

DAMAC

LIVE THE LUXURY

Results Presentation

Nine months ended 30 September 2018



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DAMAC Overview



Headquarters in Dubai

53+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,900+ employees	c.600+ sales staff	c.500 Project execution and execution support team
AED3.2bn Booked Sales in 9M18 2017 - AED7.5bn	AED5.2bn Revenue in 9M18 2017 - AED7.5bn	AED1.1bn Net Profit in 9M18 2017 - AED2.8bn

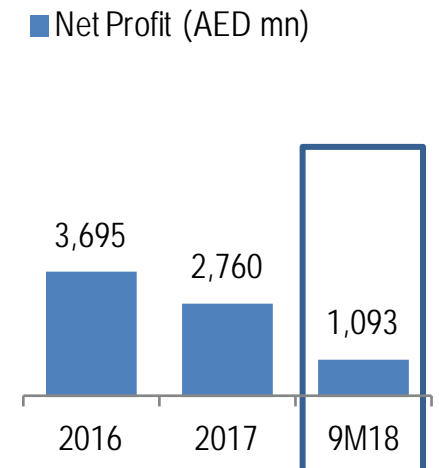
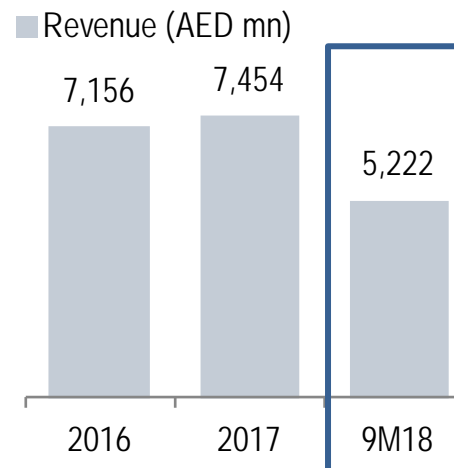
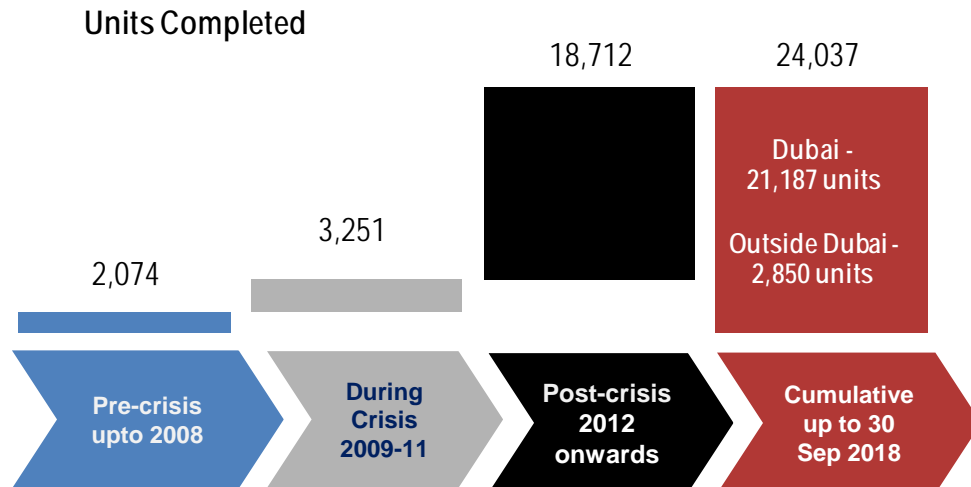
Portfolio Overview

	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	24,037 units	Over 39,000 units
In Dubai:	88%	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 AED3.2bn** in 9M 2018. DAMAC launched Reva Residences in Business Bay during the year.
- **Delivered c.3,800 units** during the nine months ended Sep'18 in DAMAC Heights (Dubai Marina), Majestine (Business Bay) and 2 mid-rise buildings in DAMAC Hills, DAMAC Towers by Paramount (Business Bay) and Burj DAMAC Marina (Doha), Burj DAMAC Waterfront (Doha).

Profit

- Reported gross profit of AED1,851mn and net profit of AED1,093mn in 9M 2018.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED4.9bn. **Cash and Bank** balance stood at AED6.2bn.
- Net cash position stood at AED1.3bn as at 30 Sep 2018.
- **DAMAC issued Sukuk** certificates worth c.AED1.5bn (US\$400mn) in Apr'18 maturing in Apr'23 at 6.625% coupon. DAMAC also repurchased Sukuk Certificates maturing in Apr'19 to the tune of c.AED667mn (US\$181mn).

Financial Highlights

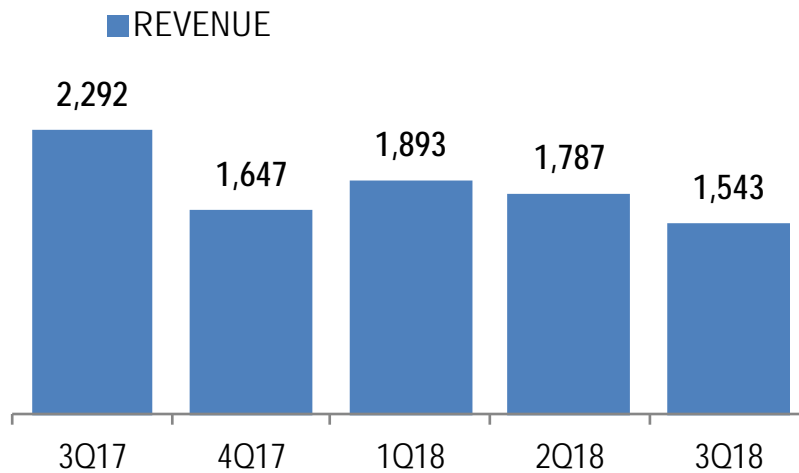


Revenue	Gross profit	Operating profit
AED 5,222m (9M 2017: AED 5,807m)	AED 1,851m (9M 2017: AED 2,865m)	AED 1,171m (9M 2017: AED 2,357m)
Net profit	Operating Cashflow (before working capital changes)	Total assets
AED 1,093m (9M 2017: AED 2,305m)	AED 1,174m (9M 2017: AED 2,416m)	AED 25,037m (Dec'17: AED 25,343m)
Equity	Cash and Bank	Gross Debt
AED 14,051m (Dec'17: AED 13,865m)	AED 6,231m (Dec'17: AED 7,458m)	AED 4,912m (Dec'17: AED 4,753m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
19.6% (Dec'17: 18.8%)	35.4% (9M 2017: 49.3%)	60.6% (Dec'17: 67.5%)

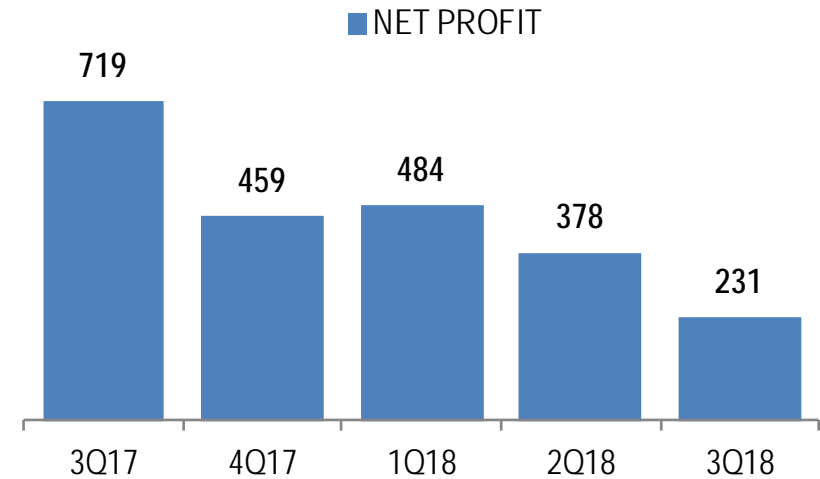
Performance Trends



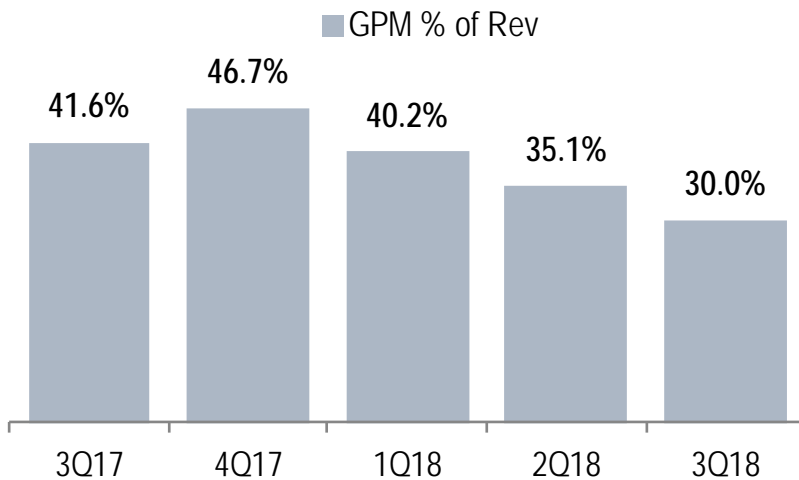
Revenue Trends (AED mn)



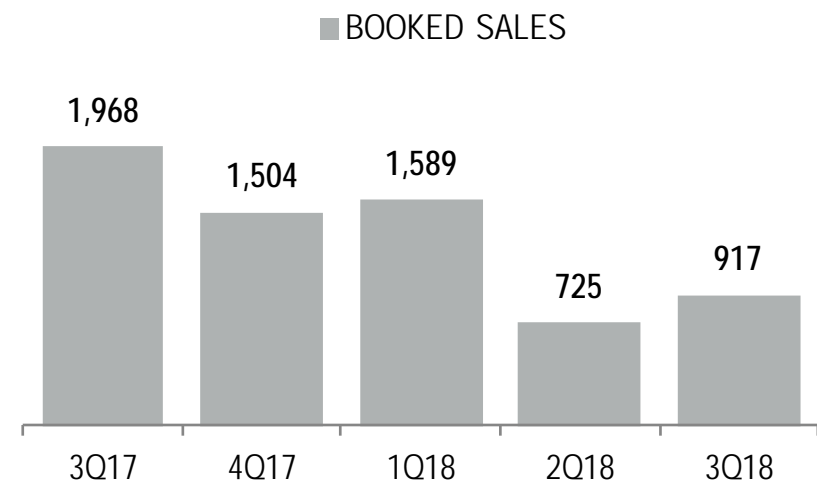
Net Profit Trends (AED mn)



Gross Profit Margin Trends %



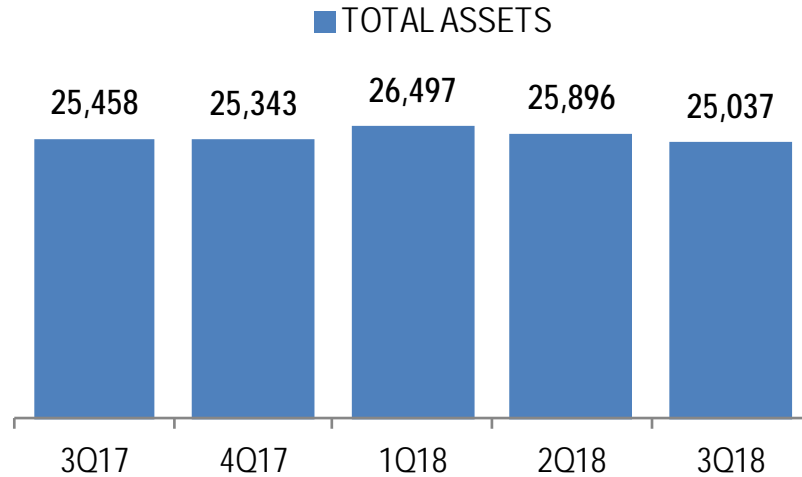
Booked Sales (AED mn)



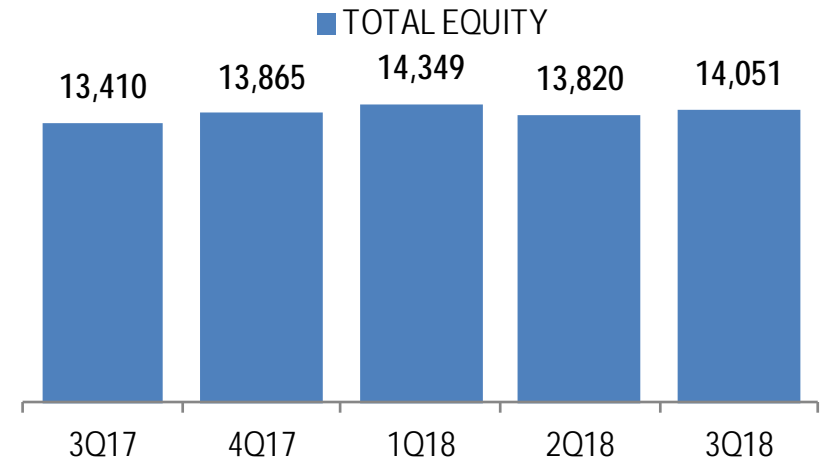
Performance Trends (contd.)



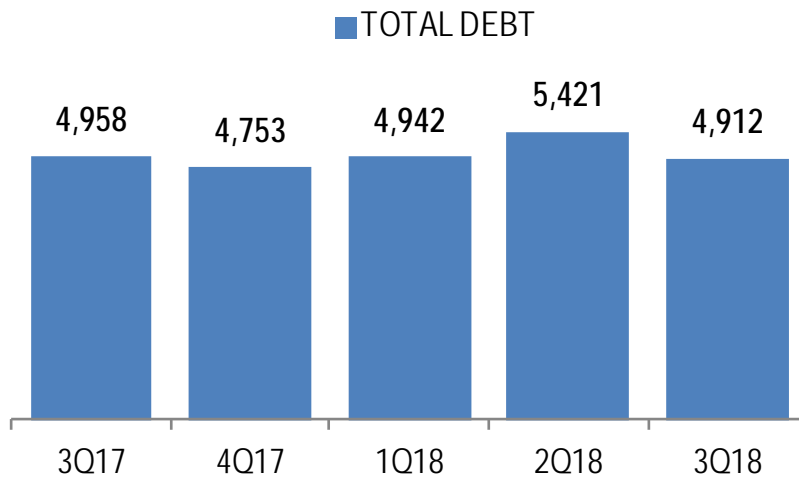
Total Assets (AED mn)



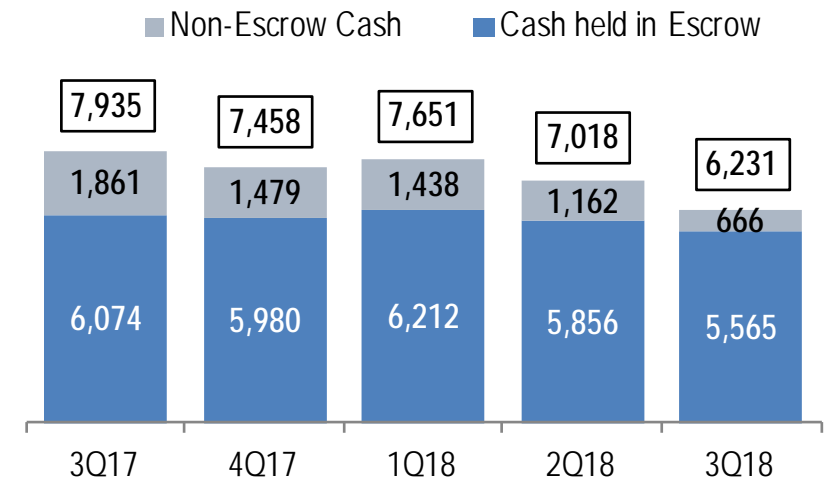
Total Equity (AED mn)



Total Debt (AED mn)



Cash & Bank Balance (AED mn)



Summary Income Statement



In AED mn	3Q 2018	3Q 2017	YoY %	9M 2018	9M 2017	YoY %
Revenue	1,543	2,292	-33%	5,222	5,807	-10%
Cost of sales	(1,080)	(1,340)	-19%	(3,371)	(2,942)	15%
Gross profit	463	952	-51%	1,851	2,865	-35%
<i>Gross profit margin</i>	30.0%	41.6%		35.4%	49.3%	
Other operating income	0	66	-100%	5	287	-98%
General, administrative and selling expenses	(199)	(267)	-26%	(664)	(777)	-15%
Depreciation	(7)	(9)	-27%	(22)	(19)	14%
Operating profit	257	742	-65%	1,171	2,357	-50%
<i>Operating profit margin</i>	16.7%	32.4%		22.4%	40.6%	
Other Income	13	13	5%	40	44	-8%
Finance Income	44	38	16%	126	103	23%
Finance Costs	(84)	(73)	14%	(245)	(200)	22%
Profit for the period	231	719	-68%	1,093	2,305	-53%
<i>Net income margin</i>	15.0%	31.4%		20.9%	39.7%	

Summary of Financial Position



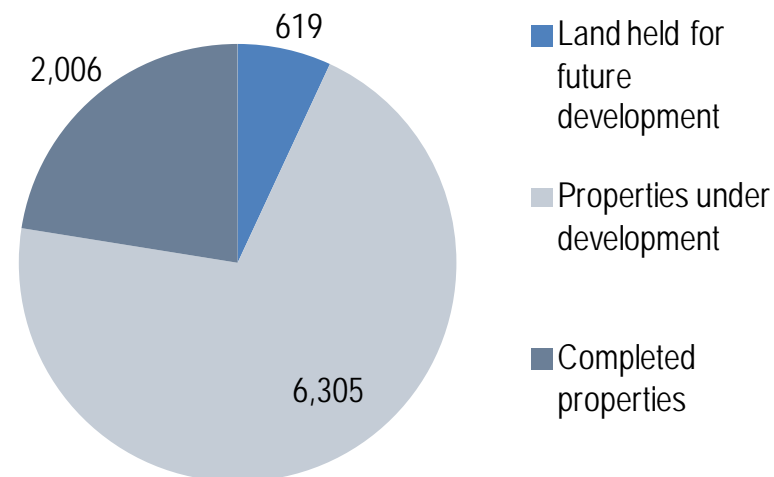
In AED mn	Sep'18	Dec'17	Change
ASSETS			
Property and equipment	143	150	(8)
Investment Properties	191	197	(6)
Development properties	8,930	9,643	(714)
Other financial assets	1,145	1,025	120
Trade and other receivables	8,115	6,607	1,508
Financial investments	283	263	20
Cash and bank balances	6,231	7,458	(1,227)
Total Assets	25,037	25,343	(306)

EQUITY AND LIABILITIES			
Share capital	6,050	6,050	0
Statutory reserve	802	802	0
Retained earnings	7,198	7,013	185
Total Equity	14,051	13,865	185

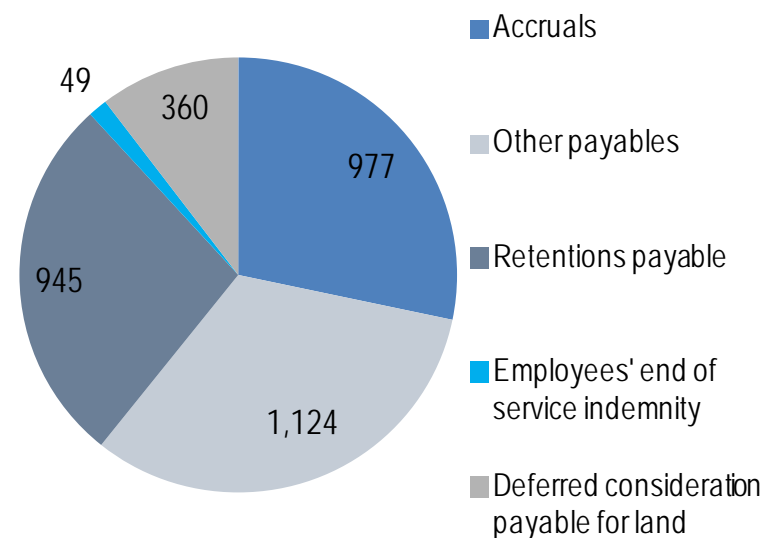
Liabilities			
Bank borrowings	631	815	(185)
Sukuk certificates	4,282	3,938	344
Advances from customers	2,620	3,274	(655)
Trade and other payables	3,455	3,451	4
Total Liabilities	10,986	11,478	(492)

Total Equity & Liabilities	25,037	25,343	(306)
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Development Properties - Sep'18 (AED mn)



Trade and other payables - Sep'18 (AED mn)

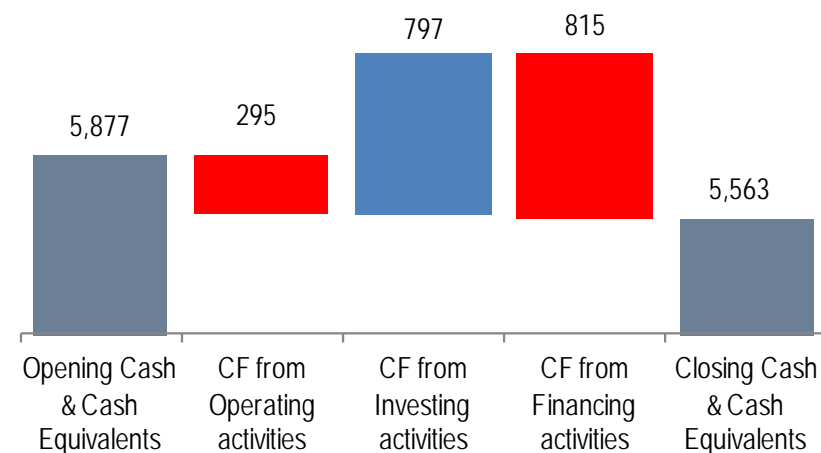


Summary Cashflows



In AED mn	9M 2018	9M 2017	Change
Cash flows from operating activities			
Profit for the period	1,093	2,305	(1,212)
Adjustments for:			
Depreciation on property and equipment	22	19	3
Provision for employees' end-of-service indemnity	11	9	1
Amortization of issue costs on Sukuk Certificates	11	6	4
Gain on Disposal	0	(3)	3
Finance income	(126)	(103)	(23)
Finance costs	245	200	45
Reversal of impairment on trade receivables	(80)	(17)	(63)
Operating cash flows before changes in working capital	1,174	2,416	(1,242)
Incr in trade and other receivables	(1,444)	(1,285)	(160)
Incr in development properties	714	106	608
Decr in advances from customers	(655)	(996)	341
Employee end-of-service benefits paid	(9)	(7)	(2)
(Decr)/Incr in trade and other payables	(74)	(170)	95
Net cash generated from operating activities	(295)	64	(359)
Net cash (used in) / generated from investing activities	797	(505)	1,302
Net cash generated from financing activities	(815)	(438)	(377)
Net Increase in Cash & Cash Equivalents	(313)	(879)	566
Opening Cash & Cash Equivalents	5,877	7,088	
Closing Cash & Cash Equivalents	5,563	6,209	

Movement in cash and cash equivalents during 2018



	Sep'18	Sep'17
Cash and bank balances	6,231	7,935
Fixed deposits with an original maturity of greater than three months	(615)	(1,702)
Overdrafts	(52)	(24)
Cash & Cash Equivalents	5,563	6,209

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 30 Sep 2018

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
CELESTIA	2018	624	40%-60%
AVANTI TOWERS	2018	139	60%-80%
PRIVÉ BY DAMAC	2018	653	60%-80%
GHALIA	2018	476	80%+
TOWER 108	2018	359	60%-80%
MERANO TOWER	2019	395	20%-40%
PARAMOUNT TOWER HOTEL & RESI	2020	714	<20%
DAMAC HILLS Apartments	2018-2020	4,038	40%-60%

Note:

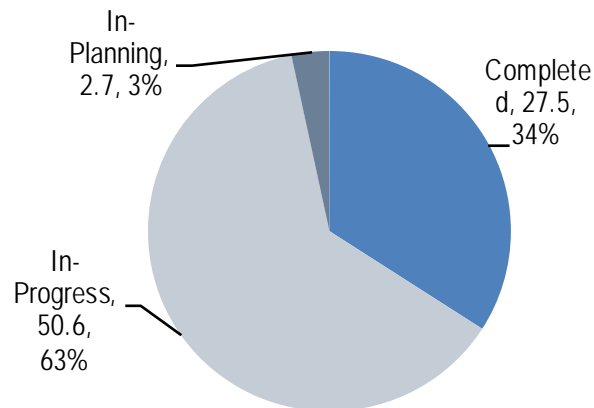
1. % Recognized is a factor of % area sold and % completion in any particular project.
2. For DAMAC Hills, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

Portfolio Overview (as at 30 Sep 2018)



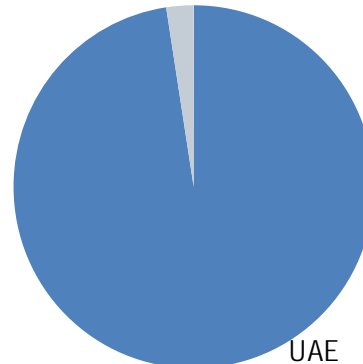
Portfolio by development status

Area (mn sq ft)



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

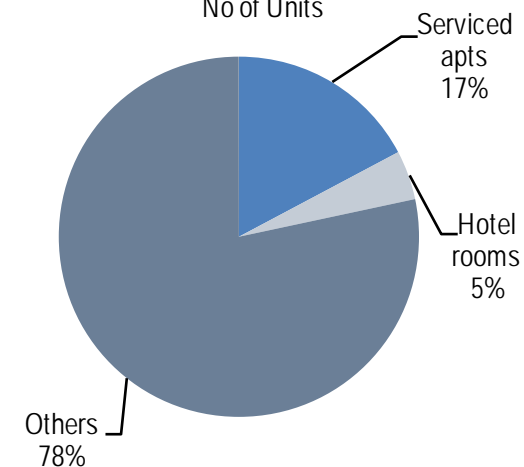
International
2%



No of Units

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

No of Units



UAE



No of projects	23
Units	c.38K
Sellable area (mn sq ft)	52.0
Completion date	2018/22

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