

# ***DAMAC***

LIVE THE LUXURY

## **Results Presentation**

**Half year ended 30 June 2017**



# Disclaimer



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# DAMAC Overview



## Headquarters in Dubai

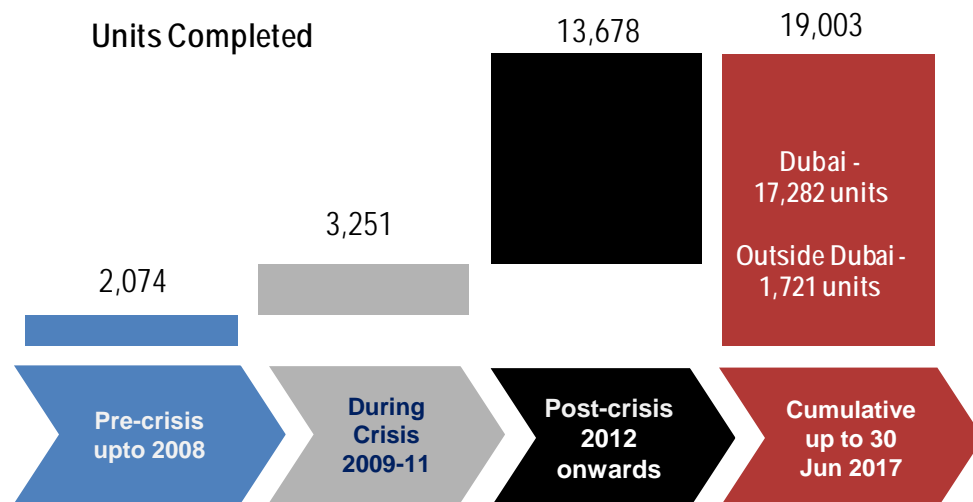
<b>56+</b> mn sq ft projects in progress and in planning	<b>6</b> countries with projects in progress and in-planning	<b>10,000+</b> Hospitality units (incl. completed units and project pipeline)
<b>c.1,900+</b> employees	<b>c.600+</b> sales staff	<b>c.500</b> Project execution and execution support team
<b>AED4.0bn</b> Booked Sales in 1H 2017 <b>2016 - AED7.0bn</b>	<b>AED3.5bn</b> Revenue in 1H 2017 <b>2016 - AED7.2bn</b>	<b>AED1.6bn</b> Net Profit in 1H 2017 <b>2016 - AED3.7bn</b>

## Portfolio Overview

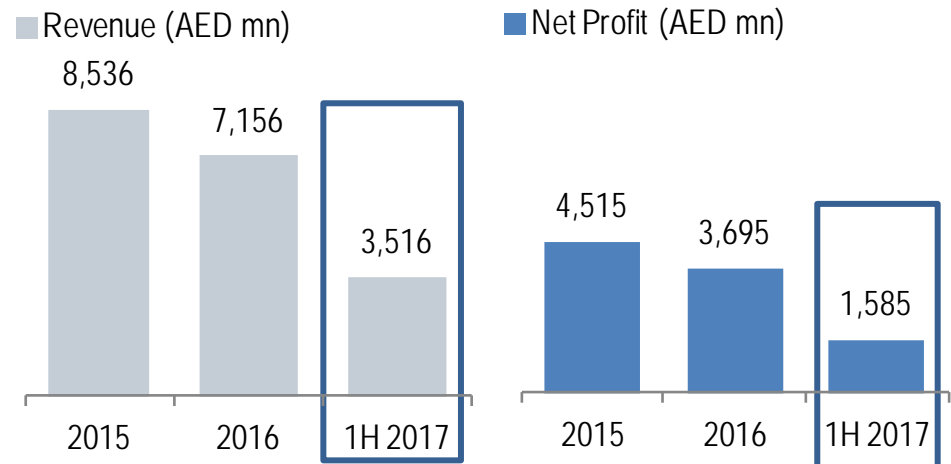
	Completed <sup>(1)</sup> projects	In-progress <sup>(2)</sup> and In-planning <sup>(3)</sup> projects
<b>Total:</b>	<b>19,003 units</b>	<b>Over 40,000 units</b>
<b>In Dubai:</b>	<b>91%</b>	<b>c.95%</b>

Note: Exchange rate US\$/AED= 0.2721 used in the whole presentation  
 (1) Completed projects: projects with Building Completion (BCC) received  
 (2) In-progress projects: projects with enabling works started / consultant appointed  
 (3) In-planning projects: projects with no consultant appointed

## Strong delivery track record across economic cycle



## Performance highlights



# Performance Review



## Sales & Deliveries

- Booked sales of AED4.0bn in 1H 2017. This is 11% higher than 1H 2016.
- Delivered 1,071 units in DAMAC Hills, Dubai. Inaugurated Trump International Golf Course at DAMAC Hills

## Leverage

- Gross debt (including Sukuk Certificates) at AED5.38bn. Net cash position stood at AED3.24bn as at 30 Jun 2017.
- Gross Debt to equity at 0.42 and Gross Debt to total assets at 0.20 as at 30 Jun.
- DAMAC issued Sukuk certificates worth AED1.84bn (US\$500mn) in Apr'17 maturing in Apr'22 at 6.25% coupon. DAMAC also repurchased Sukuk Certificates maturing in Apr'19 to the tune of AED727mn (US\$198mn).

## MSCI Inclusion

- DAMAC Properties Dubai Co. PJSC was added to MSCI UAE Index w.e.f 1st Jun 2017

# Financial Highlights

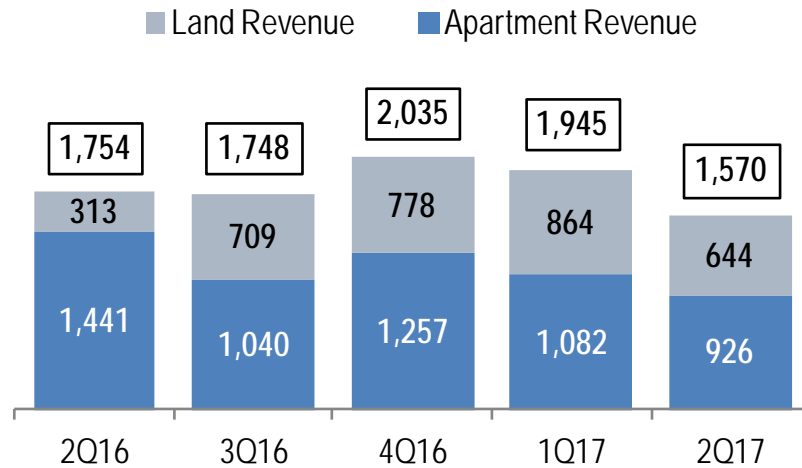


<b>Revenue</b>	<b>Gross profit</b>	<b>Operating profit</b> (including discontinued operations)
<b>AED 3,516m</b> (1H 2016: AED 3,373m)	<b>AED 1,913m</b> (1H 2016: AED 1,977m)	<b>AED 1,619m</b> (1H 2016: AED 1,938m)
<b>Net profit</b>	<b>Operating Cashflow</b>	<b>Total assets</b>
<b>AED 1,585m</b> (1H 2016: AED 1,937m)	<b>AED 228m</b> (1H 2016: AED 429m)	<b>AED 26,314m</b> (Dec'16: AED 24,626m)
<b>Equity</b>	<b>Cash and Bank</b>	<b>Gross Debt</b>
<b>AED 12,691m</b> (Dec'16: AED 12,618m)	<b>AED 8,621m</b> (Dec'16: AED 8,316m)	<b>AED 5,380m</b> (Dec'16: AED 3,816m)
<b>Debt to Total Assets</b>	<b>Gross Margins</b>	<b>Cash &amp; Dvplmt Prop as % of Total Assets</b>
<b>20.4%</b> (Dec'16: 15.5%)	<b>54.4%</b> (1H 2016: 58.6%)	<b>73.0%</b> (Dec'16: 75.4%)

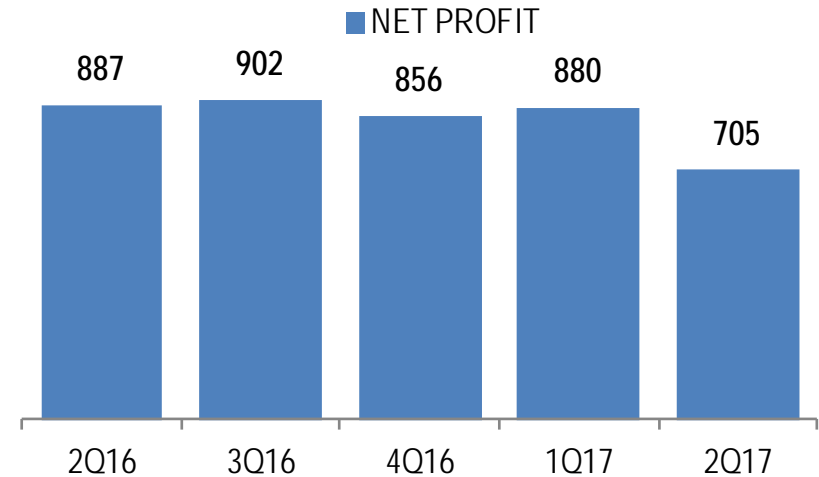
# Performance Trends



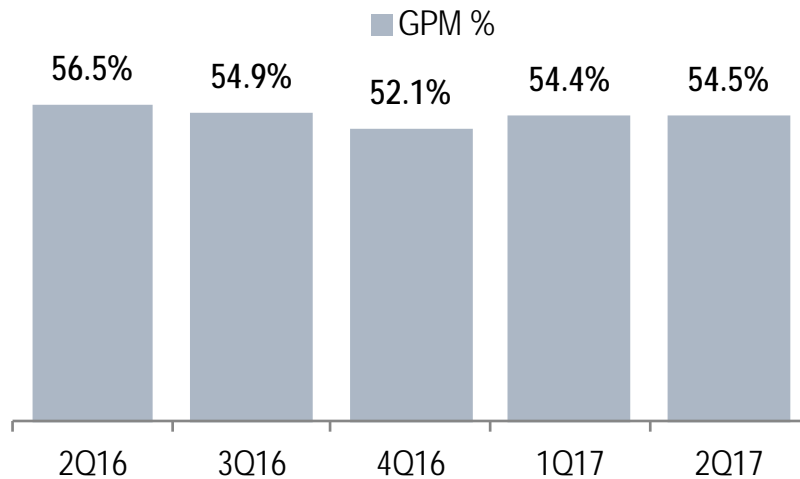
### Revenue Trends (AED mn)



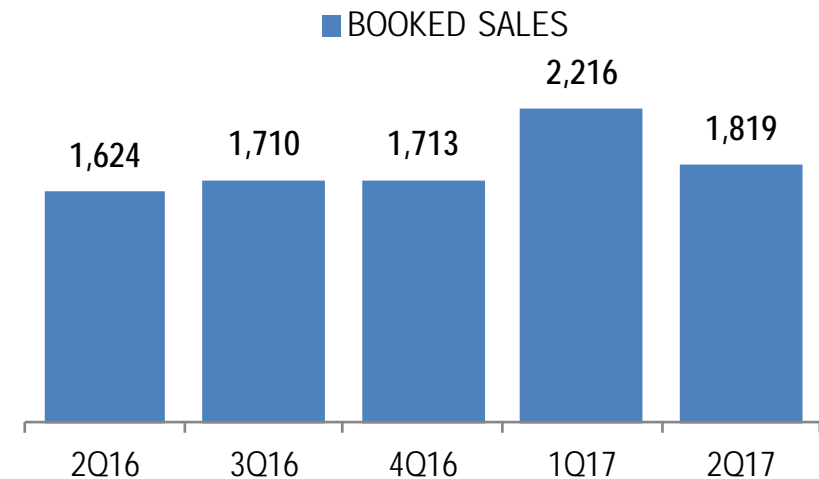
### Net Profit Trends (AED mn)



### Gross Profit Margin Trends %



### Booked Sales (AED mn)

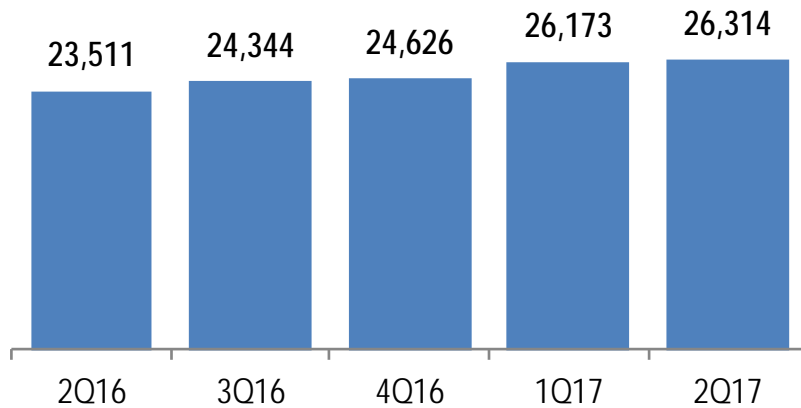


# Performance Trends (contd.)



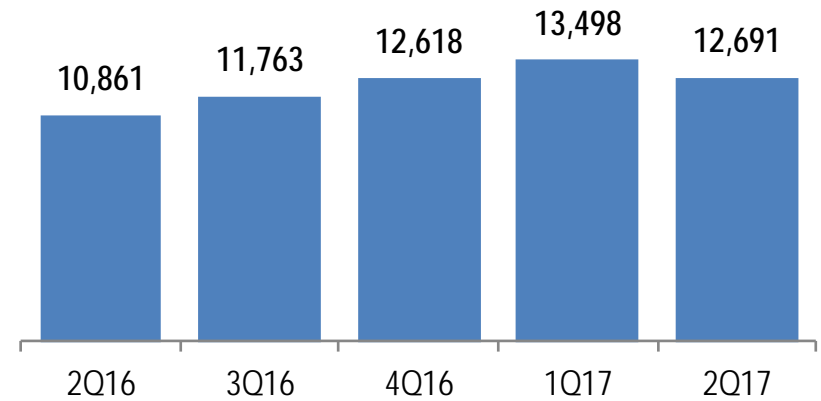
**Total Assets (AED mn)**

■ TOTAL ASSETS



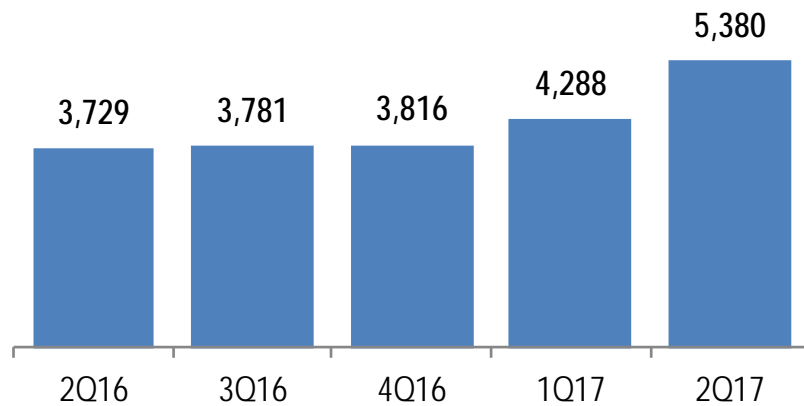
**Total Equity (AED mn)**

■ TOTAL EQUITY



**Total Debt (AED mn)**

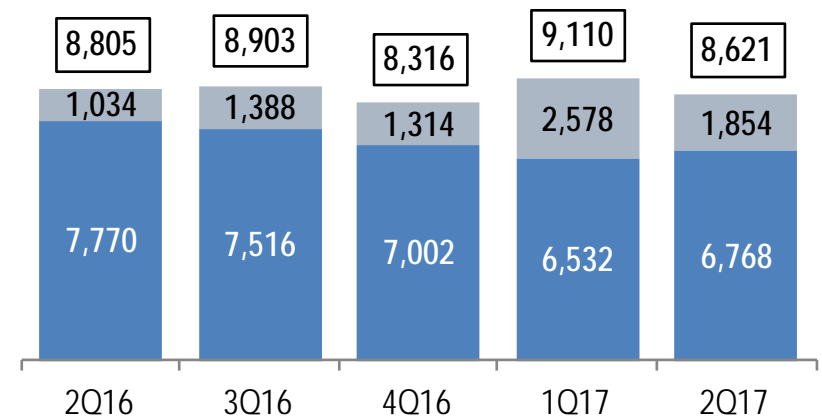
■ TOTAL DEBT



**Cash & Bank Balance (AED mn)**

■ Non-Escrow Cash

■ Cash held in Escrow



# Summary Income Statement



In AED mn	2Q 2017	2Q 2016	YoY %	1H 2017	1H 2016	YoY %
Property Development	926	1,441	-36%	2,007	2,768	-27%
Sale of Land	644	313	106%	1,508	605	149%
<b>Revenue</b>	<b>1,570</b>	<b>1,754</b>	<b>-10%</b>	<b>3,516</b>	<b>3,373</b>	<b>4%</b>
Cost of sales	(715)	(764)	-6%	(1,602)	(1,396)	15%
<b>Gross profit</b>	<b>855</b>	<b>990</b>	<b>-14%</b>	<b>1,913</b>	<b>1,977</b>	<b>-3%</b>
<i>Gross profit margin</i>	54.5%	56.5%		54.4%	58.6%	
Other operating income	131	101	30%	221	417	-47%
General, administrative and selling expenses	(252)	(197)	28%	(509)	(448)	14%
Depreciation	(5)	(4)	37%	(10)	(7)	29%
Gains on Disposal	4	0		4	0	
<b>Operating profit</b>	<b>732</b>	<b>890</b>	<b>-18%</b>	<b>1,619</b>	<b>1,938</b>	<b>-16%</b>
<i>Operating profit margin</i>	46.6%	50.8%		46.1%	57.5%	
Other Income	17	11	50%	28	28	-2%
Finance Income	34	29	17%	65	57	14%
Finance Costs	(78)	(43)	80%	(127)	(87)	46%
<b>Profit for the period</b>	<b>705</b>	<b>887</b>	<b>-21%</b>	<b>1,585</b>	<b>1,937</b>	<b>-18%</b>
<i>Net income margin</i>	44.9%	50.6%		45.1%	57.4%	



# Summary of Financial Position



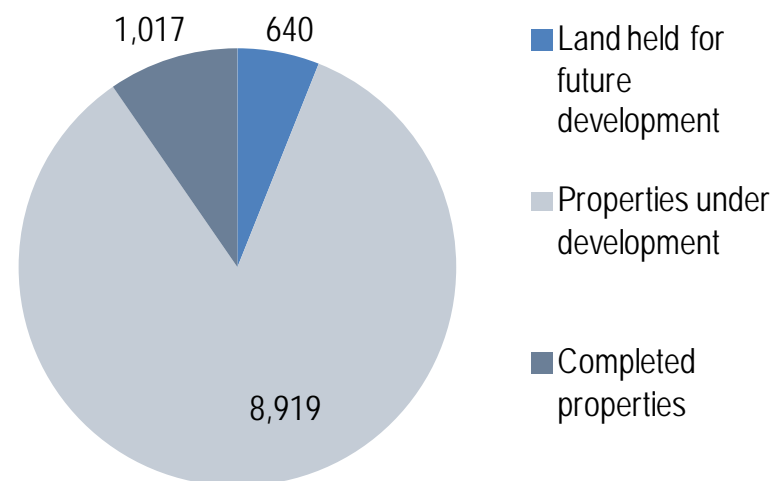
In AED mn	Jun'17	Dec'16	Change
<b>ASSETS</b>			
Property and equipment	152	59	93
Investment Properties	203	0	203
Development properties	10,576	10,245	331
Other financial assets	944	1,017	(73)
Trade and other receivables	5,633	4,804	829
Financial investments	185	185	0
Cash and bank balances	8,621	8,316	305
<b>Total Assets</b>	<b>26,314</b>	<b>24,626</b>	<b>1,689</b>

<b>EQUITY AND LIABILITIES</b>			
Share capital	6,050	6,050	0
Statutory reserve	634	634	0
Retained earnings	6,007	5,934	73
<b>Total Equity</b>	<b>12,691</b>	<b>12,618</b>	<b>73</b>

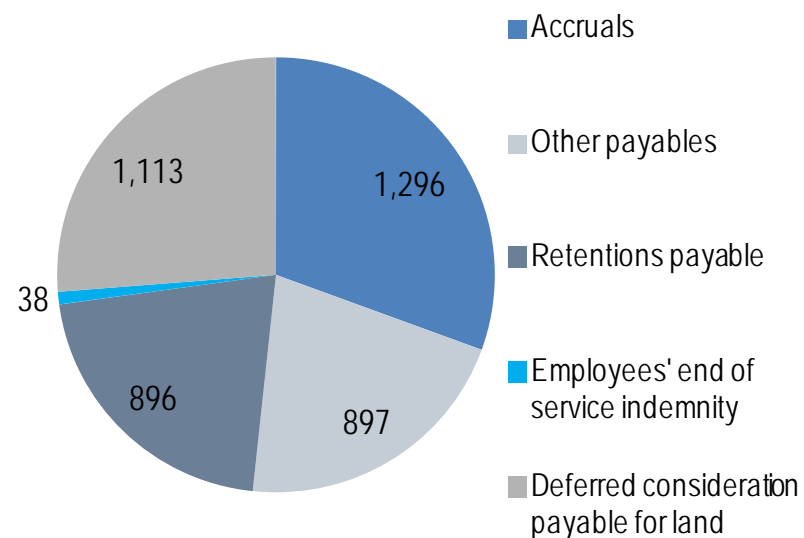
<b>Liabilities</b>			
Bank borrowings	1,447	1,163	285
Sukuk certificates	3,932	2,654	1,279
Advances from customers	4,003	4,197	(193)
Trade and other payables	4,240	3,995	246
<b>Total Liabilities</b>	<b>13,624</b>	<b>12,008</b>	<b>1,616</b>

<b>Total Equity &amp; Liabilities</b>	<b>26,314</b>	<b>24,626</b>	<b>1,689</b>
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## Development Properties - Jun'17 (AED mn)



## Trade and other payables - Jun'17 (AED mn)

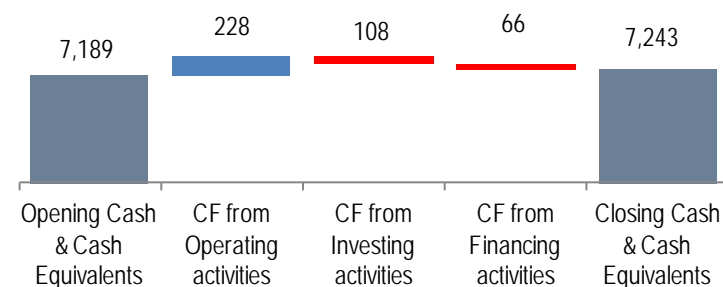


# Summary Cashflows



In AED mn	1H 2017	1H 2016	Change
<b>Cash flows from operating activities</b>			
Profit for the period	1,585	1,937	(352)
<b>Adjustments for:</b>			
Depreciation on property and equipment	10	7	2
Provision for employees' end-of-service indemnity	6	5	1
Amortization of issue costs on Sukuk Certificates	4	1	3
(Gain)/Loss on retirement of property and equipment	0	0	0
Gain on Disposal	(3)	0	(3)
Finance income	(65)	(57)	(8)
Finance costs	127	87	40
Reversal of impairment on trade receivables	(5)	0	(5)
<b>Operating cash flows before changes in working capital</b>	<b>1,659</b>	<b>1,981</b>	<b>(322)</b>
Incr in trade and other receivables	(826)	(168)	(659)
Incr in development properties	(637)	(450)	(186)
Decr in advances from customers	(193)	(1,000)	806
Employee end-of-service benefits paid	(5)	(3)	(2)
Incr in trade and other payables	231	69	162
<b>Net cash generated from operating activities</b>	<b>228</b>	<b>429</b>	<b>(201)</b>
<b>Net cash (used in) / generated from investing activities</b>	<b>(108)</b>	<b>61</b>	<b>(169)</b>
<b>Net cash generated from financing activities</b>	<b>(66)</b>	<b>(1,033)</b>	<b>967</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>54</b>	<b>(542)</b>	<b>597</b>
Opening Cash & Cash Equivalents	7,189	8,598	
<b>Closing Cash &amp; Cash Equivalents</b>	<b>7,243</b>	<b>8,055</b>	

## Movement in cash and cash equivalents during 1H 2017



	Jun'17	Jun'16
Cash and bank balances	8,621	8,805
Fixed deposits with an original maturity of greater than three months	(1,378)	(749)
<b>Cash &amp; Cash Equivalents</b>	<b>7,243</b>	<b>8,055</b>

# Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 30 Jun 2017

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
<b>IN PROGRESS DEVELOPMENTS</b>			
DAMAC TOWERS BY PARAMOUNT	2018	2,163	c.60%
DAMAC HEIGHTS	2017	889	40-60%
CELESTIA	2018	624	c.40%
AVANTI TOWERS	2018	139	c.40%
PRIVÉ BY DAMAC	2018	653	40-60%
GHALIA	2018	476	20-40%
TOWER 108	2018	359	c.40%
MAJESTINE	2018	383	40-60%
AKOYA by DAMAC Apartments	Upto 2020	2,979	40-60%

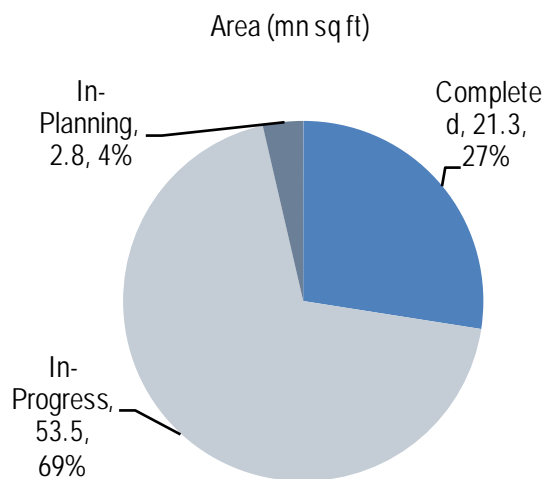
**Note:**

1. % Recognized is a factor of % area sold and % completion in any particular project.
2. Non-Akoya Projects Completed during the year or before the period-end date does not form part of above table.
3. For AKOYA, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

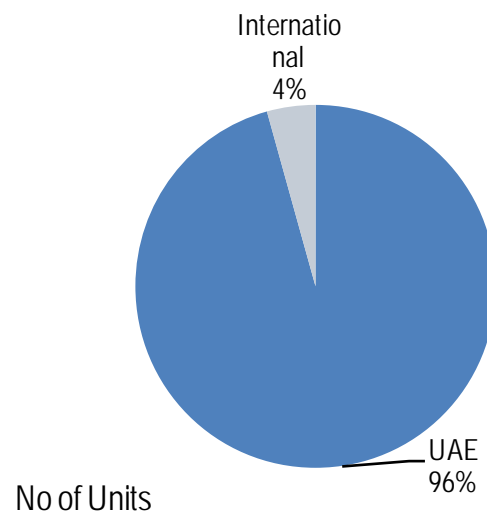
# Portfolio Overview (as at 30 Jun 2017)



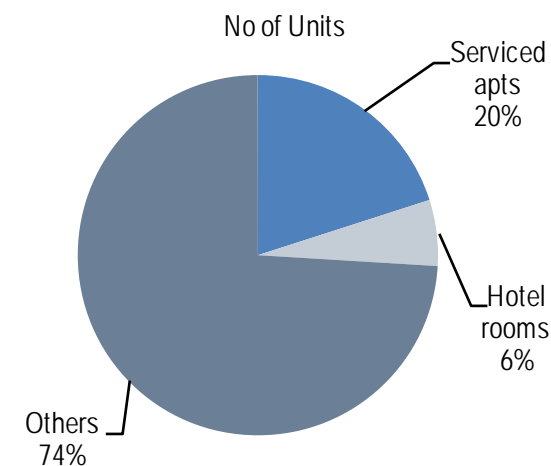
## Portfolio by development status



## Portfolio by location (in progress and in-planning projects)



## Portfolio by product (in progress and in-planning projects)



### UAE



No of projects	25
Units	40K+
Sellable area (mn sq ft)	53.9
Completion date	2017/21

### International



No of projects	7
Units	1.8K
Sellable area (mn sq ft)	2.4
Completion date	2017/20

# ***DAMAC***

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**Thank you**