TECOM GROUP مجموعة تيكوم

TECOM GROUP Q1 2024 NET PROFIT INCREASES 15% TO EXCEED AED 290 MILLION WITH OCCUPANCY LEVELS REACHING HISTORIC HIGHS

- *Q1 2024 revenue increased 10% YoY to AED 564 million driven by record-high portfolio occupancy rate of 91% driven by strong demand across all assets from existing and new customers*
- *EBITDA increased 10% YoY to AED 439 million with an EBITDA margin of 78%, as Group continues to focus on optimising operations*
- *Number of customers surpasses 11,000 thanks to strong customer retention across the business and addition of new customers*

Dubai, UAE, 3 May 2024 – TECOM Group PJSC (DFM: TECOM), (the "Company" or the "Group"), the creator of specialised business districts and vibrant communities, today announced achieving a 15% year-on year (YoY) increase in net profit for the three month period ended 31 March 2024 ("Q1").

Following record financial performance in 2023, TECOM Group continued to deliver strong financial performance in Q1 2024 driven by robust demand across the business from new and existing customers, underpinned by Dubai's robust economic performance, pro-growth and diversification government initiatives.

FINANCIAL HIGHLIGHTS

AED Millions (Unless otherwise stated)	**First Quarter**		**%Change (YoY)**
	2024	**2023**	
Revenue	564	514	**10%** ⇧
EBITDA	439	399	**10%** ⇧
EBITDA Margin	78%	78%	**-** ⇔
Net Profit	293	255	**15%** ⇧

OPERATING HIGHLIGHTS

Commercial and Industrial	**31 March 2024**	**31 March 2023**	**YoY%**
Occupancy Level *(Commercial and Industrial)*	91%	87%	**4%** ⇧
Occupancy Level *(Land Lease)*	95%	84%	**11%** ⇧
Number of Customers	11,000+	10,000+	**10%** ⇧

Abdulla Belhoul, Chief Executive Officer of TECOM Group, said: "We are starting the year on a very strong footing. We achieved a robust financial and operational performance in the first quarter, building on our successes in 2023. This stands as a testament to our ability to leverage our diverse portfolio to satisfy the rising demand for quality commercial spaces and solutions spurred by Dubai's broad-based economic growth."

"With occupancy rates across our portfolio consistently climbing for three consecutive quarters, we have now reached a company all-time high of 91%, with some business districts near full capacity. Demand from new customers across the six sectors we serve is palpable, notably for Grade A offices and industrial properties. We are also pleased with the very strong appetite from existing customers, with customer retention rates within our industrial leasing portfolio reaching a historic 98%."

"We anticipate the demand-induced growth momentum to be sustained for the rest of the year. Our confidence is underpinned by a positive macroeconomic outlook enabled by pro-growth government initiatives, including Dubai's D33 and the UAE's Operation 300 billion. We are confident in our ability to unlock greater shareholder value as we progress on our strategic growth agenda."

Q1 2024 Commentary

- Revenue increased 10% YoY to AED 564 million as the portfolio occupancy rate across commercial and industrial leasing portfolio reached an all-time high of 91%, driven by strong demand across all leasing and service segments as business activity across various sectors continued to strengthen, underpinned by a robust macroeconomic backdrop and supportive government initiatives and measures.
- EBITDA for the first 3 months of the year increased 10% YoY to AED 439 million while EBITDA margins remained at a healthy 78%. EBITDA rose on the back of robust top-line growth as the Group maintained prudent cost controls.
- Net Profit rose 15% YoY to AED 293 million, as the business continues to focus on quality revenue, optimising operations across the business districts.
- Funds from operations (FFO) stood at AED 413 million, representing a 15% YoY increase, on improved collections and increased performance of income-generating assets.

Key Operational Activities

Through its provision of business districts, TECOM Group continues to support many industries that drive Dubai's diversification agenda and economic growth. In Q1 2024, TECOM Group witnessed:

- Alibaba Cloud, the digital technology and intelligence backbone of Alibaba Group, unveiled its MEA training centre in Dubai Internet City.
- Dubatt inaugurated the UAE's first integrated battery recycling plant in Dubai Industrial City and signed a musataha agreement to expand the facility, increasing its total investment in Dubai Industrial City to AED 216 million.
- Middlesex University Dubai introduced the MDX Innovation Hub at Dubai Knowledge Park.
- Harrisburg University of Science and Technology Dubai (HU Dubai), a branch of the renowned independent science and technology-focused university from the USA, was inaugurated at Dubai Knowledge Park.
- Successfully launched in partnership with the Emirates Red Crescent The Good Store, a philanthropic initiative to offer a seamless donation platform during Ramadan and Eid al-Fitr, for the second consecutive year.
- Dubai Design District (d3) hosted the successful launch of the Autumn/Winter 24/25 edition of Dubai Fashion Week, enhancing Dubai's global stature as a fashion destination.
- A strategic partnership was signed with VFS Global to provide visa processing and document attestation services exclusively for customers and professionals to TECOM's customers.
- Dubai Science Park, in collaboration with EY and consultations with 18 health system leaders and policymakers, published a white paper exploring global megatrends in healthcare and their influence on reshaping the ecosystem for personalized and precision medicine in the UAE.

-ENDS-

	MEDIA ENQUIRIE	INVESTOR RELATIONS ENQUIRIES
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TECOM GROUP

Q1 2024 Financial Results

REVENUE	AED **564 M**	↑ 10% (YOY)
EBITDA	AED **439 M**	↑ 10% (YOY)
NET PROFIT	AED **293 M**	↑ 15% (YOY)

OCCUPANCY LEVEL

Commercial and Industrial	Land Lease	Number of Customers
91%	95%	11,000+
↑ 4% (YOY)	↑ 11% (YOY)	↑ 10% (YOY)

2024 JANUARY FEBRUARY MARCH Q1