

A large, ornate chandelier hangs from a circular ceiling in a modern interior space. The chandelier is composed of numerous small, clear, faceted crystals that catch the light, creating a shimmering effect. The ceiling is a dark, circular structure with a grid pattern. The walls are a light color, and there are several large, cylindrical light fixtures on the walls, each with a glowing yellow light. The overall atmosphere is elegant and sophisticated.

Global
Interior
Solutions

Depa Limited



H1 2018 Financial Results

depa.com

H1 2018 highlights



Revenue

AED **852.2**mn

Solid revenue growth

- Revenue of AED 852.2mn
- Up 17.6mn, 2% on H1 2017

Profit

AED **35.8**mn

EBIT margin of 6% and H1 2018 profit of AED 35.8mn

- Strong growth on Q1 2018
- Earnings per share UAE 5 fils
- H1 2017 positively impacted by the resolution of two major long-outstanding receivables

Net cash

AED **140.8**mn

Robust balance sheet

- Net cash (ex-restricted) of AED 140.8mn following AED 79.3mn of dividend payments during the period

Backlog

AED **1,890**mn

Backlog of AED 1,890mn

- Up AED 96m or 5% during H1 2018 (31 December 2017: AED 1,794mn)
- Supported by strong pipeline of opportunities
- Expo 2020, superyacht orders and growth in core markets provide tailwinds

Interim dividend

UAE **2.6** fils

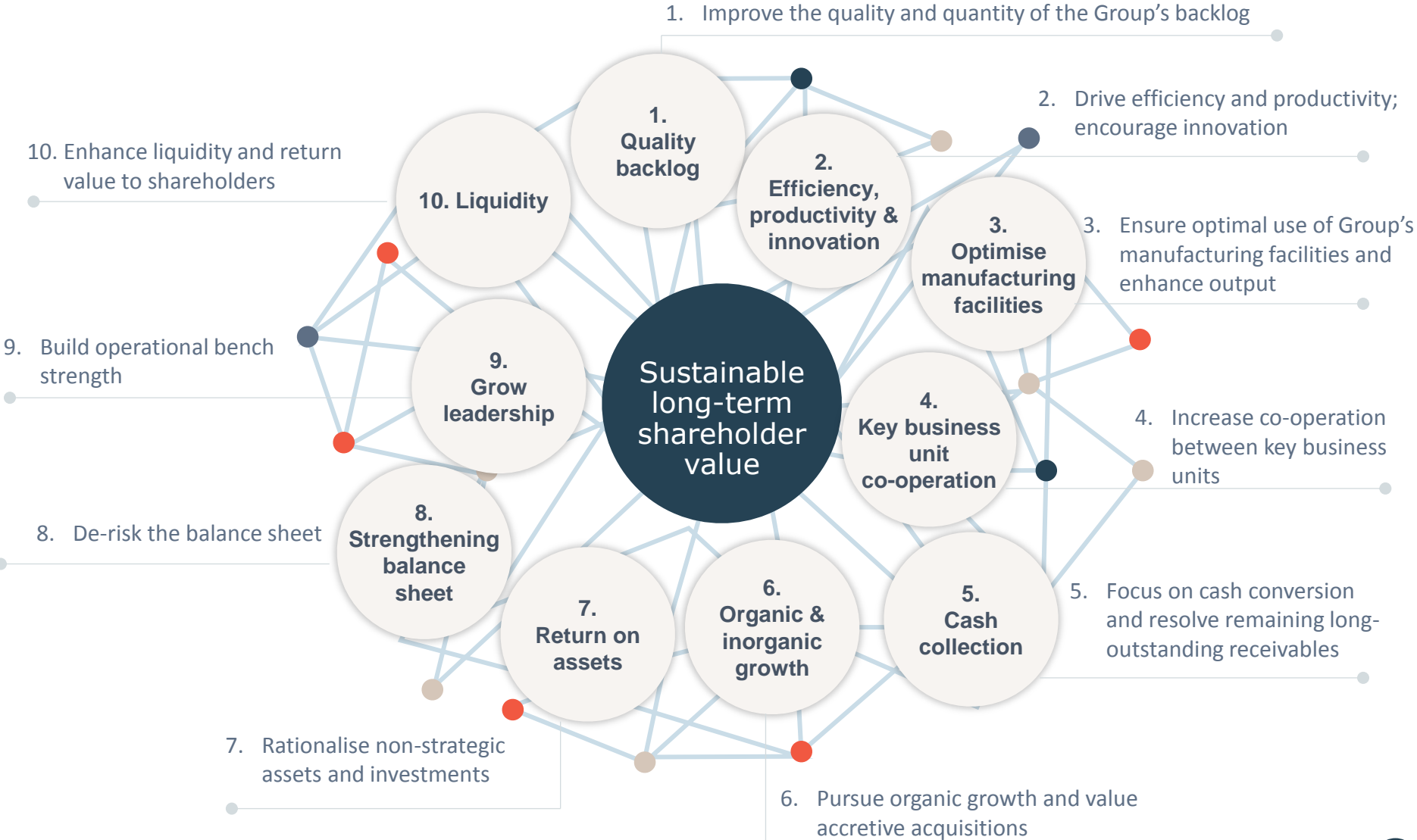
Interim dividend of UAE 2.6 fils

- 4% increase on H1 2017 (UAE 2.5 fils)
- Dividend policy: payout ratio of 25% - 50% of annual profits
- Interim dividend to be paid on 21 October 2018

Depa's strategy



Our ten drivers of sustainable shareholder value creation:



Depa Limited
H1 2018 Financial Results

Financial Review



Summary income statement



AED mn	Jun -18	Jun -17	Change	
			Amount	%
Revenue	852.2	834.6	17.6	2%
Expenses	(799.5)	(704.9)	(94.6)	13%
Share of profit from associates	(2.8)	(0.9)	(1.9)	211%
Profit before interest and tax	49.9	128.8	(78.9)	(61%)
Net - finance cost	(5.1)	(5.0)	(0.1)	2%
Profit before tax	44.8	123.8	(79.0)	(64%)
Income tax expense	(9.0)	(10.5)	1.5	(14%)
Profit for the period	35.8	113.3	(77.5)	(68%)
Non-controlling interests	(4.9)	(0.8)	(4.1)	513%
Profit after NCI	30.9	112.5	(81.6)	(73%)

- Solid revenue growth, up 2% year-on-year
- EBIT margin of 6% (H1 2017: 15%)
- Profit of AED 35.8 mn (H1 2017: 113.3mn)
- Earnings per share of UAE 5 fils (H1 2017: UAE 19 fils)
- H1 2017 results positively impacted by recovery of two major long outstanding receivables

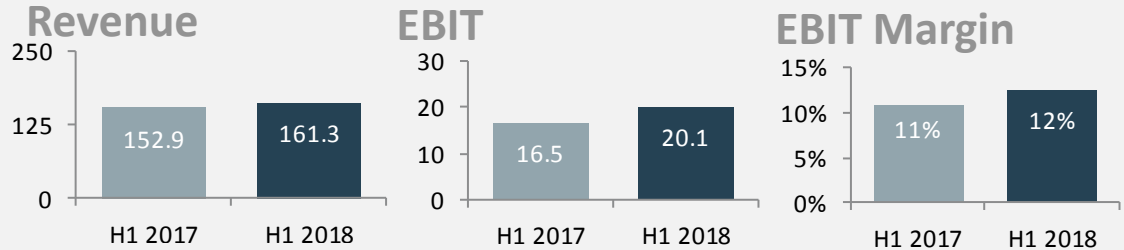
Key business unit performance



All figures in (AEDmn)

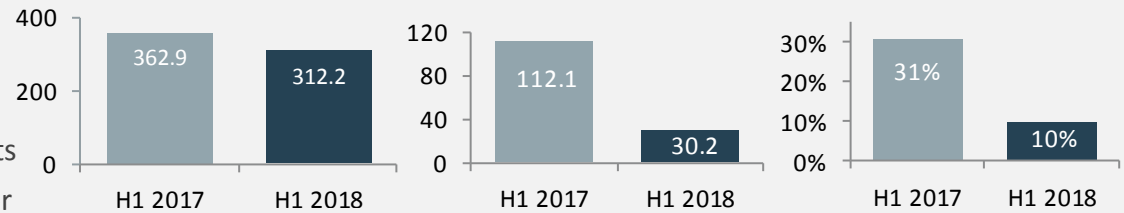
Vedder

- Strong revenue growth: up 5% on H1 2017 to AED 161.3mn
- EBIT margin of 12% up strongly on H1 2017
- Largest project to date secured in first half 2018



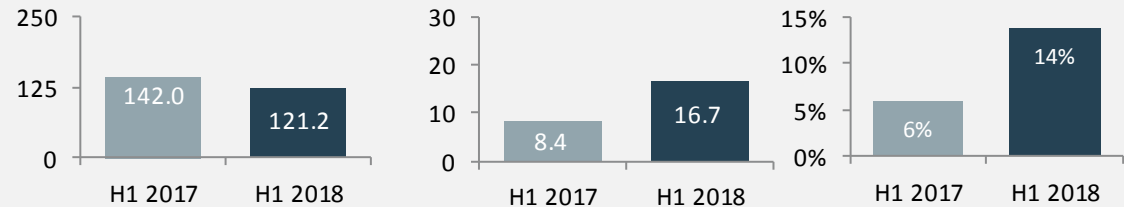
Depa Interiors

- Revenue of AED 312.2mn
- EBIT margin of 10%
- Restructure of operations executed during H1 following a number of key management appointments
- H1 2017 positively impacted by recovery of two major long outstanding receivables



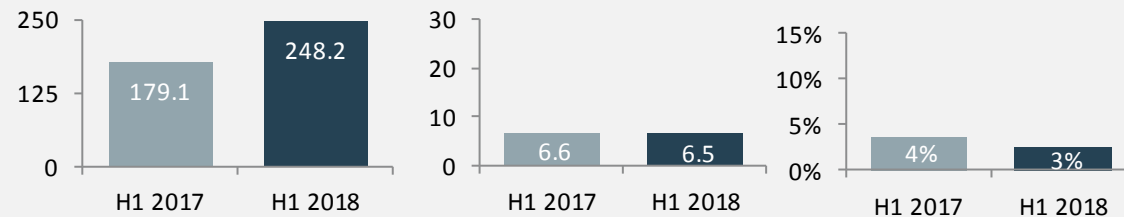
Deco Group

- Revenue of AED 121.2mn
- EBIT margin of 14% up on H1 2017 margin of 6% following positive impact of sale of leasing rights
- Strong project delivery in H1 2018



Design Studio

- Revenue of AED 248.2mn, up 39% on H1 2017
- EBIT margin of 3%
- Strong revenue growth and significant backlog improvement during H1 2018



Summary balance sheet



AED mn	Jun -18	Dec -17	Change
Cash and bank balances	434.1	504.3	(70.2)
Trade and other receivables	798.3	797.1	1.2
Due from constuction contract customers	559.5	486.8	72.7
Inventories	62.3	49.8	12.5
Total Current assets	1,854.2	1,838.0	16.2
Contract retentions	156.2	138.1	18.1
Property, plant and equipment	201.2	209.6	(8.4)
Goodwill	297.3	297.3	0.0
Other non-current assets	117.8	137.1	(19.3)
Total non current assets	772.5	782.1	(9.6)
Total assets	2,626.7	2,620.1	6.6
Trade and other payables	1,091.8	1,013.5	78.3
Borrowings	78.9	81.6	(2.7)
Income tax payable	15.2	17.8	(2.6)
Current liabilities	1,185.9	1,112.9	73.0
Employees' end of service benefits	79.5	76.1	3.4
Borrowings	24.3	25.9	(1.6)
Other non-current liabilities	14.3	9.4	4.9
Non current liabilities	118.1	111.4	6.7
Total liabilities	1,304.0	1,224.3	79.7
Total equity including minorities	1,322.7	1,395.8	(73.1)

- Cash balance of AED 434.1mn at H1 2018 following AED 79.3mn dividend payments during the period
- Net cash (ex-restricted) of AED 140.8mn
- Retained earnings at 30 June 2018 AED 25.0mn
- Net asset value per share AED 2.16 and tangible net asset value per share of AED 1.61

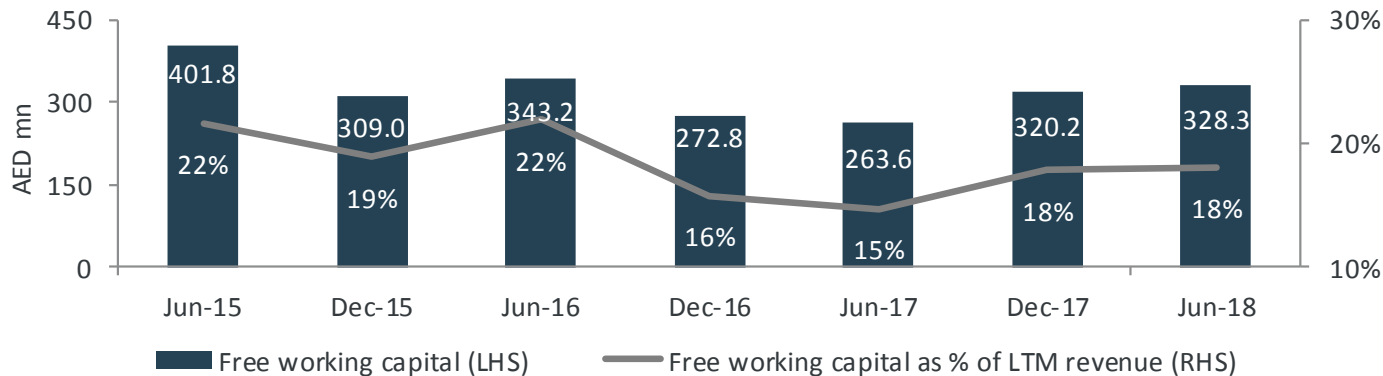
Summary cash flow



AED mn	Jun-18	Jun-17	Change	%
Operating cash flow	64.1	124.8	(60.7)	(49%)
Working capital changes	(80.9)	0.3	(81.2)	n.m.
Other movements	(15.6)	(9.6)	(6.0)	63%
Cash flows from /(used in) operating activities	(32.4)	115.5	(147.9)	(128%)
Investing activities				
Net capex	(10.0)	(5.8)	(4.2)	72%
Long term deposits	(1.1)	0.7	(1.8)	(257%)
Disposal of investment in associates	7.0	0.0	7.0	n.m.
Dividends received from associates	3.1	4.4	(1.3)	(30%)
Other movements	0.4	0.6	(0.2)	(39%)
Net cash flows from /(used in) investing activities	(0.6)	(0.1)	(0.5)	534%
Financing activities				
Movement in borrowings	(8.7)	(24.5)	15.8	(64%)
Dividend paid to shareholders	(79.3)	0.0	(79.3)	n.m.
Dividends paid to non-controlling interests	(3.2)	(6.3)	3.1	(49%)
Interest paid	(5.5)	(5.6)	0.1	(2%)
Net cash flows from /(used in) financing activities	(96.7)	(36.4)	(60.3)	166%
Net movement in cash and cash equivalents	(129.7)	79.0	(208.7)	(264%)
Cash and cash equivalents at the period end	178.1	368.0	(189.9)	(52%)

- Net cash outflows from operating activities AED 32.4mn (H1 2017: AED 115.5mn inflow)
- Working capital outflow primarily due to project payment timings
- Disposal of associate generated AED 7.0mn of cash
- Dividend payments of AED 79.3mn in H1 2018 (H1 2017: nil)
- Cash and cash equivalents AED 178.1mn (H1 2017: AED 368.0mn)

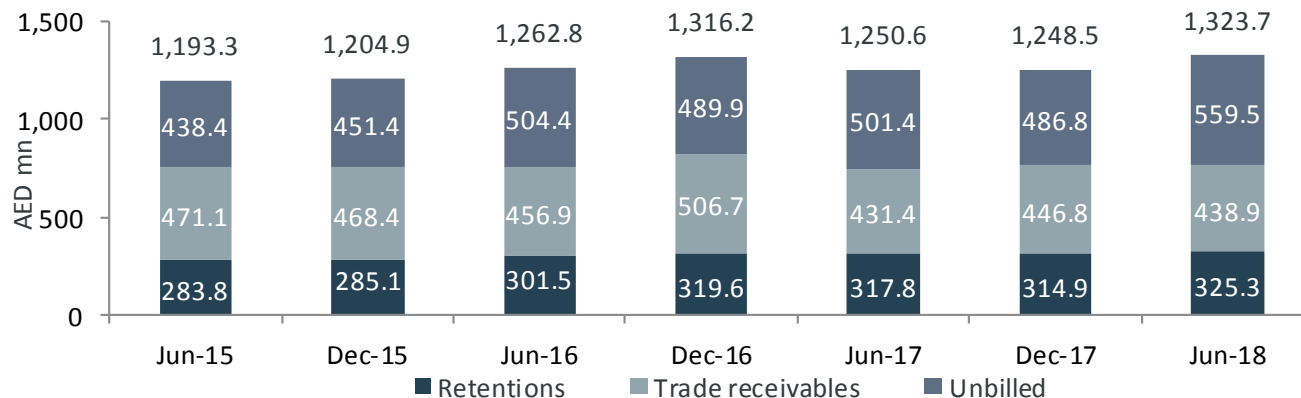
Working capital balance



- Stable working capital position
- Increase in amounts due from construction contract customers offset by increase in payables

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 receivable position with cash collection a focus across the Group

Note: Receivables movement includes net amounts due from construction contract customers, gross trade receivables and gross retentions

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H1 2018 Financial Results

Operational Review





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



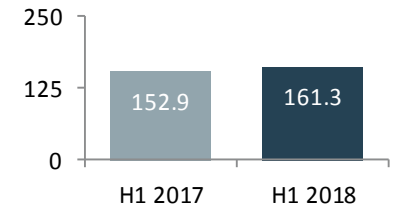
Financial highlights

- Revenue: AED 161.3mn
- EBIT: AED 20.1mn
- EBIT margin of 12%

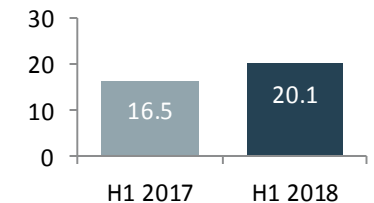
Operational highlights

- Secured largest superyacht project to-date
- Secured entire interior fit-out of new-build superyacht
- Backlog at record levels
- Expansion of facilities being evaluated

Revenue



EBIT





The Middle East's leading provider of interior solutions for the hospitality, residential, commercial, transport and civil infrastructure markets



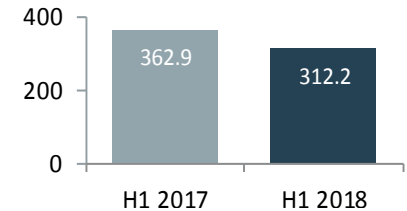
Financial highlights

- Revenue: AED 312.2mn
- EBIT: AED 30.2mn
- EBIT margin of 10%
- H1 2017 results positively impacted by recovery of two major long outstanding receivables

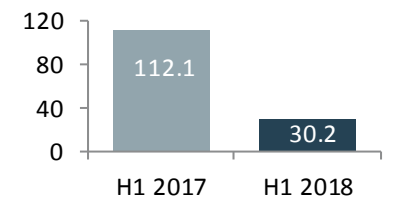
Operational highlights

- Secured major KSA infrastructure project
- Restructuring of business ensures it is well placed to compete and grow
- UAE market continues to offer 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



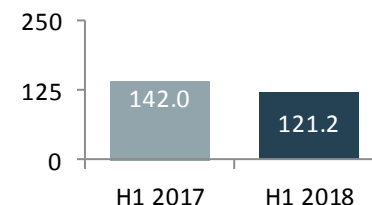
Financial highlights

- Revenue: AED 121.2mn
- EBIT: AED 16.7mn
- EBIT margin of 14%
- Sale of leasing rights in H1 2018 positively impacted EBIT

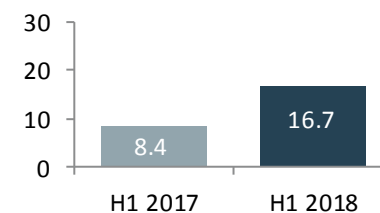
Operational highlights

- Strong project execution, delivering four retail stores for the Dubai Mall Fashion Avenue extension in H1 2018
- Continues relationship with long-term clients securing Chanel store Dubai Mall and Gucci store Mall of the Emirates

Revenue



EBIT





Singapore's leading interior fit-out solutions provider and one of Asia's fastest growing providers of joinery solutions

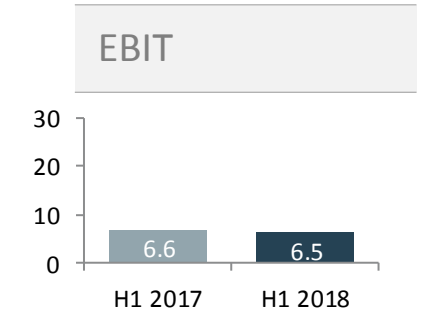
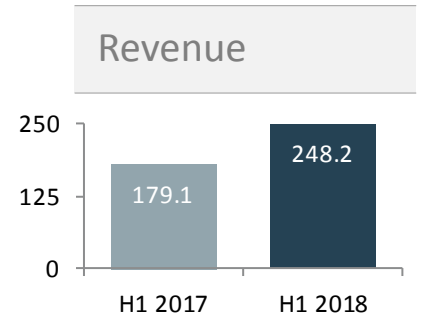


Financial highlights

- Revenue: AED 248.2mn
- EBIT: AED 6.5mn
- EBIT margin of 3%

Operational highlights

- Strong revenue and backlog growth
- Manufacturing facilities restructured
- Continues to win opportunities both within its key markets of Singapore and Malaysia as well as the Middle East, Thailand and China



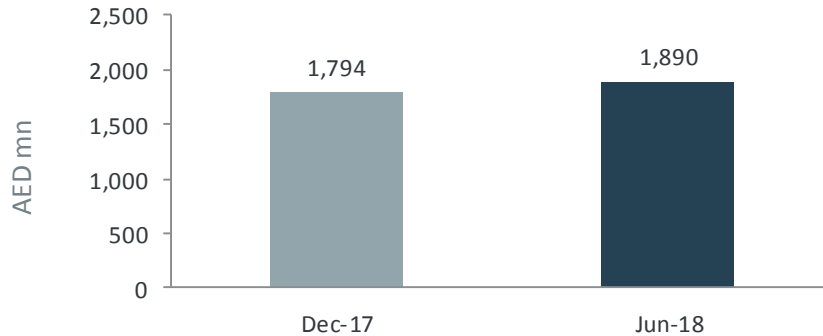
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H1 2018 Financial Results

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**Backlog and
Outlook**

H 1 2 0 1 8 F i n a n c i a l R e s u l t s



Project Backlog

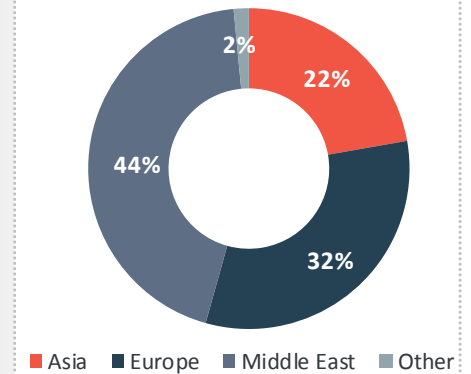


Top 10 projects (by backlog)

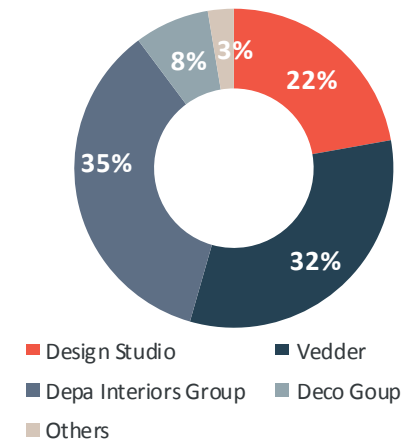
Projects	Country	AED mn
Infrastructure works, Riyadh	Kingdom of Saudi Arabia	177
Private yacht interiors project	Germany	131
Private yacht interiors project	Germany	126
Infrastructure works, Riyadh	Kingdom of Saudi Arabia	80
Private yacht interiors project	Germany	76
Private yacht interiors project	Netherlands	73
Hilton Garden Inn & Double Tree	Kingdom of Saudi Arabia	72
King Saud University	Kingdom of Saudi Arabia	56
Luxury Residences	United Arab Emirates	44
Private yacht interiors project	Germany	43

← New award
 ← New award
 ← New award
 ← New award

By geography



By key business unit



Outlook



- The quality and strength of Depa's backlog, a solid pipeline of prospective work and a strong balance sheet position ensure that the Group is well placed to succeed in its core markets and navigate risk
- 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 Group's ten-driver strategy is focused on creating long-term sustainable shareholder value
- Expo 2020, super yacht orders and growth in core markets provide tailwinds
- Outlook remains positive





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.