



Global Interior Solutions

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Depa Limited / DEPA:DU
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Depa Limited **Trading update for first quarter of 2017**

Depa Limited (“Depa”), the leading global interior solutions group, announces its unaudited trading update for the three months ended 31 March 2017.

HIGHLIGHTS

- **Net profit after NCI up 170% on Q1 2016 to AED 23.5mn**
- **Strong revenue generation: AED 369.5mn, up 15% on Q1 2016**
- **Net cash increased to AED 324.9mn, up 128% on Q1 2016**
- **Backlog increased 4% on Q1 2016 to AED 2,247mn**
- **Continued resolution of legacy receivables**
- **Outlook remains positive**

TRADING UPDATE

The Group’s performance in the first quarter has been strong. Vedder performed well and won a major private yacht contract, and Design Studio’s full year outlook remains favourable. Deco Group completed the handover of its largest project to date, the new Robinsons department store at Dubai’s Festival City, and the retail fit-out for a leading US-based global electronics brand in Dubai Mall. On top of solid project performance, Depa Interiors Group has also resolved a number of legacy receivables and continues to make positive progress in respect of a number of other key receivables.

The Group generated strong revenue of AED 369.5mn during the first quarter, up 15% on last year’s comparatives (Q1 2016: AED 320.9mn). Strong performances across the four Key Business Units resulted in the Group recording net profit after non-controlling interests of AED 23.5mn, up AED 14.8mn or 170% (Q1 2016: AED 8.7mn).

The Group’s financial position remains strong. As a result of Depa’s continuing positive financial performance, cash collection and resolution of legacy receivables, at 31 March 2017 net cash was AED 324.9mn, up AED 182.4mn or 128% (Q1 2016: AED 142.5mn) and net cash excluding restricted cash was AED 188.6mn. The Group continues to maintain sufficient working capital facilities to support its planned growth.

The Group also secured a number of major contracts during the quarter, including a project for a government ministry in Jeddah; a luxury hotel in Dubai; a private yacht project in Germany, and the fit-out of the Dubai Mall Dolce & Gabbana store. As a result, backlog at 31 March 2017 increased to AED 2,247mn, up AED 87mn or 4% (Q1 2016: AED 2,160mn).



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Depa's Group Chief Executive Officer, Hamish Tyrwhitt, said the outlook for the Group is the most positive it has been for some time:

"The quality and strength of Depa's existing backlog, a solid pipeline of prospective new work and a strong net cash position ensure the Group is well placed to compete in its core markets and navigate risk. The operational enhancements we implemented in 2016 provide the Group with a strong foundation to convert the opportunities available in each of our key markets.

"We have a clear business strategy in place, and we continue to execute the objectives laid out in this strategy. 2016 represented Phase One of our strategy, in which we successfully reset the business and returned to profit. We are now well advanced in Phase Two, in which we return to growth. We've made significant progress on many of the objectives of this phase, including taking a more rigorous approach to cash collection, embedding a performance-based culture, increasing collaboration between our Key Business Units and implementing a new approach to risk management. Before the end of 2017, we will enter Phase Three, in which we achieve consistent top and bottom line growth. This is ahead of management's original timetable."

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Hamish Tyrwhitt, Group Chief Executive Officer

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For more information, please refer to the corporate website: www.depa.com

NOTES TO EDITORS:

About Depa:

Depa is a strategic management company specialising in global interior solutions. Depa's four Key Business Units hold leading positions in their respective markets: Design Studio, Vedder, Depa Interiors Group and Deco Group. Employing thousands of people worldwide, the Group's operations are centred on three regional hubs: Asia, Europe and the Middle East.

Depa's mission, shared by each of its Key Business Units, is to deliver sustainability, profitability and performance for our clients, shareholders and employees. The Group's five core values are integral to everything Depa does: transparency, integrity, accountability, professionalism and exceptional service.

Depa Limited is listed on the Nasdaq Dubai (DEPA:DU) and is headquartered in Dubai, United Arab Emirates.



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Unaudited trading statement:

All figures contained in this trading statement are unaudited.

Cautionary statement:

This document contains certain 'forward looking statements' with respect to Depa's financial condition; results of operations and business; and certain of Depa's plans and objectives with respect to these items. By their very nature, forward looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Depa or any other member of the Group or persons acting on their behalf are expressly qualified on this basis. Depa does not intend to update these forward looking statements.

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