

19 August 2024

Azrieli Group Reports Q2/2024 Results

NOI (excluding Compass, which was sold) in Q2 is up around 5% year-over-year totaling some NIS 553 million

Total FFO is up around 17% year-over-year totaling a record NIS 419 million; FFO in Q2 excluding senior housing is up around 11% year-over-year totaling some NIS 379 million

Eyal Henkin, CEO of Azrieli Group: “We are concluding another good quarter for the Group with continued growth in the same-property NOI and record double-digit quarterly FFO growth. The offices segment continues to present good results while maintaining high occupancy rates. We are seeing rising interest from potential tenants and are working to seize the various opportunities. The Group’s malls presented growth across all parameters, with a continued increase in store revenues. The Data Centers segment continues to gain momentum, and its contribution to the results is steadily growing. The results do not yet include some of the significant contracts we have signed, which are expected to make a considerable contribution to the Group’s performance in the upcoming year. We are continuing to identify many opportunities in the sector, which we are proactively pursuing.

On behalf of the Azrieli Group, I would like to extend our support to the security forces, and we all hope for the safe and swift return of the hostages.”

Financial Highlights for Q2/2024

- **NOI in Q2** totaled some NIS 553 million, compared with some NIS 559 million year-over-year. The decrease derives from the sale of Compass.
- **Same-Property NOI (excluding the sale of Compass)** was up around 5% in Q2 totaling some NIS 553 million compared with approx. NIS 527 million year-over-year.
- **FFO excluding senior housing** totaled some NIS 379 million in Q2 compared with around NIS 342 million year-over-year, up some 11%. **Total FFO** in Q2 totaled around NIS 419 million compared with some NIS 357 million year-over-year, up approx. 17%.
- **Net profit** attributable to the shareholders in Q2 totaled approx. NIS 156 million compared with some NIS 418 million year-over-year. The decrease in the profit derives from revaluation profits of approx. NIS 491 million which were recorded in the same quarter last year compared with some NIS 65 million in Q2. **Comprehensive income** in Q2 totaled around NIS 413 million compared with approx. NIS 512 million year-over-year.

Occupancy Rates and Store Revenues

- **The average occupancy rate** (excluding lease-up properties) was 99% in malls, 98% in offices in Israel, and 97% in senior housing.
- **Store revenues** in Q2 increased by 10% year-over-year, and from March to June by 8% year-over-year. In July, store revenues increased by 14% year-over-year.

Balance Sheet as of 30 June 2024

- The Group has **cash, deposits, and short-term investments** totaling approx. NIS 1.5 billion. Together with Bank Leumi stock, the Group's cash and cash equivalents and marketable securities total around NIS 2.5 billion. After the balance sheet date, the Company raised over NIS 1.8 billion in an offering of CP, expansion of Series G and offering of a new series (I).
- **Net debt** totaled approx. NIS 20 billion.
- **The value of investment property and investment property under construction** totaled approx. NIS 46.7 billion.
- **The equity to assets ratio** is approx. 44% and the **net debt to assets ratio** is approx. 38%.
- **Unencumbered assets** total approx. NIS 34 billion.

The conference call to review the results of the quarter will take place today, Monday, 19 August 2024 at 16:00 Israel local time/ 15:00 CET/ 14:00 UK /9:00 AM Eastern Time

Those interested in participating in the call are invited to join using the attached link.

<https://register.vevent.com/register/BI6d864e29acfd4326822e2d58d1b9a0ab>

Contact Info

Tamar Stein, Azrieli Group. +972-54-4432634. tamars@azrieli.com