

TECOM Group nine-month net profit rises 23% YoY driven by record revenues of AED 1.7 billion

- Record nine-month performance with revenues increasing 10% YoY amid steady demand for premium commercial and industrial assets
- EBITDA for the first nine months of the year increases by 13% YoY to AED 1.4 billion, driven by increased revenues, and operational and financial efficiencies
- Nine-month net profit grows 23% YoY to AED 943 million, reflecting strong performance across all business segments
- Funds from operations for the first nine months of 2024 increase by 20% to over AED 1.2 billion
- Total investments in commercial and industrial assets exceed AED 2.7 billion in 2024, reflecting the Group's vision to deliver sustainable growth and strong performance

Dubai, UAE, 1 November 2024: TECOM Group PJSC (DFM: TECOM), (the “Company” or the “Group”), the creator of specialised business districts and vibrant communities, announced its financial results for the nine months and the third quarter (Q3) of the year ending 30 September 2024.

The Group reported a record nine-month result, with a 10% year-on-year (YoY) increase in revenue to more than AED 1.7 billion and a 23% YoY increase in net profit to AED 943 million. Underpinned by strong demand from existing and new customers, TECOM Group also reported its record third-quarter performance, with quarterly revenues increasing 12% YoY to AED 611 million and quarterly net profit rising 20% YoY to AED 340 million.

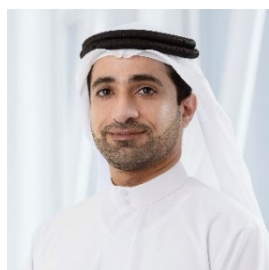
FINANCIAL HIGHLIGHTS

AED Millions (Unless otherwise stated)	9M		%Change (YoY)	Q3		%Change (YoY)
	2024	2023		2024	2023	
Revenue	1,759	1,593	10%	611	544	12%
EBITDA	1,395	1,234	13%	500	410	22%
EBITDA Margin	79%	77%	2%	82%	75%	6%
Net Profit	943	768	23%	340	283	20%

OPERATIONAL HIGHLIGHTS

As of	30 September 2024	30 September 2023	YoY%
Commercial and Industrial Occupancy	94%	88%	6%
Land Lease Occupancy*	90%	87%	3%
Number of Customers	+11,800	+10,800	9%

*Includes the new land (13.9 million sq.ft) acquired in August 2024



“Our record nine-month and third-quarter performance demonstrates TECOM Group’s commitment to delivering sustainable, long-term growth by harnessing Dubai’s pro-business framework,” said **Abdulla Belhoul, Chief Executive Officer of TECOM Group PJSC**. “We have achieved significant growth in revenue and profitability, driven by high occupancy rates across our diversified portfolio of premium commercial, industrial, and land lease assets. This performance further underscores our ability to attract and retain top companies across six vital sectors. Our prudent financial strategies and proactive cost management initiatives have also contributed significantly to our impressive bottom-line performance and enhanced our shareholder value.”

Financial Highlights

Nine Months 2024:

- Revenue increased by 10% YoY to more than AED 1.7 billion – representing a record nine-month revenue – driven by new customers, sustained growth in rental rates, and healthy occupancy levels across all business segments.
 - Occupancy across the Group’s commercial and industrial assets grew YoY from 88% to 94%, while land occupancy reached 90% at the end of September 2024, driven by healthy demand for premium Grade-A office spaces, in addition to storage and logistics facilities, as Dubai continues to attract global businesses and talent.
 - Customer numbers grew by 9% to reach more than 11,800, with global industry leaders such as Hisense and OZON Pharmaceuticals among the Group’s new customers.
 - Retention rates in the commercial and industrial sectors stood at 90% and 95% respectively as of 30 September 2024, highlighting the Group’s exceptional value proposition and its track record of exceeding customer expectations.

- EBITDA increased by 13% YoY to AED 1.4 billion with the EBITDA margin expanding by 2% to reach 79% in the first nine months of 2024, driven mainly by improved revenue quality and cost savings in line with Group's strategy to optimise its core business.
- Net profit grew by 23% YoY to AED 943 million, reflecting positive financial performance across all areas of the business as Dubai's growing attractiveness to investors.
- Funds from operations (FFO) grew by 20% YoY to more than AED 1.2 billion, attributable to the improved performance of income-generating assets and enhanced operational effectiveness across the portfolio yielding positive results.

Q3 2024:

- Revenue grew by 12% YoY to AED 611 million in Q3 2024 – the Group's highest third-quarter results – as the Group responded to Dubai's robust economic fundamentals and addressed growing demand for premium commercial and industrial real estate assets in the city.
- EBITDA noted YoY growth of 22% to AED 500 million and EBITDA margin increased to 82% in Q3 2024, reflecting strong revenue growth and enhanced operational efficiencies.
- Net profit increased by 20% YoY to AED 340 million in Q3 2024, underpinned by healthy revenue growth and the optimisation of operating costs, alongside lowered costs due to prudent cash management measures.

Strategic Asset Investments Highlights

TECOM Group completed AED 2 billion worth of strategic asset investments in the first nine months of 2024, including the acquisition of a land bank spanning 13.9 million sq.ft. for industrial leasing at Dubai Industrial City and two operational Grade-A office buildings, as well as the launch of Innovation Hub Phase 3 within Dubai Internet City, and the launch of Phase 2 of Dubai Design District (d3). The investments are aligned with the Group's strategic roadmap for sustainable growth through targeted acquisitions and the development of high-quality commercial real estate. The investments were further uplifted by the acquisition of Office Park, which upon initiation during Q3 2024 raised TECOM Group's total asset investments during 2024 to AED 2.7 billion.

The Group will continue to focus on project delivery across its business districts, with Phase 2 of Innovation Hub, which is fully leased out, on track to be handed over by the first quarter of 2025. The second phase of storage and logistics spaces under development at Dubai Science Park are set for delivery in Q1 2025. Pre-construction work is also underway on Phase 3 of Innovation Hub at Dubai Internet City and Phase 2 of Dubai Design District (d3).

-ENDS-

NINE-MONTH 2024 FINANCIAL RESULTS

REVENUE

AED **1.7 BILLION**

↑ **10%** (YOY)

EBITDA

AED **1.4 BILLION**

↑ **13%** (YOY)

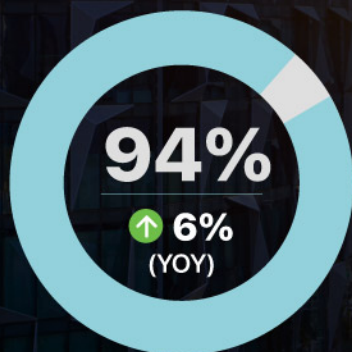
NET PROFIT

AED **943 MILLION**

↑ **23%** (YOY)

OCCUPANCY LEVEL

COMMERCIAL AND
INDUSTRIAL



LAND LEASE



NUMBER
OF CUSTOMERS



11,800+

↑ **9%**
(YOY)

2024

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

JULY

AUGUST

SEPTEMBER