

# Dubai Investments PJSC

H1 2021

Investor Presentation



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# Dubai Investments Overview

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# A Diversified Investment Company Listed on DFM

Dubai Investments Overview – Total Assets of over AED 21.9 billion with over 16,500 shareholders

## A Glance at Dubai Investments



**Property, manufacturing, contracting & services and investment businesses**

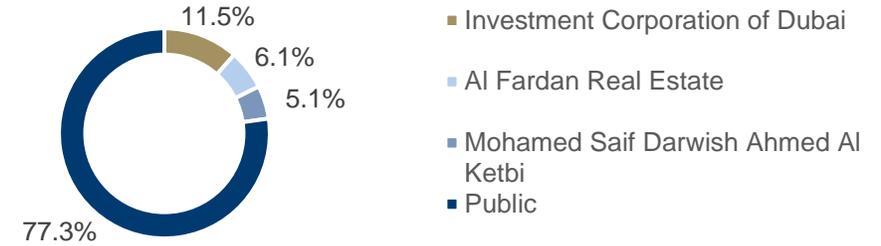
An incubator of more than **35** subsidiaries / associate companies with more than **3,800** employees

- 1 Undertakes real estate development projects / leasing of real estate portfolio
- 2 Manufactures and sells materials used in construction projects, provides district cooling services
- 3 Produces and distributes pharmaceuticals, aluminum extruded products
- 4 Provides Investment Banking and Asset Management services, invests in new ventures and initial public offers, bonds, funds and shares



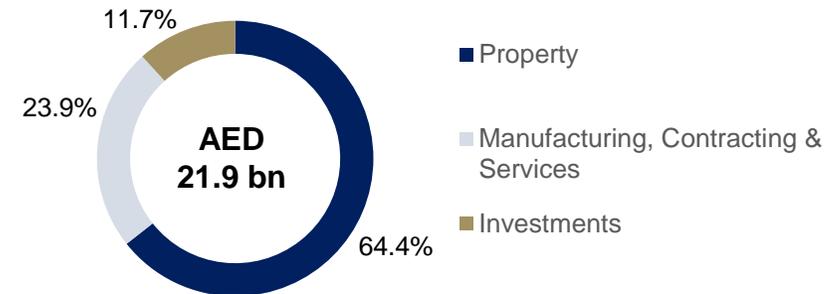
Note: Figures are rounded to the nearest decimal

## Shareholders (June 2021)



Source: Dubai Financial Market

## Business Segments by Assets (June 2021)



## Total Assets (in AED bn)



# Board of Directors - A Well Seasoned and Experienced Team



## Chairman – Abdulrahman Ghanem A. Al Mutaiwee

Mr. Abdulrahman Ghanem A. Al Mutaiwee is a high-ranking diplomat and has held senior management positions in various ministries and government establishments. He has also served as the UAE Ambassador to the Court of St. James and Iceland. He is currently the Director in the Ministry of Foreign Affairs and International Cooperation. He holds a Bachelor's Degree in Economics from Cairo University and Diploma in Banking and Financial Studies from New York.



## Vice Chairman & CEO – Khalid Jassim Bin Kalban

Mr. Khalid Bin Kalban has extensive experience in Manufacturing & Industrial sectors as well as Financial, Investment and Real Estate sectors. He holds a degree in Business Management from USA and is a Management Major from Metropolitan State College, USA. He is also currently the Chairman Al Mal Capital PSC, Board Member of National General Insurance PJSC, Board Member of the Islamic Bank of Asia (Limited), Board Member of Arcapita Investment Management B.S.C.



## Director – Ali Fardan Ali Al Fardan

Mr. Ali Fardan Ali Al Fardan has significant experience in Real Estate Management, Property Investments, Capital Investment Management and Hospitality Management. He holds a Bachelor of Science in Management and Information System. He is also currently the Vice Chairman of Al Fardan Group, Managing Director of Al Fardan Real Estate, CEO of First Investor LLC, Board Member of Al Mal Capital PSC and Board Member of Commercial Bank of Dubai PJSC.



## Director – Mohamed Saif Darwish Ahmed Al Ketbi

Mr. Mohamed Al Ketbi has experience in Investments & Projects, Real Estate and Hospitality Sectors. He holds a Bachelor Degree in Business Administration majoring in Business Management. He is currently the Board Member of AHI Carrier FZC, Vice Chairman of Danat El Emarat Hospital Project, Board Member of Marka PJSC and Board Member of Al Mal Capital PSC.



## Director – Khaled Mohammad Al Kamda

Khaled Al Kamda has over three decades of senior management experience across a number of sectors including airlines, private equity and banking and has also held senior management positions in government establishments. He holds a Bachelor's Degree in Electrical Engineering from Florida Institute of Technology, USA and a MBA Degree from Cranfield School of Management, England.



## Director – Hussain Nasser Ahmed Lootah

Hussain Nasser Lootah is a prominent business figure in the UAE, holding, throughout his career, chairmanship and membership of several government committees. Among several key positions held by him, included his association with Dubai Municipality for over 30 years, culminating in his 12 years tenure as the Director General of Dubai Municipality till the year 2018. He also played a prominent role in establishing the Society of Engineers where he chaired its board for 4 years. Currently he is the Chairman of Hussain Lootah Group (HLG). He holds a degree in Civil Engineering from the University of Arizona.



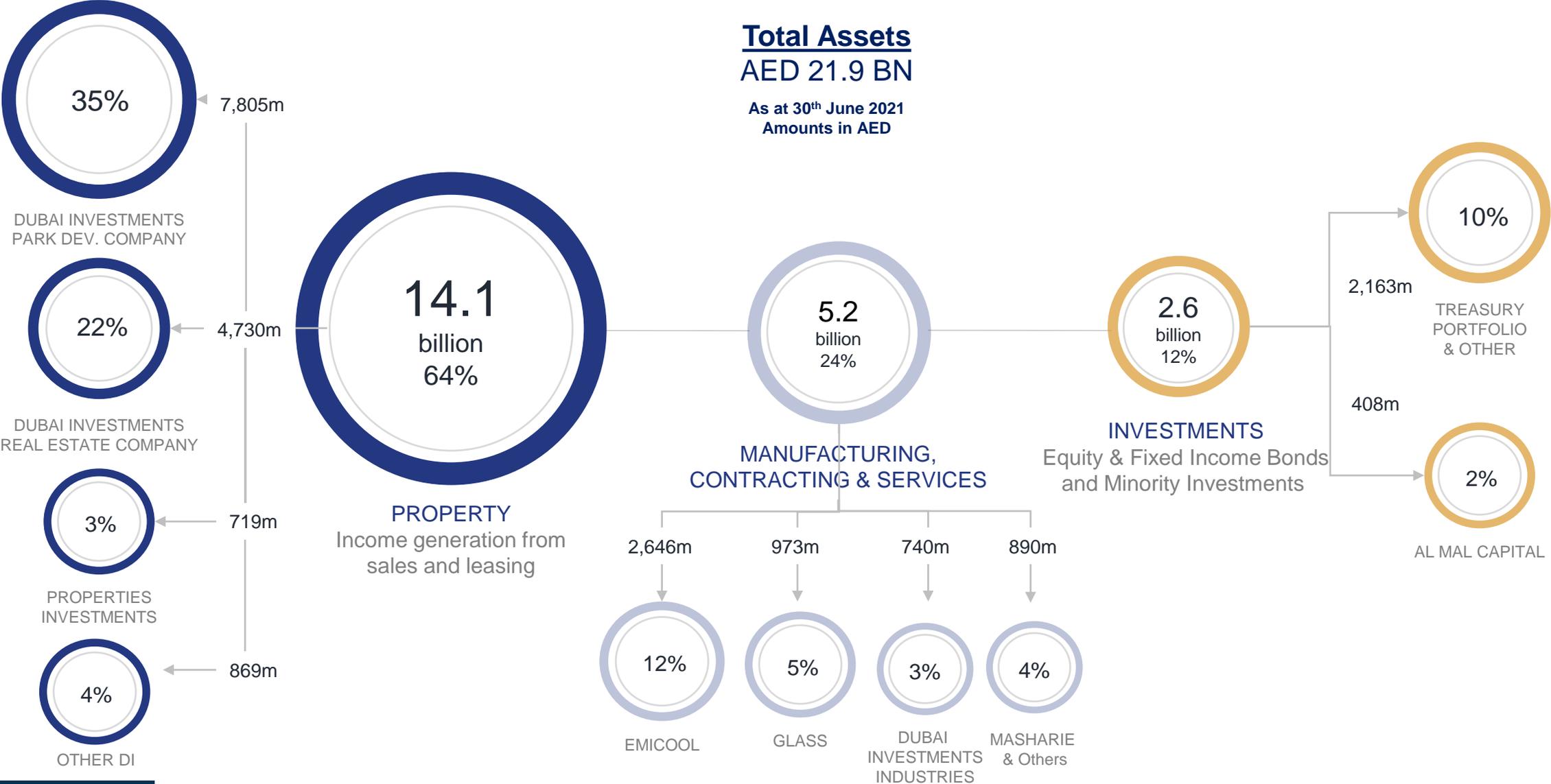
## Director – Abdulrahman Mohamed Rashed Al Shared

Abdulrahman Mohamed Rashed Al Shared is a well-known businessman and a former government official in Dubai Municipality. He has held senior level positions across several sectors. He was previously employed as a Secretary General by Awqaf & Minors Affairs Foundation. In addition to being the founder of Mai Real Estates, he is a Board member across various entities. He holds a Master's Degree in Environmental Sciences.

# Diversified Portfolio of Assets Across Real Estate, Manufacturing and Services

## Total Assets AED 21.9 BN

As at 30<sup>th</sup> June 2021  
Amounts in AED

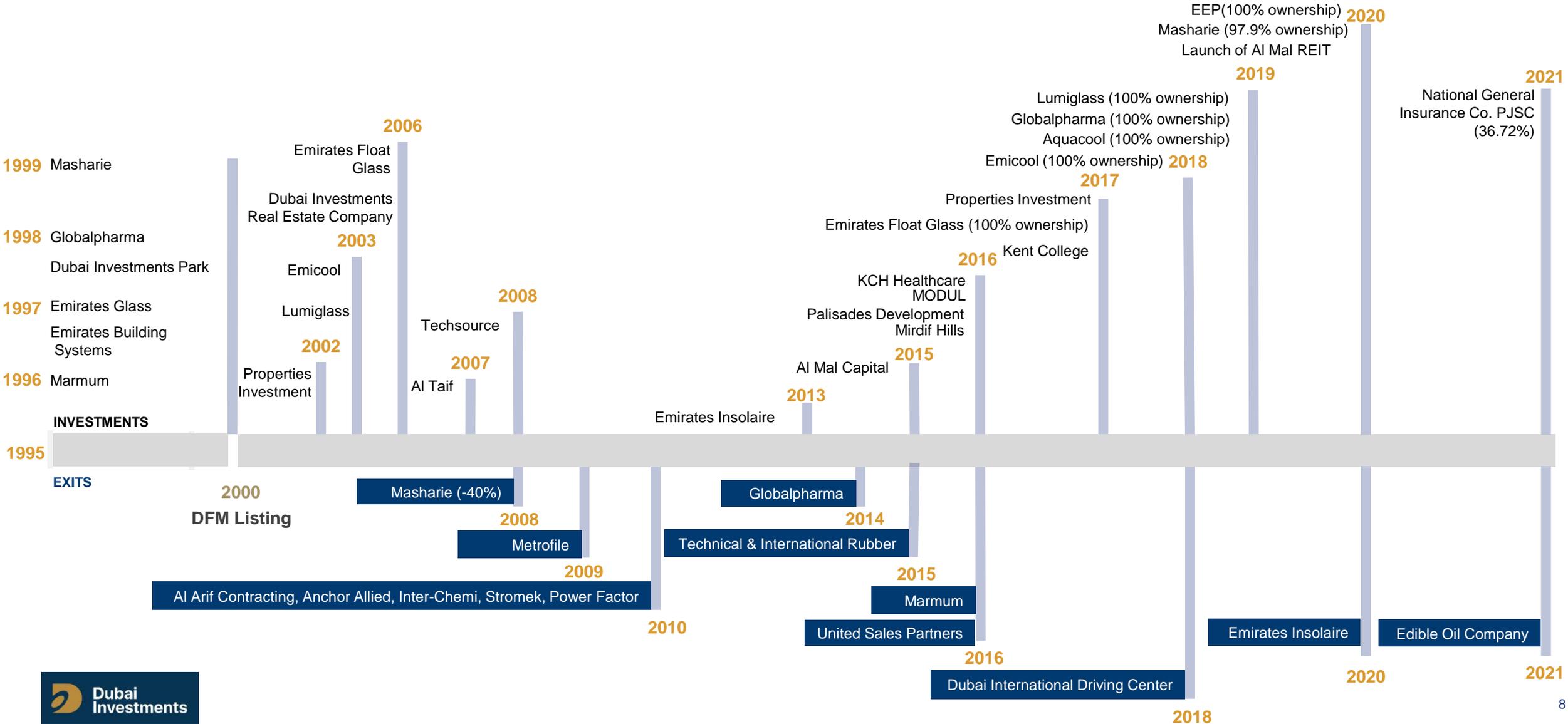


# Dubai Investments – A Diversified Portfolio of Investments



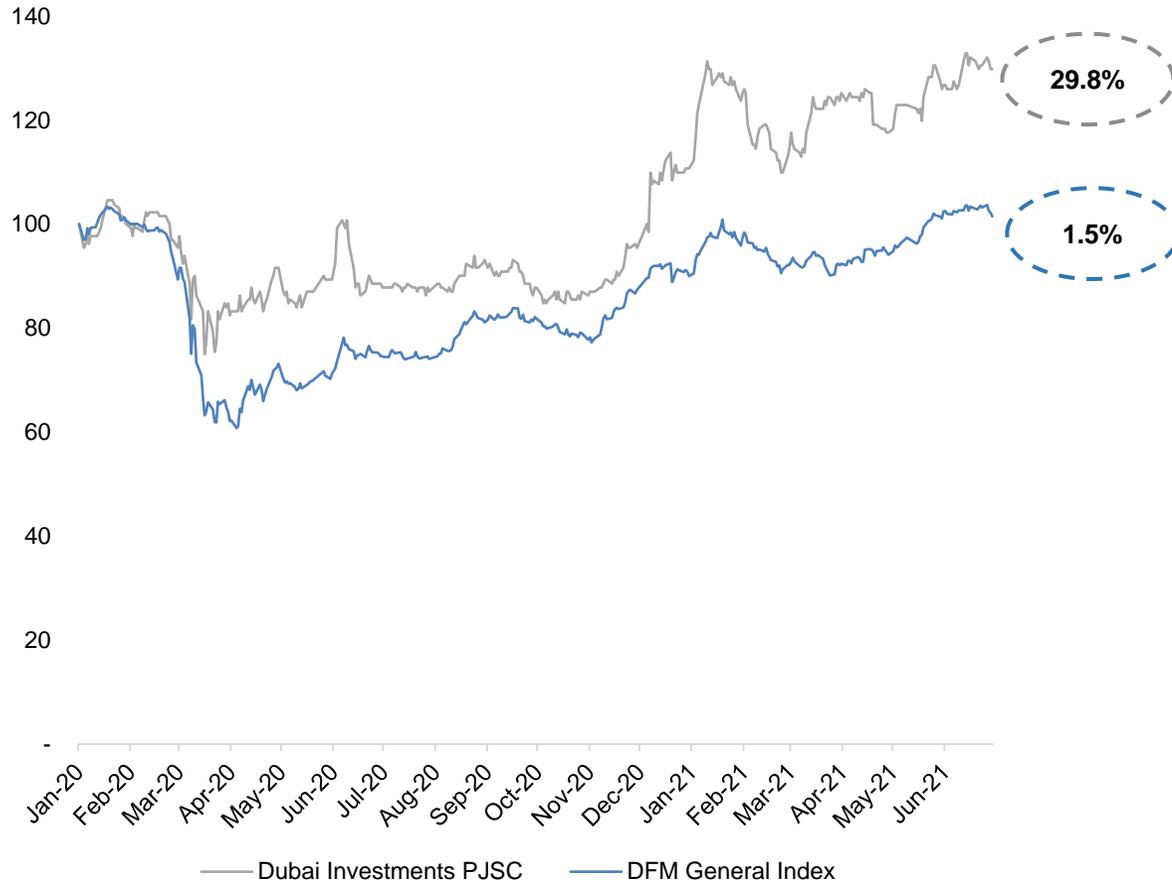
# 25 Years of Building Businesses and Creating Shareholder Value

Long-term investment approach in building underlying value of investees – provide the necessary strategic direction along with growth capital; exit businesses which have matured - enhance shareholder value through the capital gains



# Consistent Dividend Paying Company

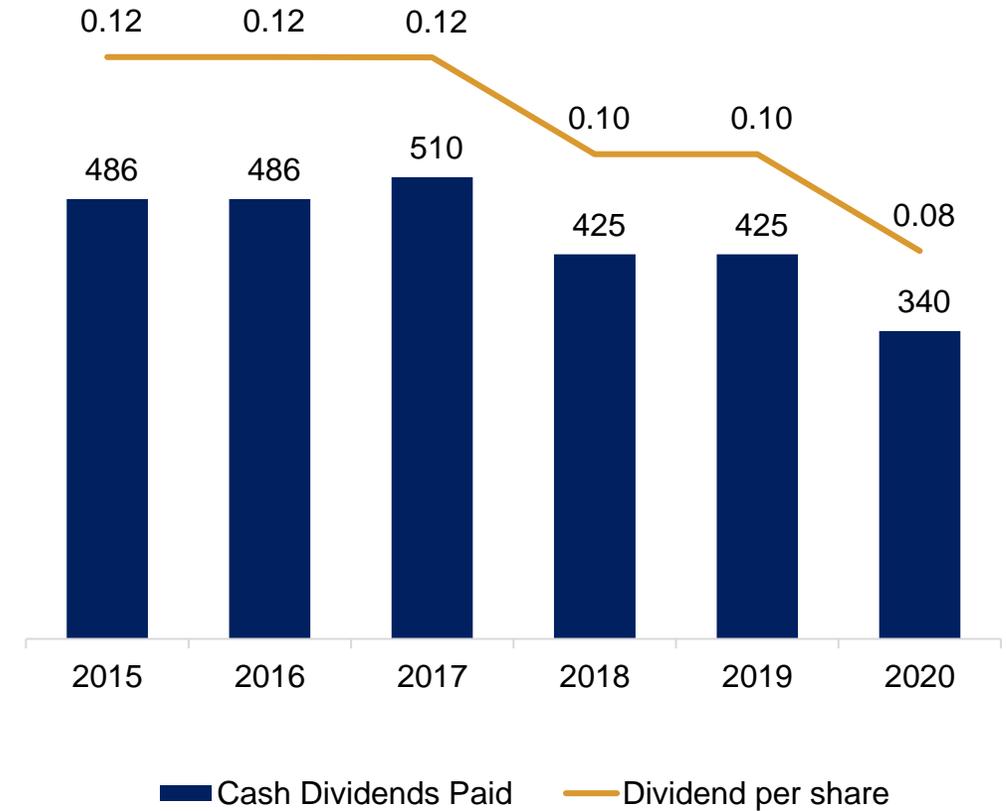
## Shareholder Returns – DIC vs. DFMGI Index



The above chart presents normalized price movements of Dubai Investments PJSC in comparison to DFM General Index with a base of 100, for the period Jan 2020 to March 2021.

Note: Figures are rounded to the nearest decimal

## Annual Dividends Paid (AED million) & Annual Dividend Per Share (AED)



The above chart presents cash dividend paid out historically for a particular period

## Management Summary – H1 2021 Financial Highlights

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# Key Messages: H1 2021

## Group Result

- The Group recorded robust growth in Total Income by 52%, reaching AED 1,723.0 million vis-à-vis AED 1,137.1 million in H1 2020. The increase was largely due to increase in sale of properties within the Group's Property segment
- Additionally, given the turn-around in financial markets globally, the Group reported a healthy fair value gain of AED 55.8 million on its investments in H1 2021, as compared to a loss of AED 65.8 million in the prior year. The Group also recorded a gain of AED 20.9 million on sale of its investments in H1 2021 – driven by the sale of its subsidiary, as compared to a gain of AED 1.2 million recorded during the same period in the prior year
- Earnings per share stood at AED 0.07/share in H1 2021
- Total Assets reached AED 21,942.8 million as at 30th June 2021. There has been an increase in investments in equity accounted investees, due to the Group's increase in stake (to 21.53%) in NGI. Additionally, the Group also reported increase in Investment Properties due to additions/ fair value gain and higher cash and cash equivalents
- The Group remains well capitalized with Total Equity (attributable to shareholders) at AED 11,754.9 million and has adequate liquidity with Net Debt/Total Attributable Equity (%) of 41.1%

## Portfolio

- Strong growth in sale of properties underpinned by a rebound in real estate segment. Rental income continues to remain a strong contributor to Total Income, representing 31% of the Total Income.
- Key events (financial and non-financial) in H1 2021:
  - Acquisition of shares in National General Insurance Company – “NGI”; total of 36.72%, bought in April (21.53%) and subsequently in July 2021 (15.19%)
  - Emicool completed phase 1 of AI-enabled cooling plant delivering a total of 60,000 TR to Dubai EXPO 2020. Additionally, Emicool has collaborated with Siemens to jointly develop and promote energy saving measures to enhance sustainability in district cooling business
  - Development of Al Taif Business Center project has continued in H1 2021 and the project is nearly 95% complete and expected to be handed over in H2 2021
  - Emirates Building Systems (EBS), a wholly owned subsidiary of Dubai Investments, nears the completion of 4 EXPO 2020 pavilions
  - Al Mal REIT was listed on the Dubai Financial Market (DFM) in Q1 2021
  - Al Multaqa Avenue, one of the clusters in Mirdif Hills, is 95% complete and expected to be handed over in Q3 2021. The commercial spaces will include the first four-star hotel, first freehold office spaces and open retail spaces

*Note: Figures are rounded to the nearest decimal*

# H1 2021 – Financial Highlights: Well Capitalized and Profitable Company



*Note: Figures are rounded to the nearest decimal*

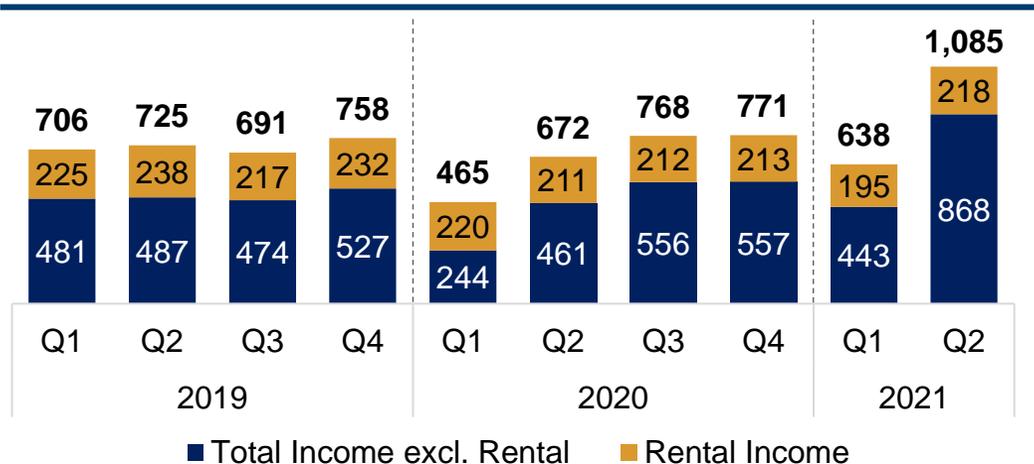
\*Based on Annualized Net Profit and Equity Attributable to Owners of the Company

\*\*Includes Cash, Short-term Deposit with Banks and Liquid Investments (Level 1 and Level 2)

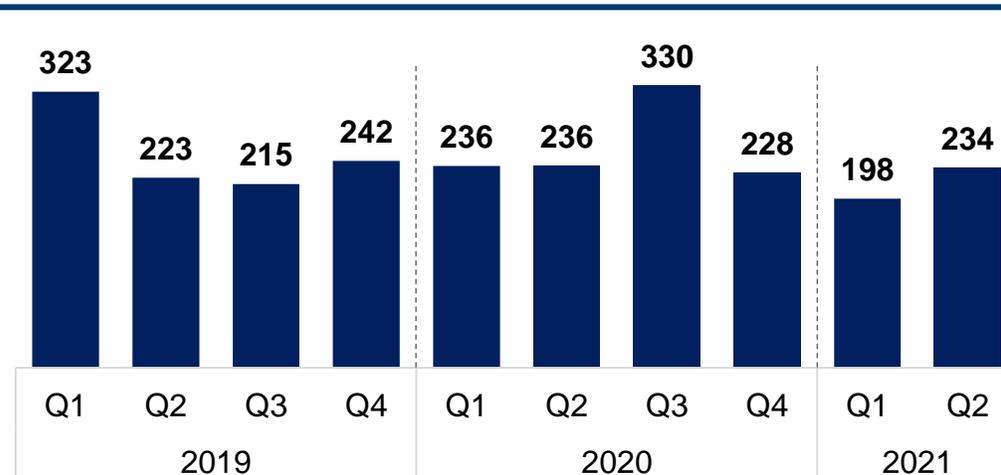
# Gross debt less cash and cash equivalents

# Evolution by Quarter: Rental Income Portfolio remains key contributor to Total Income

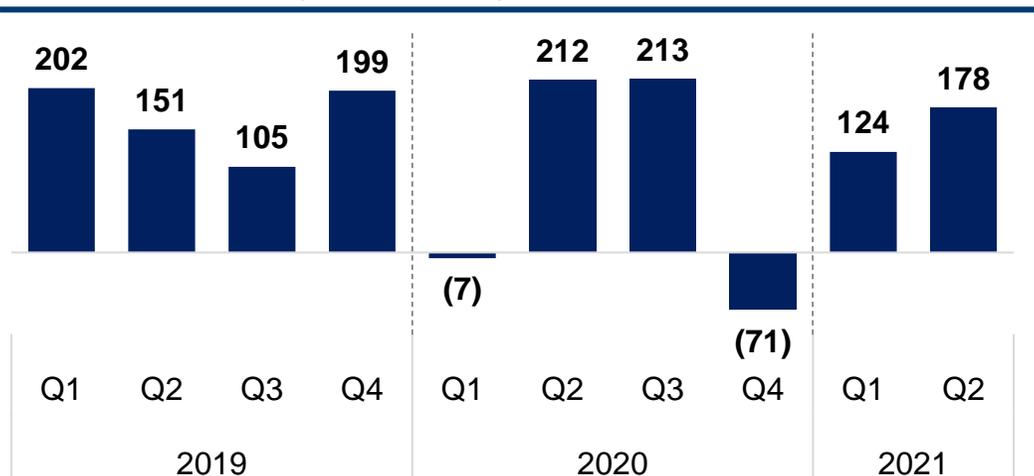
Total Income and Rental Income (AED Million)



EBITDA (AED Million)



Attributable Profit (AED Million)

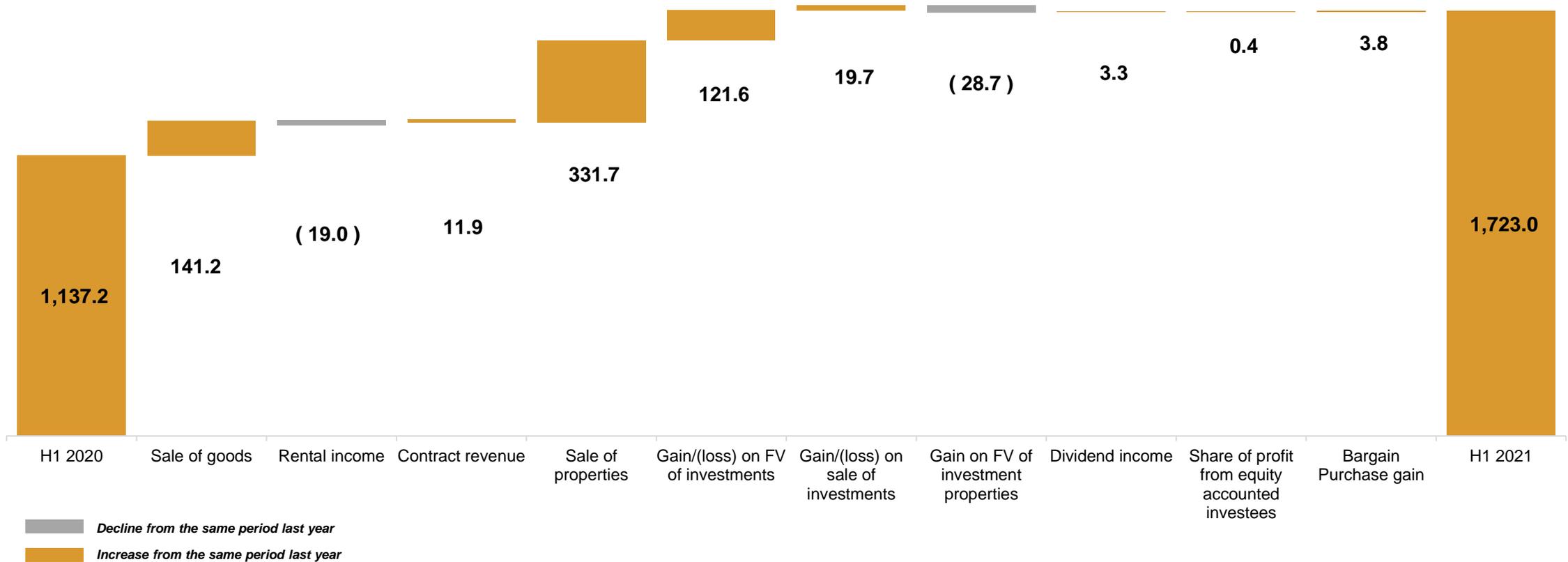


Key Highlights

- In Q2 2021, the Group recorded Total Income of AED 1,085.4 million as compared to AED 672.3 million in Q2 2020. The increase was largely on account of substantial increase in sale of properties across various real estate projects
- Additionally, due to the rebound in economic activity, the Group's manufacturing businesses also generated a stronger growth in revenue, which increased by AED 73.6 million over the same period in the prior year
- The Group generated strong profits attributable to owners at AED 178.3 million for Q2 2021. This was lower as compared to AED 211.8 million generated in Q2 2020. In the prior year, the Group recorded higher gain on fair valuation of investment properties as a result of additional leasable area allocated by relevant authorities in DIP and gain on fair value of investments. Additionally, the Group also reported higher net impairment losses on financial and contract assets of AED 11.6 million in Q2 2021, as compared to AED 2.1 million in the prior year

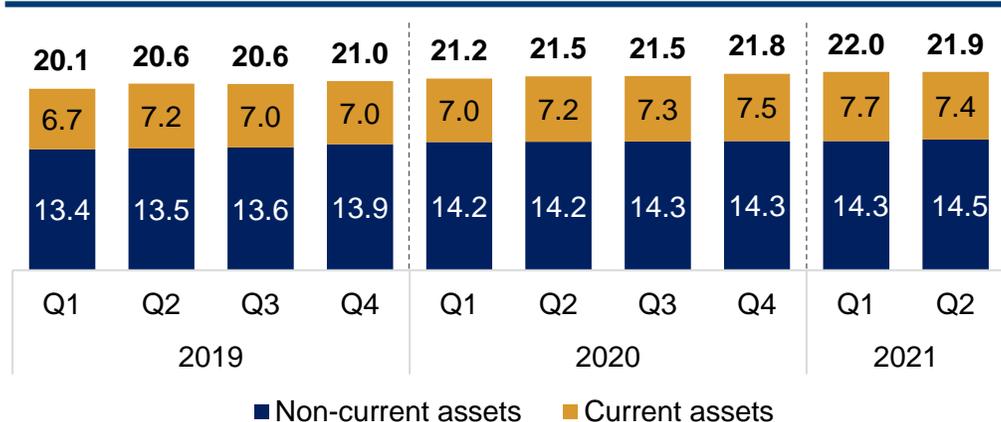
# Total Income Movement Year-on-Year

Total Income Bridge (AED Million)



# Growth in Assets & Liabilities due to Acquisitions & Growth in Real Estate Portfolio

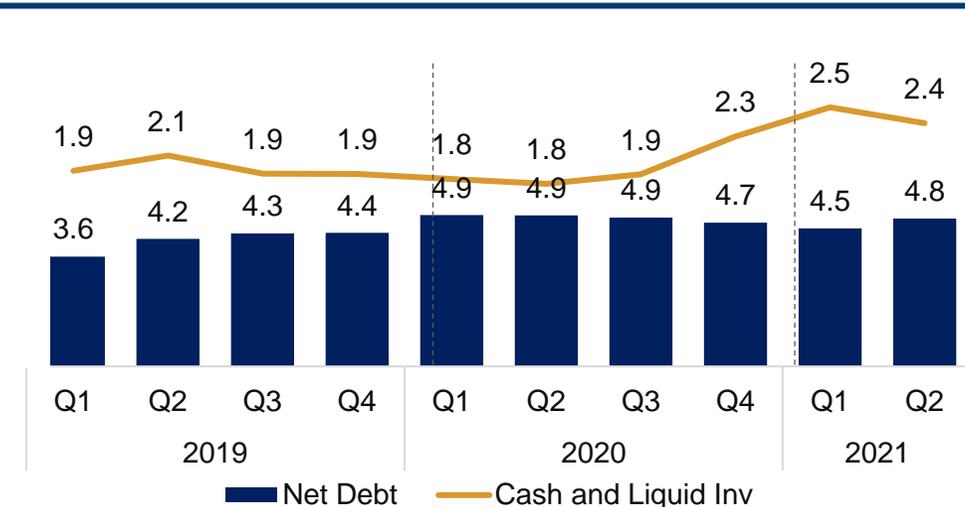
## Total Assets (AED Billion)



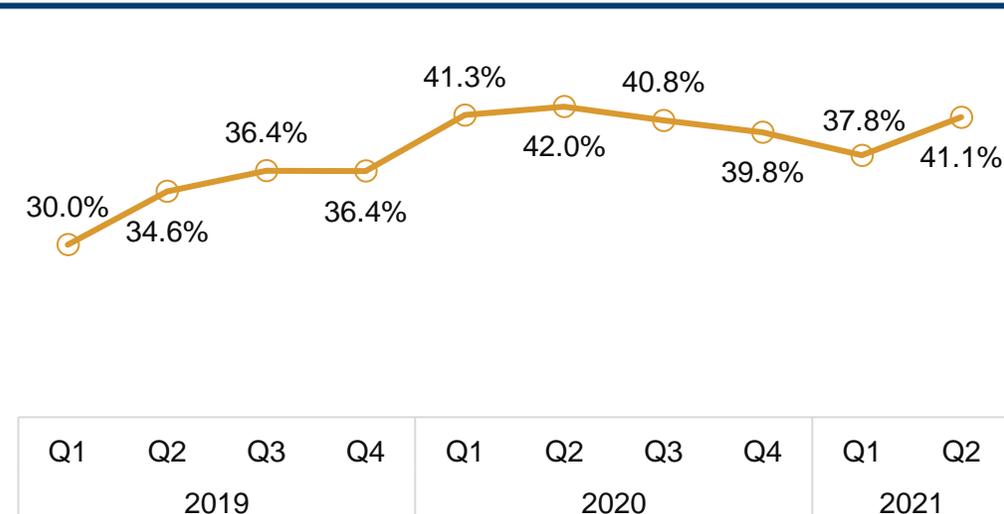
## Total Liabilities & Total Equity (AED Billion)



## Net Debt and Total Cash & Liquid Inv. (AED Billion)



## Net Debt / Total Attributable Equity (%)



## Operational Performance by Business Segment – H1 2021

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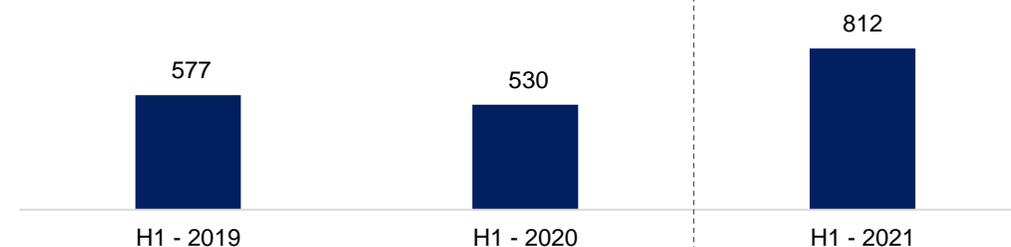
# Property Segment – Development of Real Estate for Sale and Leasing

## Property

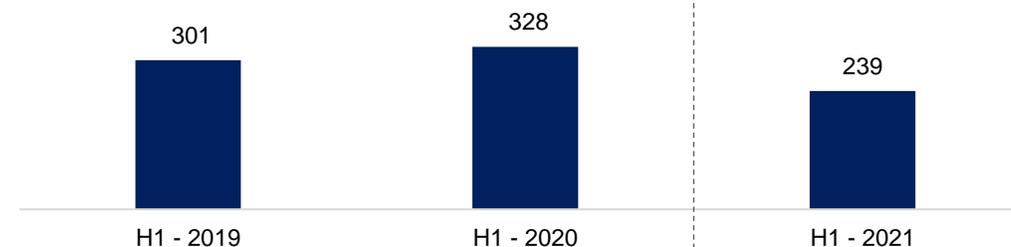
- The Group recorded AED 812.4 million in Total Income from this segment, substantially higher than AED 529.5 million recorded within the same period in the prior year. The increase of AED 282.9 million was largely on account of sale of properties within its real-estate portfolio
- The profit attributable to owners in this segment was healthy at AED 238.8 million. This was lower compared to AED 327.7 million recorded in H1 2020. In the prior year, the Group recorded higher gain on fair valuation of investment properties. Additionally, the Group also reported higher net impairment losses on financial assets of AED 15.4 million in H1 2021, as compared to AED 1.5 million during the same period in the prior year
- Infrastructure and ancillary facilities account for majority (60%) of the Group's Investment Properties portfolio (AED 8,559.3 million) in H1 2021. Such Infrastructure facilities, located in DIP, are leased on long-term basis and have been over 98% occupied over past several years - generating a sustainable rental income
- Given the asset intensive nature of this business segment, majority of the bank borrowings are attributable to this business segment.

## Financial highlights (H1 2021)

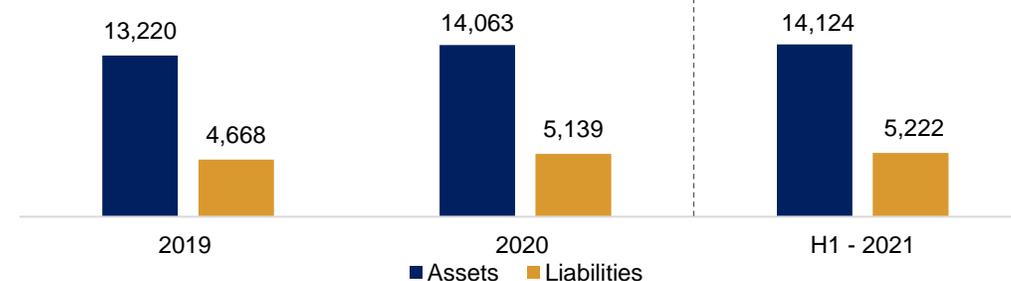
### Total Income (AED m)



### Attributable Profit to Shareholders (AED m)



### Total Assets and Liabilities (AED m)



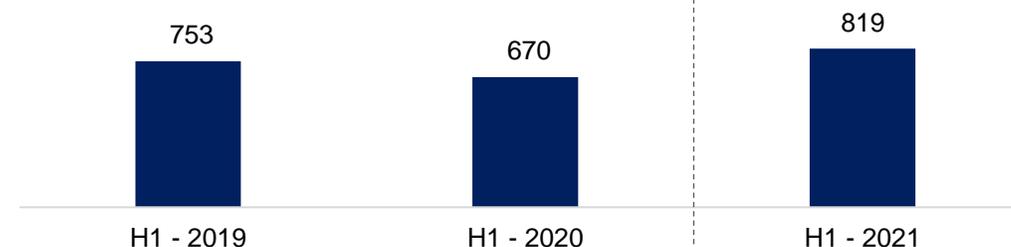
# Manufacturing Segment – Manufacturing, District Cooling, Healthcare and Education

## Manufacturing, Contracting & Services

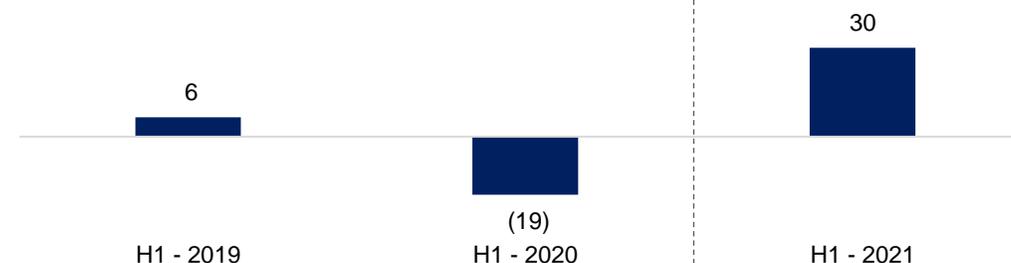
- Total Income from the Manufacturing, Contracting & Services segment increased to AED 818.7 million in H1 2021 from AED 670.2 million in H1 2020 primarily due to a rebound in economic activities that contributed strong growth in district cooling and glass businesses during H1 2021
- Profits (attributable to the owners) was substantially higher in H1 2021 at AED 29.6 million as compared to a loss of AED 19.4 million in the prior year. The higher profits were a result of higher operating margins achieved by the various subsidiaries within this segment, along with lower finance costs and higher finance and other income

## Financial highlights (H1 2021)

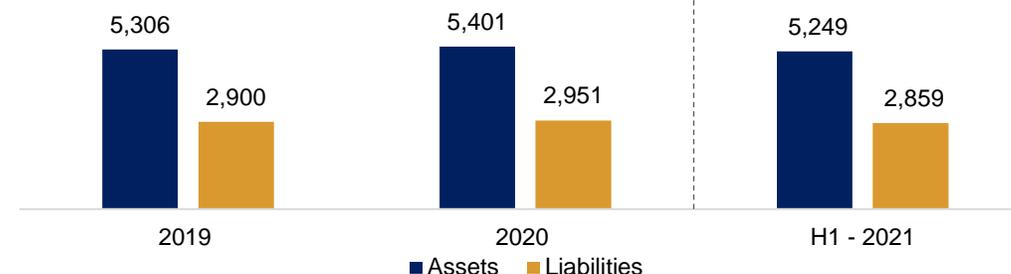
### Total Income (AED m)



### Attributable Profit to Shareholders (AED m)



### Total Assets and Liabilities (AED m)



Note: Figures are rounded to the nearest decimal

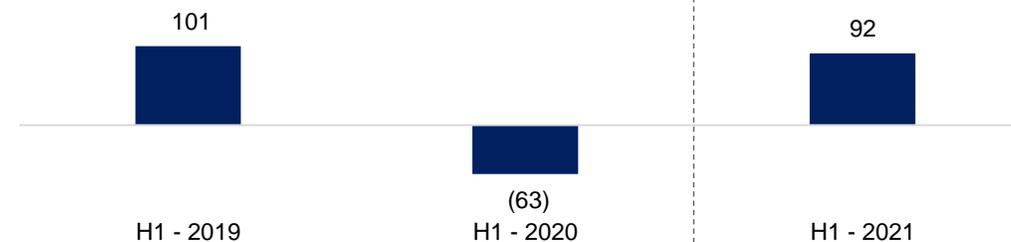
# Financial Inv. Segment – Strategic Interests in Associates & Financial Investments

## Financial Investments

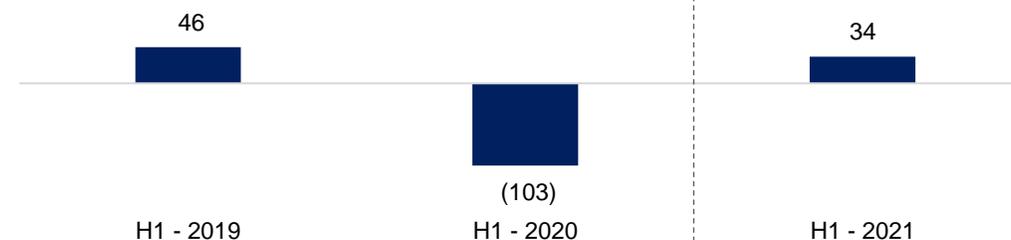
- Total Income from Investments segment was AED 91.8 million in H1 2021 as compared to a negative income of (AED 62.6 million) in H1 2020. This was mainly as a result of the turn-around in financial markets which resulted in a gain on fair valuation of investments portfolio of AED 55.8 million as compared to a loss of AED 65.8 million last year
- Additionally, in H1 2021, the Group also recorded a bargain purchase gain of AED 3.7 million from the acquisition of additional 21.53% stake in NGI
- As a result of the above, the segment recorded a profit (attributable to owners) of AED 33.7 million as compared to a loss of AED 103.4 million recorded in the prior period

## Financial highlights (H1 2021)

### Total Income (AED m)



### Attributable Profit to Shareholders (AED m)



### Total Assets and Liabilities (AED m)



## Management Strategy & Outlook

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# Management Strategy & Outlook: Generate Sustainable Cash Flows to Maximize Shareholder Returns

## Profitability

- Continue to generate steady income, backed by recurring cash flow & rental income streams
- Focus on monetizing real estate investment portfolio to deleverage the balance sheet
  - Complete and handover of all phases of Mirdif Hills development in 2021
  - Complete construction of Al Taif Business Centre in H2 2021

## Diversification

- Acquire sustainable income generating assets in Al Mal REIT, to provide consistent flow of cash dividends
- Monitor and nurture Investments in high-performing UAE sectors, including healthcare, education, industrial assets and other profitable companies

## Synergy & Scale

- Replicate successful business models across the region with strong growth potential (e.g. DIP) in new markets
- Bolt on acquisitions/invest in a range of industrial companies and mature businesses, that complement the existing portfolio and enhance synergies

## Risk Management

- Prudent approach to balance sheet and portfolio risk management
- Maintain healthy cash position and liquid investment portfolio and non-core long term investments

## Return Focused

- Divest stakes in mature businesses to enhance shareholder value
- Maintain attractive dividend return profile for shareholders

## Portfolio Information – Flagship Assets

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# Dubai Investment Park - A “City within a City”

TOTAL AREA <b>23</b> million m <sup>2</sup>	NET LEASE AREA <b>17</b> million m <sup>2</sup>
LEASED PLOTS <b>~1,100</b>	INDUSTRIAL <b>60%</b>
LEASED <b>98%</b>	RESIDENTIAL <b>32%</b>
H1 2021 RENTAL INCOME <b>378</b> AED million	COMMERCIAL <b>8%</b>



# Emicool – The Leading District Cooling Provider

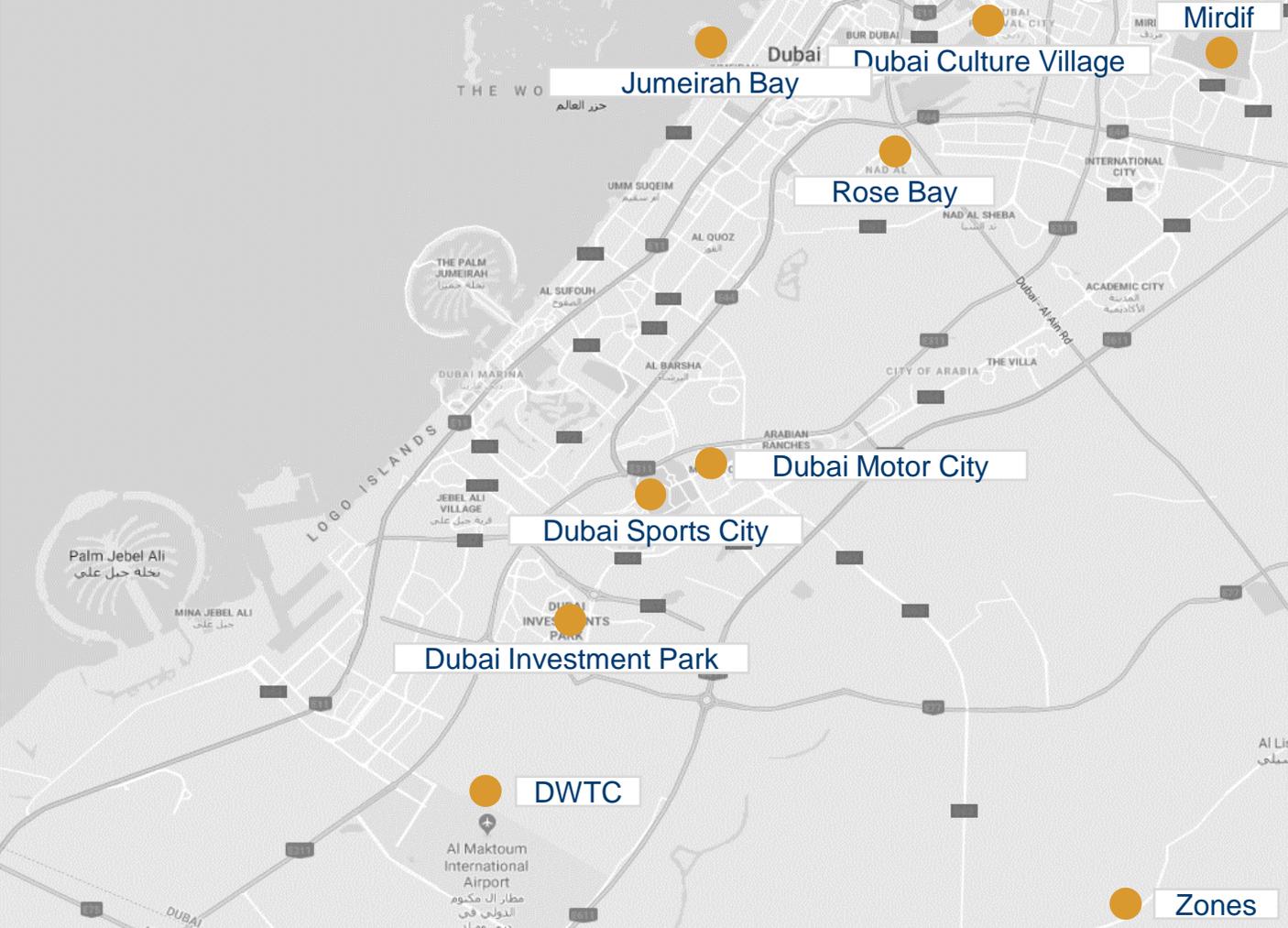


ESTABLISHED  
**2003**

CUSTOMERS  
**~20,000**

EMPLOYEES  
**~250**

ZONES  
**~8**



# Glass LLC – The Glass Pioneer in the Middle East

ESTABLISHED

1998

FACILITY

~60,000

Sqm.

PRODUCTION

~1.4 Mn

Sqm .Annually

EXPORTS

~20

Countries

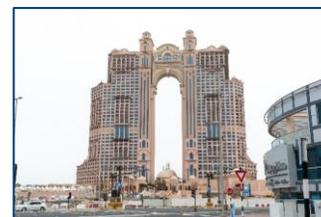
## Subsidiaries



## Key Projects (UAE & Global)



Dubai Airport T3  
(UAE)



Fairmont Hotel  
(UAE)



Index Tower  
(UAE)



Al Ain Stadium  
(UAE)



Nanyang  
University  
(Singapore)



Lyons  
(Australia)



Langham Palace  
(Hong Kong)



Novotel  
(India)



## Investor Relations Contacts and Awards

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# Investor Relations Contact



**Mushtaq Masood**  
Group Chief Financial Officer

Dubai Investments PJSC  
PO Box 28171  
Dubai, UAE

Phone +971 4 8122 400  
Email [mushtaq@dubaiinvestments.com](mailto:mushtaq@dubaiinvestments.com)

[www.dubaiinvestments.com](http://www.dubaiinvestments.com)



**Maher Rabah**  
Investor Relations

Dubai Investments PJSC  
PO Box 28171  
Dubai, UAE

Phone +971 4 8122 400  
Email [maher@dubaiinvestments.com](mailto:maher@dubaiinvestments.com)

[www.dubaiinvestments.com](http://www.dubaiinvestments.com)

# Key Events and Awards



Emicool completed phase 1 of AI-enabled cooling plant delivering a total of 60,000 TR to Dubai Expo 2020



Emirates Insolaire's colored photo-voltaic solar panels will lead to 85% of energy savings at EXPO 2020 Monaco Pavilion and decrease the carbon emissions by 41 tonnes per year.



Development of AI Taif Business Center project is nearly 95% complete and expected to be handed over in H2 2021



Emirates Building Systems, nears the completion of 4 EXPO 2020 pavilions worth in excess of AED 23 million



Emicool received Dubai Chamber CSR award for Sustainability and Retention Practices



Emirates Float Glass won the Industrial Development Bureau Award

# Disclaimer – Forward Looking Statements

This presentation has been prepared solely for informational purposes. The presentation may contain forward looking statements, which reflect our beliefs or current expectations and assumptions regarding the future of the business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward looking statements are neither historical facts nor assurances of future performance and can generally be identified by terminology including "anticipate", "aspire", "believe", "estimate", "expect", "forecast", "project", "outlook", "guidance", "strategy", "target", "trend", "future", "likely", "may", "should", "will", "intend", "plan", "goal", "objective", "seek", "roadmap", and other words of similar meaning or similar expressions.

By their nature, forward looking information and statements are subject to known and unknown uncertainties, risks and changes in circumstances that are difficult to predict and not in our control. Our actual results of operational and financial conditions may differ materially from that or those indicated in the forward-looking statements. You should not place undue reliance on any of these forward-looking statements.

Important factors that could cause our actual results of operational and financial conditions to differ materially from those indicated in the forward looking statements include, among others: our ability to maintain adequate revenue levels and cost control; economic and financial conditions in the global markets and regional markets in which we operate, including volatility in interest rates, commodity and equity prices and the value of assets; the implementation of our strategic initiatives, including our ability to effectively manage the redeployment of our balance sheet and the expansion of our strategic businesses; the reliability of our risk management policies, procedures and methods; continued volatility in the capital or credit markets; developments and changes in laws and regulations, including increased regulation of the financial services industry through legislative action and revised rules and standards applied by the regulators.

Any forward-looking statement made by the Company in the presentation is based only on information currently available to us and speaks only as to the date on which this presentation is made. Past performance is not a reliable indication of future performance. We make no representations or warranties as to the accuracy, or completeness of the information and shall not have any liability for any representations, express or implied, regarding the information contained in, or for any omissions from, the information included in this presentation. We undertake no obligation to publicly update any forward-looking statement whether as a result of new information, future developments or otherwise. The information contained in the presentation is prepared to assist prospective investors in making their own evaluation of information about the Company.