



Depa Limited

FY 2017 Financial Results

FY2017 Highlights



Revenue
↑ AED **1,800.3**mn

Robust revenue growth

- Revenue of AED 1,800.3mn
- 4% year-on-year growth

EBIT Margin
↑ **10.1%**

Strong margins: EBIT margin of 10.1%

- EBIT margin up 540bp compared with 4.7% in 2016

Profit
↑ AED **153.6**mn

Full year audited profit of AED 153.6mn

- Up AED 101.6mn from AED 52.0mn in 2016: 195%
- Earnings per share UAE 25 fils up 257% on 2016

Net cash
↑ AED **261.5**mn

Robust balance sheet

- Net cash (ex-restricted) of AED 261.5mn, up AED 119.8mn on 2016
- Resources available to navigate risk and achieve growth

Backlog
AED **1,794**mn

Backlog of AED 1,794mn

- Supported by strong pipeline of opportunities
- Expo 2020, super yacht orders and growth in core markets provide tailwinds

Dividend
**UAE 8.5 fils (ordinary) +
UAE 7.0 fils (special)**

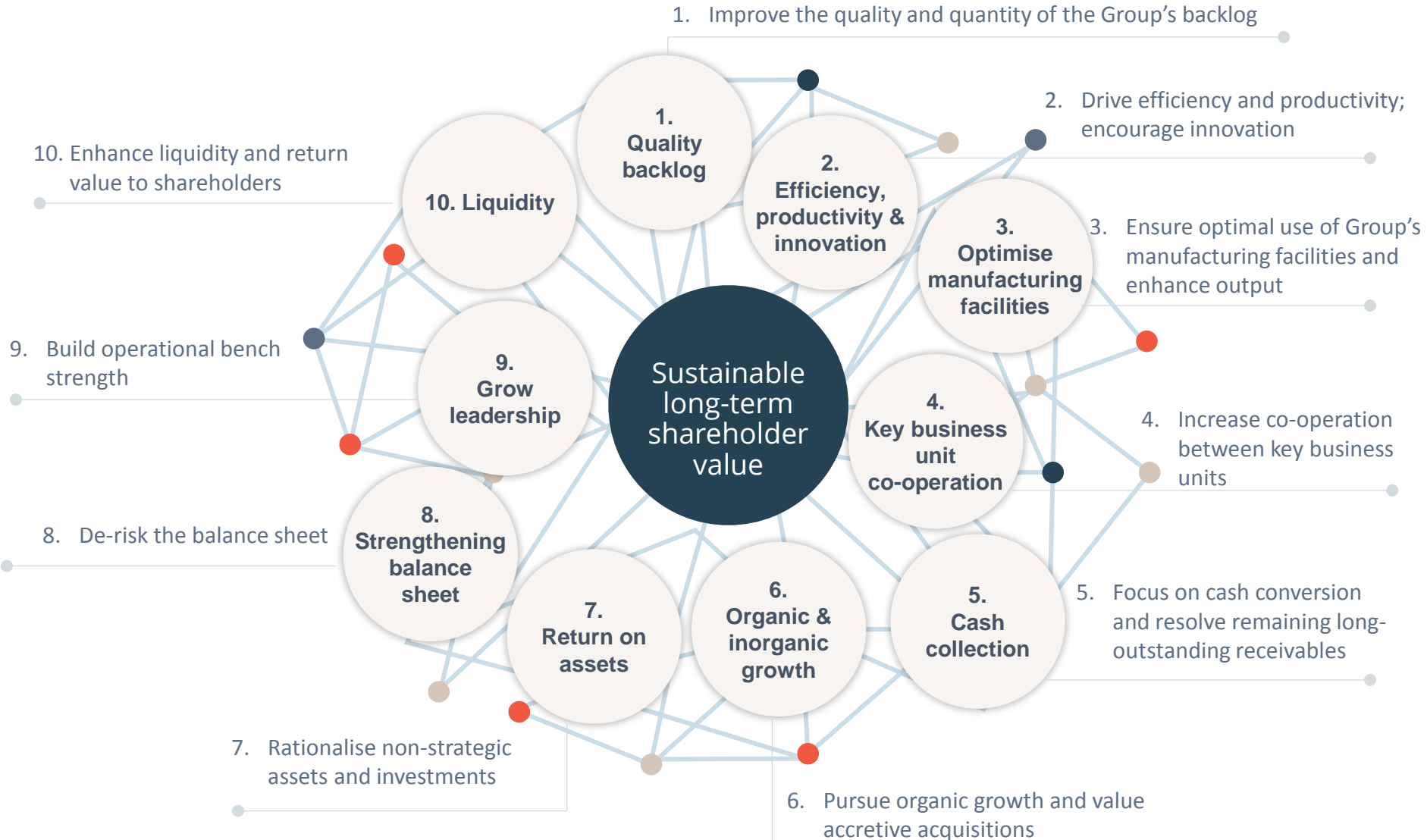
First ordinary dividend since 2010

- Final ordinary dividend of UAE 6.0 fils, taking the full year ordinary dividend to UAE 8.5 fils
- Additional special dividend of UAE 7.0 fils per share has been proposed

Strategy update



Following the completion of the first two phases of our strategy the Group moves its focus onto the following ten drivers of sustainable long term shareholder value creation:



Depa Limited
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Financial Review



Summary income statement



| AED mn | Dec -17 | Dec -16 | Change | |
|---------------------------------------|--------------|-------------|--------------|-------------|
| | | | Amount | % |
| Revenue | 1,800.3 | 1,730.3 | 70.0 | 4% |
| Expenses | (1,617.1) | (1,653.8) | 36.7 | (2%) |
| Share of profit from associates | (1.4) | 5.3 | (6.7) | (126%) |
| Profit before interest and tax | 181.8 | 81.8 | 100.0 | 122% |
| Net - finance cost | (11.4) | (10.1) | (1.3) | 13% |
| Profit before tax | 170.4 | 71.7 | 98.7 | 138% |
| Income tax expense | (16.8) | (19.7) | 2.9 | (15%) |
| Profit for the period | 153.6 | 52.0 | 101.6 | 195% |
| Non-controlling interests | (1.3) | (6.5) | 5.2 | (80%) |
| Profit after NCI | 152.3 | 45.5 | 106.8 | 235% |

- Profit of AED 153.6mn, up AED 101.6mn on 2016: 195%
- Robust revenue growth, up 4% year-on-year
- EBIT margin of 10.1%, up 540bp compared with 4.7% in 2016
- Earnings per share of UAE 25 fils, up 257% (2016: 7 fils)

Key business unit performance

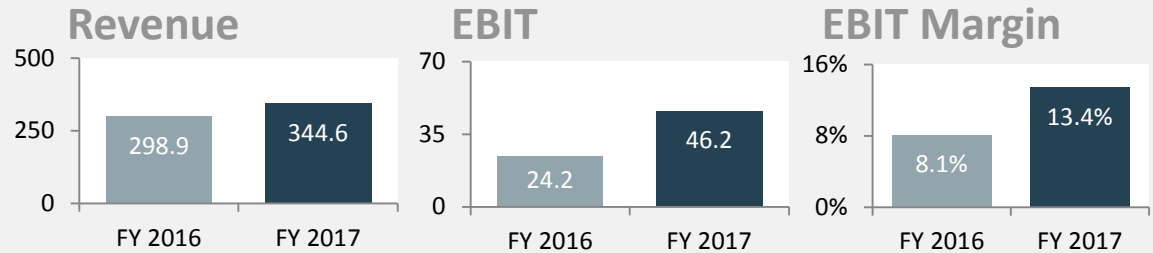


Strong performance shown across the Group

All figures in (AEDmn)

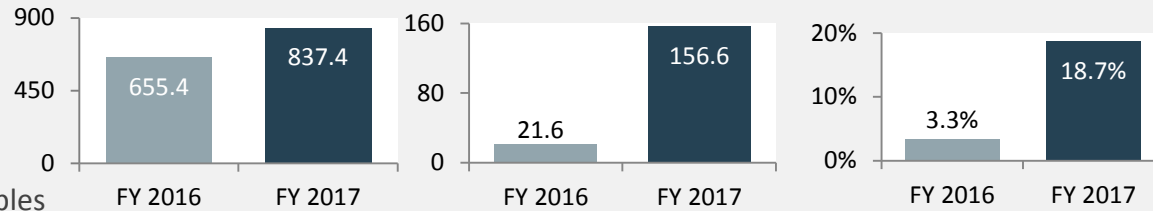
Vedder

- Strong revenue growth: up 15% year-on-year to AED 344.6mn
- EBIT margin of 13.4% up strongly on 2016
- Record levels of backlog



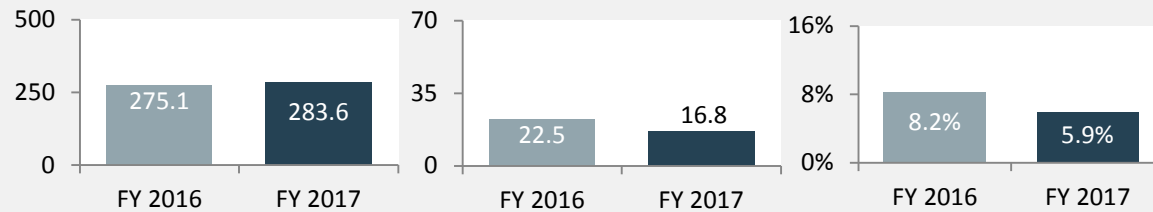
Depa Interiors

- Strong revenue growth: up 28% year-on-year to AED 837.4mn
- EBIT margin of 18.7% up strongly on 2016
- Resolution of a number of long-outstanding receivables



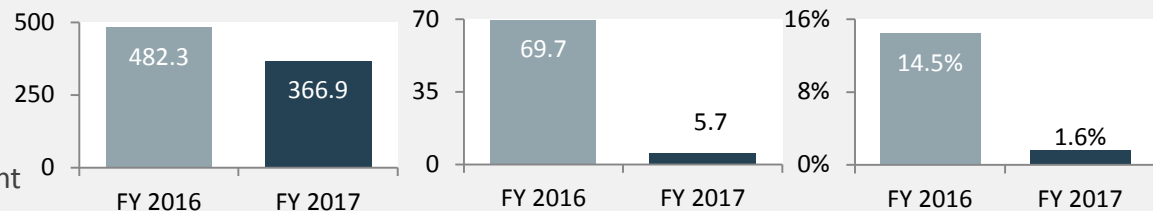
Deco Group

- Robust revenue growth: up 3% year-on-year to AED 283.6mn
- EBIT margin of 5.9%
- Consolidation of Carrara factories to generate efficiencies and productivity savings



Design Studio

- Revenue of AED 366.9mn
- Current year profit affected by cost overruns and reduced margins
- Merger of Singaporean operations, new management team in place, restructured manufacturing facilities



Summary balance sheet



| AED mn | Dec -17 | Dec -16 | Change |
|--|----------------|----------------|----------------|
| Cash and bank balances | 504.3 | 491.8 | 12.5 |
| Trade and other receivables | 797.1 | 818.4 | (21.3) |
| Due from construction contract customers | 486.8 | 489.9 | (3.1) |
| Inventories | 49.8 | 63.7 | (13.9) |
| Total Current assets | 1,838.0 | 1,863.8 | (25.8) |
| Contract retentions | 138.1 | 109.7 | 28.4 |
| Property, plant and equipment | 209.6 | 211.7 | (2.1) |
| Goodwill | 297.3 | 297.3 | 0.0 |
| Other non-current assets | 137.1 | 142.6 | (5.5) |
| Total non-current assets | 782.1 | 761.3 | 20.8 |
| Total assets | 2,620.1 | 2,625.1 | (5.0) |
| Trade and other payables | 1,013.5 | 1,099.2 | (85.7) |
| Borrowings | 81.6 | 157.5 | (75.9) |
| Income tax payable | 17.8 | 19.3 | (1.5) |
| Current liabilities | 1,112.9 | 1,276.0 | (163.1) |
| Employees' end of service benefits | 76.1 | 72.7 | 3.4 |
| Borrowings | 25.9 | 45.6 | (19.7) |
| Other non-current liabilities | 9.4 | 9.7 | (0.3) |
| Non-current liabilities | 111.4 | 128.0 | (16.6) |
| Total liabilities | 1,224.3 | 1,404.0 | (179.7) |
| Total equity including minorities | 1,395.8 | 1,221.1 | 174.7 |

- Net cash (ex-restricted) of AED 261.5mn, up AED 119.8mn on 2016
- Bank borrowings continue to reduce
- Credit profile and resources available to navigate risk and achieve growth
- Retained earnings at 31 December 2017 AED 103.6mn
- Net asset value per share AED 2.30

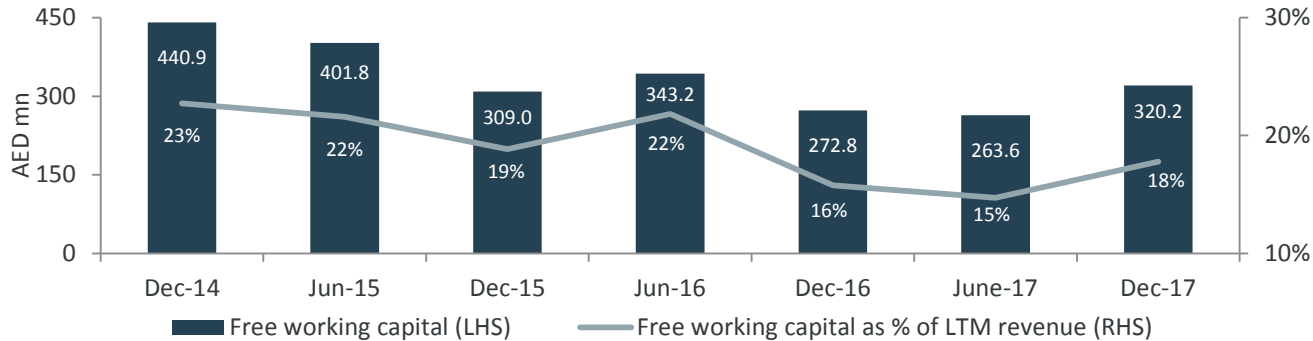
Summary cash flow



| AED mn | Dec-17 | Dec-16 | Change | % |
|--|----------------|---------------|---------------|---------------|
| Operating cash flow | 217.6 | 149.4 | 68.2 | 46% |
| Working capital changes | (46.4) | (54.4) | 8.0 | (15%) |
| Other movements | (27.7) | (33.1) | 5.4 | (16%) |
| Cash flows from /(used in) operating activities | 143.5 | 61.9 | 81.6 | 132% |
| Investing Activities | | | | |
| Net capex | (27.0) | 4.6 | (31.6) | (687%) |
| Long term deposits | (5.5) | 8.5 | (14.0) | (165%) |
| Dividend of investment in associates | 7.3 | 2.2 | 5.1 | 232% |
| Other movements | 1.7 | 13.4 | (11.7) | (87%) |
| Net cash flows from /(used in) investing activities | (23.5) | 28.7 | (52.2) | (182%) |
| Financing activities | | | | |
| Movement in borrowings | (76.7) | (72.1) | (4.6) | 6% |
| Dividend paid to shareholders | (15.4) | 0.0 | (15.4) | n.m |
| Dividends paid to non-controlling interests | (9.9) | (8.9) | (1.0) | 11% |
| Interest paid | (13.1) | (11.5) | (1.6) | 14% |
| Net cash flows from /(used in) financing activities | (115.1) | (92.5) | (22.6) | 24% |
| Net Movement in cash and cash equivalents | 4.9 | (1.9) | 6.8 | (358%) |
| Cash and cash equivalents at the period end | 308.6 | 271.0 | 37.6 | 14% |

- Net cash inflows from operating activities increased to AED 143.5mn (2016: AED 61.9mn)
- Net capex spend of AED 27.0mn
- Borrowings reduced by AED 76.7mn
- First ordinary dividend paid since 2010
- Cash and cash equivalents up AED 37.6mn to AED 308.6mn

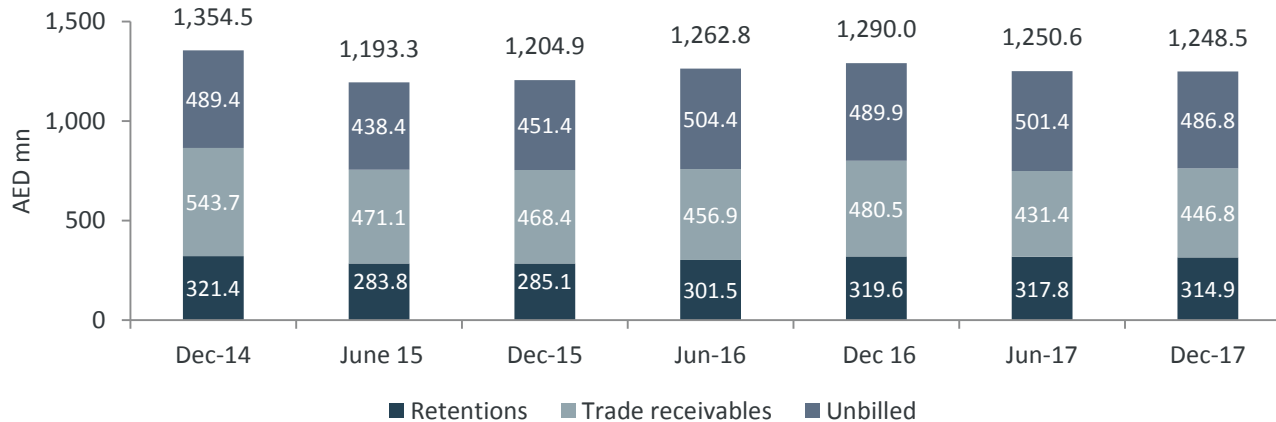
Working capital balance



- Working capital expanded in second half of the year
- Expected to partially reverse over 2018

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

Receivables movement



- Scope to further improve trade receivable position with cash collection a focus across the Group

Note: Receivables movement includes net unbilled, gross trade receivables and gross retentions

Enhancement of liquidity

- SHUAA Capital appointed as liquidity provider
- Global Depository Receipt programme terminated
- Conversion of listing currency from US Dollars to UAE Dirhams to increase appeal of Depa shares with regional GCC investors

Dividend

- First ordinary dividend since 2010
- Interim ordinary dividend paid in September 2017 (UAE 2.5 fils)
- A final ordinary dividend of UAE 6.0 fils per ordinary share is recommended
- Additional special dividend of UAE 7.0 fils per share has been proposed

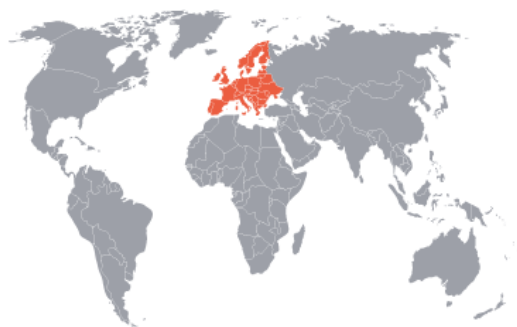
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Operational Review





Based in Germany, Vedder is the world's leading provider of fit-out solutions for the global superyacht and private aircraft market



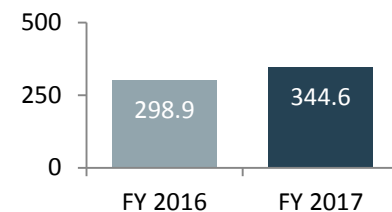
Financial highlights

- Revenue: AED 344.6mn
- EBIT: AED 46.2mn
- EBIT margin of 13.4%

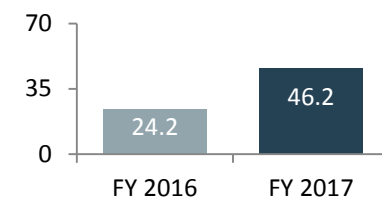
Operational highlights

- Secured a major new-build motor yacht project along with a number of other smaller projects
- Major residential project secured in Florida
- Order book at record levels
- Well positioned going into 2018

Revenue



EBIT





The Middle East's leading provider of interior solutions for the high-end hospitality, residential and commercial market



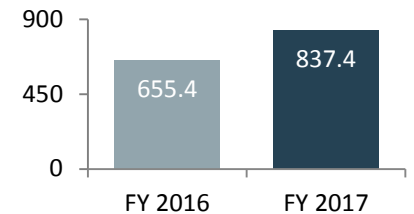
Financial highlights

- Revenue: AED 837.4mn
- EBIT: AED 156.6
- EBIT margin of 18.7%

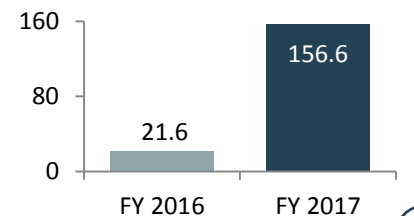
Operational highlights

- Collection of a number of long-outstanding receivables underpinned by strong operational performance on its current project portfolio
- Implementation of new client relationship management approach
- UAE market continues to offer quality opportunities, with Dubai's Expo 2020 a key driver

Revenue



EBIT





The Middle East's leading provider of interior solutions for the luxury retail market, premium marble supply and installation, and high-quality furniture and joinery works



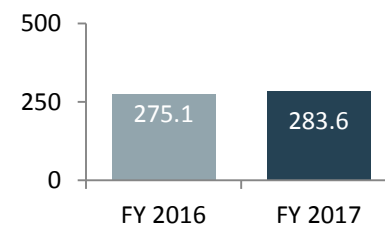
Financial highlights

- Revenue: AED 283.6mn
- EBIT: AED 16.8
- EBIT margin of 5.9%

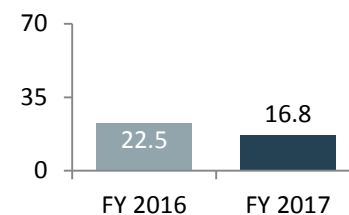
Operational highlights

- Handover of largest project to date – Robinson's Department Store, Dubai Festival City
- Secured three luxury retail stores in Dubai Mall Extension
- Carrara consolidation generates significant efficiencies and productivity savings
- Eldiar's operations to be merged with Deco's

Revenue



EBIT





Based in Singapore, focused on high-end hospitality, residential and commercial fit out and luxury furniture manufacturing



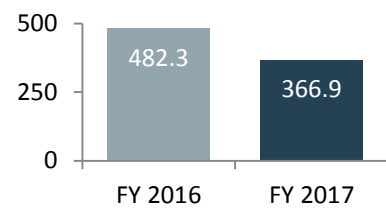
Financial highlights

- Revenue: AED 366.9mn
- EBIT: 5.7mn
- EBIT margin of 1.6%

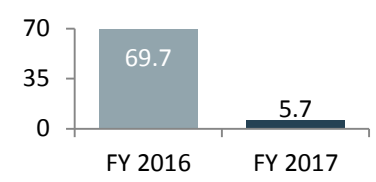
Operational highlights

- New management team in place
- Merger of Singaporean operations
- Manufacturing facilities restructured
- Continues to win opportunities both within its key markets of Singapore and Malaysia and outside: the Middle East, Thailand, China

Revenue



EBIT



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**Backlog and
Outlook**

F Y 2 0 1 7 F i n a n c i a l R e s u l t s



New Projects Secured in 2017



Jumeirah Resort
Development, UAE



Dolce & Gabbana
Store, UAE



Government Ministry
Project, KSA



Robinsons Department
Store, Malaysia

**BOTTEGA
VENETA**



Bottega Veneta Store,
UAE

Valentino Store, UAE

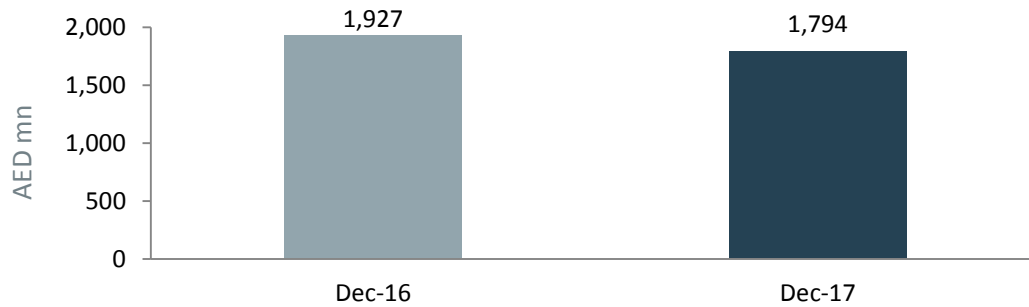


Major new build
Motoryacht, Germany



Citizen M Hotel,
Malaysia

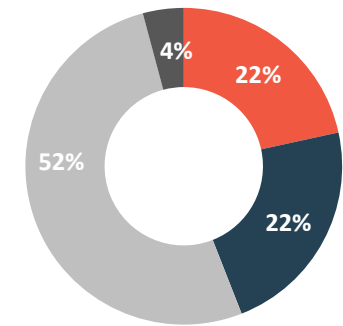
Project Backlog



Top 10 projects (by backlog)

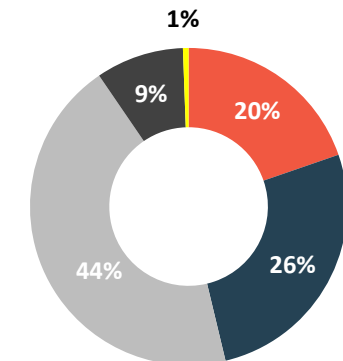
| Projects | Country | AED mn |
|---|--------------------------|--------|
| Infrastructure works, Riyadh | Kingdom of Saudi Arabia | 192 |
| Private yacht interior project | Germany | 151 |
| Jumeirah Resort Development, Dubai | United Arab Emirates | 94 |
| Private yacht interiors project | Germany | 90 |
| Hilton Garden Inn Hotel & Double Tree, Riyadh | Kingdom of Saudi Arabia | 80 |
| Residential project, Palm Beach, Florida | United States of America | 65 |
| King Saud University, Riyadh | Kingdom of Saudi Arabia | 62 |
| Mandarin Oriental, Kuala Lumpur | Malaysia | 62 |
| Luxury residences, Dubai | United Arab Emirates | 50 |
| Private beach house, Abu Dhabi | United Arab Emirates | 43 |

By geography



■ Asia ■ Europe ■ Middle East ■ Other

By key business unit



■ Design Studio ■ Vedder
 ■ Depa Interiors Group ■ Deco Goup
 ■ Others

- The quality and strength of Depa's backlog, a solid pipeline of prospective work and a strong net cash position ensure that the Group is well placed to succeed 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





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, whether 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.