



# EMAAR MALLS PJSC



**Q3 2018 RESULTS**  
4 December 2018

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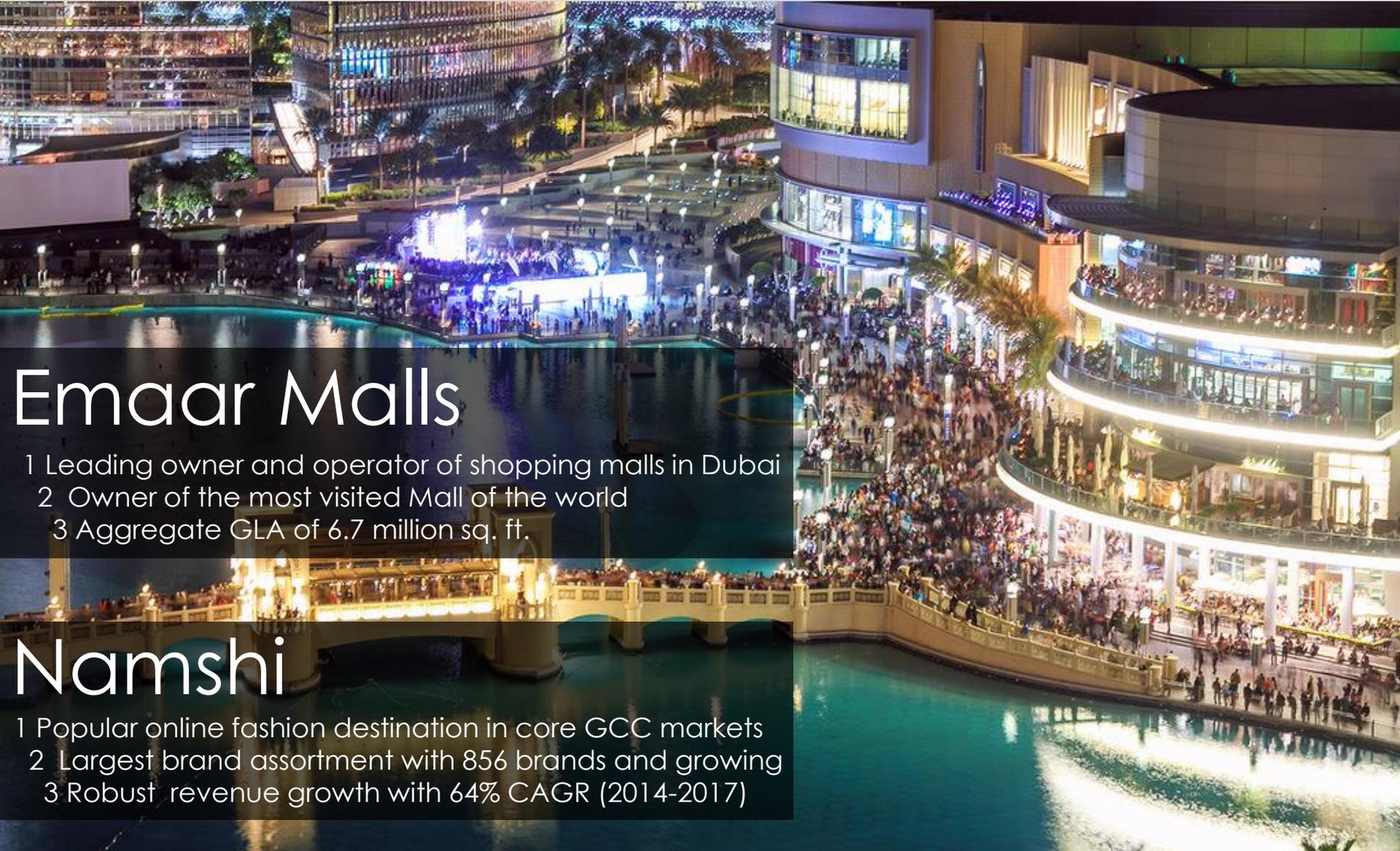
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<b>EMAAR MALLS AT A GLANCE</b>	<b>4</b>
<b>HIGHLIGHTS</b>	<b>5</b>
<b>VISION AND STRATEGY</b>	<b>6</b>
<b>EMAAR MALLS</b>	
■ Financial results	<b>7</b>
■ Rental income	<b>8</b>
■ Portfolio results	<b>9</b>
■ Portfolio	<b>10</b>
■ Key strengths	<b>11</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>
<b>FINANCIAL HIGHLIGHTS</b>	<b>19</b>



# EMAAR MALLS AT A GLANCE



## 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 6.7 million sq. ft.

## Namshi

- 1 Popular online fashion destination in core GCC markets
- 2 Largest brand assortment with 856 brands and growing
- 3 Robust revenue growth with 64% CAGR (2014-2017)

**Q3 2018 RESULTS**

4 December 2018



## CONSOLIDATED FINANCIAL RESULTS

<p><b>+29%</b> <b>Revenue</b></p> <p>9M-18: 3,232 MM 9M-17: 2,500 MM</p>	<p><b>+10%</b> <b>EBITDA<sup>1</sup></b></p> <p>9M-18: 2,136MM 9M-17: 1,939MM</p>	<p><b>+9%</b> <b>Net profit<sup>1</sup></b></p> <p>9M-18: 1,639MM 9M-17: 1,507 MM</p>
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## EMAAR MALLS

<p><b>+4%</b> <b>Footfall</b></p> <p>9M-18: 99 MM 9M-17: 95 MM</p>	<p><b>93%<sup>2</sup></b> <b>Occupancy<sup>3</sup></b></p> <p>9M-18: GLA<sup>4</sup>6.7 MM 9M-17: GLA 5.8 MM</p>
<p><b>+9%</b> <b>Revenue</b></p> <p>9M-18: 2,626 MM 9M-17: 2,409 MM</p>	<p><b>+11%</b> <b>EBITDA<sup>1</sup></b></p> <p>9M-18: 2,163 MM 9M-17: 1,941 MM</p>

## NAMSHI

<p><b>+18%</b> <b>Revenue</b></p> <p>9M-18: 607 MM 9M-17: 514 MM</p>
<p><b>+20%</b> <b>Number of orders</b></p>

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

1. Includes one off gain amounting to AED 48M on disposal of non-core investment properties.  
 2. Includes the committed leases of The Dubai Mall – Fashion Avenue Expansion and Springs Souk (New Springs Village).  
 3. GLA increased by 0.6M sq. ft. and 0.24M sq. ft. due to The Dubai Mall – Fashion Avenue Expansion and Springs Souk respectively.



# Our Vision

To create world class malls delivering memorable experiences

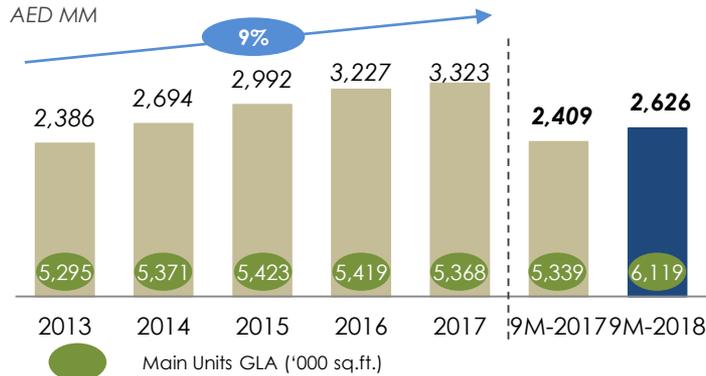
# Our Strategy

1. Protect and grow portfolio in local market
2. Expand internationally
3. Innovate and lead transition to next generation mall



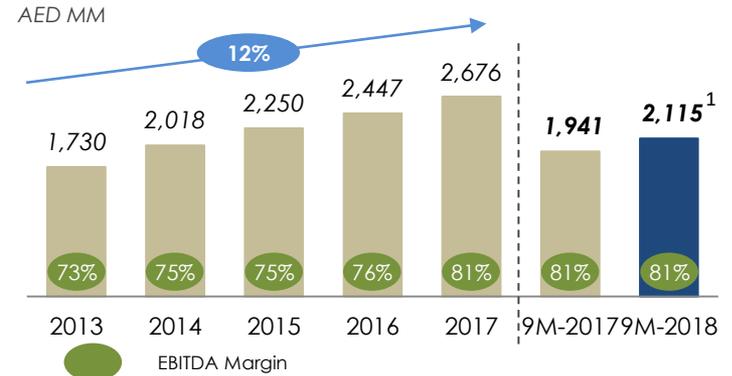
## Robust Top Line Growth

Total Rental Income for the year/ period



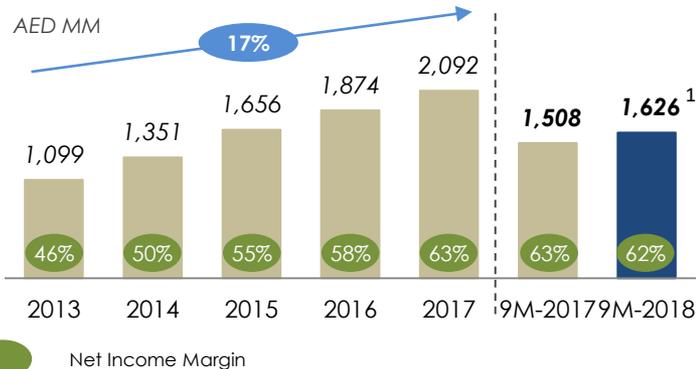
## Resilient EBITDA Growth

EBITDA for the year/ period



## Net Income

Profit for the year/ period



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

Note:

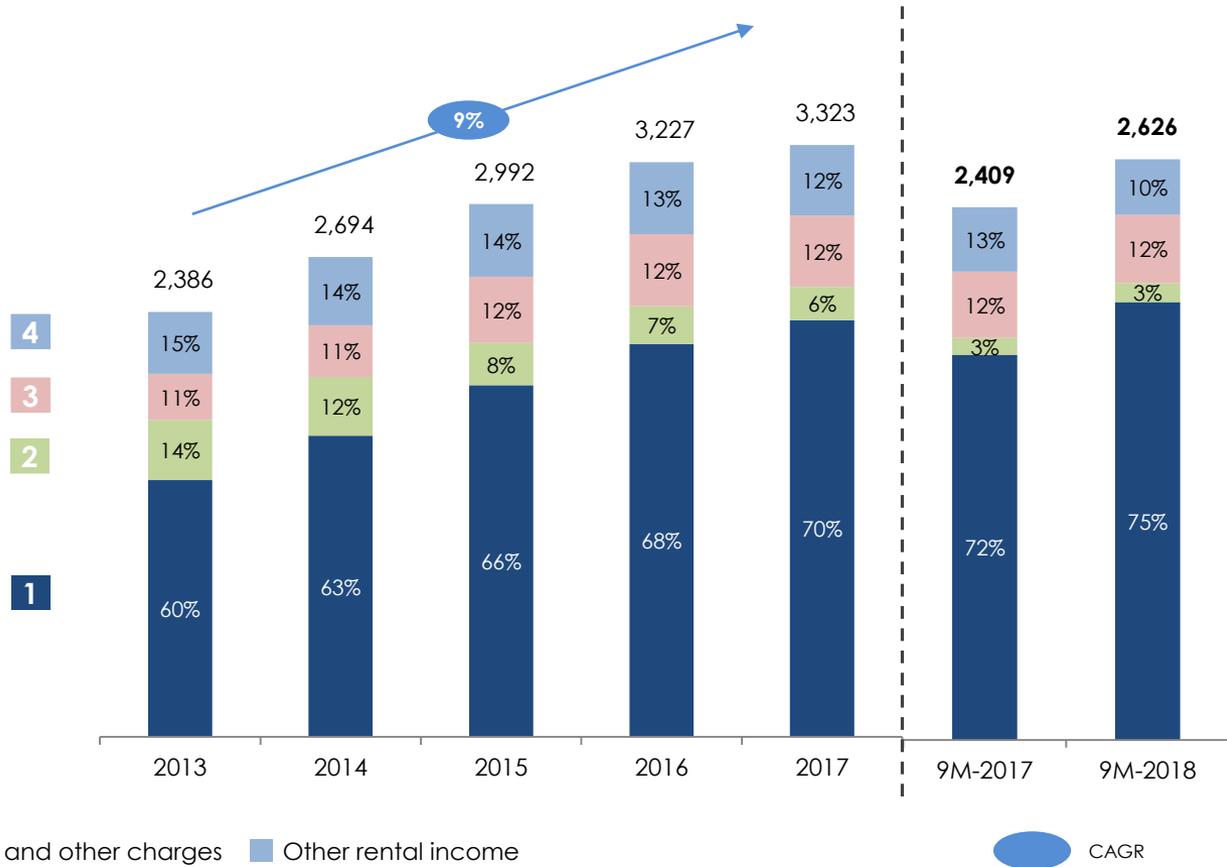
1. EBITDA and EBITDA margin are based on operating revenues, excludes one off gain amounting to AED 48M on disposal of non-core investment properties.

**1** ■ Base rent growth 13% with contribution from new retail space of Fashion Avenue Expansion and Springs Souk.

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

**3** ■ Service charges recovered from tenants (c.69% in 9M-18)<sup>2</sup>

**4** ■ Other rental income<sup>3</sup>



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

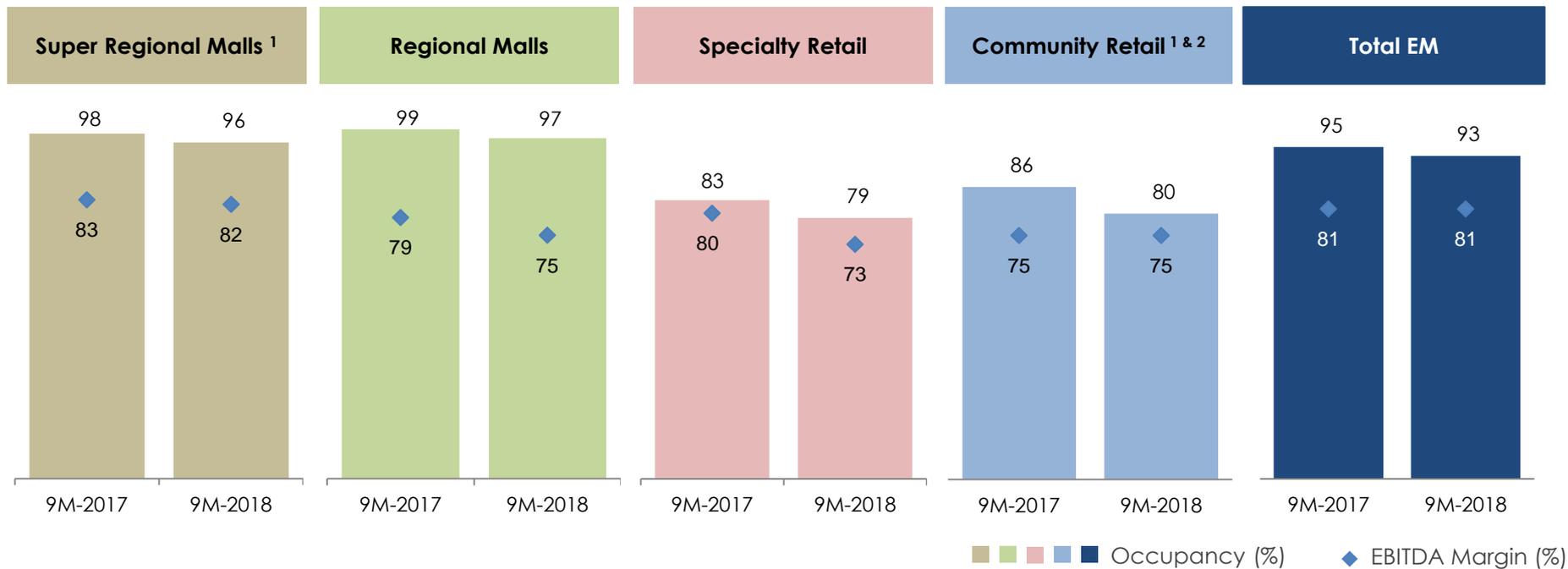
Note:

1. The Dubai Mall and Dubai Marina Mall

2. On overall portfolio, compared to Q1 2018 of 71%, recovery ratio will improve with ramping up of The Dubai Mall -Fashion Avenue and Springs Souk.

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 occupancy of 93%<sup>1</sup>
- 2 Operational excellence with 81% EBITDA margin<sup>2</sup>
- 3 Improved profitability through economy of scale



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

Note:

1. Occupancy includes the committed leases of The Dubai Mall – Fashion Avenue Expansion and Springs Souk.

2. EBITDA margin is based on operating revenues, excludes one off gain amounting to AED 48M on disposal of non-core investment properties.

Division	Assets	GLA <sup>1</sup>
Super Regional Malls	<ul style="list-style-type: none"> <li>The Dubai Mall (including Fashion Avenue Expansion)</li> </ul>	4,288
Regional Malls	<ul style="list-style-type: none"> <li>Dubai Marina Mall (including Pier 7)</li> </ul>	451
Specialty Retail	<ul style="list-style-type: none"> <li>Souk Al Bahar, fine dining destination with a view of the Dubai Fountain and Burj Khalifa</li> <li>Gold &amp; Diamond Park, only dedicated gold &amp; diamond mall in Dubai</li> </ul>	738
Community Retail	<ul style="list-style-type: none"> <li>Mohammed bin Rashid Boulevard Retail</li> <li>Dubai Marina Retail</li> <li>Springs Souk<sup>2</sup></li> <li>Shopping centres in Emaar residential developments</li> </ul>	1,228
<b>Emaar Malls</b>		<b>6,705</b>



### Broad Product Offering Complementing the Dubai Mall

Note:  
 1. Total GLA ('000 sq.ft.) including storage and terrace, as of 30-Sep-2018  
 2. Opened from May 2018 with GLA of 0.24M sq.ft.



## Significant GLA

- 6.7 million Sq. ft. of GLA<sup>1</sup>.

## Significant Footfall

- EM: footfall 99 million (9M-17: 95 million).

## The Dubai Mall

- 4.3 million sq. ft. GLA<sup>1</sup>.
- The Dubai Mall - Fashion Avenue Expansion marked its soft opening 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, most 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 above 80% EBITDA margin and 62% Net profit margin.
- Negligible delays in collection from customers.



Note:

1. including storage and terrace, as of 30-Sep-2018

bloomingdales

KidZania

PVRK

GALLERIES  
Lafayette

DUBAI ICE RINK

DUBAI AQUARIUM

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 & Assouline.

## 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 2,626 million in 9M-18.
- Malls achieved EBITDA<sup>1</sup> of AED 2,115 million in 9M-18.



**Assouline**  
Publishing house with coffeeshop

Note:

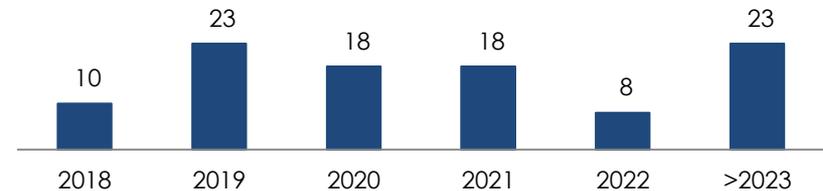
1. Excludes one off gain amounting to AED 48M on disposal of non-core investment properties.

## 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 The Dubai Mall -Fashion Avenue Expansion.
- **Favorable standard lease terms**
  - Post-dated cheques covering base rent and charges
  - No rent free period in The Dubai Mall and Marina Mall
- **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



- Healthy distribution of expiry spreading over the coming years.
- Weighted average lease expiry term of 3.06 years.

*Healthy Weighted Average Lease Expiry Profile*



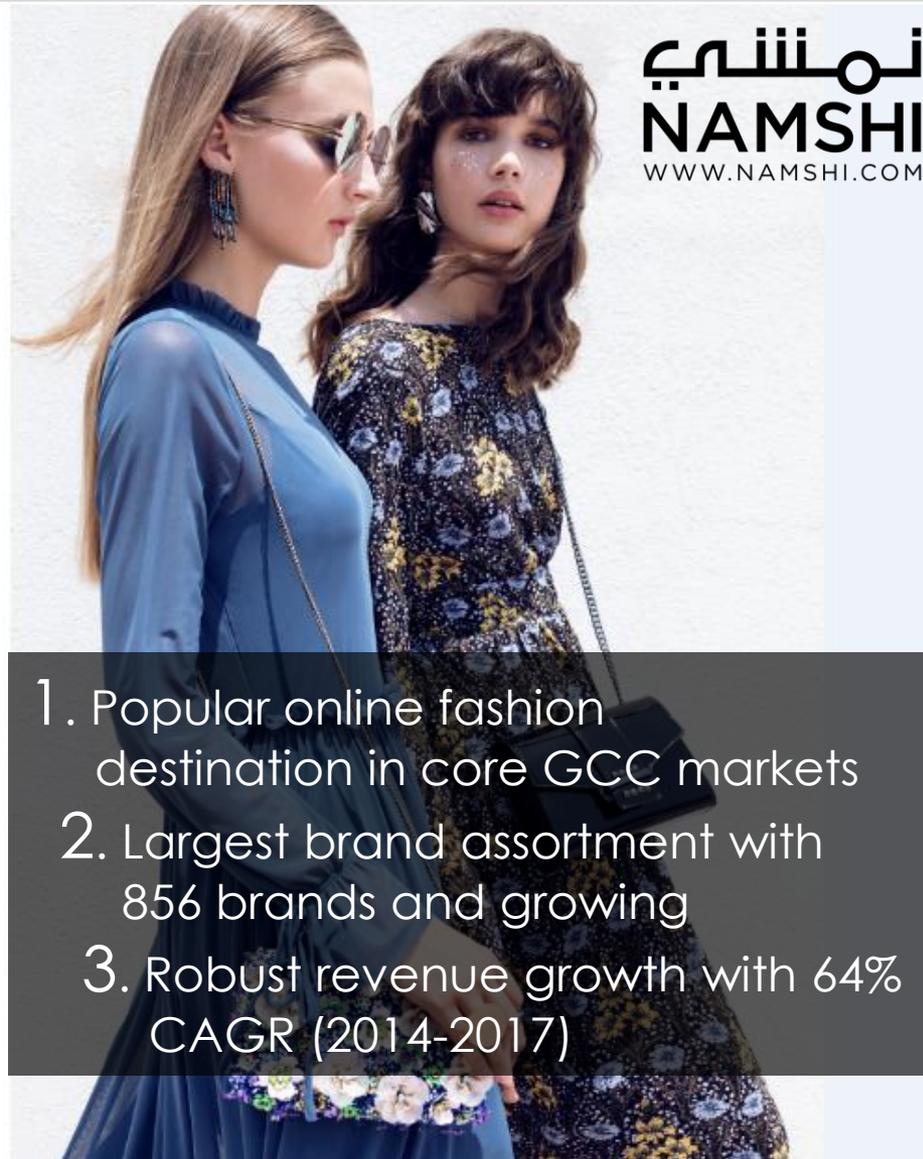
# NAMSHI

WWW.NAMSHI.COM

FASHION DELIVERED



اربحوا  
WIN

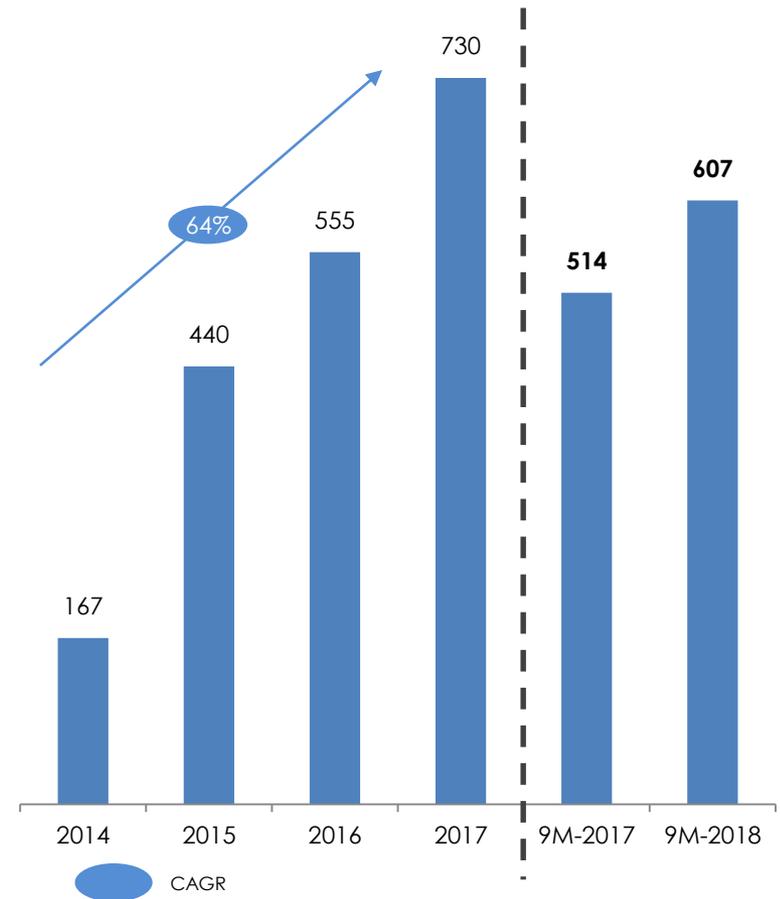


نمشي  
**NAMSHI**  
 WWW.NAMSHI.COM

1. Popular online fashion destination in core GCC markets
2. Largest brand assortment with 856 brands and growing
3. Robust revenue growth with 64% CAGR (2014-2017)

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

AED MM





Net Merchandise  
Value  
+18%



Gross  
Profit  
+8%



Active  
Customers<sup>1</sup>  
+14%



Online  
Traffic  
+14%



Number of  
Orders  
+20%



Social Media  
Engagement  
+21%

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

Note:

1. Defined as having shopped in the last 12 months

2. Growth rate: 9M 2018 vs 9M 2017



UPCOMING PROJECTS



## PROJECTS UNDER EMAAR MALLS

Project Name	GLA (sq. ft. '000)	Expected Opening
TDM - Boulevard Expansion	c.110	H2 - 2019
Meadows Village	c.95	H2 - 2019

## OTHER PROJECTS BEING DEVELOPED BY EMAAR

Project Name	GLA (sq. ft. '000)	Expected Opening
Fountain View Expansion	c.200	H1 - 2019
Zabeel Expansion	c.150	H1 - 2019
Dubai Hills Mall <sup>1</sup>	c.2000	H2 - 2019
Dubai South Mall <sup>1</sup>	c.430	H2 - 2019



1. Being developed under joint ventures by Emaar Properties & third parties

**Resilient Growth Through Expansion and Pipeline Developments**



# FINANCIAL HIGHLIGHTS

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED FINANCIAL RESULTS

For nine months period ended 30 September 2018	<i>Emaar Malls</i> Actual	<i>Namshi</i> Actual	<i>Consolidated</i> <sup>1</sup> Actual
	/-----AED in millions-----/		
<b>Revenue</b>	<b>2,626</b>	<b>607</b>	<b>3,232</b>
Cost of revenue	(335)	(443)	(778)
<b>Gross profit</b>	<b>2,291</b>	<b>164</b>	<b>2,454</b>
<i>GP margin (%)</i>	87%	27%	76%
Sales, marketing, general & administration expenses	(176)	(190)	(366)
Gain on disposal of investment properties <sup>2</sup>	48	-	48
<b>EBITDA</b>	<b>2,163</b>	<b>(26)</b>	<b>2,136</b>
<i>EBITDA margin (%)</i>	82%	(4%)	66%
Depreciation and amortisation <sup>3</sup>	(331)	(3)	(342)
Finance cost - net <sup>4</sup>	(158)	(1)	(174)
Minority interest	-	-	19
<b>Net profit/ (loss)</b>	<b>1,674</b>	<b>(30)</b>	<b>1,639</b>
<i>Net Profit margin (%)</i>	64%	(5%)	51%

Note:

1. Presented after intra group adjustments
2. Relates to disposal of non-core investment properties.
3. Amortisation of AED 8 million is related to intangible assets recognised in Group's consolidated financial statements as a result of acquisition of Namshi.
4. AED 15M unwinding discount charge on the present value of put option over non controlling interests included in Finance costs -net of the Group.

# FINANCIAL HIGHLIGHTS (cont'd)

## CONSOLIDATED FINANCIAL RESULTS (cont'd)

	Q3-2017	Q3-2018	Q3-2018 vs Q3-2017	Q2-2018	Q3-2018	Q3-2018 vs Q2-2018	YTD Sep-17	YTD Sep-18	YTD Sep-18 vs YTD Sep-17
<b>Revenue</b>	<b>876</b>	<b>1,129</b>	<b>29%</b>	<b>1,065</b>	<b>1,129</b>	<b>6%</b>	<b>2,500</b>	<b>3,232</b>	<b>29%</b>
Cost of revenue	(161)	(288)	79%	(265)	(288)	9%	(366)	(778)	113%
<b>Gross profit</b>	<b>715</b>	<b>841</b>	<b>18%</b>	<b>800</b>	<b>841</b>	<b>5%</b>	<b>2,134</b>	<b>2,454</b>	<b>15%</b>
% margin	82%	74%		75%	74%		85%	76%	
Sales, marketing, general & administration expenses	(80)	(131)	64%	(124)	(131)	6%	(195)	(366)	88%
Gain on disposal of assets held for sale <sup>1</sup>	-	-	-	48	-	-100%	-	48	(100%)
<b>EBITDA</b>	<b>635</b>	<b>710</b>	<b>12%</b>	<b>724</b>	<b>710</b>	<b>(2%)</b>	<b>1,939</b>	<b>2,136</b>	<b>10%</b>
% margin	72%	63%		68%	63%		78%	66%	
Depreciation and amortisation <sup>2</sup>	(93)	(121)	30%	(117)	(121)	3%	(279)	(342)	23%
Finance costs - net <sup>3</sup>	(57)	(59)	4%	(60)	(59)	-2%	(154)	(174)	13%
Minority interest	1	7	600%	7	7	-	1	19	1800%
<b>Net Profit</b>	<b>486</b>	<b>537</b>	<b>10%</b>	<b>554</b>	<b>537</b>	<b>(3%)</b>	<b>1,507</b>	<b>1,639</b>	<b>9%</b>
% margin	55%	48%		52%	48%		60%	51%	

Note:

1. Relates to disposal of non-core investment properties.
2. Amortisation of AED 8 million is related to intangible assets recognised in Group's consolidated financial statements as a result of acquisition of Namshi.
3. AED 15M unwinding charge on present value of put option to non controlling interests included in Finance costs -net of the Group

# FINANCIAL HIGHLIGHTS (cont'd)

## MALLS FINANCIAL RESULTS (EX. NAMSHI)

	Q3-2017	Q3-2018	Q3-2018 vs Q3-2017	Q2-2018	Q3-2018	Q3-2018 vs Q2-2018	YTD Sep- 17	YTD Sep- 18	YTD Sep-18 vs YTD Sep-17
<b>Revenue</b>	<b>785</b>	<b>906</b>	<b>15%</b>	<b>863</b>	<b>906</b>	<b>5%</b>	<b>2,409</b>	<b>2,626</b>	<b>9%</b>
Cost of revenue	(97)	(123)	27%	(100)	(123)	23%	(302)	(335)	11%
<b>Gross profit</b>	<b>688</b>	<b>783</b>	<b>14%</b>	<b>763</b>	<b>783</b>	<b>3%</b>	<b>2,107</b>	<b>2,291</b>	<b>9%</b>
% margin	88%	86%		88%	86%		87%	87%	
Sales, marketing, general & administration expenses	(51)	(63)	24%	(55)	(63)	15%	(166)	(176)	6%
Gain on disposal of assets held for sale <sup>1</sup>	-	-	-	-	-	-	-	48	(100%)
<b>EBITDA</b>	<b>637</b>	<b>720</b>	<b>13%</b>	<b>708</b>	<b>720</b>	<b>2%</b>	<b>1,941</b>	<b>2,163</b>	<b>11%</b>
% margin	81%	79%		82%	79%		81%	82%	
Depreciation and amortisation	(93)	(118)	27%	(100)	(118)	18%	(279)	(331)	19%
Finance costs - net	(57)	(53)	(7%)	(50)	(53)	6%	(154)	(158)	3%
<b>Net Profit</b>	<b>487</b>	<b>549</b>	<b>13%</b>	<b>558</b>	<b>549</b>	<b>-2%</b>	<b>1,508</b>	<b>1,674</b>	<b>11%</b>
% margin	62%	61%		65%	61%		63%	64%	

Note:  
1. Relates to disposal of non-core investment properties.



# FINANCIAL HIGHLIGHTS (cont'd)

## CONSOLIDATED BALANCE SHEET AND KEY RATIOS

	31-Dec-17		30-Sep-18	
	Carrying value	Fair value	Carrying value	Fair value
	/----- AED' million -----/			
<b>ASSETS</b>				
Property plant and equipment & Investment Properties	21,921	53,959	22,376	53,959
Goodwill & Intangible assets	581	581	572	572
Trade & unbilled receivables	269	269	390	390
Other receivables	448	448	553	553
Bank balances and cash	3,210	3,210	3,251	3,251
<b>TOTAL ASSETS</b>	<b>26,429</b>	<b>58,467</b>	<b>27,142</b>	<b>58,725</b>
<b>LIABILITIES</b>				
Loans and borrowings	7,306	7,306	7,313	7,313
Advances from customers	1,325	1,325	1,270	1,270
Trade and other liabilities	1,271	1,271	1,713	1,713
<b>TOTAL LIABILITIES</b>	<b>9,902</b>	<b>9,902</b>	<b>10,296</b>	<b>10,296</b>
Minority Interests	177	177	158	158
<b>NET ASSETS VALUE FOR SHAREHOLDERS</b>	<b>16,350</b>	<b>48,388</b>	<b>16,688</b>	<b>48,271</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>1.28</b>	<b>3.71</b>
<b>KEY RATIOS</b>				
Net Debt/EBITDA	1.5X	-	1.4X	-
Loan to value <sup>(1)</sup>	-	14%	-	14%

Note:

1. Based on fair value of investment properties.



EMAAR  
MALLS

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4 December 2018