



# CFO's Review

Salik remains highly profitable, for 2024 reporting an EBITDA of AED 1.579 billion, net profit after tax of AED 1.165 billion, and an industry-leading net profit after tax margin of 50.8%.

**Maged Ibrahim**  
Chief Financial Officer

In 2024, Salik delivered excellent operational performance and financial results, made possible by the visionary leadership of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and a highly productive concession agreement with Dubai's Road and Transport Authority. The Company's revenue growth, operational efficiency, margins and cash generation reflect the viability of Salik's business model and the dynamic nature of Dubai's economy, in the context of a challenging global economic environment.

from the inflation protection mechanism that was effective April 1st 2024 in line with the concession agreement.

## Revenue generation

The total number of trips, including discounted journeys, made through Salik's 10 toll gate locations in 2024 grew by 7.6% year-on-year. This was driven primarily by tourists and increasing business-as-usual commercial activities. The total number of revenue-generating trips for 2024 at 498.1 million represents a new record over the previous record from 2023.

Nearly all Salik toll gates registered an increase in revenue-generating trips. Al Maktoum Bridge saw the highest growth in revenue-generating trips, increasing by 12.1% year-on-year while Al Garhoud's revenue-generating trips increased by 7.9% year-on-year. Growth at nearly or exceeding 4% was recorded at several toll gates, including Jebel Ali, which saw an increase in revenue-generating trips of 11.3%, the Airport Tunnel, which grew by 6.1% year-on-year and Al Barsha and Al Mamzar North growing by almost 4% year-on-year.

The two new toll gates, at Business Bay Crossing (valuation AED 2.265 billion) on Al Khail Road and Al Safa South (valuation AED 0.469 billion) on Sheikh Zayed Road, began operating in November and therefore started to contribute to revenues.

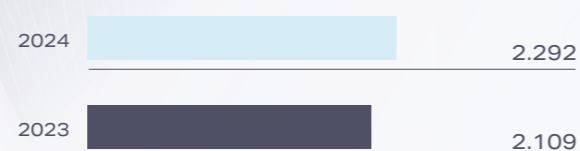
## Financial results

Salik's strong top-line performance in 2024 comes as a result of a significant increase in the number of revenue-generating trips, which reached 498.1 million by the close of the year. This represents an increase of 8.0% over the 461.4 million revenue-generating trips in 2023. This increase resulted in total revenues of AED 2.292 billion, up by 8.7% compared to 2023.

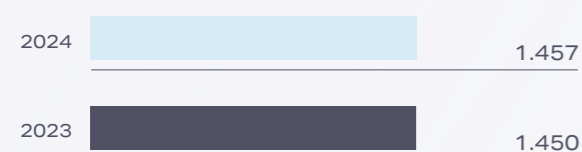
Toll usage revenue, which represents 86.9% of total revenue, increased by 8.0% year-on-year, supported by continued robust growth in tourism and residency. These dynamics reaffirm Dubai's global reputation as a highly attractive destination both for visitors and residents relocating to the city.

Salik remains highly profitable, for 2024 reporting an EBITDA of AED 1.579 billion, net profit after tax of AED 1.165 billion, and an industry-leading net profit after tax margin of 50.8%. Concession fees for 2024 were AED 460.6 million, representing 23.1% of toll usage revenues, taking into account the reduction

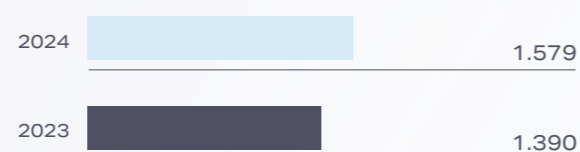
Total revenue, AED, billion



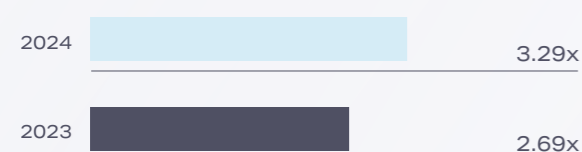
Free cash flow, AED, billion



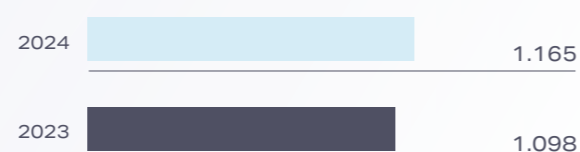
EBIDTA, AED, billion



Net debt/EBITDA



Net Profit After Tax, AED, billion<sup>1</sup>



<sup>1</sup> The Federal Corporate Tax of 9% came into effect starting January 2024.





Salik's repayment plan with the RTA is structured as an annual installment of AED 455.7 million to be paid semi-annually over six years as of the starting date.

The top line was also boosted by a 9.3% increase in revenue from fines, which reached AED 236.9 million, up from AED 216.8 million in 2023. This figure is broadly stable as a percentage of overall revenues at 10.3%, the same percentage as in 2023. The increase in revenue from fines in 2024 was due to an increase in the number of net accepted violations (minus dismissed cases), which grew by 7.7% year-on-year. to reach 2.8 million, compared to 2.6 million in 2023. By year-end, net violations registered 0.4% of total trips, in line with the 0.4% recorded in 2023.

Tag activation fees also grew on a year-on-year basis; as revenue from tag activation fees rose by 7.0% year-on-year. to AED 40.9 million, and contributing 1.8% of total revenues, a similar percentage to 2023.

In a post period event and in accordance with the RTA, we introduced variable pricing across our toll gates in order to further improve transportation efficiency across the city by redistributing travel across off peak

hours. The new pricing model is expected to generate an additional revenue between AED 60 million and AED 110 million on an annual basis.

Other revenues for 2024 reached AED 21.7 million, up significantly from AED 8.1 million in 2023, as it includes AED 6.6 million in toll construction revenues as well as AED 5.8 million in revenues from the Dubai Mall Partnership.

### Balance sheet and cash generation

Owing to its performance throughout 2024, the Company maintained its solid balance sheet and recorded a favourable net working capital balance of - AED 536.8 million as of 31 December 2024, an impressive increase of 179% compared to the AED 192.4 million recorded in 2023, equating to -23.4% as a percentage of revenues. The increase came at the back of the provision for taxation of AED 115 million, given the federal corporate tax rate coming into effect as of 2024. In addition to the increase in dues to related party including the semimanual payment to RTA for the rights for the new gates.

Salik ended the year with a net debt balance of nearly AED 5.2 billion. The Company's net debt to EBITDA was a healthy 3.29x, which is much lower than the debt covenant (5.0x).

By year-end, Salik generated a free cash flow of AED 1.457 billion with a free cash flow margin of 63.6%, supported by continued strong traffic performance and the movement of individuals.

### Credit ratings

Salik was assigned strong investment grade credit ratings, in December 2024, by leading agencies Moody's and Fitch, of A3 and A- respectively, which reflect the Company's strong balance sheet, robust liquidity position and high cash flow generation.

### Dividends

AED 550 million in dividends was distributed in April 2024, representing 100% of Salik's distributable net profit for the second half of 2023, and AED

545 million was distributed in September 2024, representing 100% of Salik's distributable net profit for the first half of 2024.

Salik plans to distribute AED 619.8 million during the second quarter of 2025, representing 100% of Salik's distributable net profit for the second half of 2024, subject to shareholder approval at the Annual General Meeting (AGM) in April.

### Guidance for 2025

Our guidance for 2025 reflects the contribution from the two new toll gates, alongside the recently launched ancillary revenue streams. Salik expects total revenue growth to be in the range of 28-29% year-on-year, including the impact of the two new gates introduced on 24 November 2024 in addition to the impact from the variable pricing introduced in January 2025, with EBITDA margin in the range of 68-69%. On a normalised basis, excluding the contribution from the two new gates and impact of variable pricing, total revenue is expected to increase 4%-5% year-on-year in 2025.

