

# Dubai Investments PJSC

Q1 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 22.0 billion with over 16,500 shareholders

## A Glance at Dubai Investments



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

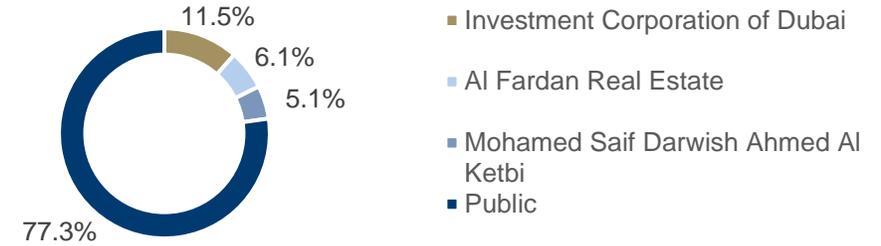
An incubator of more than **35** subsidiaries / associate companies with more than **3,800** employees

- 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



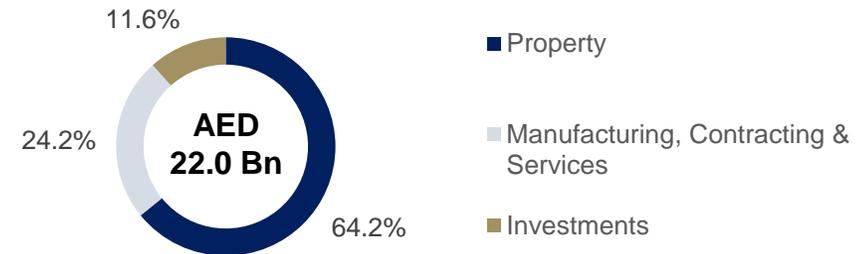
Note: Figures are rounded to the nearest decimal

## Shareholders (March 2021)



Source: Dubai Financial Market

## Business Segments by Assets (March 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.



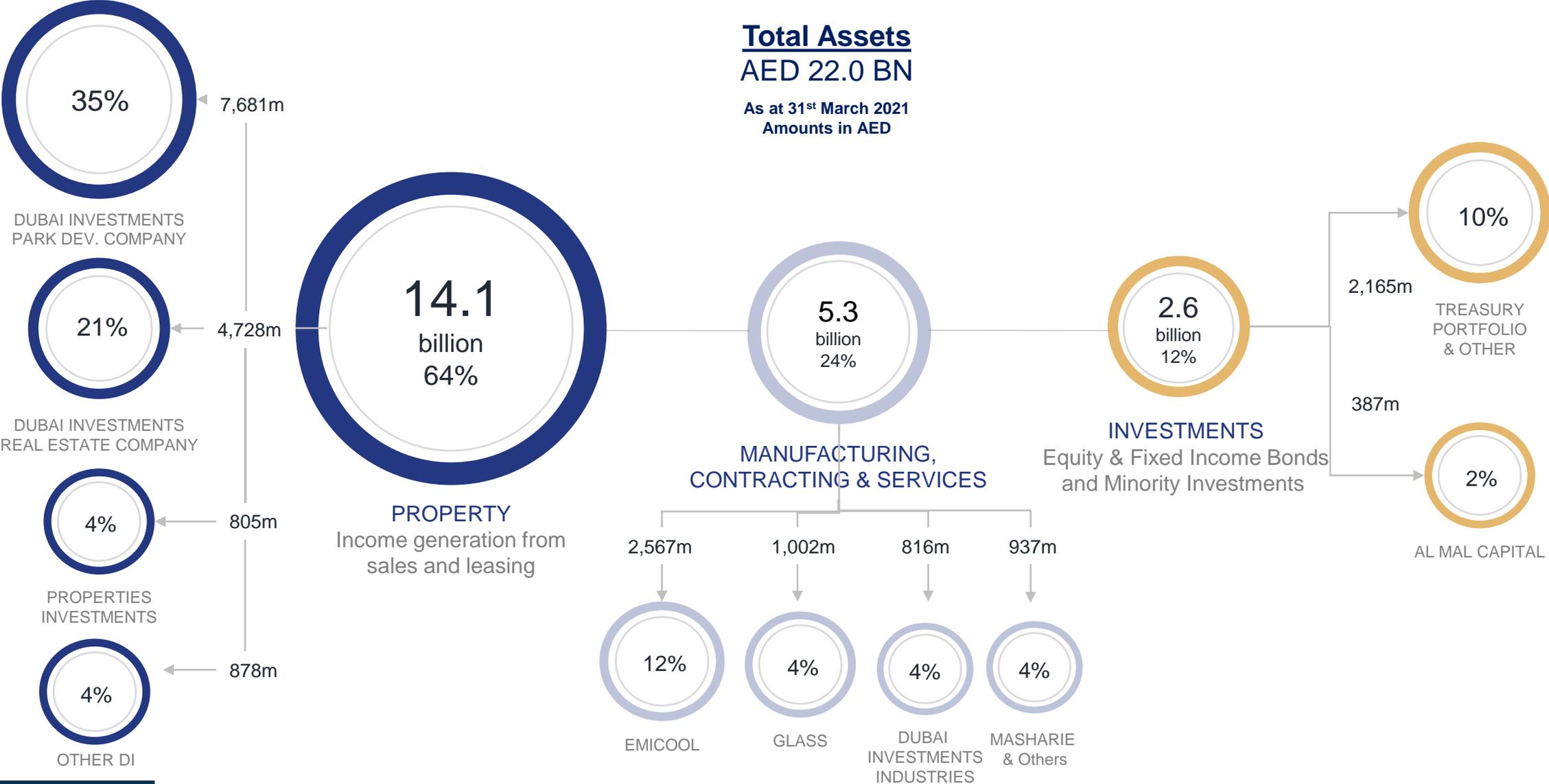
## Director – Abdulrahman Mohamed Rashed Al Shared

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 22.0 BN

As at 31<sup>st</sup> March 2021  
Amounts in AED

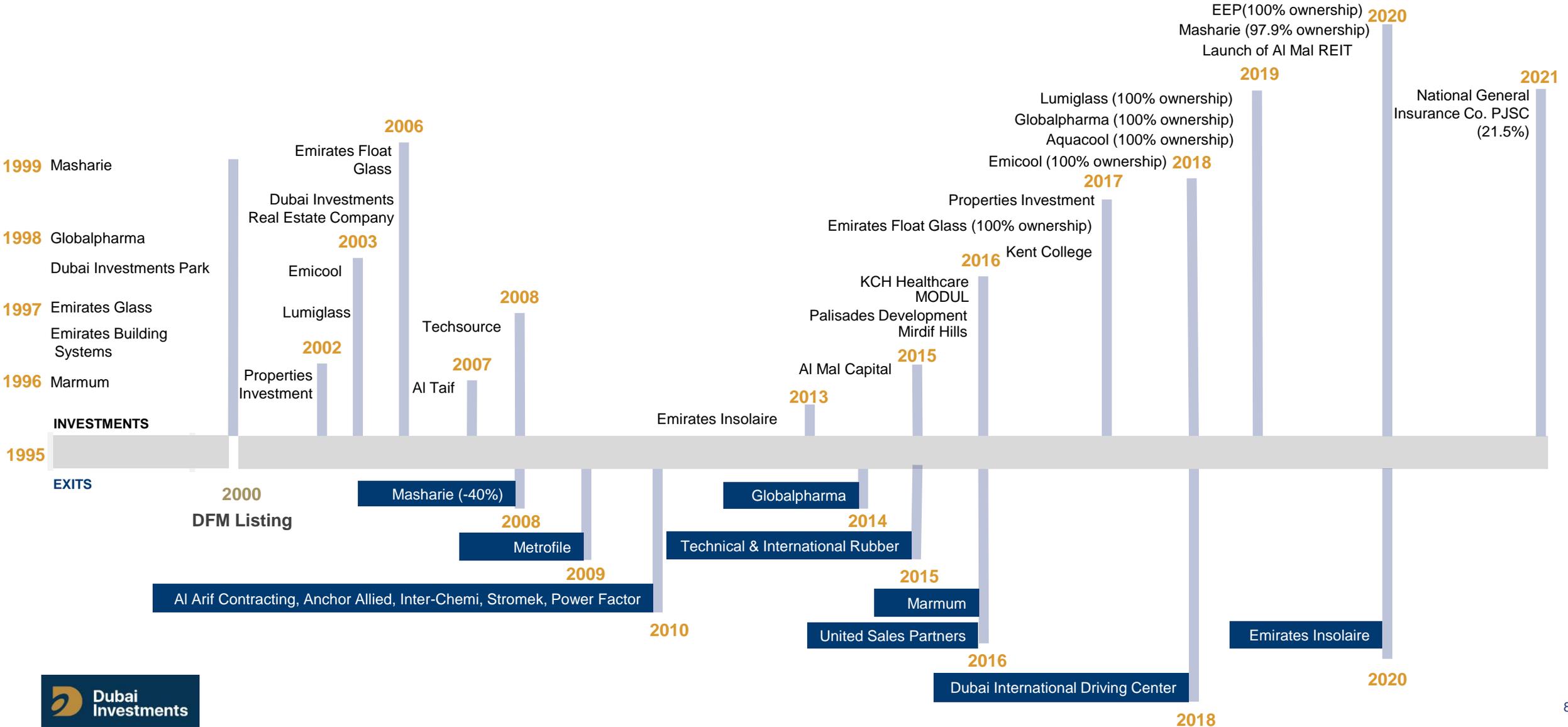


# Dubai Investments – A Diversified Portfolio of Investments



# 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



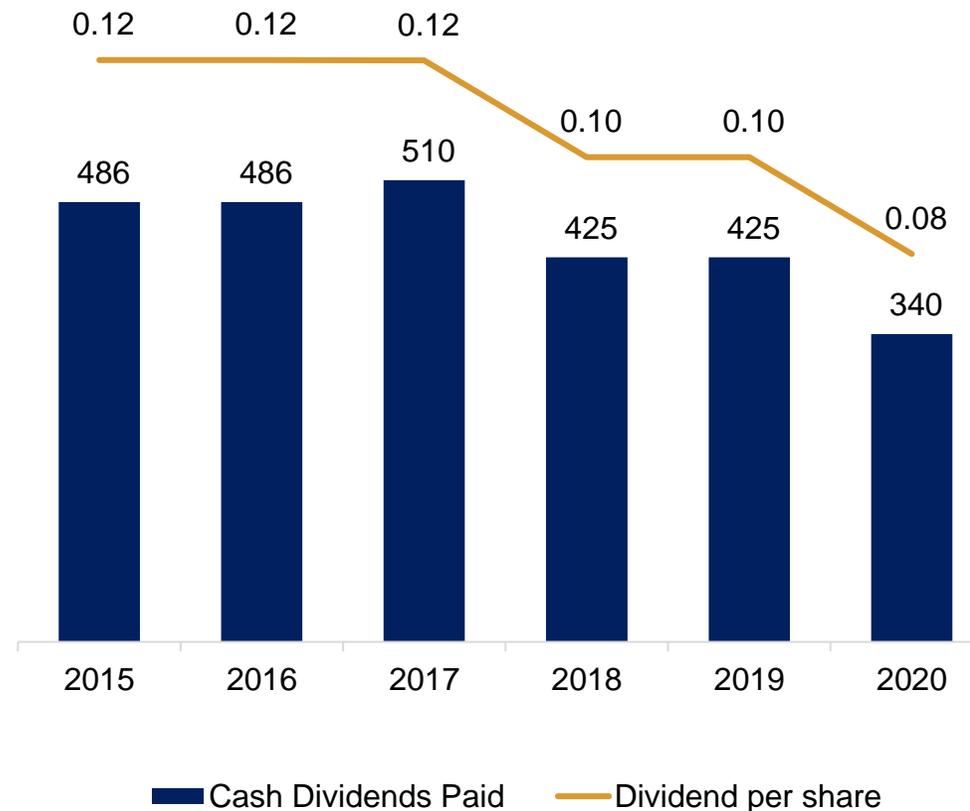
# Consistent Dividend Paying Company

## 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 – Q1 2021 Financial Highlights

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# Key Messages: Q1 2021

## Group Result

- Strong growth in total income at AED 637.6 million as compared to AED 464.8 million for the same period last year. The increase of AED 172.7 million was as a result of strong performances led by the manufacturing, contracting & services and investments segment as a result of rebound in the economic activity in Q1 2021
- In addition, the increase in total income was also supported by the turnaround of global financial markets, which resulted in an increase in gain on fair valuation of investments by AED 137.3 million as compared to Q1 2020.
- Earnings per share was recorded at AED 0.03/share
- Total assets reached AED 21,964.8 million as of 31st March 2021. The increase in total assets was mainly attributable to increase in investment properties, investments at fair value through profit & loss and cash & cash equivalents
- Well capitalized with total equity (attributable to shareholders) at AED 11,938.2 million and has adequate liquidity with Net Debt/Total Attributable Equity ratio remaining low at 37.8%

## Portfolio

- Moderate drop in rental income of AED 25.4 million in Q1 2021 as compared to the prior period, which was mainly due to lower sub-leasing income and lower rental income being generated on some of its assets. However, rental income continues to remain a strong contributor to total income, representing 31% of the total income.
- Key non-financial events in Q1 2021:
  - Emirates Building Systems (EBS), a wholly owned subsidiary of Dubai Investments, nears the completion of 4 EXPO 2020 pavilions worth in excess of AED 23 million
  - Al MaI REIT was listed on the Dubai Financial Market (DFM)
  - Emicool completed phase 1 of AI-enabled cooling plan 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 Al Taif Business Center project has continued in Q1 2021 and the project is nearly 95% complete and expected to be handed over in H2 2021
  - Al Multaqa Avenue is 95% complete and expected to be handed over in Q2 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*

# Q1 2021 – Financial Highlights: Well Capitalized and Profitable Company

TOTAL INCOME

637.6

AED million

EBITDA

198.2

AED million

PROFIT ATT. TO  
SHAREHOLDERS

123.8

AED million

EPS

0.03

AED per share

ROE\*

4.1%

TOTAL ASSETS

22.0

AED billion

CASH & CASH  
EQUIVALENTS\*\*

c.2.5

AED billion

NET DEBT#

4.5

AED billion

EQUITY ATT. TO  
SHAREHOLDERS

11.9

AED billion

NET DEBT / TOTAL  
ATT. EQUITY\*

37.8%

*Note: Figures are rounded to the nearest decimal*

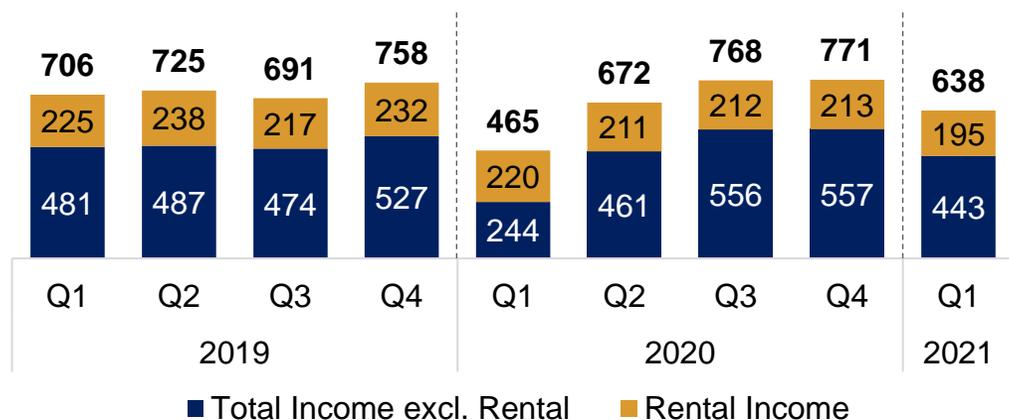
\*Based on Annualized Net Profit and Equity Attributable to Owners of the Company

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

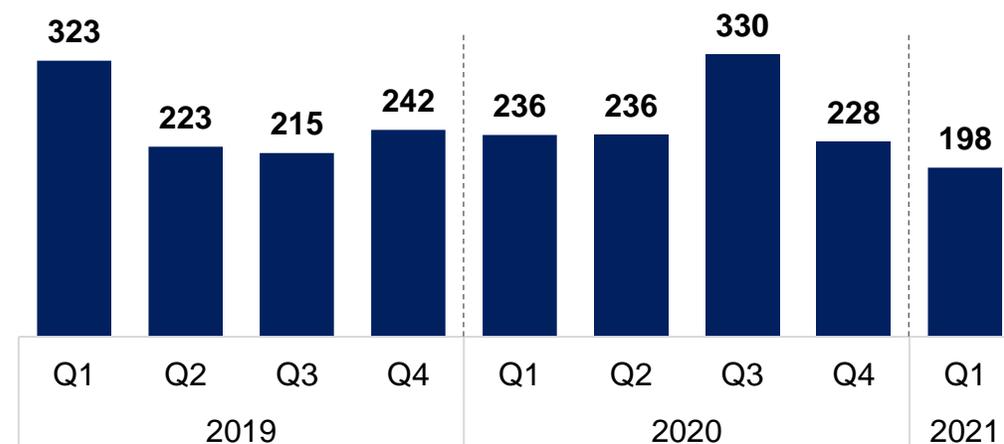
# Gross debt less cash and cash equivalents

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

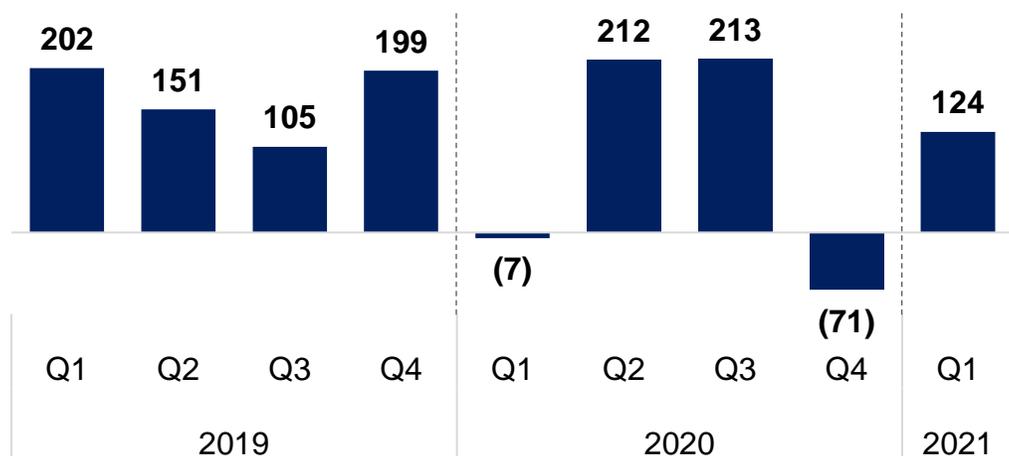
## Total Income and Rental Income (AED Million)



## EBITDA (AED Million)



## Attributable Profit (AED Million)

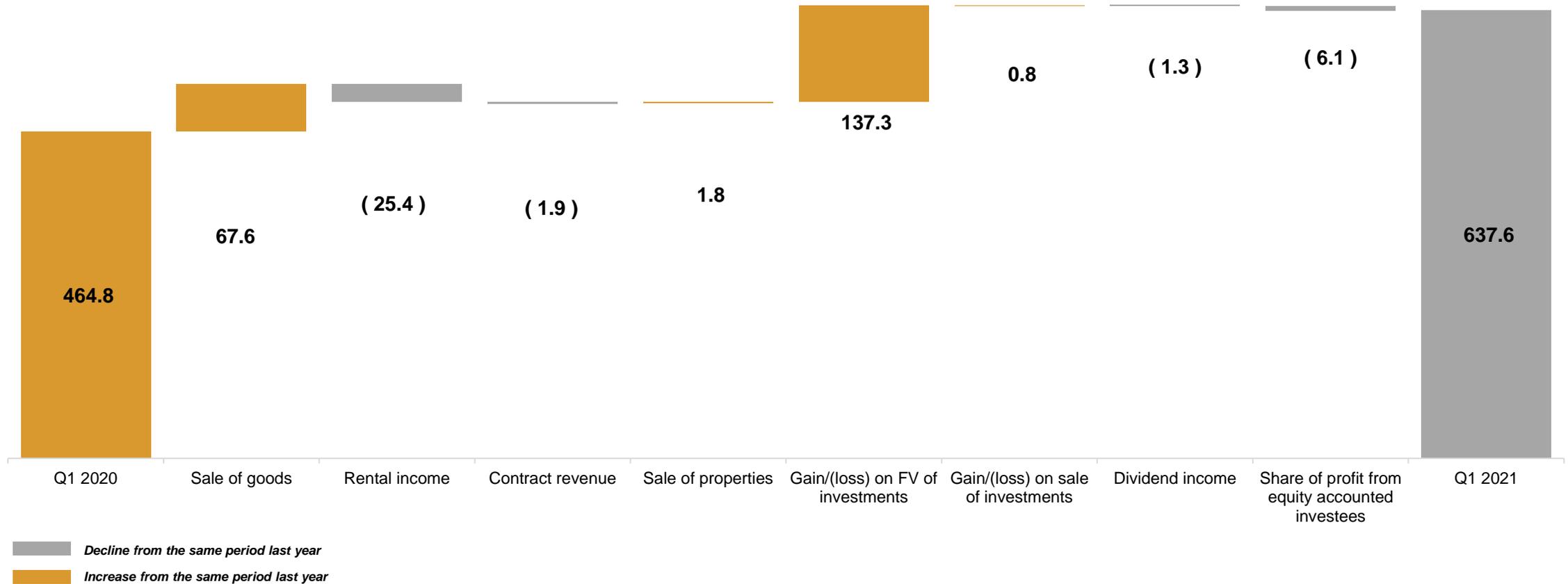


## Key Highlights

- Total Income in Q1 2021 increased by AED 172.7 million as compared to Q1 2020, which was largely attributable to increase in the fair value of investments by AED 137.3 million.
- Moderate drop in rental income by AED 25.4 million, which was mainly due to lower sub-leasing income and lower rental income being generated on some of its assets. However, rental income continues to remain a strong contributor to total income, representing 31% of the total income in Q1 2021.
- Despite the higher income and attributable profit in Q1 2021 in comparison to the prior period, EBITDA remained healthy upon adjusting for fair valuations and non-recurring items.
- The Group reported higher profits attributable to shareholders at AED 123.8 million in Q1 2021, compared to a loss of AED 6.8 million in Q1 2020.

# Total Income Movement Year-on-Year

## Total Income Bridge (AED Million)



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

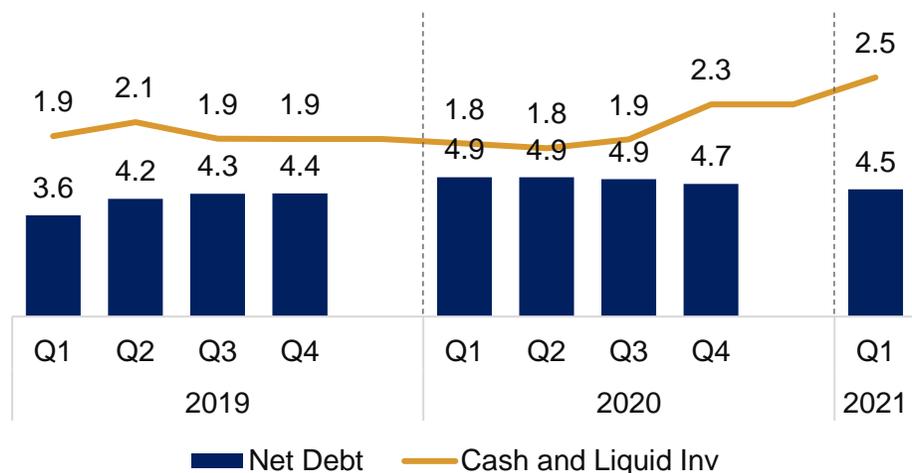
## Total Assets (AED Billion)



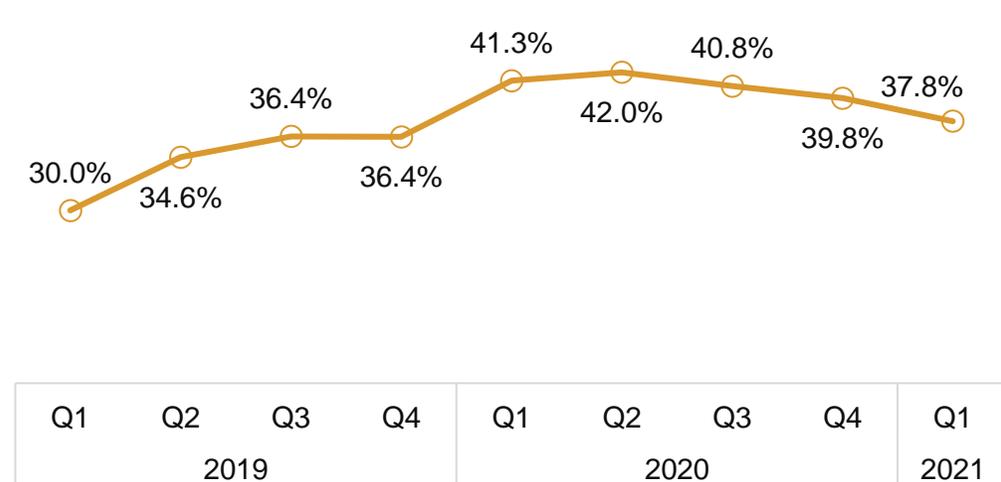
## Total Liabilities & Total Equity (AED Billion)



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



## Net Debt / Total Attributable Equity (%)



## Operational Performance by Business Segment – Q1 2021

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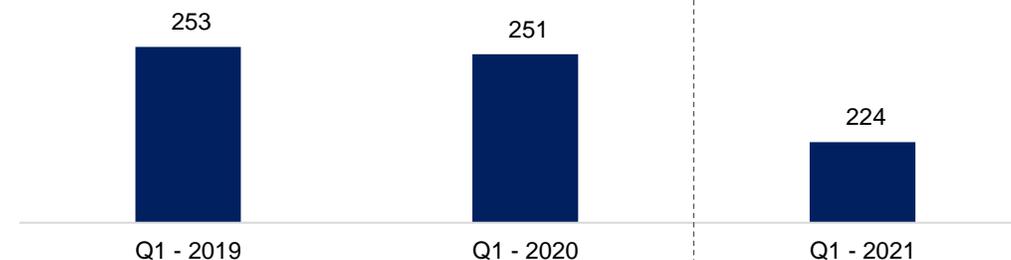
# Property Segment – Development of Real Estate for Sale and Leasing

## Property

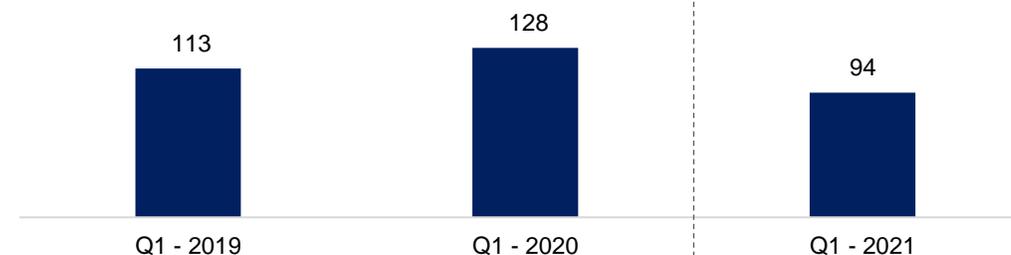
- Total income from the property segment was AED 224.4 million for Q1 2021. The decline by AED 26.6 million from the prior period was largely on account of lower subleasing income and lower income from certain properties.
- Profit attributable to owners in this segment was healthy at AED 94.5 million in Q1 2021. This was comparatively lower than prior year at AED 128.3 million mainly on account of lower rental income along with lower finance and other income.
- Within total assets for this business segment at AED 14,091.1 million, investment properties (AED 7,957.4 million) is the largest contributor, out of which Infrastructure and ancillary facilities account for majority as of 31st March 2021. Such infrastructure facilities, located in DIP, are leased on long-term basis and have been over 98% occupied over past several years
- Given the asset intensive nature of this business segment, majority of the bank borrowings approx. AED 3,421.8 million are attributable to this business segment

## Financial highlights (Q1 2021)

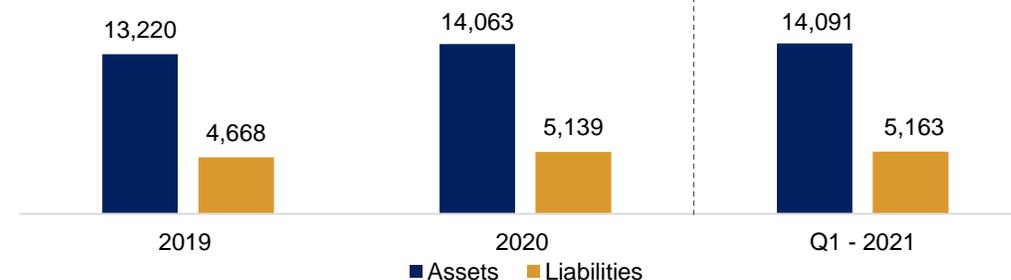
### Total Income (AED m)



### Attributable Profit to Shareholders (AED m)



### Total Assets and Liabilities (AED m)



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

## Manufacturing, Contracting & Services

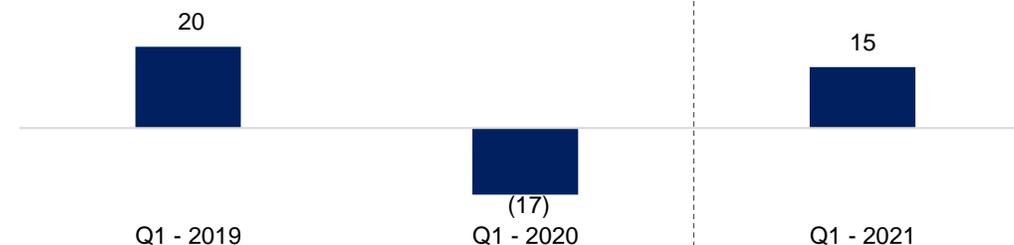
- Total income from the manufacturing, contracting & services segment increased by AED 62.8 million in Q1 2021 in comparison to the prior period, primarily on account of higher revenue from sale of goods and services, as a result of rebound in business and economic activities
- The Group reported a higher finance and other income at AED 44.2 million, up from AED 7.9 million in the prior period. This was largely on account of mark-to-market gains on hedging instruments availed on borrowings by one of its subsidiaries
- The above increases were offset by higher net impairment losses on financial and contract assets which were at AED 20.9 million in Q1 2021 as compared to a loss of AED 4.9 million in the prior period
- As a result of the above, this segment resulted in a profit (attributable to the owners) for the period of AED 15.4 million in Q1 2021, from a loss of AED 16.8 million in Q1 2020

## Financial highlights (Q1 2021)

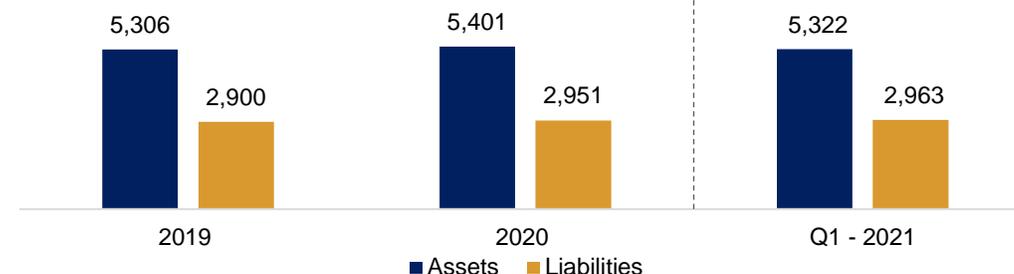
### Total Income (AED m)



### 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 investment segment was AED 33.3 million in Q1 2021 as compared to loss of AED 103.3 million in Q1 2020
- The higher income resulted mainly due to a gain on its fair value of investments portfolio of AED 20.3 million in Q1 2021 as against a loss of AED 117.0 million in Q1 2020. The loss in the prior period was due to the decline in investment value due to the volatility in the financial markets as a result of the pandemic
- As a result of the above, along with the fixed nature of administrative and general expenses and higher finance and other income, the segment recorded profit (attributable to owners) of AED 13.9 million as compared to a loss of AED 118.3 million recorded in the prior period

## Financial highlights (Q1 2021)

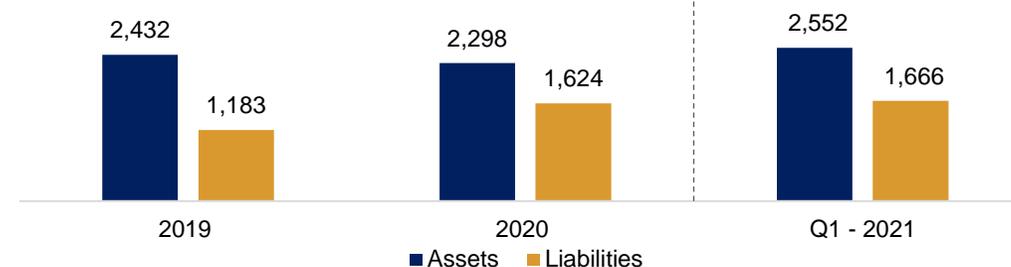
### Total Income (AED m)



### 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

**23**

million m<sup>2</sup>

NET LEASE AREA

**17**

million m<sup>2</sup>

LEASED PLOTS

**~1,100**

INDUSTRIAL

**60%**

LEASED

**98%**

RESIDENTIAL

**32%**

Q1 2021 RENTAL  
INCOME

**177**

AED million

COMMERCIAL

**8%**



# Emicool – The Leading District Cooling Provider

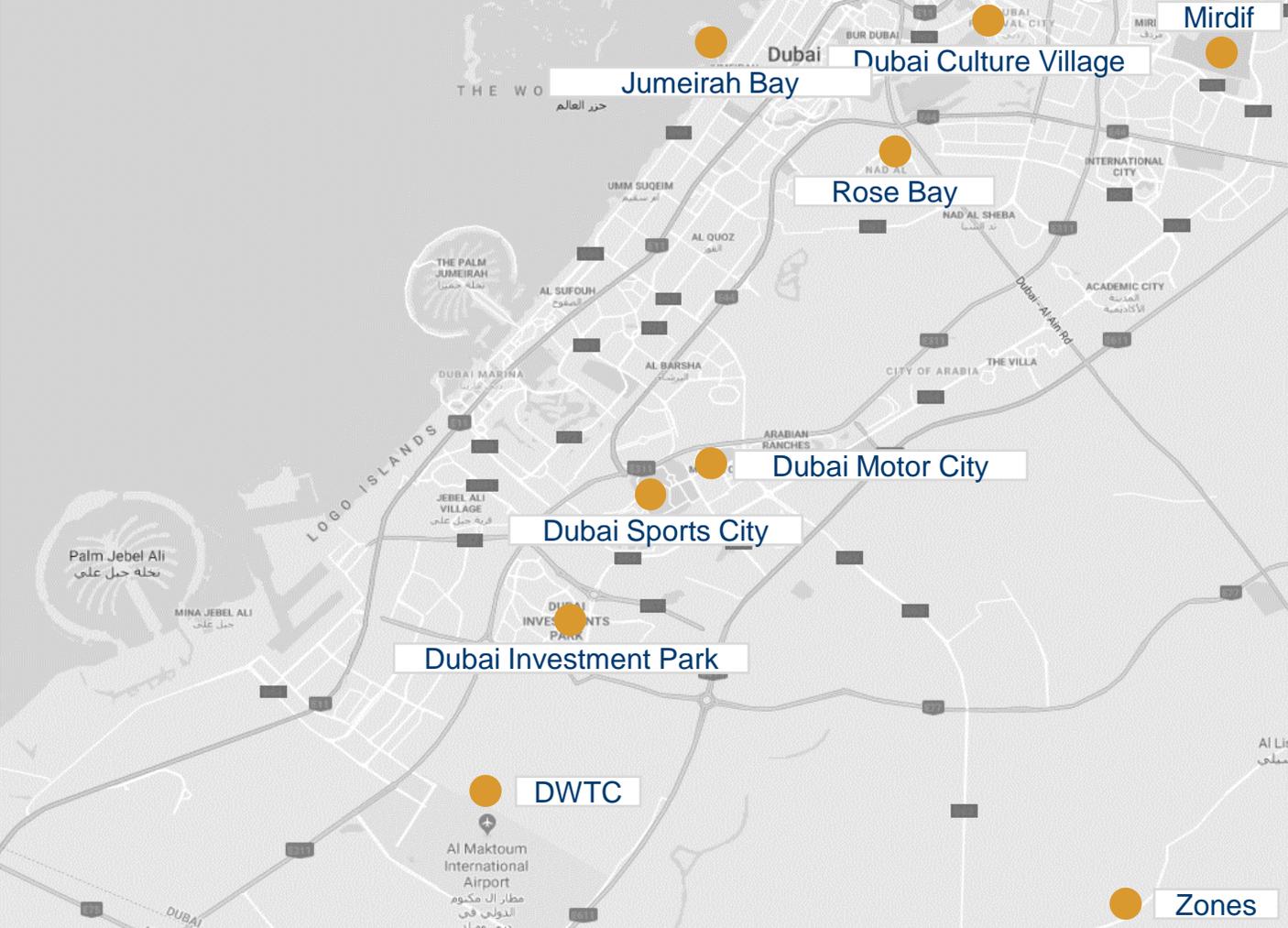


ESTABLISHED  
**2003**

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



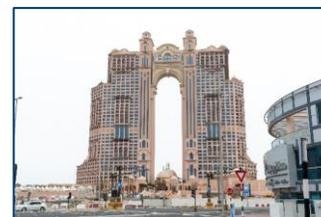
## Subsidiaries



## 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



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# 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.