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## Press Release

### DEPA REPORTS INTERIM RESULTS 2013

**Dubai, UAE; 27 August 2013:** Depa Limited (ticker: Depa) (“Depa” or the “Company”), one of the world’s leading interior contracting companies, today reported results for the six months period ended 30 June 2013.

#### FINANCIAL HIGHLIGHTS

- AED 1.01 billion revenue (H1 2012: AED 825 million); up 22%
- AED 33 million net profit after minority interest (H1 2012: net loss AED 110 million)
- 13% gross margin (H1 2012: 4%)
- AED 3.0 billion backlog (H1 2012: AED 2.7 billion); up 11%
- AED 240 million cash balance (H1 2012: AED 238 million)
- AED 3.16 billion total assets (H1 2012: AED 2.95 billion)

#### OPERATIONAL HIGHLIGHTS

- Over AED 1.3 billion in new contracts signed in H1 2013 (H1 2012: AED 940 million)
- Contracts include AED 287 million project in Abu Dhabi; AED 169 million contract variation on KAPSARC; and AED 110 million private yacht in Spain
- Saudi Arabia now accounts for AED 816 million of projects and 27% of total backlog
- Singapore’s Design Studio posted revenues of AED 207.5 million and profits of AED 9.3 million in H1 2013; secured AED 490 million of new projects in Singapore and Malaysia

**Mohannad Sweid, CEO of Depa Ltd,** said:

*“We committed to restructuring our operations during the downturn to position the business for the overall economic recovery. We did this by focusing on diversifying our geographical reach and increasing the flow of business in our core markets whilst streamlining our management and processes. These interim results are indicative of the strong performance and successful turnaround we have achieved. Our H1 2013 revenues are above AED 1 billion mark for only the second time in our history, we have posted a solid net profit and our backlog numbers remain strong.”*

#### FINANCIALS – RETURN TO PROFIT

Depa reported revenues for the six months period ended 30 June 2013 of AED 1,010 million, a 22% rise on H1 2012 (H1 2012: AED 825 million). Most notably the Company witnessed 159% growth in Depa Abu Dhabi’s revenues, increasing them to AED 101 million in the first half of 2013 from AED 39 million in the same period last year. Other subsidiaries that achieved revenue of more than AED 100 million in H1 2013 include Depa Interiors, Design Studio, Depa Design Studio, and Lindner Middle



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East. This growth is a result of the interior fit-out phase of the construction cycle coming into play in the GCC.

Overall, the Company's operations resulted in a gross profit of AED 131 million (H1 2012: AED 34 million) and a net profit after minority interest of AED 33 million, a significant increase as compared with a loss of AED 110 million in H1 2012. Depa also witnessed a major improvement in contract margins, with gross margins returning to a healthy average of 13%, up from 4% in H1 2012. The general and administrative expenses of the Company also decreased significantly to AED 88.5 million in H1 2013 compared to AED 173.4 million in H1 2012.

The balance sheet remains strong with total assets as on 30 June 2013 are AED 3.16 billion which is marginally up from total assets of AED 3.14 billion as at 31 December 2012.

#### **BACKLOG – SAUDI ARABIA AND EUROPE LEAD THE WAY**

The backlog, as of 30 June 2013, was AED 3.0 billion compared with AED 2.7 billion in H1 2012. The 11% jump in backlog originated from an increase in contracts related to projects in Saudi Arabia and Europe. Saudi Arabia now represents 27% of the backlog, compared with 14% at the same time last year. Europe's backlog has also risen to 15%, from 7%, as Depa's German-based yacht fit-out division booked over AED 235 million of new contracts.

Divisionally, the infrastructure segment, principally led by government projects was up by over half to 38% of the backlog, totalling AED 1.18 billion, from 21% in H1 2012. This reflects the impact government spending in the GCC and across the region has had on the Company. To coincide with this growth, the hospitality segment witnessed its market share fall to 22% (H1 2012: 46%) due to the hospitality cycle coming to an end. Completing the segments, 18% is residential (H1 2012: 20%); 16% is yacht (H1 2012: 7%) and 6% is shops and offices (H1 2012: 6%).

In terms of geographic distribution, the current segmental make-up of the backlog is as follows: 53% from Middle East (H1 2012: 41.5%); 25% from Asia (H1 2012: 34%); 15% from Europe (H1 2012: 7%) and 7% from Africa (H1 2012: 17.5%). Depa's total backlog comprises of 243 projects in 24 countries.

#### **OPERATIONAL – DIVERSIFICATION REMAINS STRONG**

Depa Saudi Arabia has grown its revenues, profits and backlog significantly. Year-on-year revenues are up 191% to AED 67 million from AED 23 million on the signing and execution of key projects such as the AED 169 million contract variation orders on the Riyadh-based King Abdullah Petroleum Studies & Research Centre (KAPSARC) project; the AED 48 million Jabal Omar Development Project contract; and the fit-out project on the King Abdulaziz University in Jeddah. The uptick from Saudi Arabia has resulted in strong growth across the infrastructure market segment within the Company.



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Depa also witnessed 159% growth in Depa Abu Dhabi's revenues, increasing them to AED 101 million in H1 2013 from AED 39 million in the same period last year.

The hospitality division has maintained its strong presence in the market, signing new projects such as the Al Forsan Sport Hotel in Abu Dhabi and continuing to work on hospitality-related projects in Qatar and Angola. Related to the hospitality division, Deco, Depa's wholly-owned shop-fitting subsidiary, saw a marked increase of 44% in its revenues to AED 59 million, as compared to AED 41 million in H1 2012.

Design Studio, Depa's Asian subsidiary reported revenues of AED 207.5 million and profits net of tax of AED 9.3 million for H1 2013. Q2 2013 was also the 27th consecutive profitable quarter in the Group's history. The residential property division recorded a 97% increase in revenue to AED 78.5 million, which offset the 9% decrease in the Hospitality and Commercial division, which saw revenues of AED 123.8 million. The Group also secured projects worth AED 490 million, notable among these are 2,643 residential units, Robinson's new 150,000 sq/ft flagship store and Yale-NUS College in Singapore and 247 serviced apartment together with interior fit-out works to the Executive Offices at Menara CIMB in Malaysia.

## **ACQUISITION**

At the end of H1 2013, Depa's wholly-owned subsidiary Vedder acquired the assets of German-based Loher, a yacht and aircraft fit-out business. The acquisition process will be completed and the processes of both the companies will be integrated in Q3 2013.

As part of the acquisition, Depa acquired a substantial order book, a talented team of employees and a state-of-the-art 15,000 sq/m factory with cutting-edge machinery. Furthermore, the acquisition provides the Company with its first entry into aircraft interiors. The market for luxury aircraft interiors has grown exponentially over the last few years, driven predominately by Asia and Africa, and by combining the range of capabilities and services; the Company sees the aircraft interiors market as an attractive sector with genuine long-term prospects and opportunities.

## **OUTLOOK**

The Company believes that it has overcome the most difficult of times and is now well-positioned to capture the growth opportunities the GCC and the wider-market has to offer, across all the market segmentations.

**- Ends -**



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**About Depa Limited**

Depa Limited is a leading interior contracting company in the Middle East, North Africa and Southeast Asia regions. Operating principally in the luxury fit-out industry, its main areas of business cover luxury hotels, infrastructure and public sector amenities such as hospitals and airports, high-end residential properties, retail outlets, as well as yachts. Depa is listed on the NASDAQ Dubai (ticker DEPA) and has Global Depository Receipts on the regulated market for listed securities of the London Stock Exchange plc (ticker DEPA and DEPS).

The range of business activities performed by Depa comprises:

**Interior contracting:** which focuses on luxury interior fit-out services, which include installation and finishing of floors, walls, ceilings, fixed joinery, panelling, wood-works, doors and frames;

**Manufacturing:** which comprises a network of factories and joineries which produce customized furniture, fixtures and equipment (FF&E);

**Procurement:** which involves the procurement of supplies and materials from third parties to support and complement Depa's interior contracting and manufacturing operations as well as third party procurement contracts for specific FF&E projects.

By integrating these services into a single package, Depa provides clients with comprehensive and customized interior contracting solutions.

With more than 7,000 employees worldwide, the company operates through an integrated network of subsidiaries and affiliates located in the UAE, Saudi Arabia, Qatar, Egypt, Jordan, Morocco, India, Malaysia, Thailand, China, Singapore, UK, Germany, and the United States. Through this network, Depa has successfully executed large and complex projects in over 20 countries including the Emirates Palace Hotel (Abu Dhabi), Four Seasons Hotel (India), Grand Hyatt (Malaysia), Trump International Hotel (Las Vegas), Tokyo Midtown (Japan), Museum of Islamic Arts (Qatar), Baku Flame (Azerbaijan) and Marina Bay Sands (Singapore).

For more information, please refer to the corporate website: [www.depa.com](http://www.depa.com)