

Salik Reports AED 2.3 billion of Revenue in 2024 with a Growth of 8.7%

EBITDA Reached AED 1.6 billion Up 13.6%

Revenue-Generating Trips Continue to Increase reaching 498.1 million up by 8%

Cash Dividends of AED 619.8 million for H2 2024

4 March 2025: Salik Company PJSC ("Salik" or the "Company"), Dubai's exclusive toll gate operator, today announced its financial results for the three-month and year-ended December 31, 2024 ("Q4 2024" and "FY 2024"). Total Revenue for the full year 2024 grew by 8.7% YoY to reach AED 2.3 billion while fourth quarter revenue grew 15.6% YoY amounting to AED 651 million. EBITDA for the full year reached AED 1.6 billion, a 13.6% YoY growth. In terms of operations, total revenue generating trips recorded 498.1 million, rising by 8.0% YoY at the back of the launch of the two new Salik gates.

FY 2024 Operational Highlights

Revenue generating trips

▲ **+8.0% to 498.1 million**

at the top end of the guided range, with Q4 2024 trips up 15.8% YoY.

Total number of trips

▲ **+7.6% to 638.2 million**

supported by the launch of the two new gates.

Active registered accounts

▲ **+7.4% to 2.6 million**

and up 2.5% vs. Q3 2024.

FY 2024 Financial Highlights

Total Revenue

▲ **+8.7% to AED 2.3 billion**

Q4 revenue of AED 651.0 million, +15.6% YoY.

EBITDA

▲ **+13.6% YoY to AED 1.6 billion,**

with margins of 68.9%, up 300 bps YoY.

Net profit before tax

▲ **+16.6% YoY to AED 1.3 billion,**

supported by increase in revenue and cost efficiency

Profit for the period

▲ **+6.1% to AED 1.2 billion**

despite introduction of 9% UAE corporate tax in 2024.

Dividend

AED 1,164.5 million

100% of 2024 net profit, equivalent to 15.5275 fils per share,

H2 2024 Dividend

AED 619.8 million

to be paid in H1 2025

His Excellency Mattar Al Tayer, Chairman of the Board of Directors of Salik, expressed his delight over the company's financial and operational results and said:

"Salik has reported a very strong year, with healthy revenue growth and record profitability performance. Our financial results for 2024 are a testament to the strength of our business model and strategy, and our commitment to delivering long-term value to shareholders. During the past year, Salik proudly reached significant strategic milestones, having introduced two new toll gates within the core tolling business and established multiple partnerships. These strategic partnerships support our ambition to become a global leader in providing sustainable and smart mobility solutions. They also reflect our commitment to delivering innovative solutions that enhance road user experience, expand our ancillary revenue streams and supports financial returns." **His Excellency also noted that,** "With this growth, we see promising opportunities to continue to increase and diversify our revenues, enhance our financial returns, and contributing to the long-term sustainability of our business. We look forward to achieving more operational, financial and strategic milestones in 2025".

Ibrahim Sultan Al Haddad, Chief Executive Officer of Salik, commented:

"Our 2024 results were bolstered by particularly robust performance in the fourth quarter, with revenue-generating trips increasing 8% year-on-year, at the top end of our guided range. Growth in total revenue exceeded guidance, up by 8.7% year-on-year, along with very strong profitability, as our EBITDA margin reached 68.9%. We are optimistic about the positive trends in Dubai's economy, which align with and support our growth and vision. We are pleased to revise our guidance for FY25 upwards, projecting revenue growth of 28-29% compared to FY24, alongside an EBITDA margin of 68-69%. Our revised guidance includes contributions from the implementation of variable pricing and our two new gates, both of which have demonstrated the expected performance in their initial weeks of operation. I would like to reaffirm our confidence in expanding our ancillary revenue streams in 2025, following the successful collaboration with Emaar Malls to provide an innovative, barrier-free parking payment solution. We have further broadened our service offering in partnership with Parkonic to integrate Salik's e-wallet system across 107 parking locations in the UAE, in addition to our pioneering collaboration with Liva Group to streamline the vehicle insurance renewal process."

Financial Highlights

AED million ⁽¹⁾	Q4 2024	Q4 2023	% Δ YoY	Q3 2024	% Δ QoQ	FY 2024	FY 2023	% Δ YoY
Revenue	651.0	563.0	15.6%	546.1	19.2%	2,291.9	2,108.6	8.7%
EBITDA ⁽¹⁾	464.1	366.1	26.7%	376.7	23.2%	1,579.1	1,390.1	13.6%
Profit before tax	376.4	295.3	27.5%	304.7	23.5%	1,279.7	1,098.0	16.6%
Profit for the period	342.5	295.3	16.0%	277.3	23.5%	1,164.5	1,098.0	6.1%
Earnings per share (AED)	0.046	0.039	16.0%	0.037	23.5%	0.155	0.146	6.1%
Dividends declared	619.8	550.0	12.7%	-	-	1,164.5	1,098.0	6.1%

(1) EBITDA is profit for the period, excluding the impact of tax, finance cost, finance income, and depreciation and amortization expenses.

Performance Review

Core Tolling Business

Million	Q4 2024	Q4 2023	% Δ YoY	Q3 2024	% Δ QoQ	FY 2024	FY 2023	% Δ YoY
Total trips	183.8	156.4	17.5%	150.5	22.1%	638.2	593.1	7.6%
Discounted trips	39.5	31.9	23.7%	32.0	23.2%	133.0	125.9	5.6%
% of total trips	21.5%	20.4%	1.1%	21.3%	0.2%	20.8%	21.2%	-0.4%
Net toll traffic	144.3	124.5	15.9%	118.5	21.8%	505.2	467.2	8.1%
% of total trips	78.5%	79.6%	-1.1%	78.7%	-0.2%	79.2%	78.8%	0.4%
Revenue generating trips	142.6	123.1	15.8%	117.1	21.7%	498.1	461.4	8.0%
% of net toll traffic	98.8%	98.9%	-	98.8%	-	98.6%	98.7%	-0.1%
% of total trips	77.6%	78.7%	-1.1%	77.8%	-0.2%	78.0%	77.8%	0.3%

Continued strong performance drives revenue to AED 2,291.9 million in FY 2024, up 8.7% year-on-year

The total number of trips, including discounted trips, made through Salik's toll gates grew 7.6% YoY in FY24, driven by Dubai's continued attraction of tourists and growth in commercial activities.

- **Revenue-generating trips** reached 498.1 million in the year, up 8.0% YoY, with revenue generating trips totaling 142.6 million in the fourth quarter, up 15.8% YoY, supported by commencement of operations of two new toll gates introduced at the end of November 2024. Growth remained strong across several established gates in the fourth quarter, with Al Garhoud Bridge seeing strong double-digit growth 15.9%, and Jebel Ali 8.5% and Airport Tunnel 5.2% seeing mid-high single digit growth.
- **Toll usage fees:** revenue during the year increased by 8.0% YoY to AED 1,992.5 million. The strong growth was supported by the growing inflow of tourists and increased movement of individuals across Dubai, with fourth-quarter toll usage fee revenues increasing 15.7% YoY to AED 570.2 million driven by the introduction of the new gates.
- **Fines:** revenue from fines increased 9.3% YoY to AED 236.9 million in the year, with the fourth quarter up 14.5% YoY to AED 62.1 million. The number of net violations (accepted minus dismissed violations) grew 5.4% YoY in Q4 2024, reaching c.730,000. Net violations during the fourth quarter represented 0.4% of net toll traffic, with revenue from fines contributing 10.3% to total revenue in FY24.
- **Tag activation fees:** grew strongly in the year, with revenue increasing 7.0% YoY to AED 40.9 million. Tag activation fees contributed 1.8% of total revenue in FY24.

Ancillary Revenue Streams

- **Total revenue from parking partnership with Emaar Malls reached AED 5.8 million in FY24** having launched on 1 July 2024, driven by a high number of transactions. The barrier-free parking payment solution processed 100% seamless transactions, in line with Salik's ambitions to deliver a seamless paid parking system to enhance the guest experience, improve parking availability and streamline the payment process, with 100% of the transactions being autopayment.
- **Salik reaffirms its confidence in expanding its ancillary revenue streams in 2025** following its successful collaboration with Emaar Malls, its recent partnership with Parkonic to integrate Salik's e-wallet system across 107 locations in the UAE and its collaboration with Liva Group to streamline the vehicle insurance renewal process. These partnerships reflects Salik's commitment to delivering innovative solutions that enhance user experience and strengthens Salik's position to increase its revenues and diversify its income streams, both of which will contribute to the long-term sustainability of the business.

Financial Performance

Strong profitability in FY24, with EBITDA increasing 13.6% year-on-year, healthy balance sheet in place

Salik generated EBITDA of AED 1,579.1 million in FY24, up 13.6% YoY from AED 1,390.1 million in FY23, driven by strong EBITDA growth in the fourth quarter, with EBITDA growing 26.7% YoY to AED 464.1 million, Salik's highest quarterly EBITDA performance since inception.

EBITDA margin reached 68.9% in FY24, compared to 65.9% in FY23, representing a c.300 bps YoY expansion. Margins expanded significantly in the fourth quarter to 71.3%, c.630bps YoY expansion compared to 65.0% in Q4 2023 and 69.0% in Q3 2024.

Salik's net profit before taxes totaled AED 1,279.7 million in FY24, marking a strong 16.6% YoY increase, with fourth quarter profit before tax increasing 27.5% YoY to AED 376.4 million.

Salik generated net profit after taxes of AED 1,164.5 million in FY24, a 6.1% YoY increase, with fourth quarter profit after tax reaching AED 342.5 million, up 16.0% compared to Q4 2023, despite the introduction of the 9% corporate tax in the UAE in 2024.

In light of the strong year performance, the Board of Directors propose a dividend of AED 619.8 million to be paid during H1 2025 (equivalent to 8.2645 Fils per share). This brings total dividends for FY24 to AED 1,164.5 million representing 100% of FY24 net profit and a 6.1% YoY increase compared to FY23.

AED million ⁽¹⁾	Q4 2024	Q4 2023	% Δ YoY	Q3 2024	% Δ QoQ	FY 2024	FY 2023	% YoY
Revenue	651.0	563.0	15.6%	546.1	19.2%	2,291.9	2,108.6	8.7%
Toll usage fees	570.2	492.9	15.7%	468.4	21.7%	1,992.5	1,845.5	8.0%
Fines	62.1	54.2	14.5%	58.7	5.7%	236.9	216.8	9.3%
Tag activation fees	10.8	13.8	-21.8%	10.3	4.4%	40.9	38.2	7.0%
Other revenue	7.9	2.1	276.9%	8.6	-8.7%	21.7	8.1	166.2%
EBITDA⁽¹⁾	464.1	366.1	26.7%	376.7	23.2%	1,579.1	1,390.1	13.6%
EBITDA margin	71.3%	65.0%	6.3%	69.0%	2.3%	68.9%	65.9%	3.0%
Finance costs, net	(60.2)	(49.8)	20.7%	(50.5)	19.2%	(208.3)	(209.1)	-0.4%
Profit before tax	376.4	295.3	27.5%	304.7	23.5%	1,279.7	1,098.0	16.6%
Income tax	(33.9)	-	-	(27.4)	23.5%	(115.1)	-	-
Profit for the period	342.5	295.3	16.0%	277.3	23.5%	1,164.5	1,098.0	6.1%
Earnings per share	0.046	0.039	16.0%	0.037	23.5%	0.155	0.146	6.1%
Dividends declared	619.8	550.0	12.7%	-	-	1,164.5	1,098.0	6.1%

(1) EBITDA is profit for the period, excluding the impact of tax, finance cost, finance income, and depreciation and amortization expenses.

Summary of balance sheet: net debt of AED 5,198.6 million, with leverage of 3.29x Net Debt to EBITDA

Salik recorded a net working capital balance of AED -536.8 million as of December 31, 2024, equating to c.-23% as a percentage of annualized revenues. The significant growth in net working capital is mainly due to RTA concession fees associated with the toll rights fee for the new toll gates, in addition to higher provisions for the corporate tax introduced in January 2024. As at December 31, 2024, net debt stood at AED 5,198.6 million, up from AED 3,163.3 million at the end of September 2024, mainly due to the payable of the concessionary rights to RTA, pertaining to the two new toll gates. This translates to a trailing twelve-month net debt/EBITDA ratio of 3.29x, significantly below the Company's debt covenant of 5.0x.

AED million	31-Dec-24	30-Sep-24	% Δ QoQ	31-Dec-23	% Δ YtD
Total assets, including:	7,985.9	5,059.2	57.8%	5,223.8	52.9%
Cash and cash equivalents	963.7	836.6	15.2%	266.2	262.0%
Short term deposit with bank ⁽¹⁾	-	-	-	750.0	-
Total liabilities, including:	6,897.9	4,669.4	47.7%	4,561.2	51.2%
Borrowings	6,154.3	3,991.2	54.2%	3,988.8	54.3%
Contract liabilities ⁽²⁾	382.3	369.4	3.5%	353.1	8.3%
Total equity	1,088.0	389.8	179.1%	662.5	64.2%
Net debt	5,198.6	3,163.3	64.3%	2,980.5	74.4%
Net working capital balance ⁽³⁾	(536.8)	(218.8)	145.4%	(192.4)	179.0%

(1) Represent Fixed deposit with original maturity of 3 to 12 months. Previously the term deposits had maturity less than 3 months and thus were classified as Cash

(2) Contract liabilities is the sum of current and non-current balances paid in advance by customers relating to recharges and top-ups and tag activation fees.

(3) Net working capital is the balance of inventories plus trade and other receivables plus dues from related parties plus contract assets minus trade and other payables, minus current portion of due to a related party minus current portion of contract liabilities minus current portion of lease liabilities and provision for taxation.

Summary of cash flow: free cash flow of AED 1,457.3 million, with a margin of 63.6%

Salik generated free cash flow of AED 1,457.3 million in FY24, up 0.5% YoY, with a free cash flow margin of 63.6%. Free cash flow reached AED 402.6 million in the fourth quarter, -1.5% year-on-year, but up 8.7% compared to the Q3 2024 period, with a free cash flow margin of 61.8%. The free cash flow margin declined by c.510 bps year-on-year, mainly relating to the payments of the concessionary rights to RTA, pertaining to the two new toll gates.

AED million	Q4 2024	Q4 2023	% Δ YoY	Q3 2024	% Δ QoQ	FY 2024	FY 2023	% Δ YoY
Operating cash flow before changes in working capital	449.6	377.6	19.1%	383.7	17.2%	1,594.0	1,424.5	11.9%
Changes in working capital	(46.9)	31.1	-250.8%	(13.4)	250.9%	(130.8)	29.7	-539.7%
Net cash flow from operating activities	402.6	408.7	-1.5%	370.3	8.7%	1,463.1	1,454.2	0.6%
Net cash generated from / (used) in investing activities	8.0	(249.1)	-103.2%	621.0	-	801.3	(735.3)	-209.0%
Net cash (used in) / generated from financing activities	(283.4)	(60.6)	368.1%	(607.0)	-53.3%	(1,566.9)	(1,275.5)	22.9%
Free cash flow ⁽¹⁾	402.6	408.7	-1.5%	370.3	8.7%	1,457.3	1,449.6	0.5%
Free cash flow margin ⁽²⁾	61.8%	72.6%	-10.8%	67.8%	-6.0%	63.6%	68.7%	-5.2%

(1) Free cash flow is net cash flows from operating activities less purchases of property and equipment and intangibles plus proceeds from the sale of property and equipment

(2) Free cash flow margin is free cash flow divided by revenue

Becoming a global leader in smart and sustainable mobility solutions

Core Tolling Business

Implementation of variable pricing: As instructed by the RTA, Salik introduced variable pricing on January 31, 2025. The variable pricing aims to enhance traffic flow across Dubai's road networks and improve transportation efficiency across the city. Based on initial projections, the new pricing model is expected to generate additional revenue of AED 60-110 million on an annual basis.

Valuation of two new gates: Salik continued to make progress on its updated strategy throughout 2024, having introduced two new toll gates in Dubai. The Business Bay and Al Safa South gates have been in operation since November 24, 2024. This follows the combined valuation of the two new toll gates at a total of AED 2.734 billion, with the Business Bay Gate valued at AED 2.265 billion and the Al Safa South Gate valued at AED 469 million to be paid in two equal instalments, every six months over a six-year period.

Ancillary Revenue Streams

- **Salik collaborates with Parkonic, one of the largest private parking operator in the UAE:** The collaboration aims to enhance parking payment experiences across the UAE by integrating Salik's advanced e-Wallet system. The partnership is based on a five-year contract, during which Parkonic will integrate Salik's e-Wallet into the 107+ locations it operates and any future locations it may operate in the UAE. The agreement also marks the first time Salik has expanded its service offering outside of the Emirate of Dubai.
- **Customized Salik tags initiative:** Salik is in the process of launching an innovative Customized Tags initiative, allowing corporate customers to personalize Salik tags with unique designs and messages. This initiative reflects Salik's commitment to enhancing customer experience and embracing innovation.
- **New LIVA motor insurance partnership:** Salik partnered with LIVA (formerly RSA), a leading multi-line insurer in the GCC, to offer its customers access to market-leading insurance solutions. The partnership will offer one-of-a-kind bespoke insurance solutions to drivers in the UAE, streamlining the renewal process for greater convenience and efficiency. Salik will leverage its comprehensive database to provide value-added services to customers by sending timely renewal reminders to mitigate insurance coverage lapses. These notifications will include a link directing customers to a LIVA landing page, where the motor insurance policy can be renewed in a few simple steps at a competitive price.
- **Salik commenced seamless parking operations at Dubai Mall:** This milestone marked Salik's first barrier-free parking payment solution, in partnerships with Emaar Malls, across the Fashion, Grand and Cinema parking zones, started on July 1, 2024.

Other Key Achievements

- **Salik was assigned strong investment grade credit ratings by Moody's and Fitch Ratings:** This milestone affirms Salik's robust financial position, operational strength, and approach to enhancing transparency while optimizing access to capital markets. The assignment of credit ratings to Salik follows the request for a public rating by the Company.
- **Salik joined the UN Global Compact:** In July 2024, Salik joined the United Nations Global Compact, the leading global initiative for corporate sustainability, demonstrating its commitment to ethical business practices and sustainable operations. By aligning with the UN Global Compact's principles, Salik aims to enhance social and environmental responsibility while contributing to the UAE's sustainable development goals. The Company will actively pursue initiatives that reduce its environmental impact, support social progress and promote a sustainable future for the UAE.
- **Continued investment in human resources:** In 2024 Salik expanded its full-time workforce by 20% YoY, to 48 personnel, with the number of nationalities represented at 12. Salik continues to progress on Emiratization, attaining a level of 31.3% by the end of the year, a sequential improvement vs. 30.4% in Q3 2024.

Business Outlook - FY25 Guidance Revised Upwards

FY25 total revenue growth expected to increase 28-29% YoY, including the contribution from two new toll gates

- **Revenue growth:** total revenue growth in FY25 is now expected to be in the range of 28-29% year-on-year, an increase compared to our previous guidance of 25-26%, this includes the impact of the two new gates introduced in November 2024 and the implementation of variable pricing on 31 January 2025. On a normalized basis, excluding the contribution from the two new gates, we continue to expect total revenue to increase 4-5% YoY in FY25.
- **EBITDA margin:** is expected to be in the range of 68-69% compared to previous guidance of 67-68%.

About Salik Company PJSC

The Company was established in its current form, as a public joint stock company in June 2022 pursuant to Law No. (12) of 2022. "Salik", which means "seamless mobility" in Arabic, is Dubai's exclusive toll gate operator and manages the Emirate of Dubai's automatic toll gates utilizing Radio-Frequency-Identification (RFID) and Automatic-Number-Plate-Recognition (ANPR) technologies. The Company currently operates exclusively all the toll gates located at strategic junctures, especially on Sheikh Zayed Road, which is considered the main road in Dubai. Salik listed on the Dubai Financial Market (DFM) on 29th September 2022. Under a 49-year concession agreement (ending in 2071), with the Roads and Transport Authority (RTA), Salik has the exclusive right to operate existing and any future toll gates in Dubai.

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