

# Dubai Investments PJSC Q1 2017 Investor Presentation



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## Management Summary

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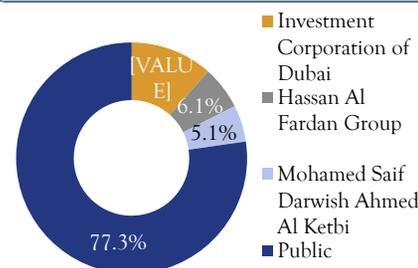


# Largest Listed Investment Company on DFM with Market Cap. of c. AED 10 Bn

Dubai Investments Overview – Total Assets of over AED 16 billion with 17,500 shareholders

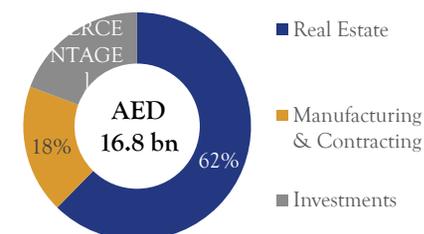
- DI was established in 1995 as an onshore investment company; paid-in capital of approx. AED 4 billion
- An incubator of industrial and manufacturing businesses into the country, DI has an active management of a diversified **portfolio of over 40 subsidiary companies** with more than 3,800 employees
- Operates in real estate, manufacturing, contracting and investment businesses:
  - Undertakes real estate projects – development/leasable assets
  - Manufactures and sells materials used in construction projects
  - Executes construction contracts
  - Produces and distributes pharmaceuticals, aluminum, extruded products and laboratory furniture
  - Invests in new ventures and initial public offers, bonds, funds and equities
- Long-term play on infrastructure growth and industrial development that generates attractive shareholder returns through market cycles

**Shareholders**

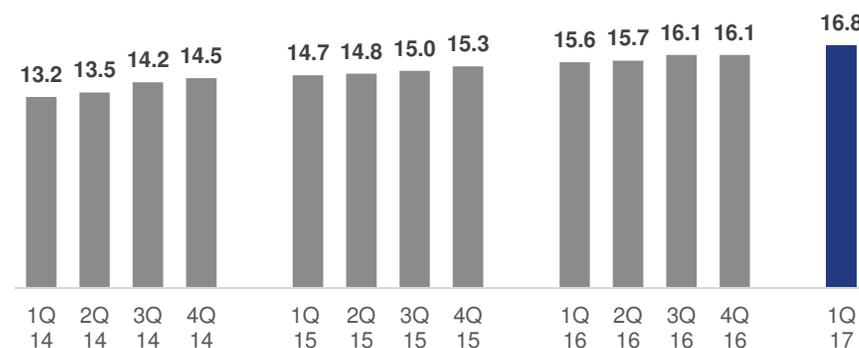


Source: DI Management

**Business Segments by Assets (Q1 2017)**

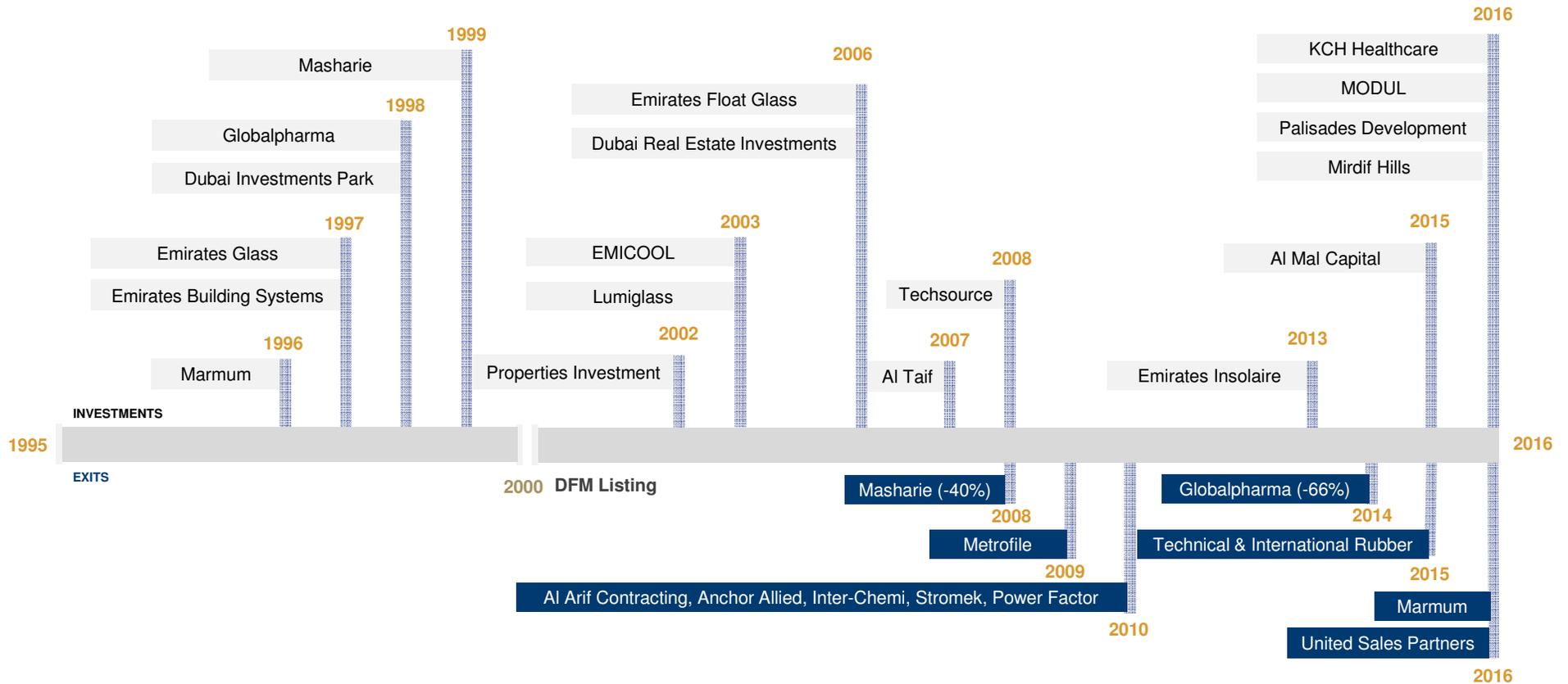


**A Consistently Growing Asset Base (in AED Bn)**



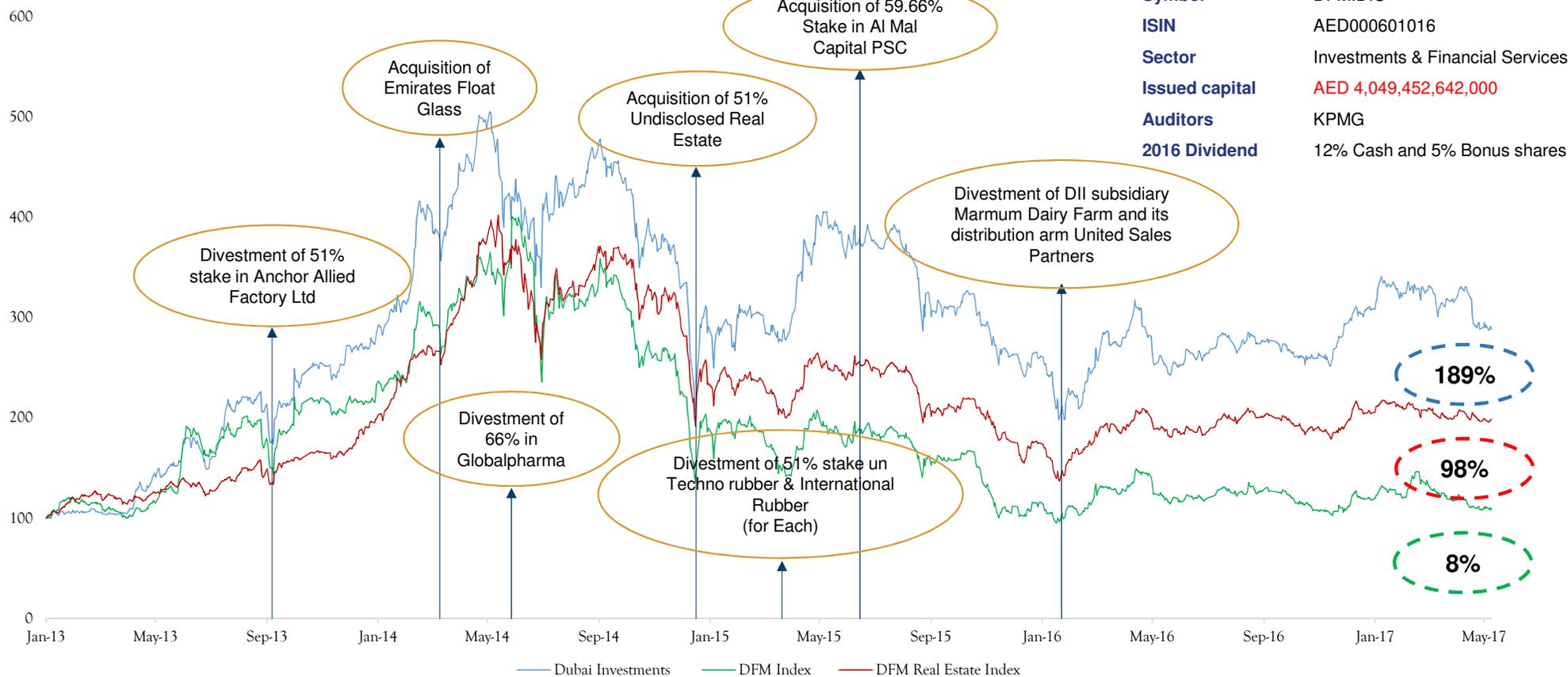
# 22 Years of Building Businesses and Creating Shareholder Value

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



# Significantly Outperformed both DFM Index and Real Estate Index

DI has been enhancing shareholder returns



<b>Exchange</b>	Dubai Financial Market
<b>Symbol</b>	DFM:DIC
<b>ISIN</b>	AED000601016
<b>Sector</b>	Investments & Financial Services
<b>Issued capital</b>	AED 4,049,452,642,000
<b>Auditors</b>	KPMG
<b>2016 Dividend</b>	12% Cash and 5% Bonus shares

# Board of Directors



## Chairman – Suhail Bin Fares Al Mazrui

Suhail Bin Fares Al Mazrui holds a University Degree in Petroleum Engineering. He has a 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 ex-CEO and Chairman of Aabar. He is presently a Member on the Board of Abu Dhabi Securities Exchange. Mr. Al Mazrui has been on the Board of Directors of Dubai Investments PJSC since its inception in 1995 and Chairman since 2010



## Director – Mohamed Saif Darwish Ahmed Al Ketbi

Mohamed Al Ketbi has a degree in Business Administration majoring in Business Management. His area of expertise is in Investments & Projects, Business Development, Real Estate and the Hospitality Sectors. He is currently the Vice Chairman of Danat El Emarat Women & Children's Hospital Project and a Board Member of Tasweek Real Estate Company and Board member of AHI-Carrier FZC. Mr. Mohamed Saif Darwish Ahmed Al Ketbi has been a member of the Board of Directors of Dubai Investments PJSC since 2010



## Managing Director & CEO – Khalid Jassim Bin Kalban

Khalid Kalban has a degree in Business Management from U.S.A. and also majored in management at the Metropolitan State College, U.S.A. His extensive experience covers the industrial, financial, investment and real estate sectors. He currently holds many important positions including, Managing Director and Chief Executive Officer of Dubai Investments PJSC since 1998, member of the Board of Directors of National General Insurance PJSC and Thuraya Telecommunication Company. Presently he is also the Chairman of Union Properties PJSC



## Director – Hussain Mahyoub Sultan Al Junaidy

Hussain Mahyoub Sultan is a Bachelor of Science in Civil Engineering as well as a Chartered Civil Engineer. He is also a graduate of the School of Business, University of Pittsburg, USA. In the past he has been the Chairman and CEO of a number of companies in the oil and gas industry. He was also the ex-founder and Group CEO of Emirates National Oil Company (ENOC). Mr. Al Junaidy has been on the Board of Dubai Investments PJSC since its inception in 1995 and Vice Chairman since 2010



## Director – Ali Fardan Al Fardan

Ali Fardan is a Bachelor of Science in Management and Information System. He has been involved with Real Estate Management, Property Investments, Capital Investment Management and Hospitality Management. Mr. Ali Al Fardan is the Vice Chairman of Al Fardan Group, Dubai, CEO of First Investor LLC, Managing Director of Al Fardan Real Estate etc. He is on the Board of Directors of Union Properties PJSC as well as Commercial Bank of Dubai. Mr. Ali Fardan Al Fardan joined the Board of Directors of Dubai Investments PJSC in 2002



## Director – H.E. Abdulrahman Ghanem A. Al Mutaiwee

H.E. 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 Ambassador of the UAE 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.



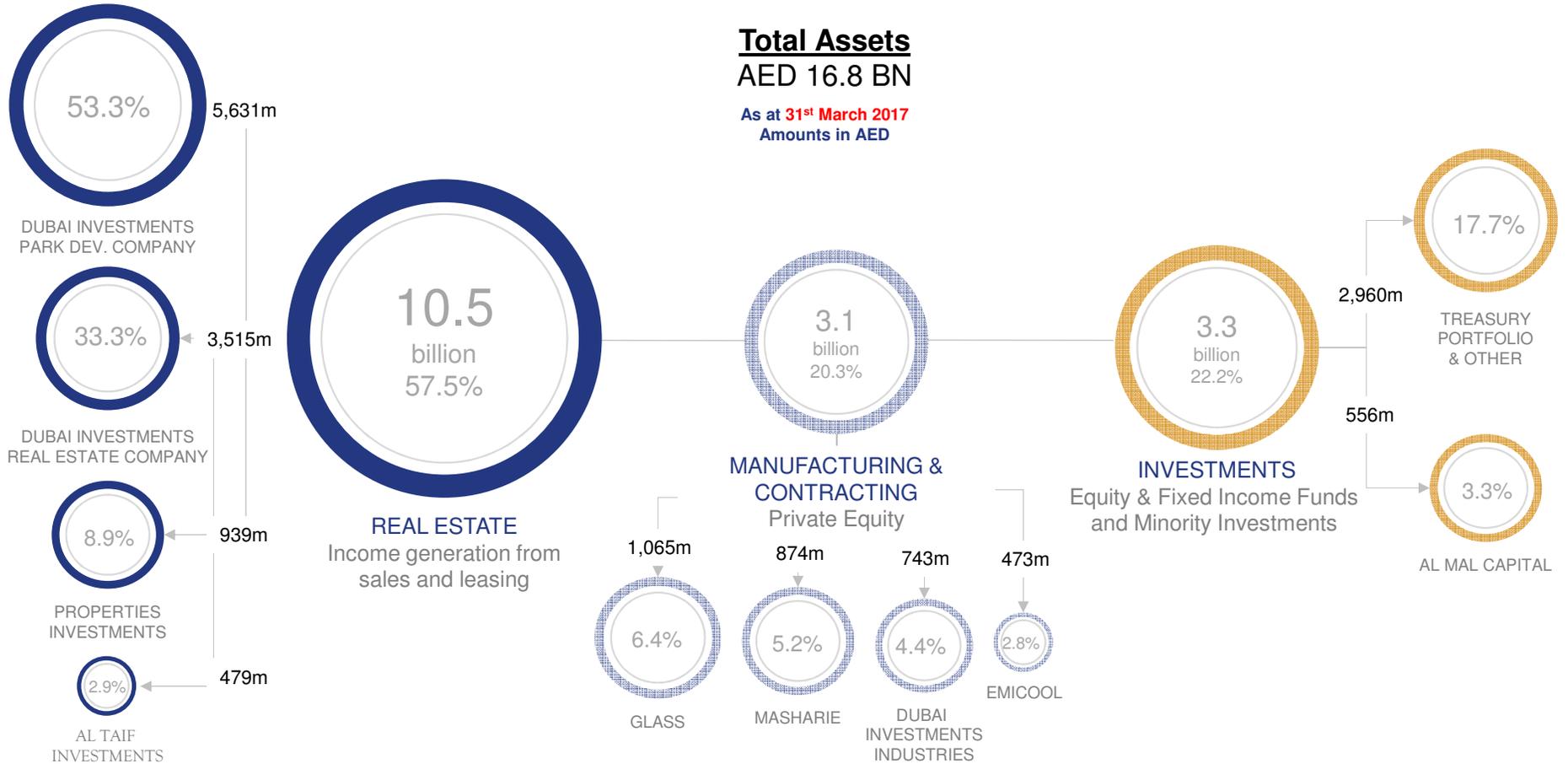
## Director – Mr. Khaled Mohammad Al Kamda

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

# Diversified Portfolio of Assets, with a Focus on Real Estate

## Total Assets AED 16.8 BN

As at 31<sup>st</sup> March 2017  
Amounts in AED



## Flagship asset: Dubai Investments Park - a “City within a City”

TOTAL AREA <b>23</b> million m <sup>2</sup>	NET LEASE <b>17</b> million m <sup>2</sup>
LEASED PLOTS <b>~1,000</b>	INDUSTRIAL <b>60%</b>
LEASED <b>98%</b>	RESIDENTIAL <b>32%</b>
Q1 2017 INCOME <b>186</b> AED million	COMMERCIAL <b>8%</b>



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

## Diversification

- Investment in a broad range of industrial companies - greenfield to mature businesses
- Real estate & investment portfolio designed to perform through market cycles and generate a steady and sustainable cash flow stream
- Launch healthcare and education sector funds

## Synergy & Scale

- Synergistic investment portfolio across industry value chains
- Replicable business models to build scale (e.g. DIP) within the GCC/MENA region

## Risk Management

- Prudent approach to balance sheet and portfolio risk management
- Maintain healthy cash position
- Slowly increase leverage to increase overall returns

## Return Focused

- Target minimum ROE of 10%
- Strong focus on attractive dividend payout and total shareholder return

## Q1 2017 - Financial Highlights

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## Key Messages – Q1 2017

### Group Result

- Total income reach AED 697.2 million backed by continued growth in rental income as well as gain in fair valuation gain of investment properties
- Total assets of approx. AED16.8 billion with healthy cash balance

### Portfolio

- Growth in rental income by 8% in Q1 2016 (compared to Q1 2015), driven by increase in rental income at DIP – new companies being set-up and increase in sub-lease income
- Scale down of non-profitable businesses reduced income manufacturing and contracting sectors moderately

### Diversification

- Focus on education and healthcare sectors

### Real Estate Projects

- Mirdif Hills Project in Dubai, total project value of approximately AED 3 billion
- Expansion of Green Community West project (Phase 3) in DIP
- Fujairah Business Centre by Al Taif Investment with a total project value of AED 700 million
- Mixed-use Riyadh Investments Park in Saudi Arabia

## Q1 2017 – Financial Performance at a glance

TOTAL INCOME <b>697.2</b> AED million	TOTAL EXPENSES <b>(452.8)</b> AED million	EBITDA <b>149.8</b> AED million	NET PROFIT <b>288.9</b> AED million	EPS <b>0.07</b> AED per share
TOTAL ASSETS <b>16.8</b> AED billion	CASH <b>1.5</b> AED billion	TOTAL LIABILITES <b>4.6</b> AED billion	DEBT / EQUITY <b>15.5%</b>	ROE <b>10%</b>

## Q1 2017 – Key Performance Indicators

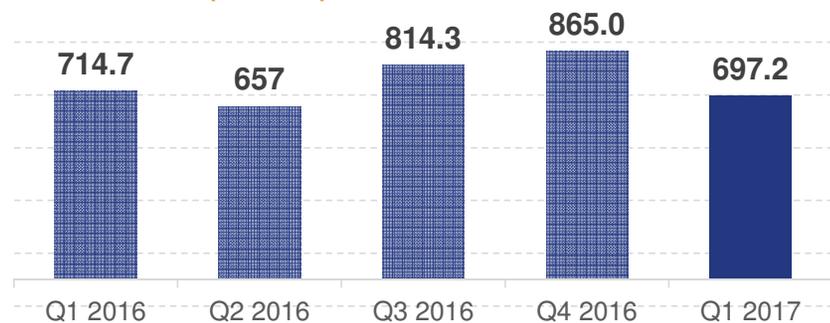
Income and earnings (AED m)

	Q1 17	Q1 16	q-o-q (%)
<b>Total income</b>	697.2	714.7	(2.4%)
Total expenses (Direct Operating Costs, S.G.&A, Finance Expenses)	(452.8)	(447.8)	(1.1)%
Profit for the period	275.5	291.6	(5.5%)
<b>Attributable profit</b>	<b>288.9</b>	<b>297.5</b>	<b>(2.9%)</b>
EBITDA	149.8	324.9*	(53.9%)
EPS (AED)	0.07	0.07	-
ROE %	10%	10.8%	-0.8%
ROA %	6.9%	7.6%	-11.9%

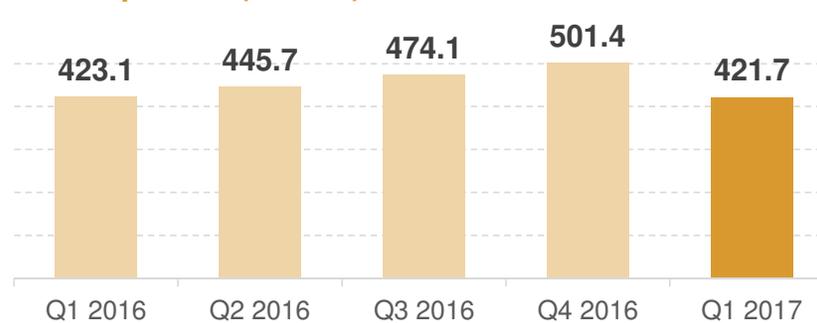
\*Includes gain on disposal of subsidiaries – Marmum Dairy and United Sales Partners – AED 186.6 mn

# Income Evolution by Quarter

**Total Income (AED m)**



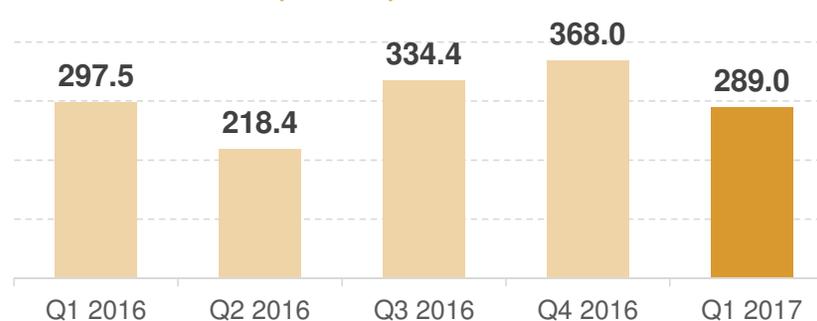
**Total Expenses (AED m)**



**... of which Rental Income (AED m)**

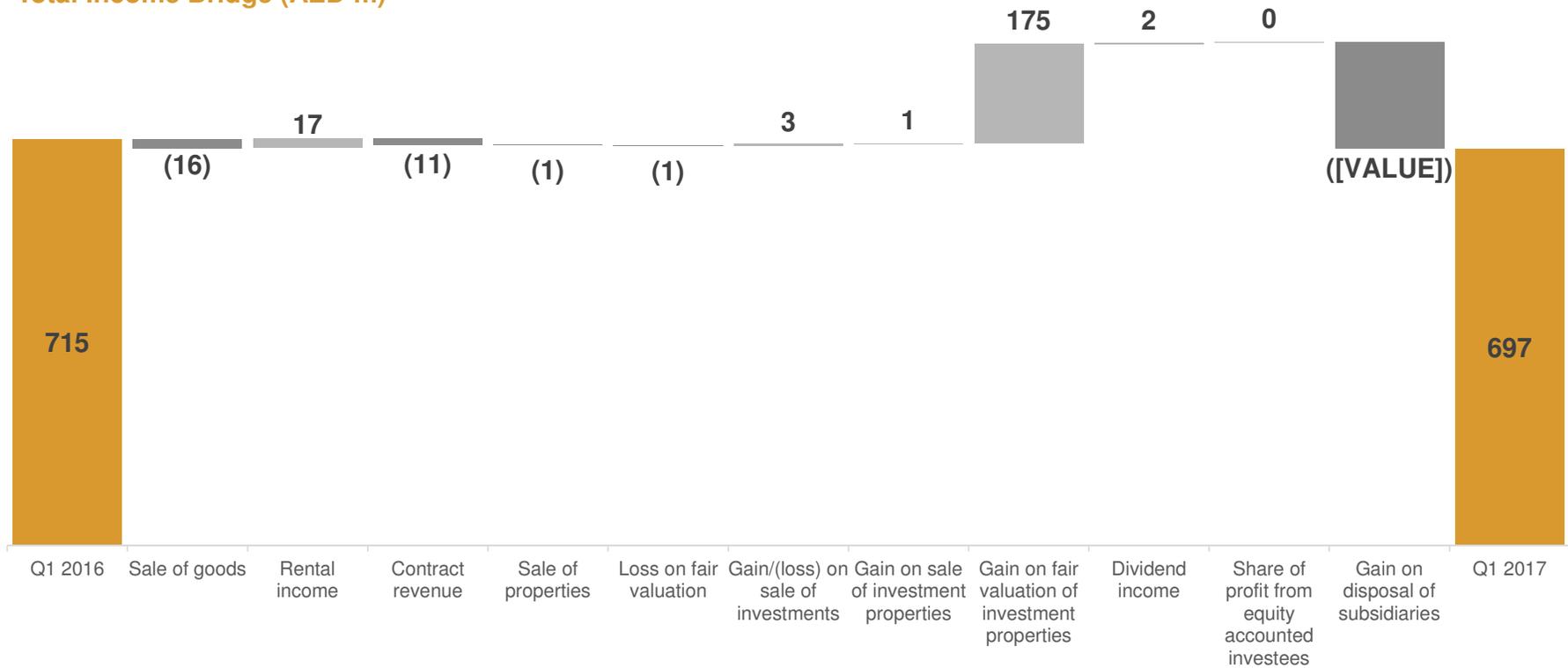


**Attributable Profit (AED m)**



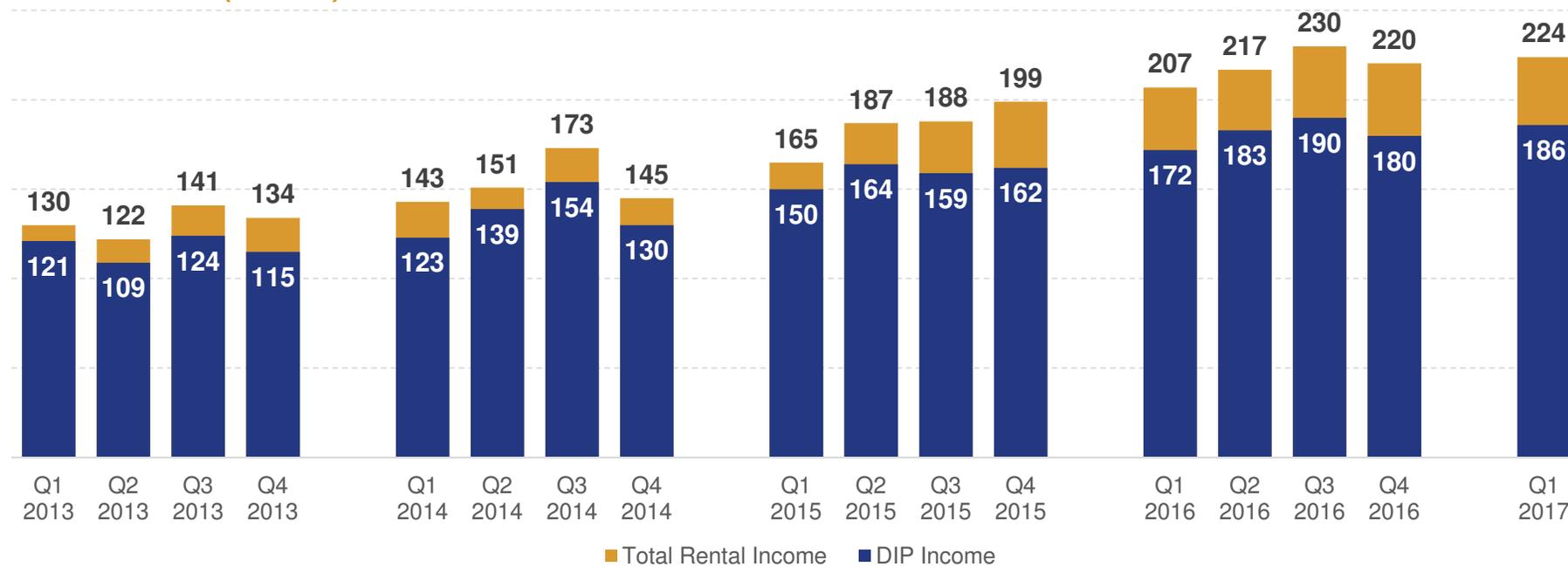
# Q1 2017 Total Income Movement Year-on-Year

Total Income Bridge (AED m)



## Continued Strong Growth in Rental Income

Rental income (AED m)

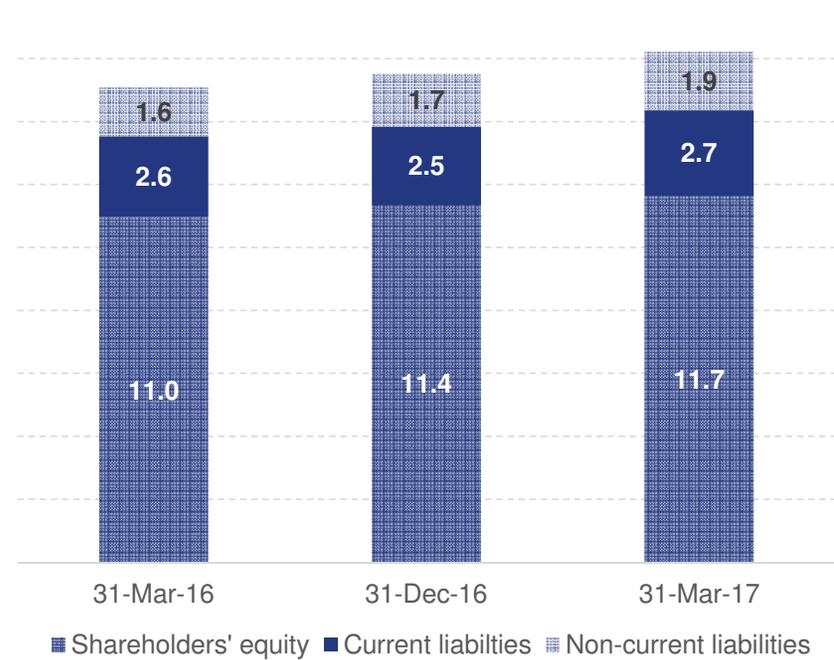


# Balance Sheet Development

Total Assets (AED bn)

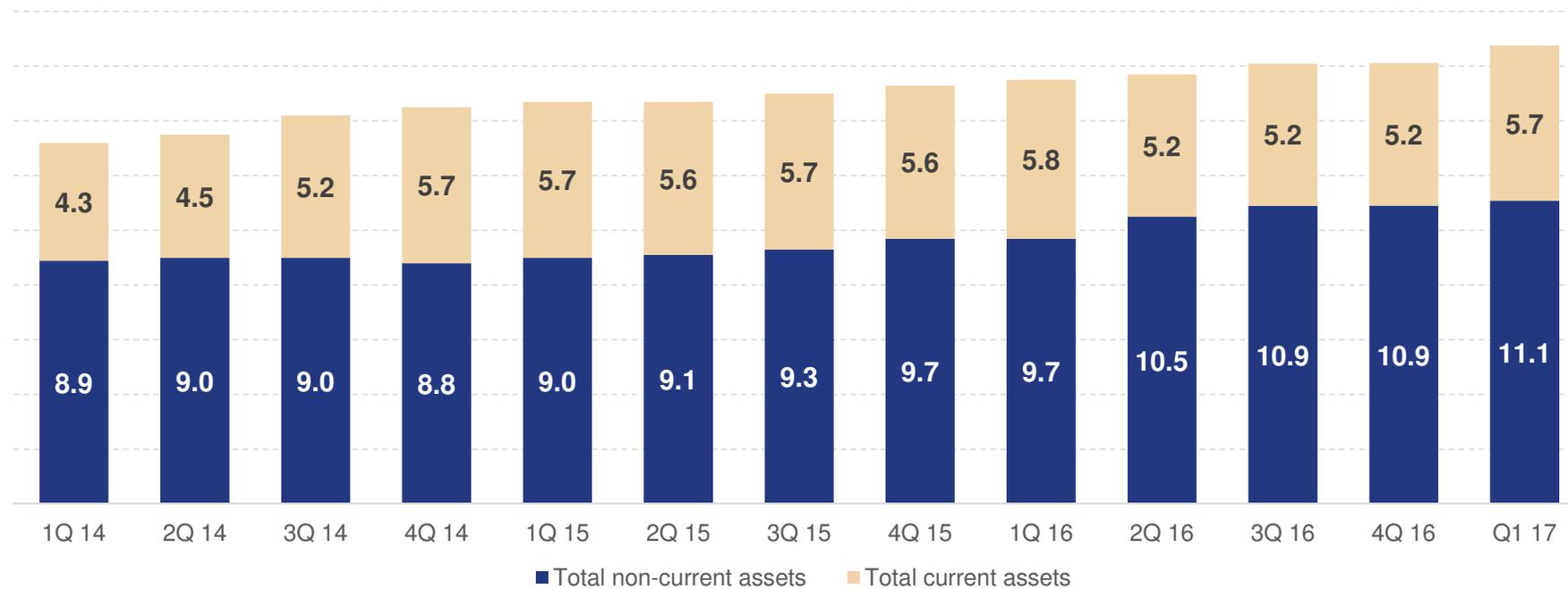


Total Liabilities & Equity (AED bn)



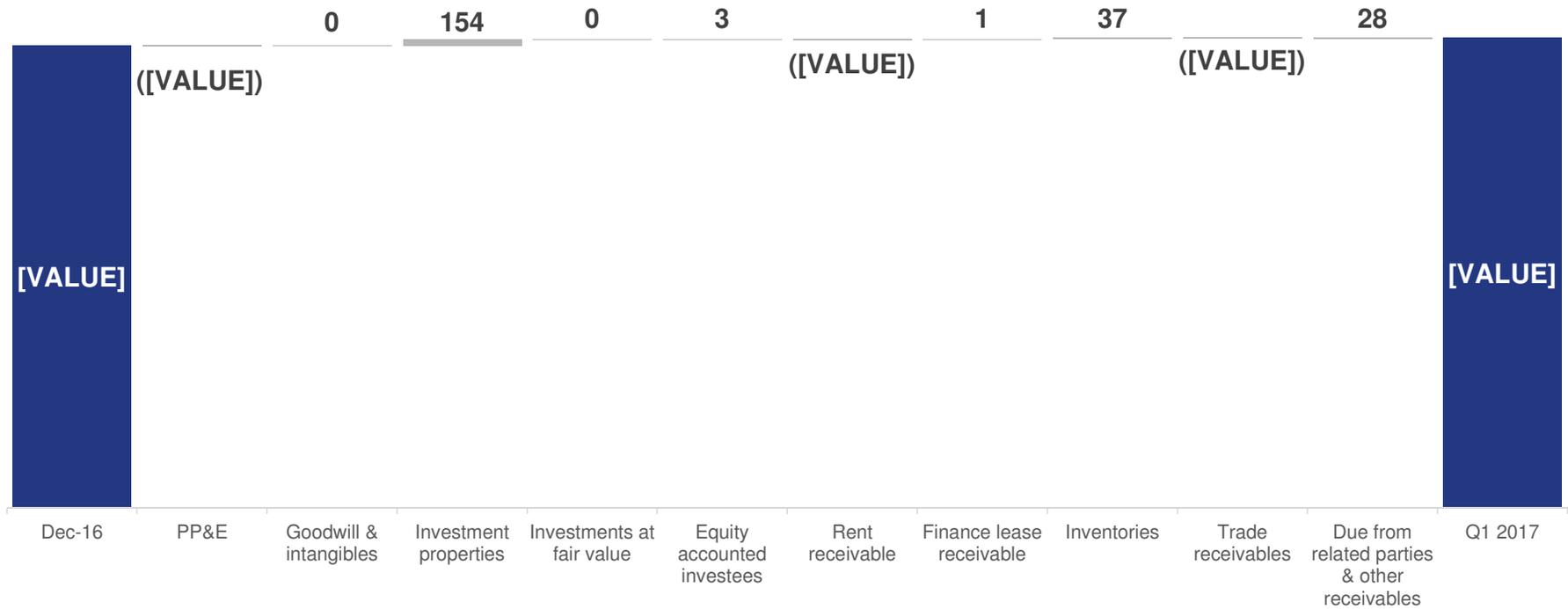
## DIC has maintained a disciplined approach to Asset Growth

### Total Assets Growth (AED bn)



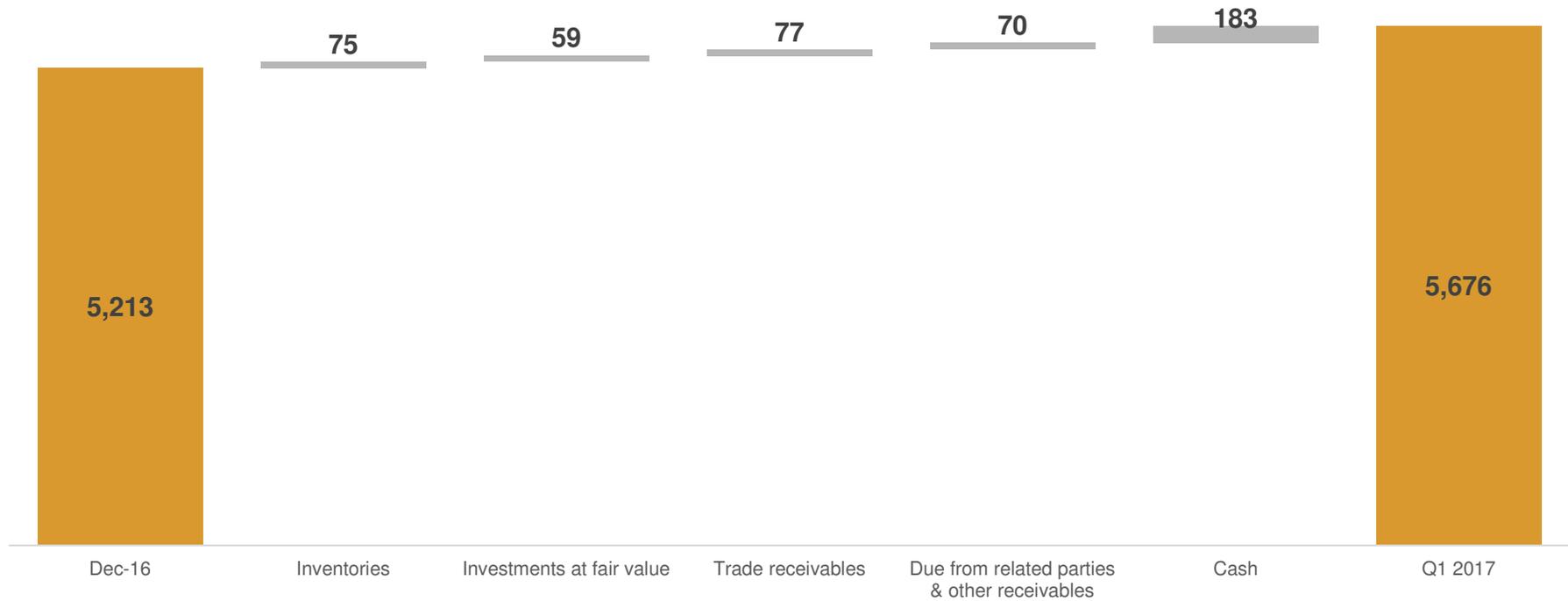
## Balance Sheet Development since 31<sup>st</sup> December 2016

### Total Non-Current Assets (AED m)



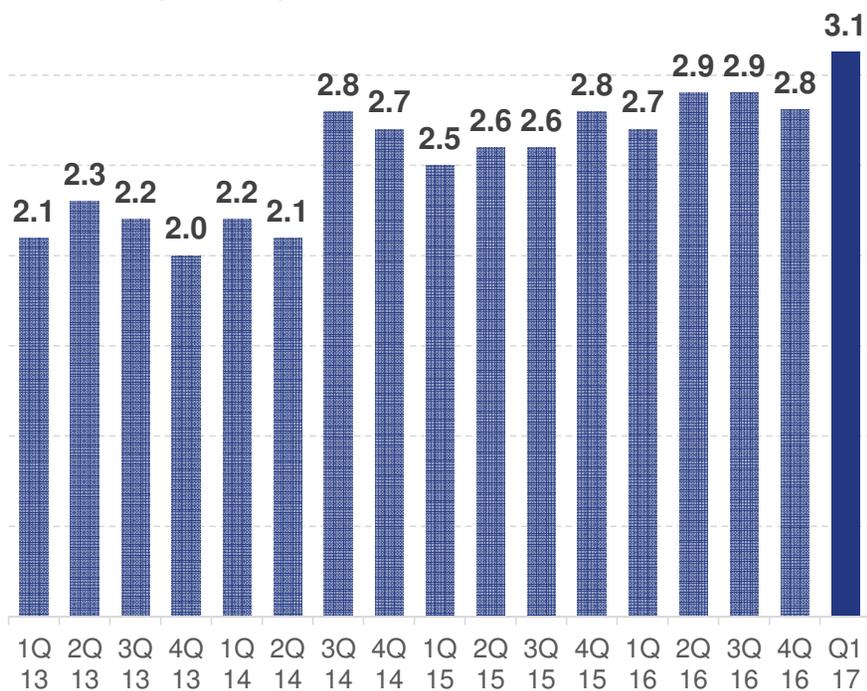
## Balance Sheet Development since 31<sup>st</sup> December 2016

### Total Current Assets (AED m)

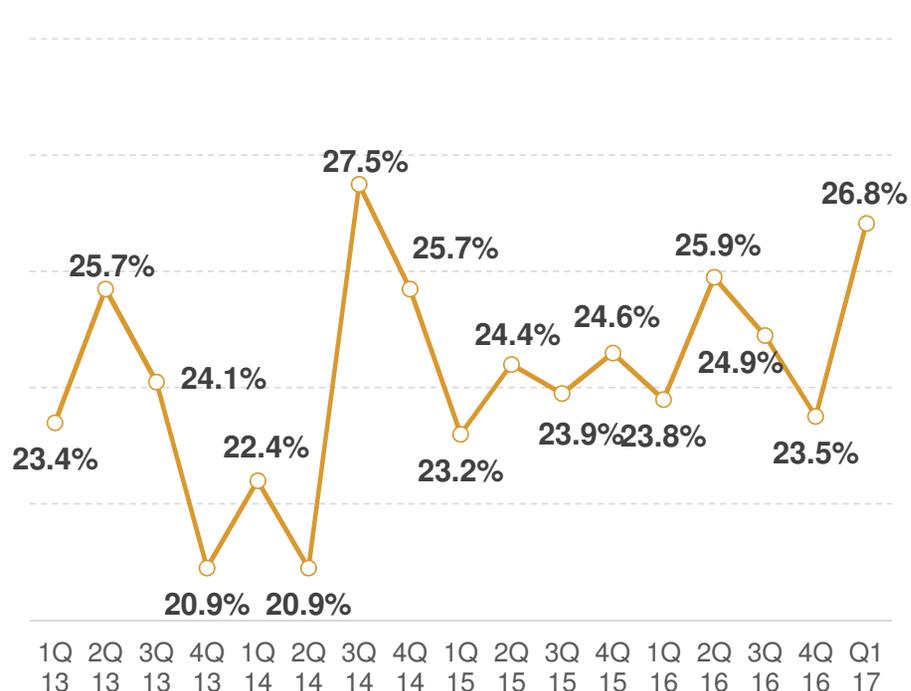


# Low Leverage Structure

Total Debt (AED bn)



Debt/equity (%)



## Outlook & Guidance

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## Outlook and Guidance for FY 2017

### Total Income & Net Profit

- Continue to generate sustainable growth backed by recurring cash flow streams with a high single to low double digit growth in net profitability

### Expansion

- Diversify geographical footprint with expansion into Saudi Arabia and potentially Africa
- Acquire income generating real estate assets to augment recurring cash flow streams
- Launch investment funds of AED 1 bn each to focus on healthcare and education

### ROE

- Target: ROE of 10%

### Shareholder Returns

- Listing of subsidiaries (Emicool) to enhance shareholder value
- Maintain attractive dividend return profile for shareholders

# Financial Calendar

## Upcoming Events:

08 March 2017

Board Meeting for finalization of FY 2016 Financials

10 April 2017

Annual General Meeting

30 April 2017

Board Meeting for finalization of Q1 2017 Financials

# Investor Relations Contact



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## Portfolio Information

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# Dubai Investments Park – Industrial and Commercial



## Business Overview

Dubai Investments Park (DIP) is a self-contained mixed-use industrial, commercial and residential complex.

Spread over a total area of 2,300 hectares, DIP is based on a pioneering concept of creating a “city within a city”.

Includes schools, medical centers, retail complexes, hotels and restaurants, offices and showrooms.

## Major Industries

Building Materials, Printing, Food & Beverages, Construction, Furniture, Pharmaceuticals, Plastic, Textile, Power & Utilities, Oil & Gas.

## Ownership

100% Dubai Investments



# Dubai Investments Park - Residential



## Business Overview

DIP residential areas offer a variety of options from high-end residential living to staff accommodation. This comprises across several communities:

- The Green Community - villas, townhouses, apartments
- Ritaj - apartments
- Dunes Village - apartments
- Dubai Lagoon - apartments
- EWAN Residences - apartments



# Properties Investment



## Business Overview

Properties Investments is involved in investment in, and development of, real estate properties and has developed prestigious residential and recreational projects such as the Green Community and Courtyard Marriott in DIP. Properties Investments was formed in 2002.

Properties Investment is currently working on development of Green Community Phase 3 in Dubai Investments Park. The project comprises of 210 townhouses, duplex apartments and retail facilities and is expected to be handed over by Q4-2017.

## Ownership

70% Dubai Investments  
30% Union Properties



# Dubai Investments Real Estate Company - Ritaj



## Ritaj residential community

Location: Dubai Investments Park

Size: 2.58 million square feet

Objects: 11 residential blocks

1,343 studio apartments

447 one bedroom apartments

194 two bedroom apartments

40 three bedroom apartments

The low rise community also offers shops, cafes, restaurants, supermarket, nursery, medical center, pharmacy and mosque.



# Dubai Investments Real Estate Company – Mirdif Hills



Mirdif Hills is a 3.9 million sqft mixed-use residential, commercial, hotel and retail project under development



## Development Overview

- Mushrif Park, Mirdif, Dubai
- Freehold plot 949,999 sqft
- 993 residential apartments and 66 serviced apartments
- 4-star hotel (116 rooms + 60 hotel apartments)
- Hospital (completion expected by 2017)



# Al Taif Investment



## Business Overview

Currently working to develop an AED 460 million mixed-use commercial and residential project in Fujairah

Partnership between Dubai Investments and Government of Fujairah

## Business Overview

60% Dubai Investments  
40% Government of Fujairah



# Masharie



## Business Overview

Investments in medium and large-sized companies operating in construction materials, contracting, interior design and related activities.

## Ownership

75.58% Dubai Investments

 EMIRATES EXTRUSION FACTORY Aluminum sheet production	 WHITE ALUMINIUM EXTRUSION L.L.C Aluminum extrusions for construction and industrial sector	 ALUMINIUM ARCHITECTURAL FACADES Aluminum design, manufacturing and installation
 LITE - TECH INDUSTRIES A Philips Lighting Joint Venture Indoor and outdoor lighting (JV with Philips)	 Switchgear and electrical equipment	 Driving school specialized for commercial licenses
 Interior decoration and turnkey projects	 Laboratory and hospital furniture systems	 Stainless steel products

# Dubai Investments Industries



## Business Overview

DII is the greenfield investment arm of Dubai Investments across diversified industry sectors

- Acquired 26.75% stake in King's College Hospital Healthcare LLC - total project value is AED 700 million,
- Acquired 30% stake in Emirates Aluminium Rolling LLC in KIZAD, Abu Dhabi – total project value is AED 440 million
- Acquired 90% in MODUL University Dubai
- Divested 100% of Marmum Dairy Farm and United Sales Partners in 2016
- Divested 66% stake in Global Pharma to Sanofi in 2015

## Ownership

100% Dubai Investments



# Emirates Building Systems



## Business Overview

Leading manufacturer of steel structures in the UAE with offices in other GCC countries, Pakistan, Bangladesh and United States.

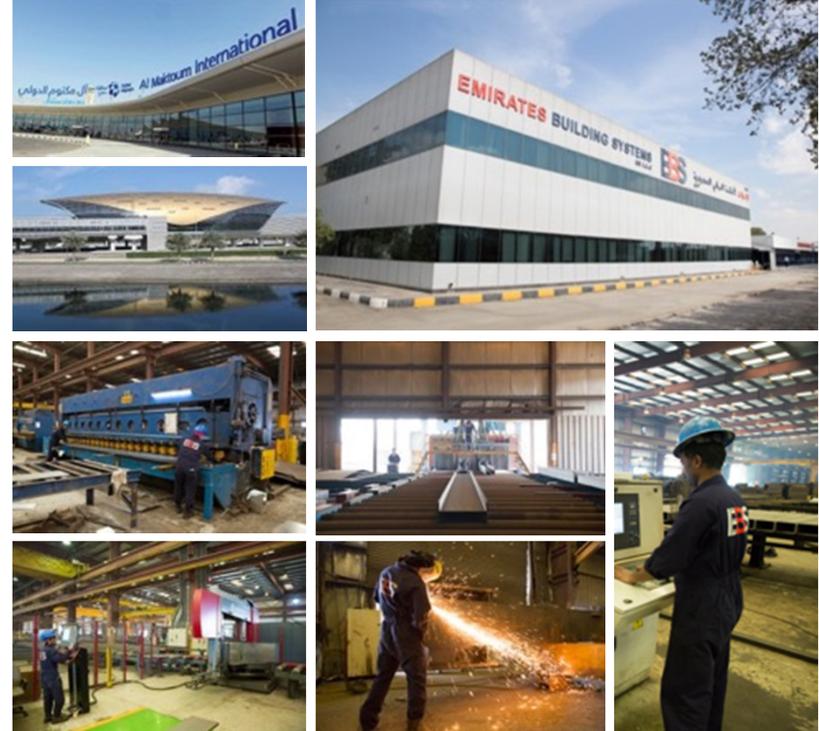
Manufactures hot rolled structures, pre-engineered buildings, aluminum and steel sheeting, insulated panels, building accessories such as doors, windows, ridge ventilators.

## Ownership

100% Dubai Investments Industries

## Major Projects

Dubai Metro  
Al Maktoum Airport (Passenger & Cargo Terminal)



# Glass LLC



## Business Overview

Premium quality glass solutions from float glass manufacturing of high end architectural glass and float laminated glass

Five subsidiaries:

**Emirates Float Glass** UAE's largest float glass facility with capacity of 600t of glass per day

**Emirates Glass** Architectural glass

**Saudi American Glass** Architectural glass

**Lumiglass** Bullet resistant and special glass

**Emirates Insolaire** Colored solar glass and panels

## Ownership

100% Dubai Investments



# Emicool



## Business Overview

Emicool is a B2B and B2C district cooling company that provides clean, efficient and innovative solutions to a number of communities in the UAE.

Established in 2003 as joint venture between Dubai Investments and Union Properties.

## Ownership

50% Dubai Investments  
50% Union Properties



# Al Mal Capital



## Business Overview

Al Mal Capital, founded in 2005, is a diversified, multi-line investment banking firm headquartered in Dubai. Licensed and regulated by the UAE Central Bank, Al Mal Capital offers a wide range of investment products spread across its business lines of investment banking, brokerage and asset management.

Dubai Investments acquired majority stake in Al Mal Capital in 2015

Dubai Investments announced in June 2016 to launch two AED 1 billion funds in cooperation with Al Mal Capital in the healthcare and education sectors.

## Ownership

64.76% Dubai Investments



## Disclaimer – Forward Looking Statements

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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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