

# EMAAR

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## MALLS

### **Emaar Malls PJSC**

Leading Owner and Operator of Dominant Retail Assets

Investor Presentation

November 2021

Subsequent to quarter end 30-Sep-2021, Emaar Malls PJSC got merged with Emaar Properties PJSC.

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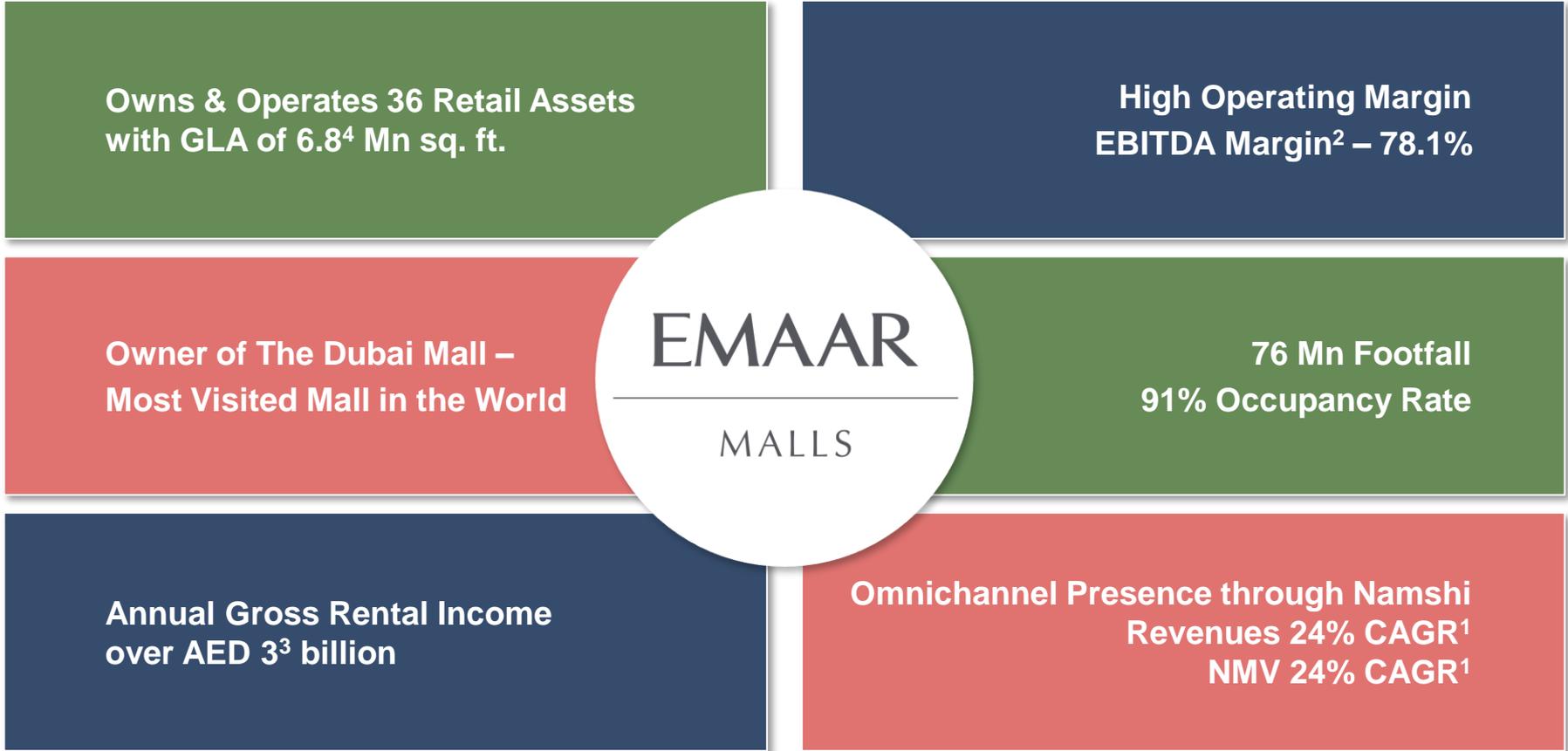
# Discussion Summary

- ☀ Investment Rationale
- ☀ Business Overview
- ☀ Business Strategy & Outlook
- ☀ 9M 2021 Results Update
- ☀ Annexure

A nighttime photograph of a modern city waterfront. In the foreground, a curved promenade features a brightly lit carousel with a dark canopy and white lights. Several palm trees are decorated with white lights. To the right, a large, multi-story building with a curved facade is illuminated, featuring numerous windows and balconies. The building's ground floor has large glass windows displaying advertisements. In the background, a river or canal reflects the city lights, and several high-rise apartment buildings are visible, some with distinctive architectural features like curved facades. The overall scene is vibrant and modern.

# Investment Rationale

# Emaar Malls at a Glance



Note: Figures are for FY 2020 except when expressly stated, 1) Calculated over 2016 to 2020, 2) EBITDA margin of Emaar malls for YTD Sep-21 excl. Namshi, 3) On a normalised year

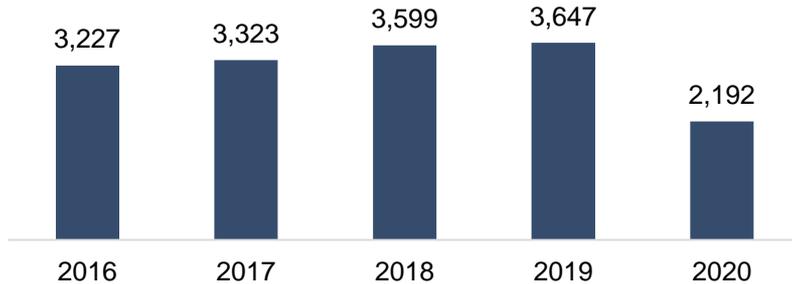
4) As at 30 Sep 2021.

# Strong Performance Track Record

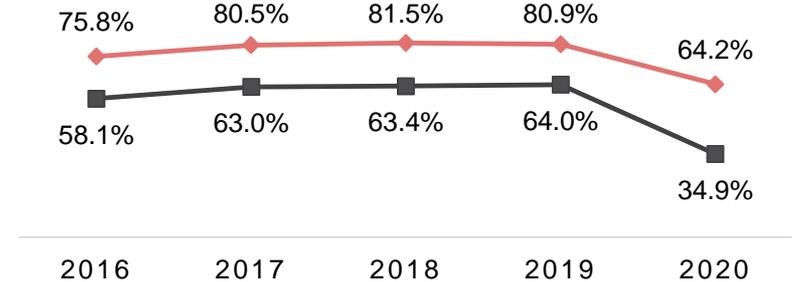
## Emaar Malls Delivered Strong Results in Challenging Market Environment over 2016 to 2020

### Rental Income

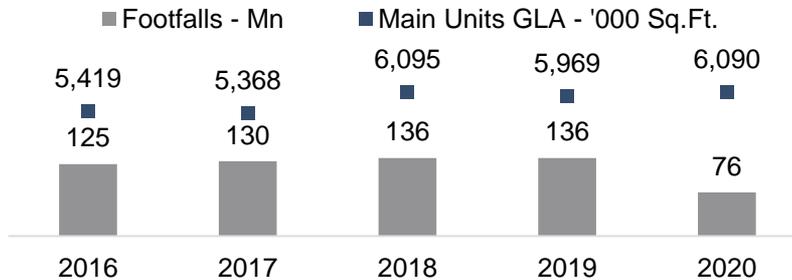
In AED Mn



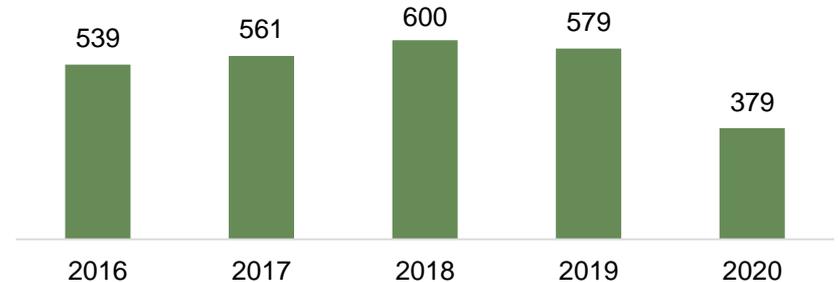
### EBITDA & PAT Margin % <sup>1</sup>



### Robust Footfalls...



### Avg. Rent psf. (AED)



## Comfortable Leverage and Credit Profile

### Solid Credit Profile with very Comfortable Leverage and Significant Debt Coverage

AED Million	Dec 2020	Sep 2021
Debt	2,750	2,802
Cash	559	2,112
Net Debt	2,191	691
Equity	19,060	20,216
Total Assets	24,991	27,111
NAV (Fair Value) <sup>3</sup>	42,039	43,128

Key Ratios	Dec 2020	Sep 2021
Debt / NAV	0.06	0.06
Debt / Equity	0.14	0.14
Debt / Total Assets	0.11	0.10
Net Debt / EBITDA <sup>1</sup>	1.60	0.36
EBITDA / Interest <sup>2</sup>	6.57	8.79

#### Available Undrawn Facility as on Sep-21:

- 3-Year RCF: USD 1.98 Bn (AED 7.3 Bn)

#### Debt Maturity (Borrowing Cost %):

- 3-Year RCF: obtained in Dec-18; Borrowing Rate: 3M LIBOR + 1.25%
- Sukuk: maturing in June 2024; Borrowing Rate: 4.564%

#### Credit rating:

- Baa2 / BB+



# Business Overview

# Preferred Gateway to Dubai's Consumerism for Aspiring Retailers and Brands

## Diverse Retailing Formats with Superior Design & Architecture

- Super-regional malls, regional malls, specialty retail, community retail
- Cater to retailers & brands of different size, scale and offerings
- Differentiated mall design, efficient sizing and zoning
- Experienced property management

## Strong Positioning & Established Presence

- Prime urban location, strong local market positioning, robust footfalls
- Mature catchment created by Emaar's integrated master developments
- Better connectivity and convenience
- Diverse category mix and tenant mix evolving with customer and retailer needs

## Experiential Retailing Along with Leisure & Entertainment

- Augmented retailing experience
- Wide range of choice across aspirational brands, product categories, F&B, leisure
- Diverse family & entertainment attractions
- Regular marketing / activation events to enhance customer engagement
- Ongoing upgradations in movie experience with platinum suite

## Established Portfolio with Diverse Retailing Formats...

Retail Assets	Division	Total GLA ('000 sq. ft.)	Location & Catchment	Key Highlights
The Dubai Mall	Super Regional Mall	4,317	<ul style="list-style-type: none"> <li>Downtown Dubai – 500 acre flagship mega-development</li> <li>Situated next to Burj Khalifa</li> </ul>	<ul style="list-style-type: none"> <li>World renowned shopping &amp; entertainment destination</li> <li>1,200+ stores, leading retailers, marquee global brands</li> <li>Major tourist attractions – At The Top, Dubai Aquarium &amp; Underwater Zoo, KidZania, Reel Cinemas, VR Park, Ice Rink</li> </ul>
Dubai Marina Mall (Incl. Pier 7)	Regional Mall	410	<ul style="list-style-type: none"> <li>Dubai Marina – 1,500 acre master integrated development</li> </ul>	<ul style="list-style-type: none"> <li>140+ outlets, high street fashion brands, aspirational boutique fashion, 6-screen Reel Cinemas, 7-storey Gourmet Tower (Pier 7)</li> </ul>
Souk Al Bahar	Speciality Retail	219	<ul style="list-style-type: none"> <li>Situated next to the Dubai Fountain and Burj Khalifa</li> </ul>	<ul style="list-style-type: none"> <li>Arabesque style shopping, fine dining, entertainment experience.</li> <li>Hosting middle east's first huge food and cultural market - Time Out Market</li> </ul>
Gold & Diamond Park		532	<ul style="list-style-type: none"> <li>Located on prime Sheikh Zayed Road</li> </ul>	<ul style="list-style-type: none"> <li>Destination for world's finest gold &amp; diamond jewellery &amp; accessories</li> </ul>
Other Centres (30 centres)	Community Integrated Retail	1,358	<ul style="list-style-type: none"> <li>Emaar's residential developments</li> </ul>	<ul style="list-style-type: none"> <li>Facilities and offerings for residents</li> <li>Neighbourhood venue for convenience shopping, dining and social interaction</li> </ul>

# ...With an Appealing Design & Architecture



# ...Complemented by Fascinating Entertainment Avenues



### At The Top

World's highest observation desk in Burj Khalifa



### Dubai Aquarium & Underwater Zoo

Featuring world's largest acrylic viewing panels



### VR Park

Largest virtual reality park - 75,000 sq. ft.



### Kidzania

Children's edutainment centre



### Reel Cinemas

Featuring UAE's largest 26-screen laser megaplex



### Dubai Ice Rink

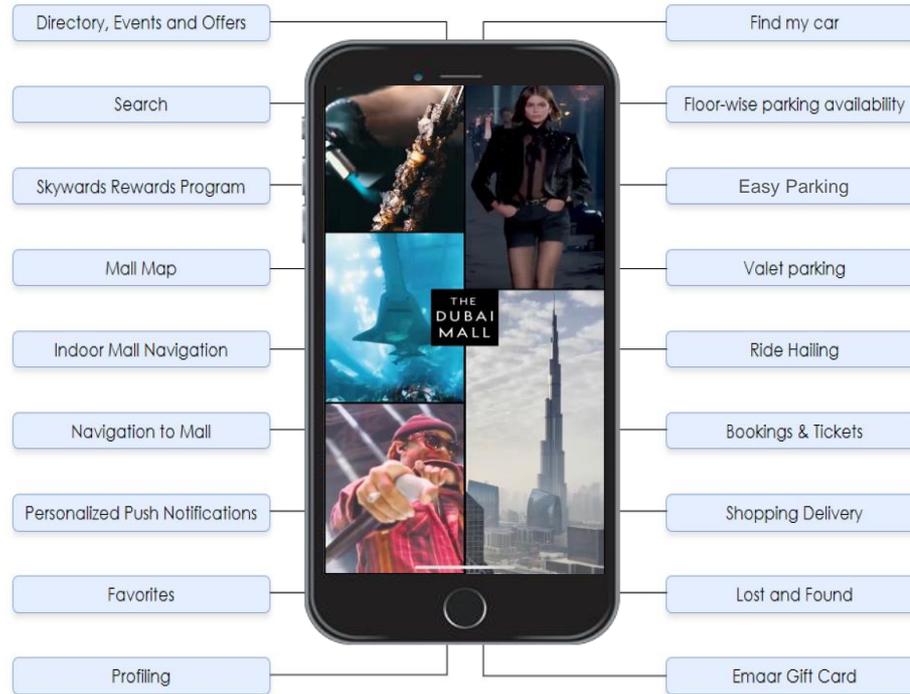
Olympic-sized ice-skating & events venue

# Focus on Digitalisation for Enhanced Customer Service...

## THE DUBAI MALL APP 2.0 – CORE FEATURES

### Digital Initiatives taken at The Dubai Mall –

- ✓ **Delivery Service**
- ✓ **Leveraging customer data analytics to better understand customer buying behaviour, taste and preferences**



**YOU SHOP.  
WE DELIVER.**



**Delivery Service\***

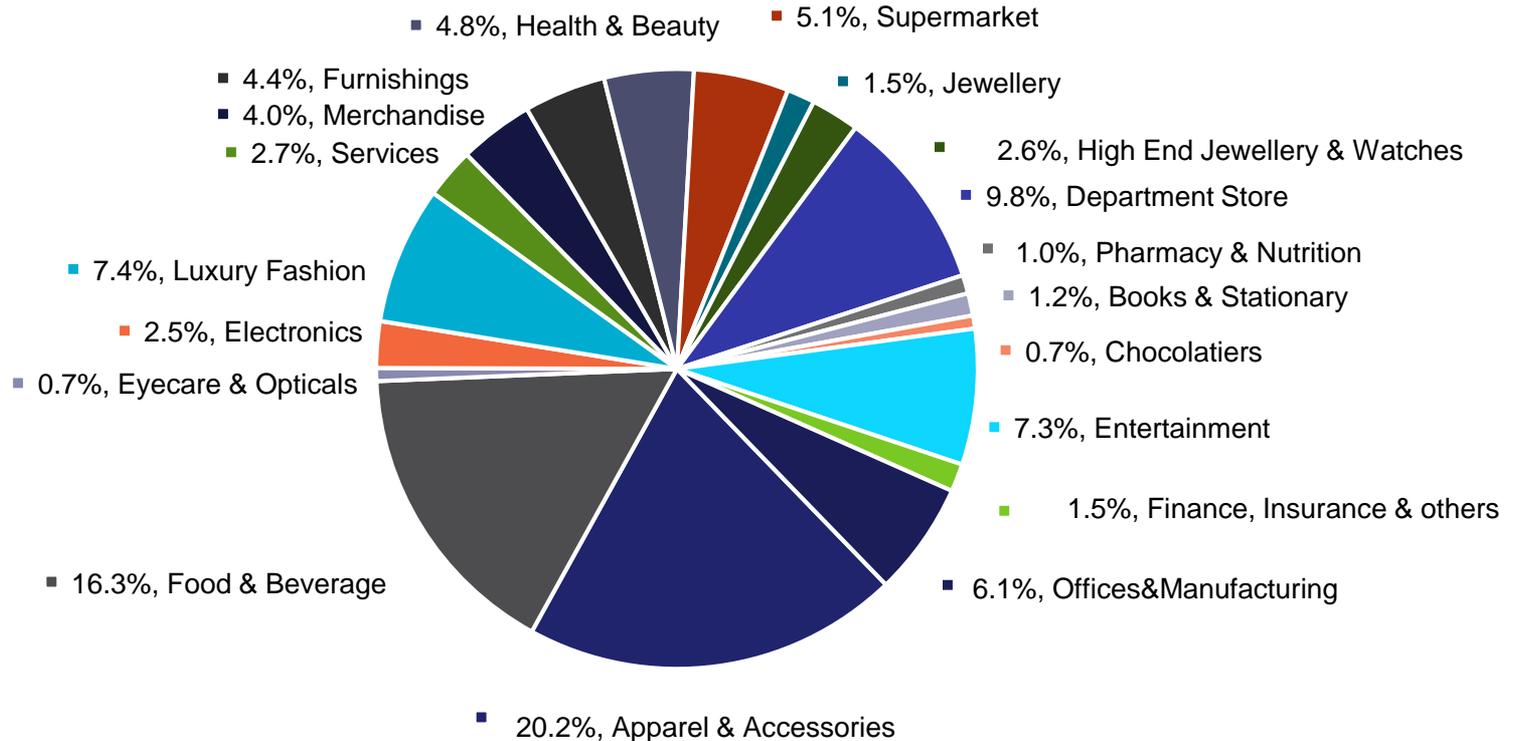
Call 800-DUBAIMALL or enquire at The Dubai Mall Guest Services Desk for more details

THE  
DUBAI MALL

# Diversified Tenant Mix & Category Mix...

Diverse Retailers And Marquee Brands With Many Having Exclusive Presence At Emaar Malls

2020 Category Mix - % GLA



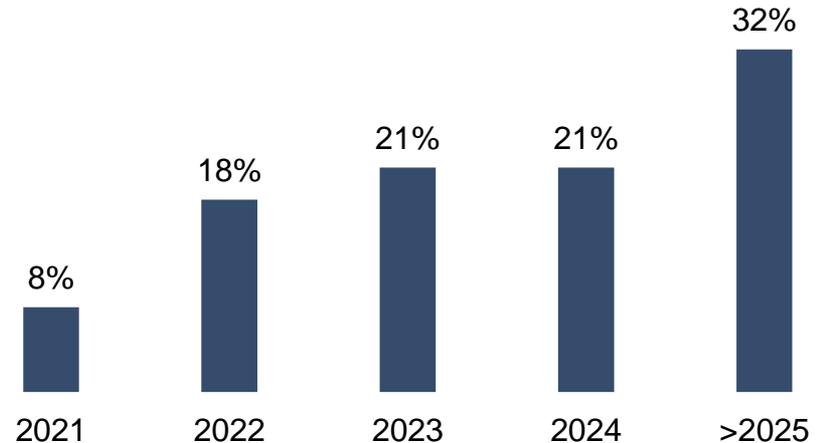
# Active Tenant & Space Management with Healthy Lease Renewals...

## Active Tenant Management

- Meet changing retail trends and evolving consumer needs
- Offer innovative & fresh retail concepts
- Tenant re-zoning & re-sizing to maximise sales productivity
- Short lease terms (3-5 years) and significant waitlist allows flexibility in tenant management
- Favourable lease terms

## Portfolio Lease Expiry Schedule

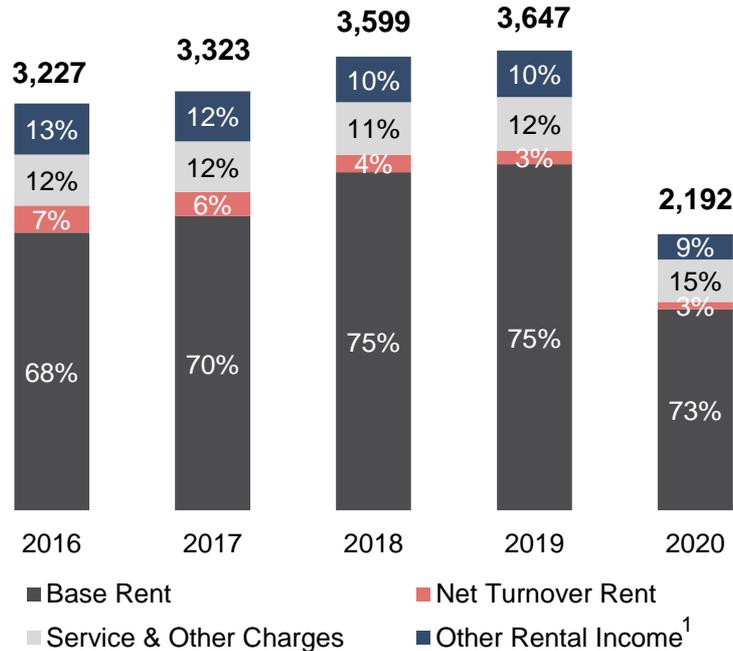
### % GLA of main unit expiring leases



- Weighted average lease expiry term of 3.5 years

# ...And Steady Rental Income Growth, High Operating Profitability

## Steady Rental Income



## Robust Revenue Model

### Revenue Model:

- Rent equals higher of base rent or turnover rent
- Base rent is increased at a pre-defined rate over the lease term of 3-5 years
- Once the turnover rent exceeds base rent, the base rent is reset at turnover rent level in the subsequent year
- Healthy waitlist results to occupy vacant units.

### High operating margins:

- Efficient and low cost operations
- Continual improvement in operational excellence leading to healthy EBITDA margin

1) Derived primarily from the payment of specialty leasing, multimedia sales, terrace, storage, store design fit-out fees, late opening penalties, interest charges on deferred payments and certain admin charges,

# Omni-channel Presence Through Namshi



Namshi Revenues <sup>1</sup> (AED Mn)

- Market leader in large & growing online fashion in core GCC markets
- Largest brand assortment with ~950+ brands and growing
- Preferred fashion channel, young & trendy

Net Merchandise Value <sup>2</sup>  
+ 19%

Gross Margin <sup>2</sup>  
35.1%

Active Customers <sup>2</sup>  
+ 35%

Online Traffic <sup>2</sup>  
+ 42%

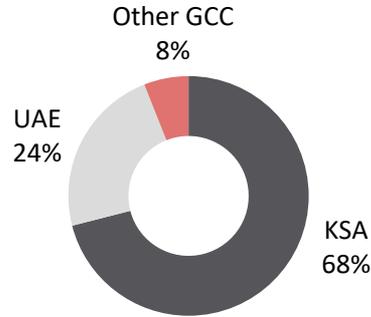
Number of Orders <sup>2</sup>  
+ 33%

IG Followers <sup>2</sup>  
+ 12%

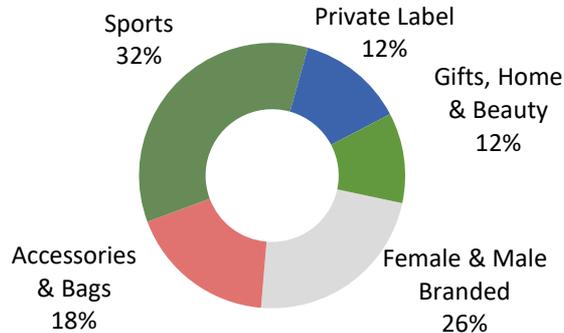
# Omni-channel Presence Through Namshi (Contd.)



## 2020 Geographical Mix

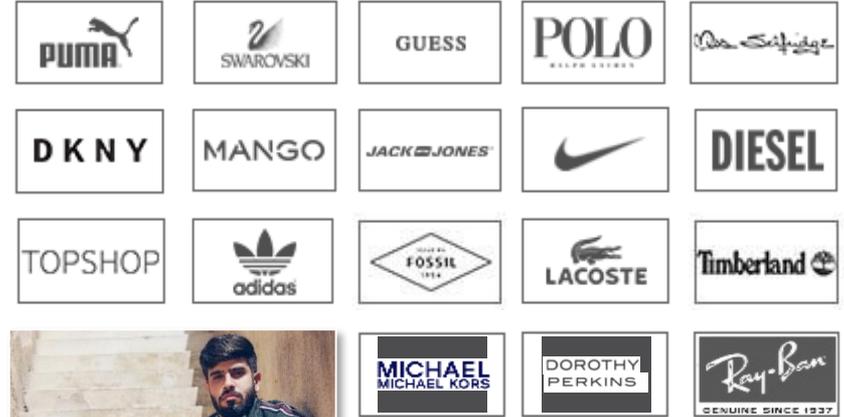


## 2020 Category Mix



## Unrivalled Product Assortment in Middle East

### Prominent High Quality Fashion Brands



### Growing White Label Portfolio



# Sustainability Initiatives



Sustainability is an integral part of strategic and cultural transformation at Emaar Group  
Commitment to a sustainable future is focussed on three initiatives addressing energy, water and waste



## Our Sustainability Initiatives



### Energy

- Preserving natural resources, reducing impact on environment, reducing greenhouse gas emissions, improving air quality & limiting global climate change



### Water

- Ensuring responsible consumption of our water resources through use of efficient fixtures and fittings, sustainable landscaping, selection of native species, improved irrigation management and water efficient cleaning equipment



### Waste

- Aligning the landfill diversion target with the Dubai Municipality
- Effectively implementing waste management process across the portfolio to create high quality segregated waste that could be utilized effectively in a circular economy



# Business Strategy & Outlook

# Multi-format Omni-channel Growth Strategy

## Leverage Superior Asset Mix & Omni-channel Presence

- Offer diverse retailing experience - super-regional malls, regional malls, specialty retail, community retail centers
- Focus on constant innovations and improvements to deliver superior experiences
- Strengthen presence in existing catchments & categories
- Leverage Namshi platform to offer market extension opportunities, within UAE and across GCC region, to retailers
- Increase competitiveness and enhance customer convenience

## Robust Retail Space Growth

- Well-planned extensions at The Dubai Mall to enhance customer experience
- Leverage Emaar master developments to expand community retail centres
- Grow our portfolio in local market with timely completion of upcoming retail assets
- **Asset-light strategy** – explore to operate third-party malls under management contracts in Dubai & GCC region

# Adopt Low-Risk Model For Future Expansions

## Operate As Pure Rental Income Play

- **Pure Rental Income Play**
  - Focus on rental income growth and cash flow generation
- **Minimal Development Risk**
  - Execute extensions & renovations at existing retail assets
  - Selectively add new community centres in Emaar master developments
- **New Expansions**
  - New retail assets to be developed by Emaar Properties (independently or through Joint Ventures)
  - Emaar Malls to selectively buy the retail assets post construction with significant GLA already leased out

## Projects under Emaar Malls

Project Name	GLA ('000 sq.ft.)	Expected Opening
TDM Boulevard Expansion	c. 110	2022

## Other Projects being developed by Emaar Properties

Project Name	GLA ('000 sq.ft.)	Expected Opening
Dubai Hills Mall <sup>1</sup>	c.2,000	H1 2022
Dubai Expo Mall <sup>1</sup>	c.385	H2 2022

# New Expansions – Strong Growth Potential



## Dubai Hills Mall – Regional Shopping Mall

### Superior Positioning & Offerings

- Outdoor high-street mall with superior design & architecture
- Differentiated offerings with over 550 retail outlets, wider F&B (>24% GLA), entertainment options, loyalty programs and less focus on fashion
- Ample parking with over 7,000 spaces
- Seamlessly integrated with adjacent neighbourhood, future metro stations and adjoining hotels

### Strong Catchment

- Located between Sheikh Mohammad Bin Zayed Road and Al Khail Road
- Part of Dubai Hills Estate masterplan spanning over 118 Mn sq. ft. with over 2,000 villas and 20,000 apartments
- Proximity to other upcoming residential communities – Mohammed Bin Rashid City - District One, Akoya by Damac
- And existing communities – Emirates Living, Al Barari, Al Barsha, Al Quoz, Arabian Ranches

# New Expansions – Strong Growth Potential



## Dubai Expo Mall – Regional Shopping Mall

### Superior Positioning & Offerings

- Over 190 retail & F&B outlets
- 1,000+ parking spaces
- Excellent access & infrastructure to support the high volume of visitors

### Strong Catchment

- Located close to Expo 2020 site
- Close proximity to Al Maktoum international airport
- Part of Emaar south masterplan, over 5,000 residential units in the immediate vicinity
- 400,000 residences within 8km distance from the mall
- Located near major highways – Sheikh Mohammad Bin Zayed Road, Expo Road, Jebel Ali Road; and Dubai Metro route 2020



**9M 2021  
Results Update**

## 9M 2021 Key Highlights

**Revenues**  
**AED 3,191 Mn**

**Robust Occupancy of**  
**91%**  
**in challenging market**

**EBITDA Margin<sup>1</sup>**  
**~80% in Q3-21**

**The Dubai Mall won award**  
**for Best Service**  
**Performance Mall 2021 from**  
**Department of Economic**  
**Development Dubai**

**Opened Middle East's first**  
**Time Out Market<sup>2</sup>**  
**in Souk Al Bahar**

**The Middle East Cleaning,**  
**Hygiene and Facilities**  
**Awards<sup>3</sup> for The Dubai Mall**

## Emaar Malls – 9M 2021 Result Highlights

AED Million	Emaar Malls	Namshi	Consolidated <sup>1</sup>
<b>Revenue</b>	<b>2,187</b>	<b>1,005</b>	<b>3,191</b>
Cost of revenue	(309)	(668)	(977)
<b>Gross profit</b>	<b>1,878</b>	<b>337</b>	<b>2,214</b>
<b>% Gross margin</b>	<b>85.9%</b>	<b>33.5%</b>	<b>69.4%</b>
Sales, marketing, general & administration expenses	(170)	(422)	(592)
<b>EBITDA</b>	<b>1,708</b>	<b>(85)</b>	<b>1,622</b>
<b>% EBITDA margin</b>	<b>78.1%</b>	<b>-8.5%</b>	<b>50.8%</b>
Depreciation and amortisation	(380)	(5)	(392)
Finance costs - net	(157)	(3)	(160)
<b>Net Profit</b>	<b>1,171</b>	<b>(93)</b>	<b>1,070</b>
<b>% Profit margin</b>	<b>53.5%</b>	<b>-9.3%</b>	<b>33.5%</b>

## Emaar Malls – Consolidated Result Highlights

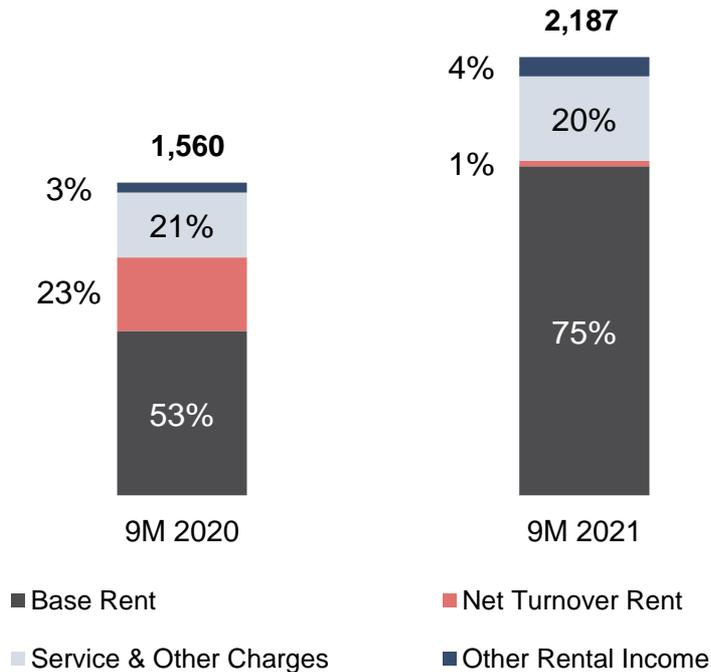
AED Million	Q3 2021	Q3 2020	% Change	9M 2021	9M 2020	% Change
<b>Revenue</b>	<b>1,143</b>	<b>839</b>	<b>36%</b>	<b>3,191</b>	<b>2,499</b>	<b>28%</b>
Cost of revenue	(324)	(257)	(26%)	(977)	(822)	(19%)
<b>Gross profit</b>	<b>819</b>	<b>582</b>	<b>41%</b>	<b>2,214</b>	<b>1,677</b>	<b>32%</b>
<b>% Gross margin</b>	<b>71.7%</b>	<b>69.4%</b>		<b>69.4%</b>	<b>67.1%</b>	
Sales, marketing, general & administration expenses	(186)	(181)	(3%)	(592)	(611)	3%
<b>EBITDA</b>	<b>633</b>	<b>401</b>	<b>58%</b>	<b>1,622</b>	<b>1,066</b>	<b>52%</b>
<b>% EBITDA margin</b>	<b>55.4%</b>	<b>47.8%</b>		<b>50.8%</b>	<b>42.7%</b>	
Depreciation and amortisation	(133)	(114)	(17%)	(392)	(337)	(16%)
Finance costs - net	(52)	(46)	(13%)	(160)	(143)	(12%)
<b>Net Profit</b>	<b>448</b>	<b>241</b>	<b>86%</b>	<b>1,070</b>	<b>586</b>	<b>83%</b>
<b>% Profit margin</b>	<b>39.2%</b>	<b>28.7%</b>		<b>33.5%</b>	<b>23.4%</b>	

## Emaar Malls Excl. Namshi – Result Highlights

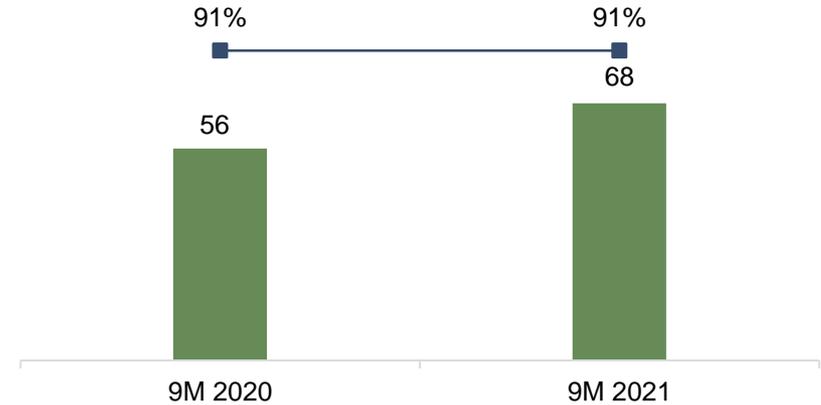
AED Million	Q3 2021	Q3 2020	% Change	9M 2021	9M 2020	% Change
<b>Revenue</b>	<b>823</b>	<b>567</b>	<b>45%</b>	<b>2,187</b>	<b>1,560</b>	<b>40%</b>
Cost of revenue	(112)	(90)	24%	(309)	(252)	23%
<b>Gross profit</b>	<b>711</b>	<b>477</b>	<b>49%</b>	<b>1,878</b>	<b>1,308</b>	<b>44%</b>
<b>% Gross margin</b>	<b>86.4%</b>	<b>84.1%</b>		<b>85.9%</b>	<b>83.8%</b>	
Sales, marketing, general & administration expenses	(54)	(66)	(18%)	(170)	(221)	(23%)
<b>EBITDA</b>	<b>657</b>	<b>411</b>	<b>60%</b>	<b>1,708</b>	<b>1,087</b>	<b>57%</b>
<b>% EBITDA margin</b>	<b>79.8%</b>	<b>72.5%</b>		<b>78.1%</b>	<b>69.7%</b>	
Depreciation and amortisation	(129)	(111)	16%	(380)	(323)	18%
Finance costs - net	(51)	(44)	16%	(157)	(138)	14%
<b>Net Profit</b>	<b>477</b>	<b>256</b>	<b>86%</b>	<b>1,171</b>	<b>626</b>	<b>87%</b>
<b>% Profit margin</b>	<b>58.0%</b>	<b>45.1%</b>		<b>53.5%</b>	<b>40.1%</b>	

# Emaar Malls Excl. Namshi – Consolidated Result Highlights

## Rental Income Breakup (AED Mn)



## Footfalls - Mn    Occupancy %



## Key Highlights

- Stable leasing occupancy of 91%
- In April 2021, Emaar Malls' partnership with Time Out Group PLC saw the opening of the region's first Time Out Market in Souk Al Bahar. Visitors to the 43,000 sq. ft venue can indulge in delicacies from around the world created by Dubai's top chefs.

# Emaar Malls – Consolidated Balance Sheet

AED Million	30-Sep-21		31-Dec-20	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>				
Property plant and equipment & Investment Properties	22,294	45,296	22,317	45,296
Intangible Assets & Right to Use Assets	1,703	1,703	1,066	1,066
Bank balances and cash	2,112	2,112	559	559
Trade receivables	275	275	379	379
Other receivables	728	728	671	671
<b>Total Assets</b>	<b>27,111</b>	<b>50,113</b>	<b>24,991</b>	<b>47,970</b>
<b>Liabilities</b>				
Loans and borrowings	2,802	2,802	2,750	2,750
Advances from customers	1,546	1,546	1,208	1,208
Trade and other payables	2,637	2,637	1,974	1,974
<b>Total Liabilities</b>	<b>6,985</b>	<b>6,985</b>	<b>5,932</b>	<b>5,932</b>
<b>Net Asset Value</b>	<b>20,126</b>	<b>43,128</b>	<b>19,060</b>	<b>42,039</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 Asset Value Per Share</b>	<b>1.55</b>	<b>3.31</b>	<b>1.46</b>	<b>3.23</b>

Note: 1) Fair value is based on valuation exercise performed at year ended 31 Dec 2020

2) There may be slight difference from reported number due to rounding off differences

سوق الينابيع  
THE SPRINGS SOUK

Annexure



# Divisions Overview



UAE Development	International Operations	Emaar Malls	Emaar Hospitality	Entertainment & Leasing
<ul style="list-style-type: none"> <li>• Leading master plan developer in Dubai</li> <li>• JVs with GREs</li> <li>• Over 51,000 residential units delivered since 2002</li> <li>• Projects under construction substantially sold (~90%)</li> <li>• 334.88 Mn sq. ft. of Land Bank in the UAE</li> <li>• UAE build-to-sale business is led by Emaar Development PJSC, listed on DFM since November 2017</li> </ul>	<ul style="list-style-type: none"> <li>• Active in 10 targeted high growth countries</li> <li>• c.28,700 residential units delivered since 2006</li> <li>• Achieved overall sales level of 91% of units released</li> <li>• c. 1.3 Bn sq. ft. of Land Bank in key countries</li> <li>• Emaar Misr is listed on the Egyptian Exchange since July 2015</li> <li>• Operates Emaar Square Mall at Turkey with 1.6 Mn sq. ft. GLA</li> </ul>	<ul style="list-style-type: none"> <li>• Emaar Malls PJSC is listed on DFM since October 2014*</li> <li>• Owner and operator of the most visited mall in the world, The Dubai Mall</li> <li>• Portfolio of over 6.8 Mn sq. ft of GLA in retail properties in Dubai</li> </ul>	<ul style="list-style-type: none"> <li>• Hotel owner and operator (31 hotels with 7,012 keys, includes owned as well as managed assets)</li> <li>• The Address, Vida, Armani and Manzil brands.</li> <li>• Upscale affordable segment under Rove Hotels (JV with Meraas)</li> <li>• Marked historic milestone of over 50 hotel projects in its portfolio (includes both in operation and under development hotels)</li> </ul>	<ul style="list-style-type: none"> <li>• Provider of premium entertainment and manager of leisure assets</li> <li>• Operator of the Dubai Aquarium, Underwater Zoo, Reel Cinemas, KidZania, VR Park, Dubai Ice Rink and At The Top.</li> <li>• Owner and operator of Dubai's iconic cultural destination "Dubai Opera"</li> <li>• Portfolio of over 2.3 Mn sq. ft. of GLA in commercial properties in Dubai</li> </ul>

Thank  
You



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