



# EMAAR MALLS PJSC



**Q2 2017 RESULTS**  
15 August 2017

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11%  
Footfall  
H1-17: 65 MM  
H1-16: 61 MM

95%  
Occupancy  
H1-17: 5.8 MM  
H1-16: 5.9 MM

5%  
Rent  
Escalation

11%  
Rental Income  
  
12%  
EBITDA  
(2013-2016 CAGR)

~5.8 MM  
sq.ft. of GLA<sup>(1)</sup>  
  
~AED 33 Bn  
Market  
Capitalisation<sup>(2)</sup>

~845,000  
sq.ft. GLA under  
development<sup>(3)</sup> with  
additional  
developments under  
design

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

**Notes:**

1. Total GLA including storage and terraces as of June 2017
2. Dubai Financial Market – 1 August 2017
3. Includes expansion of The Dubai Mall Fashion Avenue and Springs Village



# Our Vision

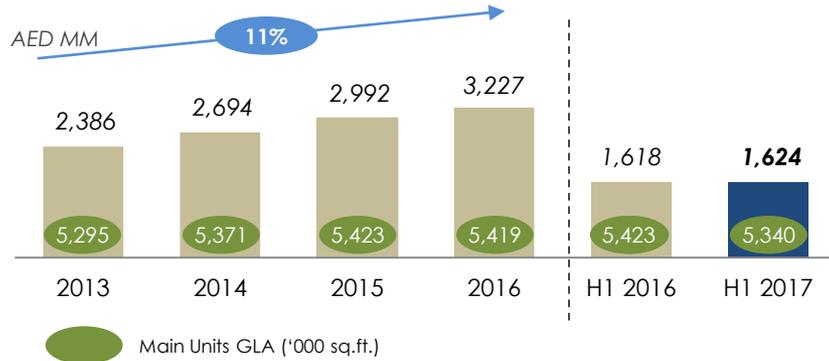
To create world class malls delivering memorable experiences

## Strategy 1 2 3

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

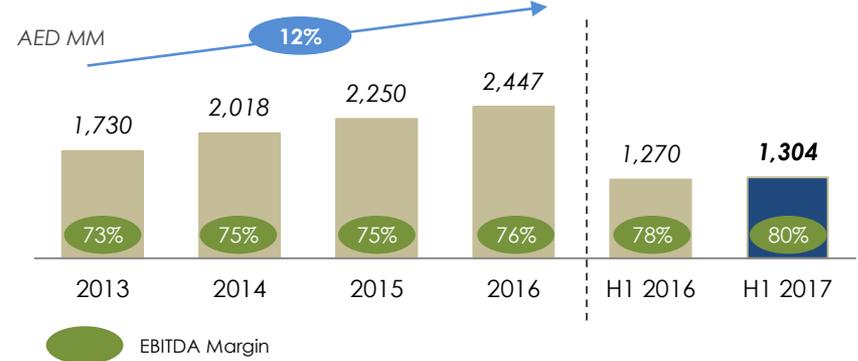
## Track Record of Double Digit Top Line Growth

Total Rental Income for the year/period



## Consistently Improving EBITDA

EBITDA for the year/period



## Net Income

Profit for the Year/period



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

Division	Assets	GLA <sup>(1)</sup>
Super Regional Malls	<ul style="list-style-type: none"> <li>The Dubai Mall</li> </ul>	3,632 <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>	735
Community Integrated 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>	1,014
<b>Emaar Malls</b>		<b>5,801</b>

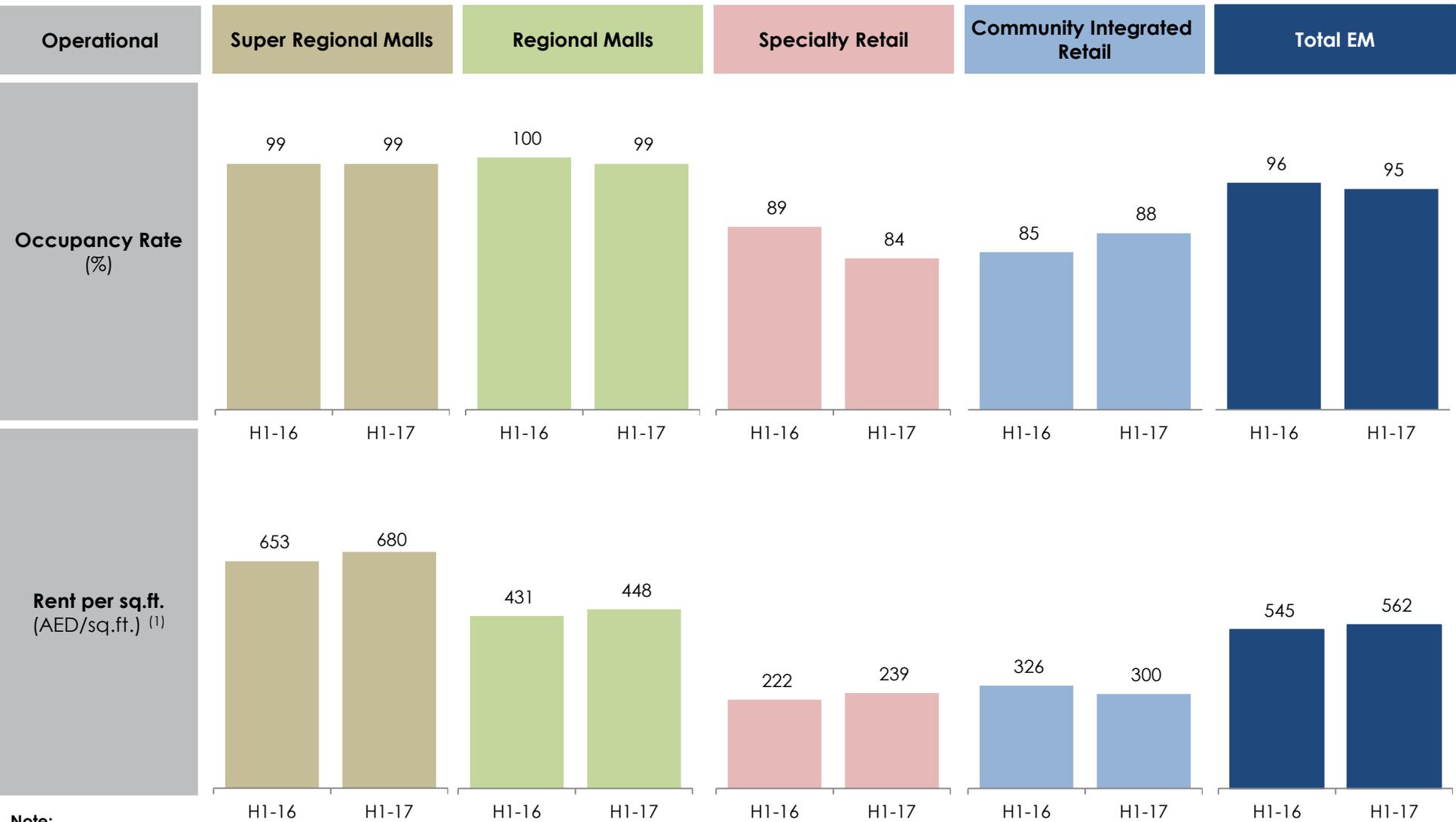


**Broad Product Offering Complementing the Dubai Mall**

**Notes:**

1. Total GLA ('000 sq.ft.) including storage and terrace, as of June 2017

2. Compared to Q2-16 of 3,711 Sq. ft. due to tenants repositioning in preparation for Fashion Avenue opening



**Note:**

1. Rent per sq. ft. is calculated as annualized rental income per average occupancy during the period. The rental income is calculated as per the reporting requirements of International Financial Reporting Standards (IAS 16 - Leases). H1 2016 numbers have been adjusted on the same basis for comparison.

# PORTFOLIO RESULTS (CONT'D)

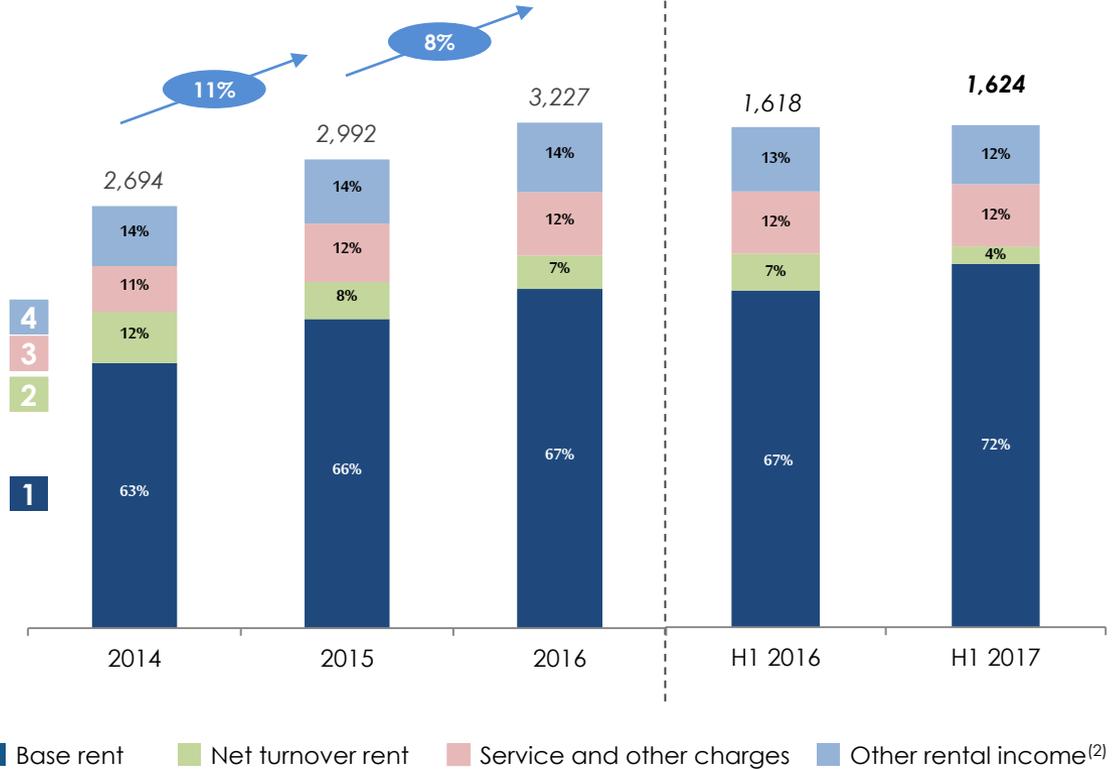


**1** ■ Contractual base rent escalation of typically 7%<sup>(1)&(2)</sup> per annum

**2** ■ Net turnover rent based on percentage of tenants sales

**3** ■ Service charges recovered from tenants (c.75% in H1 2017)<sup>(3)</sup>

**4** ■ Other rental income<sup>(2)&(4)</sup>



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

**Notes:**

1. The Dubai Mall and Dubai Marina Mall
2. Increase in H1- 2016 contractual base rent and decrease in H1-2016 other rental income is due to reporting requirements of International Financial Reporting Standards (IAS 17 – Leases).
3. Overall portfolio
4. Derived primarily from the payment of store design fit-out fees, late opening penalties, interest charges on deferred payments and certain admin charges, and income from the leasing of storage units and terraces, specialty leasing and multimedia sales



## Significant GLA

- 5.8 m Sq ft of GLA, 96% Occupancy (Jun 2017)<sup>(1)</sup>.

## Significant Footfall

- EM: footfall 65 million (H1-16: 61 million).

## The Dubai Mall

- 3.6m Sq ft GLA, GLA occupancy at 99% (Jun 2017)<sup>(2)</sup>.

## 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; additional security deposits (30% of annual base rent & charges)

## High Margin Assets and Strong Collection Rates

- Continual improvement in operational excellence to maintain high margins
- No negligible delays on lease payments on any of the EM assets in Dubai.

### Notes:

1. Reduction in GLA compared to H1-16 of 5.9m sq.ft. is due to tenants repositioning in preparation for Fashion Avenue opening
2. Reduction in GLA compared to H1-16 of 3.7m sq.ft. is due to tenants repositioning in preparation for Fashion Avenue opening



## Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdale's, Galleries Lafayette.
- Dubai Mall is being expanded with additional leasable area of approximately 15% of the current mall. The expansion is likely to be completed by Q2 - 2017 and will primarily house the International Fashion Brands.

## Retail Attractions

- Reel Cinema 28 Screen Cineplex (the largest and No. 1 cinema in Dubai based on admissions)
- SEGA Republic (76,000 sq ft indoor theme park)
- Indoor Aquarium
- Olympic size Ice Rink
- Kidzania (children's entertainment facility)



## Financial Highlights

- Malls achieved revenues of AED 1,624 million in H1-17.
- Malls achieved EBITDA of AED 1,304 million in H1-17.



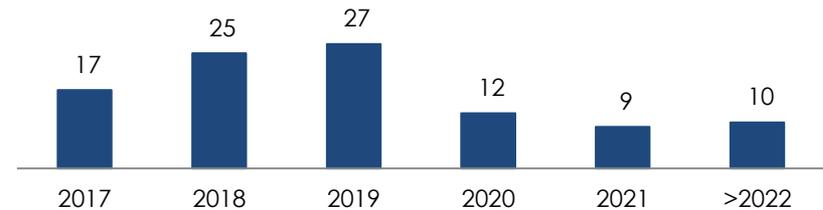
## Active Tenant Management

- Significant waitlist allows EM to actively manage its tenant base
  - Healthy wait list of retailers across all properties
- Favorable standard lease terms
  - Lack of early tenant termination clause
  - Tenant does not have the option of renewal
  - Post-dated cheques covering base rent + charges<sup>(1)</sup>
  - No rent free period in The Dubai Mall and Marina Mall<sup>(2)</sup>
- Most leases on 3-5 year terms to give EM more flexibility in managing tenants

## Attractive Renewal Terms Achieved in H1-2017

### Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 30-Jun-2017)



- **Base Rent Increase:** For the leases expiring in 2017, base rent increase of 13% achieved over the previous lease term
- **Lease Renewal:** During H1 2017, 56% of the leases (in terms of GLA) expiring during the year 2017 have been already renewed.

**Significant Upside Witnessed from Strong Increase in Renewal Rates**

**Notes:**

1. Overall portfolio
2. Excluding Pier 7

## Overview of Pipeline

**Targeted Weight of EM Development Pipeline vs. Total Portfolio**



**Extensions vs. Greenfield Under Development**  
In % of GLA



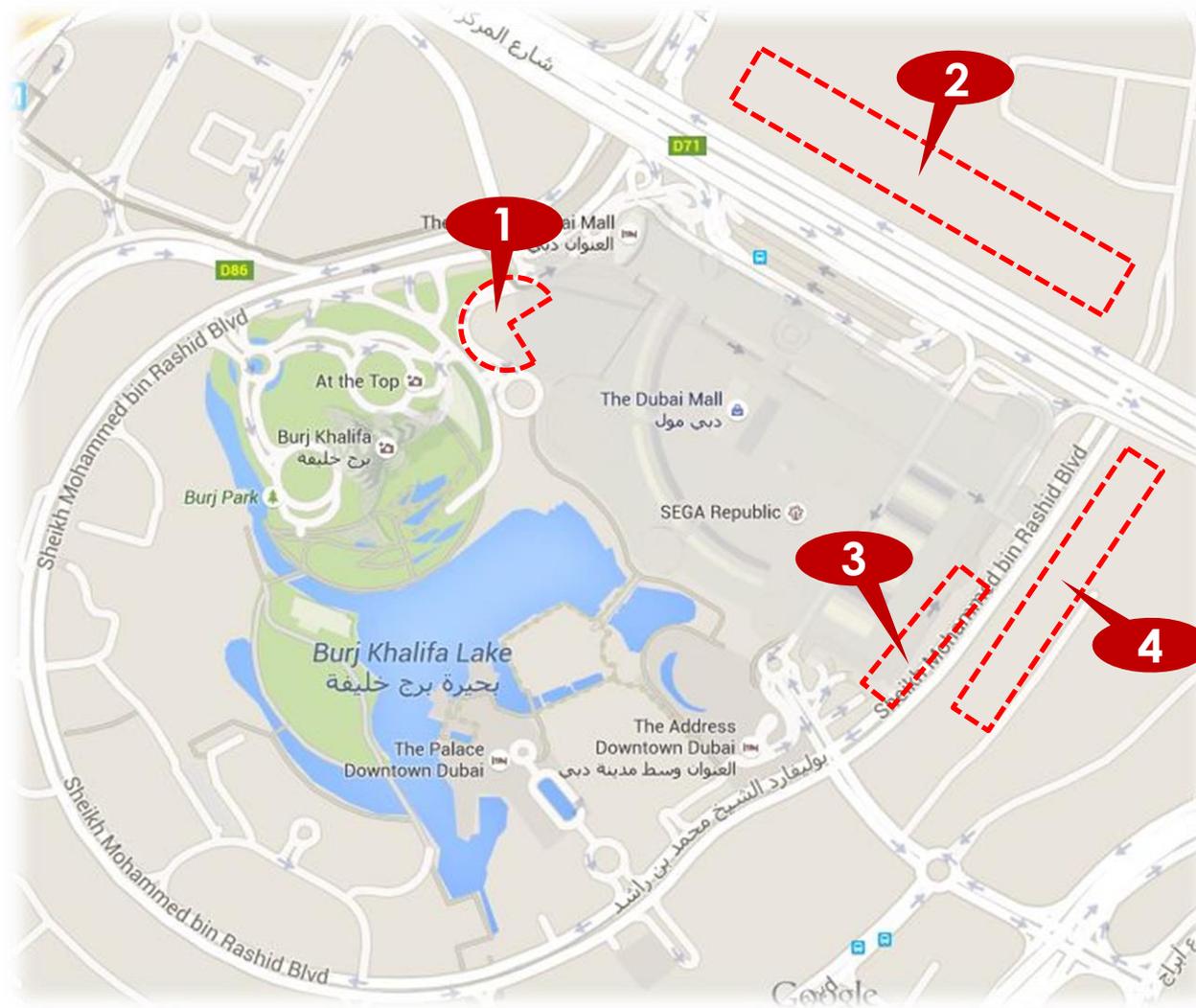
Project Name	GLA (sq.ft.)	Pre-leasing (%)	Expected Opening Date
TDM Fashion Avenue Expansion	~600,000	80%	H2 2017
Springs Village	~245,000	76%	H1-2018
<b>Under Development</b>	<b>~845,000</b>		

## The Dubai Mall Fashion expansion



- Anticipated grand opening during H2 2017
- **Targeted tenancy mix:** mostly **high end fashion, high end jewellery** and food and beverage units
- Leasing Status:
  - Executed lease against ~ 65% of GLA
  - Confirmed offers for ~15% of GLA
- **EM expects 90%+ of the Fashion Expansion to be pre-leased prior to opening**

*Significant Upside Through Expansion and New Developments*



1. Fashion Avenue Expansion

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2. Zabeel Expansion  
(including car park)

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3. Boulevard Expansion

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4. Fountain View Expansion  
(including car park)

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	Q2 2017	Q1 2017	%	Q2 2017	Q2 2016	%	H1 2017	H1 2016	%
	AED' million			AED' million			AED' million		
<b>Rental Income</b>	<b>788</b>	<b>836</b>	<b>(6%)</b>	<b>788</b>	<b>785</b>	<b>0%</b>	<b>1,624</b>	<b>1,618</b>	<b>0%</b>
Operating expenses	(101)	(104)	(3%)	(101)	(112)	(10%)	(205)	(220)	(7%)
<b>Operating profit</b>	<b>687</b>	<b>732</b>	<b>(6%)</b>	<b>687</b>	<b>673</b>	<b>2%</b>	<b>1,419</b>	<b>1,398</b>	<b>2%</b>
Sales, marketing, general & administrative expenses	(61)	(54)	13%	(61)	(73)	(16%)	(115)	(128)	(10%)
<b>EBITDA</b>	<b>626</b>	<b>678</b>	<b>(8%)</b>	<b>626</b>	<b>600</b>	<b>4%</b>	<b>1,304</b>	<b>1,270</b>	<b>3%</b>
% margin	79%	81%		79%	76%		80%	78%	
Write-off <sup>(1)</sup>	-	-	-	-	-	-	-	(4)	(100%)
Depreciation	(93)	(93)	-	(93)	(94)	(1%)	(186)	(183)	2%
Finance cost - net	(51)	(46)	11%	(51)	(48)	6%	(97)	(96)	1%
<b>Profit for the period</b>	<b>482</b>	<b>539</b>	<b>(11%)</b>	<b>482</b>	<b>458</b>	<b>5%</b>	<b>1,021</b>	<b>987</b>	<b>3%</b>
% margin	61%	64%		61%	58%		63%	61%	

**Note:**

1. Write-off represents undepreciated amount of certain Community Integrated Retail assets, which have been partly or completely demolished due to planned redevelopment.

# BALANCE SHEET AND KEY RATIOS

	31-Dec-16		30-Jun-17	
	Carrying value	Fair value	Carrying value	Fair value
<b>ASSETS</b>	/----- AED' million -----/			
Property plant and equipment & Investment Properties	21,422	53,245	21,639	53,245
Bank balances and cash	3,551	3,551	3,112	3,112
Trade receivables	187	187	176	176
Other receivables	248	248	273	273
<b>TOTAL ASSETS</b>	<b>25,408</b>	<b>57,231</b>	<b>25,200</b>	<b>56,806</b>
<b>LIABILITIES</b>				
Loans and borrowings	7,296	7,296	7,301	7,301
Advances from customers	1,280	1,280	1,273	1,273
Trade and other payables	813	813	890	890
<b>TOTAL LIABILITIES</b>	<b>9,389</b>	<b>9,389</b>	<b>9,464</b>	<b>9,464</b>
<b>NET ASSETS VALUE</b>	<b>16,019</b>	<b>47,842</b>	<b>15,736</b>	<b>47,342</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</b>	<b>1.23</b>	<b>3.68</b>	<b>1.21</b>	<b>3.64</b>
<b>KEY RATIOS</b>				
Net Debt/EBITDA	1.5X	-	1.6X	-
Loan to value <sup>(1)</sup>	-	14%	-	14%

**Note:**

1. Based on fair value of investment properties.



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15 August 2017