

# ***DAMAC***

LIVE THE LUXURY



FY2022 Results

May 2023





DAMAC

## 1. DAMAC overview

*DAMAC overview – business model, the DAMAC distinction, value enhancing product extensions*

*Page 1 - 4*

*Portfolio overview*

*Page 5 - 10*

## 2. Rating developments

*DAMAC rating developments*

*Page 11*

## 3. Financial highlights, operating environment, and latest key financials

*Financial highlights*

*Page 12 - 14*

*Debt profile*

*Page 15*

*Latest financial statements*

*Page 16*

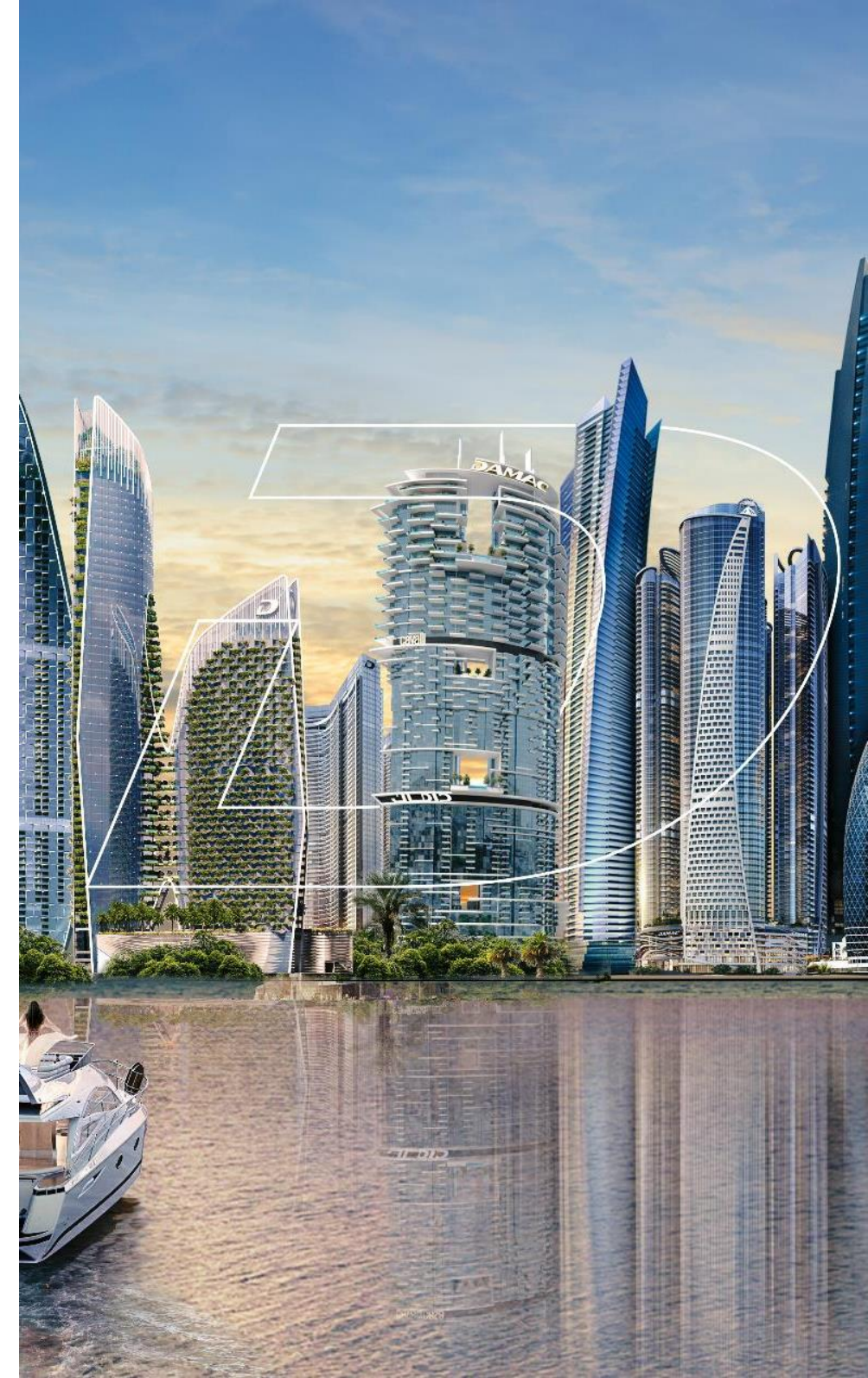
*Senior Management Team, Board of Directors, and Committees*

*Page 17 - 18*

*Abbreviations*

*Page 19*

# 1. DAMAC overview





# DAMAC overview

Headquarters in Dubai

64+

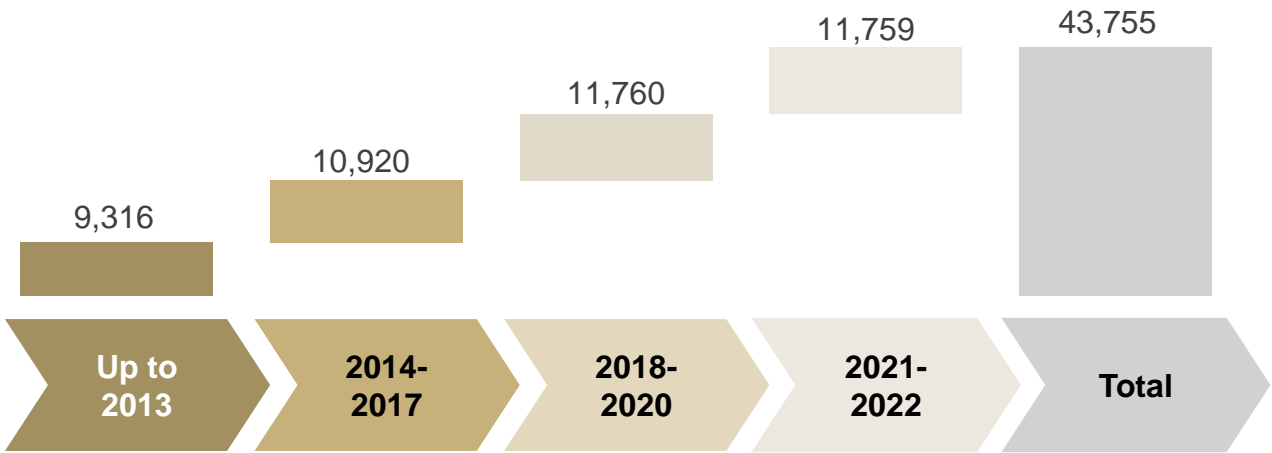
mn sq ft projects in progress and in planning

DAMAC Revenue FY 2022

AED3,000.5 mn (US\$816.5 mn)

2021: AED2,967.1 mn (US\$807.4 mn)

Strong delivery track record across economic cycle, units



Portfolio Overview

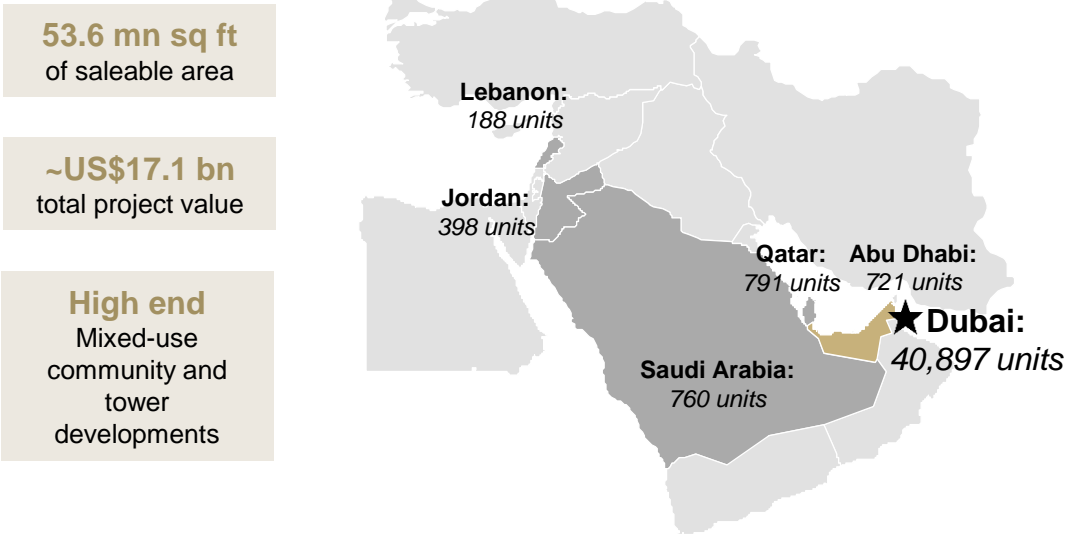
Major presence in Dubai and nearby regions

Completed<sup>1</sup> units: 43,755

In-progress<sup>2</sup>, In-planning<sup>3</sup> projects 30,624

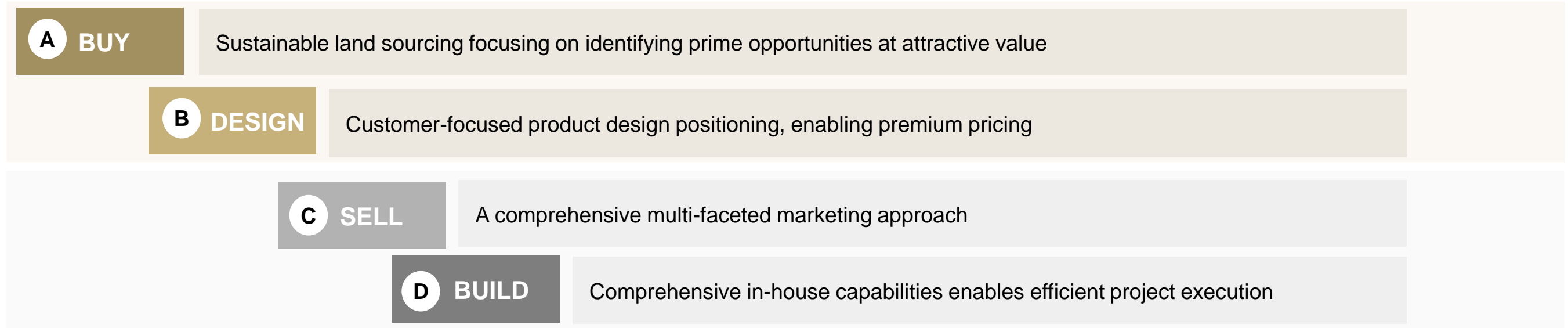
Note: 1. Completed units: units in projects with Building Completion Certificate (BCC) received as at 31 December 2022  
2. In-progress units: units in projects with enabling works started / consultant appointed as at 31 December 2022  
3. In-planning units: units in projects with no consultant appointed as on 31 December 2022

Distribution of completed units



Source: DAMAC's consolidated financial statements as at and for the year ended 31 December 2022 and as at and for the year ended 31 December 2021 (the "2022 and 2021 Financial Statements")

# Our business model





# The DAMAC distinction



Quick cash-churn and aim for rapid monetization

High business margins

Disciplined land buying

Prudent capital structure with focus on debt management

## DAMAC

High project IRRs

*Residential developments with mixed use components*

*Luxury serviced apartments, condo hotels and 5 star hotels*

*Luxury lifestyle master communities*

Brand tie ups (Versace, Paramount, Fendi, Trump, Cavalli, De Grisogono)

Customer-focused product design & positioning, enables premium pricing



In-house hospitality brand DAMAC Maison

Comprehensive in-house project management

Sizeable internal sales team and extensive global brokers network

c.31 k units under progress and planning

Experienced management team

## Residential focus ... with product line extensions



### Branded Residential

- Versace, Fendi, Trump, Cavalli, Radisson, Paramount, Grisogono

### Co-Branded Hotel Apartments and Villas

- Paramount Hotels and Resorts, Radisson



### Branded Hotel Rooms

- Paramount Hotels and Resorts

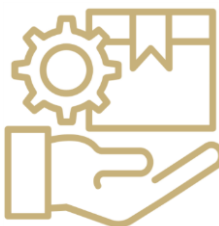
### DAMAC Hotels and Resorts

- DAMAC Maison



### Golf / Lifestyle Communities

- TRUMP Designs



### ISO: 9001 certified LOAMS<sup>1</sup>

(supporting DAMAC's completed developments)



FS 638329

**Justcavalli**

**FENDI**  
CASA



**cavalli**

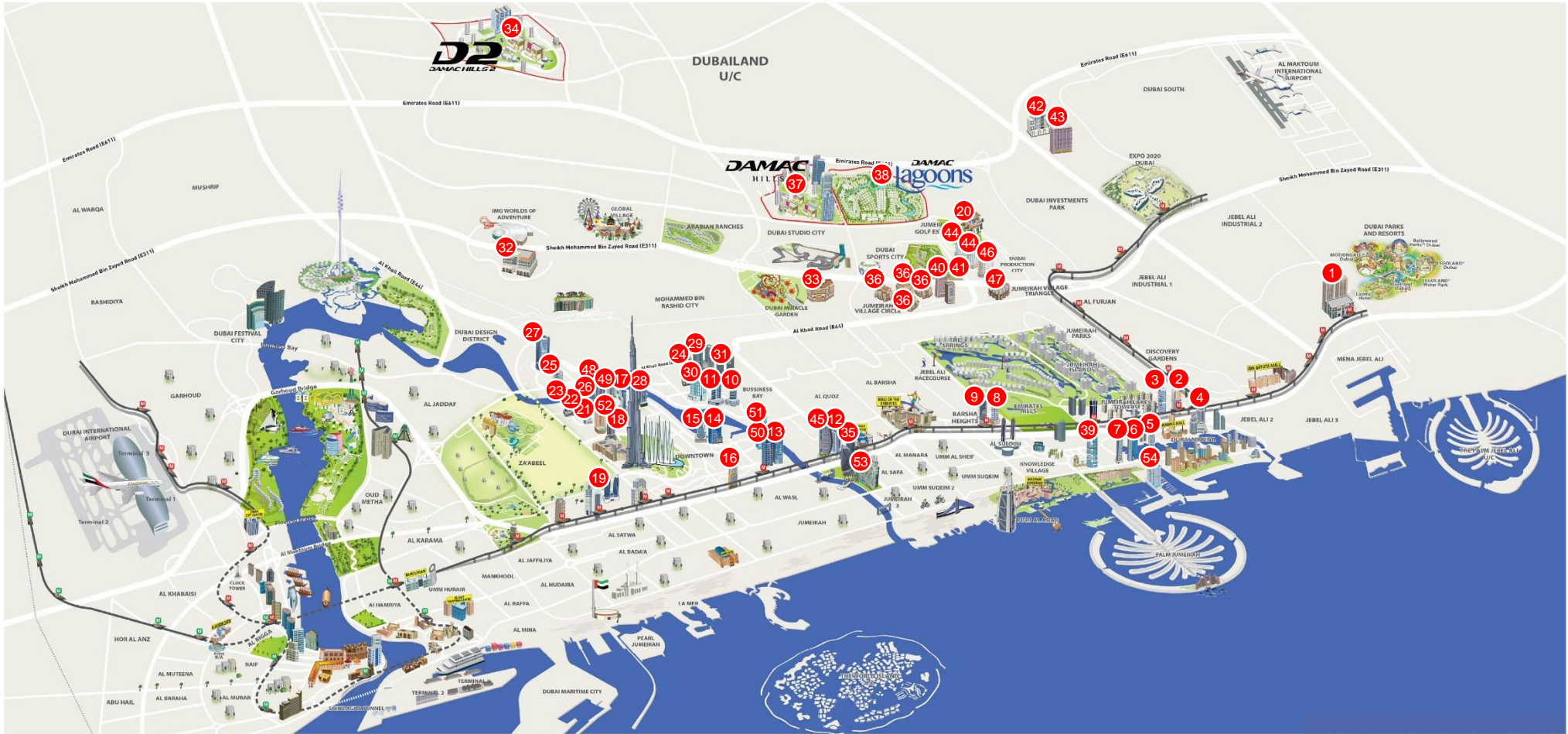


**T R U M P**  
THE TRUMP ORGANIZATION

de GRISOGONO  
GENEVE



# Major project portfolio in Dubai



- |   |                              |
|---|------------------------------|
| 1 Suburbia                                    | 28 Prive                     |
| 2 Lake View                                   | 29 Breeze                    |
| 3 Lake Terrace                                | 30 Park Central              |
| 4 The Waves                                   | 31 Executive Bay             |
| 5 Marina Terrace                              | 32 Madison Residences        |
| 6 DAMAC Heights/Residence                     | 33 Lincoln Park              |
| 7 Ocean Heights                               | 34 DAMAC Hills 2             |
| 8 Executive Towers                            | 35 Safa One de GRISOGONO     |
| 9 Smart Heights                               | 36 Tuscan Residences I & II  |
| 10 XL Tower                                   | 37 Emirates Gardens I & II   |
| 11 Business Tower                             | 38 DAMAC Hills               |
| 12 AYKON City                                 | 39 DAMAC Lagoons             |
| 13 Merano Tower                               | 40 Cavalli Tower             |
| 14 DAMAC Maison Cour Jardin                   | 41 Ghalia                    |
| 15 Bay's Edge                                 | 42 Tower 108                 |
| 16 Paramount Tower Midtown                    | 43 Tenora                    |
| 17 Majestine                                  | 44 Celestia                  |
| 18 DAMAC Maison Distinction                   | 45 The Crescent & Lago Vista |
| 19 Park Towers                                | 46 Safa Two de GRISOGONO     |
| 20 Royal Golf Boutique Villas                 | 47 Lakeside                  |
| 21 DAMAC Maison Mall Street                   | 48 Green Park                |
| 22 Upper Crest                                | 49 Reva Residences           |
| 23 Voleo                                      | 50 Vera Residences           |
| 24 Avanti                                     | 51 Zada Residences           |
| 25 The Residences at Business Central         | 52 Chic Tower                |
| 26 DAMAC Maison Canal Views                   | 53 Elegance Tower            |
| 27 DAMAC Towers by Paramount Hotels & Resorts | 54 Cavalli Couture           |
|   | 55 DAMAC Bay                 |



# Recent project launches



**Elegance Tower** by Zuhair Murad in Downtown Dubai was launched in 4Q 2022



**Chic Tower** by De Grisogono in Business Bay, Dubai was launched in 4Q 2022



**Cavalli Couture** in Al Safa, Dubai was launched in 4Q 2022



# Recent project launches



**DAMAC Bay** by Cavalli in Dubai Harbour was launched in 1Q 2023



**Canal Heights** in Business Bay, Dubai was launched in 1Q 2023



# Key project: DAMAC Hills. Development case study

## DAMAC Hills (Previously AKOYA by DAMAC)

- 42 mn sq ft development with total saleable area: 19+ mn sq ft with estimated project value of AED22 bn (US\$6.1 bn).
- Attractive scale with nearly 12 k units comprising villas, apartments, commercial and retail units and Trump International Golf Course.
- Community has supermarkets, pharmacies, Hospital Clinics, Banks along with other facilities such as Malibu Beach water area, skatepark, horse stable, cricket, tennis courts and football ground.

Back Villas



Golf course facing villas



Low rise Apartments



Mid rise Apartments



Commercial & Retail

- ~400 k sq ft of commercial space

October 2012

8 months

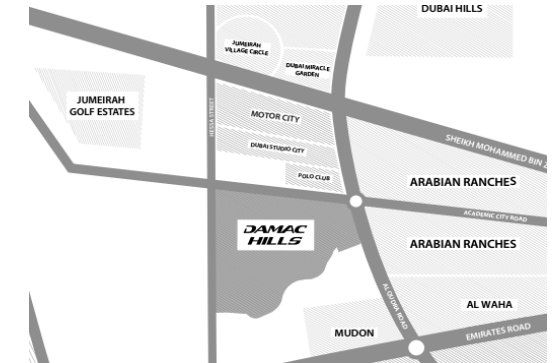
June 2013

August 2013

December 2015

December 2022

- Land SPA signed



- Master planning
- Design approvals
- Brand associations
- Basic infrastructure works
- Sales launch

- Launch sales

- Back villas infrastructure start

- First deliveries of three G+7 buildings

- Deliveries over 7.7 k units



# Key project: DAMAC Hills 2. Development case study

DAMAC Hills 2



- **55 mn sq ft development with c.30 mn sq ft saleable area with estimated project value of AED21 bn (US\$5.6 bn).**
- AKOYA Oxygen is the Group's second master community and builds on the successful DAMAC Hills project (30% larger) with expected to have nearly 17 k units.
- Modeled on escapism and developed to provide a lush green environment with an air of "Escape The City". It currently has over 11 k residents.
- Luxurious modern design will be integrated with retail and hospitality including a five-star Hotel and wellness center, two world class schools.
- Globally-recognized retail brands, leisure and entertainment facilities. Planned retail of c.350 k sq ft.
- Green living and open spaces including parklands and water elements.



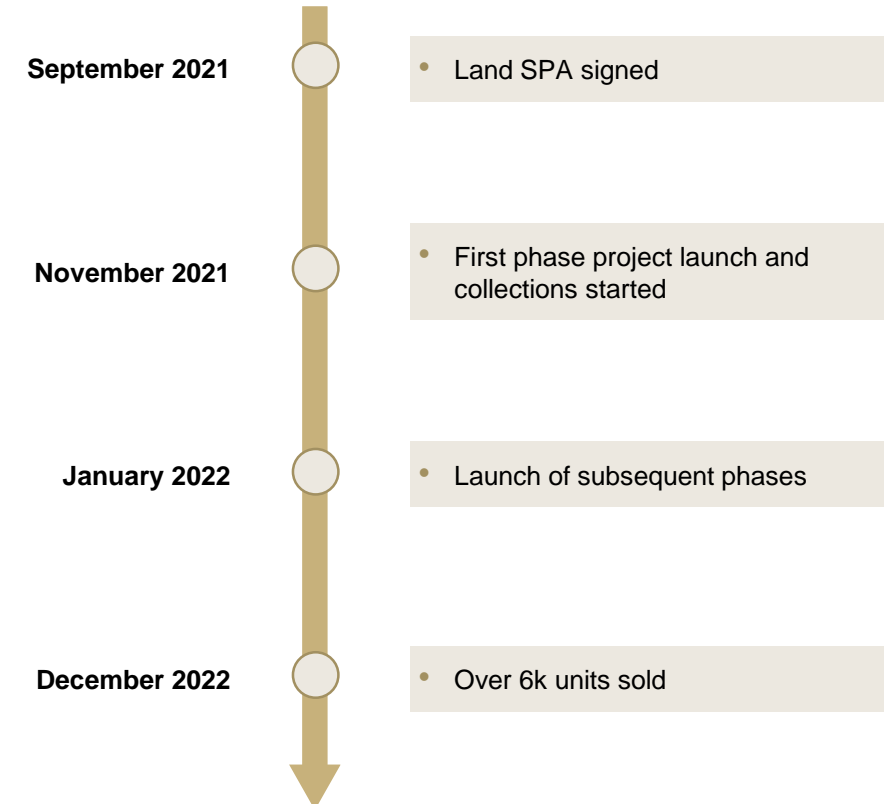


# Key project: DAMAC Lagoons. Development case study

## DAMAC Lagoons Proposed Development



- **49 mn sq ft development with c.25+ mn sq ft saleable area.**
- DAMAC Lagoons is the Group's third and latest master community and builds on the successful DAMAC Hills and DAMAC Hills 2 projects.
- DAMAC Lagoons showcases luxury contemporary living inspired by water, with features that include a floating cinema, interactive exhibits, infinity pools, a water park, a wave simulator, snorkelling, kayaking, wall climbing, zip-lining, a skate park, a retail promenade, world-class dining at the community clubhouse and much more.
- DAMAC Lagoons is adjacent to our established community of DAMAC Hills, strategically located on the Hessa Street, Dubai.





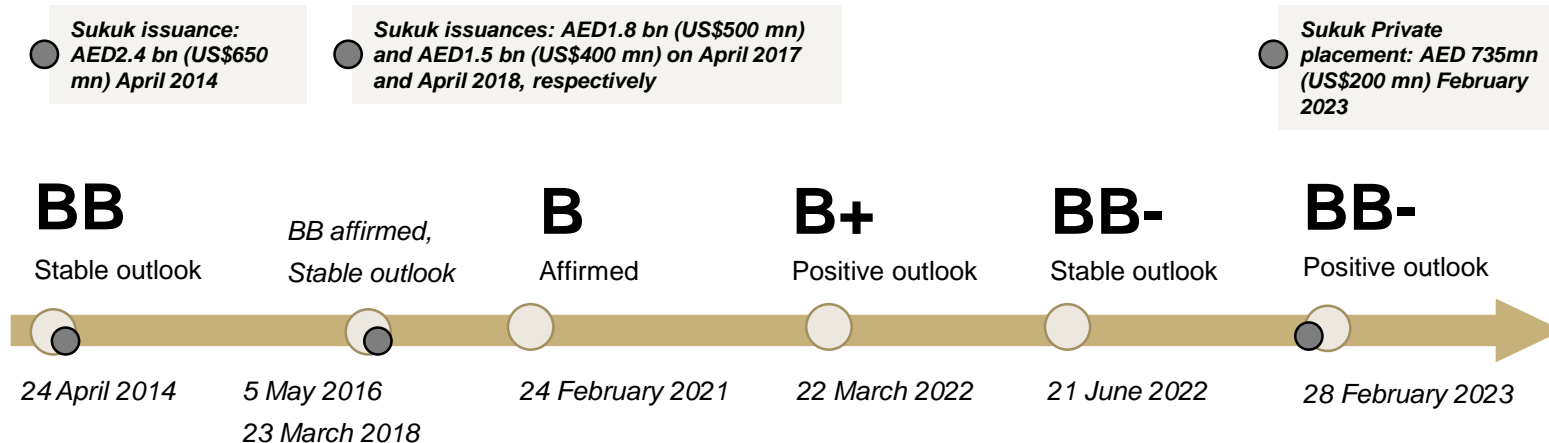
## 2. Rating developments





# DAMAC rating developments

## Rating Evolution for DAMAC



## Latest Standard & Poor's Global Ratings (S&P) updates

- Currently, the S&P Global credit rating of DAMAC is BB- with positive outlook
- DAMAC received two rating upgrades in 2022
- On March 22, 2022, S&P updated the credit rating of DAMAC to B+ off the back of returning to growth and deleveraging
- Further, rating was improved to BB- on June 21, 2022 on strong presales traction
- On February 28, 2023, S&P affirmed DAMAC's rating of BB- and revised their outlook to positive

# BB-

**Current Credit Rating**

*Issued by S&P (June 2022)*

*Affirmed by S&P with outlook revised to "positive" (February 2023)*

## Outlook

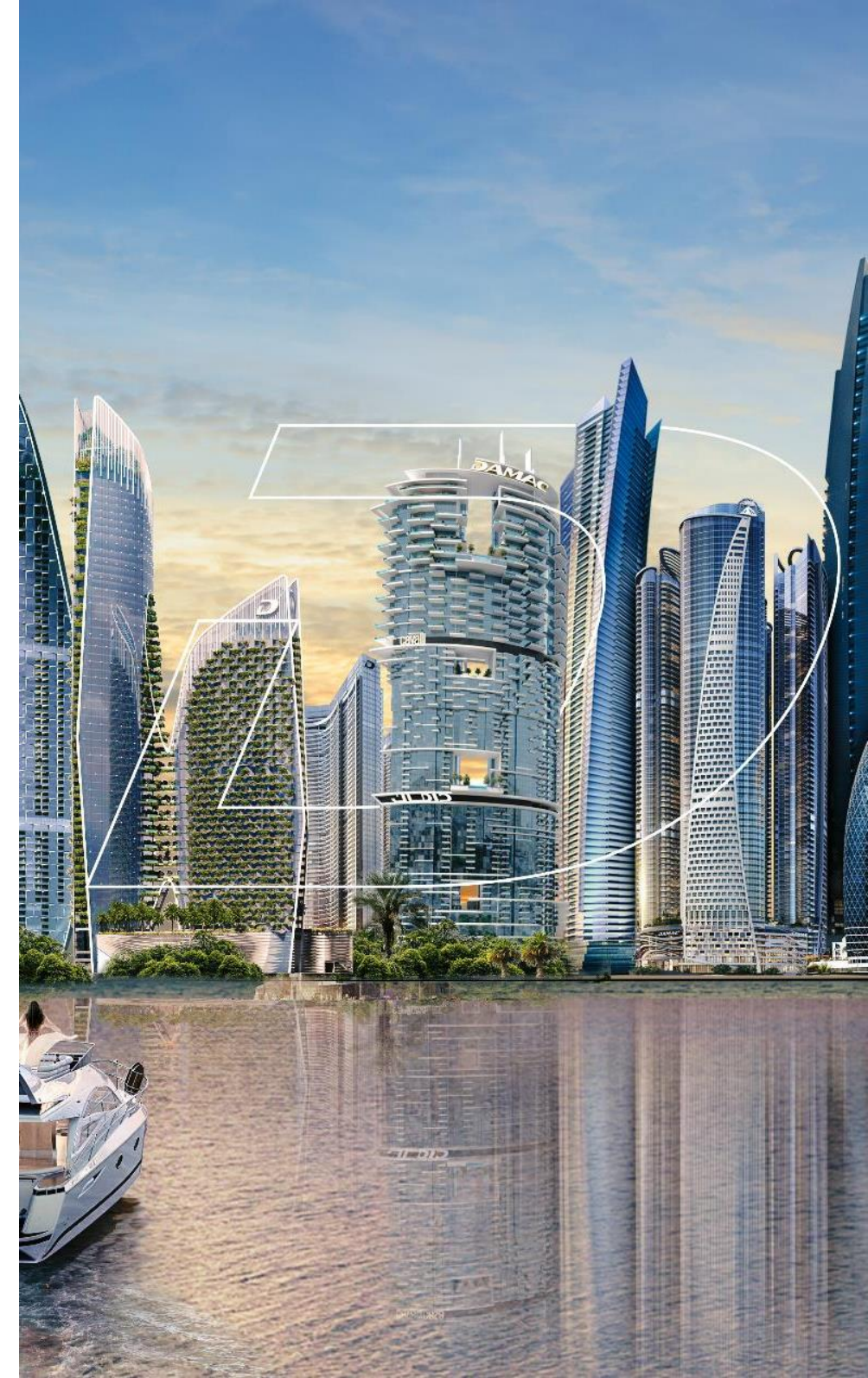
*The positive outlook reflects the possibility of a one-notch upgrade over the next 12 months*

### Upside scenario:

- ✓ DAMAC continues to demonstrate steady revenue and EBITDA growth, with EBITDA margin remaining well above 20%. Gradual reduction of adjusted debt-to-EBITDA ratio to the lower end of the 1.5x-2.0x range, and EBITDA interest coverage above 8x
- ✓ The strong cash flow generation in 2021-2022 is expected to continue in 2023-2024
- ✓ DAMAC is anticipated to increasingly invest in real estate leasing, which can potentially partly offset the volatility in the development EBITDA in previous years and lift DAMAC's profitability
- ✓ DAMAC's leverage metrics are expected to continue to improve, given under the current capital structure, US\$331 mn sukuk debt will mature in April 2023

Full rating report available [here](#)

### 3. Financial highlights, operating environment, and latest key financials





# Latest financial highlights FY 2022

Revenue	Gross Profit	Gross Margin <sup>1</sup>
<b>AED3,000 mn</b> (FY 2021: AED2,967 mn)	<b>AED1,113 mn</b> (FY 2021: AED806 mn)	<b>37%</b> (FY 2021: 27%)
Operating Cashflow <sup>2</sup>	Total Assets	Cash and Bank Balances <sup>3</sup>
<b>AED5,114 mn</b> (FY 2021: AED2,642 mn)	<b>AED 21,569 mn</b> (FY 2021: AED 22,319 mn)	<b>AED8,171 mn</b> (FY 2021: AED4,120 mn)
Gross Debt <sup>4</sup>	Debt to Total Assets <sup>5</sup>	Net Profit (loss)
<b>AED1,218 mn</b> (FY 2021: AED2,663 mn)	<b>6%</b> (FY 2021: 12%)	<b>AED1,404 mn</b> (FY 2021: AED(528) mn)

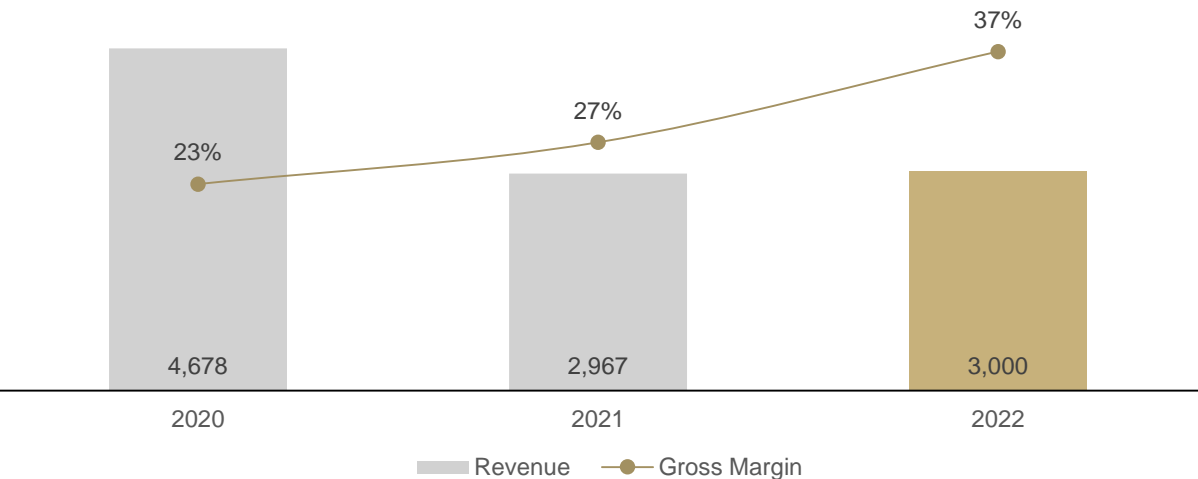
Source: 2022 and 2021 Financial Statements

1. Gross Margin is calculated as Gross profit divided by Revenue
2. Operating Cashflow is net cash generated from operating activities
3. Cash and bank balances disclosure line doesn't include escrow retention accounts
4. Gross Debt is calculated as the sum of Bank borrowings and Sukuk certificates
5. Debt by Total Assets is calculated as Bank borrowings and Sukuk certificates divided by Total assets

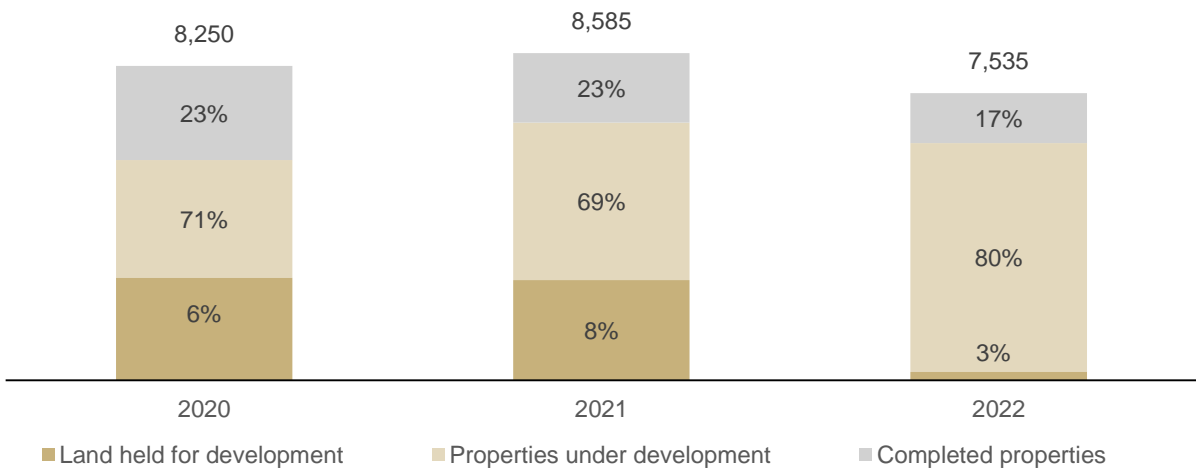
# Financial highlights



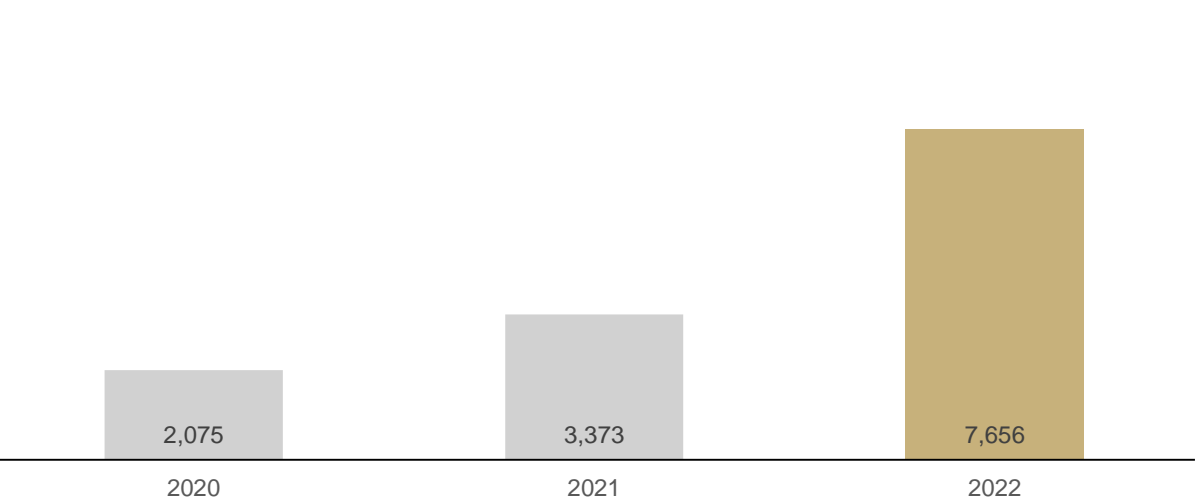
Revenue and Margins<sup>1,2</sup>, AED mn



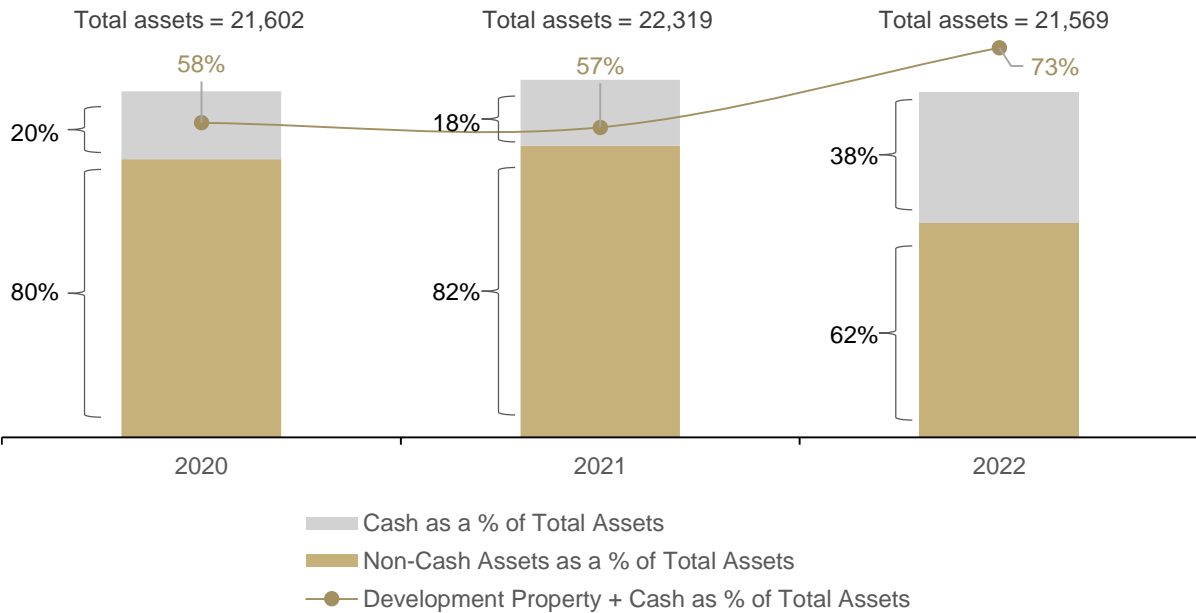
Development Properties<sup>1</sup>, AED mn



Advances from Customers<sup>1</sup>, AED mn



Total Assets<sup>1</sup>, AED mn

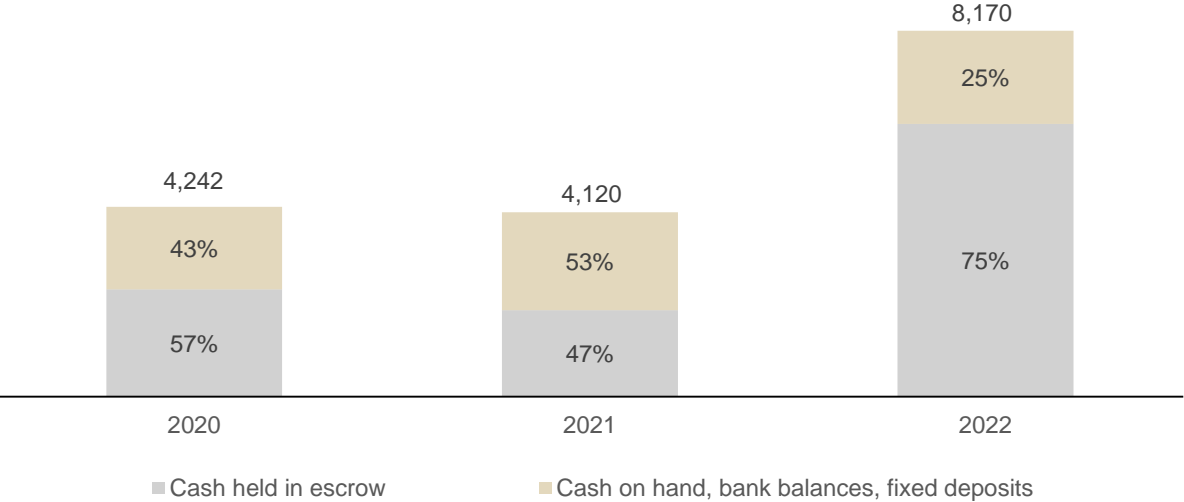


Source: 1. 2022 and 2021 Financial Statements  
2. Gross margin is calculated as Gross Profit divided by Revenue  
Note: total assets = cash + non-cash assets

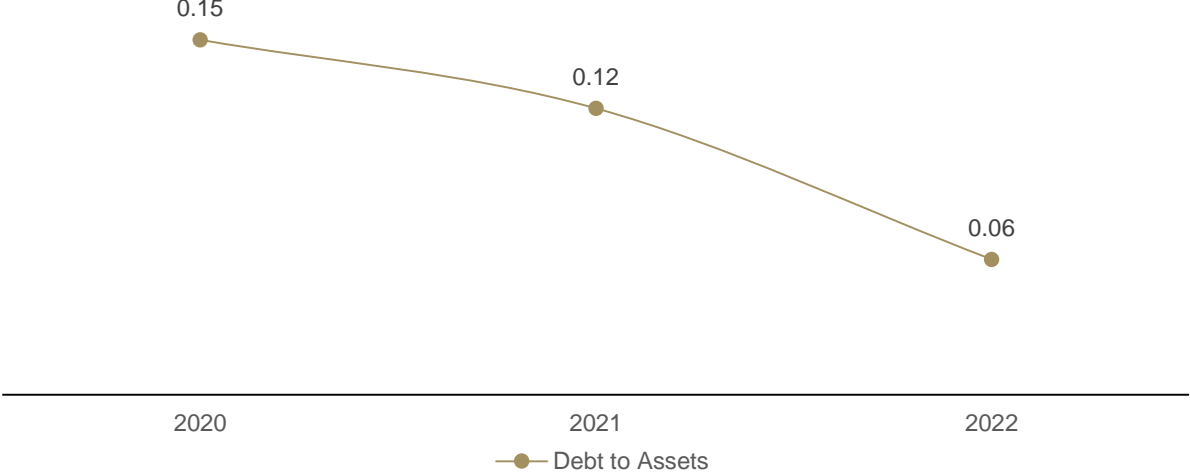


# Financial highlights

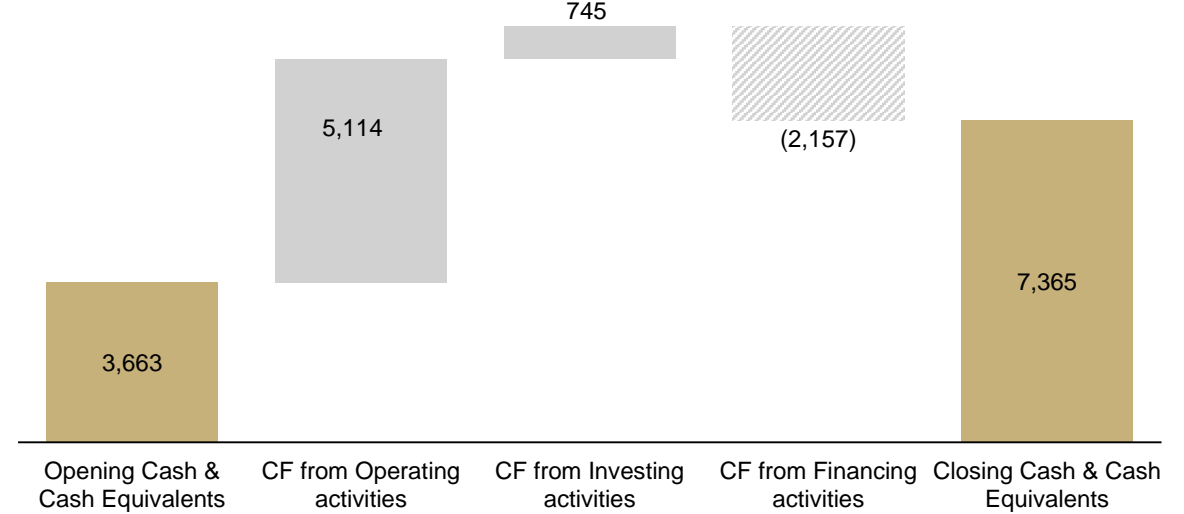
Cash breakdown<sup>1</sup>, AED mn



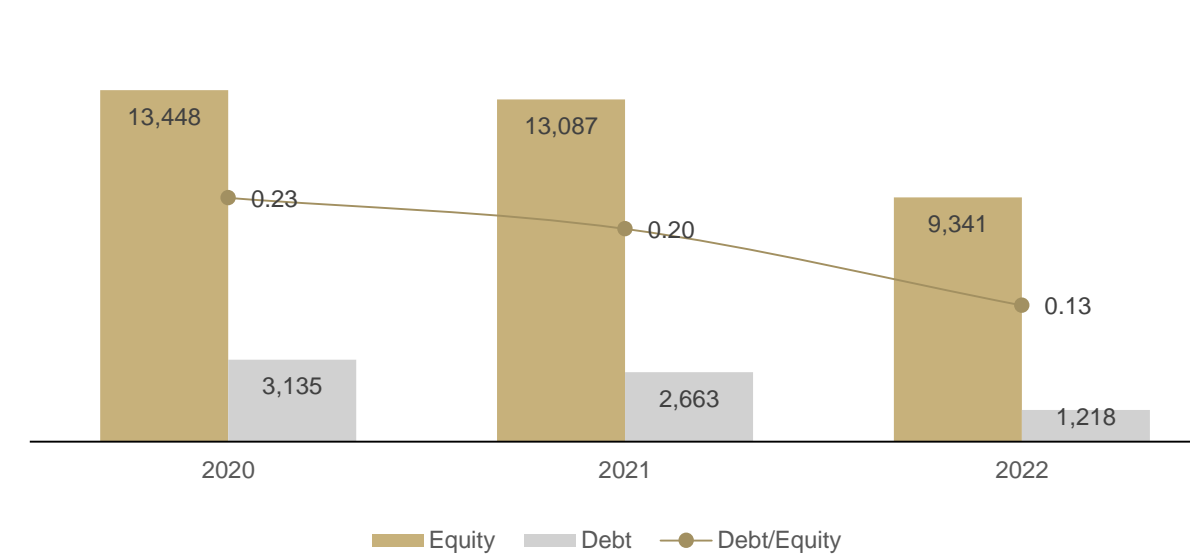
Debt to assets ratio<sup>2,3</sup>



Cash movement FY 2022<sup>1</sup>, AED mn



Capital Structure<sup>1,2,4</sup>, AED mn



Source: 1. 2022 and 2021 Financial Statements  
 2. Debt is the aggregate of Bank borrowings and Sukuk Certificates  
 3. Calculated as bank borrowings and Sukuk certificates divided by total assets

4. Calculated as bank borrowings and Sukuk certificates divided by total equity

## Debt profile as at 31 December 2022

**US\$331 mn**

**April 2018: 5 year, 6.625%, US\$400 mn Public Sukuk, maturing in 18 April 2023**

Public Sukuk issued by Alpha Star Holding V Limited and guaranteed by DAMAC.

Outstanding balance as of the end of 2022: AED1,218 mn equiv. US\$331 mn.

Events after reporting date: on 18 April 2023, DAMAC redeemed US\$331 mn of Trust Certificates issued by Alpha Star Holding V Limited.

## Issuances after reporting date

**US\$200 mn**

**February 2023: 2.25 year, 7.5%, US\$200 mn Private Sukuk Placement, maturing in 7 May 2025**

Private Sukuk issued by Alpha Star Holding VI Limited and guaranteed by DAMAC.

**US\$400 mn**

**April 2023: 3 year, 7.75%, US\$400 mn Public Sukuk, maturing in 27 April 2026**

Public Sukuk issued by Alpha Star Holding VII Limited and guaranteed by DAMAC.



# Latest financial statements

## Statement of Financial Position

in mn	FY 2022 AED	FY 2022 US\$ equiv.	FY 2021 AED	FY 2021 US\$ equiv.
Cash and bank balances	8,171	2,223	4,120	1,121
Financial investments	-	-	2,606	709
Trade and other receivables	5,111	1,391	5,310	1,445
Development properties	7,535	2,050	8,585	2,336
Investment in Associates	-	-	904	246
Other financial assets	447	122	442	120
Right-of-use assets	54	15	57	15
Property and equipment	111	30	130	35
Investment Properties	63	17	165	45
Due from related parties	77	21	-	-
<b>Total assets</b>	<b>21,569</b>	<b>5,869</b>	<b>22,319</b>	<b>6,073</b>
Share capital	3,980	1,083	3,980	1,083
Statutory reserve	152	41	152	41
Retained earnings	5,209	1,418	8,747	2,380
Translation reserve	-	-	(280)	(76)
Fair value reserve	-	-	488	133
<b>Total equity</b>	<b>9,341</b>	<b>2,542</b>	<b>13,087</b>	<b>3,561</b>
Trade and other payables	3,288	895	3,130	852
Advances from customers	7,657	2,084	3,373	918
Bank borrowings	-	-	125	34
Sukuk certificates	1,218	331	2,538	691
Lease liabilities	65	18	65	18
<b>Total liabilities</b>	<b>12,227</b>	<b>3,327</b>	<b>9,231</b>	<b>2,512</b>
<b>Total equity and liabilities</b>	<b>21,569</b>	<b>5,869</b>	<b>22,319</b>	<b>6,073</b>

## Profit and Loss Statement

in mn	FY 2022 AED	FY 2022 US\$ equiv.	FY 2021 AED	FY 2021 US\$ equiv.	YoY Δ
<b>Revenue</b>	<b>3,000</b>	<b>816</b>	<b>2,967</b>	<b>807</b>	<b>1%</b>
Cost of sales	(1,887)	(513)	(2,161)	(588)	(13%)
<b>Gross profit</b>	<b>1,113</b>	<b>303</b>	<b>806</b>	<b>219</b>	<b>38%</b>
<i>Gross profit margin</i>	<i>37.1%</i>	<i>37.1%</i>	<i>27.2%</i>	<i>27.2%</i>	
Other operating income	1,242	338	137	37	805%
General, administrative and selling expenses	(1,842)	(501)	(1,370)	(373)	35%
Amortisation of right-of-use asset	(3)	(1)	(3)	(1)	12%
Depreciation on PPE and investment properties	(30)	(8)	(40)	(11)	(25%)
Reversal for impairment on development properties	694	189	380	103	83%
Loss allowance reversal / (charged) on trade receivables	67	18	(27)	(7)	(347%)
(Loss)/gain on sale of financial investments carried at FVTPL	(130)	(35)	201	55	(165%)
Loss on financial investments carried at FVTPL	-	-	(429)	(117)	N/A
Exchange loss	(24)	(6)	(238)	(65)	(90%)
Other income	275	75	123	33	124%
Finance income	92	25	12	3	637%
Finance costs	(109)	(30)	(195)	(53)	(44%)
Share of profit / loss from associates	(13)	(4)	95	(26)	(114%)
Gain on net monetary position	91	25	195	53	(53%)
Provisions for VAT	(17)	(4)	(128)	(35)	N/A
<b>Profit (Loss) before tax</b>	<b>1,406</b>	<b>383</b>	<b>(480)</b>	<b>(131)</b>	<b>N/A</b>
Income tax expense	(2)	(1)	(48)	(13)	N/A
<b>Profit (Loss) for the year</b>	<b>1,404</b>	<b>382</b>	<b>(528)</b>	<b>(144)</b>	<b>N/A</b>
<i>Net income margin</i>	<i>46.8%</i>	<i>46.8%</i>	<i>-17.8%</i>	<i>-17.8%</i>	
Other Comprehensive Income/ (Loss)	(399)	(108)	167	45	N/A
<b>Total Comprehensive Profit (Loss)</b>	<b>1,005</b>	<b>274</b>	<b>(361)</b>	<b>(98)</b>	<b>N/A</b>

# Senior Management team – strong track record and industry experience



**Ms. Amira Sajwani**  
*Managing Director for Sales and Development*



**Mr. Ali Hussain Sajwani**  
*Managing Director for Operations and Technology*



**Mr. Mohammed Tahaine**  
*General Manager for Projects*



**Mr. Hitesh Dhoot**  
*Group Chief Financial Officer*



**Mr. Mavelitharayil Philip John**  
*Chief Human Capital Officer*



**Mr. Joseph Berti**  
*Senior Vice President for Legal and Risk Department*



**Mr. Francis Arul**  
*Chief Information Officer*



# Board of Directors and Committees



**Mr. Hussain Ali Habib Sajwani**  
*Founder and Chairman of the Board of Directors*



**Mr. Sofyan Adnan Sami Khatib**  
*Non-Executive Director*



**Mr. Farooq Mahmood Mohd Mahmood Arjomand**  
*Non-Executive Director*



**Mr. Subramanian Suryanarayan**  
*Non-Executive Director*

## Nomination and Remuneration Committee

- The Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating to the composition of the Board of Directors, performance of the Board of Directors members, induction of new directors, appointment of committee members and succession planning for senior management.
- It is also responsible for evaluating the balance of skills, knowledge, diversity and experience on the Board of Directors, the size, structure and composition of the Board of Directors, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board of Directors on such matters.
- It prepares a description of the role and capabilities required for a particular appointment.
- The Nomination and Remuneration Committee is comprised of three members, all of whom are independent non-executive directors. The Nomination and Remuneration Committee is chaired by Mr. Sofyan Adnan Sami Khatib.

## Audit and Risk Committee

- The Audit and Risk Committee assists the Board of Directors in discharging its responsibilities with regard to financial reporting, external and internal audits and controls, including monitoring the integrity of the Guarantor's financial statements, monitoring and reviewing the extent of the non-audit work undertaken by external auditors, advising on the appointment, re-appointment, removal, remuneration and terms of engagement of external auditors and reviewing the effectiveness of the Guarantor's internal audit activities, and internal controls.
- In addition, the Audit and Risk committee assists the Board of Directors in assessing all areas of corporate risks, conducting a detailed review of changes in risk profile, issues related to the functioning of the risk management framework, including sales, construction, debt financing, and mortgaging.
- The Audit and Risk Committee is comprised of three members, who are all independent non-executive directors. The Audit and Risk Committee is chaired Mr. Subramanian Suryanarayan.

■ <b>US\$</b>	US dollars
■ <b>Mn</b>	million
■ <b>Bn</b>	billion
■ <b>AED</b>	United Arab Emirates dirham
■ <b>Sq ft</b>	square feet
■ <b>CRM</b>	credit risk management
■ <b>K</b>	thousand
■ <b>Q</b>	quarter (eg 1Q)
■ <b>G</b>	ground floor (eg G+7 buildings)
■ <b>LOAMS</b>	Luxury Owner Association Management Services Co. L.L.C. It is a facility management company, 100% owned by DRED
■ <b>FVTPL</b>	fair value through profit and loss

*Exchange rate used throughout the presentation*  
*1 US\$ = 3.675 AED*



# ***DAMAC***

LIVE THE LUXURY





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