

DAMAC

LIVE THE LUXURY

Results Presentation

Quarter ended 31 March 2019



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DAMAC Overview



Headquarters in Dubai

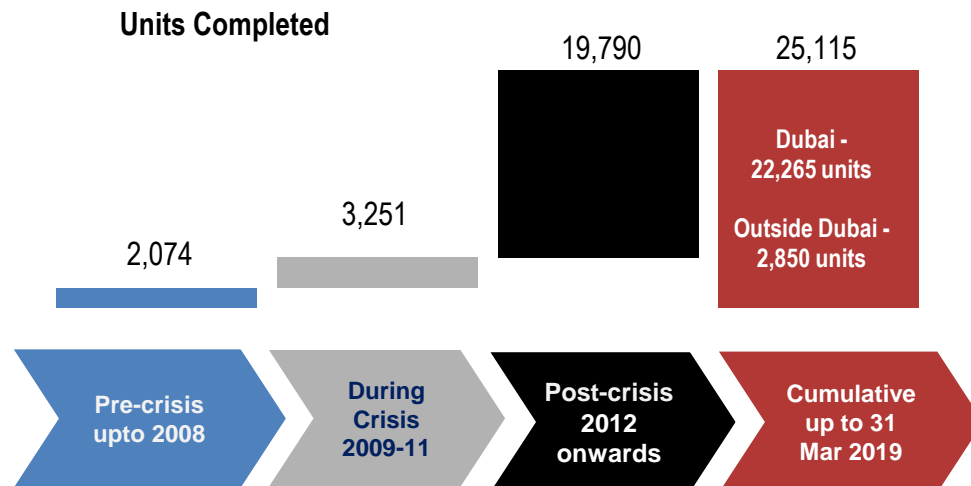
52+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,700+ employees	c.500+ sales staff	c.400 Project execution and execution support team
AED1.2bn Booked Sales in 1Q19 2018 - AED4.25bn	AED896mn Revenue in 1Q19 2018 - AED6.13bn	AED31mn Net Profit in 1Q19 2018 - AED1.15bn

Portfolio Overview

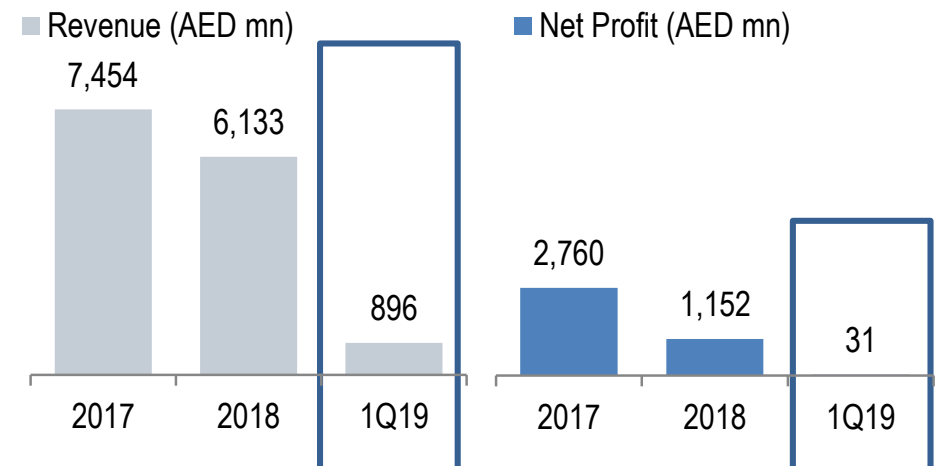
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	25,115 units	Over 38,000 units
In Dubai:	89%	c.97%

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 AED1.2bn** in 1Q 2019 was 15% higher than booked sales of c.AED1.0bn reported in 4Q 2018.
- **Delivered 743 units in Dubai** during the quarter in Ghalia, a sharia compliant tower offering furnished apartments project.

Profit

- Reported **gross profit of AED242mn** and **net profit of AED31mn** in 1Q 2019.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED5.0bn. **Cash and Bank** balance stood at AED6.6bn.
- **Net cash position** stood at AED1.64bn as at 31 Mar 2019.
- On 9 April 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

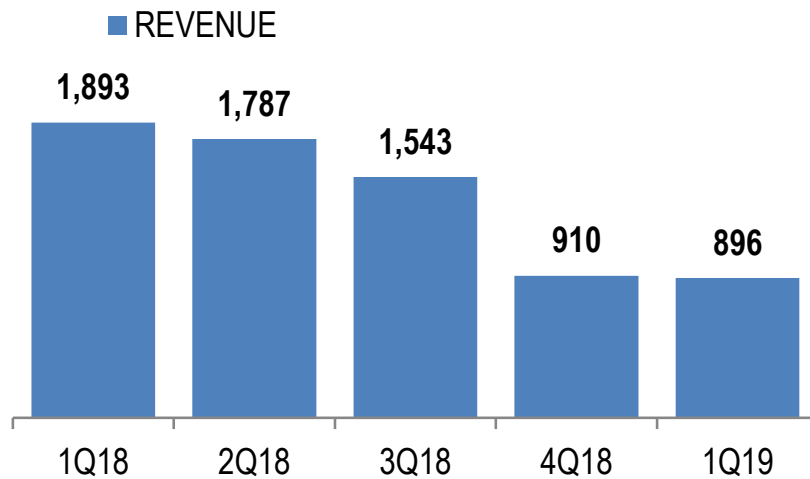


Revenue	Gross profit	Operating profit
AED 896m (1Q 2018: AED 1,893m)	AED 242m (1Q 2018: AED 761m)	AED 42m (1Q 2018: AED 497m)
Net profit	Operating Cashflow	Total assets
AED 31m (1Q 2018: AED 484m)	AED 197m (1Q 2018: AED 31m)	AED 25,452m (Dec'18: AED 25,176m)
Equity	Cash and Bank	Gross Debt
AED 14,141m (Dec'18: AED 14,110m)	AED 6,617m (Dec'18: AED 6,174m)	AED 4,975m (Dec'18: AED 4,948m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
19.5% (Dec'18: 19.7%)	27.0% (1Q 2018: 40.2%)	62.4% (Dec'18: 61.1%)

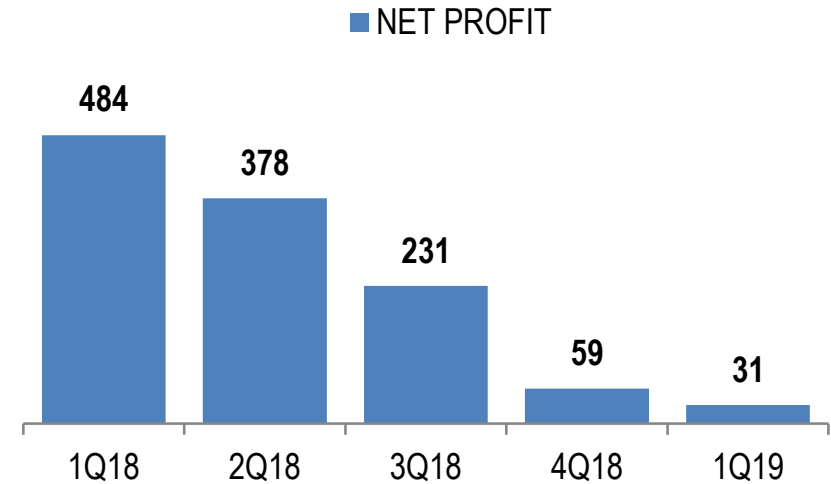
Performance Trends



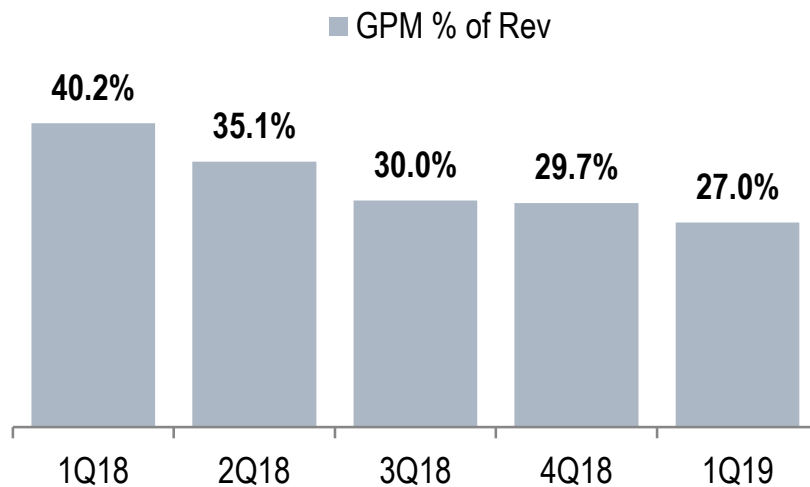
Revenue Trends (AED mn)



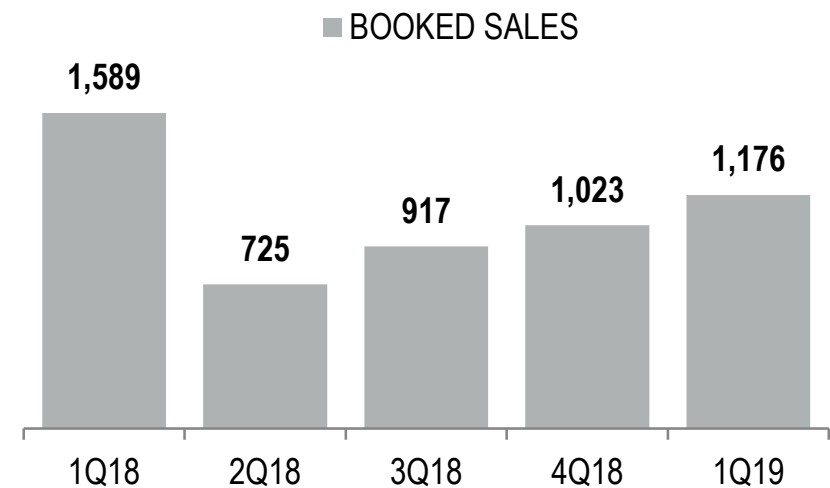
Net Profit Trends (AED mn)



Gross Profit Margin Trends %



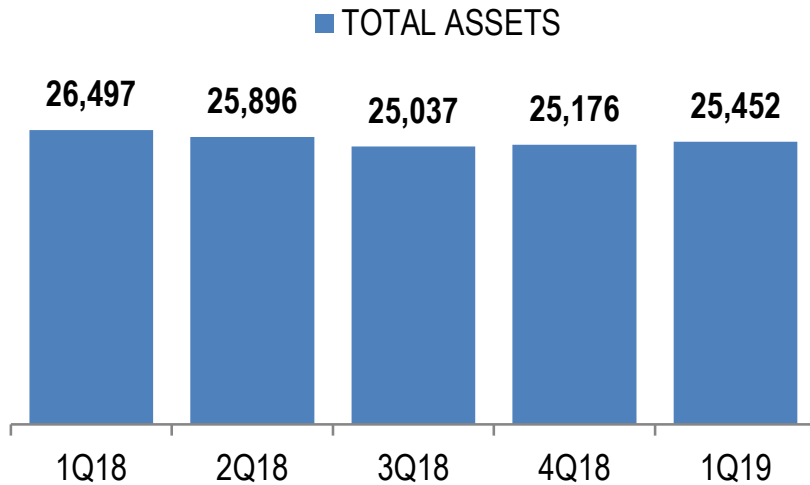
Booked Sales (AED mn)



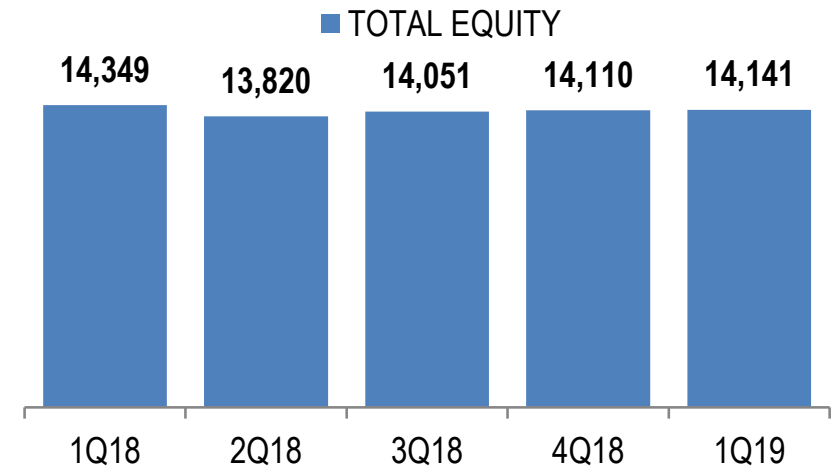
Performance Trends (contd.)



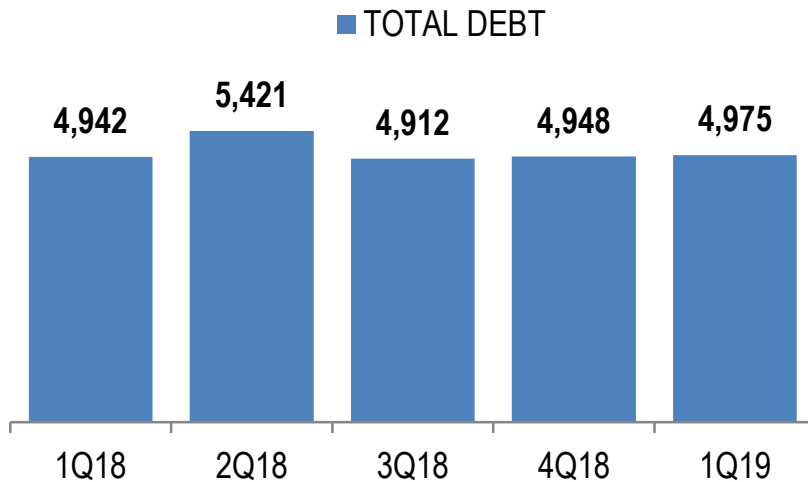
Total Assets (AED mn)



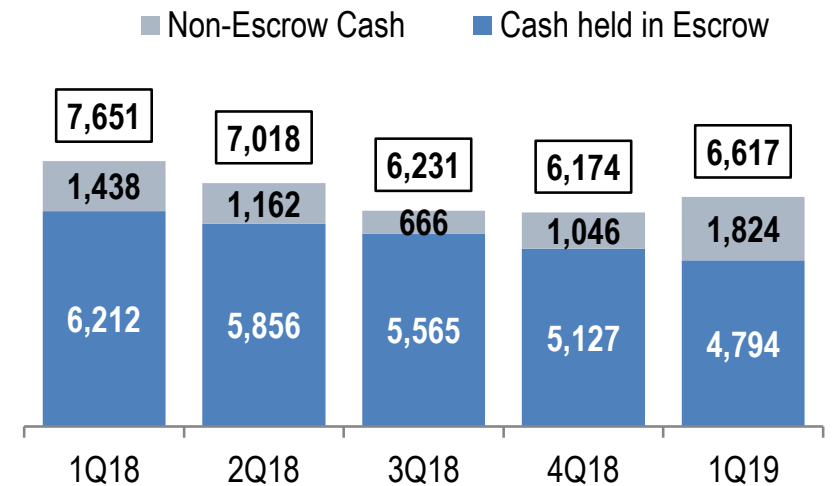
Total Equity (AED mn)



Total Debt (AED mn)



Cash & Bank Balance (AED mn)



Summary Income Statement



In AED mn	1Q 2019	1Q 2018	YoY %
Revenue	896	1,893	-53%
Cost of sales	(654)	(1,132)	-42%
Gross profit	242	761	-68%
<i>Gross profit margin</i>	27.0%	40.2%	
Other operating income	48	3	NM
General, administrative and selling expenses	(231)	(259)	-11%
Amortisation of right-of-use asset	(8)	0	
Depreciation	(9)	(8)	13%
Impairment on Development Properties	0	0	
Operating profit	42	497	-92%
<i>Operating profit margin</i>	4.7%	26.3%	
Other Income	23	14	68%
Finance Income	44	40	10%
Finance Costs	(78)	(67)	17%
Profit for the period	31	484	-94%
<i>Net income margin</i>	3.5%	25.6%	

Summary of Financial Position



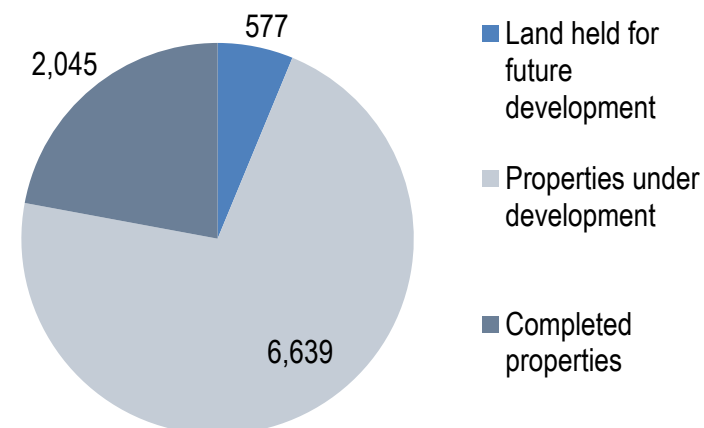
In AED mn	Mar'19	Dec'18
ASSETS		
Right-of-use assets	117	0
Property and equipment	134	141
Investment Properties	187	189
Development properties	9,260	9,215
Other financial assets	833	1,055
Trade and other receivables	7,999	8,120
Financial investments	304	283
Cash and bank balances	6,617	6,174
Total Assets	25,452	25,176

EQUITY AND LIABILITIES		
Share capital	6,050	6,050
Statutory reserve	903	903
Retained earnings	7,187	7,156
Total Equity	14,141	14,110

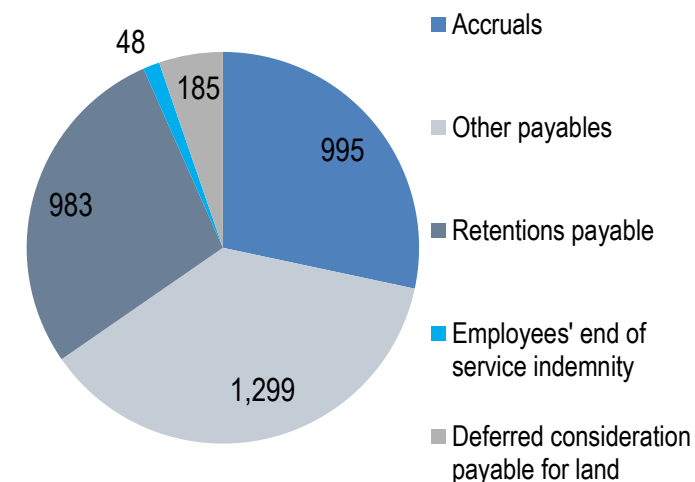
Liabilities		
Bank borrowings	693	667
Sukuk certificates	4,283	4,280
Advances from customers	2,710	2,618
Lease liabilities	117	0
Trade and other payables	3,509	3,501
Total Liabilities	11,311	11,067

Total Equity & Liabilities	25,452	25,176
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Development Properties - Mar'19 (AED mn)



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

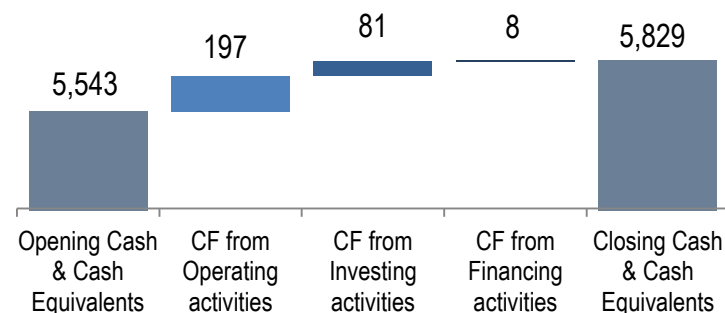


Summary Cashflows



In AED mn	1Q 2019	1Q 2018	Change
Cash flows from operating activities			
Profit for the period	31	484	(453)
Adjustments for:			
Depreciation on property and equipment	9	8	1
Amortisation of right-of-use assets	8	0	8
Provision for employees' end-of-service indemnity	3	4	(1)
Amortization of issue costs on Sukuk Certificates	2	3	(1)
(Gain)/Loss on retirement of property and equipment	0.02	0	0.02
Finance income	(44)	(40)	(4)
Finance costs	78	67	11
Reversal of impairment on trade receivables	(0)	(8)	8
Operating cash flows before changes in working capital	87	518	(430)
(Decr)/Incr in trade and other receivables	128	(940)	1,067
(Incr)/Decr in development properties	(46)	31	(77)
Decr in advances from customers	92	61	31
Employee end-of-service benefits paid	(5)	(3)	(2)
(Decr)/Incr in trade and other payables	(59)	365	(424)
Net cash generated from operating activities	197	31	165
Net cash (used in) / generated from investing activities	81	65	17
Net cash generated from financing activities	8	151	(143)
Net Increase in Cash & Cash Equivalents	286	247	39
Opening Cash & Cash Equivalents	5,543	5,877	
Closing Cash & Cash Equivalents	5,829	6,124	

Movement in cash and cash equivalents during 2019



	Mar'19	Mar'18
Cash and bank balances	6,617	7,651
Fixed deposits with an original maturity of greater than three months	(788)	(1,340)
Overdrafts	0	(187)
Cash & Cash Equivalents	5,829	6,124

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Mar 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%
TOWER 108	2019	380	80%+
MERANO TOWER	2019	395	40%-60%
PARAMOUNT TOWER HOTEL & RESI	2020	791	<20%
DAMAC HILLS Apartments	2019-20	4,037	40%-60%

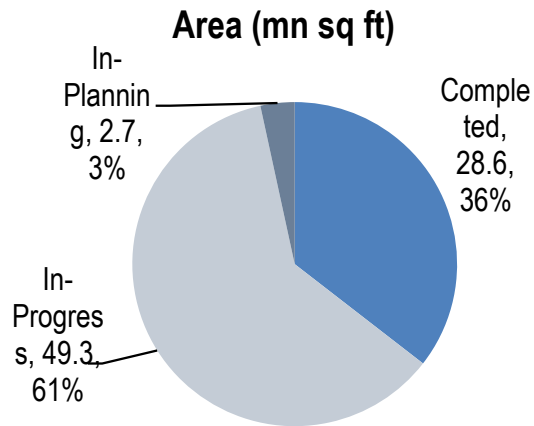
Note:

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.

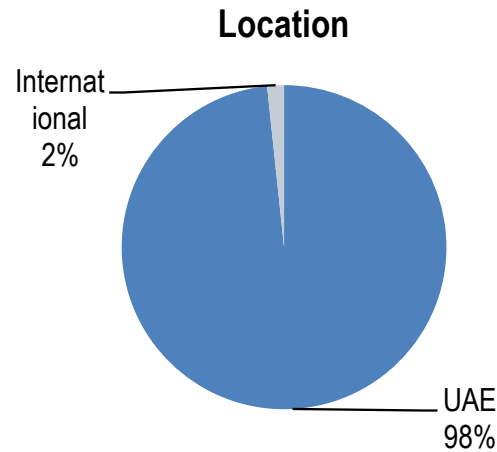
Portfolio Overview (as at 31 Mar 2019)



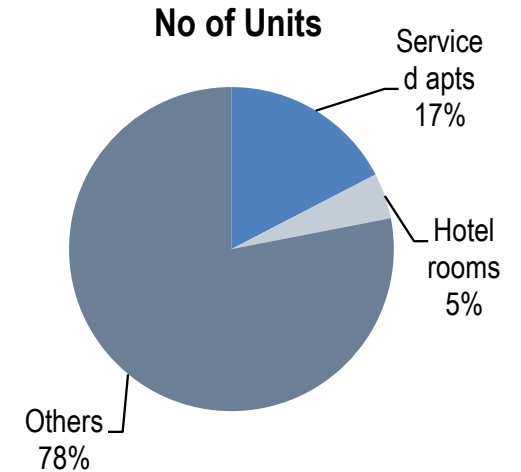
Portfolio by development status




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



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




UAE



No of projects	22
Units	c.37K
Sellable area (mn sq ft)	51.3
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