



Global
Interior
Solutions



depa.com

H1 2017 Financial Results



Strategic Update



Depa has made significant progress in implementing our strategy – ahead of management’s original timetable

✓ = Achieved

Achieved	<p>Phase 1: 2016 Resetting the organization and returning to profit</p>	<ul style="list-style-type: none"> • Establishing Depa as a strategic management company ✓ • Developing a new vision, mission and values ✓ • Forming a new leadership team ✓ • Establishing a performance-based culture ✓
Substantially Complete	<p>Phase 2: CY2017 Returning to growth</p>	<ul style="list-style-type: none"> • More rigorous approach to cash collection ✓ • Embedding a performance-based culture ✓ • Increased co-operation between Key Business Units ✓ • Improving work winning rate through improved project and client selection ✓ • Settlement of major legacy projects ✓ • Implementing a new enterprise risk management approach ✓ • Simplification, harmonisation and automation of systems, policies and procedures ✓ • Defining the Group’s core competencies and geographic markets ✓ • Delivering current projects at forecast margins or better ✓ • Strategic review of all Key Business Units, investments and non-core assets ✓ • Focus on significant increase in cash-backed growth ✓
Underway	<p>Phase 3: CY2018 onwards Consistent top and bottom line growth</p>	<ul style="list-style-type: none"> • Sustainable superior annual growth revenue and net profit ✓ • Expansion into new geographies and market sectors in progress • Identifying, attracting and retaining the right people to deliver growth ✓ • Seeking new opportunities for growth and value enhancement in progress • Improving average project and net margins in progress • Further reductions in general and administrative expenses as percentage of revenue ✓ • Returning to dividends ✓

H1 2017 Highlights

Strong revenue growth

- Strong revenue growth
- Revenue of AED 834.6mn
- Up 62.4mn, 8% on H1 2016

Significant profit generation

- EBIT of AED 128.8mn, up AED 97.2mn or 308% on H1 2016
- EBIT margin of 15%
- Profit of AED 113.3mn, up 93.9mn or 484% on H1 2016

Liquidity position continues to strengthen

- Continued cash generation and robust balance sheet
- Net cash excluding restricted cash of AED 262.4mn, up AED 120.7mn in first half
- Bank facilities in place to support growth

Healthy backlog with strong pipeline of opportunities

- Backlog of AED 2,037mn
- Backlog more than one times 2016 revenue
- Strong pipeline of opportunities

Resolution of major legacy items

- Two major legacy items resolved resulting in significant cash settlements
- Further progress made on outstanding items

Return to dividends

- Interim dividend of UAE 2.5 fils

Financial Review

depa



Summary income statement



Strong momentum from 2016 carried into H1 2017

AED mn	H1 2017	H1 2016	Variance	
			Amount	%
Revenue	834.6	772.2	62.4	8%
Expenses	(704.9)	(741.7)	36.8	5%
Share of profit/ (loss) from associates	(0.9)	1.1	(2.0)	(182%)
Profit before interest and tax	128.8	31.6	97.2	308%
Net - finance cost	(5.0)	(4.9)	(0.1)	(2%)
Profit before tax	123.8	26.7	97.1	364%
Income tax expense	(10.5)	(7.3)	(3.2)	(44%)
Profit for the period	113.3	19.4	93.9	484%
Non-controlling interests	(0.8)	(3.1)	2.3	74%
Profit after NCI	112.5	16.3	96.2	590%

- Strong revenue growth, up 8% year-on-year
- Sound operational performance and resolution of material legacy items resulting in EBIT margin of 15%, up on 4% in H1 2016
- Profit of AED 113.3mn, up AED 93.9mn or 484% on H1 2016
- Interim dividend of UAE 2.5 fils

Key business unit performance



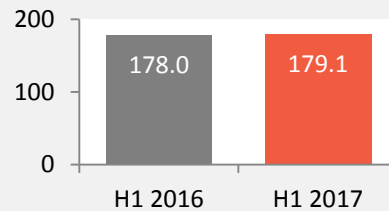
Strong performance shown across the Group

All figures in (AEDmn)

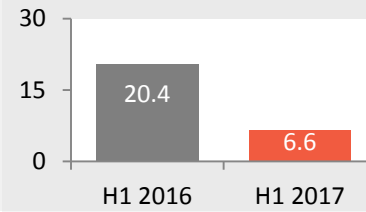
Design Studio

- Revenue flat year on year, driven by hospitality and commercial sectors
- EBIT impacted by project mix, restructuring costs and foreign currency loss
- International expansion a key focus

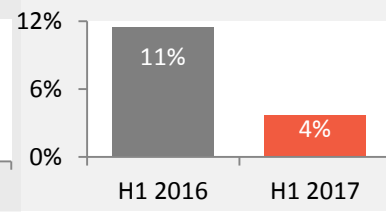
Revenue



EBIT

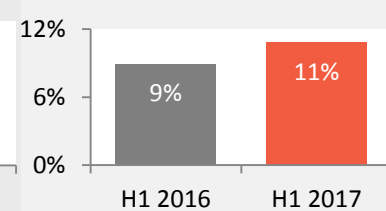
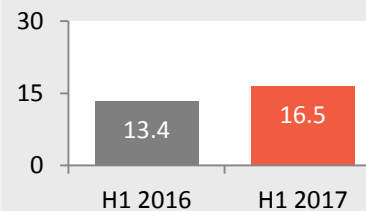
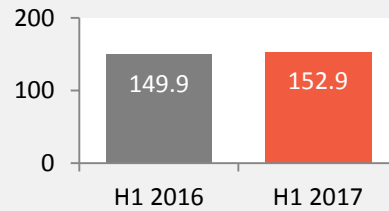


EBIT Margin



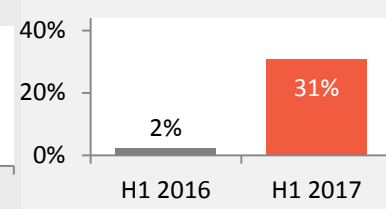
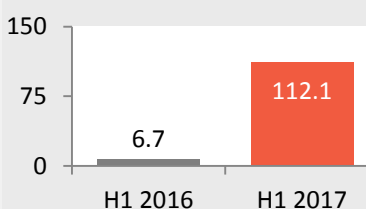
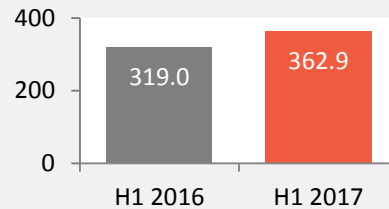
Vedder

- Vedder's revenue increased 2% year on year, whilst improving its EBIT margin to 11%
- Vedder's 2017 backlog is 100% secured with the management team building its 2018+ pipeline



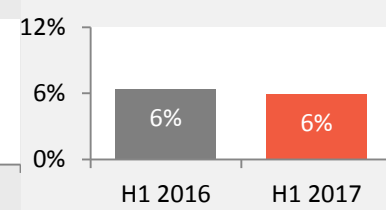
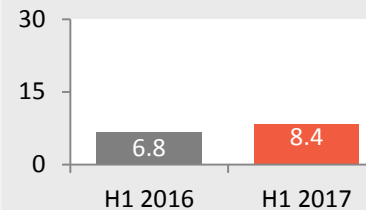
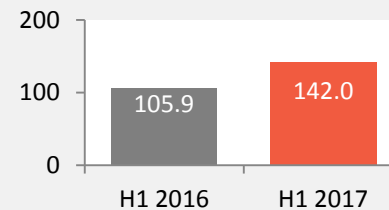
Depa Interiors Group

- Sound operating performance was further enhanced via the resolution of legacy items
- Primary focus on UAE pipeline for the medium term



Deco Group

- Significant revenue growth, up 34%
- EBIT up 24% to AED 8.4mn, margin maintained on H1 2016



Summary balance sheet

Balance sheet restructure completed



AED mn	Jun -17	Dec -16	Variance
Cash and bank balances	611.5	491.8	119.7
Trade and other receivables	752.9	818.4	(65.5)
Due from constuction contract customers	501.4	489.9	11.5
Inventories	72.4	63.7	8.7
Total Current assets	1,938.2	1,863.8	74.4
Contract retentions	111.5	109.7	1.8
Property, plant and equipment	206.3	211.7	(5.4)
Goodwill	297.3	297.3	0.0
Other non-current assets	134.6	142.6	(8.0)
Total non current assets	749.7	761.3	(11.6)
Total assets	2,687.9	2,625.1	62.8
Trade and other payables	1,063.1	1,099.2	(36.1)
Borrowings	129.9	157.5	(27.6)
Income tax payable	23.9	19.3	4.6
Current liabilities	1,216.9	1,276.0	(59.1)
Employees' end of service benefits	75.7	72.7	3.0
Borrowings	38.6	45.6	(7.0)
Other non-current liabilities	3.6	9.7	(6.1)
Non current liabilities	117.9	128.0	(10.1)
Total liabilities	1,334.8	1,404.0	(69.2)
Total equity including minorities	1,353.1	1,221.1	132.0

- Positive trend in trade receivables and liquidity position due to cash settlements
- Net cash position of AED 262.4mn excluding restricted cash
- Bank borrowings continues to reduce
- In accordance with shareholders' resolution, share premium account used to offset accumulated losses to enable payment of dividends
- Retained earnings at 30 June 2017 AED 79.7mn
- Equity increased by AED 132.0mn to AED 1,353.1mn

Summary cash flow

Significant cash generation in H1 2017



AED mn	H1 2017	H1 2016	Variance	%
Operating cash flow before working capital changes	124.8	58.3	66.5	114%
Working capital changes	0.3	(72.5)	72.8	100%
Other movements	(9.6)	(16.5)	6.9	42%
Cash flows generated from /(used in) operating activities	115.5	(30.7)	146.2	476%
Investing Activities				
Net capex	(5.8)	(4.4)	(1.4)	(32%)
Long term deposits	0.7	23.1	(22.4)	(97%)
Other movements	5.0	1.3	3.7	285%
Net cash flows from /(used in) investing activities	(0.1)	20.0	(20.1)	(101%)
Financing activities				
Movement in borrowings	(24.5)	(46.1)	21.6	47%
Other movements	(11.9)	(11.9)	0.0	0%
Net cash flows from /(used in) financing activities	(36.4)	(58.0)	21.6	37%
Net Movement in cash and cash equivalents	79.0	(68.7)	147.7	215%
Cash and cash equivalents at the period end	368.0	214.5	153.5	72%

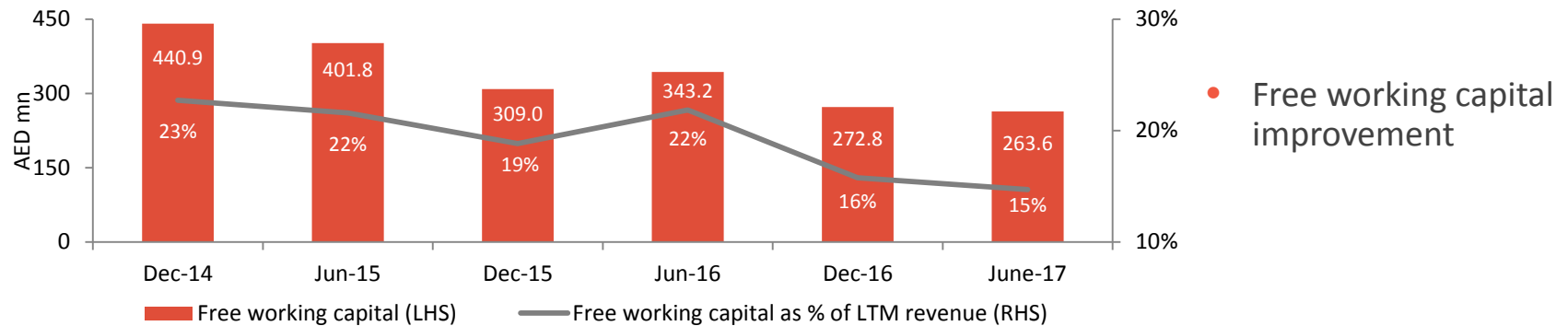
- Net cash generated from operations of AED 115.5mn due to positive operating performance and cash collections
- Net capex spend of AED 5.8mn, broadly in line with H1 2016
- Borrowings reduced by AED 24.5mn
- Cash and cash equivalents up AED 153.5mn to AED 368.0mn

Working capital



Strong improvement in trade receivables

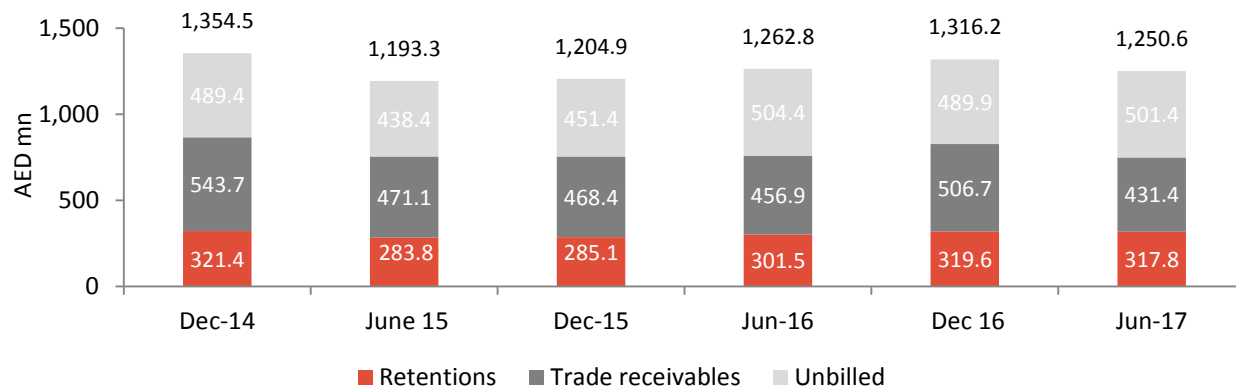
Free working capital



- Free working capital improvement

Free working capital: non interest bearing assets less non interest bearing liabilities excluding income tax payable

Receivables movement



- Receivable days significantly down to 88 days due to resolution of two major legacy receivables
- Scope to further improve trade receivable position with cash collection a focus across Group

Note: Receivables movement includes net unbilled, gross trade receivables including related party balances and gross retentions

Backlog and Outlook

depa



New Projects Secured in 2017

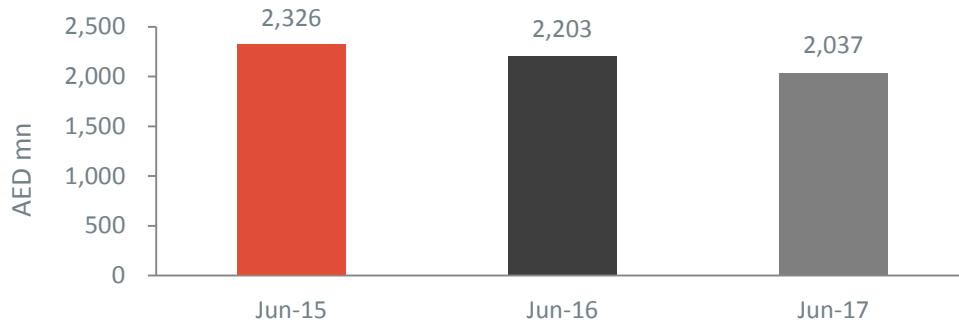


Backlog



Healthy backlog position and strong pipeline of projects

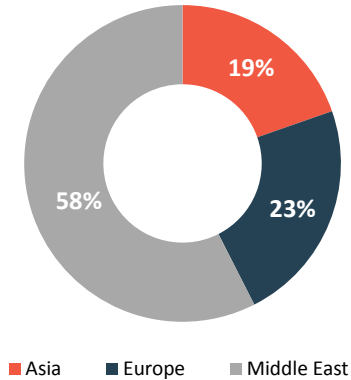
Project Backlog



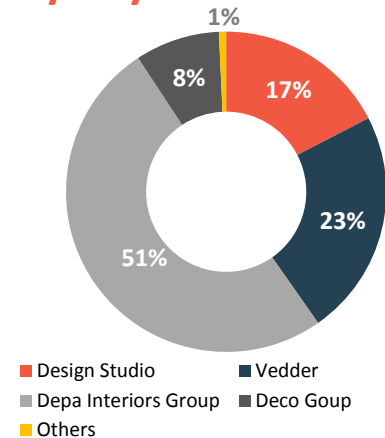
Major 2017 wins

- Government Ministry, Jeddah, KSA
- Mandarin Hotel, Dubai, UAE
- Dubai Mall, Dolce & Gabbana, Dubai UAE
- Major yacht interior project, Germany
- Dubai Mall, Bottega Veneta, Dubai, UAE

By geography



By Key Business Unit



Top 10 projects (by backlog)



Depa continues to be awarded and execute landmark projects worldwide

Projects	Country	AED mn
Infrastructure works, Riyadh	Kingdom of Saudi Arabia	202
Mandarin Hotel, Dubai	United Arab Emirates	152
Private yacht interiors project	Germany	105
Private yacht interiors project	Germany	101
Saadiyat Rotana Hotel, Abu Dhabi	United Arab Emirates	77
W Hotel and Residences, Dubai	United Arab Emirates	76
King Saud University, Riyadh	Kingdom of Saudi Arabia	76
Mandarin Oriental, Kuala Lumpur	Malaysia	70
Government Ministry, Jeddah	Kingdom of Saudi Arabia	65
Private Beach House, Abu Dhabi	United Arab Emirates	65
Total		989
Percentage of total backlog		49%

Positive Outlook



Outlook for the Group is the most positive it has been for some time

- Quality and strength of Depa's existing backlog, a solid pipeline of prospective new work and strong net cash position ensure the Group is well placed to continue to compete in its core markets and navigate risk
- The Group is moving into the next phase of its strategy, focusing on sustainable top and bottom line growth
- The strong market leading positions enjoyed by each of its Key Business Units will enable the Group to take advantage of both organic and inorganic growth opportunities
- The outlook for the Group remains the most positive it has been for some time and expects to generate reasonable growth in the second half of 2017 compared with H2 2016



Cautionary statement

This document contains certain 'forward looking statements' with respect to Depa's financial condition; results of operations and business; and certain of Depa's plans and objectives with respect to these items. By their very nature, forward looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Depa or any other member of the Group or persons acting on their behalf are expressly qualified on this basis. Depa does not intend to update these forward looking statements.