

DAMAC

LIVE THE LUXURY

Results Presentation

Half year ended 30 June 2019



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DAMAC Overview



Headquarters in Dubai

51+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,600+ employees	c.450 sales staff	c.350 Project execution and execution support team
AED1.8bn Booked Sales in 1H19 2018 - AED4.25bn	AED1.9bn Revenue in 1H19 2018 - AED6.13bn	AED82mn Net Profit in 1H19 2018 - AED1.15bn

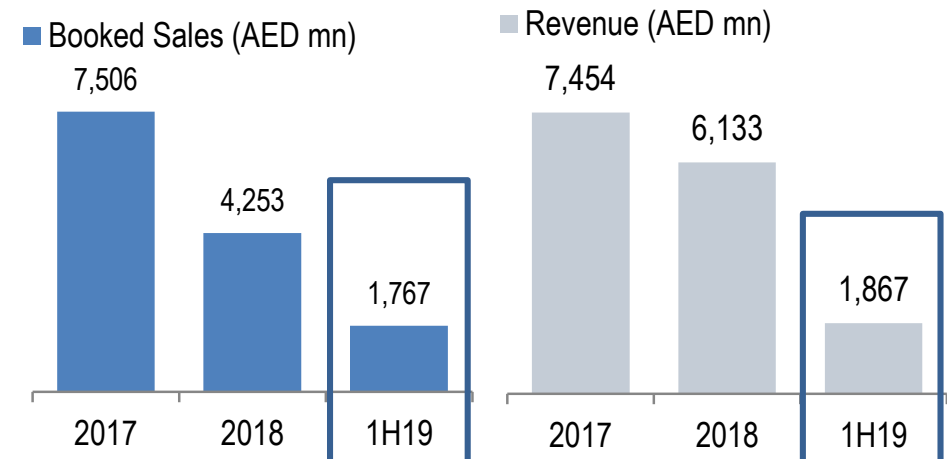
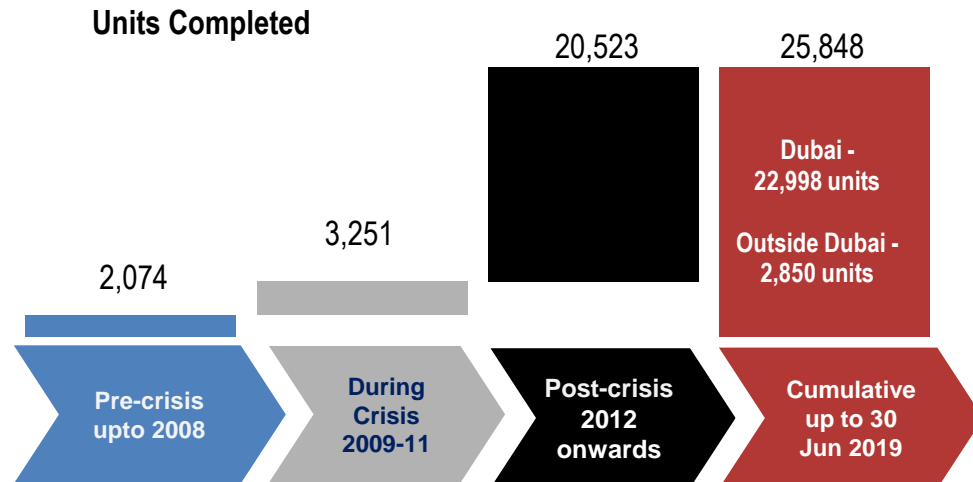
Portfolio Overview

	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	25,848 units	Over 37,000 units
In Dubai:	89%	c.97%

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 AED1.8bn** in 1H 2019 vs AED2.3bn in 1H 2018
- **Delivered 1,476 units in Dubai** during the period in including our first cluster in masterdevelopment Akoya, Ghalia and Tower 108. (1H 2018: 1,490 units)

Profit

- Reported **gross profit of AED502mn** and **net profit of AED82mn** in 1H 2019.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED4.1bn. **Cash and Bank** balance stood at AED5.6bn.
- **Net cash position** stood at AED1.5bn as at 30 Jun 2019.
- During 1H 2019, **DAMAC repaid** the balance outstanding Sukuk Certificates worth AED 995 million (US\$ 271 million) on its scheduled maturity. These certificates were part of US\$ 650 million (AED 2,389 million) five year Sukuk Trust Certificates issued on 9 April 2014.

Financial Highlights



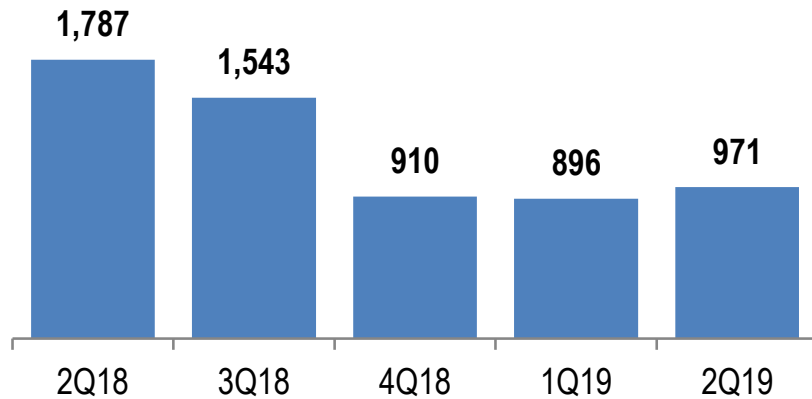
Revenue	Gross profit	Operating profit
AED 1,867m (1H 2018: AED 3,679m)	AED 502m (1H 2018: AED 1,388m)	AED 95m (1H 2018: AED 913m)
Net profit	Operating Cashflow	Total assets
AED 82m (1H 2018: AED 862m)	AED 222m (1H 2018: AED -42m)	AED 24,676m (Dec'18: AED 25,176m)
Equity	Cash and Bank	Gross Debt
AED 14,191m (Dec'18: AED 14,110m)	AED 5,585m (Dec'18: AED 6,174m)	AED 4,070m (Dec'18: AED 4,948m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
16.5% (Dec'18: 19.7%)	26.9% (1H 2018: 37.7%)	60.9% (Dec'18: 61.1%)

Performance Trends



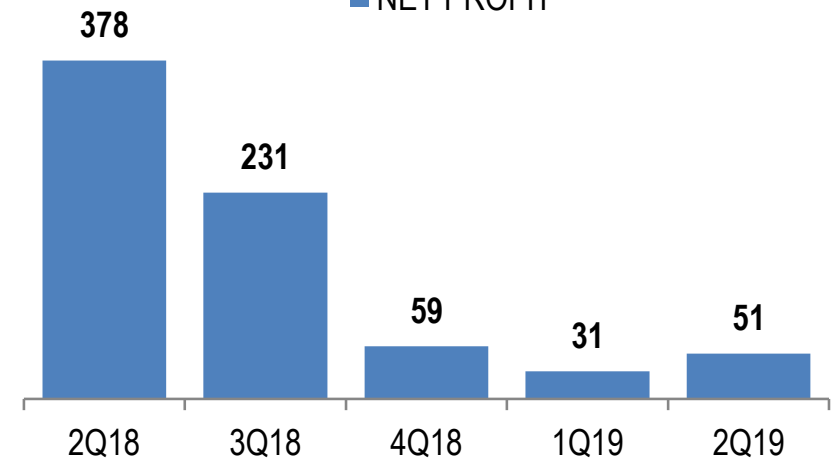
Revenue Trends (AED mn)

■ REVENUE



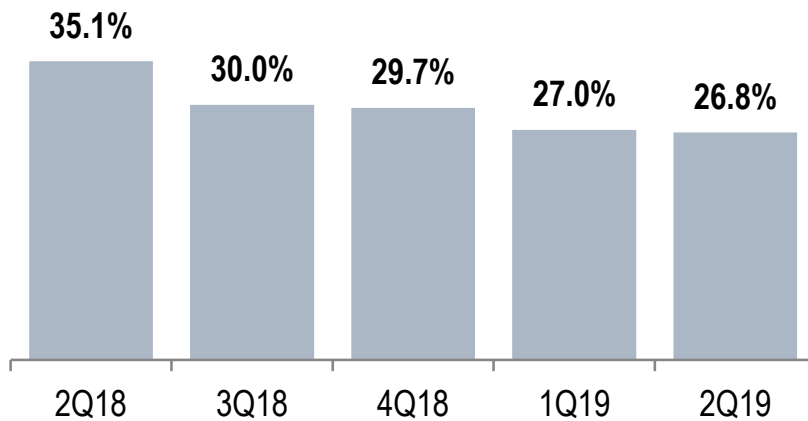
Net Profit Trends (AED mn)

■ NET PROFIT



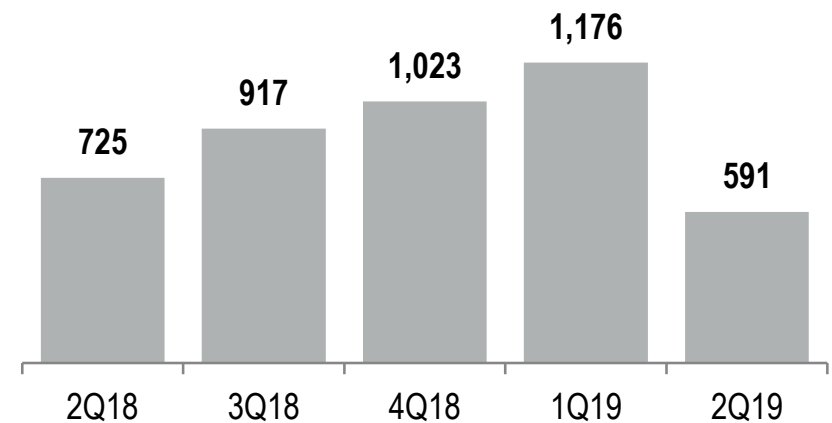
Gross Profit Margin Trends %

■ GPM % of Rev



Booked Sales (AED mn)

■ BOOKED SALES

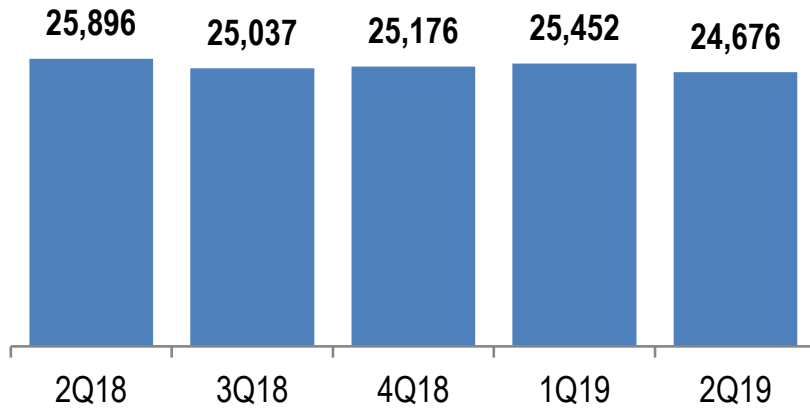


Performance Trends (contd.)



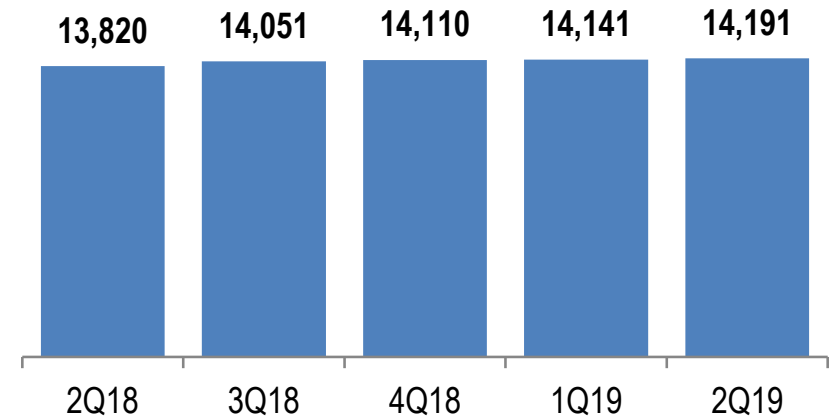
Total Assets (AED mn)

■ TOTAL ASSETS



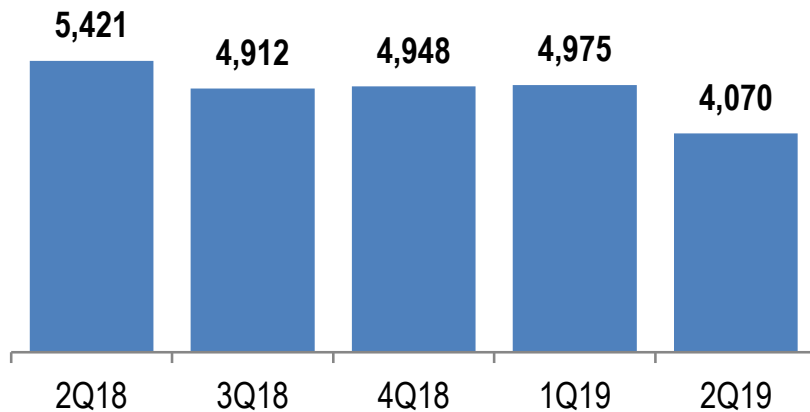
Total Equity (AED mn)

■ TOTAL EQUITY



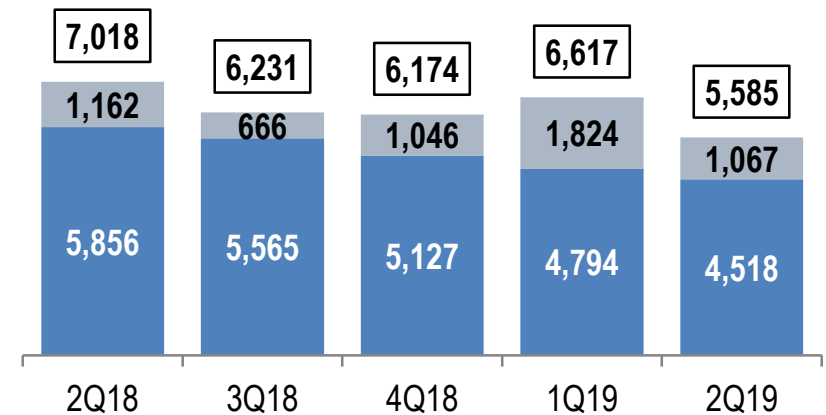
Total Debt (AED mn)

■ TOTAL DEBT



Cash & Bank Balance (AED mn)

■ Non-Escrow Cash ■ Cash held in Escrow



Summary Income Statement



In AED mn	2Q 2019	2Q 2018	YoY %	1H 2019	1H 2018	YoY %
Revenue	971	1,787	-46%	1,867	3,679	-49%
Cost of sales	(711)	(1,160)	-39%	(1,365)	(2,291)	-40%
Gross profit	260	627	-59%	502	1,388	-64%
<i>Gross profit margin</i>	26.8%	35.1%		26.9%	37.7%	
Other operating income	45	2	NM	93	5	NM
General, administrative and selling expenses	(239)	(206)	16%	(470)	(465)	1%
Amortisation of right-of-use asset	(8)	0		(16)	0	
Depreciation	(6)	(7)	-21%	(14)	(15)	-3%
Operating profit	53	416	-87%	95	913	-90%
<i>Operating profit margin</i>	5.5%	23.3%		5.1%	24.8%	
Other Income	31	13	133%	54	27	100%
Finance Income	42	42	-2%	86	83	4%
Finance Costs	(75)	(94)	-20%	(153)	(161)	-5%
Profit for the period	51	378	-87%	82	862	-91%
<i>Net income margin</i>	5.2%	21.2%		4.4%	23.4%	

Summary of Financial Position



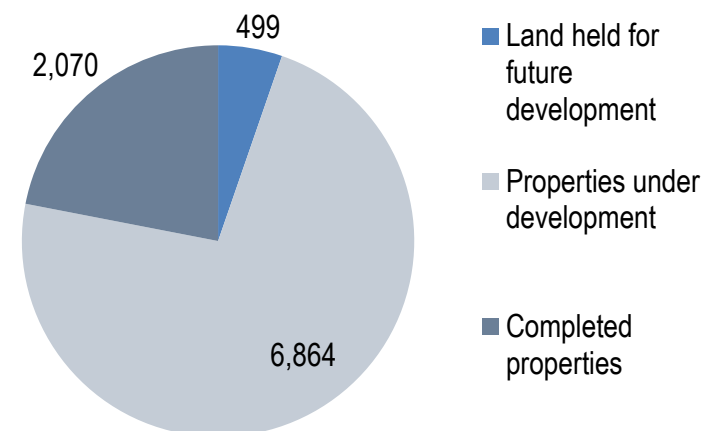
In AED mn	Jun'19	Dec'18
ASSETS		
Right-of-use assets	109	0
Property and equipment	131	141
Investment Properties	186	189
Development properties	9,433	9,215
Other financial assets	841	1,055
Trade and other receivables	8,048	8,120
Financial investments	343	283
Cash and bank balances	5,585	6,174
Total Assets	24,676	25,176

EQUITY AND LIABILITIES		
Share capital	6,050	6,050
Statutory reserve	903	903
Retained earnings	7,238	7,156
Total Equity	14,191	14,110

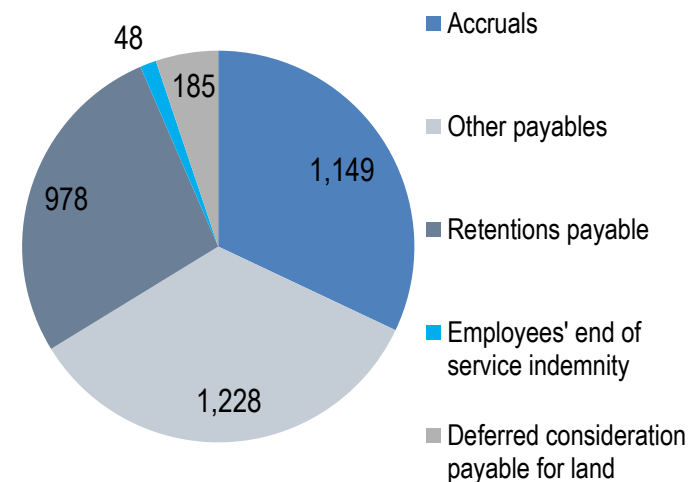
Liabilities		
Bank borrowings	781	667
Sukuk certificates	3,289	4,280
Advances from customers	2,714	2,618
Lease liabilities	113	0
Trade and other payables	3,587	3,501
Total Liabilities	10,485	11,067

Total Equity & Liabilities	24,676	25,176
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Development Properties - Jun'19 (AED mn)



Trade and other payables - Jun'19 (AED mn)



Summary Cashflows



In AED mn	1H 2019	1H 2018	Change
Cash flows from operating activities			
Profit for the period	82	862	(780)

Adjustments for:			
Depreciation on property and equipment	14	15	(1)
Amortisation of right-of-use assets	16	0	16
Provision for employees' end-of-service indemnity	6	7	(1)
Amortization of issue costs on Sukuk Certificates	3	7	(4)
(Gain)/Loss on retirement of property and equipment	1	0	1
Finance income	(86)	(83)	(3)
Finance costs	153	161	(8)
Reversal of impairment on trade receivables	(1)	(43)	42
Operating cash flows before changes in working capital	188	927	(738)
(Decr)/Incr in trade and other receivables	68	(1,302)	1,369
(Incr)/Decr in development properties	(218)	425	(643)
Incr/(Decr) in advances from customers	97	(218)	315
Employee end-of-service benefits paid	(8)	(7)	(1)
(Decr)/Incr in trade and other payables	96	133	(37)
Net cash generated from operating activities	222	(42)	264

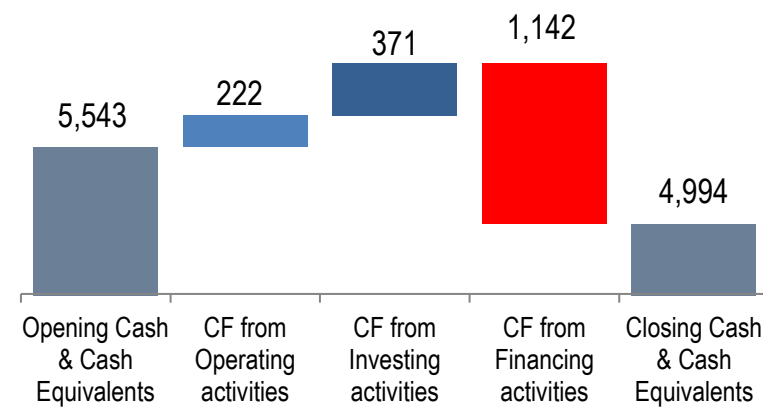
Net cash (used in) / generated from investing activities	371	436	(65)
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Net cash generated from financing activities	(1,142)	(248)	(894)
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Net Increase in Cash & Cash Equivalents	(548)	147	(695)
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Opening Cash & Cash Equivalents	5,543	5,877	
Closing Cash & Cash Equivalents	4,994	6,024	

Movement in cash and cash equivalents during 2019



	Jun'19	Jun'18
Cash and bank balances	5,585	7,018
Fixed deposits with an original maturity of greater than three months	(503)	(976)
Overdrafts	(88)	(18)
Cash & Cash Equivalents	4,994	6,024

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 30 Jun 2019

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
CELESTIA	2019	630	80%+
PRIVÉ BY DAMAC	2019	655	60%-80%
MERANO TOWER	2019	395	40%-60%
PARAMOUNT TOWER HOTEL & RESI	2020	791	<20%
DAMAC HILLS Apartments	2019-20	4,037	40%-60%

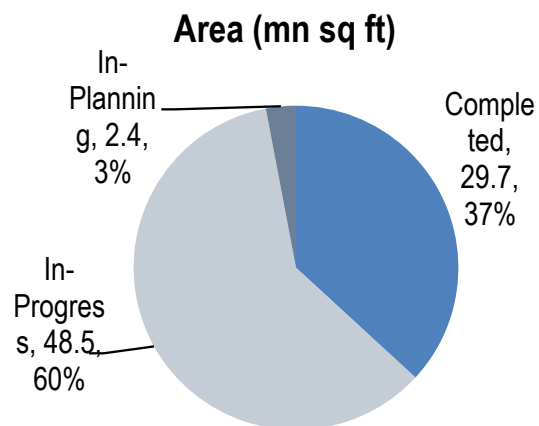
Note:

1. % Recognized is a factor of % area sold and % completion in any particular project.
2. For DAMAC Hills, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

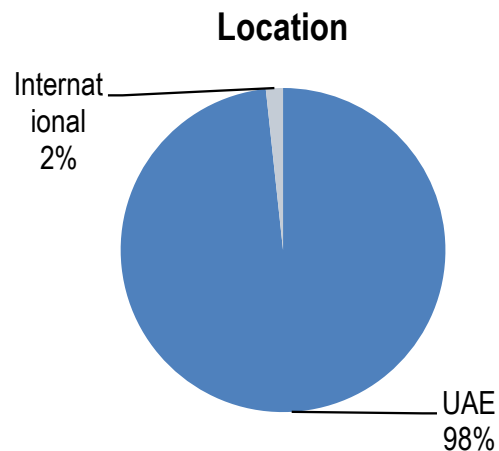
Portfolio Overview (as at 30 Jun 2019)



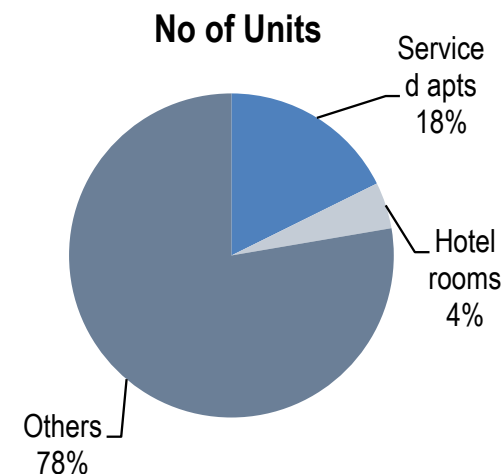
Portfolio by development status



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



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



UAE



No of projects	21
Units	c.37K
Sellable area (mn sq ft)	50.2
Completion date	2019/22

International



No of projects	2
Units	c.0.6K
Sellable area (mn sq ft)	0.7
Completion date	2022

Note: Above table pertains to in progress and in planning projects only.

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Thank you