

Trading update for the nine months ended 30 September 2019

Depa PLC (“Depa”), the leading global interior solutions group, releases its unaudited trading update for the nine months ended 30 September 2019.

Whilst Depa made steady progress during Q3 2019, the financial performance of Design Studio Group (“DSG”) continued to lag that of the other key business units from both a revenue and earnings before interest and tax perspective. Although Vedder, Depa Interiors and Deco Group all performed well during the period, the Group as a whole generated a net loss due to the financial performance of DSG, the Group’s Asian subsidiary. As reported by DSG on 15 November 2019, DSG’s revenue decreased significantly on Q3 2018 due mainly to lower revenue recognised in the Singapore, Malaysia and manufacturing business units. Reductions in estimated project margins on certain projects as a result of higher than expected project costs including; defects and provisions for foreseeable losses also negatively impacted DSG’s results for Q3 2019.

From an operational perspective in the Middle East, Depa Interiors secured a large residential fit-out project in Dubai, a commercial office fit-out in Dubai and a prominent social infrastructure project in Abu Dhabi, each worth more than AED 100mn. Deco Group continued to secure multiple luxury retail fit-out projects from repeat clients. In Europe, Vedder secured an interior fit-out package for a new-build superyacht worth more than AED 115mn. Whilst DSG’s performance continues to lag the rest of the Group’s key business units, its right-sizing initiatives have delivered savings year on year, it has increased its backlog year on year, it has increased its diversity with projects in Thailand and Myanmar, and it is in discussions with Depa for a term loan to be provided for working capitals requirements to support its ongoing operations.

Depa’s net debt position excluding restricted cash was AED 22.9mn at 30 September 2019.

Depa’s backlog grew to AED 2,203mn, up AED 115mn or 6% on 30 June 2019 and remains at more than one times revenue.

The Group-wide outlook for the remainder of 2019 is mixed. Whilst Depa’s European business continues to benefit from a strong market and its market leading position, the market in the Middle East holds both structural challenges as well as opportunities. Whilst in Asia significant market opportunities are presently identifiable, caution must be observed in new market expansion at this time.

Kevin Lewis, Group Chief Executive Officer, commented: *“Three of Depa’s key business units made steady progress during Q3 2019 with some significant project wins for Depa Interiors and Vedder. Whilst DSG’s performance has continued to lag the rest of the Group, its focus on driving efficiencies and productivity, and its improved backlog provide positive markers. Our key business units as a whole continue to remain well positioned in their respective markets to take advantage of opportunities as they arise notwithstanding the current market challenges being faced.”*

For further information, please contact:

Depa PLC

Tel: + 971 4 446 2100

Kevin Lewis, Group Chief Executive Officer

Steven Salo, Group Chief Financial Officer

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



Notes to editors:

Depa is a strategic management company specialising in global interior solutions. Depa's four key business units hold leading positions in their respective markets: DSG, Vedder, Depa Interiors 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 its clients, shareholders and employees. The Group's five core values are integral to everything Depa does: transparency, integrity, accountability, professionalism and exceptional service.

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

Cautionary statement:

This document may contain 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, which 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, whether 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 any such forward looking statements.

---Ends---