

# ***DAMAC***

LIVE THE LUXURY

## **Results Presentation**

**Year ended 31 December 2016**



# Disclaimer



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# DAMAC Overview



## Headquarters in Dubai

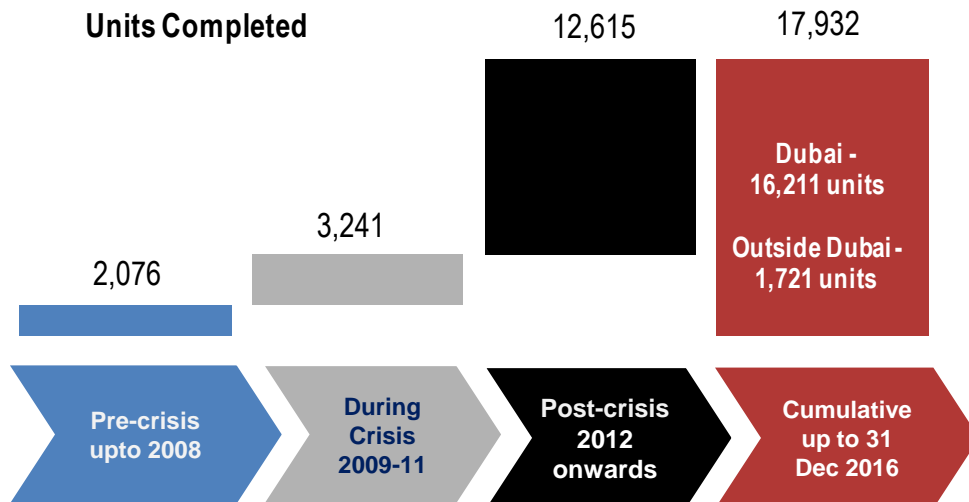
<b>59+</b> mn sq ft projects in progress and in planning	<b>6</b> countries with projects in progress and in-planning	<b>10,000+</b> Hospitality units (incl. completed units and project pipeline)
<b>c.1,900+</b> employees	<b>c.600+</b> sales staff	<b>c.500</b> Project execution and execution support team
<b>AED7.0bn</b> Booked Sales in 2016  2015 - AED9.1bn	<b>AED7.2bn</b> Revenue in 2016  2015 - AED8.5bn	<b>AED3.7bn</b> Net Profit in 2016  2015 - AED4.5bn

## Portfolio Overview

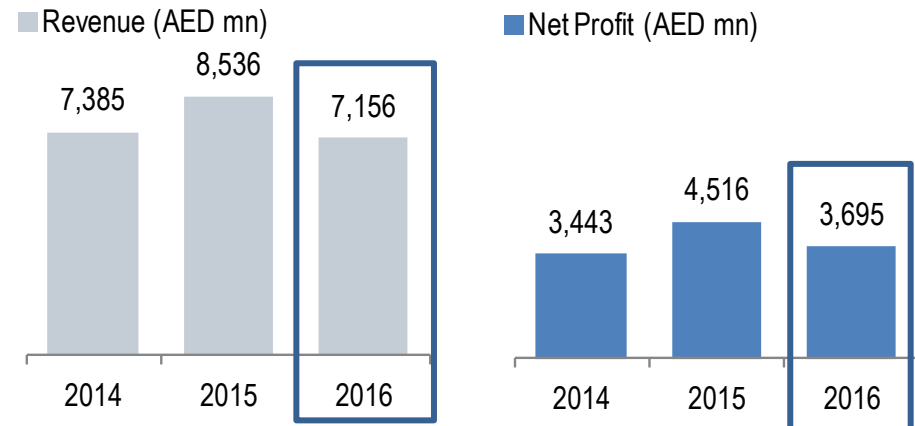
	Completed <sup>(1)</sup> projects	In-progress <sup>(2)</sup> and In-planning <sup>(3)</sup> projects
<b>Total:</b>	<b>c.17,900 units</b>	<b>Over 40,000 units</b>
<b>In Dubai:</b>	<b>Over 90%</b>	<b>c.95%</b>

*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



*Note:* 2014 numbers are based on DAMAC Real Estate Development Limited's financials to reflect a full year of real estate operations to compare like to like performance.



- ❑ **Booked Sales of AED7bn during 2016.**
- ❑ **Key launches** during the year were *AYKON City, Ghalia, Tower 108, Navitas Hotel & Residences, and a number of Villa concepts in Akoya Oxygen and DAMAC Hills (previously Akoya by DAMAC).*
- ❑ **2,424 units completed** in 2016. *Dubai deliveries comprised 306 units in The Distinction, 253 units in Bay's edge, 33 units in Royal Golf Villas and over 1,600 units in Akoya. In International locations, we delivered Damac Tower Lebanon (188 units).*
- ❑ **Gross debt (including Sukuk Certificates) at AED3.82bn.** *Net cash position stood at AED4.50bn as at 31 Dec 2016.*
- ❑ **Cash dividend of AED 0.25 per share** amounting to AED 1,512.5 million is proposed by the Directors of the Company subject to approval of the shareholders in the forthcoming annual general assembly.
- ❑ **DAMAC Properties Dubai PJSC** received a Sharia compliance Certificate from Dar Al Sharia during 2016.

# Financial Highlights

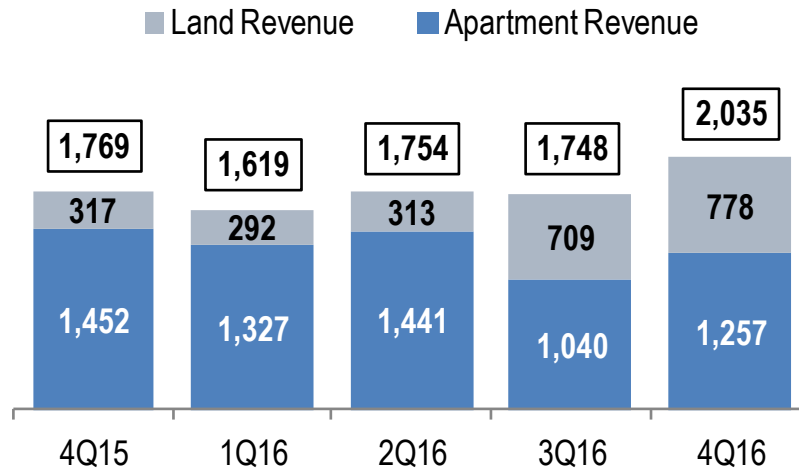


<b>Revenue</b>	<b>Gross profit</b>	<b>Operating profit</b>
<b>AED 7,156m</b> (2015: AED 8,536m)	<b>AED 3,997m</b> (2015: AED 5,067m)	<b>AED 3,717m</b> (2015: AED 4,544m)
<b>Net profit</b>	<b>Operating Cashflow</b> (before working capital changes)	<b>Total assets</b>
<b>AED 3,695m</b> (2015: AED 4,515m)	<b>AED 3,749m</b> (2015: AED 4,607m)	<b>AED 24,626m</b> (Dec'15: AED 23,447m)
<b>Equity</b>	<b>Cash and Bank</b>	<b>Gross Debt</b>
<b>AED 12,618m</b> (Dec'15: AED 9,831m)	<b>AED 8,316m</b> (Dec'15: AED 9,501m)	<b>AED 3,816m</b> (Dec'15: AED 3,765m)
<b>Debt to Total Assets</b>	<b>Gross Margins</b>	<b>Cash &amp; Dvplmt Prop as % of Total Assets</b>
<b>15.5%</b> (Dec'15: 16.1%)	<b>55.9%</b> (2015: 59.4%)	<b>75.4%</b> (Dec'15: 79.5%)

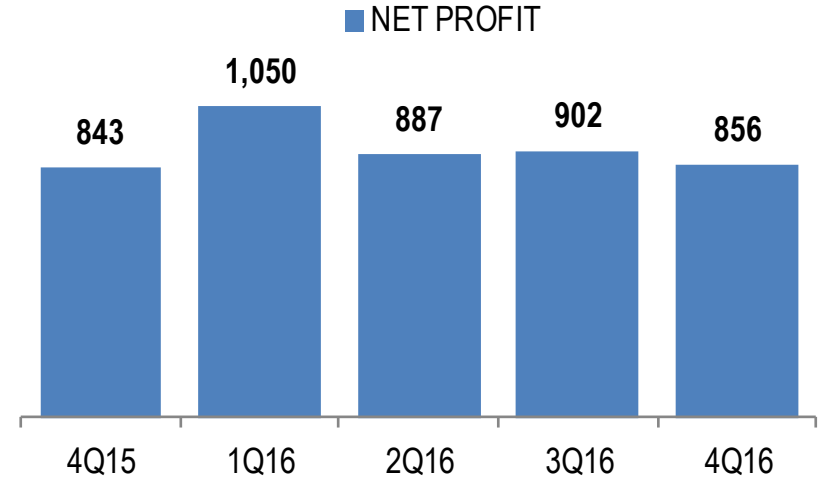
# Performance Trends



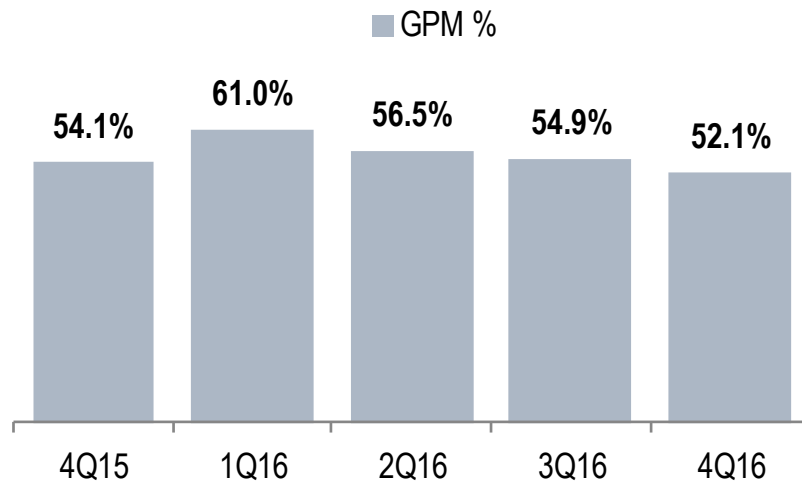
### Revenue Trends (AED mn)



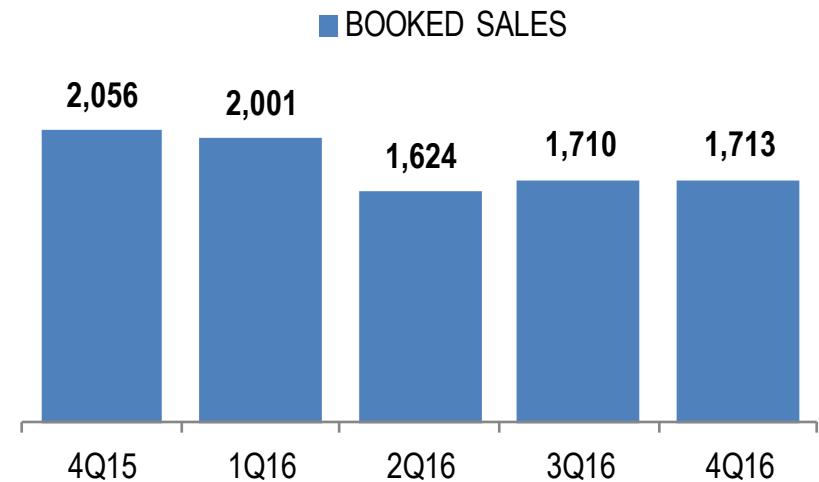
### Net Profit Trends (AED mn)



### Gross Profit Margin Trends %



### Booked Sales (AED mn)

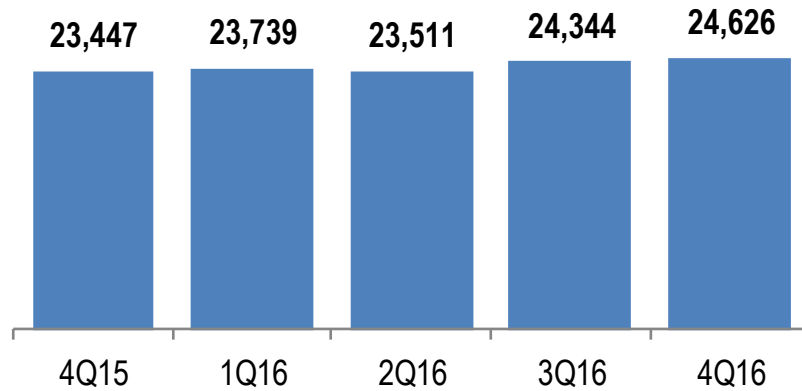


# Performance Trends (contd.)



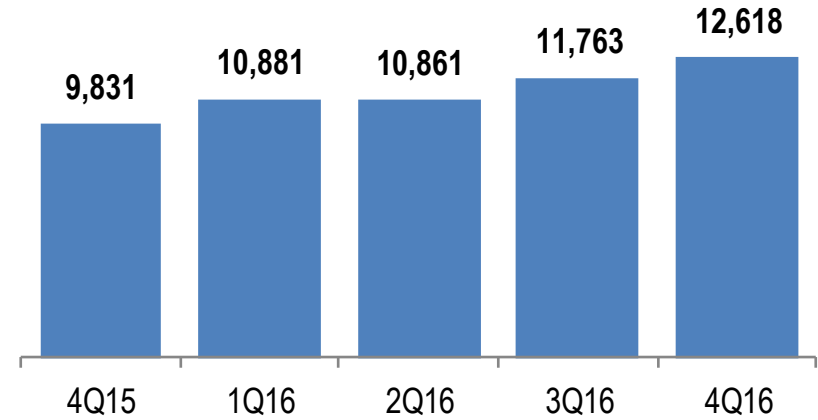
**Total Assets (AED mn)**

■ TOTAL ASSETS



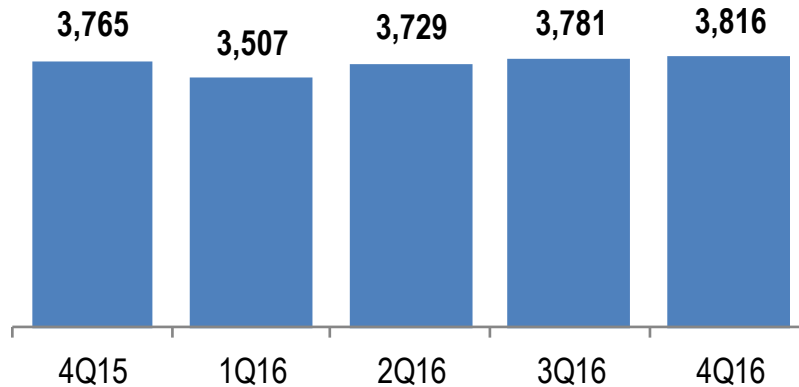
**Total Equity (AED mn)**

■ TOTAL EQUITY



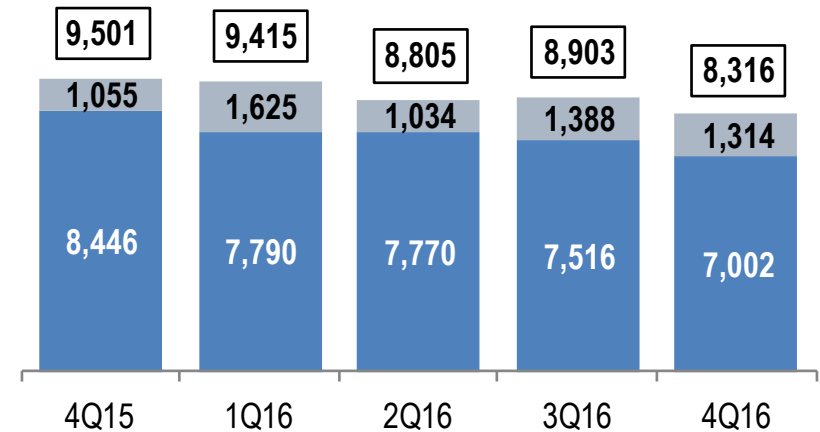
**Total Debt (AED mn)**

■ TOTAL DEBT



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

■ Non-Escrow Cash    ■ Cash held in Escrow



# Summary Income Statement



In AED mn	4Q 2016	4Q 2015	YoY %	FY 2016	FY 2015	YoY %
Property development	1,257	1,452	-13%	5,064	5,634	-10%
Sale of land	778	317	145%	2,092	2,902	-28%
<b>Revenue</b>	<b>2,035</b>	<b>1,769</b>	<b>15%</b>	<b>7,156</b>	<b>8,536</b>	<b>-16%</b>
Cost of sales	(975)	(811)	20%	(3,159)	(3,469)	-9%
<b>Gross profit</b>	<b>1,060</b>	<b>958</b>	<b>11%</b>	<b>3,997</b>	<b>5,067</b>	<b>-21%</b>
<i>Gross profit margin</i>	52.1%	54.1%		55.9%	59.4%	
Other operating income	28	119	-76%	594	504	18%
General, administrative and selling expenses	(216)	(220)	-2%	(859)	(1,015)	-15%
Depreciation	(4)	(2)	77%	(15)	(13)	21%
<b>Operating profit</b>	<b>868</b>	<b>854</b>	<b>2%</b>	<b>3,717</b>	<b>4,544</b>	<b>-18%</b>
<i>Operating profit margin</i>	42.7%	48.3%		51.9%	53.2%	
Other Income	6	6	-6%	45	34	34%
Finance Income	30	25	19%	116	90	28%
Finance Costs	(48)	(43)	12%	(183)	(153)	20%
<b>Profit for the period</b>	<b>856</b>	<b>843</b>	<b>2%</b>	<b>3,695</b>	<b>4,515</b>	<b>-18%</b>
<i>Net income margin</i>	42.0%	47.6%		51.6%	52.9%	



# Summary of Financial Position



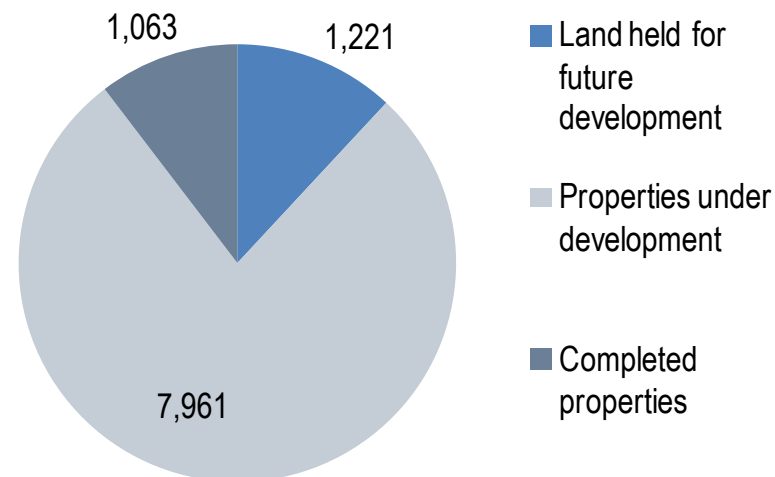
In AED mn	Dec'16	Dec'15	Change
<b>ASSETS</b>			
Property and equipment	59	64	(5)
Development properties	10,245	9,144	1,101
Other financial assets	1,017	789	228
Trade and other receivables	4,804	3,803	1,001
Financial investments	185	147	38
Cash and bank balances	8,316	9,501	(1,185)
<b>Total Assets</b>	<b>24,626</b>	<b>23,447</b>	<b>1,178</b>

<b>EQUITY AND LIABILITIES</b>			
Share capital	6,050	6,050	0
Statutory reserve	634	534	101
Group restructuring reserve	0	(4,913)	4,913
Retained earnings	5,934	8,160	(2,226)
<b>Total Equity</b>	<b>12,618</b>	<b>9,831</b>	<b>2,787</b>

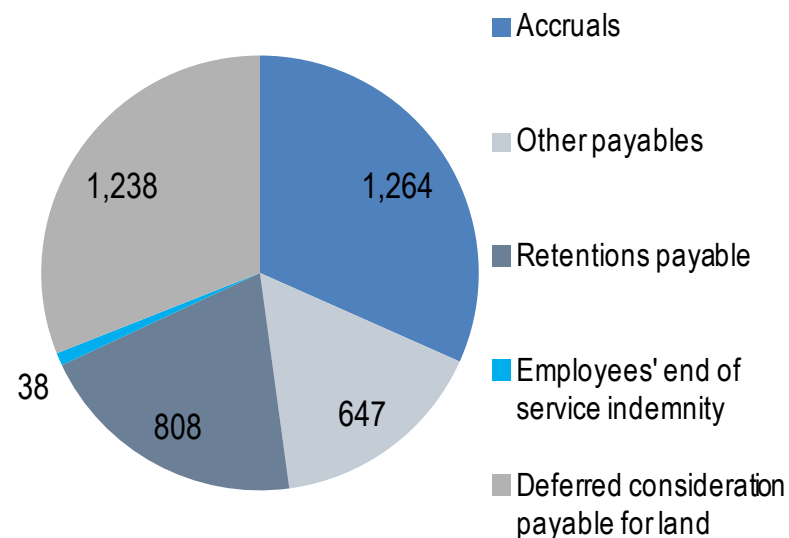
<b>Liabilities</b>			
Bank borrowings	1,163	1,025	138
Sukuk certificates	2,654	2,740	(86)
Advances from customers	4,197	5,533	(1,336)
Trade and other payables	3,995	4,319	(324)
<b>Total Liabilities</b>	<b>12,008</b>	<b>13,617</b>	<b>(1,609)</b>

<b>Total Equity &amp; Liabilities</b>	<b>24,626</b>	<b>23,447</b>	<b>1,178</b>
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## Development Properties - Dec'16 (AED mn)



## Trade and other payables - Dec'16 (AED mn)

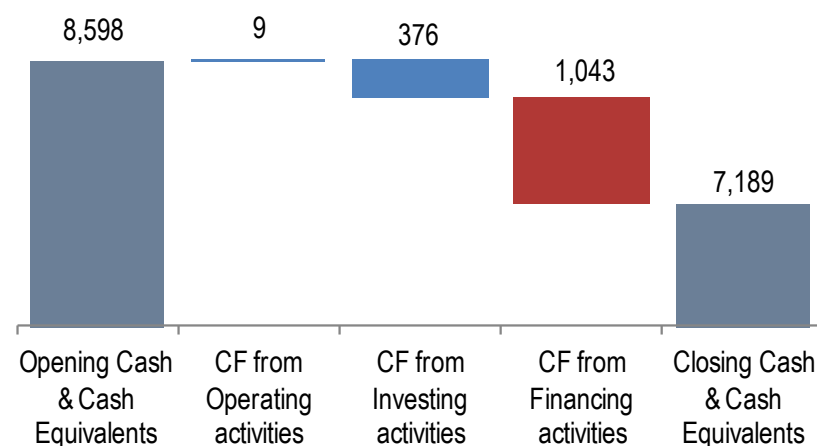


# Summary Cashflows



In AED mn	FY 2016	FY 2015	Change
<b>Cash flows from operating activities</b>			
Profit for the period	3,695	4,515	(820)
<b>Adjustments for:</b>			
Depreciation on property and equipment	15	13	3
Provision for employees' end-of-service indemnity	11	11	0
Amortization of issue costs on Sukuk Certificates	6	10	(4)
(Gain)/Loss on retirement of property and equipment	(0)	1	(1)
Finance income	(116)	(90)	(26)
Finance costs	183	153	30
Reversal of impairment on trade receivables	(45)	(4)	(40)
<b>Operating cash flows before changes in working capital</b>	<b>3,749</b>	<b>4,607</b>	<b>(858)</b>
Incr in trade and other receivables	(965)	(1,034)	69
Incr in development properties	(1,101)	(1,187)	86
Decr in due to a related party	0	(40)	40
Decr in advances from customers	(1,336)	(582)	(754)
Employee end-of-service benefits paid	(7)	(6)	(0)
(Decr)/Incr in trade and other payables	(330)	732	(1,062)
<b>Net cash generated from operating activities</b>	<b>9</b>	<b>2,488</b>	<b>(2,479)</b>
<b>Net cash (used in) / generated from investing activities</b>	<b>(376)</b>	<b>344</b>	<b>(720)</b>
<b>Net cash generated from financing activities</b>	<b>(1,043)</b>	<b>413</b>	<b>(1,455)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(1,409)</b>	<b>3,245</b>	
Opening Cash & Cash Equivalents	8,598	5,353	
<b>Closing Cash &amp; Cash Equivalents</b>	<b>7,189</b>	<b>8,598</b>	

## Movement in cash and cash equivalents during 2016



	Dec'16	Dec'15
Cash and bank balances	8,316	9,501
Fixed deposits with an original maturity of greater than three months	(1,127)	(903)
<b>Cash &amp; Cash Equivalents</b>	<b>7,189</b>	<b>8,598</b>

# Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Dec 2016

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
<b>IN PROGRESS DEVELOPMENTS</b>			
DAMAC TOWERS BY PARAMOUNT	2017	2,163	40-60%
DAMAC HEIGHTS	2017	889	40-60%
CELESTIA	2018	624	20-40%
AVANTI TOWERS	2018	139	20-40%
PRIVÉ BY DAMAC	2018	653	20-40%
GHALIA	2018	476	<20%
TOWER 108	2018	359	20-40%
MAJESTINE	2018	383	20-40%
AKOYA by DAMAC Apartments	2017-2019	2,979	c.40%

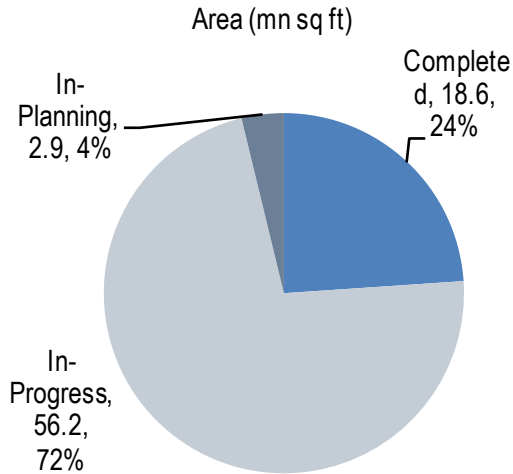
**Note:**

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 mid-rise apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

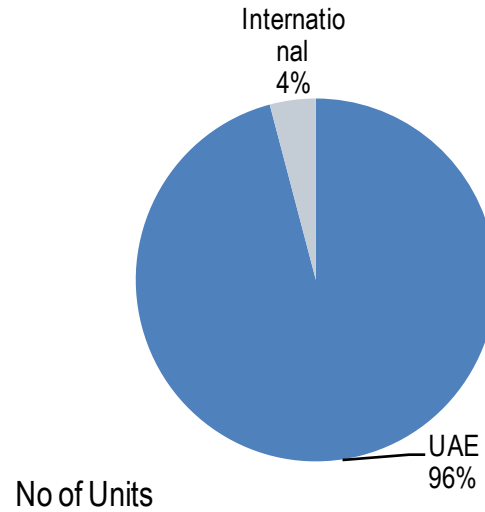
# Portfolio Overview (as at 31 Dec 2016)



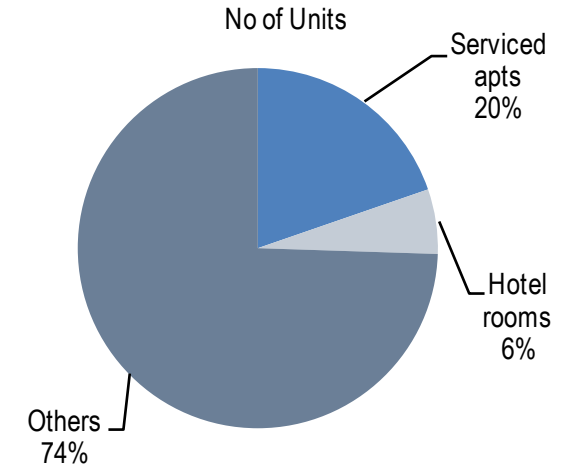
## Portfolio by development status



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



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



### UAE



No of projects	26
Units	40K+
Sellable area (mn sq ft)	56.7
Completion date	2017/21

### International



No of projects	7
Units	1.8K
Sellable area (mn sq ft)	2.5
Completion date	2017/20

# ***DAMAC***

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**Thank you**