

21 November 2024

## **Azrieli Group Reports Q3/2024 Results**

**NOI in Q3 is up around 10% year-over-year totaling some NIS 586 million.**

**Same-Property NOI in Q3 is up around 7%.**

**Total FFO is up around 12% year-over-year totaling a record NIS 445 million; FFO in Q3 excluding senior housing is up around 9% year-over-year totaling some NIS 400 million.**

**Mall store revenues in the first 9 months of 2024 are up around 8.4% year-over-year.**

**Eyal Henkin, CEO of Azrieli Group:** “We are concluding a record quarter in the operating parameters with continued growth in the NOI and FFO. In the office segment, we continue to see rising interest from potential tenants, despite the challenging period. The Group’s malls continue to present good results, with an increase in store revenues. The steps we took last year to improve the store mix are reflected in the results even more strongly in the last few quarters. In the data center segment, we see the growing contribution of the segment to the Group’s results, taking into account that they still only partially include the significant contracts we have signed, which are expected to contribute to performance with the continued handover of the data centers to customers. 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 Q3/2024**

- **NOI in Q3** totaled some NIS 586 million, compared with some NIS 535 million year-over-year, up some 10%. The increase derives from the offices, malls, and data center segments.
- **Same-Property NOI** was up around 7% in Q3 totaling some NIS 573 million compared with approx. NIS 535 million year-over-year. The increase derived from the offices, malls, and data center segments.
- **FFO excluding senior housing** totaled some NIS 400 million in Q3 compared with around NIS 367 million year-over-year, up some 9%. **Total FFO** in Q3 totaled around NIS 445 million compared with some NIS 398 million year-over-year, up approx. 12%.
- **Net profit** attributable to the shareholders in Q3 totaled approx. NIS 383 million compared with some NIS 352 million year-over-year. The increase in profit was partially offset by an increase in financing expenses. **Comprehensive income** in Q3 totaled around NIS 523 million compared with approx. NIS 575 million year-over-year. The decrease mainly derives from the impact of exchange rates.

### Occupancy Rates and Store Revenues

- **The average occupancy rate** (excluding lease-up properties) was 99% in malls, 98% in offices in Israel, and 98% in senior housing.
- **Store revenues** in the first nine months of 2024 increased by 8.4% year-over-year, and 8.1% in Q3 year-over-year.

### Business developments during and after Q3/2024

- **Appointment of the CEO** – In November 2024, the Company announced the appointment of Ron Avidan, who has served as the CEO of Azorim for the past 5.5 years, to the position of the next CEO of the Azrieli Group. Avidan will replace Eyal Henkin, the Group's CEO for the past 7 years, who will be moving to London to manage the Azrieli Group's global operations in the data center segment. Avidan is expected to take office in Q2/2025, until which time Henkin will continue to manage the Group.
- **Entry into the residential development sector** - In early November 2024, the Group announced that, as part of its business strategy to examine, from time to time, entry into areas of business synergetic with its operations in income-producing property, the Company has submitted an offer to Zemach Hammerman to negotiate a reverse triangular merger and purchase of its minority holdings.
- **Bond financing** – In July 2024, the Company completed a bond issuance and raised some NIS 1.2 billion. The Company issued a new series (I) in which it raised approx. NIS 990 million at an interest rate of 3.67%. Series I is index-linked with an average duration of approx. 12.2 years. Azrieli also expanded Series G, raising approx. NIS 215 million. Series G is index-linked with an average duration of approx. 7.1 years. In July, the Company also raised approx. NIS 640 million with a margin of 0.12% for the first time in commercial paper.

### Balance Sheet as of 30 September 2024

- The Group has **cash, deposits, and short-term investments** totaling approx. NIS 2.5 billion. Together with Bank Leumi stock, the Group's cash and cash equivalents and marketable securities total around NIS 3.75 billion.
- **Net debt** totaled approx. NIS 21 billion.
- **The value of investment property and investment property under construction** totaled approx. NIS 48 billion.
- **The equity to assets ratio** is approx. 43% and the **net debt to assets ratio** is approx. 38%.
- **Unencumbered assets** total approx. NIS 34 billion.



**The conference call on ZOOM to review the results of the quarter will take place today,  
Thursday, 21 November 2024 at 11:00 am**

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

**To participate, please sign up here: [Join Webinar](#)**