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Strong Q3 Operational Results Deliver 25% Revenue Growth and a 40% Increase in EBITDA

Parkin Company PJSC ("Parkin" or the "Company"), the largest provider of paid public parking facilities and services in Dubai, today reports its operational and financial results for the third quarter ("Q3" or "third quarter") and the nine-months period ("9M") ended 30 September 2024.

Key Takeaways: Q3 2024 vs. Q3 2023

- Total revenues of AED 239.2 million (+25%)
- EBITDA of AED 146.8 million (+40%), with margins expanding to 61% (up from 54%)
- Net profit of AED 104.7 million (+5%), despite introduction of 9% corporate tax rate
- Total net addition of c.4.3k new spaces across entire parking portfolio⁽¹⁾
- Total parking transactions of 33.8 million (+16%)
- Average public parking utilisation rate +2.7 percentage points to 26.4%
- Commercial developments post quarter end: (a) individual MoUs signed with Skyports Infrastructure, SAAED Traffic Systems, Charge&Go by e& (b) barrierless parking agreement for three malls entered into with Majid Al Futtaim Properties
- Company on track to meet FY 2024 revenue, EBITDA and net income guidance disclosed at listing

Key Operational Highlights

KPIs	Units	Q3 2023	Q3 2024	% Δ	9M 2023	9M 2024	% Δ
Total number of parking spaces	'000	196.1	207.3	6%	196.1	207.3	6%
Public parking	'000	174.7	179.6	3%	174.7	179.6	3%
Developer parking	'000	17.2	24.5	42%	17.2	24.5	42%
Public MSCPs	'000	4.1	3.2	-22%	4.1	3.2	-22%
Total # of parking transactions	m	29.2	33.8	16%	86.2	94.7	10%
Weighted avg. public parking tariff ⁽²⁾	AED/hr	2.02	2.01	-0.3%	2.02	2.01	-0.2%
Avg. public parking utilisation rate ⁽³⁾	%	23.8%	26.4%	+2.7 p.p.	23.8%	26.2%	+2.4 p.p.
Seasonal permits issued	'000	27.9	37.4	34%	74.0	100.5	36%
Total fines issued	'000	282.8	418.1	48%	943.1	1,161.8	23%
Chargeable days in the period	-	76	78	+ 2	223	225	+ 2

- (1) The total net addition of c.4.3k parking spaces across our portfolio differs from total number of parking spaces because the net figure takes into account the scheduled phasing out of c.7.7k spaces at Al Sufouh, which is ongoing and will be completed by the end of November 2024
- (2) Based on the number of parking spots and tariffs across public parking zones A to D. For zones A and C, this is the product of the total number of parking spaces in the zone and the hourly tariff. For zones B and D, this is calculated as the total number of parking spaces in the zone multiplied by a factor of 1.43 for zone B and a factor of 0.71 for zone D. The total of all four zones is then aggregated and divided by the total number of public spaces to obtain the weighted average hourly tariff
- (3) Utilisation is based on the maximum possible revenue per zone. For zones A and C, utilisation is calculated as actual zone revenue in the period, divided by the products of: the number of spaces, the hourly tariff, the number of chargeable hours per day and the number of chargeable days in the period. For zones B and D, utilisation is calculated as actual zone revenue divided by the product of: the number of spaces, the daily tariff and the number of chargeable days in the period

Key Financial Highlights

AED million	Q3 2023	Q3 2024	% Δ	9M 2023	9M 2024	% Δ
Total revenue	192.2	239.2	25%	575.4	660.2	15%
Public parking	89.2	103.7	16%	261.8	292.6	12%
Developer parking	13.9	18.3	32%	41.8	49.2	18%
Public MSCPs	4.2	2.8	-33%	13.3	8.4	-37%
Seasonal cards / permits	35.3	38.3	8%	99.2	112.3	13%
Fines	41.6	64.9	56%	136.5	172.1	26%
Other ⁽¹⁾	8.0	11.2	40%	22.8	25.6	12%
EBITDA	104.5	146.8	40%	302.7	419.1	38%
EBITDA margin (%)	54%	61%	+7 p.p	53%	63%	+10 p.p
Capital expenditure	0.2	8.8	n/m	4.4	1,108.8	n/m
Net profit	99.8	104.7	5%	287.9	303.5	5%
Free cash flow to equity ⁽²⁾	n/a	211.6	n/m	n/a	347.2	n/m
Cash conversion (%) ⁽³⁾	100%	94%	n/m	99%	98%	n/m

n/m = not meaningful, n/a = data not available

- (1) Other consists of revenue generated from parking reservations, rental income from shop leases and finance income generated from cash deposits
- (2) Free Cash Flow to Equity is defined as Net Cash Flows generated from/used in operating activities + Net Cash Generated from/used in Investing Activities + Net Cashflows from Financing Activities (before any Dividend Payments). Please note that, in accordance with the pro-forma financial statements as per the IPO prospectus, FCFE does not include proceeds from the issuance of share capital of AED 60.0 million or the contribution of AED 61.5 million on behalf of the parent, the Dubai Investment Fund, during the Company's formation
- (3) Cash Conversion is defined as EBITDA, less Capital Expenditure, divided by EBITDA and excludes the concession payment of AED 1.1bn

Ahmed Bahrozian, Chairman of Parkin's Board of Directors, commented:

"As the largest provider of paid public parking services in the Emirate, Parkin plays a key role in Dubai's transport ecosystem. Our strong third quarter results demonstrate ongoing progress on key operational metrics which underpin the Company's revenue growth and profitability. With best-in-class capabilities, operational excellence and cutting-edge technology, Parkin is well positioned to capture future market opportunities in line with our strategy. These opportunities are well supported by Dubai's expanding population, increasing car ownership and continued investment in our world-class transport infrastructure. Going forward, we will continue to expand our vision to provide seamless, sustainable and innovative mobility



solutions that support the Emirate's accelerating economic growth and social development ambitions."

Eng. Mohamed Al Ali, CEO of Parkin, added:

"We continued to deliver profitable growth in the third quarter, with further additions to our parking space portfolio, record transaction volumes, higher public parking utilisation rates as well as improved efficiency and accuracy of our technologically advanced enforcement framework.

These operational achievements resulted in impressive revenue growth of 25%, underpinned by an increase in public parking revenues, our core business segment where we have a dominant market position, higher revenues from developer parking, higher seasonal card sales and improved enforcement revenues. EBITDA advanced by 40%, with a margin of 61%, primarily due to strong top line growth and operational leverage.

Post period end, the recent partnerships signed with Skyports, SAAED and e&, alongside a 5-year fixed price contract with Majid Al Futtaim, reinforce our strategic capabilities and reflect our proven track record and ability to deliver growth in new areas outside of our core public parking market.

As we continue to support Dubai's ambitious growth plans, I am confident in Parkin's future opportunities and in our ability to continue delivering sustainable, long-term shareholder value."

Q3 2024 Operational Performance

Total Active Parking Spaces

Across our portfolio, on a gross basis, the total number of parking spaces at the end of Q3 2024 was c.207.3k, up 6% vs. Q3 2023 (c.196.1k). Taking into account the ongoing announced reduction in some private developer spaces at Al Sufouh (c.7.7k), the net increase amounted to c.4.3k spaces. This figure assumes complete reduction of the Al Sufouh spaces.

Public Parking

Parkin's core business and key growth driver is public parking, which includes on and off-street parking facilities. Public parking is classified into four tariff zones with premium and standard zones for both on and off-street parking.

Public parking spaces increased by 4.9k (+3%), from 174.7k spaces in Q3 2023 to 179.6k spaces in Q3 2024. In terms of new additions, zone C saw the largest increase with c.4.3k spaces added.

Zone	On / Off-Street	Premium / Standard	Hourly Tariff	Total Parking Spaces ('000)		
				Q3 2023	Q3 2024	% Δ
A	On-Street	Premium	AED4	26.6	26.6	0%
B	Off-Street	Standard	AED3	3.3	3.3	0%
C	On-Street	Premium	AED2	107.2	111.5	4%
D	Off-Street	Standard	AED2	37.6	38.2	2%
Total				174.7	179.6	3%

Developer Parking



While the developer parking segment currently accounts for less than 10% of total revenues, paid parking in private developer areas represents a significant growth opportunity.

As announced in June 2024, Parkin signed an agreement to add c.7.5k spaces across six locations in Dubai. 3.7k of these spaces commenced operation in June 2024 (Q2) and a further c.3.3k spaces in July 2024, resulting in a total of c.7.0k spaces fully phased in and operational. Separately, c.1.1k new private developer spaces were added in the Dubai Hills area in August 2024.

In addition, as previously disclosed, an expected change in the terms of an agreement with a developer in the Al Sufouh area is set to result in a reduction of c.7.7k spaces. Initial estimates indicated that the reduction in spaces at Al Sufouh would be complete by the end of Q2 2024. However, the slower than expected phasing out of these spaces means that the Company continues to benefit from revenue generated by this asset. It is now anticipated that the reduction will be finalised by the end of November.

Total Developer Parking Spaces ('000) ⁽¹⁾			
Q2 2024 End	Q3 Additions	Q3 Reductions	Q3 2024 End
20.2k	4.4k	0.0k	24.5k

(1) Numbers may not add due to rounding

Multi-story Car Parking (MSCPs)

The MSCP segment generated around 1% of the Company's revenue in Q3 2024. MSCP spaces decreased by 22% from 4.1k spaces in Q3 2023, to 3.2k in Q3 2024. As disclosed previously, this was due to the demolition of the Sabkha car park and the closure of the Al Rigga site for maintenance and repair. The Al Rigga site remains on track to re-open towards the end of Q4 2024, which will restore access to c.500 MSCP parking spaces at the newly refurbished location.

Parking Transactions

The total number of parking transactions increased 16% from 29.2 million in Q3 2023 to 33.8 million in Q3 2024, primarily driven by increased transactions in the public parking segment, especially in zone C. 91% of all parking transactions during the quarter were cashless.

Utilisation and Weighted Average Hourly Tariff

Across the Company's public parking portfolio, the utilisation rate increased by 2.7 percentage points to 26.4% in Q3 2024, underpinned by an increase in the number of customers and improved compliance. Utilisation growth was particularly noticeable across zones C and D. The weighted average public parking hourly tariff remained broadly stable at AED 2.01 (Q3 2023: AED 2.02).

Seasonal Cards and Permits

The total number of seasonal cards and permits issued by the Company increased by 34% to 37.4k in Q3 2024 (Q3 2023: 27.9k), with increases recorded across all durations. In particular, the overall increase was underpinned by a 41% increase in the issuance of seasonal permits with a short-term validity period of 0-3 months, with a total of 28.7k seasonal cards issued during the period (Q3 2023: 20.4k).

Fines

The total number of fines issued increased by 48% from 282.8k in Q3 2023 to 418.1k in Q3 2024, driven by an increase in the number of customers, strong parking transaction volumes and technology-based improvements.



In July 2024, Parkin upgraded the software on handheld inspection devices used by its enforcement team. This operational initiative resulted in a material increase in the number of vehicle plates being scanned and the number of fines issued compared to prior periods. Not only has the new software reduced the manual element of the inspection process, speeding up inspection times and further optimising the enforcement process, but the new software has also decreased the number of fines issued in error, increasing enforcement accuracy. The number of vehicle licence plates scanned by our inspectors in the quarter increased by 57% to 4.7 million (Q3 2023: 3.0 million).

Parkin continued to enhance its enforcement capabilities via the use of its fleet of smart inspection scan cars. These vehicles have expanded the Company's ability to undertake enforcement across new areas and with higher accuracy, reducing reliance on physical inspections. It is envisaged that by year end, Parkin's smart inspection scan car fleet will increase to 24 active units. As at the end of Q3 2024, the Company's existing fleet of scan cars scanned a total of 5.7 million vehicle registration plates, a 47% increase on the same period last year (Q3 2023: 3.9 million).

The overall fine collection rate amounted to 85% during the quarter (Q3 2023: 103%). The collection rate was lower during the period because of an increase in the volume and quantum of fines, particularly in September.

Q3 2024 Financial Performance

Note to the financial statements: Parkin became established as a separate legal entity on 1 January 2024, operating under a 49-year concession agreement with the RTA. Prior to this, Parkin did not incur expenses relating to its concession fee or a transitional service agreement with the RTA. Therefore, comparing the Company's 2024 financial results with those of 2023 may not accurately reflect like-for-like performance.

Total Revenue

Total revenue increased by 25% to AED 239.2 million in Q3 2024, with notable increases in revenue generated from public and developer parking, seasonal card / permit fees and enforcement (Q3 2023: 192.2 million). In addition, there were two extra chargeable days in the period, compared to the same period last year.

Public parking revenue increased 16% to AED 103.7 million, supported by a higher volume of parking tickets purchased during the period, particularly across zones C and D (Q3 2023: 89.2 million).

Revenue from **seasonal permits** increased 8% to AED 38.3 million due to a record number of seasonal cards that were sold during the period (Q3 2023: 35.3 million).

Revenue from **developer parking** increased 32% to AED 18.3 million in the period due to a net increase in the number of parking spaces in operation, combined with increased ticket volumes (Q3 2023: 13.9 million).

Revenue generated from **fines** increased by 56% to AED 64.9 million in Q3 2024. This was driven by an increase in the total number of parking spaces, an increase in customer numbers, a rise in transaction volumes and an enhanced enforcement framework underpinned by our fleet of smart inspection scan cars. Scan cars are expanding enforcement coverage and improving efficiency and accuracy in issuing fines.



Concession Fee Expense

As part of its concession agreement with the Roads & Transport Authority (RTA), Parkin began paying the RTA a variable concession fee. The variable concession fee amounted to AED 30.2 million in Q3 2024, representing 20% of Company revenue with the exception of fines and developer parking.

Staff Costs

Employee benefits expense decreased by 8% to AED 30.7 million in Q3 2024. In Q3 2023, the RTA based its cost centre allocation on c.450 employees whereas Parkin's headcount stood at 326 as at the end of Q3 2024. The Company expects employee benefits expense to increase over the coming quarters due to ongoing hiring and the re-alignment of salaries from RTA to Parkin contracts from Q2 2024 onwards. Hiring will continue throughout the remainder of the year and into H1 2025 as the Company continues to build up its internal capabilities.

EBITDA

EBITDA increased 40% in Q3 2024 to AED 146.8 million, representing an EBITDA margin of 61%, up 7 percentage points on Q3 2023. The margin expansion was driven by operational leverage, supported by Parkin's revenue growth from an expanding customer base, additional parking spaces, increased transaction volumes and utilization rates, alongside operational improvements in enforcement.

Net Profit

Net profit increased 5% to AED 104.7 million (Q3 2023: 99.8 million). The continued growth in EBITDA was partially offset by higher depreciation and amortisation expense, higher finance costs and the introduction of 9% corporation tax for UAE companies from 1 Jan 2024.

Free Cash Flow and Cash Conversion

In the third quarter, the Company generated AED 347.2 million of Free Cash Flow to Equity. During the remainder of 2024, in addition to current receivables, the Company will also focus on collecting legacy receivables from related parties generated in prior periods and novated to Parkin.

During Q3 2024, the cash conversion rate was 94%, due to Parkin's capex light business model, strong revenue performance and stable cost base.

Borrowings

In Q1 2024, Parkin and Emirates NBD PJSC entered into an agreement for AED 1.2 billion in unsecured credit facilities, comprising of a 5-year Murabaha term financing facility of AED 1.1 billion and an AED 100 million Murabaha revolving credit facility. Both facilities carry a variable interest set at 3-month EIBOR plus a margin of 0.80% per annum.

At the end of the third quarter, Parkin's net debt position was AED 660.1 million.

Including the Murabaha revolving credit facility, which remains fully undrawn, the Company has available liquidity of AED 569 million. The increase in liquidity is due to the collection of AED 307.9 million in receivables by the Company during Q3 2024.

Dividend Policy

The Company intends to pay a semi-annual dividend in April and October of each year.



For FY 2024 and thereafter, the Company expects to pay a minimum dividend payout of the higher of: (i) 100% of net profit for the year, or (ii) free cash flow to equity, subject to distributable reserves requirements.

Parkin declared and paid an interim dividend of AED 198.773 million, or AED 0.06625 per share, to eligible shareholders at the end of October 2024.

FY 2024 Outlook

Notwithstanding the effect of seasonality on operations and revenue, the management team consider that the business will perform in line with guidance provided to the market during the listing process in Q1 2024.

IR and Media Enquiries

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About Parkin Company PJSC

With a unique blend of operational excellence, technological know-how and enforcement capability spanning almost three decades, Parkin Company PJSC is the largest provider of paid public parking facilities and services in the Emirate of Dubai, operating approximately 200k paid parking spaces. Parkin has a monopoly on Dubai's on and off-street paid public parking market and a 91% market leading share of the total on and off-street paid parking market.

Under a 49-year Concession Agreement with Dubai's Roads and Transport Authority (RTA), Parkin has the exclusive right to operate a portfolio of public on and off-street parking (180k spaces) as well as public multi-storey car parking facilities (3k spaces). Parkin also operates certain developer-owned parking facilities through partnership agreements across the Emirate (25k spaces). Additional revenue streams include enforcement, the issuance of seasonal permits, parking reservations and other commercial activities.

By deploying state of the art digital payment solutions and intelligent parking management systems that utilise artificial intelligence and big data analysis, Parkin's customers successfully conducted 95m parking transactions during 9M 2024.

Dubai's parking operations were established in 1995 under the Dubai Municipality, before becoming part of the RTA in 2005. In December 2023, Parkin Company PJSC was established through the issuance of Law No. 30 of 2023, successfully completing its initial public offering (IPO) on the Dubai Financial Market in March 2024.

Cautionary Note: Forward-looking Statements

This press release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "believes", "targets", "estimates", "budgets", "plans",

“projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They may appear in a number of places throughout this release and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, Parkin's results of operations, financial position, liquidity, prospects, growth and industry expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances outside the Company's control. Forward-looking statements are not a guarantee of future performance and the development of the industry in which the Company operates and may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the industry in which Parkin operates is consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause results and/or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, demand, supply, industry trends, assumptions, competition, actions and activities of governmental authorities (including changes in laws, regulations or taxation), and their effect on the timing and feasibility of future projects and developments. Except as required by applicable law, rule or regulation, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance.