax attributable to parent of AED 605 million in 9M 2023 compared to AED 400 million in 9M 2022. Adjusting for one-off items (including non-cash deferred tax liability of AED 359 million recognised in the current period), Normalised Net Profit was AED 442 million for the first nine months of 2023, a 14% increase compared to AED 388 million in 9M 2022. On an absolute basis, Tabreed reported a Net Profit of AED 285 million for the nine months ending 30 September 2023.

Financial highlights – nine months ended 30 September 2023:

- Group revenue increased by 10% to AED 1.8 billion (9M 2022: AED 1.7 billion)
- EBITDA increased to AED 914 million (9M 2022: AED 912 million)
- Profit from Operation increased by 3% to AED 611 million (9M 2022: AED 590 million)
- Net Profit Before Tax attributable to parent is AED 605 million (9M 2022: AED 400 million)

Operational highlights – nine months ended 30 September 2023:

- Total connected capacity exceeded 1.30 million Refrigeration Tons (RT)
- 41,319 Refrigeration Tons (RT) of new customer connections added, with load additions of 24,165 RT in the UAE, 14,163 RT in KSA, 1,085 RT in Bahrain, 1,000 RT in India and 906 RT in Oman
- Tabreed achieved a record 19.2 million hours worked without a single lost time incident (LTI), the most recent occurring in July 2015

Commenting on the results, **Khaled Al Qubaisi, Tabreed's Chairman**, said: "I am delighted to report further top-line growth over the period driven by organic customer growth and market expansion. Tabreed continued to capitalise on its regional presence, growing rapidly and strategically across its core markets, domestically in the United Arab Emirates and regionally across GCC and Asia, further cementing our position as the district cooling partner of choice.

"Our new projects and capacity additions throughout the period continue to demonstrate the attractiveness of district cooling in Tabreed's key markets, with the company on track to add 120,000 RT over 2023-2024. Equally important is Tabreed's commitment to pursuing growth opportunities and delivering attractive and sustainable long-term returns for shareholders, underpinned by a positive business outlook and resilient business model offering predictable cash flows."

As well as commencing operations with the bespoke SeaWorld Abu Dhabi plant during the first nine months of 2023, Tabreed was named as preferred bidder for the grant of a long-term District Cooling Concession by the Hyderabad Pharma City master plan in India by Telangana State

Industrial Infrastructure Corporation (TSIIC) Limited. Phase 1 of the project will be for the construction of district cooling facilities of 2,500 RT, with an approximate project cost of AED 36.2 million. The total concession capacity of the project will be 125,000 RT, which will be implemented in various phases in accordance with the progress of the master development and corresponding increase in cooling demand.

Additionally in the third quarter of 2023, Saudi Tabreed was awarded a long-term District Cooling Concession for the King Salman Park project. Phase 1 of the King Salman Park project will be for 20,000 RT, with an estimated value of SAR 200 million (circa AED 200 million), with the total capacity rising to 60,000 RT on completion of construction.

-ENDS-

About National Central Cooling Company PJSC (Tabreed)

Tabreed provides essential and sustainable district cooling services to iconic developments such as the Burj Khalifa, Sheikh Zayed Grand Mosque, Louvre Abu Dhabi, Ferrari World, Emirates Towers, Yas Island, Al Maryah Island, The Dubai Mall, Dubai Opera, Dubai Metro, Bahrain Financial Harbor and the Jabal Omar Development in the Holy City of Makkah. The company owns and operates 89 plants in its portfolio, including 75 in the United Arab Emirates, five in the Kingdom of Saudi Arabia, seven in Oman, one in the Kingdom of Bahrain and one in India, in addition to other international projects and operations.

Tabreed is a leading driver of progress for people, communities and environments around the world towards a more sustainable future. Founded in 1998 and publicly listed on the Dubai Financial Market, it is one of the UAE’s strongest growth companies. Through its extensive regional and international operations, industry-leading reliability and efficiency, R&D programmes and investment in AI technology, Tabreed further solidifies its position as the industry's global leader. In addition to district cooling, Tabreed’s energy efficiency services extend the company’s sustainability impact, helping businesses and organisations to improve their overall energy consumption, in turn preventing CO_2 emissions and assisting in the achievement of carbon neutrality objectives.