

Global
Interior
Solutions



depagroup.com

**Unaudited
trading update
for nine months
ended 30
September 2017**



Highlights: nine months ended 30 September 2017



Strong revenue growth

- Strong revenue growth
- Revenue of AED 1,225.4mn
- Up 39.3mn, 3% on 2016

Significant profit generation

- Profit after non-controlling interests of AED 129.4mn
- Up AED100.2mn or 343% on 2016

Liquidity position continues to strengthen

- Continued cash generation and robust balance sheet
- Net cash excluding restricted cash of AED 295.3mn, up AED 240.4mn on 2016
- Bank facilities in place to support growth

Healthy backlog with strong pipeline of opportunities

- Backlog of AED 2,023mn
- Backlog more than one times 2016 revenue
- Strong pipeline of opportunities

Collection of receivables

- Further progress in receivable collections in Q3

Strategic Update



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

✓ = Achieved

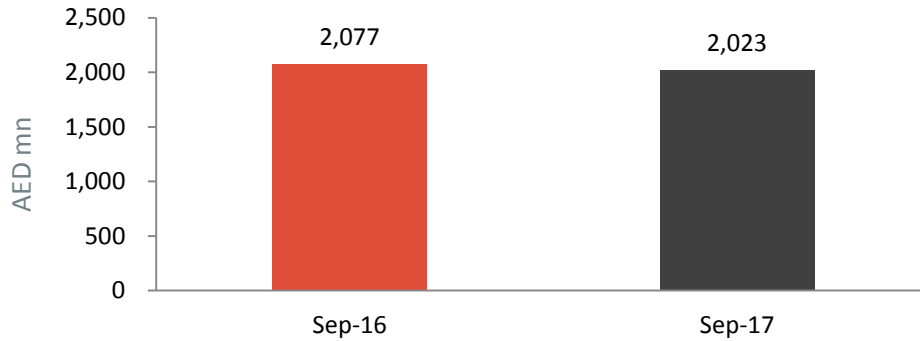
Achieved	<p>Phase 1: 2016 Resetting the organization and returning to profit</p>	<ul style="list-style-type: none"> • Establishing Depa as a strategic management company ✓ • Developing a new vision, mission and values ✓ • Forming a new leadership team ✓ • Establishing a performance-based culture ✓
Substantially 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 ✓

Backlog



Backlog of more than one times revenue and strong pipeline of projects

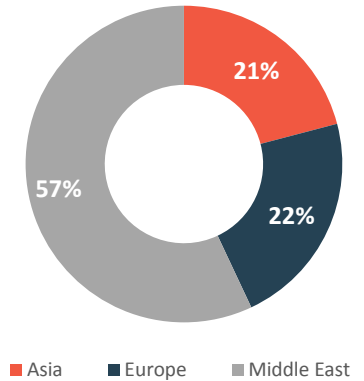
Project Backlog



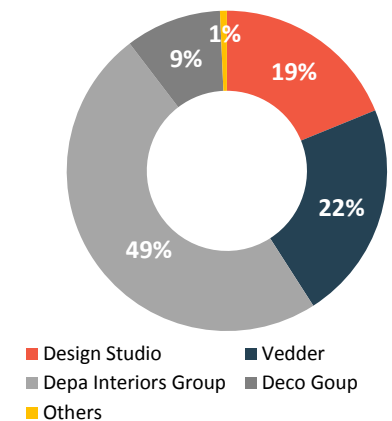
Top 10 projects (by backlog)

Projects	Country	AED mn
Infrastructure works, Riyadh	Kingdom of Saudi Arabia	198
Mandarin hotel, Dubai	United Arab Emirates	138
Private yacht interiors project	Germany	105
Private yacht interiors project	Germany	98
Mawten Hotel, Riyadh	Kingdom of Saudi Arabia	82
King Saud University, Riyadh	Kingdom of Saudi Arabia	71
W Hotel & Residences, Dubai	United Arab Emirates	67
Mandarin Oriental, Kuala Lumpur	Malaysia	65
Private Beach House, Abu Dhabi	United Arab Emirates	63
Government ministry, Jeddah	Kingdom of Saudi Arabia	61
Total		948
Percentage of total backlog projects		47%

By geography



By Key Business Unit



Key Business Units



Strong profit generation across all four of the Group's Key Business Units



Design Studio

- A number of project wins in Malaysia, Thailand, and China, including the fit-out of Citizen M Hotel, Hotel Equatorial and the Maison Rouge residential development in Bangkok



Depa Interiors Group

- Continues to make strong project execution progress with several projects scheduled for delivery by the end of the year and early 2018



Vedder

- Continues to perform well with a number of sizable projects in the pipeline which will further build on its 2018 backlog



Deco Group

- Awarded the fit-out of several new high end retail stores in Dubai Mall
- Commenced further rationalisation of its group functions across its business that will generate additional savings in 2018

Positive Outlook



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

- Results year to date reflect the Group's continued progress in executing our clearly defined business strategy, in conjunction with sound operational performance and management's collection of long outstanding receivables
- The Group has materially strengthened its balance sheet and further de-risked the business
- Reflecting these positive results and in line with Depa's objective to return long term sustainable value to shareholders, this quarter Depa paid its first dividend since 2010
- The positive outlook, along with Depa's market leading positions and strong balance sheet, will allow Depa to take full advantage of both organic and inorganic growth opportunities



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.

depa

***We live by
our values:***

Transparency

Integrity

Accountability

Professionalism

Exceptional Service

