

# Dubai Investments PJSC

30<sup>th</sup> September 2020  
Investor Presentation



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# Dubai Investments Overview

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# A Diversified Investment Company Listed on DFM - Market Cap. of c. AED 4.9 Bn<sup>1</sup>

Dubai Investments Overview – Total Assets of over AED 21.5 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

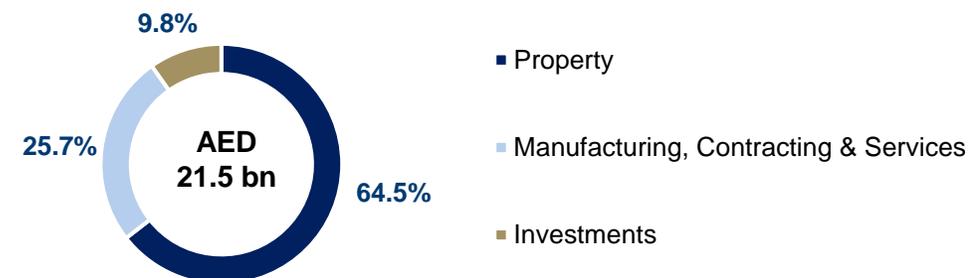


Note: Figures are rounded to the nearest decimal  
1 As of 30<sup>th</sup> September 2020

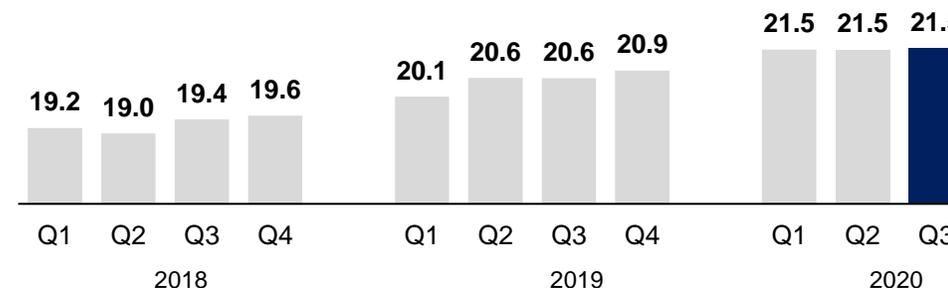
## Shareholders (September 2020)



## Business Segments by Assets (September 2020)



## Total Assets (in AED bn)



Note: DI availed exemption for publishing Q12020 results.

# 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 of Marka PJSC, 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 and Board Member of Ajman Bank PJSC



## 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

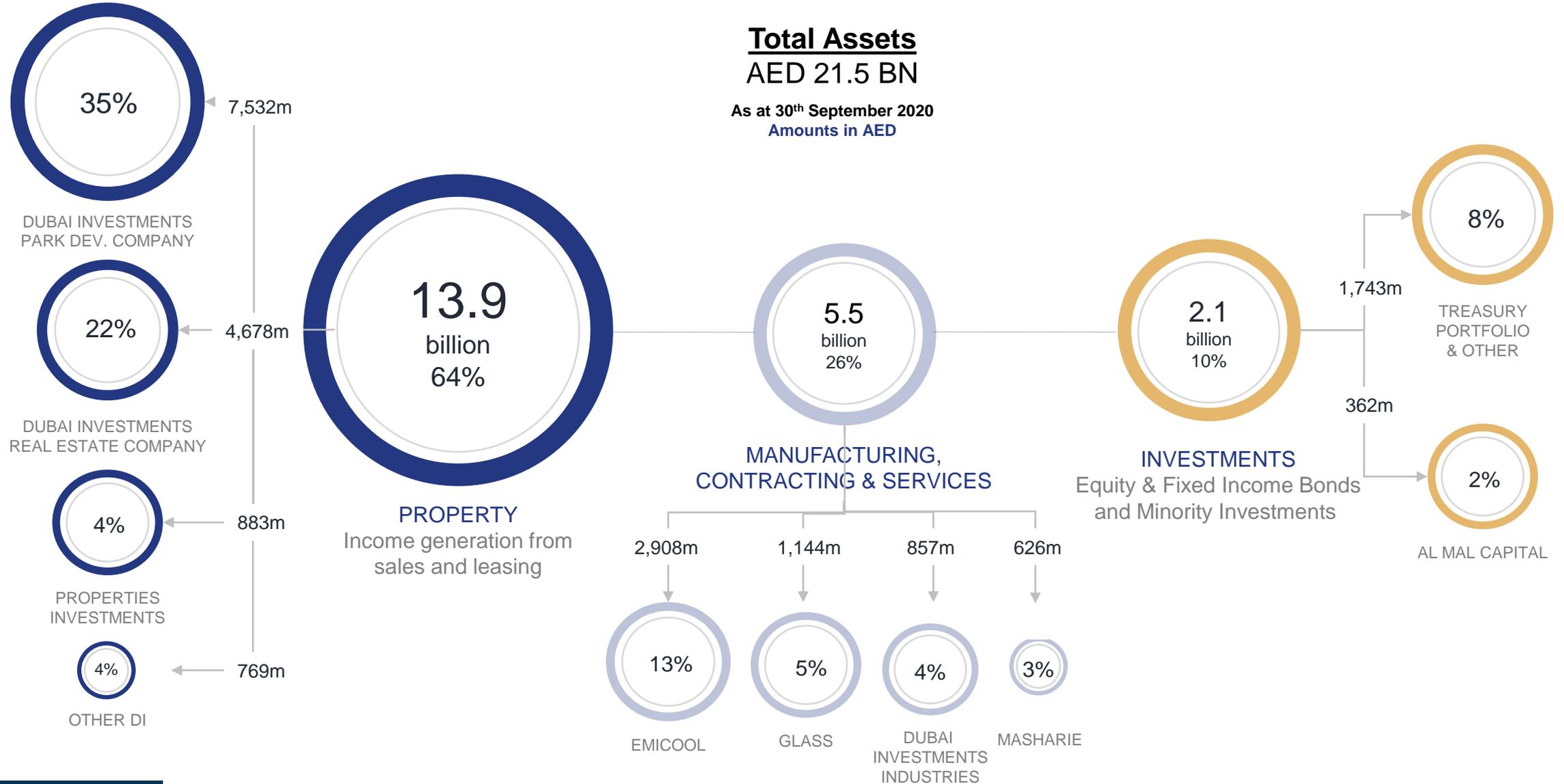
Abdulrahman Mohamed Rashed Al Shared is a well-known businessman and a former government official in Dubai Municipality. He has held senior level positions across several sectors. He was previously employed as a Secretary General by Awqaf & Minors Affairs Foundation. In addition to being the founder 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 21.5 BN

As at 30<sup>th</sup> September 2020  
Amounts in AED

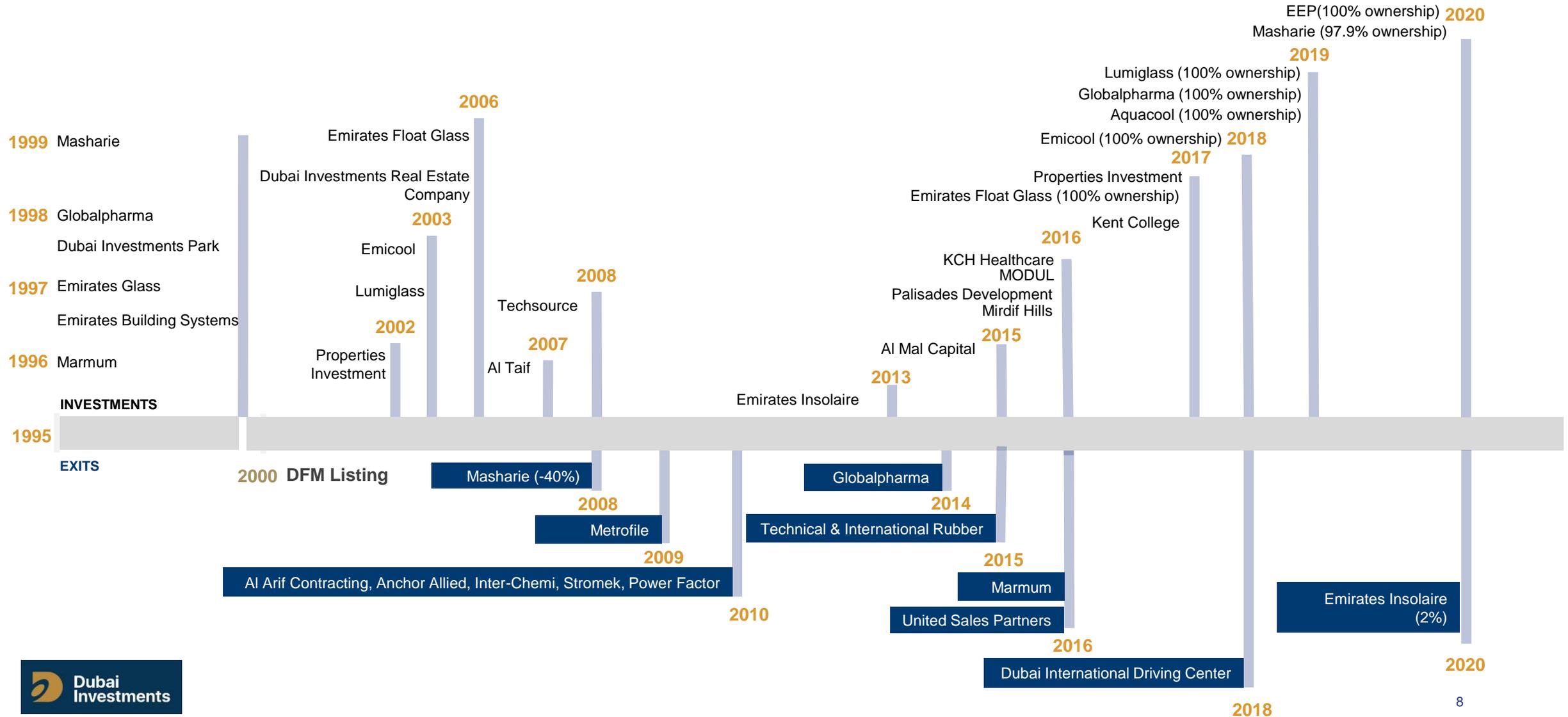


# Dubai Investments – A Diversified Portfolio of Investments



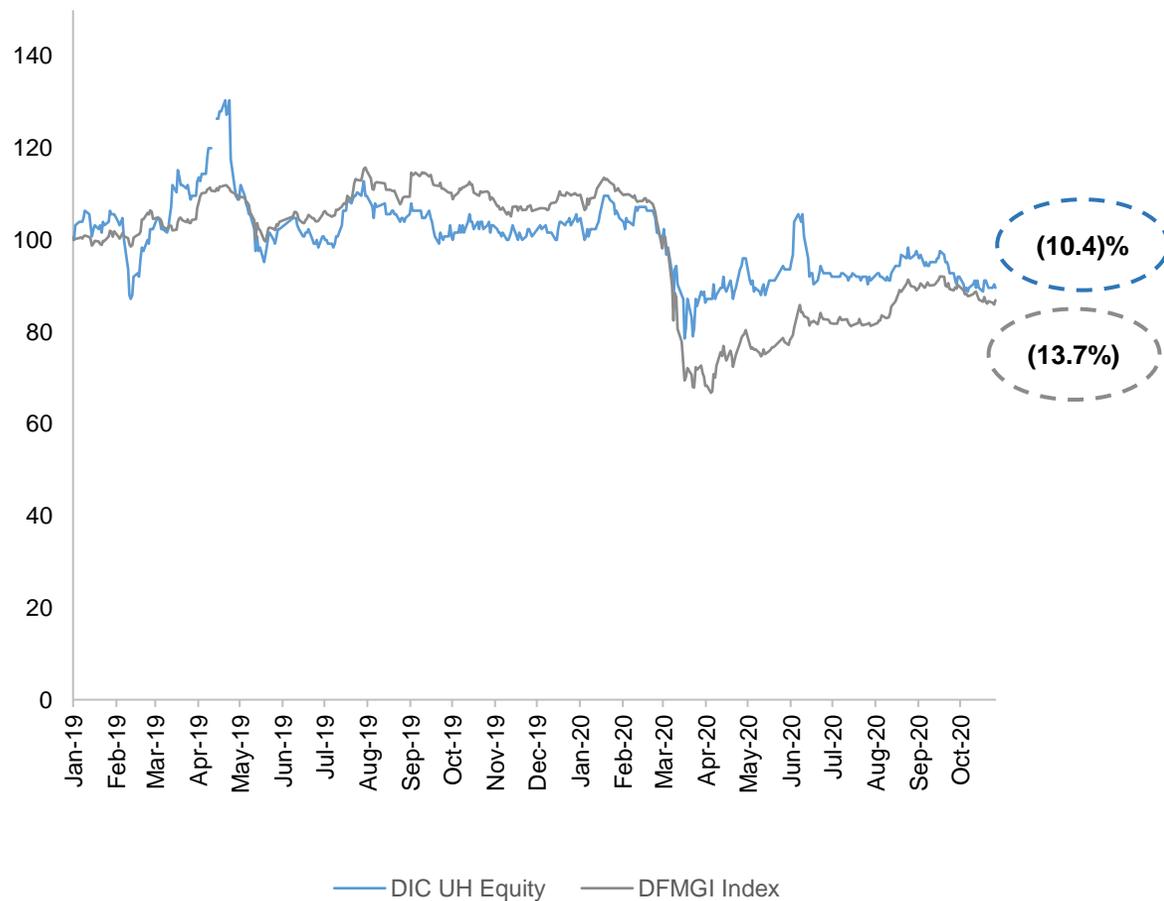
# 25 Years of Building Businesses and Creating Shareholder Value

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

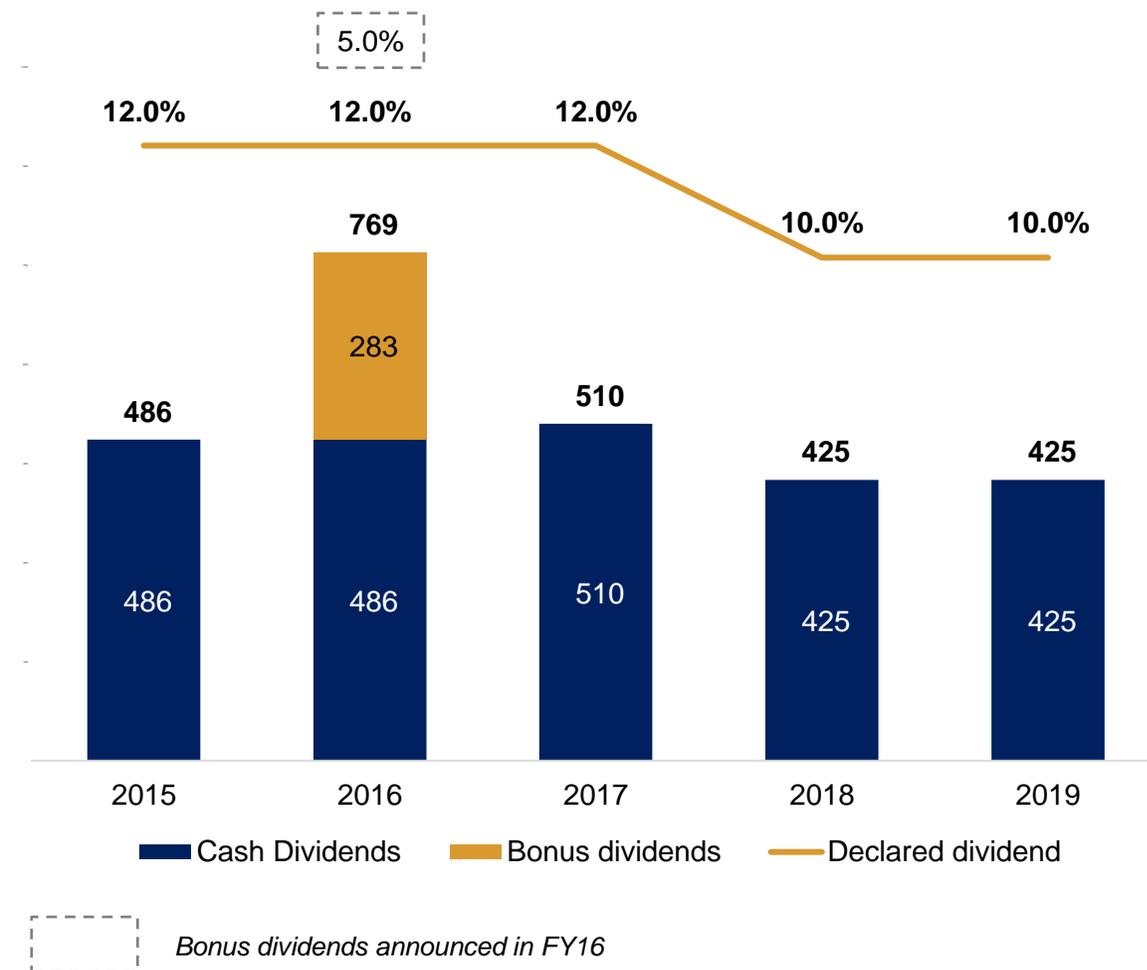


# Consistent Dividend Paying Company

## Shareholder Returns – DIC vs. DFMGI Index



## Dividends (AED million) and Dividend declared



## Management Summary – 9M 2020 Financial Highlights

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# Key Messages – 9M 2020

## Group Result

- For 9M 2020, the Group recorded Total Income of AED 1,905.5 million as compared to AED 2,121.7 million in 9M 2019. Total Income was lower due to loss on fair valuation of investments given the volatility in global financial markets in the 9M 2020, and one-off gain from the acquisition of a controlling stake in Globalpharma in the prior year.
- Despite the volatility witnessed globally in 9M 2020, earnings per share were recorded at AED 0.10/share.
- Total Assets reached AED 21,502.2 million as of 30th September 2020. Increase in Total Assets is mainly attributable to additions to Investment Properties, increase in Right-of-use-Assets and increase in Inventories (which includes properties held for development and sale in the ordinary course of business).
- The Group remains well capitalized with Total Equity (attributable to shareholders) at AED 11,924.6 million and has adequate liquidity with Net Debt/Equity ratio remaining as low as at 0.40x

## Portfolio

- Despite prevailing challenges in the real estate sector, Rental income remained resilient for 9M 2020 at AED 643.9 million and at relatively similar levels as compared to the same period in the prior year - DIP continues to remain a flagship asset contributing c.87% of total rental income in 2020
- Key non-financial events in 9M 2020:
  - The Group, through its subsidiary Al Mal Capital PSC, has announced the launch of Al Mal REIT and subscription period begins in November 2020 with an expected target offer size of AED 500 million. Al Mal REIT intends to list all its units on DFM in January 2021 post IPO completion.
  - Development of Al Taif Business Center project has continued in 2020 and the project is 85% complete for expected handover in Q1 2021.
  - Janayen Avenue, part of Mirdif Hills development handed over earlier this year in 2020. The remaining project is expected to be completed by end of 2020.
  - Al Multaqa Avenue in Mirdif Hills is progressing steadily and is set to revitalize Mirdif's commercial landscape. The commercial spaces will include the first four-star hotel, first freehold office spaces and open retail spaces.

# 9M 2020 – Financial Highlights: Well Capitalized and Profitable Company

TOTAL INCOME <b>1,905.5</b> AED million	EBITDA <b>826.7</b> AED million	PROFIT ATT. TO SHAREHOLDERS <b>418.1</b> AED million	EPS <b>0.10</b> AED per share	ROE* <b>4.7%</b>
TOTAL ASSETS <b>21.5</b> AED billion	CASH & CASH EQUIVALENTS** <b>c.1.8</b> AED billion	NET DEBT# <b>4.9</b> AED billion	TOTAL ATT. EQUITY <b>11.9</b> AED billion	NET DEBT / TOTAL ATT. EQUITY* <b>40.8%</b>

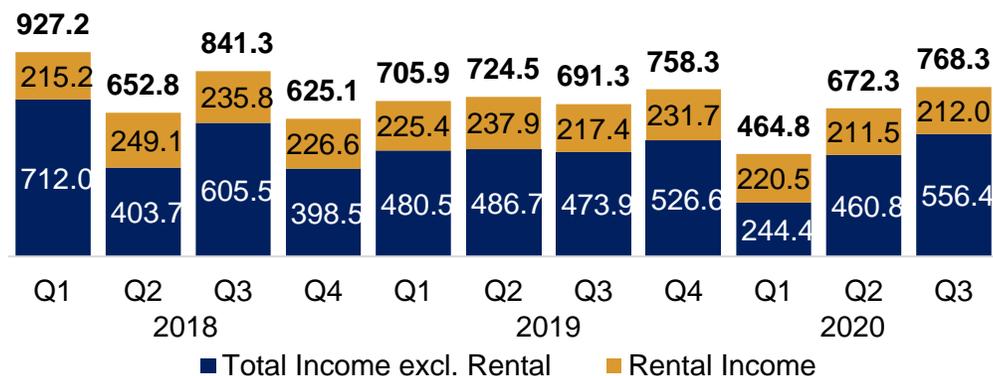
# 9M 2020 KPIs: Resilient performance with a healthy EBITDA despite COVID-19

## Income and Earnings (AED m)

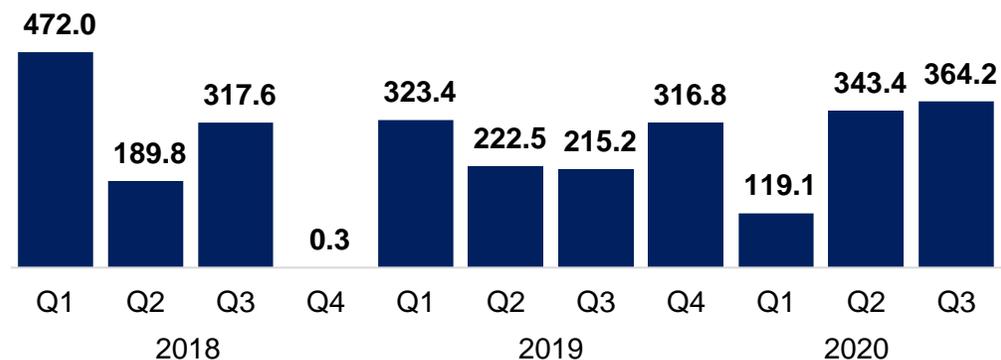
Consolidated Financials	9M 2020	9M 2019	y-o-y (%)
<b>Total income</b>	<b>1,905.5</b>	<b>2,121.7</b>	<b>-10.2%</b>
Total expenses*	(1,649.5)	(1,756.3)	6.1%
<b>Attributable profit</b>	<b>418.1</b>	<b>458.7</b>	<b>-8.9%</b>
<b>EBITDA</b>	<b>826.7</b>	<b>822.7</b>	<b>0.5%</b>
EPS (AED)	0.10	0.11	-8.9%
ROE % <sup>#</sup>	4.7%	5.1%	-9.0%
ROA % <sup>#</sup>	2.6%	3.0%	-12.5%

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

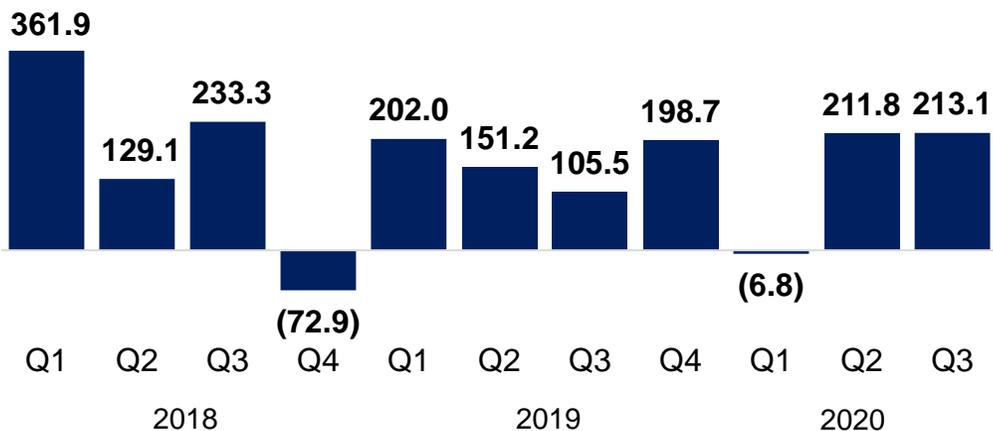
## Total Income and Rental Income (AED m)



## EBITDA (AED m)



## Attributable Profit (AED m)

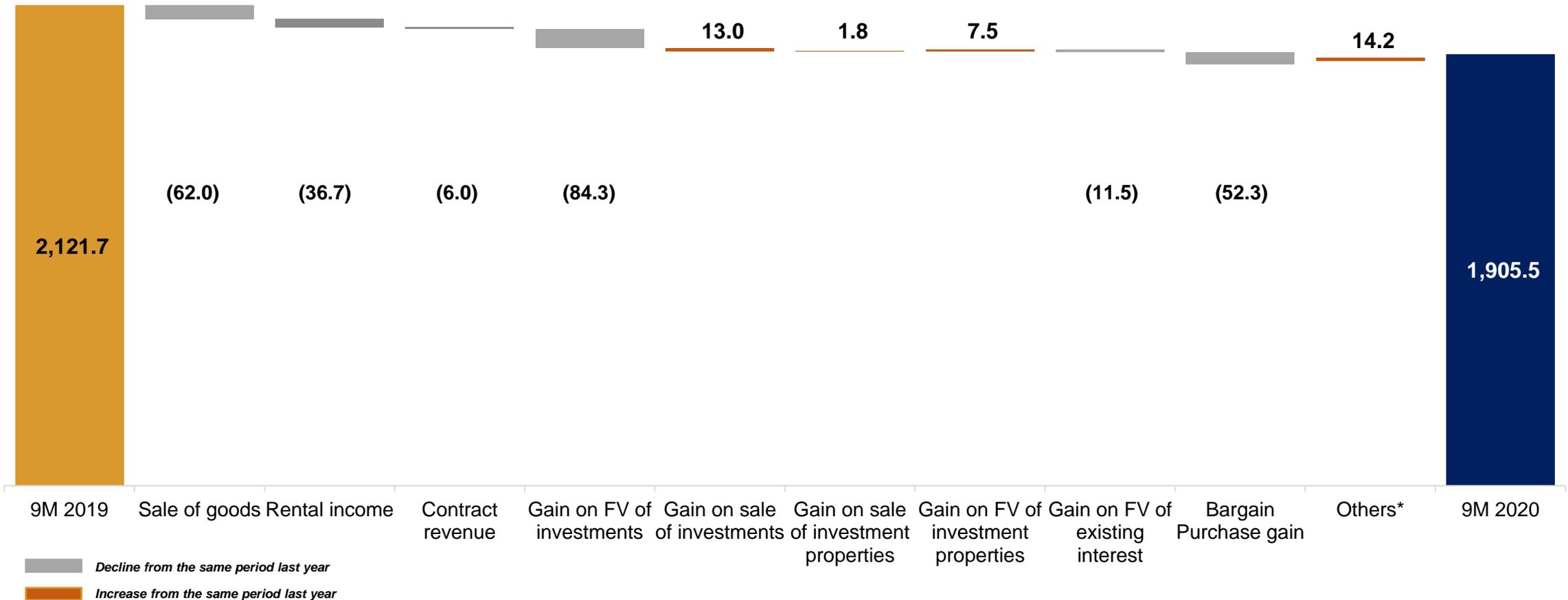


## Key Highlights

- In Q3 2020, Total Income increased by AED 77 million from 691.3 million during in the same period last year mainly due to higher revenues from the Manufacturing segment. In addition, the Group also recorded higher gain on sale of investments and investment properties by c. AED 30 million compared to Q3 2019.
- Rental Income remained resilient at AED 212.0 million, representing c. 28% of the Total Income for Q3 2020.
- Higher Total Income in Q3 2020, complemented with the increase in other income resulted in higher EBITDA and profits attributable to shareholders of AED 364.2 million and AED 213.1 million respectively, compared to AED 215.2 million and AED 105.5 million respectively in Q3 2019.

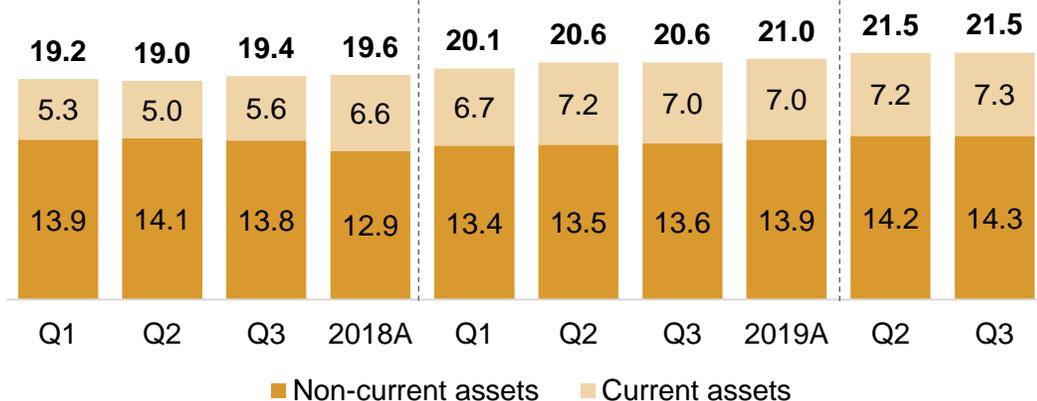
# Total Income Movement Year-on-Year

Total Income Bridge (AED m)



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

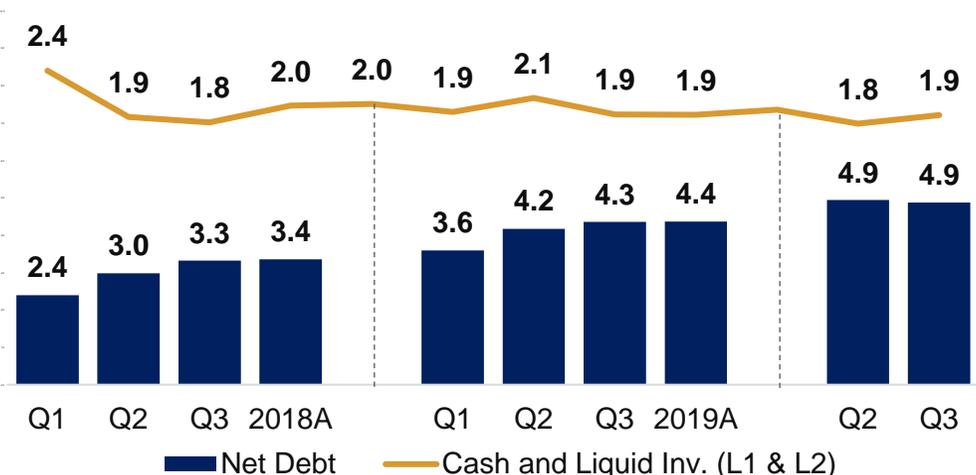
## Total Assets (AED bn)



## Total Liabilities & Total Equity (AED bn)



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



## Net Debt / Total Attributable Equity (%)



## Operational Performance by Business Segment – 9M 2020

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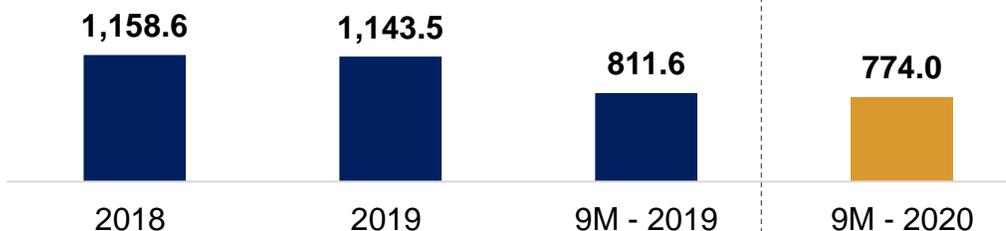
# Property Segment – Development of Real Estate for Sale and Leasing

## Property

- Total Income from the Property segment remained resilient at AED 774.0 million. The decline of AED 37.5 million from the prior period was largely on account of lower sub-leasing income within DIP and decrease in rental revenue from other real-estate portfolio.
- Profit attributable to owners in this segment was healthy at AED 510.5 million. This is higher by 30% compared to 9M 2019 (AED 393.7 million), mainly on account of cost rationalization measures implemented by the various entities within the Group and higher finance and other income.
- Within Total Assets for this business segment, Investment Properties (AED 8,808.2 million) is the largest contributor, out of which Infrastructure and ancillary facilities account for majority (58%) as of 9M 2020. 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 (September 2020)

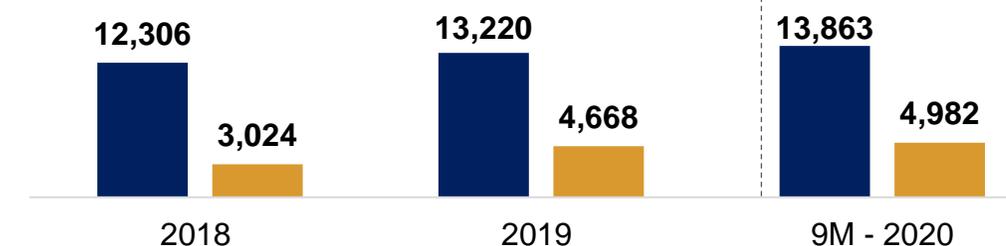
### Total Income (AED m)



### Attributable Profit (AED m)



### Total Assets and Liabilities (AED m)



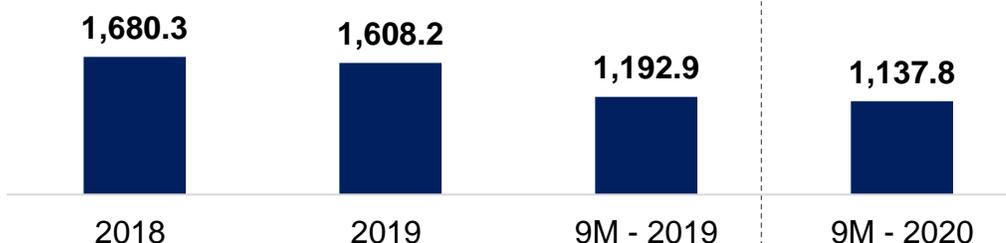
# Manufacturing Segment – Manufacturing, District Cooling, Healthcare and Education

## Manufacturing, Contracting & Services

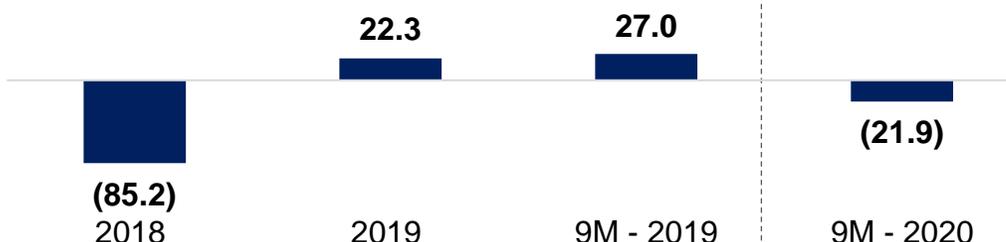
- Total Income from the Manufacturing, Contracting & Services segment declined to AED 1,137.8 million in 9M 2020 from AED 1,192.9 million in 9M 2019 primarily on account of lower revenue from sale of goods and services due to the reasons mentioned above - lockdown measures as a result COVID-19.
- While the lower income had a corresponding decrease in cost of sales, however, the fixed nature of the operating expenses and finance costs along with the net impairment loss on financial and contract assets, resulted in a loss (attributable to the owners) for the period of AED 21.9 million in 9M 2020 (from a profit of AED 27.0 million in 9M 2019).

## Financial highlights (September 2020)

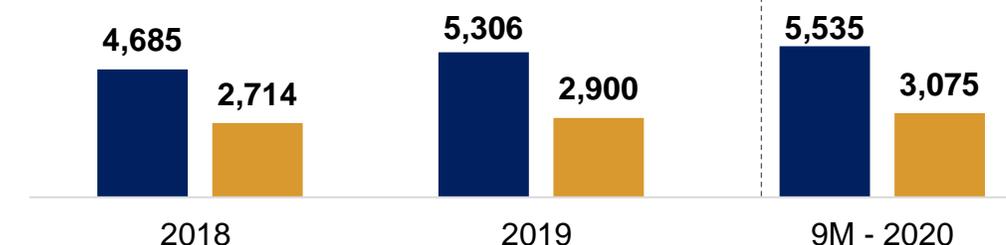
### Total Income (AED m)



### Attributable Profit (AED m)



### Total Assets and Liabilities (AED m)



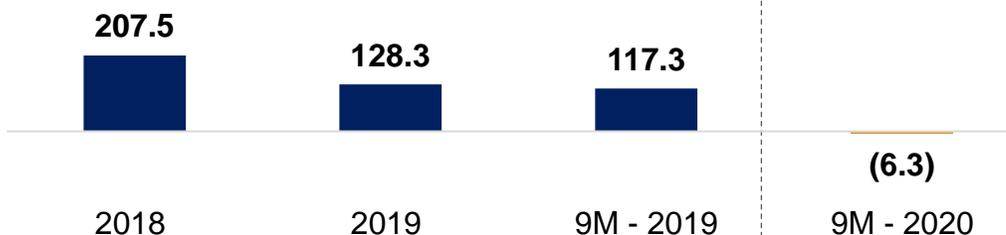
# Financial Inv. Segment – Strategic Interests in Associates & Financial Investments

## Financial Investments

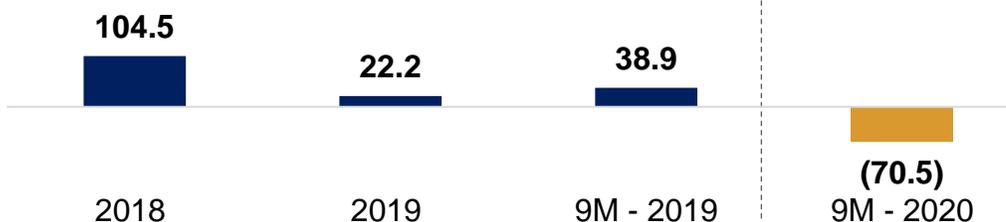
- Total Income from Investments segment was negative in 9M 2020 (AED 6.3 million) as compared to AED 117.3 million in 9M 2019 which was mainly as a result of loss on its fair valuation of investments portfolio (AED 25.3 million) caused due to the volatility in financial markets as a result of the pandemic. This loss was offset by the gain made on sale of investments of AED 16.2 million compared to AED 3.2 million in 9M 2019.
- In 9M 2019, the Group also recorded a one-off gain (AED 63.8 million) from the acquisition of a controlling stake in Globalpharma.
- As a result of the above, along with the fixed nature of administrative and general expenses, the segment recorded loss (attributable to owners) of AED 70.5 million as compared to a profit of AED 38.9 million recorded in the prior period.

## Financial highlights (September 2020)

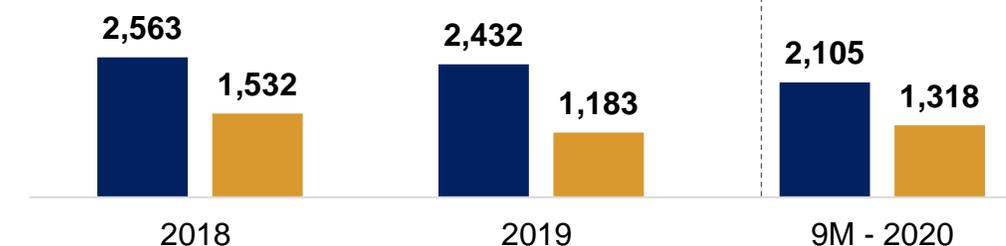
### Total Income (AED m)



### Attributable Profit (AED m)



### Total Assets and Liabilities (AED m)

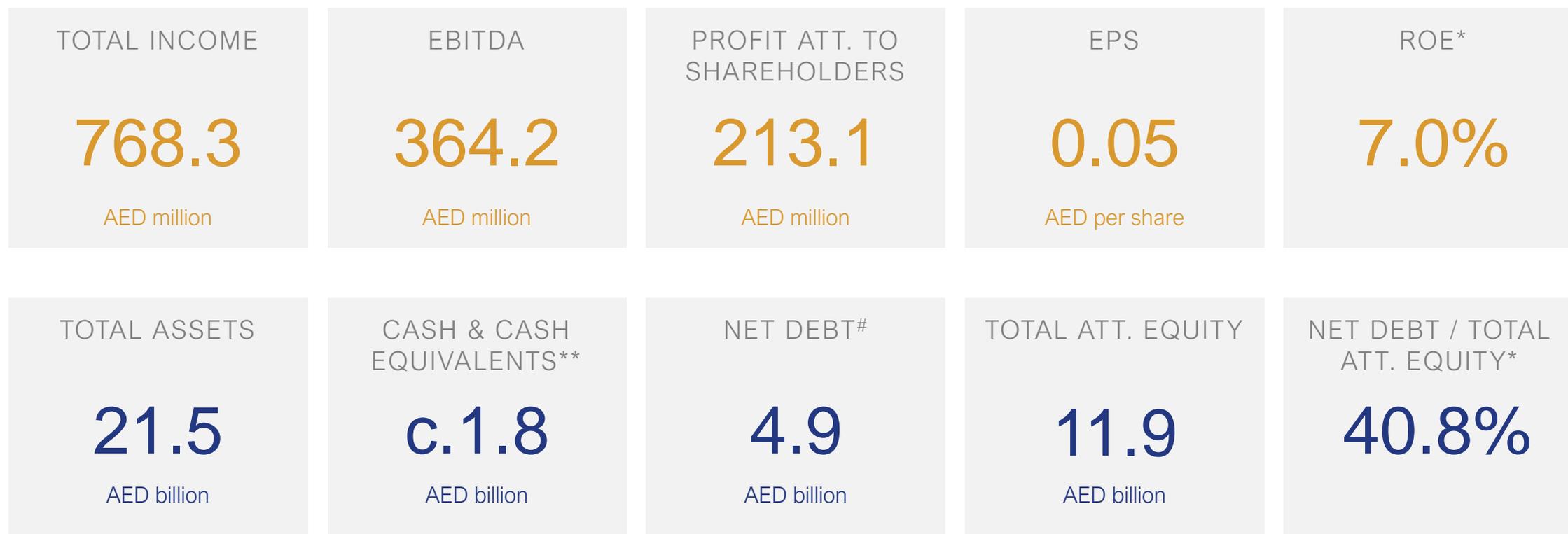


## Management Summary – Q3 2020 Financial Highlights

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# Q3 2020 – Financial Performance: Strong and profitable company



# Q3 2020 KPIs: Resilient performance with a healthy EBITDA despite COVID-19

## Income and Earnings (AED m)

Consolidated Financials	Q3 2020	Q3 2019	y-o-y (%)
<b>Total income</b>	<b>768.3</b>	<b>691.3</b>	<b>11.1%</b>
Total expenses*	(650.0)	(612.2)	6.2%
<b>Attributable profit</b>	<b>213.1</b>	<b>105.5</b>	<b>-102.0%</b>
<b>EBITDA</b>	<b>364.2</b>	<b>215.2</b>	<b>69.2%</b>
EPS (AED)	0.05	0.02	-102.0%
ROE % <sup>#</sup>	7.0%	3.5%	101.6%
ROA % <sup>#</sup>	4.0%	2.0%	93.8%

# 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 with growth in net profitability

Focus on monetizing available land bank/Real Estate portfolio to generate a steady and sustainable cash flow stream;

- Complete and handover of all phases of Mirdif Hills development by Q1 2021
- Complete construction of Al Taif mixed-use project (Fujairah) by Q1 2021

## Diversification

- Al Mal REIT intends to list all its units on DFM in January 2021 post IPO completion
- Monitor and nurture Invest in high-performing UAE sectors, including healthcare, education and industrial assets

## Synergy & Scale

- Replicate successful business models across the region that enjoy strong growth potential (e.g. DIP) in new markets GCC, Africa
- 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%**

9M 2020 RENTAL  
INCOME

**560**

AED million

COMMERCIAL

**8%**



# Emicool – The Leading District Cooling Provider



ESTABLISHED

2003

CUSTOMERS

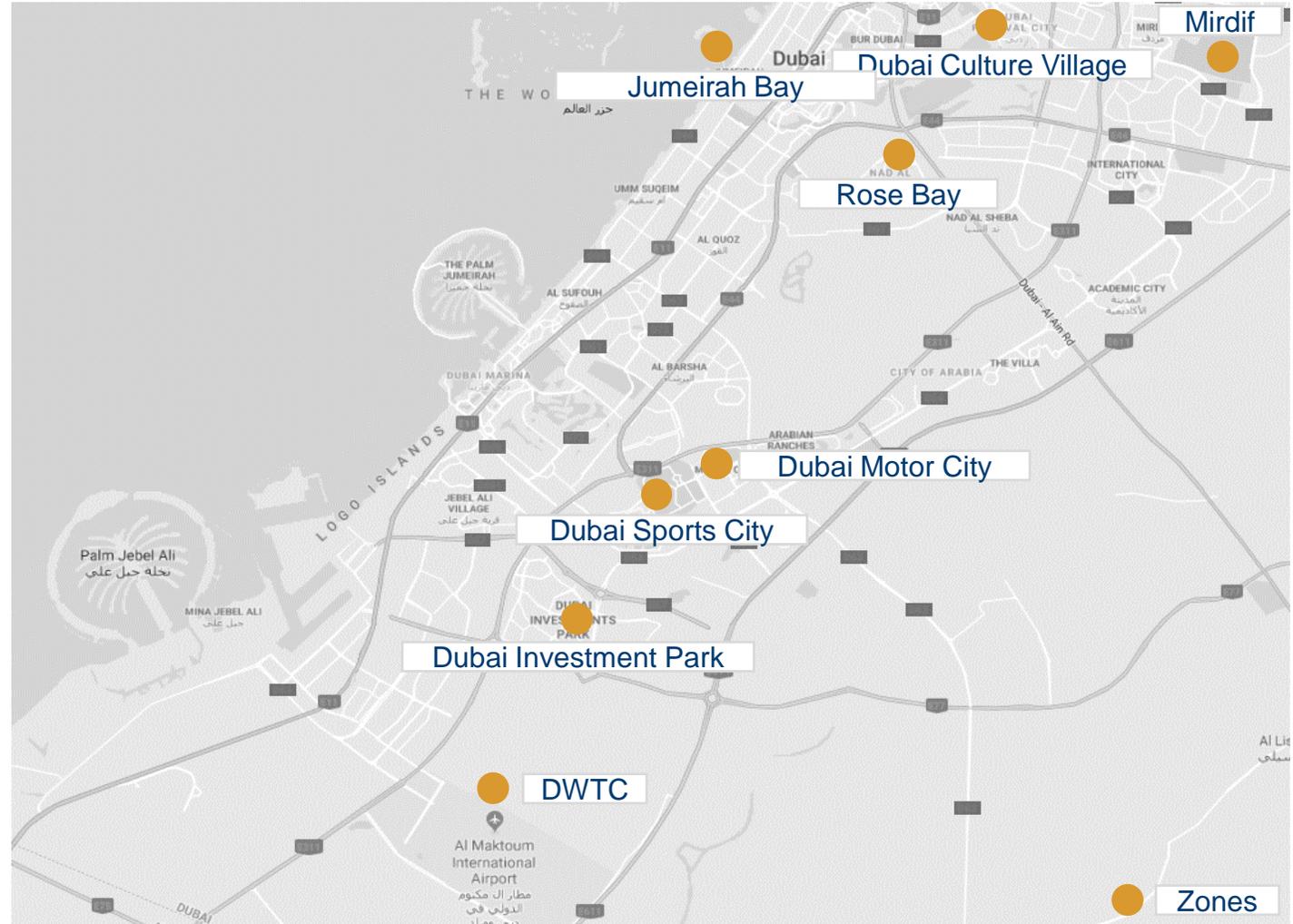
~20,000

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 Financial Events and Awards



Al Mal Capital PSC voted 'UAE Asset Manager of the Year' at MENA Fund Manager Awards



Emicool and Total Solar Distributed Generation Inaugurate Solar System at DIP Facility in Dubai



Dubai Investments won the "Impact of Investment Top Choice" at Arab Investor Award



Dubai Investments Real Estate Wins Global Infrastructure Congress Recognition Award



Emirates Float Glass won the Industrial Development Bureau Award



Dubai Investments and Beit Al Khair Create Guinness World Records for most meals delivered in less than three hours



# 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.

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