

Depa PLC FY 2020 Financial Results



29 April 2020

Global Interior Solutions



Summary income statement

AED mn	FY 2020	FY 2019	Change
Revenue	599.7	998.9	(399.2)
Expenses	(728.5)	(1,211.0)	482.5
Net provision for doubtful debts and due from construction contract customers	(237.6)	(154.5)	(83.1)
Impairment of goodwill and intangibles	(86.7)	(35.4)	(51.3)
Changes in fair value of investment properties	(12.0)	(2.6)	(9.4)
Share of profit /(loss) from associates	1.1	(4.5)	5.6
Profit/(loss) before interest and tax	(464.0)	(409.1)	(54.9)
Net - finance cost	(16.0)	(11.5)	(4.5)
Profit/(loss) before tax	(480.0)	(420.6)	(59.4)
Income tax expense	(0.8)	(1.7)	0.9
Profit/(loss) for the period from continuing operations	(480.8)	(422.3)	(58.5)
Profit / (loss) from discontinued operations	(18.7)	(18.6)	(0.1)
Profit/(loss) for the period	(499.5)	(440.9)	(58.6)
Non-controlling interests	14.7	31.8	(17.1)
Profit/(loss) for the period after NCI	(484.8)	(409.1)	(75.7)

- Revenue decrease due to the impact of covid-19 and slowdown in DSG operations as a result of ongoing restructuring process
- Increased net provision for doubtful debts due to challenging trading environment in the UAE. AED 79.7mn of provisions recognised due to a key customer, Arabtec, announcing its intention to file for liquidation
- Non-cash non-recurring write down of goodwill (AED 72.6mn) and intangibles (AED 14.1mn)
- Vedder and DSG China businesses are classified as discontinued operations

Summary balance sheet

AED mn	FY 2020	FY2019	Change
Cash and bank balances	137.4	217.0	(79.6)
Trade and other receivables	256.9	605.5	(348.6)
Assets classified as held for sale	379.3	0.0	379.3
Due from constuction contract customers	190.8	535.6	(344.8)
Inventories	9.0	40.1	(31.1)
Total current assets	973.4	1,398.2	(424.8)
Contract retentions	172.6	157.7	14.9
Property, plant and equipment	82.6	194.3	(111.7)
Goodwill	0.0	104.9	(104.9)
Other non-current assets	37.8	89.7	(51.9)
Total non current assets	293.0	546.6	(253.6)
Total assets	1,266.4	1,944.8	(678.4)
Trade and other payables	617.3	955.1	(337.8)
Liabilities classified as held for sale	228.2	0.0	228.2
Borrowings	155.0	169.1	(14.1)
Income tax payable	2.5	18.8	(16.3)
Current liabilities	1,003.0	1,143.0	(140.0)
Employees' end of service benefits	70.1	74.6	(4.5)
Borrowings	0.0	23.4	(23.4)
Other non-current liabilities	37.1	40.8	(3.7)
Non current liabilities	107.2	138.8	(31.6)
Total liabilities	1,110.2	1,281.8	(171.6)
Total equity including minorities	156.2	663.0	(506.8)

- Cash balance of AED 137.4mn
- Assets and liabilities relating to Vedder and DSG's China business unit are reclassified as 'Assets classified as held for sale' and 'Liabilities classified as held for sale'
- Goodwill reduced due to write down of AED 72.6mn and reclassification of goodwill related to Vedder to assets classified as held for sale

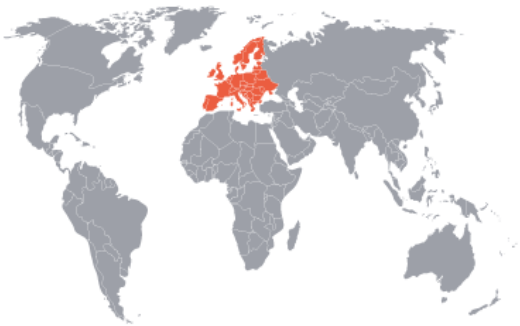
Summary cash flow

AED mn	FY 2020	FY 2019	Change
Operating activities	(73.9)	(183.2)	109.3
Working capital changes	94.1	105.8	(11.7)
Other movements	(41.2)	(23.4)	(17.8)
Net cash flows from/(used in) operating activities	(21.0)	(100.8)	79.8
Investing activities			
Net capex	(0.2)	(1.5)	1.3
Long term deposits	8.5	(8.3)	16.8
Disposal of TPC and LME (net of cash disposed)	0.0	25.6	(25.6)
Reclass of net cash of assets held for sale	(59.1)	0.0	(59.1)
Dividends received from associates	1.0	2.7	(1.7)
Proceeds from sale of investment property	13.0	0.0	13.0
Other movements	1.4	(1.5)	2.9
Net cash flows from/(used in) investing activities	(35.4)	17.0	(52.4)
Financing activities			
Movement in borrowings	3.4	34.7	(31.3)
Dividends paid to non-controlling interests	0.0	(1.8)	1.8
Interest paid	(17.4)	(12.5)	(4.9)
Finance lease payments	(5.3)	(5.7)	0.4
Net cash flows from/(used in) financing activities	(19.3)	14.7	(34.0)
Net movement in cash and cash equivalents	(75.7)	(69.1)	(6.6)
Cash and cash equivalents at the period end	8.8	86.6	(77.8)

- Net cash outflows from operating activities AED 21.0mn (FY 2019 net cash outflows: AED 100.8mn)
- AED 13.0mn proceeds from sale of a non-core investment property
- Disposal of TPC and LME generated AED 25.6mn net of cash disposed in FY 2019
- Movement in borrowings is a result of reclassification of Vedder liabilities to 'Liabilities classified as held for sale'
- Cash and cash equivalents AED 8.8mn (FY 2019: AED 86.6mn)



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



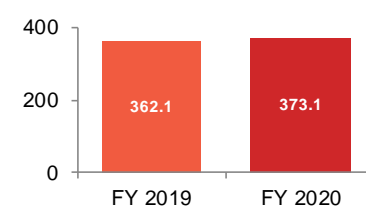
Financial highlights

- Revenue: AED 373.1mn
- EBIT: AED 31.8mn

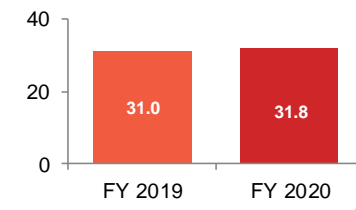
Operational highlights

- Secured over AED 400mn of new wins in FY 2020 despite the ongoing covid-19 pandemic
- New wins include; two exterior packages as a result of increased focus on the exterior sector, an entire interior package for a new-build superyacht, an interior package of AED 150mn being the largest in the company's history
- Successfully delivered and handed over AED 400mn worth of projects

Revenue



EBIT





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



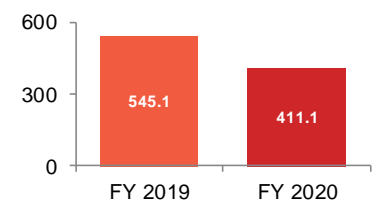
Financial highlights

- Revenue: AED 411.1mn
- EBIT: AED (245.3mn)
- Delays on a number of projects and provisions for receivables negatively impacted FY 2019 results with FY 2020 impacted by covid-19 delays and significant provisions for receivables

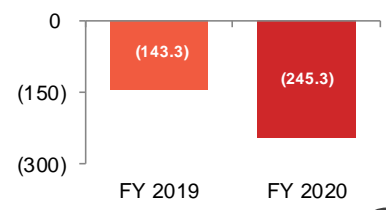
Operational highlights

- Secured a large hospitality project in the UAE
- Successfully delivered three commercial projects in Dubai during FY 2020
- Significant progress made on a number of cost saving initiatives allowing for a more flexible cost base in 2021

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



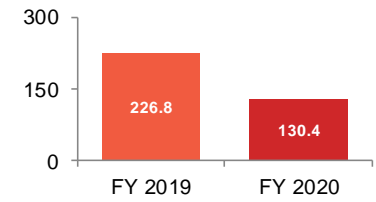
Financial highlights

- Revenue: AED 130.4mn
- EBIT: AED (23.2mn)
- FY 2020 results negatively impact by covid-19 and provisions for receivables

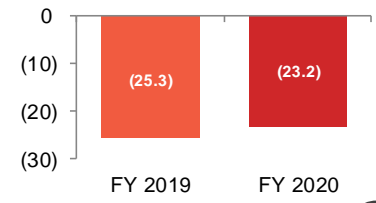
Operational highlights

- Strong relationships with long-term clients securing projects for Versace, Dior, Louis Vuitton and Dolce & Gabbana.
- Deco successfully delivered a number of projects, including the Louis Vuitton store in Dubai Mall
- Carrara successfully handed over its Dubai Metro expansion project

Revenue



EBIT





Based out of Singapore, one of Asia's leading premium fit-out providers and joinery specialists



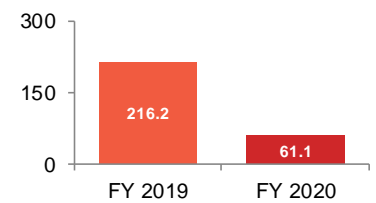
Financial highlights

- Revenue: AED 61.1mn
- EBIT: AED (90.7mn)
- FY 2020 revenue down on FY 2019 due to both the impact of covid-19 and a slowdown in operations as a result of the ongoing restructuring process

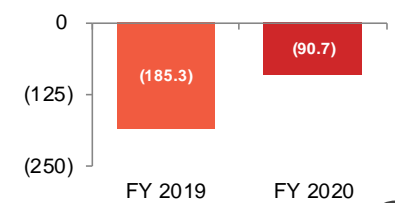
Operational highlights

- Significant cost saving initiatives have been implemented across the group
- Court supervised creditor moratorium continues
- Bank and shareholder led restructuring package negotiated
- Creditor scheme process awaiting approval
- Myanmar coup impacting the delivery of largest project

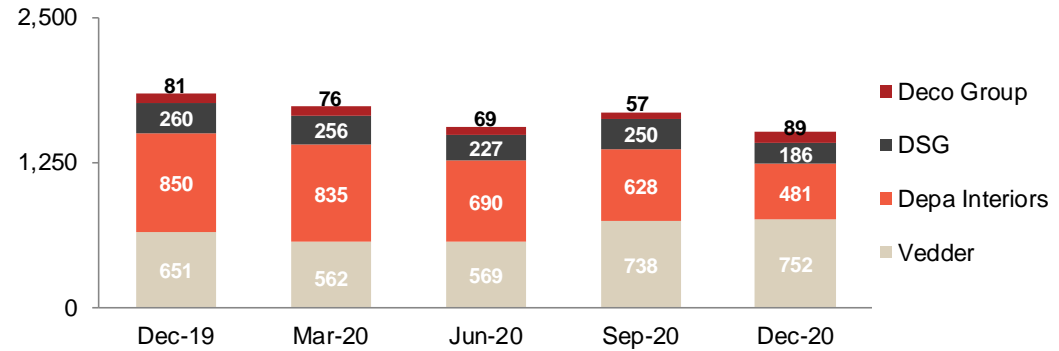
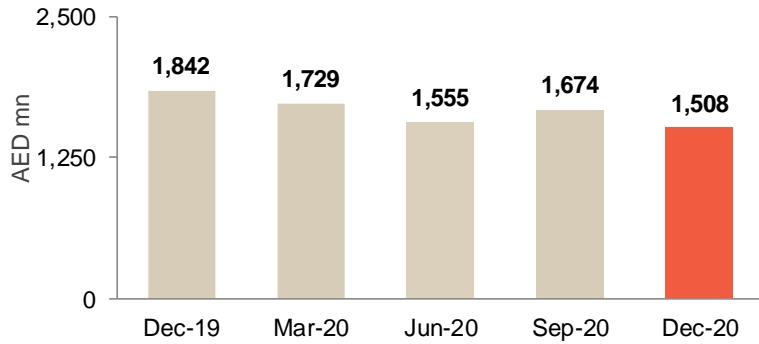
Revenue



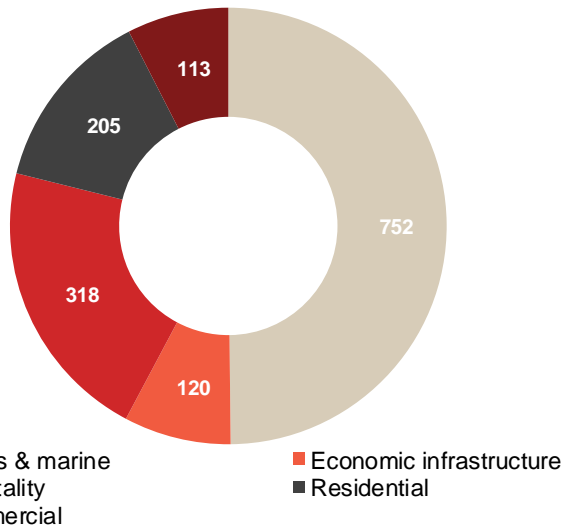
EBIT



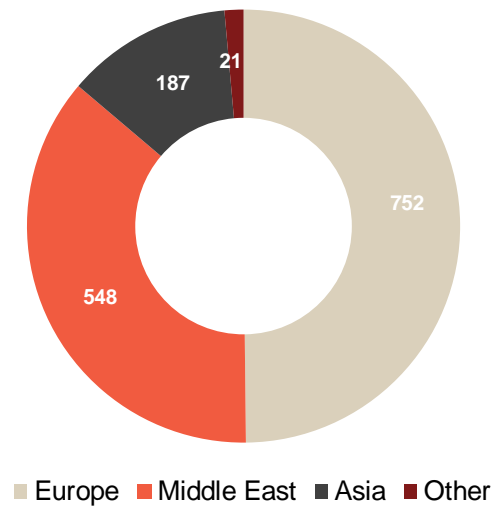
Backlog



By project type



By geography



Outlook



The Group-wide outlook is mixed but challenging overall. Covid-19 has adversely affected the Middle East based business units in terms of delayed project awards and the ongoing liquidity issues in the market which are not expected to improve in the near future. Whilst in Asia DSG is currently focused on the execution of its restructuring plan. The Group's European business, which is currently being sold, continues to perform strongly despite the uncertainty of covid-19.





Cautionary statement

This document may contain 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 any such forward looking statements.