



# EMAAR MALLS PJSC



**Q1 2018 RESULTS**  
6 May 2018

Emaar Malls PJSC (EM) gives notice that the particulars of this presentation do not constitute any part of an offer or a contract.

Given that the presentation contains information based on forecasts and roll outs, all statements contained in this presentation are made without responsibility on the part of Emaar Malls PJSC and its advisors (including their directors, officers and employees).

None of the statements contained in this presentation is to be relied upon as a statement or representation of fact.

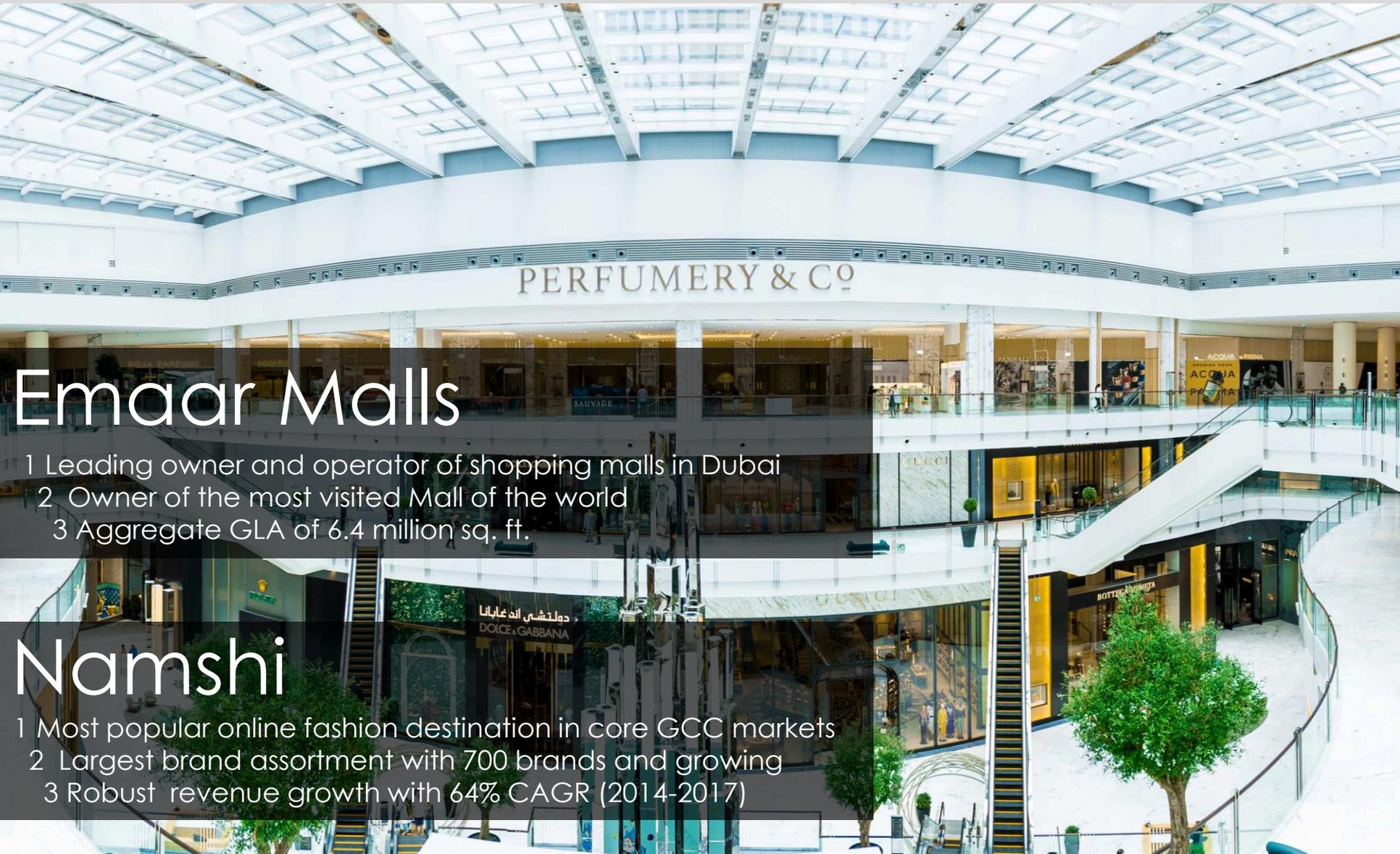
All parties must satisfy themselves as to the correctness of each of the statements contained in this presentation.

Emaar Malls PJSC does not make or give, and none of its directors or officers or persons in their employment or advisors has any authority to make or give, any representation or warranty whatsoever in relation to this presentation.

This presentation may not be stored, copied, distributed, transmitted, retransmitted or reproduced, in whole or in part, in any form or medium without the permission of Emaar Malls PJSC



<b>EMAAR MALLS AT A GLANCE</b>	<b>4</b>
<b>HIGHLIGHTS</b>	<b>5</b>
<b>VISION AND STRATEGY</b>	<b>6</b>
<b>EMAAR MALLS</b>	
■ Financial results	<b>7</b>
■ Rental income	<b>8</b>
■ Portfolio results	<b>9</b>
■ Portfolio	<b>10</b>
■ Key strengths	<b>11</b>
■ Lease renewal status	<b>13</b>
<b>NAMSHI</b>	
■ Namshi at a glance	<b>15</b>
■ Key performance indicators	<b>16</b>
<b>UPCOMING PROJECTS</b>	
■ Development pipeline	<b>18</b>
■ The Dubai Mall - Expansions	<b>19</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>20</b>



## Emaar Malls

- 1 Leading owner and operator of shopping malls in Dubai
- 2 Owner of the most visited Mall of the world
- 3 Aggregate GLA of 6.4 million sq. ft.

## Namshi

- 1 Most popular online fashion destination in core GCC markets
- 2 Largest brand assortment with 700 brands and growing
- 3 Robust revenue growth with 64% CAGR (2014-2017)



## CONSOLIDATED FINANCIAL RESULTS

**+24%**  
**Revenue**

Q1-18: 1,038 MM  
Q1-17: 836 MM

**+4%**  
**EBITDA**

Q1-18: 702MM  
Q1-17: 678 MM

## EMAAR MALLS

**3%**  
**Footfall**

Q1-18: 35 MM  
Q1-17: 34 MM

**95%<sup>(1)</sup>**  
**Occupancy**

Q1-18: GLA<sup>(2)</sup> 6.4 MM  
Q1-17: GLA 5.8 MM

(2013-2017 CAGR)

**+12%**  
**EBITDA**

**+17%**  
**Net profit**

**~6.4 MM**  
sq.ft. of GLA<sup>(2)</sup>  
**~AED 28 Bn**  
Market  
Capitalisation<sup>(3)</sup>

## NAMSHI

**+23%**  
**Revenue**

Q1-18: 175 MM  
Q1-17: 143 MM

**22%**  
**Increase in  
number of  
orders**

**Owner of, Dubai Mall, the #1 Visited Shopping and Entertainment Mall Globally**

1. Excluding The Dubai Mall – Fashion Avenue Expansion which marked its soft opening on 5 March 2018  
2. GLA increased by 0.6M sq. ft. due to The Dubai Mall – Fashion Avenue  
3. Dubai Financial Market – 16 April 2018



# Our Vision

To create world class malls delivering memorable experiences



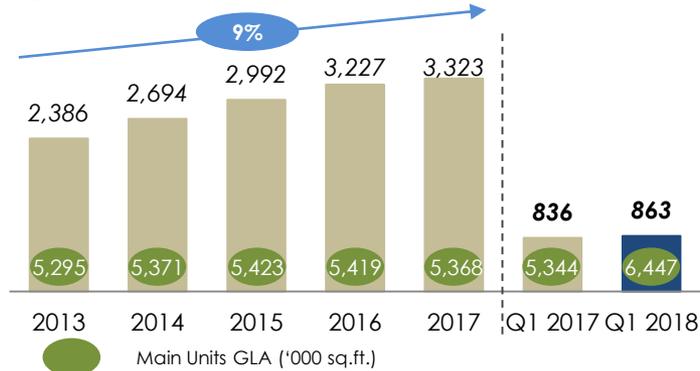
# Our Strategy

1. Protect and Grow Portfolio in Local Market
2. Expand Internationally
3. Innovate and Lead Transition to Next Generation Mall

## Track Record of Robust Top Line Growth

Total Rental Income for the year/ period

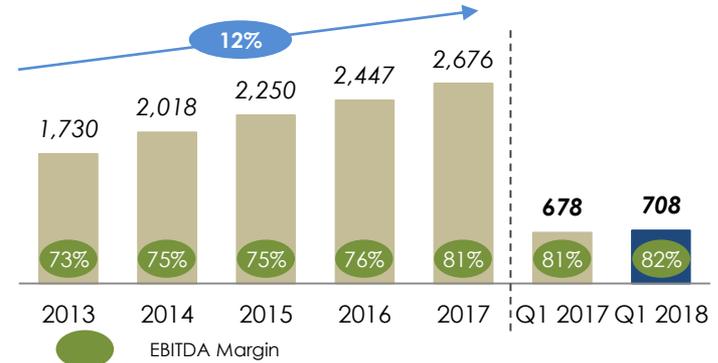
AED MM



## Consistently Improving EBITDA

EBITDA for the year/ period

AED MM



## Net Income

Profit for the year/ period

AED MM

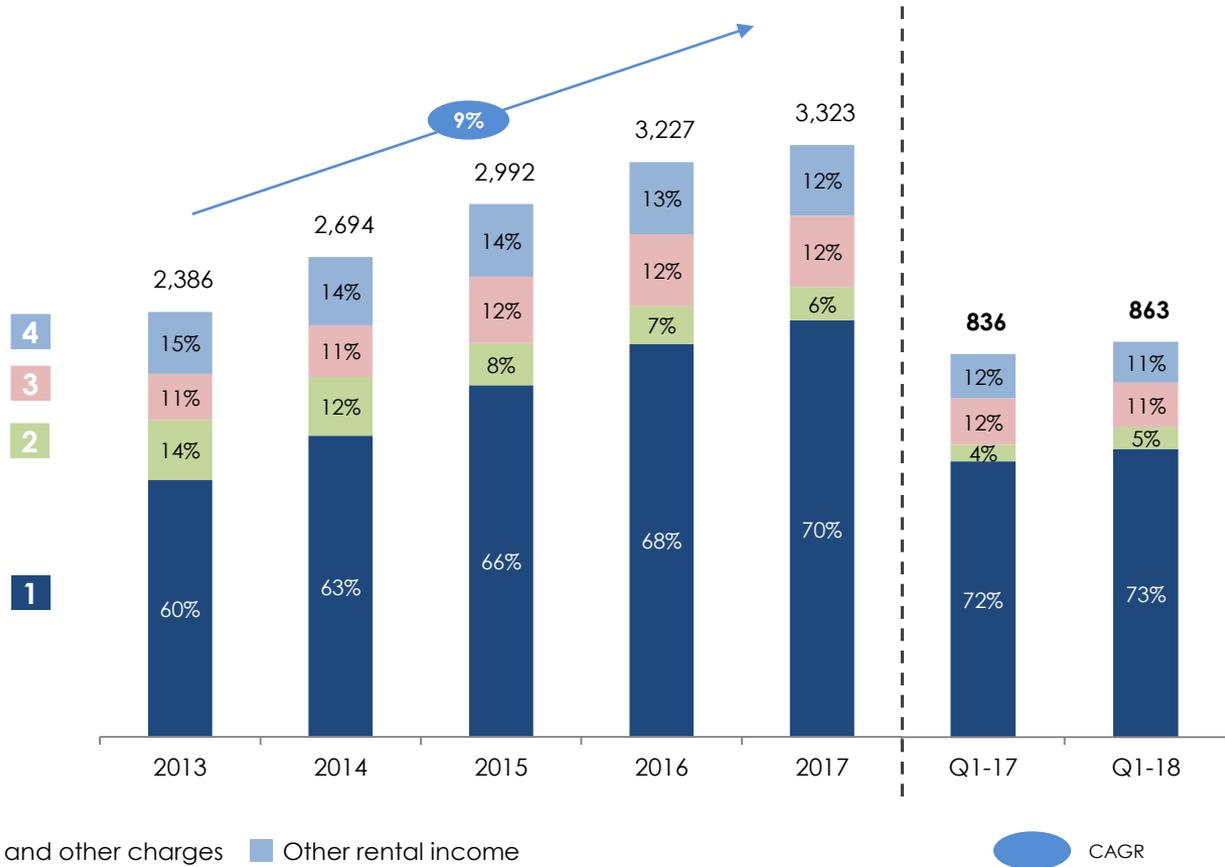


CAGR

Net Income Margin

**Strong Value Creation Through Rental Growth and Cost Optimization**

- 1 ■ Contractual base rent escalation of typically 7%<sup>(1)</sup> per annum
- 2 ■ Net turnover rent based on percentage of tenants sales
- 3 ■ Service charges recovered from tenants (c.71% in Q1-18)<sup>(2)</sup>
- 4 ■ Other rental income<sup>3)</sup>



## EM Revenue Growth Driven by Base Rent Escalation and Net Effective Rent

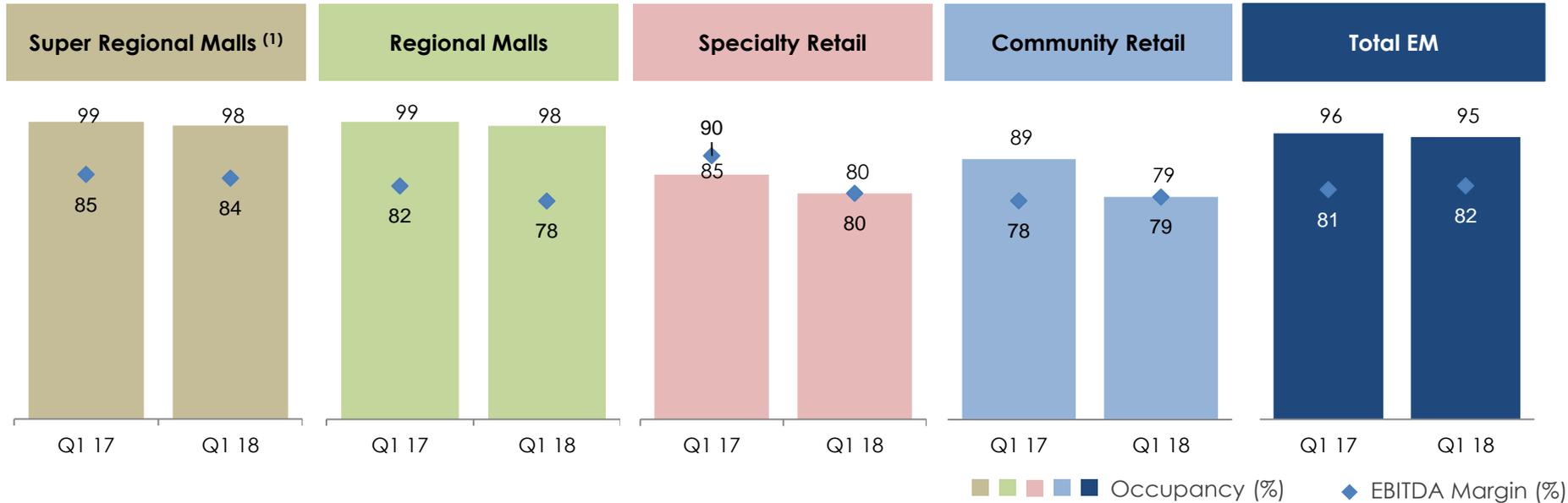
### Notes:

1. The Dubai Mall and Dubai Marina Mall

2. Overall portfolio

3. Derived primarily from specialty leasing and multimedia sales and the leasing income of storage units and terraces. It also includes payment of store design fit-out fees, late opening penalties, interest charges on deferred payments and certain admin charges.

- 1 Resilient portfolio with stable occupancy of 95%
- 2 Operational excellence with 82% EBITDA margin
- 3 Improved profitability through economy of scale



**Strong financial performance by quality assets in strategic locations**

Notes:  
1. Excluding The Dubai Mall – Fashion Avenue Expansion which marked its soft opening on 5 March 2018

Division	Assets	GLA <sup>(1)</sup>
Super Regional Malls	<ul style="list-style-type: none"> <li>The Dubai Mall</li> </ul>	4,273 <sup>(2)</sup>
Regional Malls	<ul style="list-style-type: none"> <li>Dubai Marina Mall (including Pier 7)</li> </ul>	420
Specialty Retail	<ul style="list-style-type: none"> <li>Souk Al Bahar, fine dining destination with views on the Dubai Fountain and Burj Khalifa</li> <li>Gold &amp; Diamond Park, only dedicated gold &amp; diamond mall in Dubai</li> </ul>	737
Community Retail	<ul style="list-style-type: none"> <li>Mohammed bin Rashid Boulevard Retail</li> <li>Dubai Marina Retail</li> <li>Shopping centres in Emaar residential developments</li> </ul>	1,017
<b>Emaar Malls</b>		<b>6,447</b>



## Broad Product Offering Complementing the Dubai Mall

### Notes:

1. Total GLA ('000 sq.ft.) including storage and terrace, as of 31-Mar-2018
2. Including Fashion Avenue Expansion GLA of 0.6 million sq.ft. added in Mar-2018 (GLA Mar-2017: 5.8 million sq.ft.)



## Significant GLA

- 6.4 m Sq. ft. of GLA, Portfolio occupancy at 95%<sup>(1)</sup>.

## Significant Footfall

- EM: footfall 35 million (Q1-17: 34 million).

## The Dubai Mall

- 3.6m Sq ft GLA, Occupancy at 98%<sup>(1)</sup>.
- The Dubai Mall opened Fashion Avenue on 5-Mar-2018 with a GLA of 0.6 million sq. ft. and buildup area of 1 million sq. ft.

## Diversified Lease Payment Risk

- Lease payment risk diversified across a significant number of tenants.
- Key anchor tenants comprise large regional and international entities.

## Preferable Lease Terms

- Non-anchor tenants 3-5 years, anchor tenants 10-20 years tenancy agreements.
- Rental submission in advance; security deposits (30% of annual base rent & charges)

## High Margin Assets and Strong Collection Rates

- Continual improvement in operational excellence to maintain high margins
- Negligible delays on lease payments.

### Notes:

1. Excluding Fashion Avenue Expansion

bloomingdales

KidZania

PVRK

GALLERIES  
Lafayette

DUBAI ICE RINK



REEL  
CINEMAS

## Exclusive Tenants & Brands

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdales, Galleries Lafayette.
- Fashion Avenue has the largest collection of renowned global brands under one roof bringing more than 150 luxury brands. New Fashion Avenue brings in internationally renowned brands such as Cova Cafe, Huqqa, Moynat.

## Retail Attractions

- Reel Cinema 26 Screen Cineplex.
- VR Park (76,000 sq. ft. Virtual & augmented reality theme park)
- Indoor Aquarium and underwater Zoo
- Olympic size Ice Rink
- Kidzania (children's entertainment facility)

## Financial Highlights

- Malls achieved revenues of AED 863 million in Q1-18.
- Malls achieved EBITDA of AED 708 million in Q1-18.

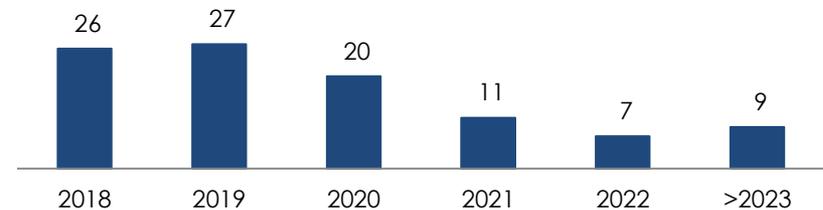


## Active Tenant Management

- **Significant waitlist allows EM to actively manage its tenant base**
  - Healthy wait list of retailers across all properties further strengthened by addition of Fashion Avenue Expansion.
- **Favorable standard lease terms**
  - Post-dated cheques covering base rent and charges<sup>(1)</sup>
  - No rent free period in The Dubai Mall and Marina Mall<sup>(2)</sup>
- **Flexibility in managing tenants**
  - Most leases on 3-5 year terms to give EM more flexibility in managing tenants.
  - Actively engaging tenants to source for innovative concepts and fresh experiences.

## Portfolio Lease Expiry Profile

GLA % of main unit leases



- **Base Rent Increase:** For the leases expiring in Q1-2018<sup>(1)</sup>, base rent increase of 6% achieved over the previous lease term.
- Healthy distribution of expiry spreading over the coming years.

*Healthy Weighted Average Lease Expiry Profile*

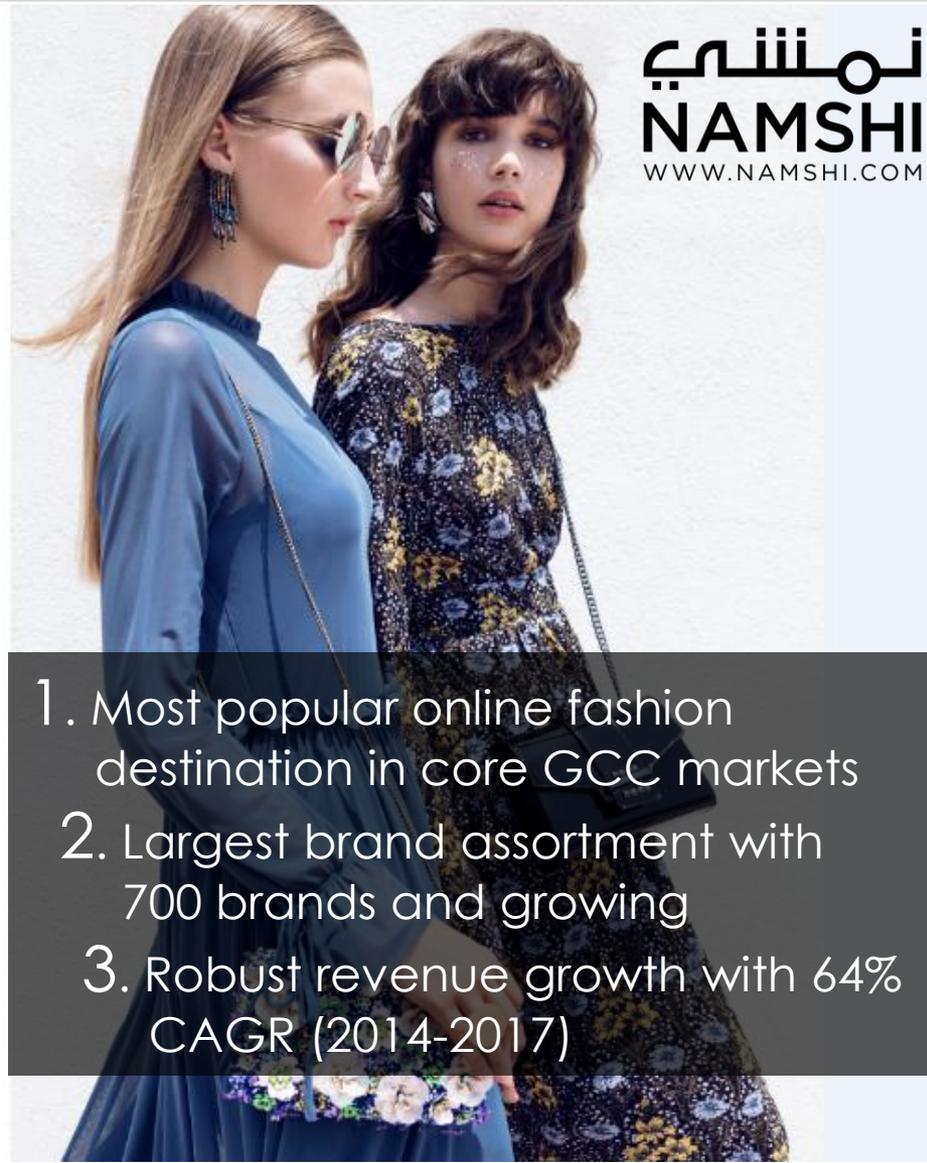
**Notes:**

1. Overall portfolio
2. Excluding Pier 7



نمشي  
NAMSHI

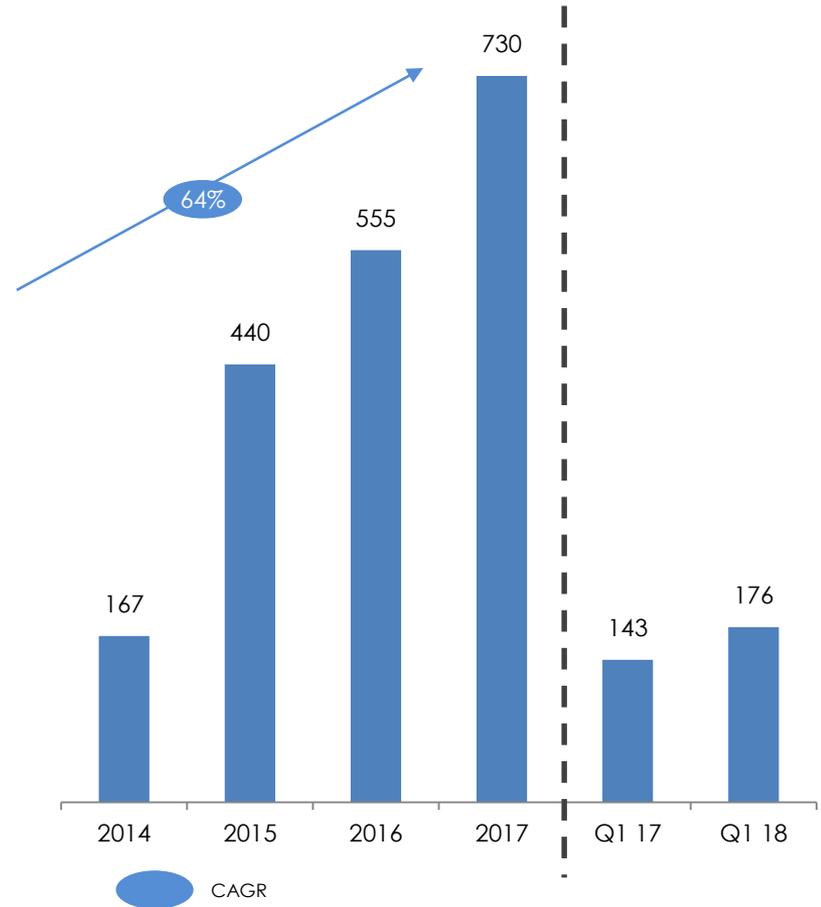




نمشي  
**NAMSHI**  
WWW.NAMSHI.COM

## Track Record of Double Digit Top Line Growth Revenue for the year / period

AED MM



1. Most popular online fashion destination in core GCC markets
2. Largest brand assortment with 700 brands and growing
3. Robust revenue growth with 64% CAGR (2014-2017)



Net Merchandise  
Value  
+24%



Gross  
Profit  
+22%



Active  
Customers<sup>1</sup>  
+49%



Online  
Traffic  
+14%



Number of  
Orders  
+22%



Social Media  
Engagement  
+15%

*Healthy growth recorded in key parameters<sup>2</sup>*

Notes:

1. Defined as having shopped in the last 12 months

2. Growth rate: Q1 2018 vs Q1 2017



# UPCOMING PROJECTS

## Overview of Pipeline

Project Name	GLA (sq.ft.)	Pre-leasing (%)	Expected Opening
Springs Village	c.230,000	90%	H1 - 2018
TDM - Boulevard Expansion	c.110,000	-	H2 - 2019
Meadows Village	c. 95,000	-	H2 - 2019

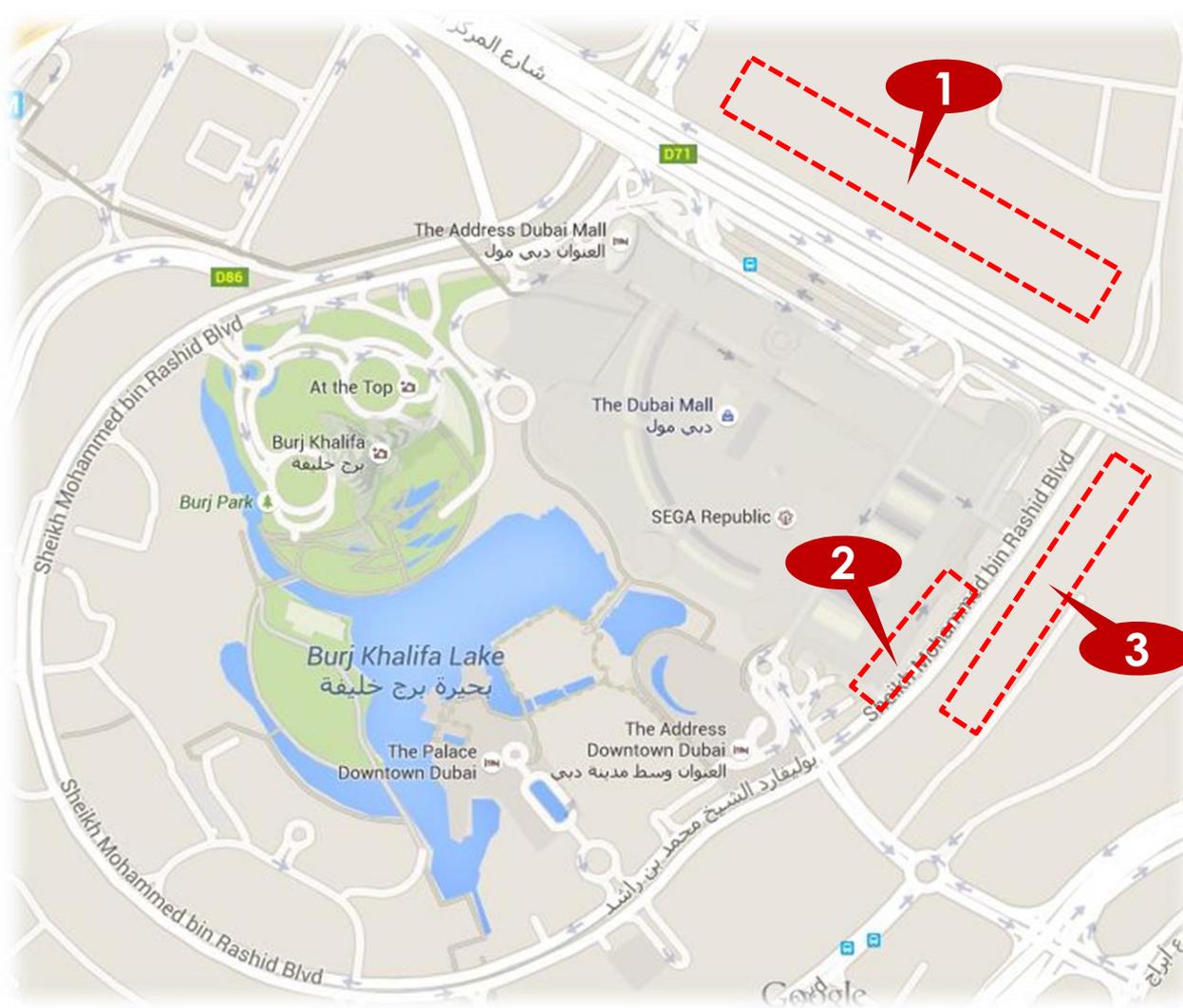


## The Dubai Mall Fashion expansion

- Soft opening took place on 5<sup>th</sup> March 2018
- Contribute c. 0.6 million sq. ft. in the GLA
- Leased ~ 90% of GLA



*Resilient Growth Through Expansion and Pipeline Developments*



1. Zabeel Expansion  
(including car park)

---

2. Boulevard Expansion

---

3. Fountain View Expansion  
(including car park)

---

TDM – Fashion Avenue Expansion opened on 5 March 2018



# CONSOLIDATED FINANCIAL STATEMENTS



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED FINANCIAL RESULTS

	Q1 2018		
	<i>Emaar Malls</i>	<i>Namshi</i>	<i>Consolidated</i>
	----- AED' million -----		
<b>Revenue</b>	863	175	<b>1,038</b>
Cost of revenue	(100)	(125)	(225)
<b>Gross profit</b>	763	50	<b>813</b>
<i>% margin</i>	88%	29%	78%
Sales, marketing, general & administrative expenses	(55)	(56)	(111)
<b>EBITDA</b>	708	(6)	<b>702</b>
<i>% margin</i>	82%	-3%	68%
Depreciation and amortisation <sup>1</sup>	(100)	(1)	(104)
Finance cost - net <sup>2</sup>	(50)	-	(55)
Minority Interest	-	-	5
<b>Net profit/(loss) for the period</b>	558	(7)	<b>548</b>
<i>% margin</i>	65%	-4%	53%

Note:

1. Amortisation of AED 3 million is related to intangible assets recognised in Group's consolidated financial statements as a result of acquisition of Namshi. Net loss for the Namshi in group financial statements amounts to AED 10M.
2. AED 5M unwinding charge on present value of put option to non controlling interests included in Finance costs –net of the Group.

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED FINANCIAL RESULTS

	Q1 2018	Q4 2017	%	Q1 2018	Q1 2017	%
	AED' million			AED' million		
<b>Revenue</b>	<b>1,038</b>	<b>1,129</b>	<b>(8%)</b>	<b>1,038</b>	<b>836</b>	<b>24%</b>
Cost of revenue	(225)	(260)	(13%)	(225)	(104)	116%
<b>Gross profit</b>	<b>813</b>	<b>869</b>	<b>(6%)</b>	<b>813</b>	<b>732</b>	<b>11%</b>
Selling, marketing, general & administrative expenses	(111)	(139)	(20%)	(111)	(54)	106%
<b>EBITDA</b>	<b>702</b>	<b>730</b>	<b>(4%)</b>	<b>702</b>	<b>678</b>	<b>4%</b>
% margin	68%	65%		68%	81%	
Depreciation and amortisation	(104)	(100)	4%	(104)	(93)	12%
Finance cost - net	(55)	(56)	(2%)	(55)	(46)	20%
Minority interests	5	5	-	5	-	100%
<b>Net profit for the period attributable to the Shareholders of the Company</b>	<b>548</b>	<b>579</b>	<b>(5%)</b>	<b>548</b>	<b>539</b>	<b>2%</b>
% margin	53%	51%		53%	64%	

	Q1 2018	Q4 2017	%
	AED' million		
<b>Revenue</b>	<b>863</b>	<b>914</b>	<b>(6%)</b>
Operating expenses	(100)	(104)	(4%)
<b>Operating profit</b>	<b>763</b>	<b>810</b>	<b>(6%)</b>
Selling, marketing, general & administrative expenses	(55)	(75)	(27%)
<b>EBITDA</b>	<b>708</b>	<b>735</b>	<b>(4%)</b>
% margin	82%	80%	
Depreciation and amortisation	(100)	(95)	5%
Finance cost - net	(50)	(56)	(11%)
<b>Profit for the period</b>	<b>558</b>	<b>584</b>	<b>(4%)</b>
% margin	65%	64%	

	Q1 2018	Q1 2017	%
	AED' million		
<b>Revenue</b>	<b>863</b>	<b>836</b>	<b>3%</b>
Operating expenses	(100)	(104)	(4%)
<b>Operating profit</b>	<b>763</b>	<b>732</b>	<b>4%</b>
Selling, marketing, general & administrative expenses	(55)	(54)	2%
<b>EBITDA</b>	<b>708</b>	<b>678</b>	<b>4%</b>
% margin	82%	81%	
Depreciation and amortisation	(100)	(93)	8%
Finance cost - net	(50)	(46)	9%
<b>Profit for the period</b>	<b>558</b>	<b>539</b>	<b>4%</b>
% margin	65%	64%	



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEET AND KEY RATIOS

	31-Dec-17		31-Mar-18	
	Carrying value	Fair value	Carrying value	Fair value
<b>ASSETS</b>	/----- AED' million -----/			
Property plant and equipment & Investment Properties	21,921	53,959	22,258	53,959
Goodwill & Intangible assets	581	581	578	578
Trade & unbilled receivables	269	269	280	280
Other receivables	448	448	599	599
Bank balances and cash	3,210	3,210	3,711	3,711
<b>TOTAL ASSETS</b>	<b>26,429</b>	<b>58,467</b>	<b>27,426</b>	<b>59,127</b>
<b>LIABILITIES</b>				
Loans and borrowings	7,306	7,306	7,308	7,308
Advances from customers	1,325	1,325	1,250	1,250
Trade and other liabilities	1,271	1,271	1,786	1,786
<b>TOTAL LIABILITIES</b>	<b>9,902</b>	<b>9,902</b>	<b>10,344</b>	<b>10,344</b>
Minority Interests	177	177	172	172
<b>NET ASSETS VALUE FOR SHAREHOLDERS</b>	<b>16,350</b>	<b>48,388</b>	<b>16,910</b>	<b>48,611</b>
<b>Number of Shares - millions</b>	<b>13,014</b>	<b>13,014</b>	<b>13,014</b>	<b>13,014</b>
<b>NET ASSETS PER SHARE HELD BY INVESTORS</b>	<b>1.26</b>	<b>3.72</b>	<b>1.30</b>	<b>3.74</b>
<b>KEY RATIOS</b>				
Net Debt/EBITDA	1.5X	-	1.3X	-
Loan to value <sup>(1)</sup>	-	14%	-	14%

**Note:**

1. Based on fair value of investment properties.



شكرا



Q1 2018 RESULTS

6 May 2018