

# Depa PLC H1 2021 Financial Results



26 August 2021

Global Interior Solutions



# Summary income statement

AED mn	H1 2021	H1 2020	Change	%
Revenue	394.9	526.6	(131.7)	(25.0%)
Expenses	(445.5)	(552.5)	107.0	(19.4%)
Net provision for doubtful debts and due from construction contract customers	26.5	(24.2)	50.7	(209.5%)
Impairment of goodwill and intangibles	0.0	(86.7)	86.7	(100.0%)
Changes in fair value of investment properties	0.0	(11.0)	11.0	n.m.
Share of profit /(loss) from associates	0.0	1.4	(1.4)	(100.0%)
Profit/(loss) before interest and tax	(24.1)	(146.4)	122.3	(83.5%)
Net - finance cost	(7.9)	(8.0)	0.1	(1.3%)
Profit/(loss) before tax	(32.0)	(154.4)	122.4	(79.3%)
Income tax expense	(7.8)	(4.8)	(3.0)	62.5%
Profit/(loss) for the period from continuing operations	(39.8)	(159.2)	119.4	(75.0%)
Loss for the period from discontinued operations	0.0	(8.4)	8.4	(100.0%)
Non-controlling interests	4.1	2.8	1.3	46.4%
Profit/(loss) for the period after NCI	(35.7)	(164.8)	129.1	(78.3%)

- Revenue decrease year on year mainly due to reduced revenue generated by Depa Interiors Group and a slowdown in DSG operations as a result of its ongoing restructuring process
- H1 2021 positively impacted by the reversal of a doubtful debt provision following the collection of a long outstanding receivable on the Meydan project

# Summary balance sheet

AED mn	H1 2021	FY 2020	Change
Cash and bank balances	180.4	137.4	43.0
Trade and other receivables	359.8	256.9	102.9
Assets classified as held for sale	6.7	379.3	(372.6)
Due from constuction contract customers	236.1	190.8	45.3
Inventories	34.2	9.0	25.2
<b>Total current assets</b>	<b>817.2</b>	<b>973.4</b>	<b>(156.2)</b>
Contract retentions	176.7	172.6	4.1
Property, plant and equipment	142.9	82.6	60.3
Goodwill	32.3	0.0	32.3
Other non-current assets	30.1	37.8	(7.7)
<b>Total non current assets</b>	<b>382.0</b>	<b>293.0</b>	<b>89.0</b>
<b>Total assets</b>	<b>1,199.2</b>	<b>1,266.4</b>	<b>(67.2)</b>
Trade and other payables	802.0	617.3	184.7
Liabilities directly associated with assets classified as held for sale	6.7	228.2	(221.5)
Borrowings	155.2	155.0	0.2
Income tax payable	1.9	2.5	(0.6)
<b>Current liabilities</b>	<b>965.8</b>	<b>1,003.1</b>	<b>(37.3)</b>
Employees' end of service benefits	67.2	70.1	(2.9)
Borrowings	0.0	0.0	0.0
Other non-current liabilities	49.7	37.1	12.6
<b>Non current liabilities</b>	<b>116.9</b>	<b>107.1</b>	<b>9.8</b>
<b>Total liabilities</b>	<b>1,082.7</b>	<b>1,110.2</b>	<b>(27.5)</b>
<b>Total equity including minorities</b>	<b>116.5</b>	<b>156.2</b>	<b>(39.7)</b>

- Cash balance of AED 180.4mn
- Assets and liabilities relating to Vedder and DSG's China business were classified as 'Assets classified as held for sale' and 'Liabilities directly associated with assets classified as held for sale' at FY 2020. At H1 2021, Vedder assets and liabilities have been reclassified to continuing operations.
- Goodwill increased on the reclassification of Vedder to continuing operation

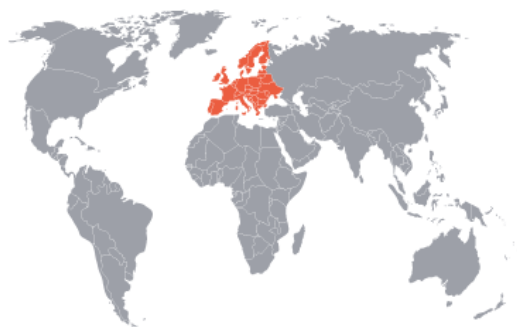
# Summary cash flow

AED mn	H1 2021	H1 2020	Change
Operating activities	(33.5)	(11.7)	(21.8)
Working capital changes	63.2	16.2	47.0
Other movements	(14.5)	(13.3)	(1.2)
Net cash flows from/(used in) operating activities	15.2	(8.8)	24.0
Investing activities			
Net capex	0.5	(0.1)	0.6
Long term deposits	0.0	(2.2)	2.2
Reclass of net cash of assets held for sale	57.6	0.0	57.6
Dividends received from associates	0.0	0.5	(0.5)
Proceeds from disposal of financial assets	8.1	0.0	8.1
Other movements	(0.2)	0.7	(0.9)
Net cash flows from/(used in) investing activities	66.0	(1.1)	67.1
Financing activities			
Movement in borrowings	12.8	(0.1)	12.9
Dividends paid to non-controlling interests	0.0	0.0	0.0
Interest paid	(8.5)	(7.8)	(0.7)
Finance lease payments	(2.5)	(4.2)	1.7
Net cash flows from/(used in) financing activities	1.8	(12.1)	13.9
Net movement in cash and cash equivalents	83.0	(22.0)	105.0
Cash and cash equivalents at the period end	91.9	68.0	23.9

- Net cash inflows from operating activities AED 15.2mn (H1 2020 net cash outflows: AED 8.8mn)
- The reclassification of Vedder resulted in AED 57.6 million positive movement in investing activities cashflow
- AED 8.1mn proceeds from sale of a financial asset
- Cash and cash equivalents AED 91.9mn (H1 2020: AED 68.0mn)



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



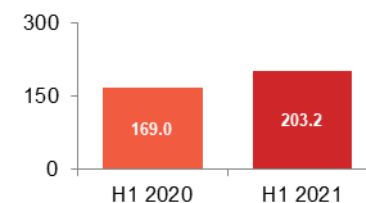
## Financial highlights

- Revenue: AED 203.2mn, up 20% year on year
- EBIT: AED 12.5mn

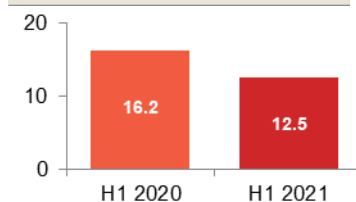
## Operational highlights

- Achieved significant progress on ongoing projects despite the ongoing covid-19 pandemic
- Successfully delivered a number of projects including an exterior and interior package for a new build superyacht worth in excess of AED 130mn
- While project awards slowed during the period due to covid-19 related lockdowns in Europe, significant project awards are expected in H2 2021

### Revenue



### EBIT





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



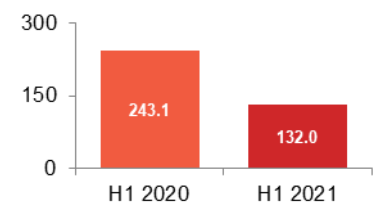
### Financial highlights

- Revenue: AED 132.0mn
- EBIT: AED 12.9mn
- H1 2021 EBIT positively impacted by the collection of a legacy receivable

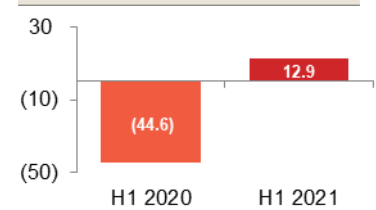
### Operational highlights

- Strong project delivery during the period including the delivery of a significant Expo 2020 project and a commercial package for a UAE based airline
- Awarded hospitality package in the Kingdom of Saudi Arabia

### 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*



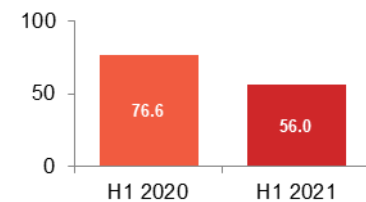
### Financial highlights

- Revenue: AED 56.0mn
- EBIT: AED 1.8mn

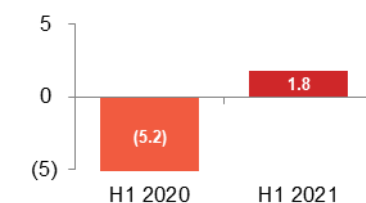
### Operational highlights

- Strong relationships with long-term clients securing projects for Versace, Dior, Cartier and Dolce & Gabbana during the period
- Deco successfully delivered a number of projects, including the Dior store in Galleria Mall, Abu Dhabi
- Carrara successfully handed over a number of hospitality packages in Dubai

### Revenue



### EBIT





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



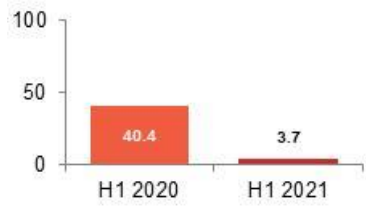
### Financial highlights

- Revenue: AED 3.7mn
- EBIT: AED (45.2mn)
- H1 2021 revenue down on H1 2020 due to the slowdown in operations as a result of the ongoing restructuring process

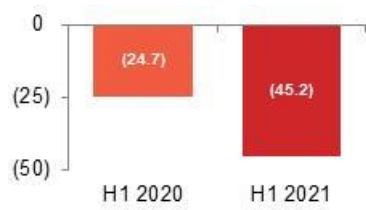
### Operational highlights

- Court supervised creditor moratorium continues
- Myanmar coup has led to the client suspension of DSG's largest project

Revenue

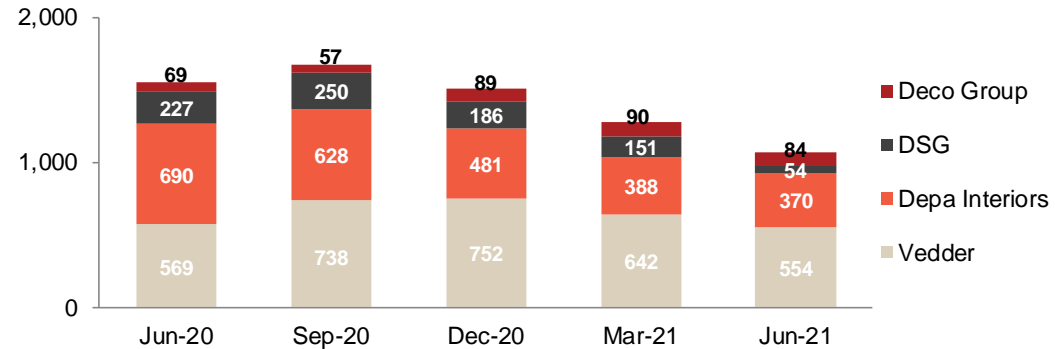
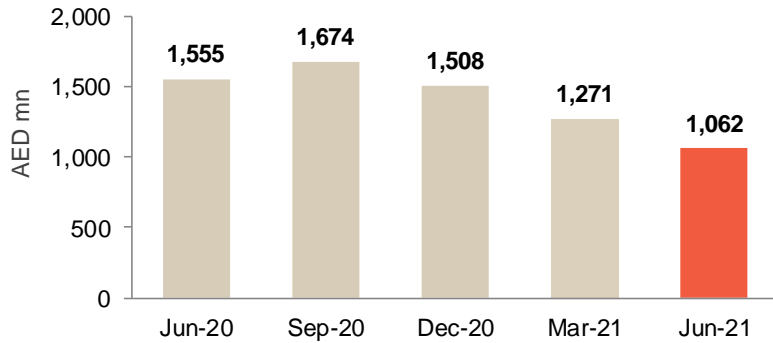


EBIT

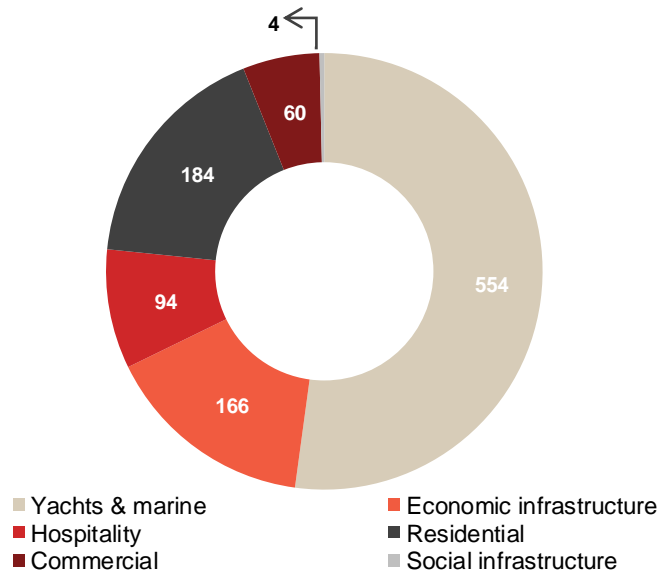




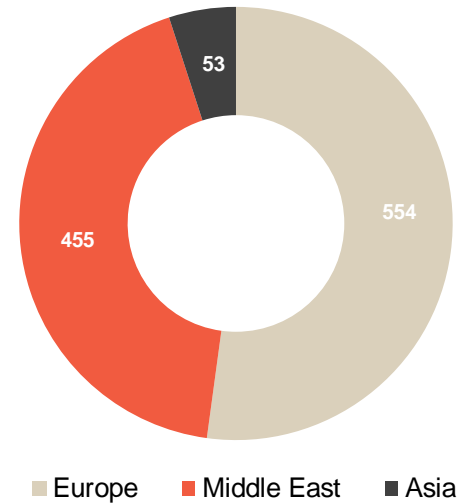
# Backlog



By project type



By geography



# Outlook



The Group-wide outlook for the remainder of 2021 is mixed but challenging overall. Whilst Depa's European business continues to perform strongly despite the uncertainty of covid-19, the Middle East based business units have been adversely affected in terms of delayed project awards and the ongoing liquidity issues in the market which are not expected to improve in the near future. In Asia DSG is currently focused on the execution of its restructuring plan.





## 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.*