

DAMAC

LIVE THE LUXURY

Results Presentation

Year ended 31 December 2018



Disclaimer



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DAMAC Overview



Headquarters in Dubai

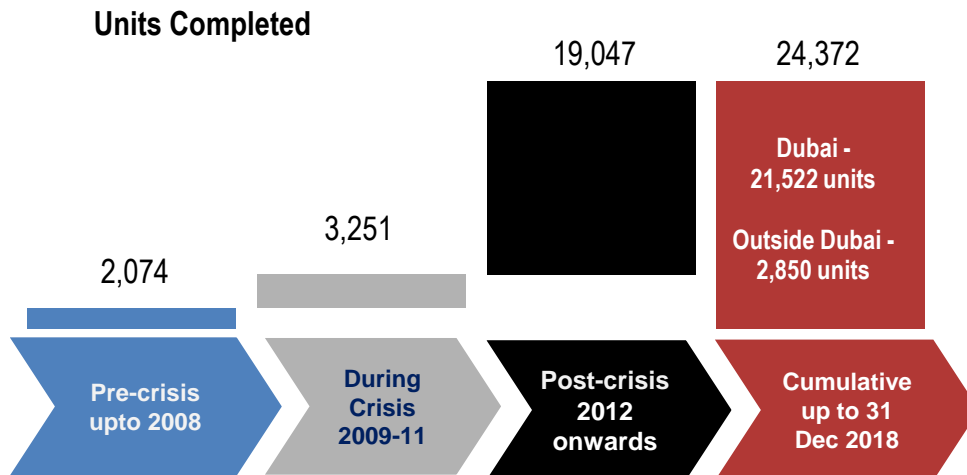
52+ mn sq ft projects in progress and in planning	6 countries with presence	10,000+ Hospitality units (incl. completed units and project pipeline)
c.1,700+ employees	c.500+ sales staff	c.400 Project execution and execution support team
AED4.25bn Booked Sales in 2018 2017 - AED7.51bn	AED6.13bn Revenue in 2018 2017 - AED7.45bn	AED1.15bn Net Profit in 2018 2017 - AED2.76bn

Portfolio Overview

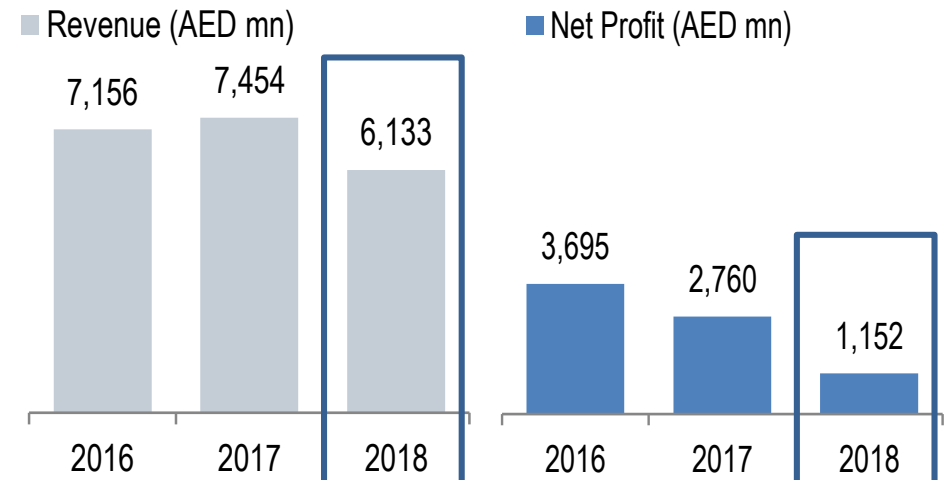
	Completed ⁽¹⁾ projects	In-progress ⁽²⁾ and In-planning ⁽³⁾ projects
Total:	24,372 units	Over 38,000 units
In Dubai:	88%	c.97%

Note: Exchange rate US\$/AED= 0.2721 used in the whole presentation
 (1) Completed projects: projects with Building Completion (BCC) received
 (2) In-progress projects: projects with enabling works started / consultant appointed
 (3) In-planning projects: projects with no consultant appointed

Strong delivery track record across economic cycle



Performance highlights



Performance Review



Sales & Deliveries

- **Booked sales of AED4.25bn** in FY 2018. DAMAC launched Reva Residences in Business Bay during the year.
- **Delivered c.4,100 units** during the year ended Dec'18 in DAMAC Heights (Dubai Marina), Majestine (Business Bay) and 2 mid-rise buildings and villas in DAMAC Hills, DAMAC Towers by Paramount (Business Bay), Avanti Tower (Business Bay) and Burj DAMAC Marina (Doha), Burj DAMAC Waterfront (Doha).

Profit

- Reported gross profit of AED2.12bn and net profit of AED1.15bn in FY 2018.

Leverage

- **Gross debt** (including Sukuk Certificates) at AED4.95bn. **Cash and Bank** balance stood at AED6.17bn.
- Net cash position stood at AED1.23bn as at 31 Dec 2018.
- **DAMAC issued Sukuk** certificates worth c.AED1.5bn (US\$400mn) in Apr'18 maturing in Apr'23 at 6.625% coupon. DAMAC also repurchased Sukuk Certificates maturing in Apr'19 to the tune of c.AED667mn (US\$181mn).

Financial Highlights

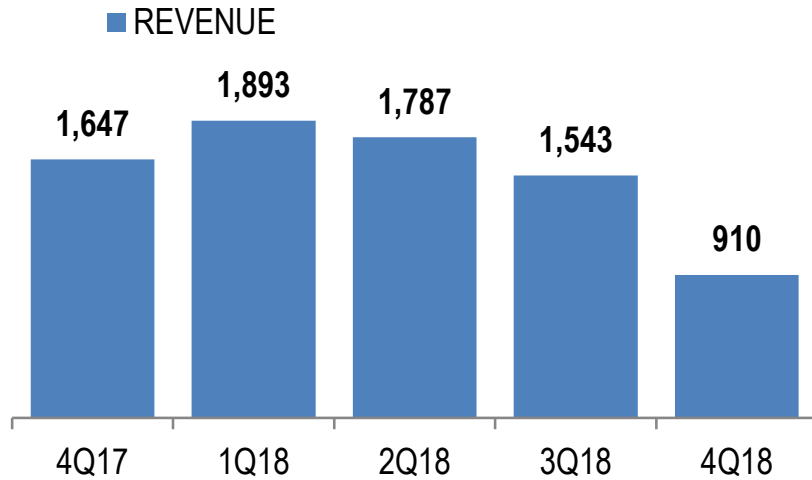


Revenue	Gross profit	Operating profit
AED 6,133m (2017: AED 7,454m)	AED 2,121m (2017: AED 3,634m)	AED 1,235m (2017: AED 2,835m)
Net profit	Operating Cashflow (before working capital changes)	Total assets
AED 1,152m (2017: AED 2,760m)	AED 1,313m (2017: AED 2,922m)	AED 25,176m (Dec'17: AED 25,343m)
Equity	Cash and Bank	Gross Debt
AED 14,110m (Dec'17: AED 13,865m)	AED 6,174m (Dec'17: AED 7,458m)	AED 4,948m (Dec'17: AED 4,753m)
Debt to Total Assets	Gross Margins	Cash & Dvplmt Prop as % of Total Assets
19.7% (Dec'17: 18.8%)	34.6% (2017: 48.8%)	61.1% (Dec'17: 67.5%)

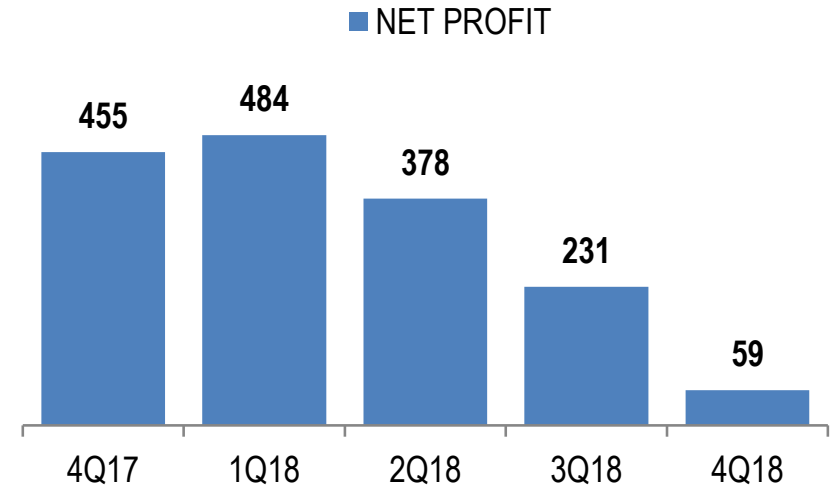
Performance Trends



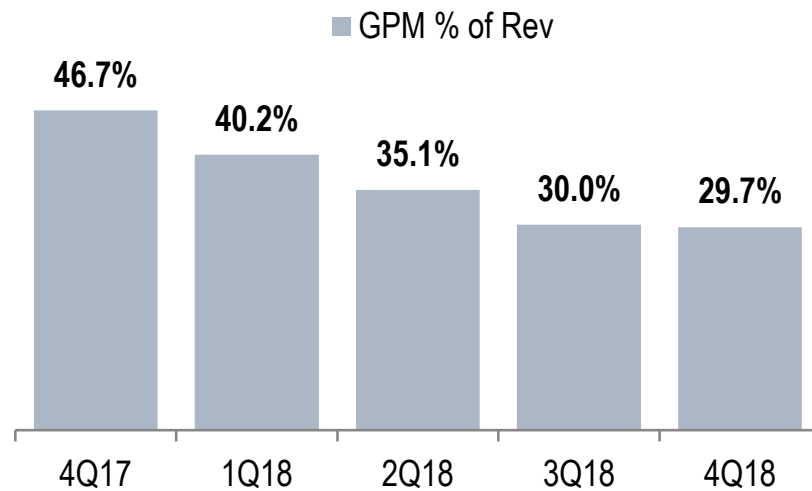
Revenue Trends (AED mn)



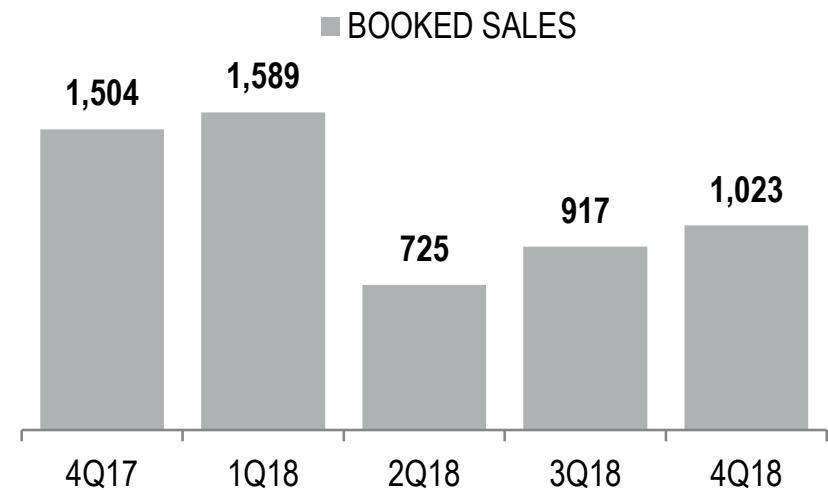
Net Profit Trends (AED mn)



Gross Profit Margin Trends %



Booked Sales (AED mn)

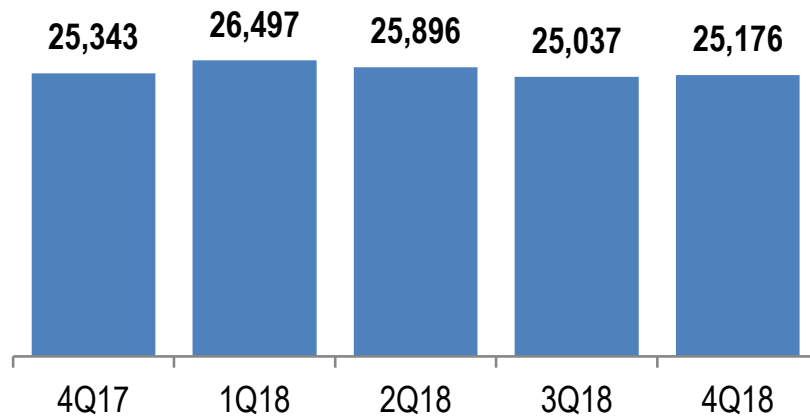


Performance Trends (contd.)



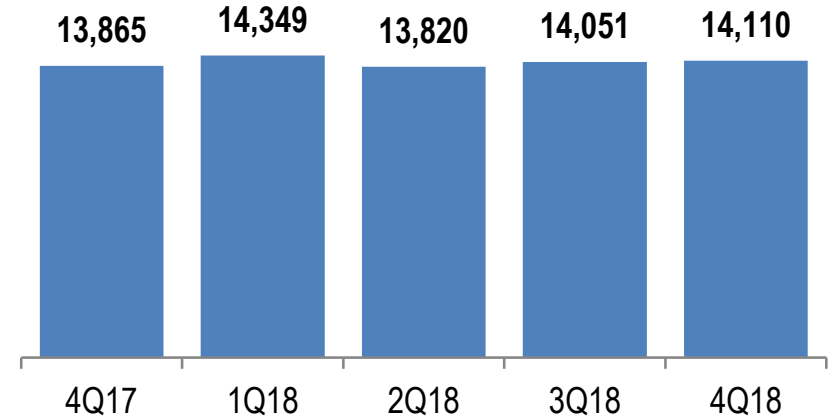
Total Assets (AED mn)

■ TOTAL ASSETS



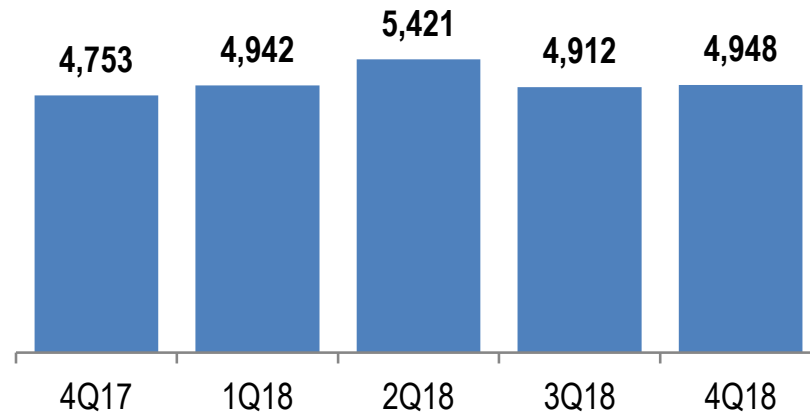
Total Equity (AED mn)

■ TOTAL EQUITY



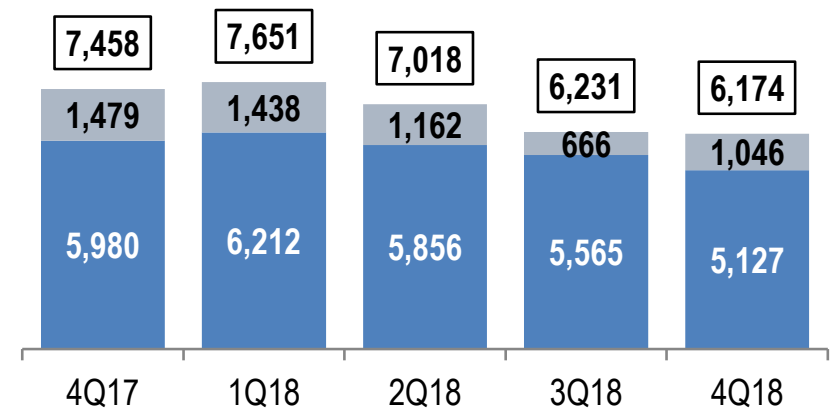
Total Debt (AED mn)

■ TOTAL DEBT



Cash & Bank Balance (AED mn)

■ Non-Escrow Cash ■ Cash held in Escrow



Summary Income Statement



In AED mn	4Q 2018	4Q 2017	YoY %	FY 2018	FY 2017	YoY %
Revenue	910	1,647	-45%	6,133	7,454	-18%
Cost of sales	(640)	(878)	-27%	(4,012)	(3,820)	5%
Gross profit	270	769	-65%	2,121	3,634	-42%
<i>Gross profit margin</i>	29.7%	46.7%		34.6%	48.8%	
Other operating income	90	3		95	291	-67%
General, administrative and selling expenses	(235)	(287)	-18%	(898)	(1,063)	-16%
Depreciation	(6)	(7)	-12%	(28)	(26)	7%
Impairment on Development Properties	(54)	0		(54)	0	
Operating profit	64	478	-87%	1,235	2,835	-56%
<i>Operating profit margin</i>	7.1%	29.0%		20.1%	38.0%	
Other Income	40	12		80	56	42%
Finance Income	36	38	-6%	162	141	15%
Finance Costs	(81)	(73)	11%	(326)	(273)	19%
Profit for the period	59	455	-87%	1,152	2,760	-58%
<i>Net income margin</i>	6.5%	27.6%		18.8%	37.0%	

Summary of Financial Position



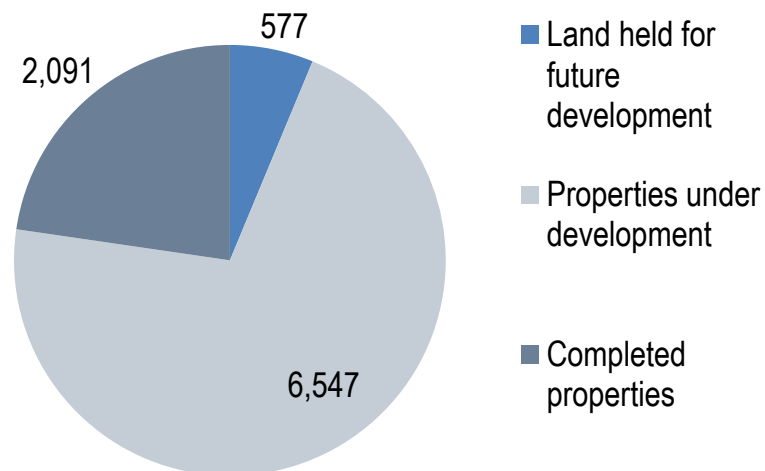
In AED mn	Dec'18	Dec'17	Change
ASSETS			
Property and equipment	141	150	(10)
Investment Properties	189	197	(8)
Development properties	9,215	9,643	(429)
Other financial assets	1,055	1,025	31
Trade and other receivables	8,120	6,607	1,513
Financial investments	283	263	20
Cash and bank balances	6,174	7,458	(1,285)
Total Assets	25,176	25,343	(167)

EQUITY AND LIABILITIES			
Share capital	6,050	6,050	0
Statutory reserve	903	802	101
Retained earnings	7,156	7,013	143
Total Equity	14,110	13,865	244

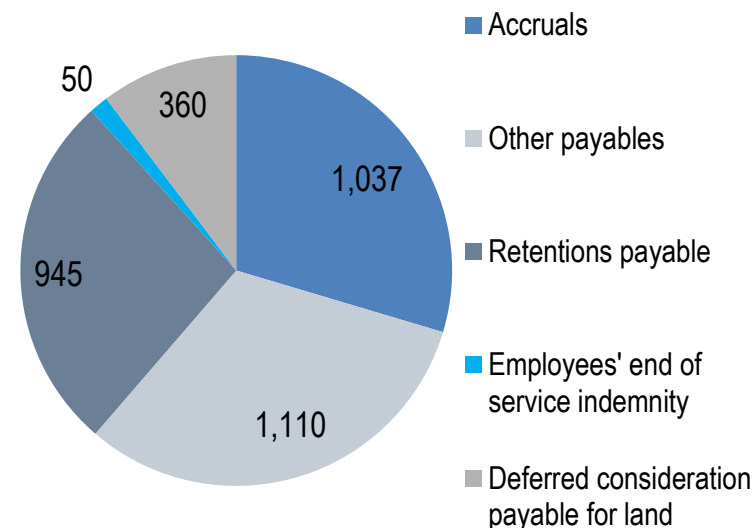
Liabilities			
Bank borrowings	667	815	(148)
Sukuk certificates	4,280	3,938	343
Advances from customers	2,618	3,274	(657)
Trade and other payables	3,501	3,451	50
Total Liabilities	11,067	11,478	(412)

Total Equity & Liabilities	25,176	25,343	(167)
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Development Properties – Dec'18 (AED mn)



Trade and other payables - Dec'18 (AED mn)

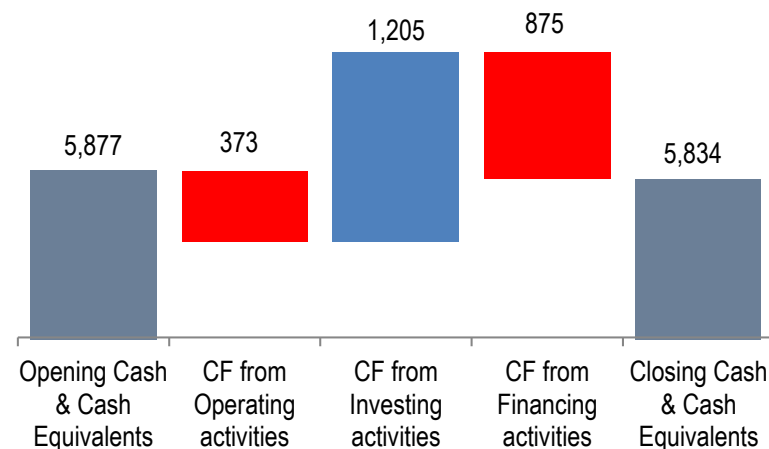


Summary Cashflows



In AED mn	FY 2018	FY 2017	Change
Cash flows from operating activities			
Profit for the period	1,152	2,760	(1,608)
Adjustments for:			
Depreciation on property and equipment	28	26	2
Provision for employees' end-of-service indemnity	14	19	(5)
Amortization of issue costs on Sukuk Certificates	13	11	1
(Gain)/Loss on retirement of property and equipment	0	0.2	(0.2)
Gain on Disposal	(3)	(3)	1
Impairment of Development Properties	54	0	54
Finance income	(162)	(141)	(21)
Finance costs	326	273	53
Reversal of impairment on trade receivables	(108)	(22)	(85)
Operating cash flows before changes in working capital	1,313	2,922	(1,609)
Incr in trade and other receivables	(1,413)	(1,768)	355
Incr in development properties	360	296	64
Decr in advances from customers	(657)	(922)	266
Employee end-of-service benefits paid	(12)	(9)	(3)
(Decr)/Incr in trade and other payables	35	(566)	601
Net cash generated from operating activities	(373)	(46)	(326)
Net cash (used in) / generated from investing activities	913	(254)	1,167
Net cash generated from financing activities	(875)	(911)	37
Net Increase in Cash & Cash Equivalents	(334)	(1,211)	878
Opening Cash & Cash Equivalents	5,877	7,088	
Closing Cash & Cash Equivalents	5,543	5,877	

Movement in cash and cash equivalents during 2018



	Dec'18	Dec'17
Cash and bank balances	6,174	7,458
Fixed deposits with an original maturity of greater than three months	(631)	(1,418)
Overdrafts	0	(164)
Cash & Cash Equivalents	5,543	5,877

Key In-progress projects contributing to revenue



Status of key in-progress projects contributing to revenue from constructed apartment as at 31 Dec 2018

	Schedule Year of Completion	Total Area ('000 sq ft)	% Recognised
IN PROGRESS DEVELOPMENTS			
CELESTIA	2019	630	40%-60%
PRIVÉ BY DAMAC	2019	655	60%-80%
GHALIA	2019	497	80%+
TOWER 108	2019	380	60%-80%
MERANO TOWER	2019	395	40%-60%
PARAMOUNT TOWER HOTEL & RESI	2020	791	<20%
DAMAC HILLS Apartments	2019-20	4,037	40%-60%

Note:

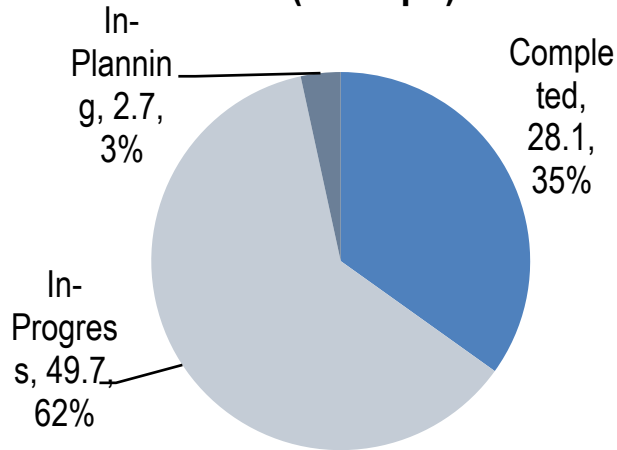
1. % Recognized is a factor of % area sold and % completion in any particular project.
2. For DAMAC Hills, above data pertains to all the apartment buildings available for sale in the development which meets threshold criteria and are eligible for revenue recognition.

Portfolio Overview (as at 31 Dec 2018)



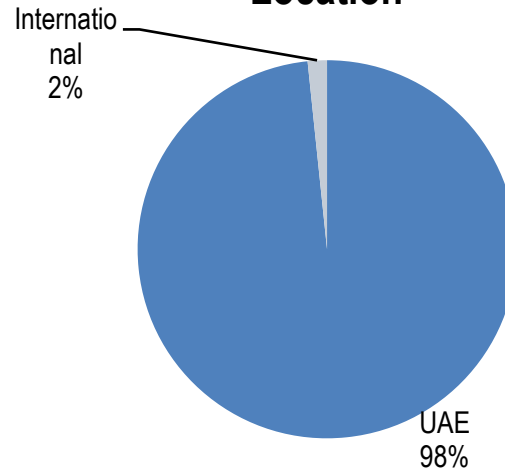
Portfolio by development status

Area (mn sq ft)



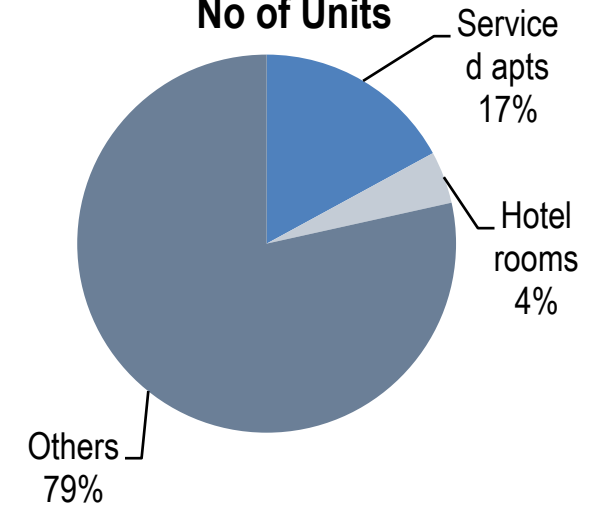
Portfolio by location (in progress and in-planning projects)

Location



Portfolio by product (in progress and in-planning projects)

No of Units



UAE



No of projects	23
Units	c.38K
Sellable area (mn sq ft)	52.0
Completion date	2019/22

International



No of projects	2
Units	c.0.6K
Sellable area (mn sq ft)	0.7
Completion date	2022

Note: Above table pertains to in progress and in planning projects only.

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investor.relations@damacgroup.com

Thank you