

# Depa PLC H1 2022 Financial Results



**30 August 2022**

Global Interior Solutions



# Summary income statement



AED mn	H1 2022	H1 2021	Change
Revenue	403.1	391.2	11.9
Expenses	(401.5)	(402.5)	1.0
Net provision for doubtful debts and due from construction contract customers	30.9	32.5	(1.6)
Share of profit /(loss) from associates	(0.4)	0.0	(0.4)
Profit/(loss) before interest and tax	32.1	21.2	10.9
Net - finance cost	(3.6)	(4.2)	0.6
Profit/(loss) before tax	28.5	17.0	11.5
Income tax expense	(5.4)	(3.5)	(1.9)
Profit/(loss) for the period from continuing operations	23.1	13.5	9.6
Profit/(loss) for the period from discontinued operations	0.0	(53.3)	53.3
Profit/(loss) for the period	23.1	(39.8)	62.9
Non-controlling interests	0.0	4.1	(4.1)
Profit/(loss) for the period after NCI	23.1	(35.7)	58.8

- Revenue increase year on year mainly due to increased revenue generated by Deco and Carrara offsetting a decrease at Depa Interiors
- Net reversal of provisions for doubtful debts mainly due to collection of long outstanding project related balances by Depa Interiors and a positive movement in the expected credit loss provision due to the evolution of the working capital position
- DSG is classified as discontinued operations in H1 2021

# Summary balance sheet

AED mn	H1 2022	FY2021	Change
Cash and bank balances	319.0	160.3	158.7
Trade and other receivables	326.2	320.0	6.2
Assets classified as held for sale	4.8	0.0	4.8
Due from constuction contract customers	154.8	190.8	(36.0)
Inventories	38.5	35.6	2.9
<b>Total current assets</b>	<b>843.3</b>	<b>706.8</b>	<b>136.5</b>
Contract retentions	147.3	166.1	(18.8)
Property, plant and equipment	109.9	119.8	(9.9)
Goodwill	32.3	32.3	0.0
Other non-current assets	26.1	28.6	(2.5)
<b>Total non current assets</b>	<b>315.6</b>	<b>346.8</b>	<b>(31.2)</b>
<b>Total assets</b>	<b>1,158.9</b>	<b>1,053.5</b>	<b>105.4</b>
Trade and other payables	619.1	651.7	(32.6)
Liabilities directly associated with assets classified as held for sale	1.3	0.0	1.3
Borrowings	32.2	54.3	(22.1)
Income tax payable	2.5	3.5	(1.0)
<b>Current liabilities</b>	<b>655.2</b>	<b>709.6</b>	<b>(54.4)</b>
Employees' end of service benefits	62.1	59.8	2.3
Borrowings	17.1	19.7	(2.6)
Other non-current liabilities	42.3	47.1	(4.8)
<b>Non current liabilities</b>	<b>121.5</b>	<b>126.6</b>	<b>(5.1)</b>
<b>Total liabilities</b>	<b>776.7</b>	<b>836.1</b>	<b>(59.4)</b>
<b>Total equity including minorities</b>	<b>382.2</b>	<b>217.4</b>	<b>164.8</b>

- Cash balance of AED 319.0mn and net cash excluding restricted cash of AED 235.1mn following investment of AED 150mn from PIF
- At H1 2022 assets and liabilities of Eldiar are classified as held for sale
- Reduction of AED 24.7mn of borrowings during the period, with total debt at period end of just AED 49.3mn, a total debt to equity ratio of just 13%
- Net asset value per share of AED 0.32 and tangible net asset value per share of AED 0.29

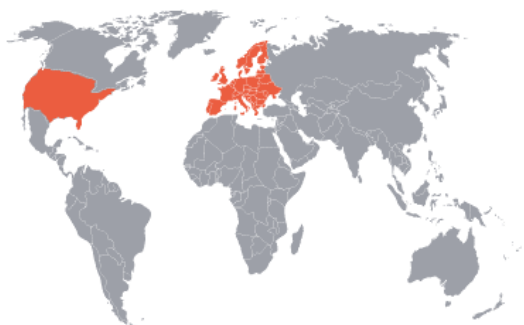
# Summary cash flow

AED mn	H1 2022	H1 2021	Change
Operating activities	14.7	(33.5)	48.2
Working capital changes	18.6	63.2	(44.6)
Other movements	(6.4)	(14.5)	8.1
Net cash flows from/(used in) operating activities	26.9	15.2	11.7
Investing activities			
Net capex	0.4	0.5	(0.1)
Reclassification of subsidiary to continued operations	0.0	57.6	(57.6)
Reclassification of net cash of assets held for sale	(0.2)	0.0	(0.2)
Dividends received from associates	1.5	0.0	1.5
Proceeds from disposal of financial assets	0.0	8.1	(8.1)
Other movements	0.5	(0.2)	0.7
Net cash flows from/(used in) investing activities	2.2	66.0	(63.8)
Financing activities			
Movement in borrowings	(21.7)	12.8	(34.5)
Proceeds from issuance of share capital	150.0	0.0	150.0
Interest paid	(4.1)	(8.5)	4.4
Finance lease payments	(2.0)	(2.5)	0.5
Net cash flows from/(used in) financing activities	122.2	1.8	120.4
Net movement in cash and cash equivalents	151.3	83.0	68.3
Cash and cash equivalents at the period end	270.3	91.9	178.4

- Net cash inflows from operating activities AED 26.9mn (H1 2021: AED 15.2mn) boosted by legacy collections at Depa Interiors
- H1 2021 investing activities positively impacted by the reclassification of Vedder (AED 57.6 million) to continued operations
- Financing activities positively impacted by PIF investment of AED 150mn, H1 2021 financing activities includes AED 8.1mn proceeds from sale of an equity investment
- Cash and cash equivalents AED 270.3mn (H1 2021: AED 91.9mn)



**Based in Germany, Vedder is the world's leading provider of fit-out solutions for the global superyacht, private jet and residence markets**



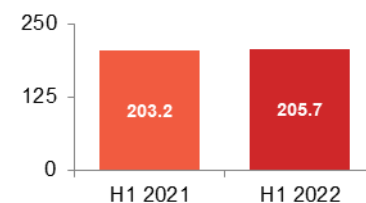
### Financial highlights

- Revenue: AED 205.7mn, up 1% on H1 2021
- EBIT: AED 18.6mn, up 49% on H1 2021

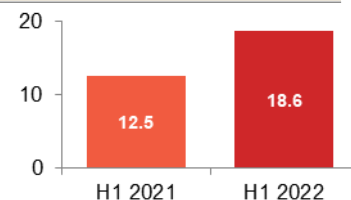
### Operational highlights

- Increase in EBIT partially due to delivery of a number of smaller refit projects with strong profit margins in H1 2022
- Successfully delivered two large interior packages for new build superyachts worth in excess of AED 110mn
- Awarded a large new-build superyacht interior package and a residential package in the United States

### Revenue



### EBIT





*The Middle East's leading provider of interior solutions for the hospitality, residential, commercial, transport and civil infrastructure markets*



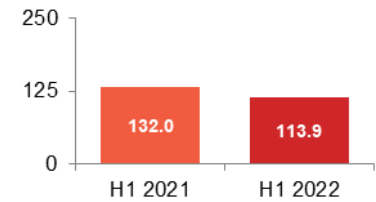
### **Financial highlights**

- Revenue: AED 113.9mn, down 14% on H1 2021
- EBIT: AED 22.0mn, up 71% on H1 2021

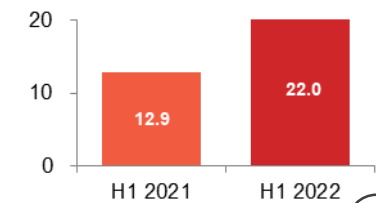
### **Operational highlights**

- Continued solid financial performance
- Results positively impacted by the collection of legacy project receivable balance and a positive movement in the expected credit loss provision
- Awarded a hospitality project in Saudi Arabia, worth approximately AED 110mn making it the second significant hospitality package awarded to Depa within a development in the Red Sea region

### Revenue



### EBIT





*The Middle East's leading provider of interior solutions for the luxury retail market and premium marble supply and installation*



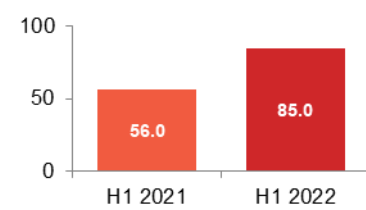
### Financial highlights

- Revenue: AED 85.0mn, up 52% on H1 2021
- EBIT: AED 2.8mn, up 56% on H1 2021

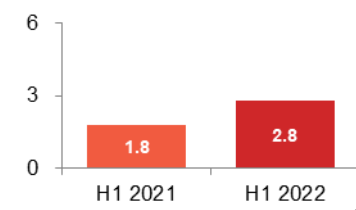
### Operational highlights

- Deco continued to secure new projects for repeat clients during the period, including Louis Vuitton and Chanel in the UAE and two projects for Dior in Qatar
- Deco successfully delivered a number of projects for repeat clients, including Dior, Versace, Cartier and Louis Vuitton
- Carrara awarded large package within a prominent mall in Riyadh

Revenue



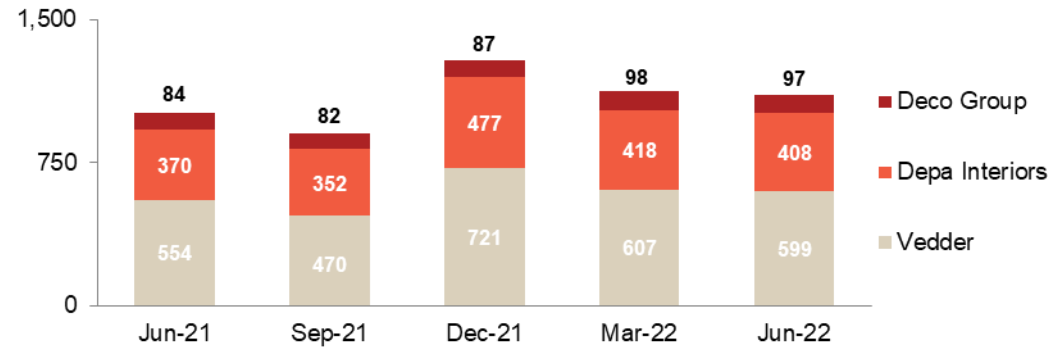
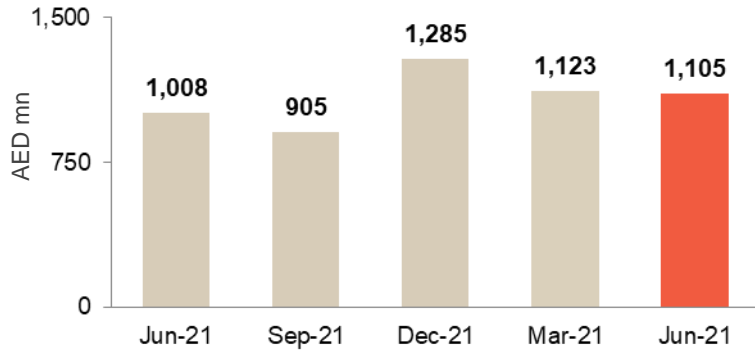
EBIT



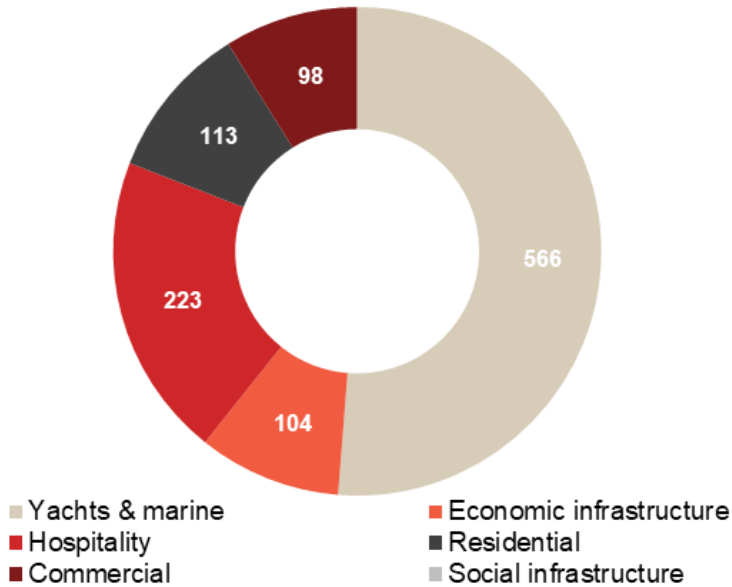
# Backlog



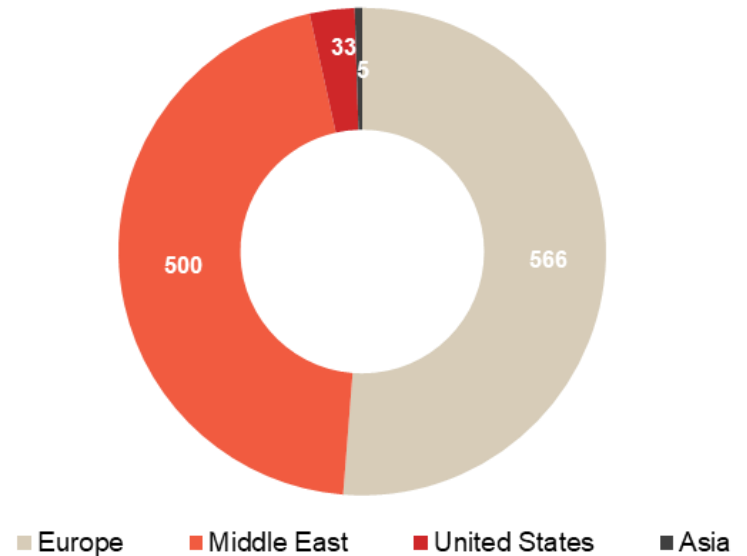
All figures in (AEDmn)



### By project type



### By geography





# Outlook



The recent transaction with the Public Investment Fund enhances Depa's long-term strategic prospects in the Middle East and its expansion plans for the Kingdom of Saudi Arabia. The overall market conditions in the Middle Eastern construction sector remain challenging, with the banking of the construction sector continuing to be a strong headwind.

The Group's European business continues to benefit from its leading market position in its historically strong market; however, at this stage the long term consequences of the Ukraine war and related Russian sanctions on the global economy are uncertain.



## 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, 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, 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.*