

# ***DAMAC***

LIVE THE LUXURY

## **Interim Results Presentation**

**Nine months ended 30 September 2016**



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# DAMAC Overview



## Headquarters in Dubai

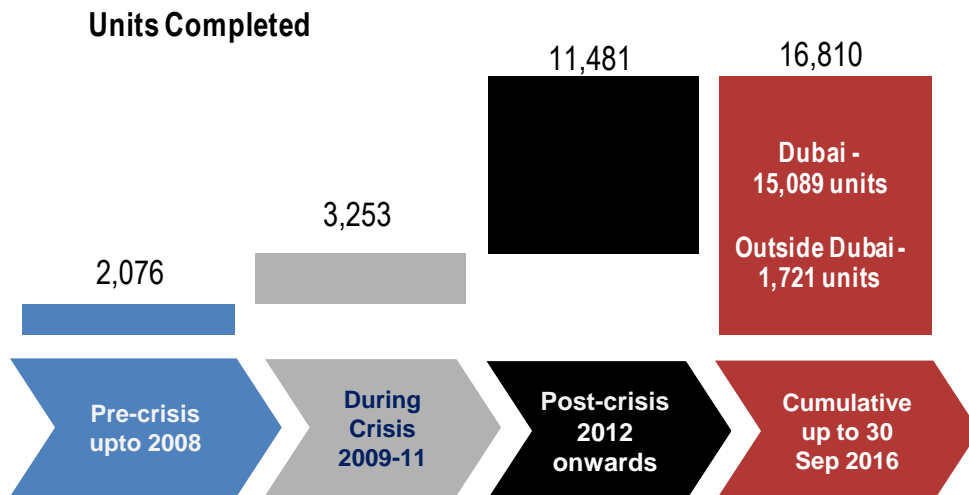
<b>62+</b> mn sq ft development pipeline	<b>6</b> countries with projects in-progress and in-planning	<b>10,000+</b> Hospitality units (incl. completed units and project pipeline)
<b>c.1,900+</b> employees	<b>c.600</b> sales staff	<b>c.500</b> Project execution and execution support team
<b>AED5.3bn</b> Booked Sales in 9M 2016  2015 - AED9.1bn	<b>AED5.1bn</b> Revenue in 9M 2016  2015 - AED8.5bn	<b>AED2.8bn</b> Net Profit in 9M 2016  2015 - AED4.5bn

## Portfolio Overview

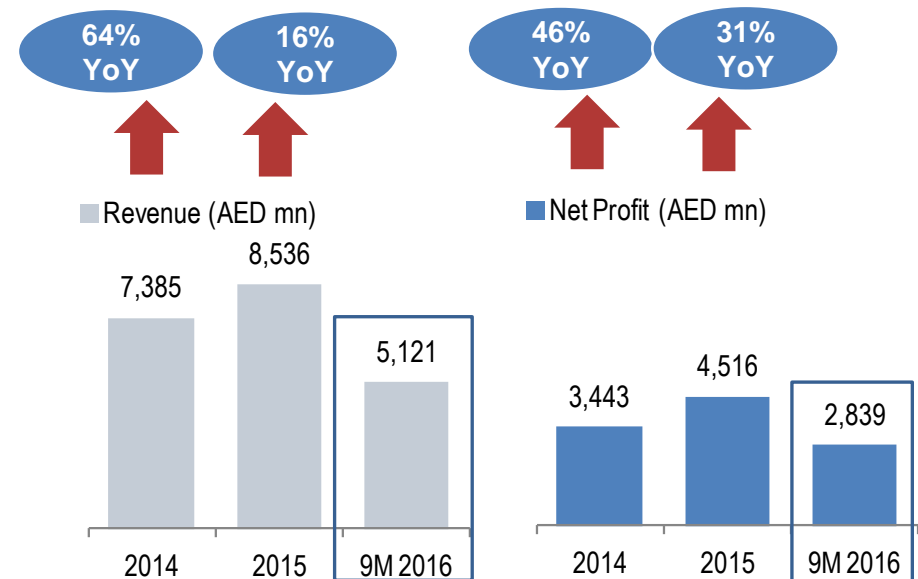
	Completed <sup>(1)</sup> projects	In-progress <sup>(2)</sup> and In-planning <sup>(3)</sup> projects
<b>Total:</b>	<b>c.16,800 units</b>	<b>Over 40,000 units</b>
<b>In Dubai:</b>	<b>90%</b>	<b>c.95%</b>

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 AED5.3bn during 9M 2016.** *On track to meet full year guidance of over AED7bn in 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 Akoya by DAMAC**
- ❑ **Gross Margins of 57.3% for 9M 2016.**
- ❑ **Over 1,300 units completed in 9M 2016** *comprising 306 units in The Distinction (Burj area-Dubai), 188 units in Damac Tower Lebanon and over 800 units in Akoya by DAMAC comprising mid-rise apartments and villas.*
- ❑ **Gross debt (including Sukuk Certificates) at AED3.78bn.** *Net cash position stood at AED5.12bn as at 30 Sep 2016.*
- ❑ **DAMAC Properties Dubai PJSC received a Sharia compliance Certificate from Dar Al Sharia**

# Financial Highlights

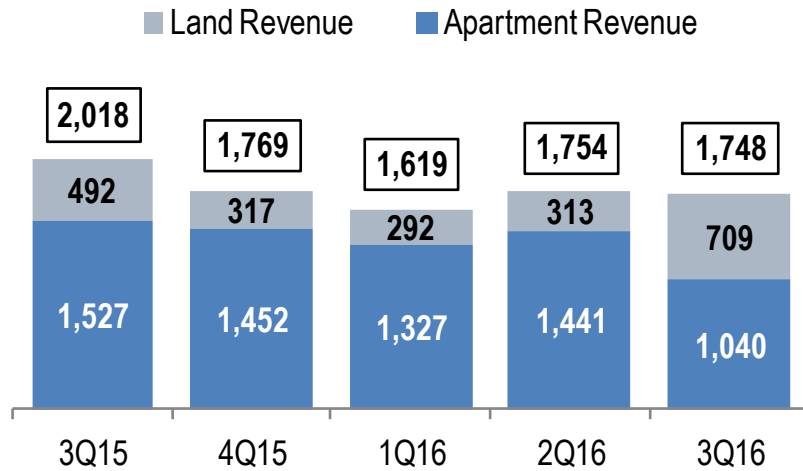


<b>Revenue</b>	<b>Gross profit</b>	<b>Operating profit</b>
<b>AED 5,121m</b> (9M 2015: AED 6,767m)	<b>AED 2,937m</b> (9M 2015: AED 4,109m)	<b>AED 2,848m</b> (9M 2015: AED 3,689m)
<b>Net profit</b>	<b>Net cash flow from operating activities</b>	<b>Total assets</b>
<b>AED 2,839m</b> (9M 2015: AED 3,672m)	<b>AED 537m</b> (9M 2015: AED 2,341m)	<b>AED 24,344m</b> (Dec'15: AED 23,447m)
<b>Equity</b>	<b>Cash and Bank</b>	<b>Gross Debt</b>
<b>AED 11,763m</b> (Dec'15: AED 9,831m)	<b>AED 8,903m</b> (Dec'15: AED 9,501m)	<b>AED 3,781m</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>57.3%</b> (9M 2015: 60.7%)	<b>76.8%</b> (Dec'15: 79.5%)

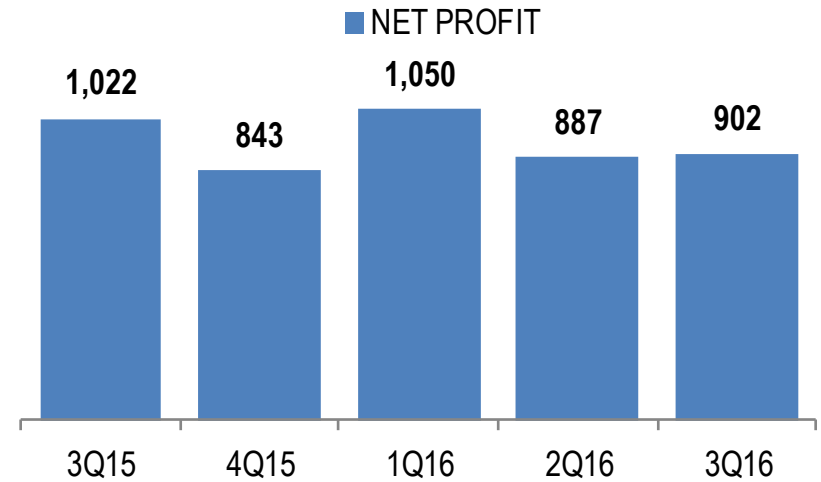
# Performance Trends



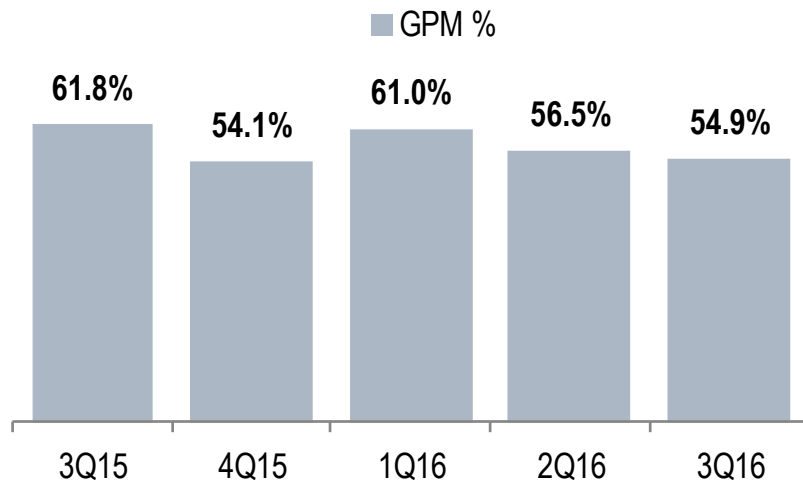
## Revenue Trends (AED mn)



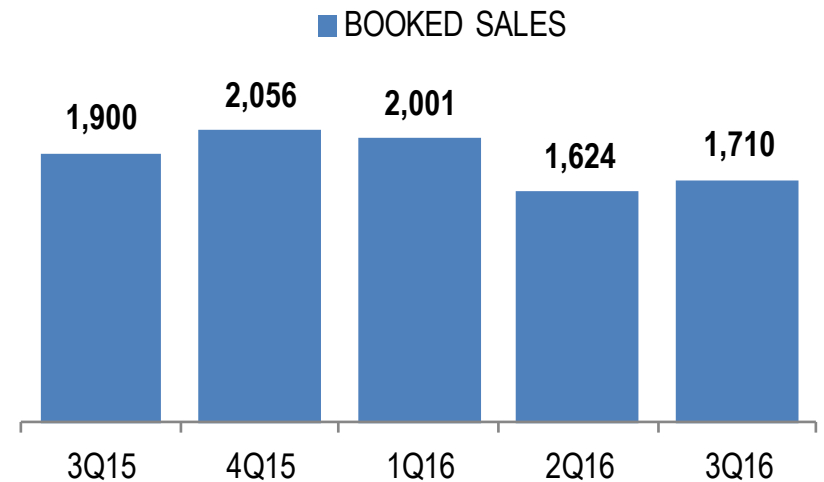
## Net Profit Trends (AED mn)



## Gross Profit Margin Trends %



## Booked Sales (AED mn)

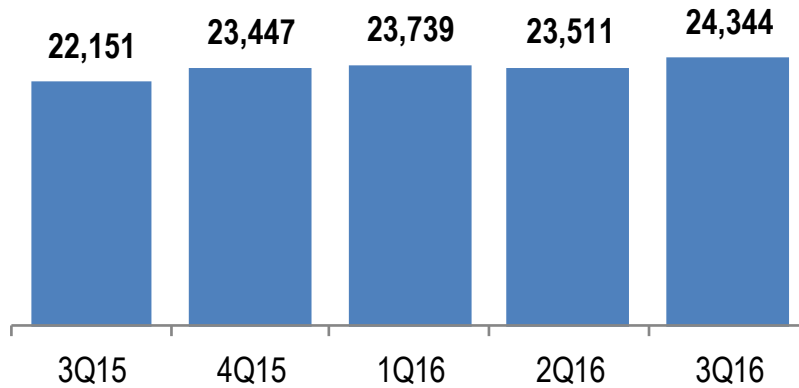


# Performance Trends (contd.)



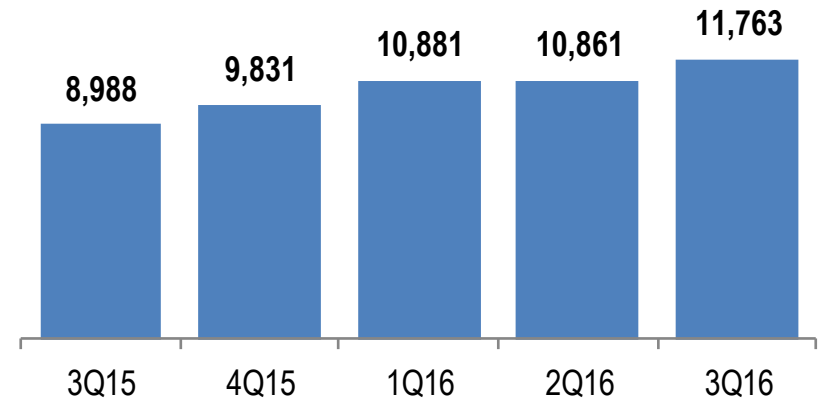
Total Assets (AED mn)

■ TOTAL ASSETS



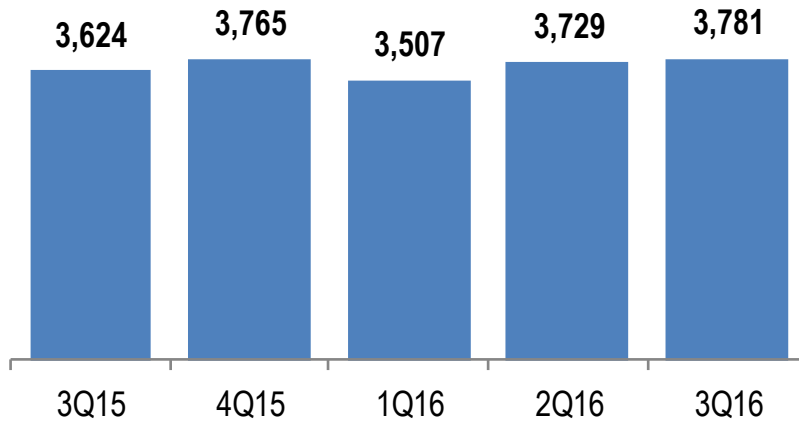
Total Equity (AED mn)

■ TOTAL EQUITY



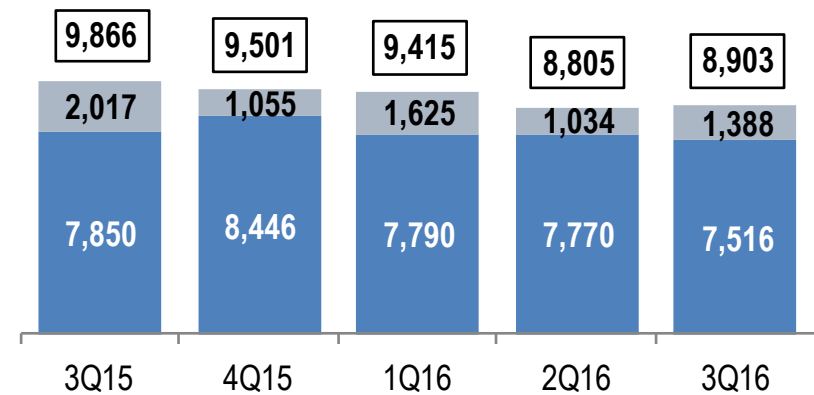
Total Debt (AED mn)

■ TOTAL DEBT



Cash & Bank Balance (AED mn)

■ Non-Escrow Cash   ■ Cash held in Escrow



# Summary Income Statement



In AED mn	3Q 2016	3Q 2015	YoY %	9M 2016	9M 2015	YoY %
Apartment Units	1,040	1,527	-32%	3,807	4,182	-9%
Sale of Land	709	492	44%	1,314	2,585	-49%
<b>Revenue</b>	<b>1,748</b>	<b>2,018</b>	<b>-13%</b>	<b>5,121</b>	<b>6,767</b>	<b>-24%</b>
Cost of sales	(789)	(772)	2%	(2,184)	(2,658)	-18%
<b>Gross profit</b>	<b>960</b>	<b>1,246</b>	<b>-23%</b>	<b>2,937</b>	<b>4,109</b>	<b>-29%</b>
<i>Gross profit margin</i>	54.9%	61.8%		57.3%	60.7%	
Other operating income	149	62		566	385	
General, administrative and selling expenses	(195)	(277)	-30%	(643)	(794)	-19%
Depreciation	(4)	(3)	18%	(11)	(10)	8%
<b>Operating profit</b>	<b>910</b>	<b>1,029</b>	<b>-12%</b>	<b>2,848</b>	<b>3,689</b>	<b>-23%</b>
<i>Operating profit margin</i>	52.0%	51.0%		55.6%	54.5%	
Other Income	11	9		39	27	
Finance Income	29	24		86	65	
Finance Costs	(48)	(40)		(134)	(110)	
<b>Profit for the period</b>	<b>902</b>	<b>1,022</b>	<b>-12%</b>	<b>2,839</b>	<b>3,672</b>	<b>-23%</b>
<i>Net income margin</i>	51.6%	50.6%		55.4%	54.3%	



# Summary of Financial Position



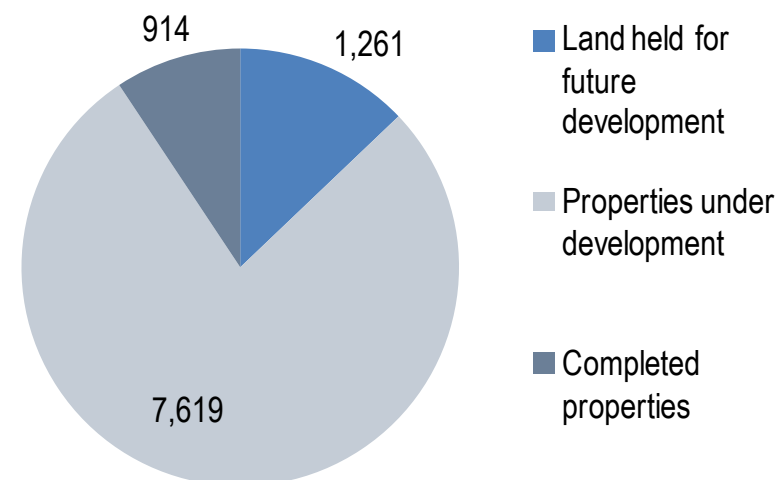
In AED mn	Sep'16	Dec'15	Change
<b>ASSETS</b>			
Property and equipment	61	64	(3)
Development properties	9,794	9,144	650
Other financial assets	971	789	182
Trade and other receivables	4,446	3,803	642
Financial investments	171	147	24
Cash and bank balances	8,903	9,501	(598)
<b>Total Assets</b>	<b>24,344</b>	<b>23,447</b>	<b>897</b>

<b>EQUITY AND LIABILITIES</b>			
Share capital	6,050	6,050	0
Statutory reserve	534	534	0
Group restructuring reserve	(4,913)	(4,913)	0
Retained earnings	10,092	8,160	1,932
<b>Total Equity</b>	<b>11,763</b>	<b>9,831</b>	<b>1,932</b>

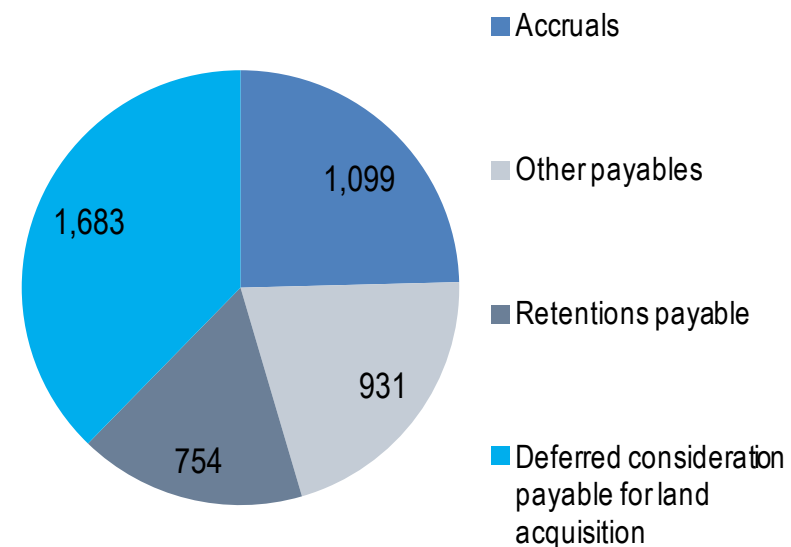
<b>Liabilities</b>			
Bank borrowings	1,130	1,025	105
Sukuk certificates	2,650	2,740	(89)
Provision for employees' end of service indemnity	38	33	5
Advances from customers	4,296	5,533	(1,237)
Trade and other payables	4,468	4,285	182
<b>Total Liabilities</b>	<b>12,582</b>	<b>13,617</b>	<b>(1,035)</b>

<b>Total Equity &amp; Liabilities</b>	<b>24,344</b>	<b>23,447</b>	<b>897</b>
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## Development Properties - Sep'16 (AED mn)



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

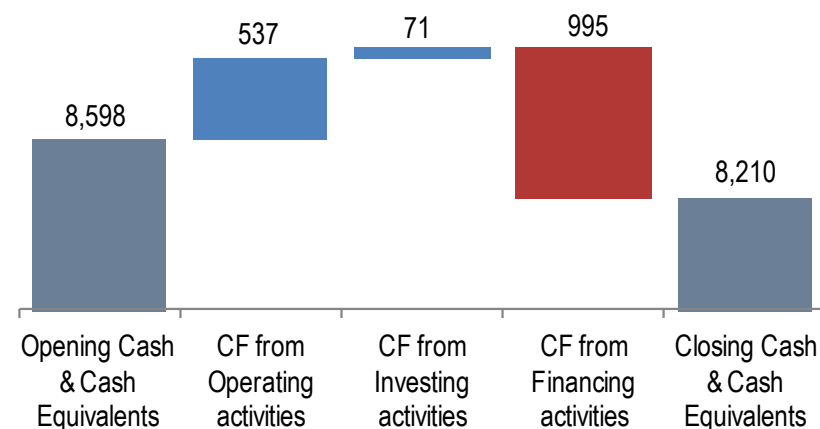


# Summary Cashflows



In AED mn	9M 2016	9M 2015	Change
<b>Cash flows from operating activities</b>			
Profit for the period	2,839	3,672	(833)
<b>Adjustments for:</b>			
Depreciation on property and equipment	11	10	1
Provision for employees' end-of-service indemnity	5	6	(1)
Amortization of issue costs on Sukuk Certificates	2	9	(6)
Loss on retirement of property and equipment	(0)	1	(1)
Finance income	(86)	(65)	(21)
Finance costs	134	110	25
Reversal of impairment for trade receivables	(28)	10	(38)
<b>Operating cash flows before changes in working capital</b>	<b>2,877</b>	<b>3,752</b>	<b>(875)</b>
Incr in trade and other receivables	(602)	(842)	240
(Incr)/Decr in development properties	(650)	215	(865)
Decr in due to a related party	0	(40)	40
Decr in advances from customers	(1,237)	(529)	(708)
(Decr)/Incr in trade and other payables	149	(215)	364
<b>Net cash generated from operating activities</b>	<b>537</b>	<b>2,341</b>	<b>(1,804)</b>
<b>Net cash (used in) / generated from investing activities</b>	<b>71</b>	<b>(1)</b>	<b>72</b>
<b>Net cash generated from financing activities</b>	<b>(995)</b>	<b>894</b>	<b>(1,890)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(388)</b>	<b>3,233</b>	
Opening Cash & Cash Equivalents	8,598	5,353	
<b>Closing Cash &amp; Cash Equivalents</b>	<b>8,210</b>	<b>8,587</b>	

## Movement in cash and cash equivalents during 9M 2016



	Sep'16	Sep'15
Cash and bank balances	8,903	9,866
Fixed deposits with an original maturity of greater than three months	(693)	(1,279)
<b>Cash &amp; Cash Equivalents</b>	<b>8,210</b>	<b>8,587</b>

# Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 30 Sep 2016

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
<b>IN PROGRESS DEVELOPMENTS</b>			
BAY'S EDGE	2016	246	60-80%
DAMAC TOWERS BY PARAMOUNT	2017	2,163	40-60%
DAMAC HEIGHTS	2017	899	20-40%
CELESTIA	2018	645	20-40%
AVANTI TOWERS	2018	139	20-40%
PRIVÉ BY DAMAC	2018	668	20-40%
GHALIA	2018	476	<20%
TOWER 108	2018	359	<20%
MAJESTINE	2018	383	20-40%
AKOYA by DAMAC mid-rise apartments	2016-2018	2,150	c.40%

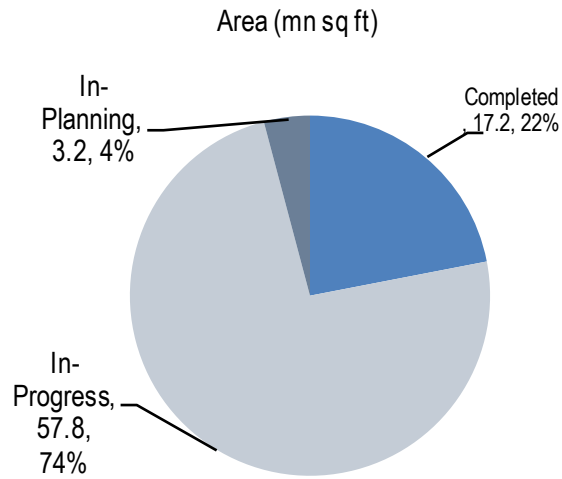
**Note:**

1. % Recognized is a factor of % area sold and % completion in any particular project.
2. Projects Completed during 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.

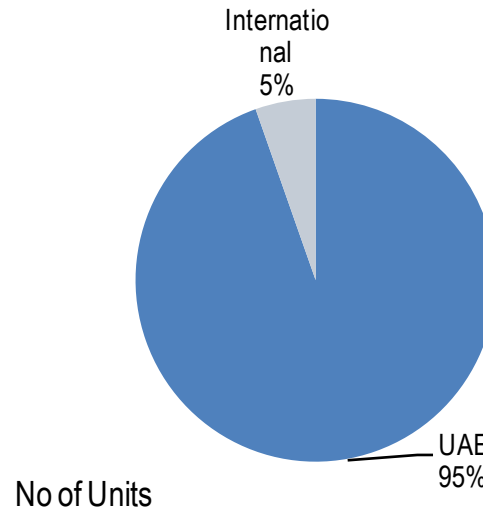
# Portfolio Overview (as at 30 Sep 2016)



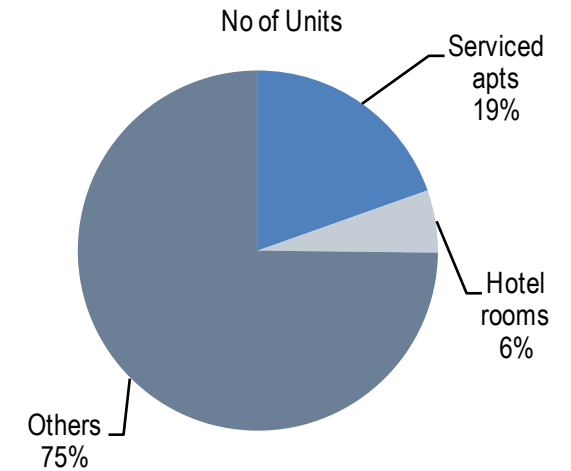
## Portfolio by development status



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



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



### UAE



No of projects	31
Units	40K+
Sellable area (mn sq ft)	58.6
Completion date	2016/21

### International



No of projects	7
Units	1.8K
Sellable area (mn sq ft)	2.5
Completion date	2017/19

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**Thank you**