

ONWARD TO NEWER HORIZONS



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Dear Shareholders,

If the previous two years were an indication of how resilient and well established our organisation is, then this year is all about affirmation and fresh starts. Now that the challenges of the pandemic are firmly behind us, we are witnessing the financial fruits of a robust recovery. There is widespread assurance and a sense of urgency to get things done. As in the years of the pandemic, our Rulers and the Dubai Government have been our guiding light, stimulating economic vitality through investment-friendly schemes, the most recent being the Golden Visa programme. With Dubai’s commercial, trade, logistics, and tourism activities swiftly resuming to normalcy and its ambitious ‘D33’ agenda, the city’s growth story remains as alluring and enduring as ever.

Strong financial performance

Our record performance this year bears out Dubai’s continuing appeal to the millions who visit our city and professionals who choose to stay and build their lives here. Emaar continues to be the first choice among customers, which reflects in the Company’s performance. This year, our newly launched projects have done exceedingly well with 98% of the units launched already sold, aggregating a Year-on-Year (YoY) increase in sales of 12%.

Consolidating the high-growth trend, this year Emaar Properties PJSC has reported group property sales of AED 35.1 Bn, revenues of AED 24.9 Bn and a net profit attributable to owners of AED 6.8 Bn. Recurring revenue operations continued to stay robust, comprising 36% of total revenues, while recurring EBITDA contribution has reached 53% of total EBITDA. Our property sales backlog of AED 53.2 Bn signals a very healthy financial position and secures our near-term prospects.

In the post-pandemic phase, Dubai has witnessed high international traveller footfalls and received the highest international tourist spending at US\$ 29.4 Bn. This resurgence in the tourism sector is reflected in our hospitality revenues, which have grown by 25% YoY, while our Malls business recorded 8% YoY growth.

Emaar’s transformational growth agenda has advanced with scale and speed over the last year, owing to a number of significant transactions and strategic development projects that have laid the groundwork for the company’s accelerated execution of the said agenda, which includes substantial geographic and sector expansion across the platform.

Emaar Development

Our build-to-sell property development business achieved property sales at AED 30.7 Bn, marking an increase of 12% compared to 2021. Led by the resilience of the Dubai property market, we delivered 6,100 units in 2022 and ~9,000 units are in pipeline for delivery in 2023. Net profit attributable to owners of Emaar Development rose 17% to touch AED 3.8 Bn. Open spaces and waterfront locations remain the most preferred, with apartment sales accounting for the lion’s share.

We continued to fulfil our commitments across many signature locations we have launched, with 6,100 units across our master plans like Dubai Hills Estate, Downtown Dubai, Emaar Beachfront, and other locations in Dubai being handed over to owners.

Our shareholders approved the landmark deal of fully acquiring Dubai Creek Harbour for AED 7.5 Bn in 2022, which sets the stage for another spread of stellar landmarks. The large land tract and the waterfront location on the banks of the historic Dubai Creek will give us ample scope to take the ‘city-within-a-city’ experience to new heights.

Emaar International

International markets continue to form a critical part of our growth strategy. Our masterplan-led, marquee project-centred development forms the foundation of our entry into high-potential markets. We will utilise our landbank of 1.3 Bn sq ft and look at mutually beneficial JVs and JDAs for large projects. We are also eager to take our recurring revenue businesses of malls, retail and hospitality to more countries, as their unique brand and service values will help strengthen Emaar’s value proposition. Focused marketing efforts are underway in China, India, Saudi Arabia and a few other countries as we explore various options. This year our international business booked property sales of AED 4.3 Bn despite some of our primary international markets facing significant headwinds as a consequence of the current global economic situation. The performance of international operations was led by successful performance in Egypt and India.

Emaar Mall Management

Revenues from our Malls business saw a healthy increase of 8% on the back of Dubai emerging as a leading tourism destination. This was reflected in tenant sales growing by over 40% vis-à-vis pre-pandemic levels. Even our latest entrant—Dubai Hills Mall, a large regional shopping format launched in February 2022—achieved 91% occupancy within a mere span of 10 months from its launch. Our mixed retail format portfolio enables us to strategically position super regional, regional, speciality and community-integrated retail to meet a wide range of shopping and consumption needs. We have one of the industry’s most diverse mix of brands and high-street retail with various product categories in the offering mix. This strategy has proved very effective and complements our mixed-use development-based business model.

We are constantly making sure that it remains a win-win situation for our lessees and us through active tenant and space management, with shorter and favourable lease terms and zoning and re-zoning of space to ensure consistent profitability. Our operational performance remains under constant watch, with efficient and low-cost operations being the norm. Customer-centred delivery of the retail experience is another area of strategic focus, and through our Dubai Mall App 2.0, we have taken definite steps. The app’s proximity connectivity and data analytics help the customer in many ways, including better navigation to travel to and from the mall, along with judicious push incentives such as offers and loyalty benefits for heightened stickiness.

Emaar Hospitality, Entertainment, Commercial Leasing, and other operations

The strong rebound in Dubai’s travel and hospitality industry powered our hospitality business. Our Hospitality revenues increased from AED 1.2 Bn in 2021 to AED 1.6 Bn in 2022, marking an increase of 25%. Average Daily Rate (ADR) and occupancy rates remained well above the market averages. While Dubai Tourism endorsed our hotels for the highest safety and hygiene standards, reassuring pandemic-weary travellers, several of our signature properties also received international attention. Net profit attributable to owners from the hospitality business jumped by 55%, reaching AED 494 Mn versus AED 318 Mn in 2021.

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Revenues from our Entertainment, Commercial Leasing and other businesses grew by 137% YoY, from AED 915 Mn in 2021 to AED 1.8 Bn in 2022, owing to the resurgence of tourism, increased footfalls, and resumption of normal business operation post pandemic.

Imperatives for the future

The charter for the future is to drive growth responsibly and sustainably. For instance, in our Arabian Ranches and Emirates Living properties, innovative technology like ultrasonic algae control devices have been introduced to reduce chemical usage for arresting algae growth. We have already put in place plans and strategies for reducing operational and embodied carbon. Our drive towards more sustainable operations aligns with Dubai’s Green Vision, the UAE’s external commitments, and the United Nations Sustainable Development Goals (UNSDGs).

We remain committed to running our organisation in a transparent and accountable way. Accordingly, our Board has approved a new dividend policy that proposes an increasing share of dividends linked to our performance and will make our stakeholders true partners in our success.

Poised for accelerated growth

The financial year we have just closed has been exceptional in many ways. We have seen tremendous growth in all our segments, with manifold increase in tourist traffic and a strong trade and commerce resurgence. These trends highlight Dubai’s prominence as a growth magnet within the MENA, Asia and other regions. With the pandemic years now behind us, we ramp up our plans to make Dubai one of the most powerful metropolises of the world in line with Dubai Economic Agenda ‘D33’.

Emaar is well poised to deliver on these high expectations. Taking luxury living to the world distinguishes us, and we now have a robust domestic and international pipeline of units under development, with several iconic retail, entertainment and development landmarks already rolled out or at the development stage. With a revenue backlog of AED 53.2 Bn to be recognised over the next 3-4 years, our balance sheet has significant cash flow built in.

With a strong balance sheet and comfortable credit matrices, we are well-placed to crystallise our ambitious plans for Dubai. As part of our de-risked approach, we will continue to explore larger collaborative ventures with GREs in the Dubai market, or via partnerships with prominent players in the international market. This will help us achieve larger scale, gain access to highly attractive land parcels and leverage a wide variety of skills.

At Emaar, we firmly believe that it is our responsibility to create structures that shape the dreams of our customers and the youth —to embrace human possibilities for now and into the future. Every business decision that we take seeks to fulfil this larger purpose.



Mohamed Ali Alabbar
Managing Director
Emaar Properties PJSC