



## **Aldar records 21% revenue growth to AED 2.01 billion in Q2 2020 driven by strong development business performance**

- **Aldar's sustainable and diversified business structure supports its ability to create value and maintain resilience through market cycles**
- **Q2 2020 gross profit increased 7% to AED 716 million**
- **Q2 2020 net profit increased 2% to AED 484 million**

**Abu Dhabi – UAE, 12 August 2020:** Aldar Properties PSJC (“Aldar”), today reported a 21% year-on-year increase in revenue to AED 2.01 billion in the second quarter of 2020, due to a strong performance from the development business. Net profit for the second quarter increased 2% from the previous year to AED 484 million.

Revenue growth was driven by robust demand for its prime developments and infrastructure-enabled land, while Aldar continued to earn steady fee income from its third-party development management business. The Abu Dhabi real estate market is being underpinned by government incentives for home buyers, fiscal stimulus measures and programmes to promote private sector growth.

Talal Al Dhiyebi, Chief Executive Officer of Aldar said, **“Aldar’s highly sustainable and diversified business model is demonstrating strong earnings power even in a challenging global macro-economic environment.**

**Abu Dhabi’s real estate fundamentals remains well supported. The market benefits from well managed supply and a strong investor base is displaying confidence and fueling demand for quality developments in prime locations.**

**Aldar’s development business had a stand-out quarter, adapting quickly to arrange innovative financing packages and to roll out digital solutions, ensuring service excellence for our customers. This drove growth in revenue and profits, and strong cashflow generation.**

**Our prime investment properties continue to perform solidly, and as the most efficient platform for real estate ownership in the region, we are looking at attractive opportunities to expand our diversified portfolio.”**

### **Business and financial update**

Aldar’s Development Management business recorded AED 1.27 billion in development revenues in the second quarter, an 83% year-on-year increase. The growth was driven by strong progress at projects under development, robust inventory sales and the company’s fee-based business, including the AED 5 billion of contracts with the Abu Dhabi Government announced in 2019.

Despite deferral of new project launches, second quarter development sales stood at AED 505 million, on account of strong inventory sales at Nareel Island and Yas Acres, as well as sales of land plots on Saadiyat Island. Investments towards the digital transformation strategy have yielded substantial benefits enabling uninterrupted sales, customer inspections and handovers to continue virtually.

The Asset Management business reported a 21% year-on-year decline in net operating income (NOI), with hospitality and retail properties temporarily closed for much of the period. Occupancy rates across the investment properties portfolio, which includes residential, retail, and commercial assets,

stood strong at 88%. While Aldar-owned hotels were unavailable for commercial activity during most of the second quarter, they were provided to the government for quarantine purposes to support national efforts to combat Covid-19.

Meanwhile, the Adjacent Businesses segment saw a stable profit performance during the quarter, despite the challenging environment and temporary school fee reductions. The businesses, which include Aldar Education, property management firm Provis, facilities management company Khidmah and Saadiyat Island district cooling assets, have expanded significantly over the past several years and now make a significant contribution to Aldar's revenue and profit mix.

Aldar sustained a healthy financial position with access to AED 5.9 billion of free cash and undrawn, committed credit facilities as at 30 June 2020, following payment of Aldar's 2019 dividend of AED 1.14 billion in April 2020. Debt levels across both Development Management and Asset Management remained well within the company's established debt policies.

#### Financial highlights: Q2 Strong performance led by Development Management

<i>Million AED (dirhams)</i>	<b>Q2 2020</b>	<b>Q2 2019</b>	<b>% change</b>
<b>Revenue</b>	2,007	1,656	<b>21%</b>
<b>Gross profit</b>	716	669	<b>7%</b>
<b>Net profit</b>	484	476	<b>2%</b>

- Despite a challenging market environment, revenues increased 21% vs. Q2 2019 demonstrating the strength of Aldar's business across its diversified portfolio and continued demand for high-quality real estate in Abu Dhabi
- Gross profit increased 7% to AED 716 million from AED 669 million; Gross profit margins were 36% in Q2 2020 versus 40% in Q2 2019 predominantly due to the larger contribution of the Development Management business
- Net profit increased 2% in Q2 2020 to AED 484 million led by strong growth in Development Management business profit contribution

#### Covid-19 Update: Proactive response to support key stakeholders

- Aldar continues to implement precautionary safety measures across all assets and in its communities, including deploying specialised disinfection services to ensure a safe and seamless property handover process
- Aldar launched targeted programmes in March 2020 to support tenants, homebuyers and the wider community. This includes monthly payment plans for residential rents, subsidised financing solutions for existing customers and new homeowners, adjusted payment plans for Aldar Education school fees and support for retail partners. The total value of this set of initiatives was AED 190 million
- Acceleration in digital transformation is enabling seamless continuity in Aldar's services

#### Development Management: Strong inventory sales and progress activity on development pipeline

- Development Management business recorded an 83% year-on-year growth in Q2 2020 revenue to AED 1.27 billion, from AED 692 million in Q2 2019

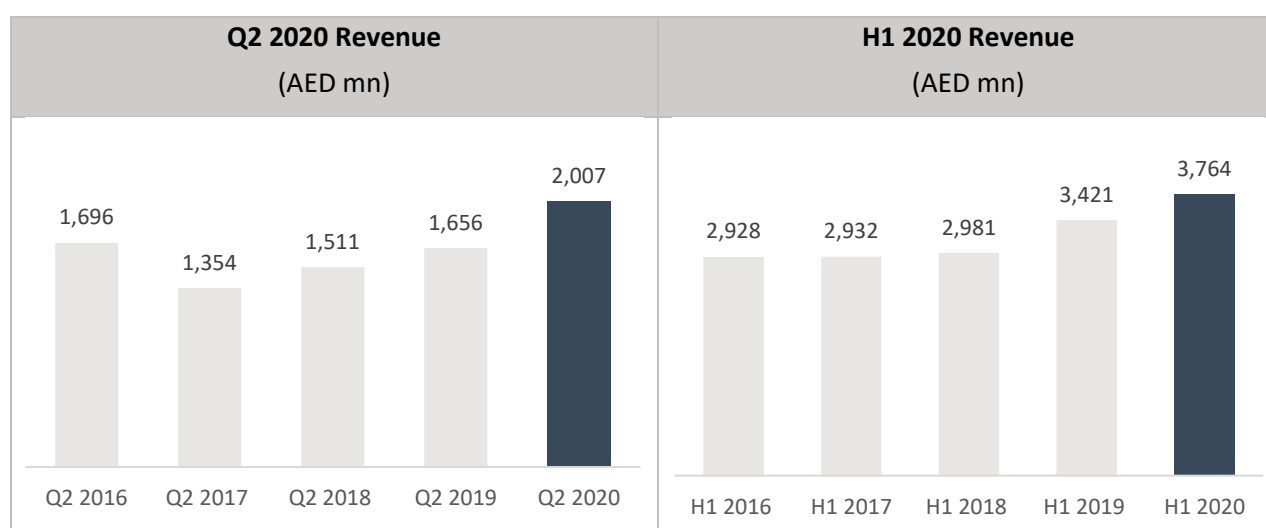
- Development sales stood at AED 505 million led by demand for high-end development projects across prime locations, including Nareel Island and Yas Acres, as well as a land plot sale on Saadiyat Island. Excluding sales from new project launches in Q2 2019, sales for the current period would have been up 75% year-on-year
- Development Management gross profit increased 53% year-on-year in Q2 2020
- With project handovers gaining momentum and Aldar taking a cautious approach to new project launches, the revenue backlog decreased to AED 3.3 billion at the end of June

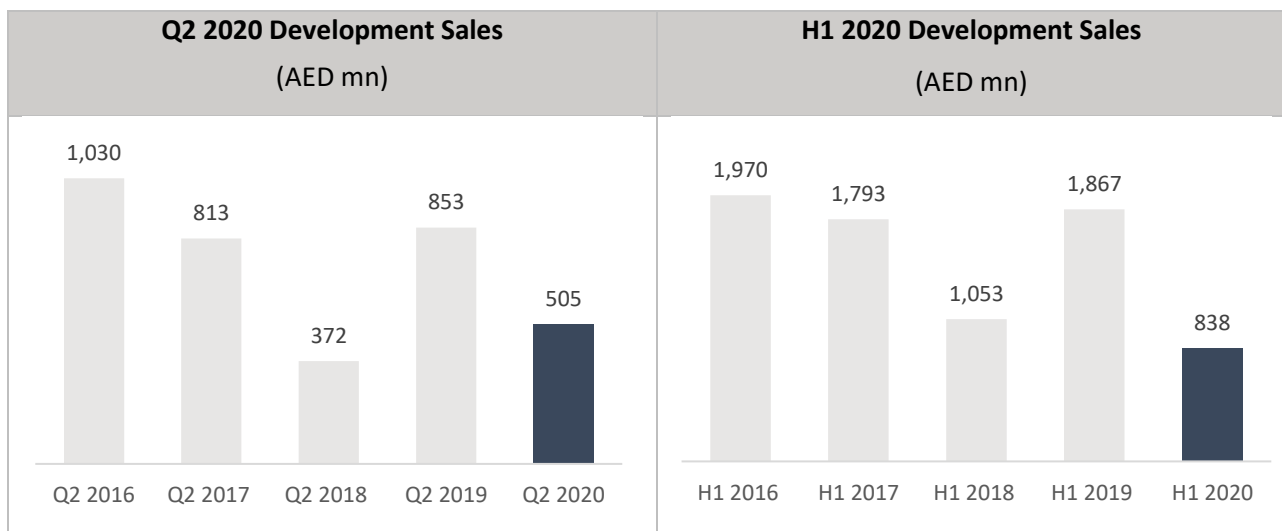
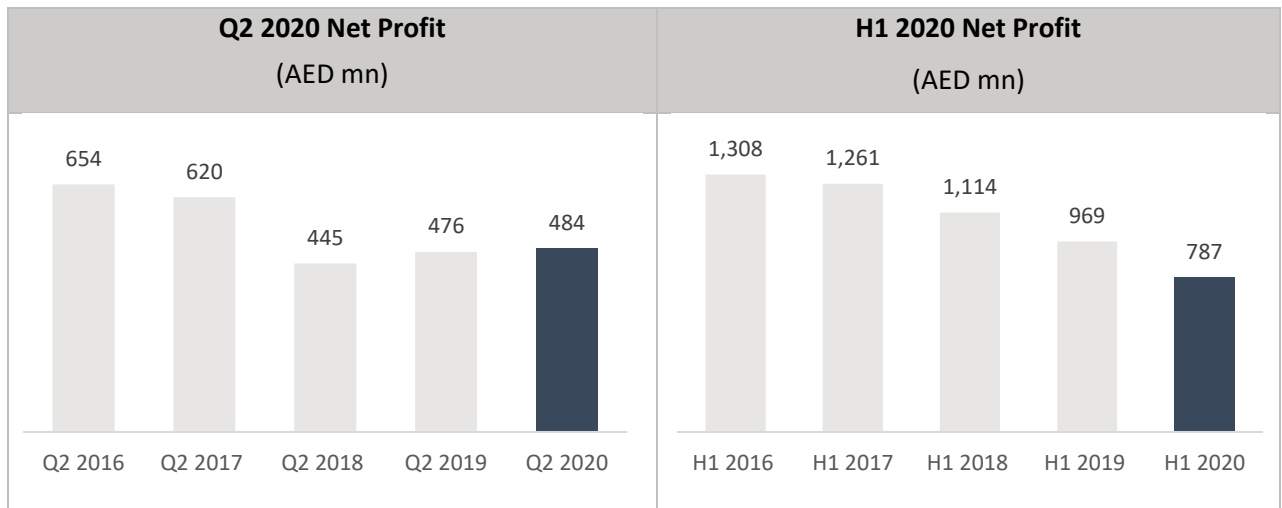
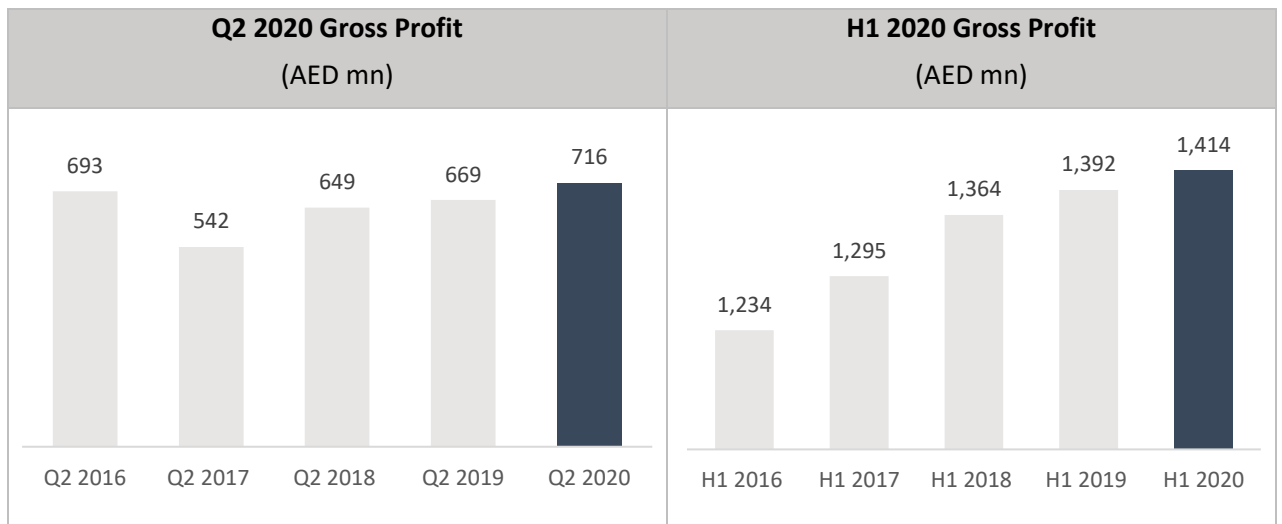
#### Asset Management: Pressure in hospitality and retail performance

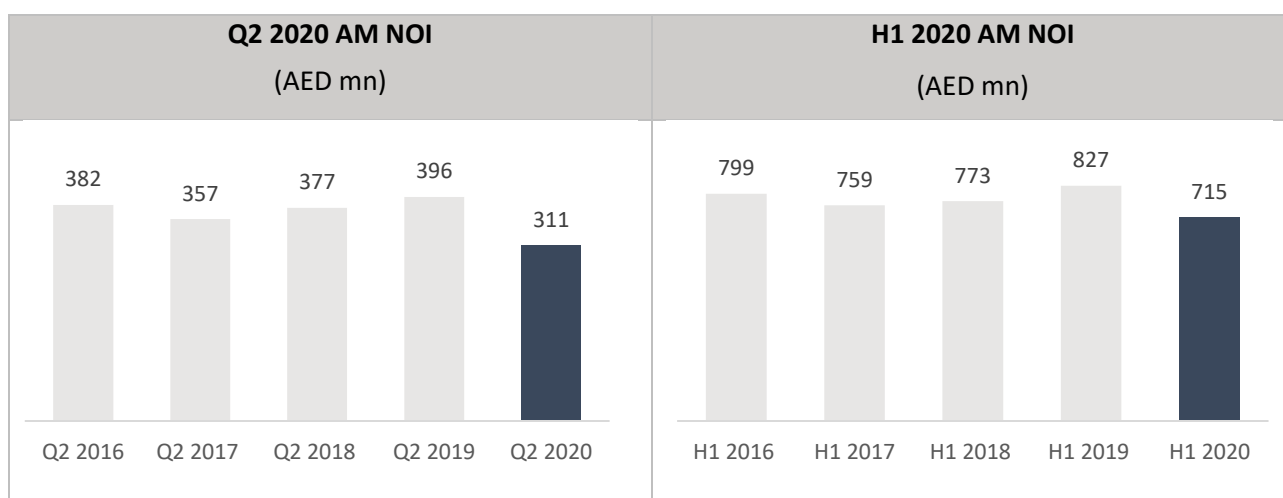
- In Q2 2020 Asset Management business NOI from income generating assets was AED 311 million, a 21% decline compared to the same period a year ago, primarily on account of temporary closures of hospitality and retail assets due to government mandated health and safety measures
- Occupancy rates across the investment properties portfolio, which includes residential, retail and commercial remained stable at 88% thanks to the high quality and diversified tenant base

#### ESG: Embedding Sustainability practices across the business

- In the past year, Aldar has made strong progress on its sustainability agenda across the company's four pillars of Economy, People, Community and Environment
- Aldar's ESG strategy and framework are aligned to both national and international sustainability frameworks, including Vision 2021, Ghadan 2021, the National Climate Change Plan, UAE Green Agenda and UN Sustainable Development Goals
- Key sustainability commitments include the development of Aldar's Carbon Neutral Action Plan, the integration of sustainability into investment criteria and due diligence, and the auditing of all primary contractors against the company's Worker Welfare Policy by the end of 2021







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**About Aldar**

Aldar Properties PJSC is the leading real estate developer in Abu Dhabi, and through its iconic developments, it is one of the most well known in the United Arab Emirates, and wider Middle East region.

From its beginnings in 2005 through to today, Aldar continues to shape and enhance the urban fabric of the UAE's Capital City in addition to other key areas of the Emirate.

Aldar develops exciting and innovative projects, such as the internationally recognized HQ building situated in the Al Raha Beach development, the Gate Towers in Shams Abu Dhabi on Al Reem Island, in addition to Yas Island's F1 circuit.

Aldar's shares are traded on the Abu Dhabi Securities Exchange (Stock quote: ALDAR:UH), and is a profitable, cash generative business that provides recurring revenues, and benefits from a diverse and supportive shareholder base. Aldar operates according to high standards of corporate governance and is committed to operating a long term and sustainable business in order to provide ongoing value for its shareholders.

Aldar seeks to create quality, comfortable, desirable destinations that enrich the lives of Abu Dhabi residents as well as tourists within the Emirate. Aldar is playing a leading role in the development and provision of world class retail - Yas Mall, international standard education through Aldar Academies, iconic entertainment venues such as the Yas Marina Circuit, and community amenities across its entire portfolio.

Aldar is driven by a vision to be the most trusted and recognized real estate lifestyle developer in Abu Dhabi and beyond.

For more information on Aldar please visit [www.aldar.com](http://www.aldar.com) or follow us on:

