

# Dubai Investments PJSC



**Dubai Investments PJSC**  
**Q3 2019 Investor Presentation**

# CONTENT

Page 3 Dubai Investments Overview

Page 13 9M 2019 Financial Highlights

Page 20 Q3 2019 Financial Highlights

Page 23 Outlook & Guidance

Page 27 Portfolio Information

Page 31 Disclaimer – Forward Looking Statements

# Dubai Investments Overview

---



# A Diversified Investment Company Listed on DFM - Market Cap. of c. AED 5.5 Bn<sup>1</sup>

Dubai Investments Overview – Total Assets of over AED 20.6 billion with over 16,700 shareholders

## A Glance at Dubai Investments



Note: Figures are rounded to the nearest decimal



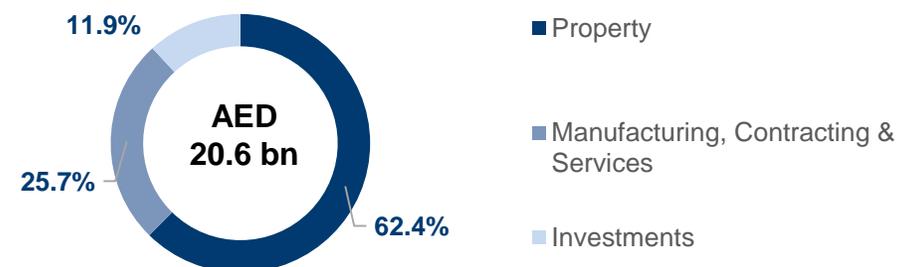
1 As of 31<sup>st</sup> October 2019

## Shareholders (September 2019)

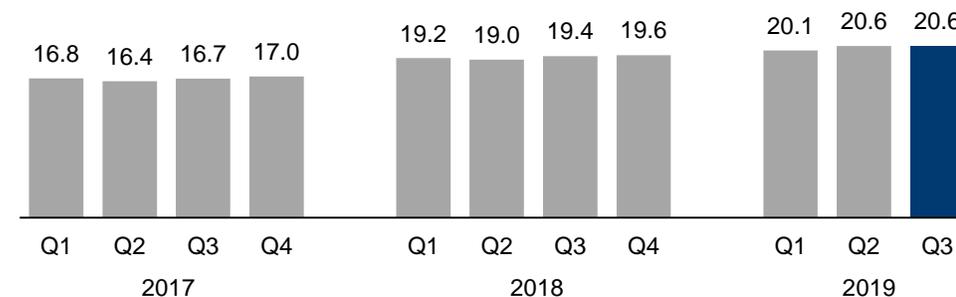


Source: Dubai Financial Market

## Business Segments by Assets (September 2019)



## Total Quarterly Assets (in AED bn)



Source: DI Management & DI Financial Consolidated Report

# Board of Directors - A Well Seasoned and Experienced Team



## **Chairman – Sohail Bin Fares Al Mazrui**

Mr. Sohail Al Mazrui has wide experience in Petroleum Engineering and executive experience in the Oil Industry. He is the former CEO of Abu Dhabi National Oil Company (ADNOC) as well as the former CEO and Chairman of Aabar. He holds a degree in Petroleum Engineering and currently is also a Board member of Invest Bank as a Vice Chairman



## **Managing Director & 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, 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



## **Vice Chairman– Hussain Mahyoob Sultan Al Junaidy**

Mr. Hussain Al Junaidy has been the Chairman and CEO of various companies in the Oil and Gas Industry. He is also the founder and former Group CEO of Emirates National Oil Company (ENOC). He holds a Bachelor of Science in Civil Engineering and is a Chartered Civil Engineer. He is also a Business graduate from School of Business, University of Pittsburg, USA



## **Director –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



## **Director – Ali Fardan Ali 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 – Mr. 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



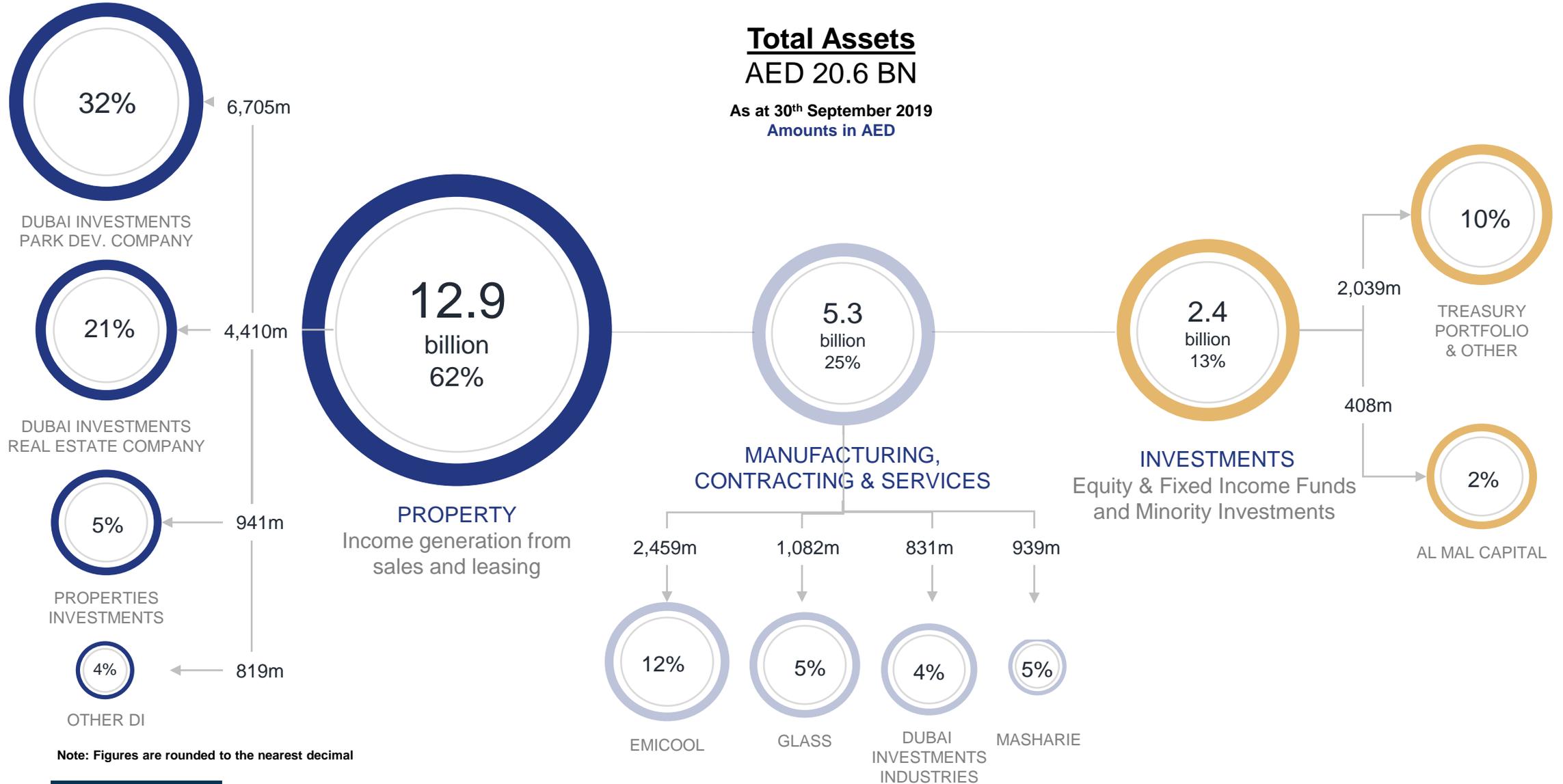
## **Director – Mohamed Saif Darwish Ahmed Al Ketbi**

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

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

**Total Assets**  
AED 20.6 BN

As at 30<sup>th</sup> September 2019  
Amounts in AED



Note: Figures are rounded to the nearest decimal



\*Percentages highlighted above relate to Q3 2019 total assets

# Property Segment – Development of Real Estate For Sales and Leasing

## Property

### Dubai Investment Park



- A self-contained mixed-use industrial, commercial and residential complex.
- Total area of 2,300 hectares – 98% leased
- Includes schools, medical centers, retail complexes, hotels and restaurants, offices and showrooms

### DIRC\*



- Established in 2006 – developer of high quality, residential, commercial and industrial assets
- Developed several community projects including RITAJ in DIP with over c.2,000 apartments and the upcoming Mirdif Hills with around 1,500 apartments

### Properties Investments



- Formed in 2002 - involved in investment/development of prestigious residential and recreational projects including Green Community project in DIP
- Handed over Green Community 3 in DIP in 2019 (210 townhouses)

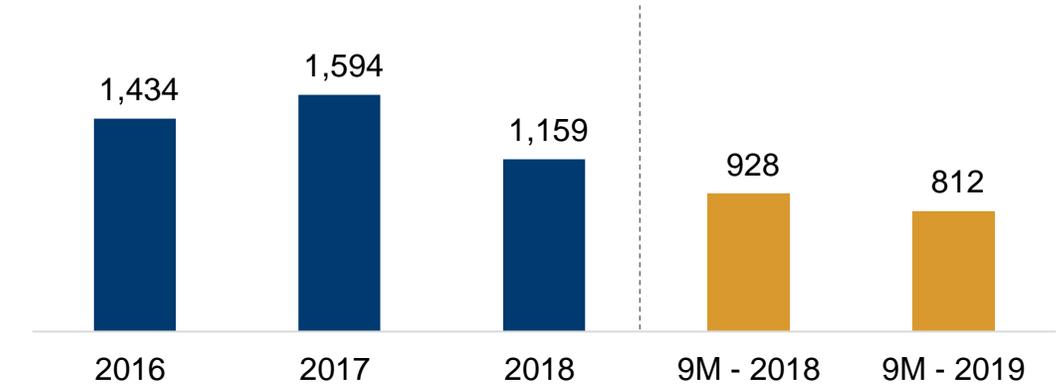
### Al Taif Investment



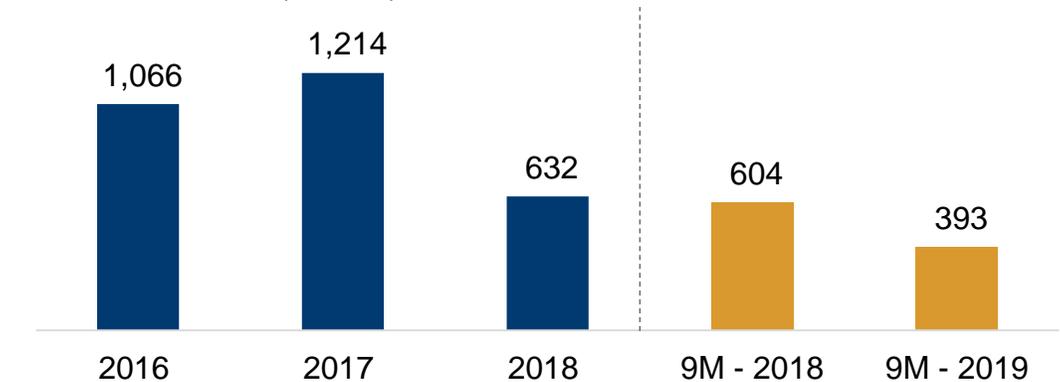
- Partnership between Dubai Investments and Government of Fujairah
- Developing mixed-use commercial and residential project in Fujairah

## Financial highlights (September, 2019)

### Total Income (AED'000)



### Attributable Profit (AED m)



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

## Manufacturing, Contracting & Services

### Emicool



- District cooling company that provides clean, efficient and innovative solutions to a number of communities in the UAE.
- DI acquired the remaining 50% stake controlled by Union Properties in 2018

### Glass LLC.



- Premium quality glass solutions; manufacturing high-end architectural glass and float laminated glass
- Operates 5 subsidiaries in the UAE and KSA
- Emirates Float Glass, a subsidiary, is UAE's largest glass manufacturing facility with capacity of 600t/day

### DII\*



- Greenfield investment arm of DI across diversified industry sectors including education and healthcare
- Established University of Balamand in DIP in 2018
- Acquired 66% stake in Globalpharma in 2019

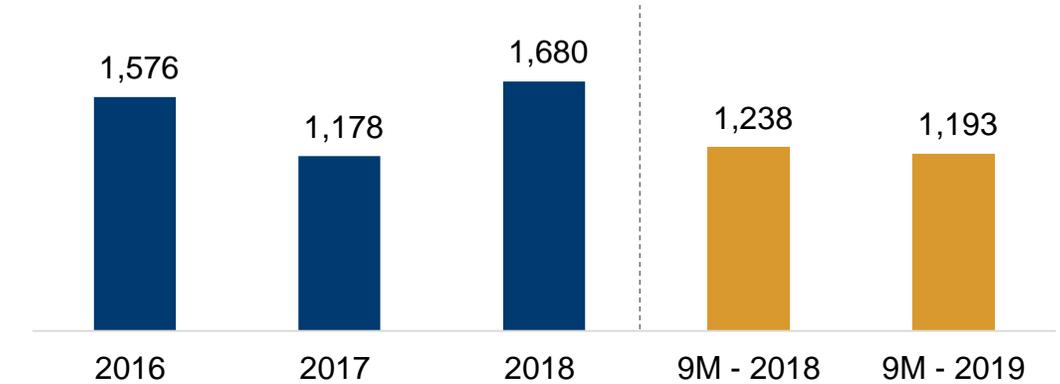
### Masharie



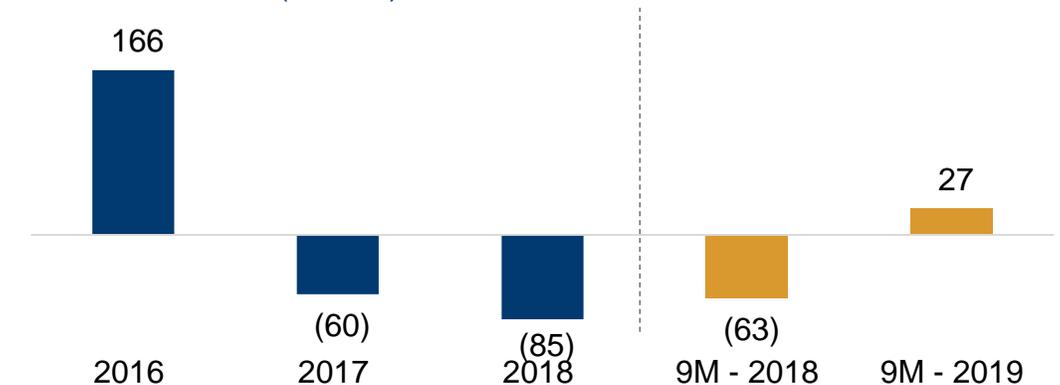
- Investments in medium and large-sized companies operating in construction materials, contracting, interior design and related activities
- Divested its investment in Dubai International Driving Center LLC in 2018

## Financial highlights (September, 2019)

### Total Income (AED'000)



### Attributable Profit (AED m)



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

## Financial Investments

### Al Mal Capital



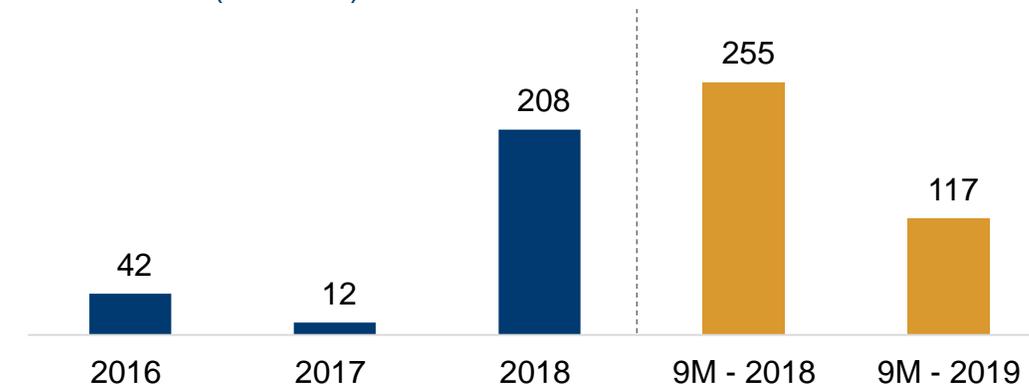
- A diversified, multi-line investment company offering a wide range of investment products and services encompassing Investment Banking and Asset Management
- Currently, DI owns 66.61% stake in Al Mal Capital

### Other Investments

- Other investments in equity securities, funds, bonds and sukuku

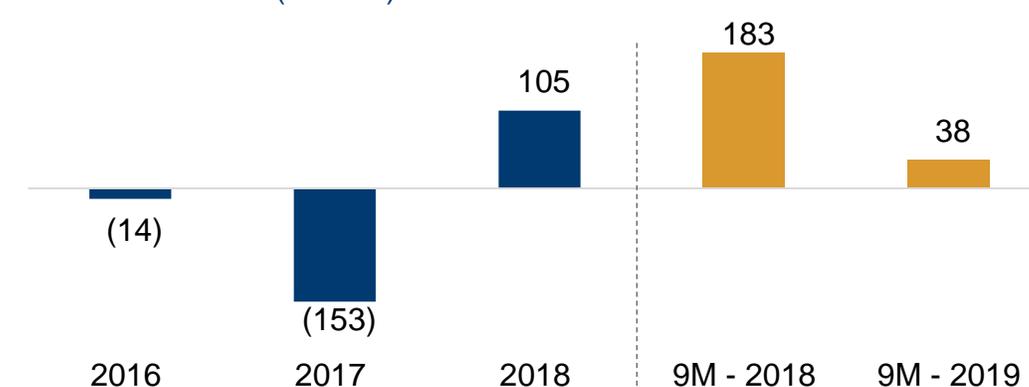
## Financial highlights (September, 2019)

### Total Income (AED'000)



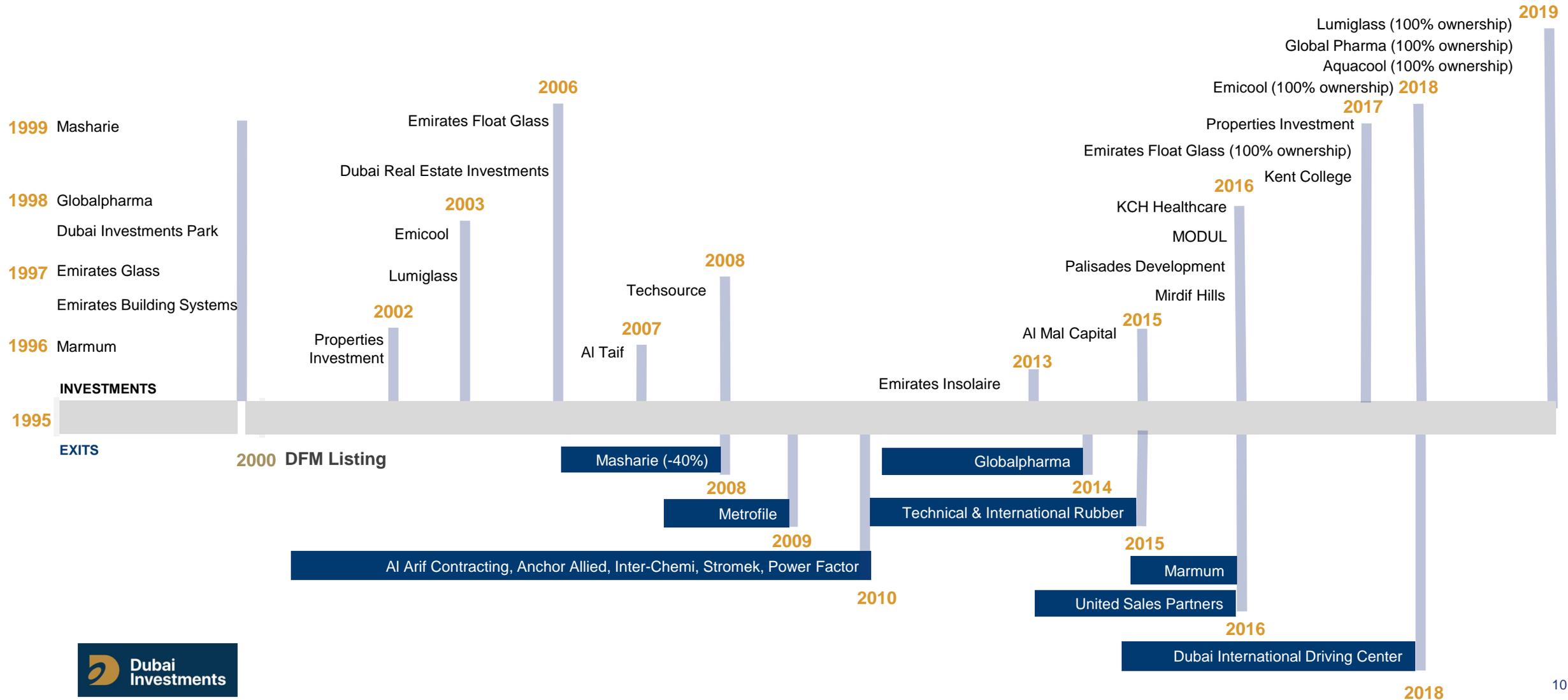
FY18 is lower than 9M 2018 due to significant losses on FV of Inv. In Q4 2018

### Attributable Profit (AED m)



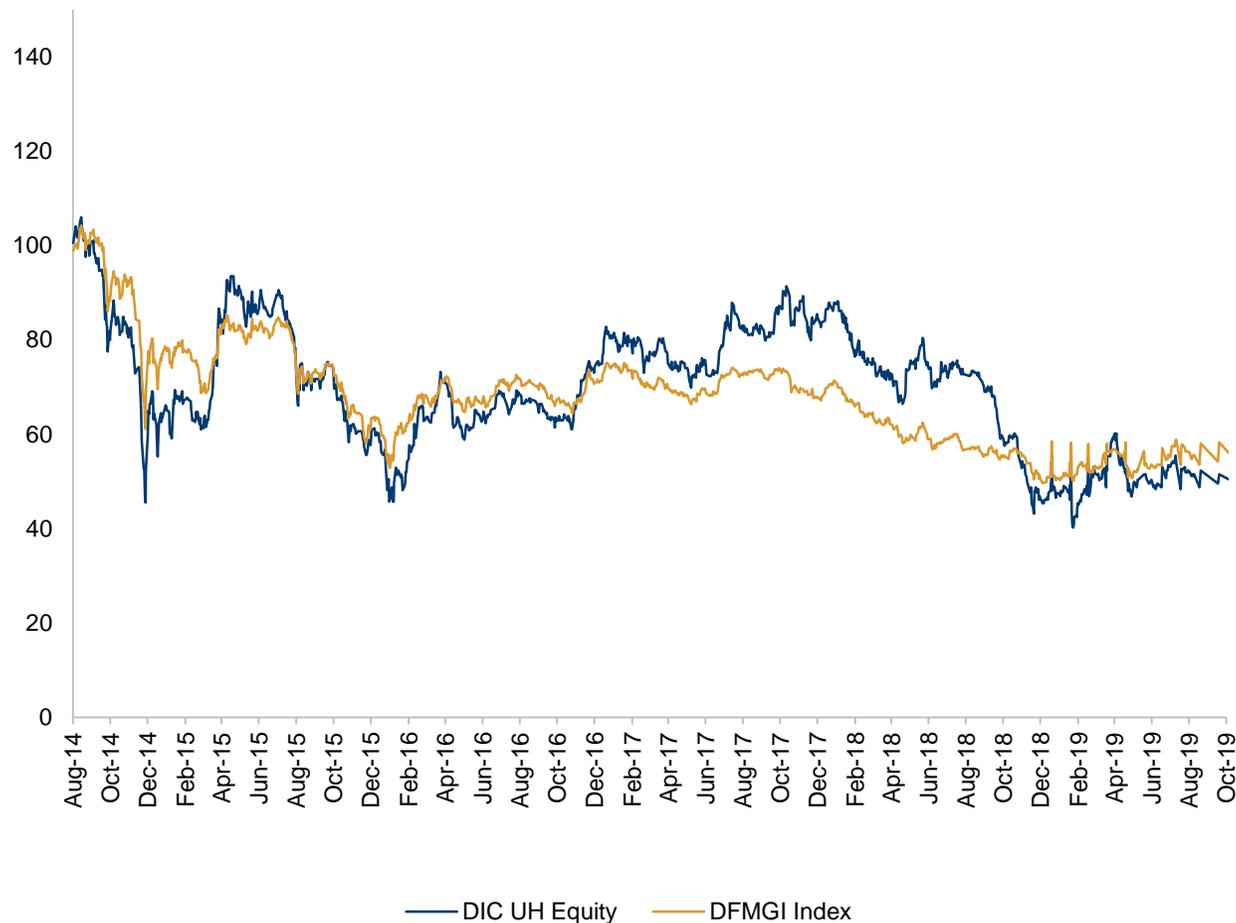
# 22 Years of Building Businesses and Creating Shareholder Value

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

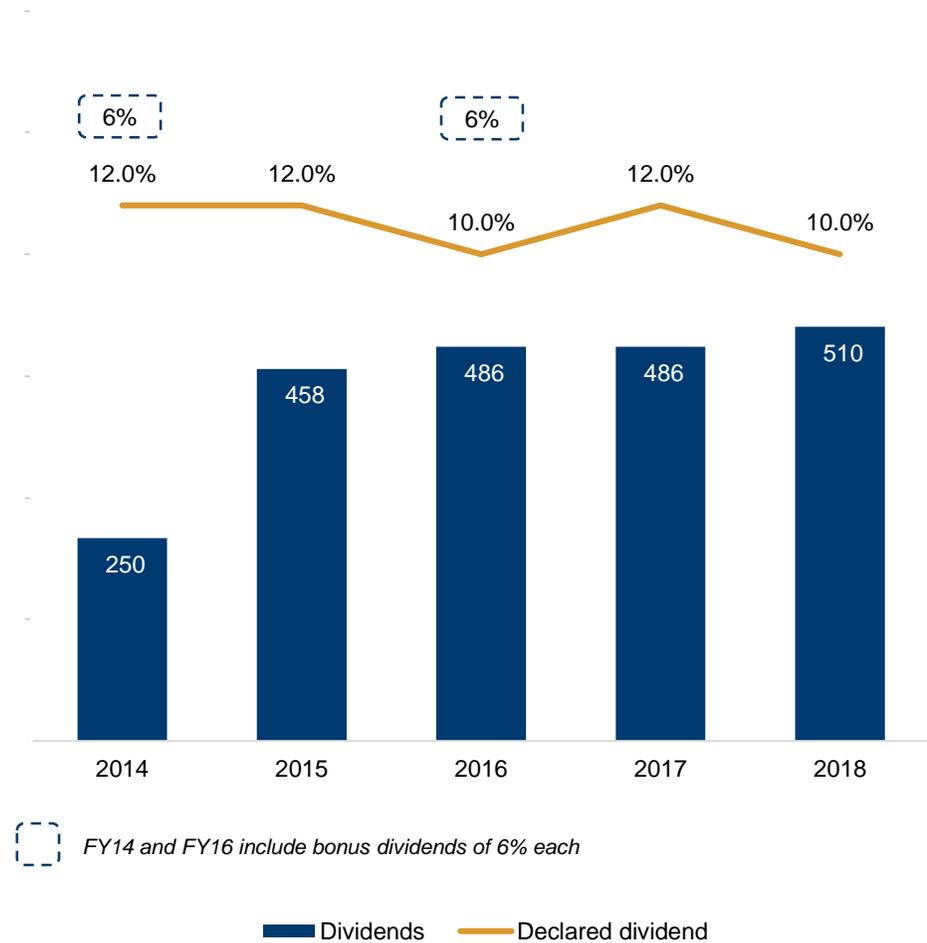


# Consistent Dividend Paying Company

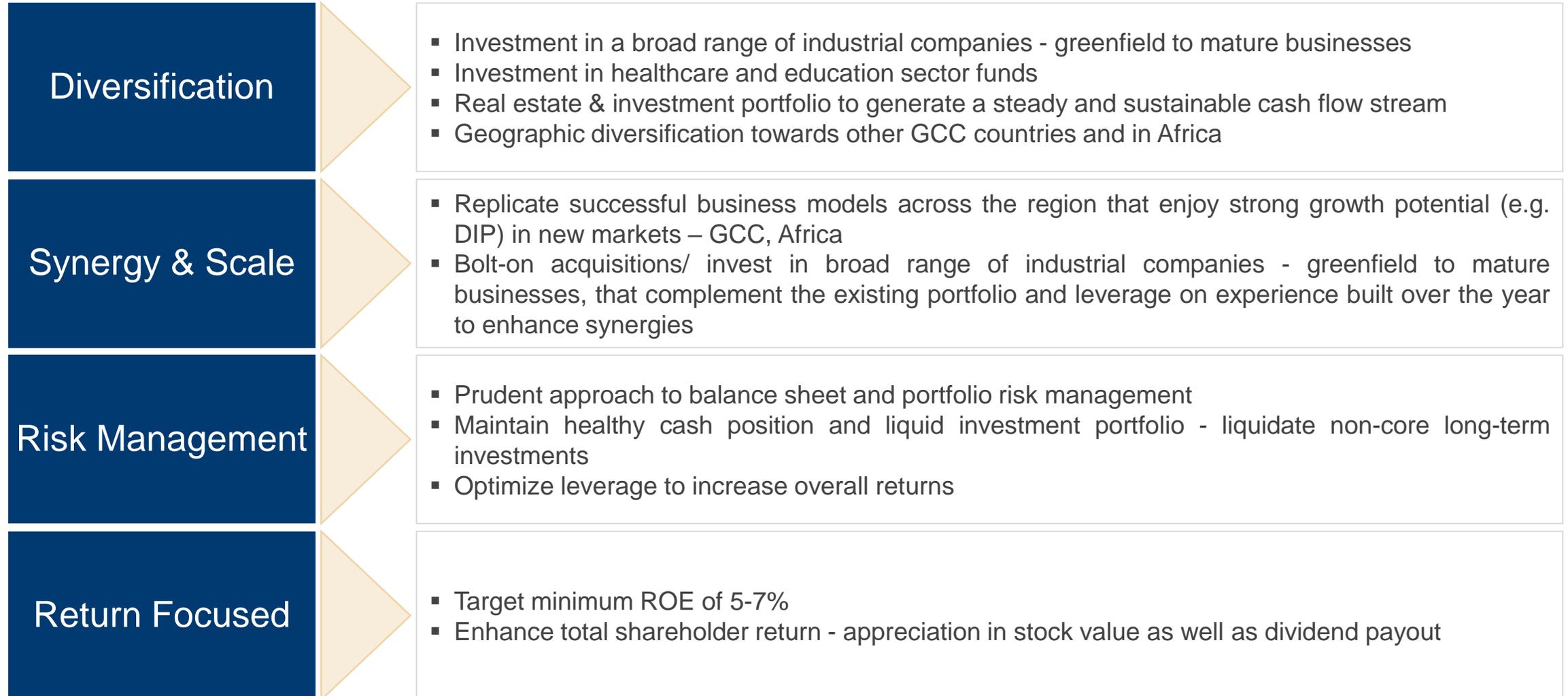
2014 to date – DI share price vs. DFM Index



Dividends (AED million) and Dividend declared



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

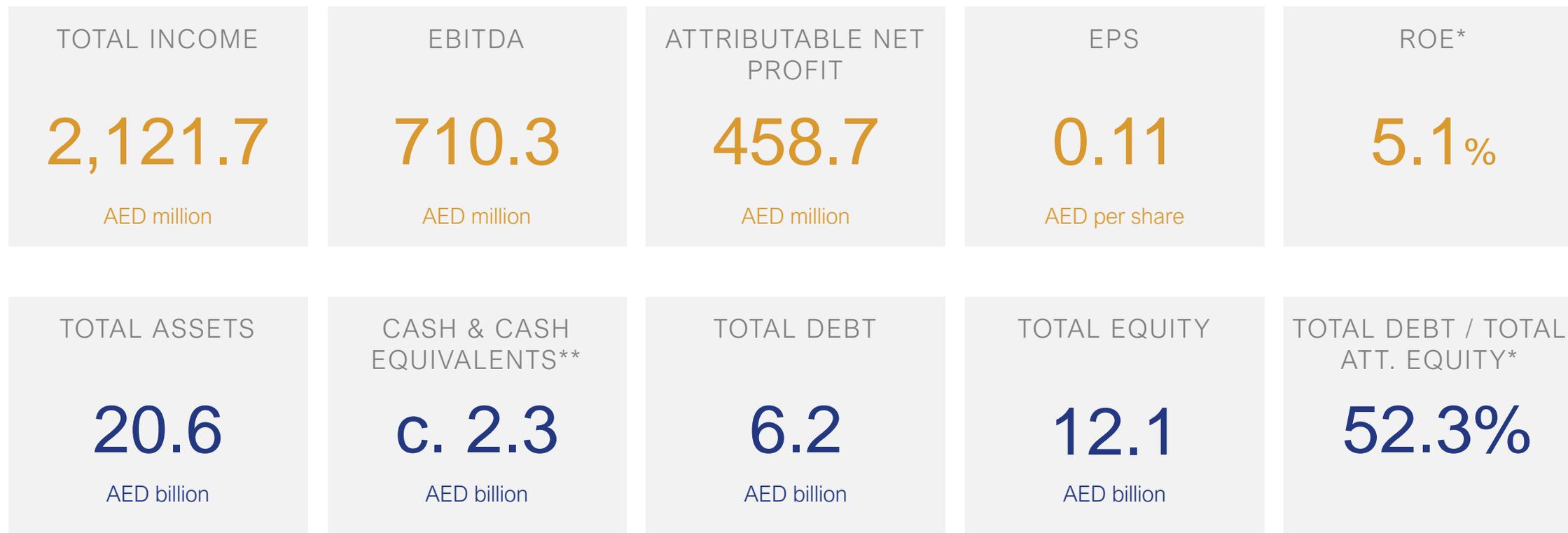


## Management Summary – 9M 2019 Financial Highlights

---



# 9M 2019 – Financial Performance: Strong and profitable company



\* Annualized Attributable to Owners of the Company

\*\* Includes Cash and Investments through P&L

Note: Figures are rounded to the nearest decimal

# Key Messages – 9M 2019 (Nine month period ended 30<sup>th</sup> September 2019)

## Group Result

- Total Income reached AED 2,121.7million for 9M 2019 as compared to AED 2,421.2 million for 9M 2018. Excluding the one-time gains from acquisitions and FV of Investment Properties, Total Income increased by 69.8 million mainly on account of consolidation of Globalpharma, improvement within the Glass sector and better performance of its investment portfolio
- EBITDA for 9M 2019 amounted to AED 646.5 million while profit attributable to shareholders remained healthy - AED 458.7 million
- Total Assets reached AED 20.6 billion, growing primarily due to consolidation of Globalpharma and adoption of IFRS 16. The Group maintained healthy cash balance of c. AED 870 million and Investments through P&L of c. AED 1,407 million as at 9M 2019

## Portfolio

- Despite the volatility in the real estate sector, Rental income remained resilient in 9M 2019 at AED 680.6 million, at relatively similar levels as compared to the same period in the prior year - DIP continues to remain a flagship asset contributing c.86% of total rental income in 9M 2019
- Scaling down of non-profitable businesses contributed to lower contract revenues from contracting sector
- Key events in 9M 2019:
  - Acquisition of additional 40% and 24.3% in existing subsidiaries Aquacool Metering LLC and Lumiglass LLC respectively. Upon acquisition, these are now 100% subsidiaries of DI.
  - Acquisition of additional 66% equity in Globalpharma, now a wholly owned subsidiary
  - Adoption of IFRS 16 accounting policy
  - Repayment of Sukuk Notes amounting to USD 300 million by availing bilateral term loan facility

## Real Estate Projects

- Mirdif Hills project passed 50% milestone - announced partnership with Millennium Hotels & Resorts MEA to build Copthorne Creek Hotel with expected handover in 2020
- Commenced construction of Fujairah Business Centre being developed by Al Taif Investment.
- Dubai Investments started infrastructure work on Palisades project with in DIP

# 9M 2019 KPIs: Resilient performance with strong growth in EBITDA

Income and Earnings (AED m)

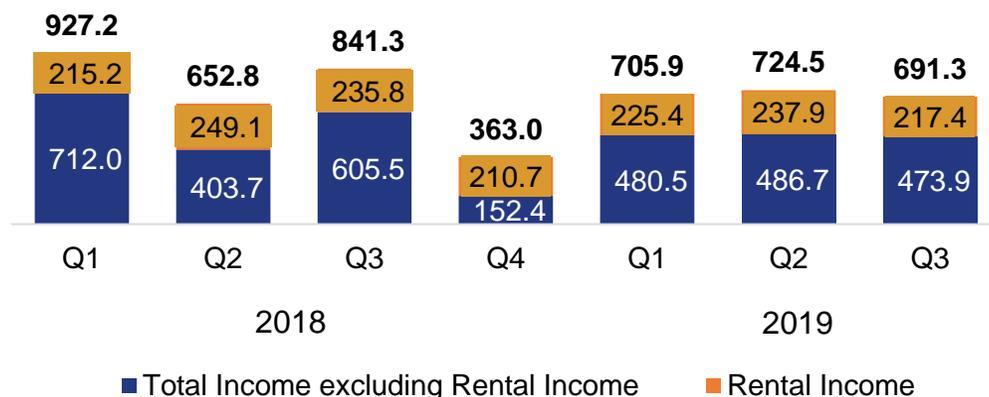
Consolidated Financials	9M 2019	9M 2018	y-o-y (%)
<b>Total income</b>	<b>2,121.7</b>	<b>2,421.2</b>	<b>-12.4%</b>
Total expenses*	(1,757.0)	(1,828.6)	-3.9%
<b>Attributable profit</b>	<b>458.7</b>	<b>724.3</b>	<b>-36.7%</b>
<b>EBITDA</b>	<b>710.3</b>	<b>879.9</b>	<b>-19.3%</b>
EPS (AED)	0.11	0.17	-35.3%
ROE % <sup>#</sup>	5.1%	7.9%	-35.0%
ROA % <sup>#</sup>	3.0%	5.0%	-40.3%

\* Includes Direct Operating Costs, S.G.&A. and Finance Expenses  
 # Annualized Attributable to Owners of the Company

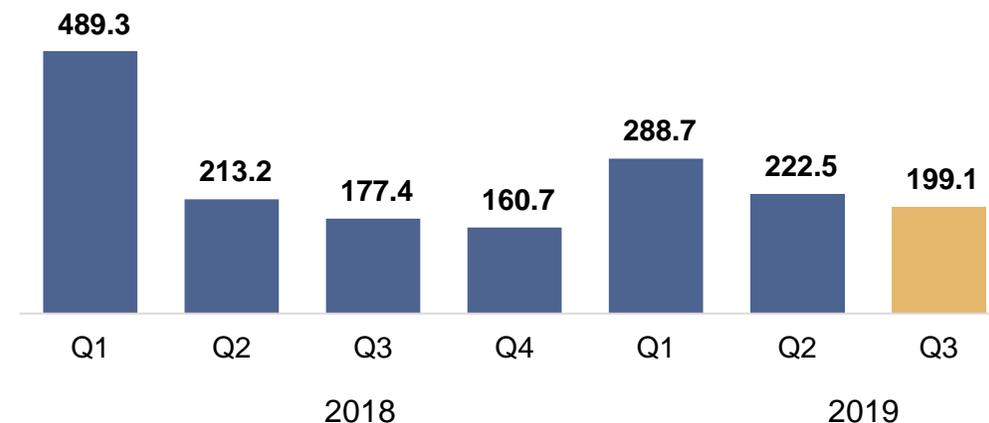
Note: Figures are rounded to the nearest decimal

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

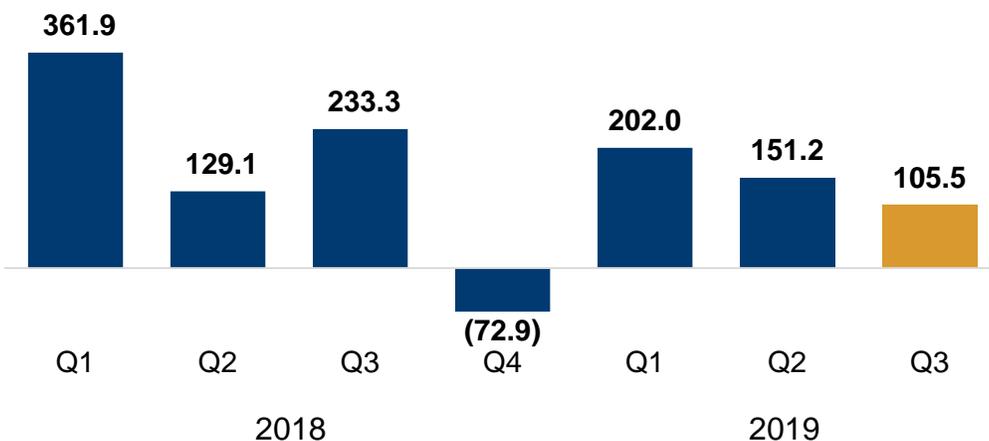
## Total Income and Rental Income (AED m)



## EBITDA (AED m)



## Attributable Profit (AED m)



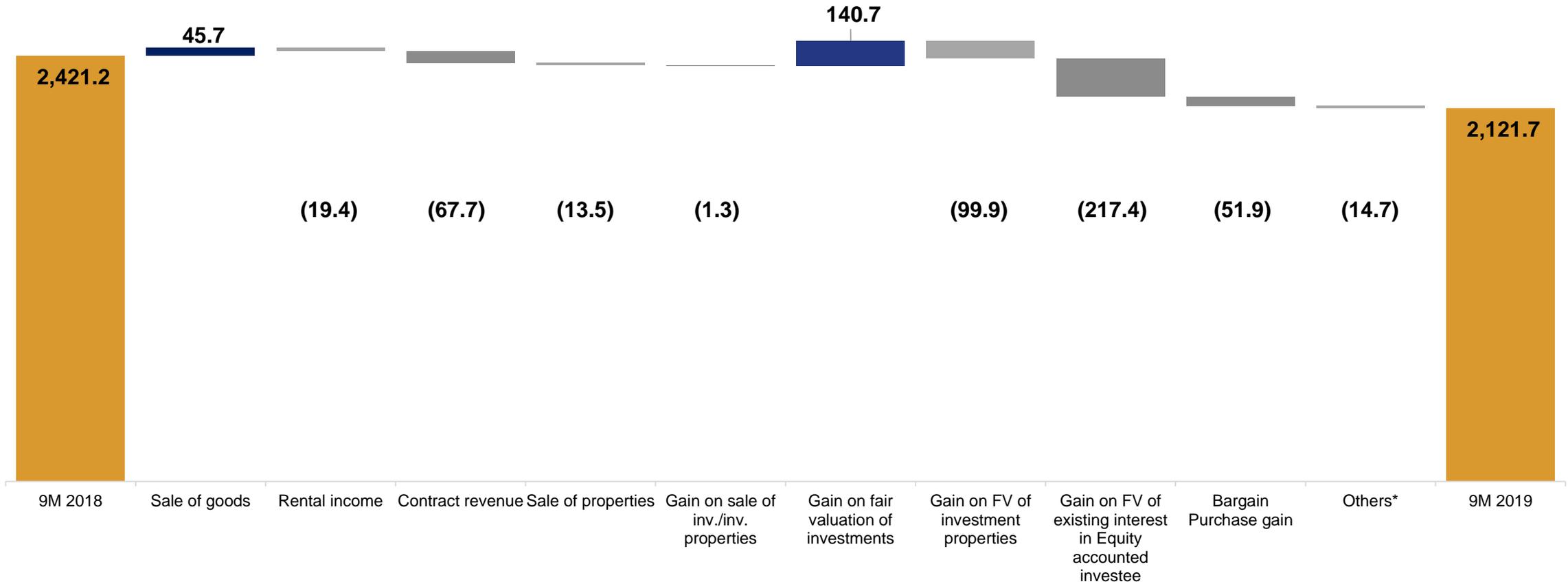
Note: Figures are rounded to the nearest decimal

## Key Highlights

- Excluding FV gains on Inv. Properties, Total Income in Q3 2019 (as compared to Q3 2018) has remained consistent
- Rental Income remains resilient (despite slow market conditions within the real estate sector) representing 31.4% of Total Income during Q3 2019
- Rental Income from DIP continues to remain robust – c. 86% of total Rental Income in Q3 2019
- EBITDA in Q3 2019 has improved vis-à-vis Q3 2018 due to better operating performance and overall cost optimization
- Except Q4 2018, where the Group incurred fair valuation losses on investments and properties, the profit attributable to shareholders has remained robust

# Total Income Movement Year-on-Year

Total Income Bridge (AED m)

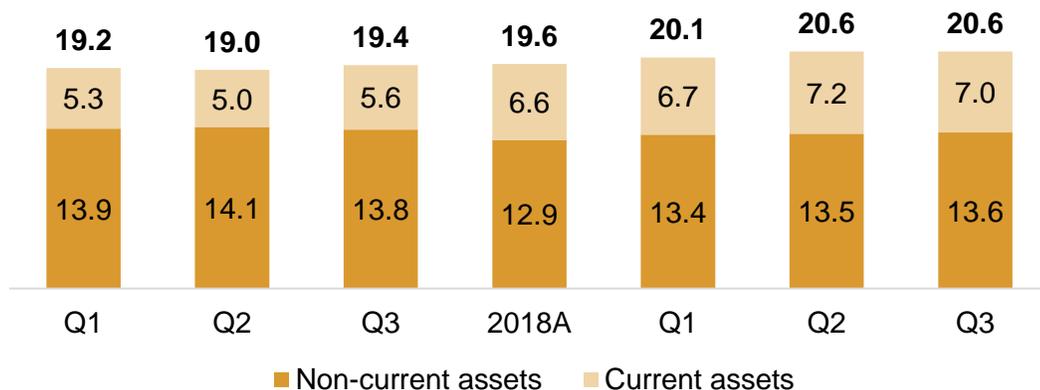


\*Others include dividend income and share of profit/loss from equity accounted investees

Note: Figures are rounded to the nearest decimal

# Growth in assets and liabilities mainly due to acquisitions made by DI

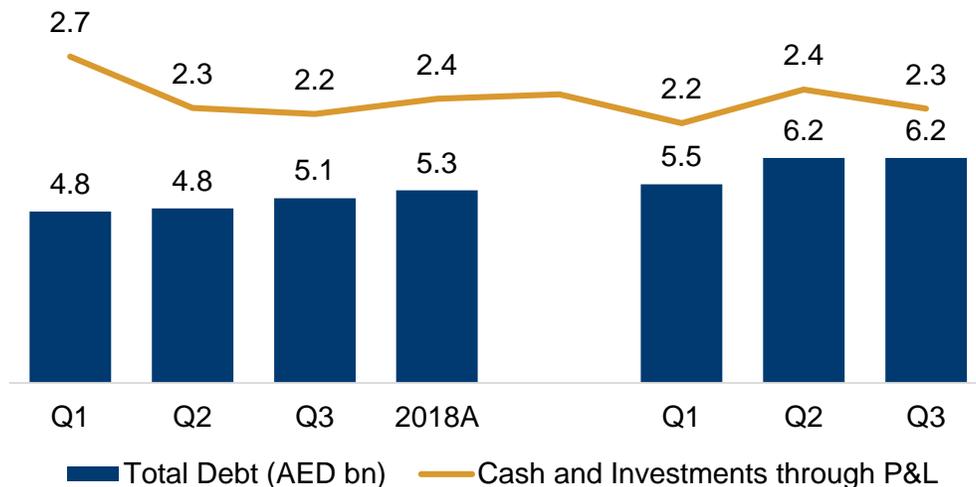
## Total Assets (AED bn)



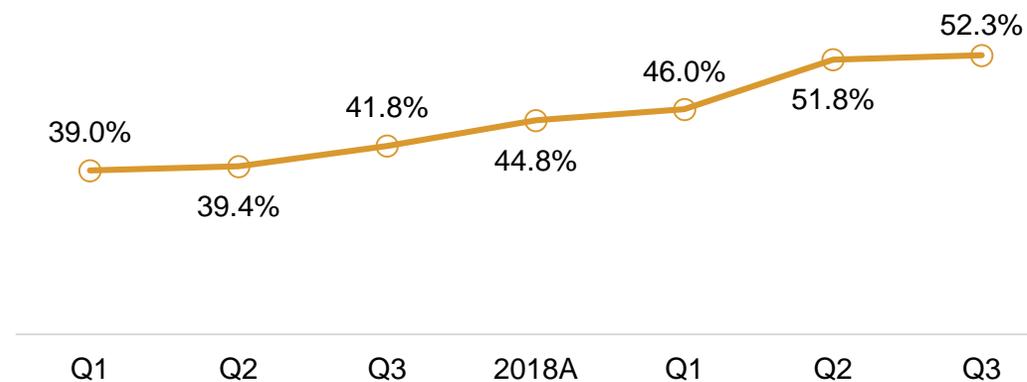
## Total Liabilities & Total Equity (AED bn)



## Total Debt and Total Cash & Inv. through P&L (AED bn)



## Total Debt / Total Attributable Equity\* (%)

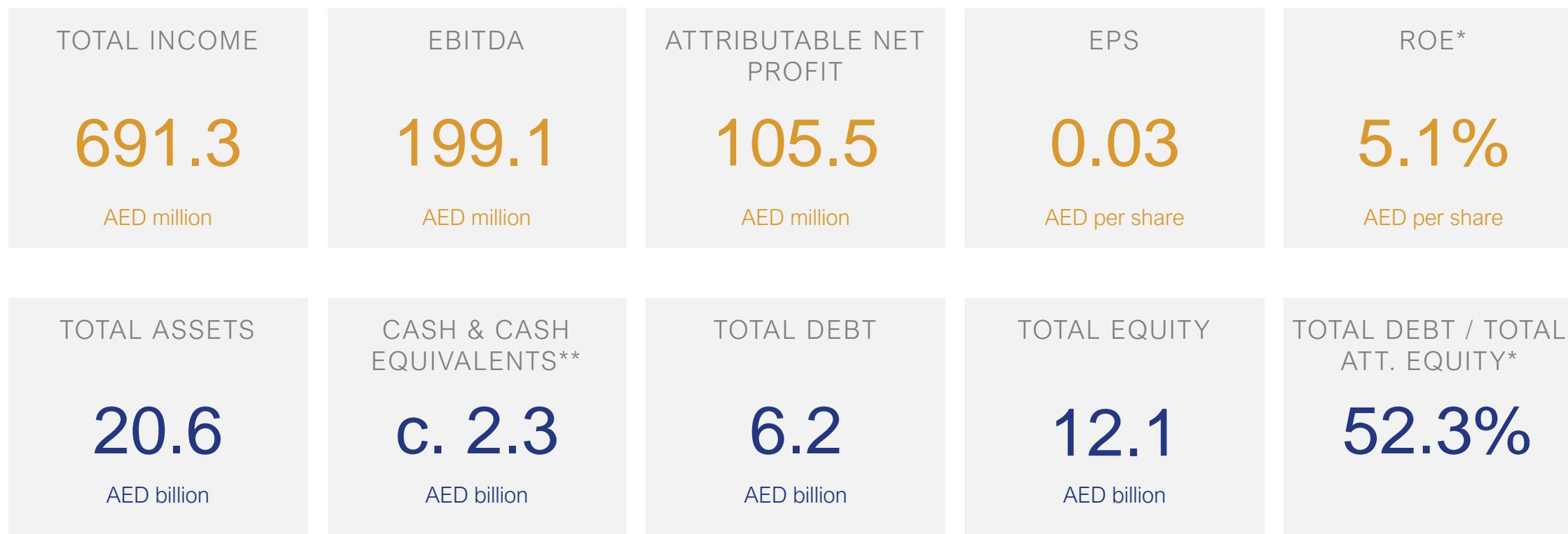


## Management Summary – Q3 2019 Financial Highlights

---



# Q3 2019 – Financial Performance: Strong and profitable company



\* Annualized Attributable to Owners of the Company

\*\* Includes Cash and Investments through P&L

Note: Figures are rounded to the nearest decimal

# Q3 2019 KPIs: Growth in core segments & cost efficiencies driving the increase in EBITDA

Income and Earnings (AED m)

Consolidated Financials	Q3 2019	Q3 2018	y-o-y (%)
<b>Total income</b>	<b>691.3</b>	<b>841.3</b>	<b>-17.8%</b>
Total expenses*	-612.2	-664.1	-7.8%
<b>Attributable profit</b>	<b>105.5</b>	<b>233.3</b>	<b>-54.8%</b>
<b>EBITDA</b>	<b>199.1</b>	<b>177.4</b>	<b>12.2%</b>
EPS (AED)	0.03	0.05	-40.0%
ROE % <sup>#</sup>	5.1%	7.9%	-35.0%
ROA % <sup>#</sup>	3.0%	5.0%	-40.3%

\* Includes Direct Operating Costs, S.G.&A. and Finance Expenses

# Annualized Attributable to Owners of the Company

Note: Figures are rounded to the nearest decimal

## Outlook & Guidance

---



# Outlook and Guidance for FY 2019

## Total Income & Net Profit

- Continue to generate steady income, backed by recurring cash flow & rental income streams with growth in net profitability
- Focus on monetizing available land bank to perform through the market cycles and enhance revenues and profitability
  - Complete and handover of Mirdiff Hills developments in phases commencing Q1 2020
  - Sell/Lease the townhouses built as a part of Green Community Phase 3
  - Complete construction of Al Taif mixed-use project (Fujairah): Expected in 2020

## Expansion

- Establish Al Mal REIT, DI will become the anchor shareholder of a Real Estate Investment Fund managed by Al Mal Capital
- Diversify business segments - focus on healthcare and education:
  - Complete construction of Clemenceau Medical Centre, ramp-up operations in the newly established KCH Healthcare; expansion of school network in Africa through Africa Crest Education
- Strengthening financial services portfolio by investing as an anchor investor in the newly launched Arkan bank in DIFC (under formation)

## Shareholder Returns

- ROE between 5-7%
- Divest stake in Emicool to enhance shareholder value
- Maintain attractive dividend return profile for shareholders

# 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)

# Recognitions and Awards



**EMICOOL**

Emicool receives two Idea District Energy Awards marking 9th consecutive year win



Al Mal Capital PSC named 'UAE Asset Manager of the Year' at Mena Fund Manager Performance Awards



Dubai Investments Real Estate Wins Global Infrastructure Congress Recognition Award



Emirates Float Glass won the Industrial Development Bureau Award

## Portfolio Information – Flagship Assets

---



# 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>
9M 2019 INCOME <b>584</b> AED million	COMMERCIAL <b>8%</b>



Note: Figures are rounded to the nearest decimal

# Emicool – The Leading District Cooling Provider



ESTABLISHED

2003

CUSTOMERS

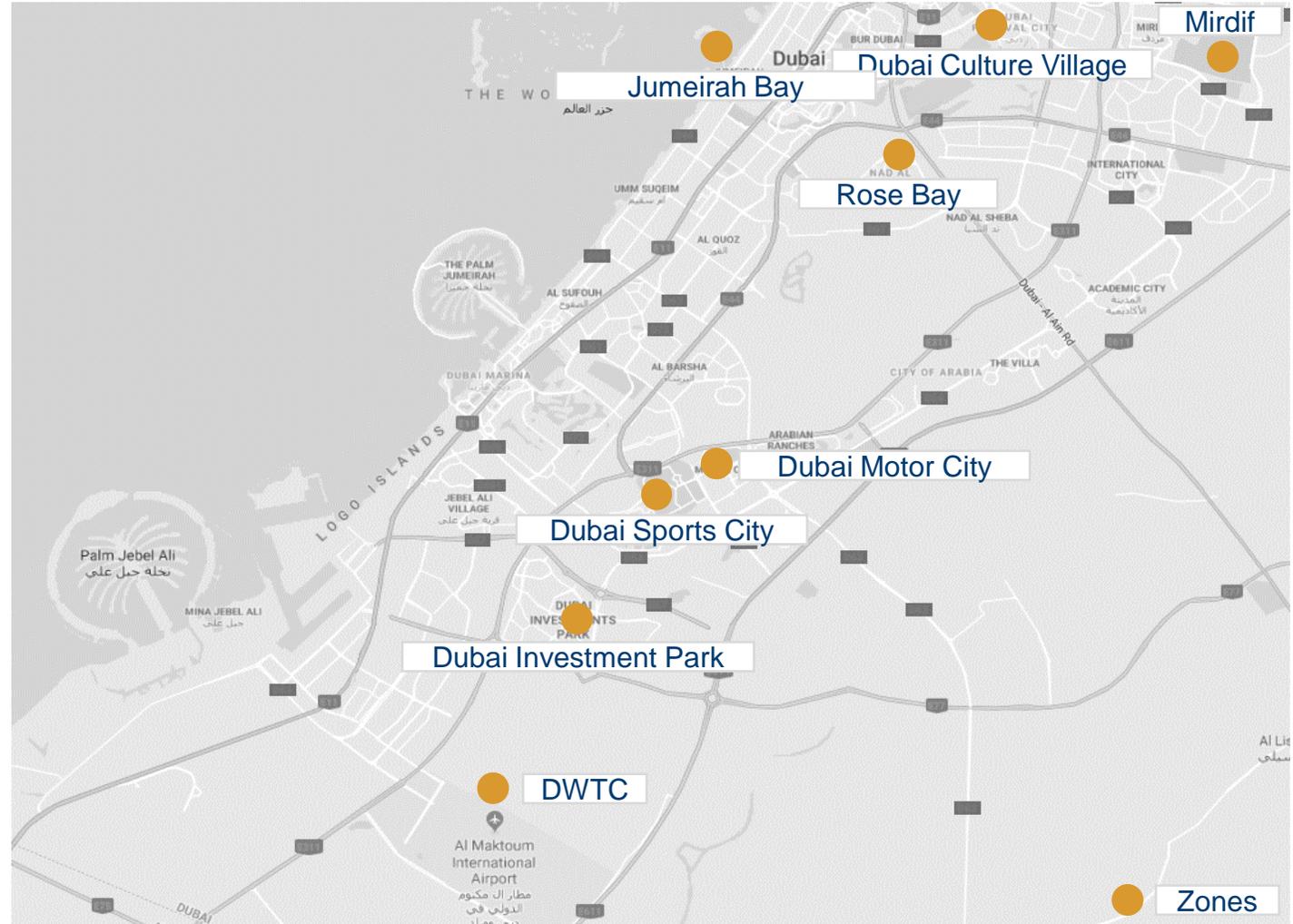
~20,000

EMPLOYEES

~250

ZONES

~8



Note: Figures are rounded to the nearest decimal



# 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)

Note: Figures are rounded to the nearest decimal

# 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.