



# EMAAR MALLS PJSC



**FY 2016 RESULTS**

6 March 2017

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**8%**  
Increase in Rental  
Income  
(2016 vs. 2015)  
**THE DUBAI MALL**

**99%**  
GLA Occupancy  
Rate (2016)  
**THE DUBAI MALL**

**Footfall**  
World's Most  
Visited Leisure &  
Lifestyle  
Destination  
**THE DUBAI MALL**

**8%**  
**Revenue**  
2016: AED 3,227 MM  
2015: AED 2,992 MM

**9%**  
**EBITDA**  
2016: AED 2,447 MM  
2015: AED 2,250 MM

**13%**  
**Profit**  
2016: 1,874 AED MM  
2015: AED 1,656 MM

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

**~5.9 MM**  
sq.ft. of GLA<sup>(1)</sup>  
**~AED 35 Bn**  
Market  
Capitalisation<sup>(2)</sup>

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

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

**Notes**  
1. Total GLA including storage and terraces as of December 2016  
2. Dubai Financial Market – 5 March 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

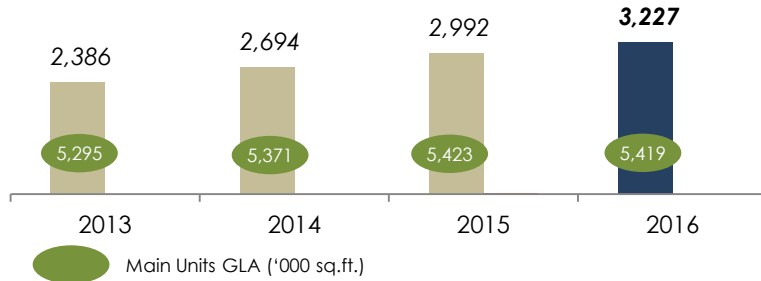
- 1 Protect and Grow Portfolio in Local Market
- 2 Expand Internationally
- 3 Innovate and Lead Transition to Next Generation Mall

## Track Record of Double Digit Top Line Growth

Total Rental Income for the year

AED MM

11%

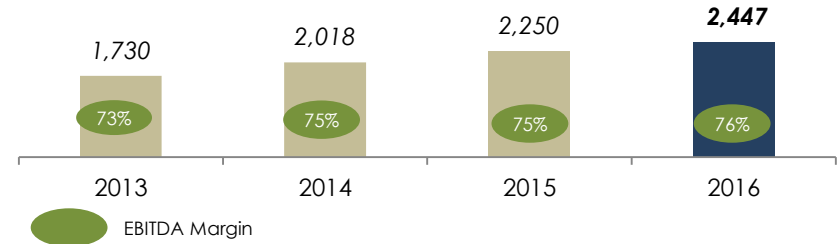


## Consistently Improving EBITDA

EBITDA for the year

AED MM

12%

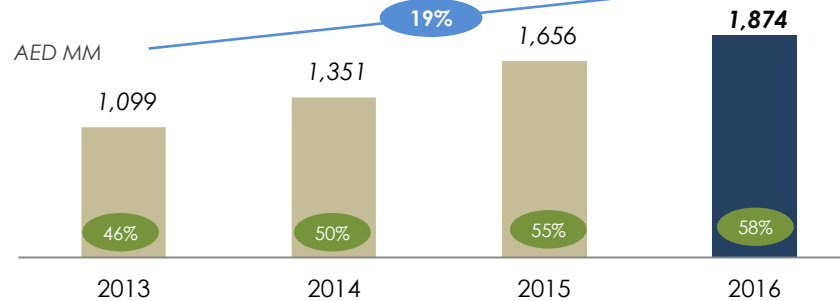


## Net Income

Profit for the Year








AED MM

19%



% CAGR

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

Division	Assets	GLA <sup>(1)</sup>	Selected Pictures
Super Regional Malls	<ul style="list-style-type: none"> <li>The Dubai Mall</li> </ul>	3,711	 
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>	1,016	 
<b>Emaar Malls</b>		<b>5,882</b>	

**Broad Product Offering Complementing the Dubai Mall**

**Note**

1. Total GLA ('000 sq.ft.) including storage and terrace, as of Dec 2016

**Operational**

**Super Regional Malls**

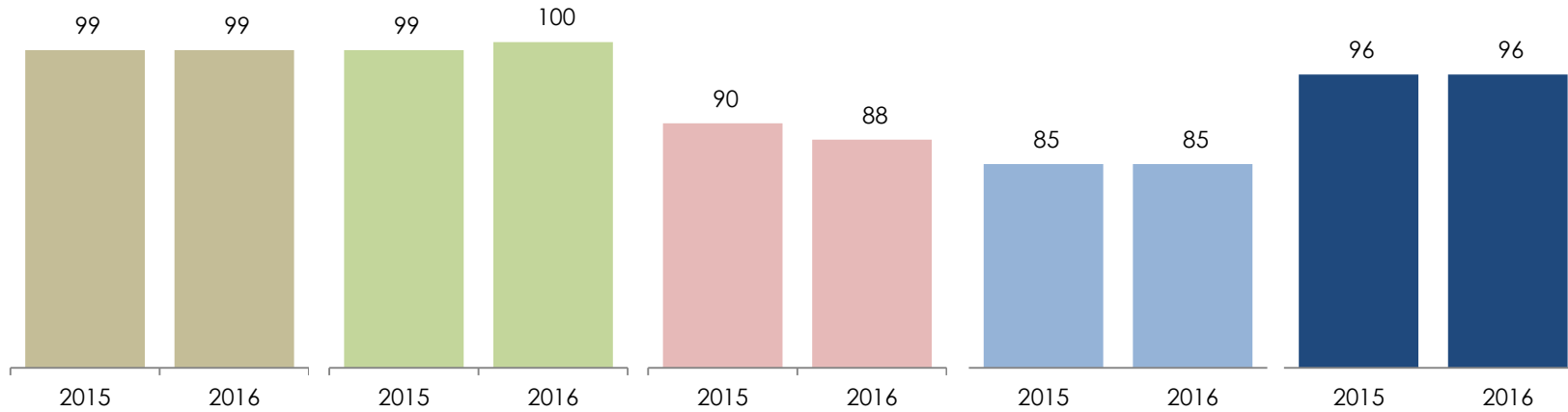
**Regional Malls**

**Specialty Retail**

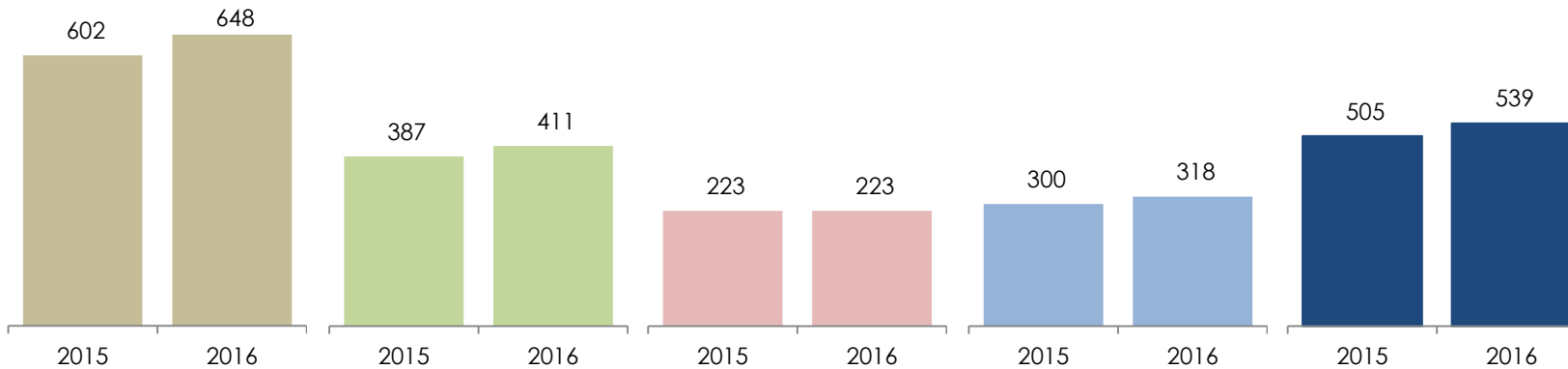
**Community Integrated Retail**

**Total EM**

**Occupancy Rate (%)**



**Rent per sq.ft. (AED/sq.ft.)**





# PORTFOLIO RESULTS (CONT'D)

Operational

Super Regional Malls

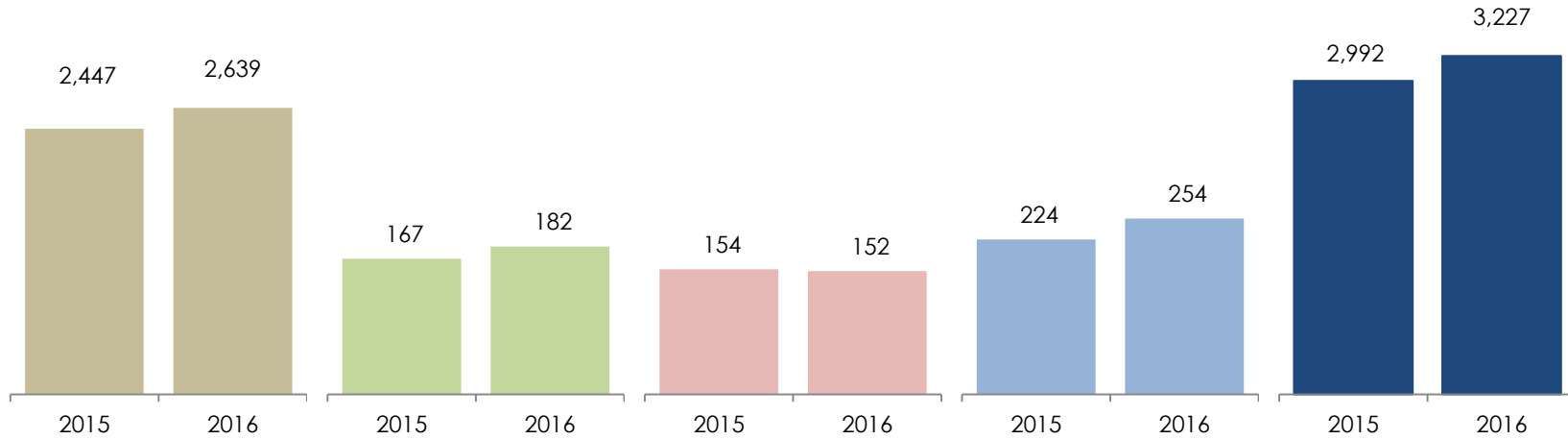
Regional Malls

Specialty Retail

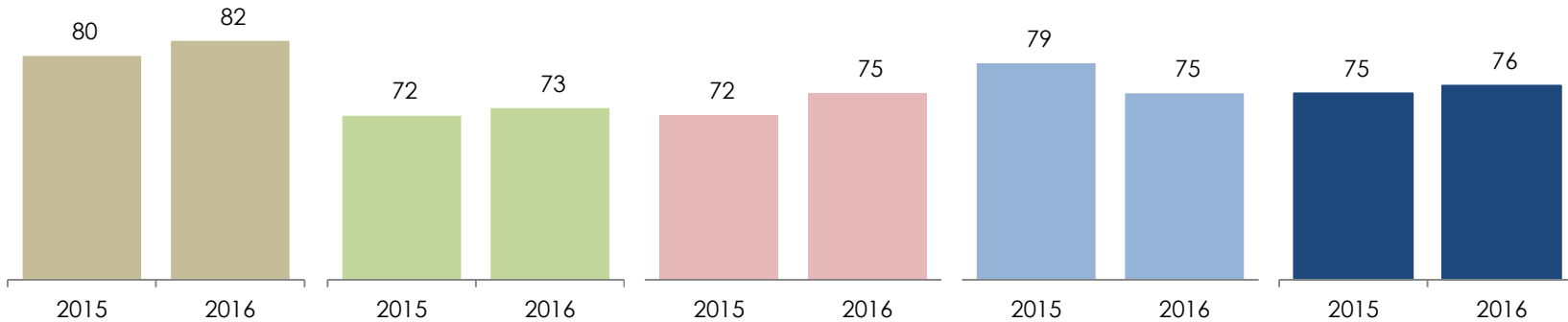
Community Integrated Retail

Total EM

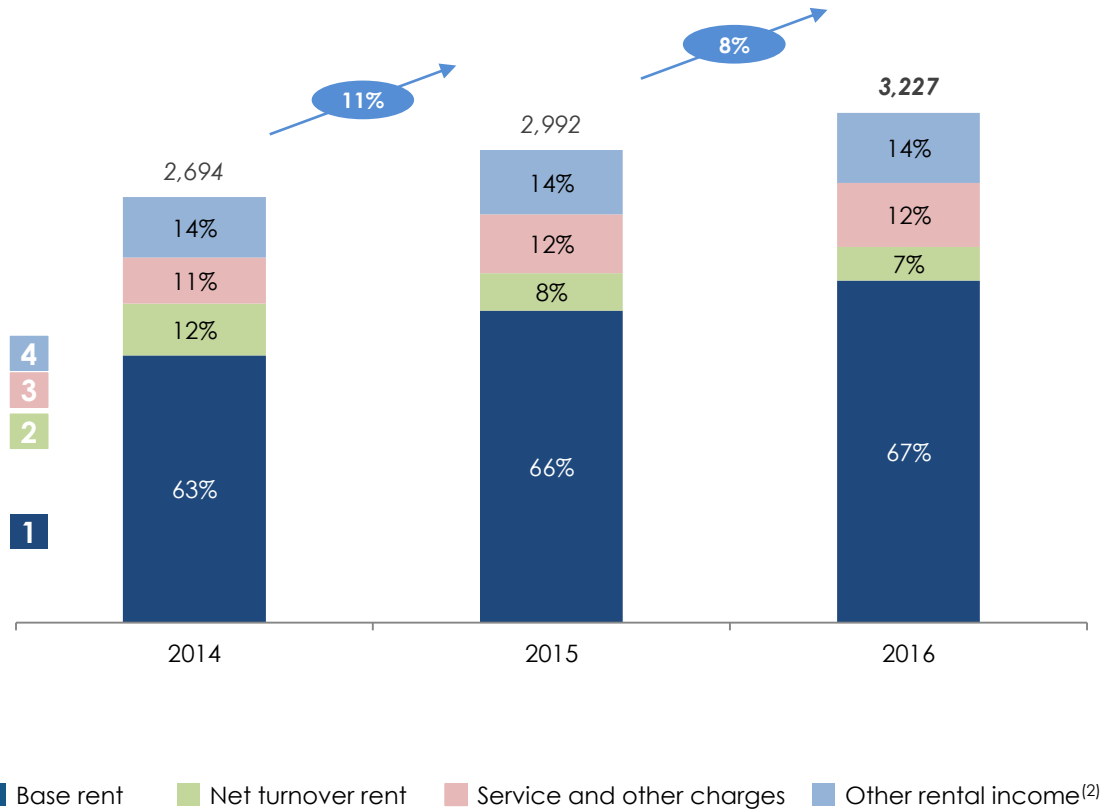
Rental Income  
(AED MM)



EBITDA  
Margin  
(%)



- 1 Contractual base rent escalation of typically 7% per annum
- 2 Net turnover rent based on percentage of tenants sales
- 3 Majority of annual service charges charged to the tenants recovered (c.66% in 2016)<sup>(1)</sup>
- 4 Other rental income<sup>(2)</sup>



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

**Notes**  
 1. For all of properties  
 2. 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

- 5.9 m Sq ft of GLA, 96% Occupancy (Dec 2016)



## The Dubai Mall

- 3.7m Sq ft GLA, GLA occupancy at 99% (Dec 2016)



## 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

- Low maintenance CAPEX and operational expenses.
- No negligible delays on lease payments on any of the EM assets in Dubai.



## Exclusive Tenants

- Several exclusive tenants who do not have retail outlets anywhere else in the UAE / GCC including Bloomingdales, 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 Q3 - 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 3,227 million in 2016, an increase of 8% over 2015.
- Malls achieved EBITDA of AED 2,447 million in 2016, an increase of 9% over 2015.



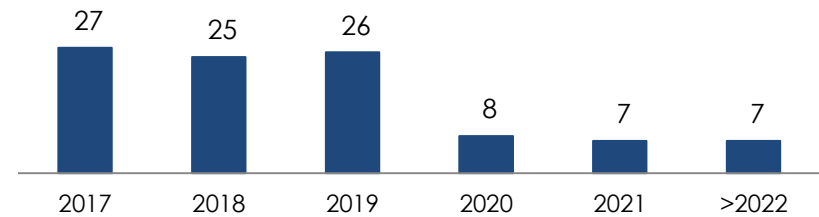
## Active Tenant Management

- Significant waitlist allows EM to actively manage its tenant base
  - Waitlist of more than **4,000** businesses 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 2016

### Lease Expiry Schedule

% of leased main unit GLA due to be expiring in the forthcoming years (as of 31-December-2016)



- **Base Rent Increase:** For the leases expiring in 2016, base rent increase of 29% achieved over the previous lease term

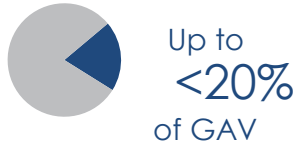
**Significant Upside Witnessed from Strong Increase in Renewal Rates**

#### Notes

1. And service charges, chilled water charges, yearly marketing fee
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	72%	Q3 2017
Springs Village	~245,000	7%	Q1-2018
<b>Under Development</b>	<b>~845,000</b>		

## The Dubai Mall Fashion expansion

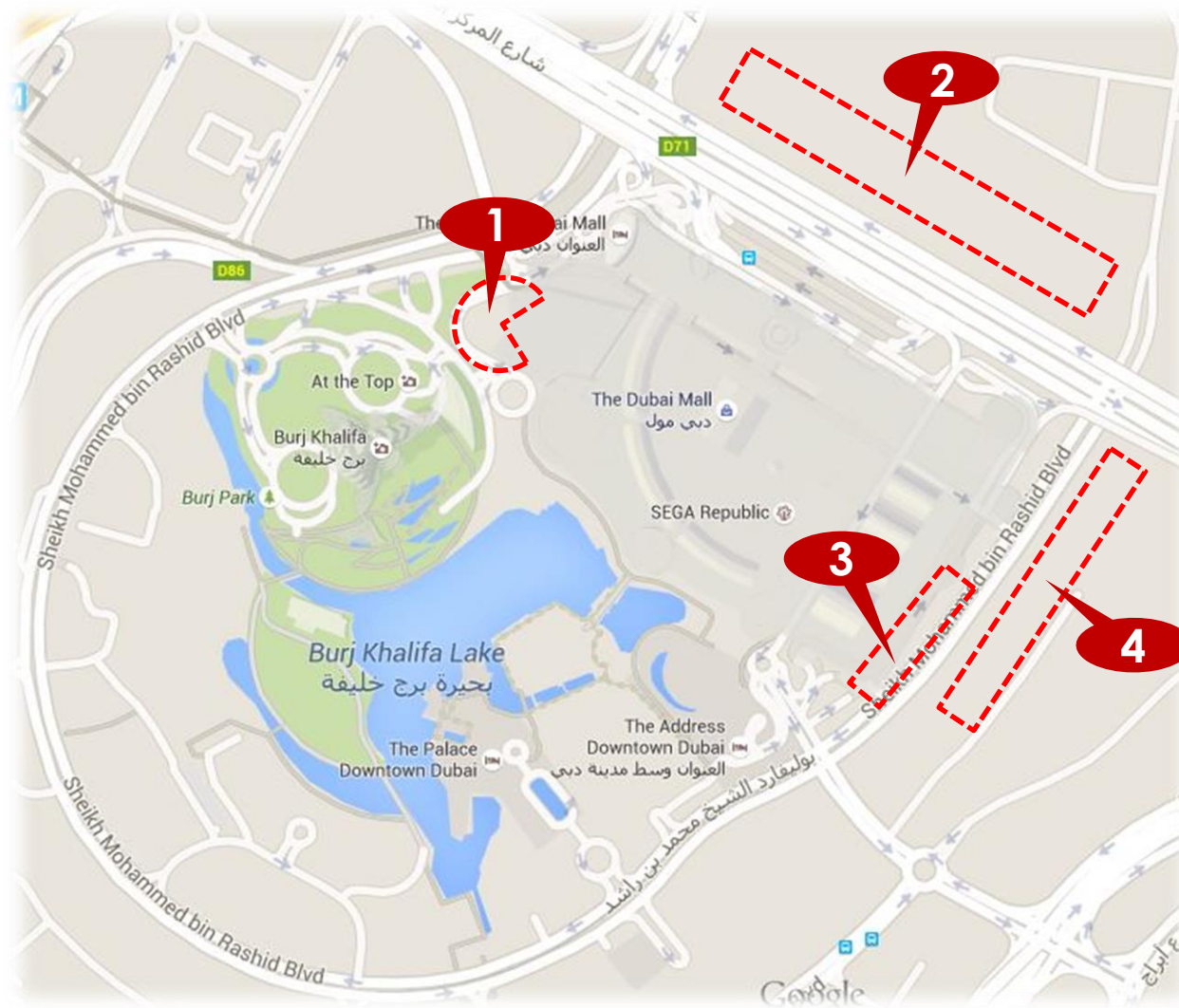


- Commence: January 2014, expected opening date: Q3 2017
- **Targeted tenancy mix:** mostly **high end fashion, high end jewellery** and food and beverage units
- Pre Leasing Status
  - Confirmed offers for ~72% of GLA
  - **Representing AED 1,000 – 1,750<sup>(1)</sup> per square foot**
- **EM expects 90%+ of the Fashion Expansion to be pre-leased prior to opening**

**Significant Upside Through Expansion and New Developments**

**Note**

1. For high end jewelry and fashion.



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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	Q4 2016	Q3 2016	%	Q4 2016	Q4 2015	%	2016	2015	%
	AED' million			AED' million			AED' million		
<b>Rental Income</b>	<b>835</b>	<b>774</b>	<b>8%</b>	<b>835</b>	<b>821</b>	<b>2%</b>	<b>3,227</b>	<b>2,992</b>	<b>8%</b>
Operating expenses	(129)	(123)	5%	(129)	(120)	8%	(472)	(461)	2%
<b>Operating profit</b>	<b>706</b>	<b>651</b>	<b>8%</b>	<b>706</b>	<b>701</b>	<b>1%</b>	<b>2,755</b>	<b>2,531</b>	<b>9%</b>
Sales, marketing, general & administrative expenses	(105)	(75)	40%	(105)	(116)	(9%)	(308)	(281)	10%
<b>EBITDA</b>	<b>601</b>	<b>576</b>	<b>4%</b>	<b>601</b>	<b>585</b>	<b>3%</b>	<b>2,447</b>	<b>2,250</b>	<b>9%</b>
% margin	72%	74%		72%	71%		76%	75%	
Write-off <sup>(1)</sup>	-	-	-	-	-	-	(4)	(10)	(60%)
Depreciation	(99)	(90)	10%	(99)	(95)	4%	(372)	(348)	7%
Finance cost - net	(50)	(51)	(2%)	(50)	(55)	(9%)	(197)	(236)	(17%)
<b>Profit for the period</b>	<b>452</b>	<b>435</b>	<b>4%</b>	<b>452</b>	<b>435</b>	<b>4%</b>	<b>1,874</b>	<b>1,656</b>	<b>13%</b>
% margin	54%	56%		54%	53%		58%	55%	

**Note**

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



# BALANCE SHEET AND KEY RATIOS

	31-Dec-15		31-Dec-16	
	Carrying value	Fair value	Carrying value	Fair value
<b>ASSETS</b>	/----- AED' million -----/			
Property plant and equipment & Investment Properties	21,050	49,283	21,422	53,245
Bank balances and cash	3,170	3,170	3,551	3,551
Trade receivables	133	133	187	187
Other receivables	208	208	248	248
<b>TOTAL ASSETS</b>	<b>24,561</b>	<b>52,794</b>	<b>25,408</b>	<b>57,231</b>
<b>LIABILITIES</b>				
Loans and borrowings	7,287	7,287	7,296	7,296
Advances from customers	1,203	1,203	1,280	1,280
Trade and other payables	627	627	813	813
<b>TOTAL LIABILITIES</b>	<b>9,117</b>	<b>9,117</b>	<b>9,389</b>	<b>9,389</b>
<b>NET ASSETS VALUE</b>	<b>15,444</b>	<b>43,677</b>	<b>16,019</b>	<b>47,842</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>1.19</b>	<b>3.36</b>	<b>1.23</b>	<b>3.68</b>
<b>KEY RATIOS</b>				
Net Debt/EBITDA	1.8X	-	1.5X	-
Loan to value <sup>(1)</sup>	-	15%	-	14%

**Note**

1. Based on fair value of investment properties.



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