

# FULL YEAR 2018 RESULTS PRESENTATION



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# 2018 IN REVIEW

A year of significant corporate action...



الدار للإستثمار  
ALDAR INVESTMENTS  
AED 20 billion assets

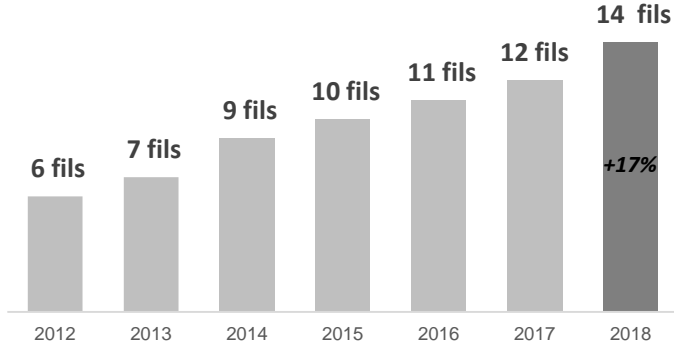


delivering robust financial performance

Revenue	AED 6.3 bn	+2%
Gross profit	AED 2.6 bn	-1%
Net profit	AED 1.9 bn	-8%
AM NOI	AED 1.6bn	+3%
DM sales	AED 2.6 bn	-33%

Aldar has maintained a progressive dividend policy...

# COMMITTED TO SHAREHOLDERS

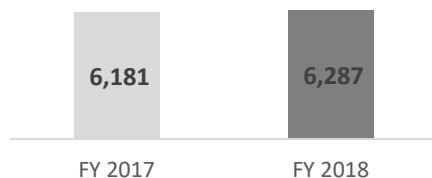


supported by an established dividend policy provides transparency

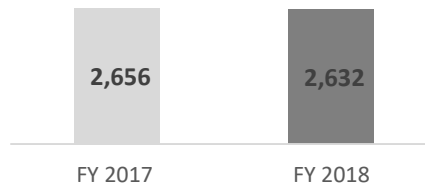
		Asset management business		Development business
Policy	Pay-out factor	Distributable free cash flow		Realised profit
	Range	65-80%		20-40%
Methodology/ key drivers		Net operating income	+	Upon completion and handover of developments
		Less:		
		Interest expense		
		Maintenance capex: Overheads		
2018 dividend: 14 fils		~80%		~20%

- ❑ Prior to 2017, dividend was predominantly based on asset management dividend component only
- ❑ 2018 is the first full year of development handovers
- ❑ Dividend remains weighted to Asset management component
- ❑ The Board recommends a 17% increase in dividend to 14 fils per share, supported by increased development handover activity during 2018 and stable asset management performance

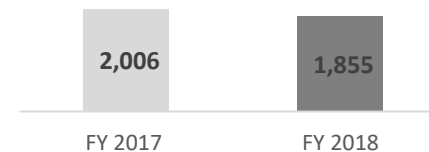
### FY revenue up 2%



### FY gross profit down 1%



### FY net profit down 8%



# FY 2018 AT A GLANCE

#### Development

- ❑ Property development revenue up 11%, supported by progress on development projects, including Mamsha and Jawaher
- ❑ Development management revenues down as near completion on several key projects
- ❑ Revenue backlog as at 31 Dec 2018 stands at AED 4.2 billion
- ❑ Nareel, Al Merief and Meera completed and commenced handover during 2018
- ❑ 1,237 units handed over during 2018

#### Asset Management

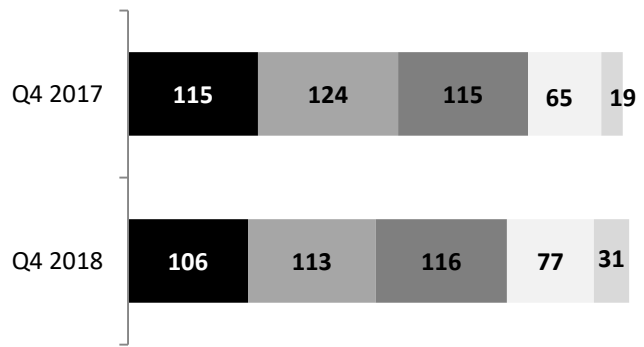
- ❑ Resilient portfolio performance with 3% growth in NOI, supported by recent asset additions and occupancy
- ❑ TDIC operating assets to exceed initial NOI guidance of AED 120 million
- ❑ Strong margins maintained across investment portfolio at 80%
- ❑ Al Jimi mall extension set to open in Q1 2019, adding 30,000 sqm GLA to retail portfolio

#### Corporate and other

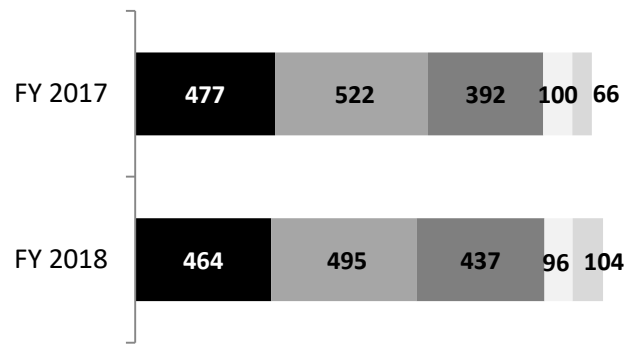
- ❑ AED 0.8 billion other income primarily includes the completion of Government infrastructure handover programme and a gain on business combination
- ❑ Net fair value losses of AED 0.7 billion across investment properties portfolio
- ❑ Higher net interest cost and higher depreciation charge
- ❑ Balance sheet remains robust, conservative debt position, well within debt policy ranges for asset management and development businesses

# ASSET MANAGEMENT

Q4 2018 NOI up 1% at AED 443 million



FY 2018 NOI up 3% to AED 1,596 million



■ Residential ■ Retail ■ Commercial ■ Hospitality ■ Adjacencies & other

### Residential

**88% occupancy<sup>1</sup>**

- Stable occupancy
- New asset additions, offsetting lower renewal rates
- Bulk deals represent 38%
- WAULT: 4.2 years

### Retail

**88% occupancy<sup>1</sup>**

- Increased community retail occupancy
- New retail asset additions
- Lower Yas Mall renewals
- Yas Mall occupancy 89%<sup>1</sup>
- WAULT: 3.5 years

### Commercial

**94% occupancy<sup>1</sup>**

- Growth supported by International Tower (acquired in Q4'17) and Repton School (opened Q4'17)
- WAULT: 4.1 years

### Hospitality

**82% occupancy (Q4)**

- FY 2018 occupancy of 74%
- Q4 is the highest performing quarter due to the seasonality nature of the hospitality sector

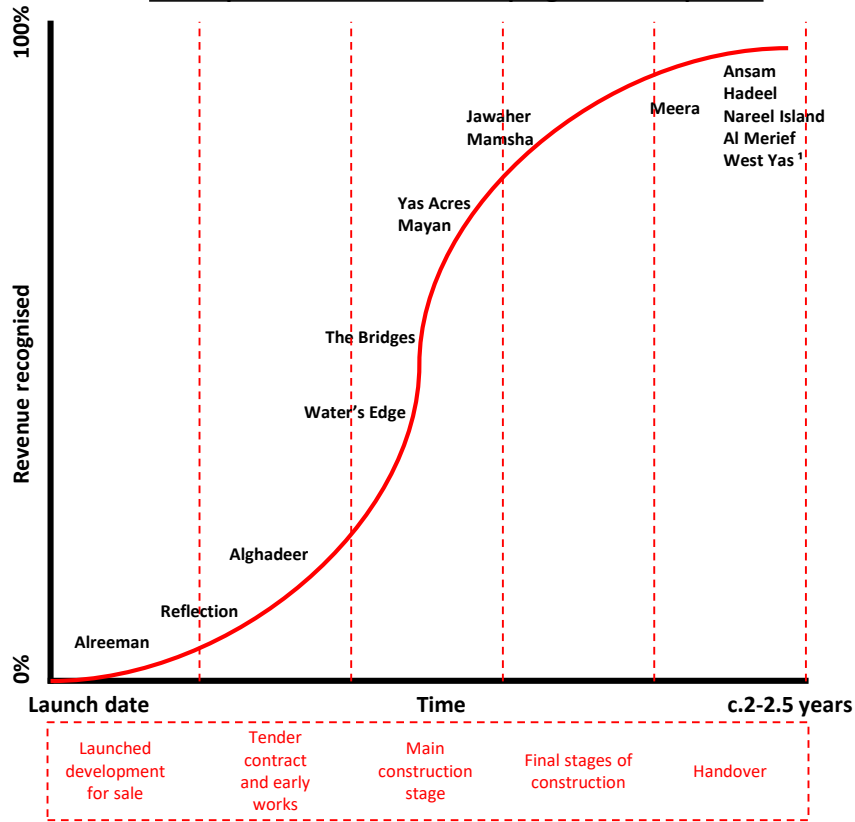
### Adjacencies & other

- Includes education (Aldar Academies and Cranleigh), property and facilities management (Khidmah – now 100% owned acquired) and Saadiyat district cooling assets (acquired in TDIC transaction)

<sup>1</sup> As at 31 December 2018

# DEVELOPMENT MANAGEMENT

Development revenue based on progress of completion



## 2018 highlights

**15 projects within development pipeline** at various stages – 6 handed over/ in process of handover

**1,423 units launched** during 2018 across Reflection, Alghadeer and Alreeman

**AED 2.6 billion** development sales in **FY 2018**  
(Q4 2018: AED 1.3 billion)

**AED 4.2 billion** development sales revenue back log as at 31 Dec 2018

**78% sold** across all units launched for sale

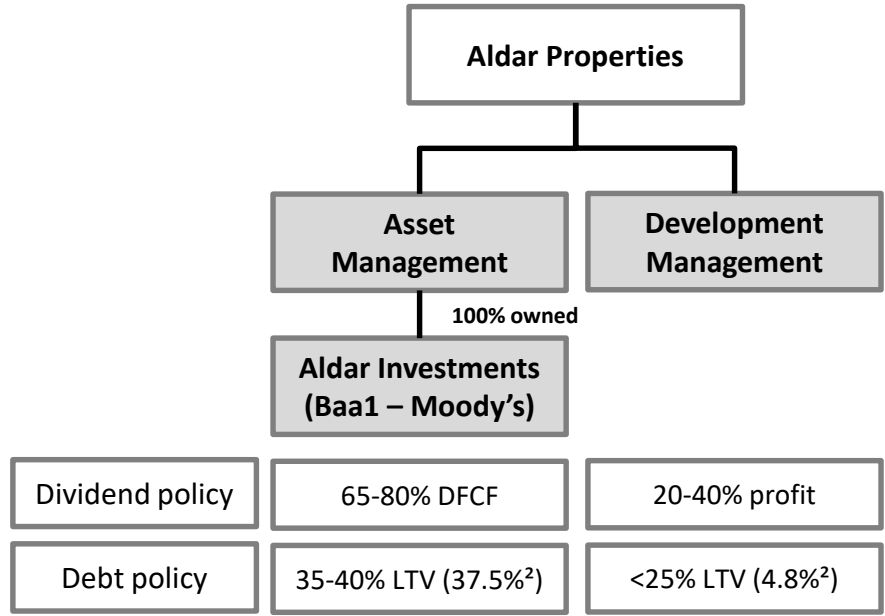
**Weighted percentage complete** across development portfolio as at 31 Dec 18: **37%**

<sup>1</sup> West Yas is a third party development management fee-based project

# PRUDENT CAPITAL MANAGEMENT

## Primed for growth

- Corporate structure enables asset management to operate more independently to drive greater operational and capital efficiency
- Aldar Investments attained Baa1 credit rating and successfully raised \$500 million sukuk in September 2018 at tight pricing (MS+170bps), demonstrating the value of its high quality, diverse asset base
- Strong governance in place – separate debt and dividend policies for both asset management and development management businesses
- Strong liquidity position with AED 4.7 billion undrawn, committed credit facilities as at 31 Dec 2018
- Sector leading average cost of debt at 4.0%, with average maturity of 4.8 years<sup>1</sup>



<sup>1</sup> Post sukuk refinancing  
<sup>2</sup> As at 31 Dec 2018



# GOVERNMENT POLICY REFORM



## Abu Dhabi Government stimulus

- AED 50 billion (\$13.6 billion) stimulus announced in June and detailed in September 2018
- 'Tomorrow 2021' includes 50 initiatives across four key pillars; business, society, knowledge & innovation and lifestyle aimed at improving competitiveness, job creation, economic shift to knowledge based economy and improving living standards



## ADNOC growth

- 5-year capex plan of AED 486 billion (US\$ 132 billion) approved by SPC in November 2018
- Boost oil production capacity to 4 million barrels a day by 2020 (from 3.5mbpd today), with 2030 target of 5 million barrels per day
- Develop world's largest refining and petrochemicals complex in Ruwais city, double population to 50,000 over the next 15 years



## Federal law amendments

- Amendments to UAE's federal policies announced in Q3 2018
- Promote expat societal participation in UAE through the introduction of 100% ownership of UAE-based enterprises for foreign investors
- Residency visas for up to 10 years for investors, retirees and key professionals and their families

**New policy reform and ADNOC strategy promoting growth and increasing expat societal participation**

## Development

- ❑ Development business continues to deliver 'AED 1 billion plus' gross profit, further supported by AED 4.2 billion sales backlog, that provides visibility on future development revenues
- ❑ Recent TDIC asset acquisition and Emaar JV to drive growth through expanded, diversified development pipeline
- ❑ 2019 development sales guidance of AED 4 billion

## Asset Management

- ❑ Resilient performance across all key sectors, despite challenging conditions
- ❑ Aldar Investments already driving value through securing better terms on new sukuk
- ❑ 2019 NOI guidance of AED 1.7 billion, supported by full year impact of TDIC asset acquisition and Al Jimi Mall extension

## Financial

- ❑ Balance sheet remains strong and liquid
- ❑ 2018's proposed dividend of 14 fils, a 17% increase, gives credit to the resilient AM business and ramp up of the development business into handover mode



# APPENDIX



# DEVELOPMENT SUMMARY

Project	Location	Launch date	Total as at 31 Dec 2018					Expected completion
			Sold units <sup>1</sup>	Sales value (AEDm) <sup>1</sup>	Units launched	% sold	% completion	
Ansam	Yas Island	2014	522	905	547	95%	100%	Completed
Hadeel	Al Raha Beach	2014	231	490	233	99%	100%	Completed
Nareel	Abu Dhabi Island	2015	94	1,174	161	58%	100%	Commenced handover in 2018
Merief	Khalifa City	2015	281	624	281	100%	100%	Commenced handover in 2018
Meera	Shams Abu Dhabi	2015	385	496	408	94%	100%	Commenced handover in 2018
Mayan	Yas Island	2015	418	763	512	82%	47%	2019
Yas Acres	Yas Island	2016	430	1,620	652	66%	47%	2019/20
Mamsha	Saadiyat Island	2016	174	701	461	38%	64%	2019
Jawaher	Saadiyat Island	2016	67	595	83	81%	62%	2019
The Bridges	Shams Abu Dhabi	2017	593	597	636	93%	52%	2020
Water's Edge	Yas Island	2017	1,123	1,110	1236	91%	14%	2020/21
Reflection	Reem Island	2018	83	83	192	43%	0%	2021
Alghadeer	Seih Sdeirah	2018	369	260	707	52%	0%	2021
Alreeman	Al Shamka	2018	524	795	524	100%	0%	2021
<b>Aldar developments</b>			<b>5,294</b>	<b>10,214</b>	<b>6,633</b>	<b>80%</b>	<b>37%</b>	
West Yas	Yas Island	2015	813	3,722	1,017	80%		Commenced handover in 2018
West Yas plots	Yas Island	2018	38	146	203	19%		2020
<b>Development management projects</b>			<b>851</b>	<b>3,868</b>	<b>1,220</b>	<b>70%</b>		
<b>Total developments</b>			<b>6,145</b>	<b>14,082</b>	<b>7,853</b>	<b>78%</b>		

- ❑ Q4 development sales of AED 1.3 billion mainly driven by Alreeman (AED 795 million bulk sale ahead of public launch in January 2019), West Yas villas and land plots (AED 158 million across 38 units), Mamsha (AED 124 million across 32 units), and Yas Acres (AED 86 million across 23 units)
- ❑ Alreeman – AED 1.6 billion sales to date achieved including bulk deal
- ❑ Revenue backlog of AED 4.2 billion as at 31 Dec 18

<sup>1</sup> Sold units and sold units sales value includes all units where a sales purchase agreement ("contract") has been signed. This does not include sales reservations. Total units and values as at period end are net of cancellations.

# DEVELOPMENT PIPELINE



HANDED OVER

## Ansam

Type: Prime residential apartments  
Land: Investment zone  
Location: Yas Island  
Units launched: 547  
Sold as at 31 Dec 2018: 95%

COMMENCED HANDOVER

## Nareel Island

Type: Exclusive land plots for villa development  
Land: Non-investment zone  
Location: Nareel Island, off Abu Dhabi Island  
Units launched: 161  
Sold as at 31 Dec 2018: 60%



HANDED OVER

## Al Hadeel

Type: Prime residential apartments  
Land: Investment zone  
Location: Al Raha Beach  
Units launched: 233  
Sold as at 31 Dec 2018: 99%

COMMENCED HANDOVER

## Al Merief

Type: Land plots for villa development  
Land: Non-investment zone  
Location: Khalifa City  
Units launched: 281  
Sold as at 31 Dec 2018: 100%



**COMMENCED HANDOVER**

**Meera**

Type: Residential apartments  
 Land: Investment zone  
 Location: Reem Island  
 Units launched: 408  
 Sold as at 31 Dec 2018: 94%



**EXPECTED COMPLETION: 2019**

**Mayan**

Type: Prime residential apartments  
 Land: Investment zone  
 Location: Yas Island  
 Units launched: 512  
 Sold as at 31 Dec 2018: 82%

**EXPECTED COMPLETION: 2019**

**Mamsha**

Type: Beachfront residential apartments  
 Land: Investment zone  
 Location: Saadiyat Island  
 Units launched: 461  
 Sold as at 31 Dec 2018: 38%



**COMMENCED HANDOVER**

**West Yas**

Type: Villa development  
 Land: Investment zone  
 Location: Yas Island  
 Units launched: 1,017  
 Sold as at 31 Dec 2018: 80%



**EXPECTED COMPLETION: 2019/20**

**Yas Acres**

Type: Villa and townhouse development  
 Land: Investment zone  
 Location: Yas Island  
 Units launched: 652  
 Sold as at 31 Dec 2018: 66%



**EXPECTED COMPLETION: 2019**

**Jahawer**

Type: Golf-view villas and townhouses  
 Land: Investment zone  
 Location: Saadiyat Island  
 Units launched: 83  
 Sold as at 31 Dec 2018: 81%

EXPECTED COMPLETION: 2020

### The Bridges

Type: Mid-market residential apartments  
 Land: Investment zone  
 Location: Reem Island  
 Units launched: 636  
 Sold as at 31 Dec 2018: 93%



EXPECTED COMPLETION: 2021

### Reflection

Type: Mid-market residential apartments  
 Land: Investment zone  
 Location: Reem Island  
 Units launched: 192  
 Sold as at 31 Dec 2018: 43%

EXPECTED COMPLETION: 2021

### Alreeman

Type: Mid-market residential land plots  
 Land: Investment zone  
 Location: Al Shamka  
 Units launched: 524 (bulk sale)  
 Sold as at 31 Dec 2018: 100%



EXPECTED COMPLETION: 2020/21

### Water's Edge

Type: Mid-market residential apartments  
 Land: Investment zone  
 Location: Yas Island  
 Units launched: 1,236  
 Sold as at 31 Dec 2018: 91%



EXPECTED COMPLETION: 2021

### Alghadeer

Type: Affordable residential  
 Land: Investment zone  
 Location: Seih Sdeirah  
 Units launched: 707  
 Sold as at 31 Dec 2018: 52%

# FINANCIAL STATEMENTS

## Profit and loss

AED millions	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenue	1,808	1,867	6,287	6,181
Direct costs	(1,121)	(1,096)	(3,655)	(3,525)
<b>Gross profit</b>	<b>687</b>	<b>773</b>	<b>2,632</b>	<b>2,656</b>
<i>Gross profit Margin</i>	<i>38%</i>	<i>41%</i>	<i>42%</i>	<i>43%</i>
SG&A expenses	(156)	(141)	(459)	(355)
Depreciation and amortization	(65)	(48)	(230)	(186)
CSR contribution	(5)	(40)	(35)	(40)
Gain on sale of JV	-	-	30	-
Share of profit from associates/ JVs	(2)	(1)	50	42
Other Income	331	127	768	632
Net finance income/expense	(68)	(31)	(230)	(130)
Fair value loss on investment properties, impairments and write downs	(401)	(495)	(671)	(613)
<b>Net Profit for the period</b>	<b>321</b>	<b>144</b>	<b>1,855</b>	<b>2,006</b>
<b>Attributable to:</b>				
Owners of the Company	319	141	1856	1996
Non-controlling interests	2	3	(1)	10
<b>Profit for the period</b>	<b>321</b>	<b>144</b>	<b>1,855</b>	<b>2,006</b>
<i>Basic and diluted earnings per share (fills)</i>	<i>0.04</i>	<i>0.02</i>	<i>0.24</i>	<i>0.25</i>

## Balance sheet

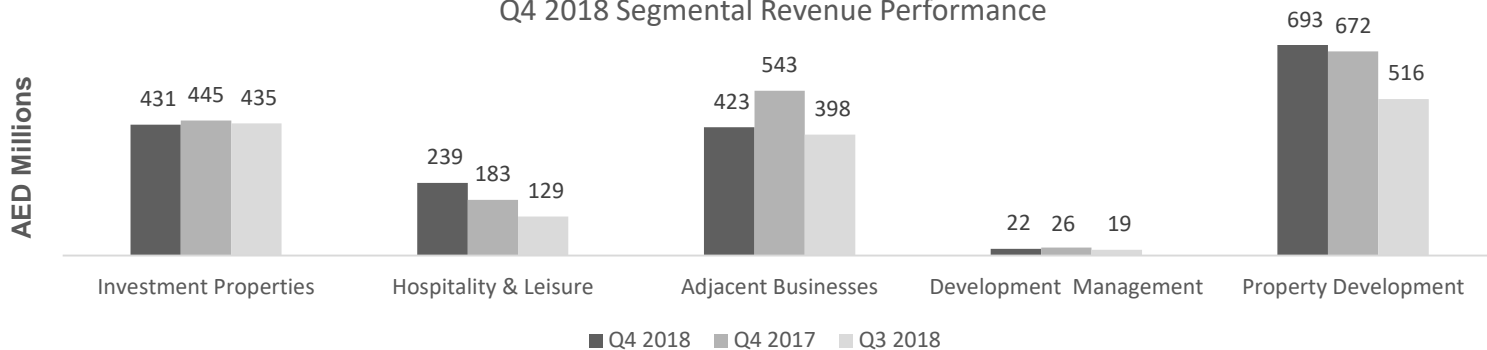
AED millions	31-Dec-18	30-Sep-18
Property, plant and equipment	3,601	3,606
Investment properties	16,408	16,693
Development work in progress	2,473	2,310
Inventory	4,275	4,299
Receivables	5,469	5,395
Cash	5,015	3,919
Other Assets	1,303	1,321
<b>Total Assets</b>	<b>38,544</b>	<b>37,543</b>
Equity	24,236	23,933
Debt	7,056	7,109
Payables, Advances and Other Liabilities	7,252	6,501
<b>Total Liabilities and Equity</b>	<b>38,544</b>	<b>37,543</b>



Q4 2018 recurring revenues of AED 904 million (Q4 2017: AED 796 million, Q3 2018: AED 781 million) <sup>1</sup>

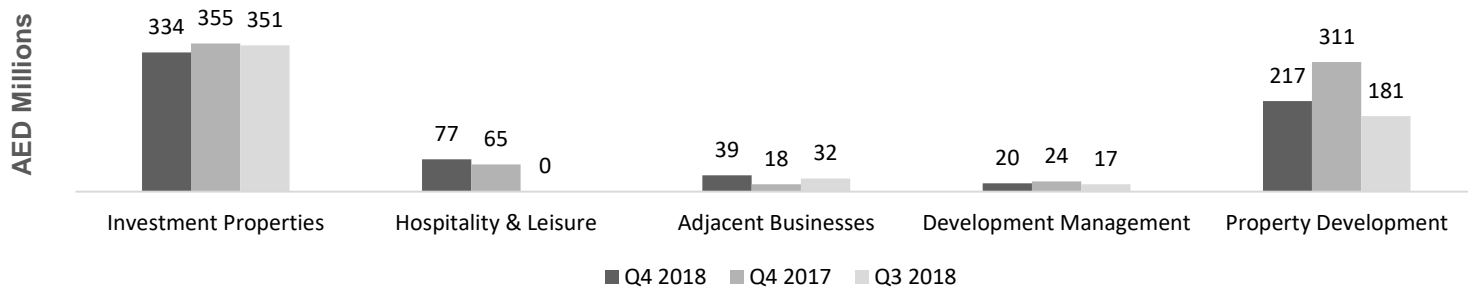
# SEGMENTAL ANALYSIS

Q4 2018 Segmental Revenue Performance



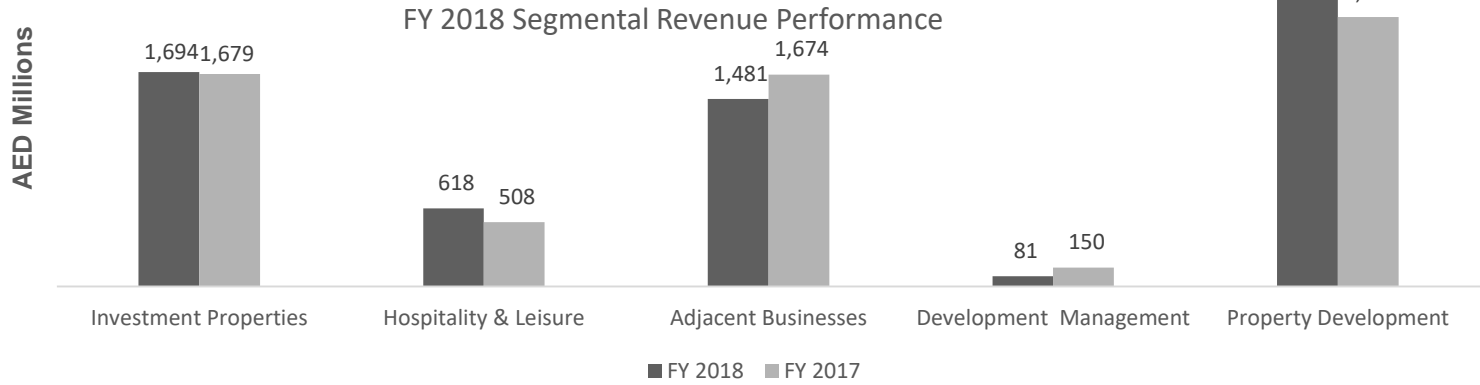
Q4 2018 recurring revenues gross profit of AED 443 million (Q4 2017: AED 439 million, Q3 2018: AED 381 million) <sup>1</sup>

Q4 2018 Segmental Gross Profit Performance

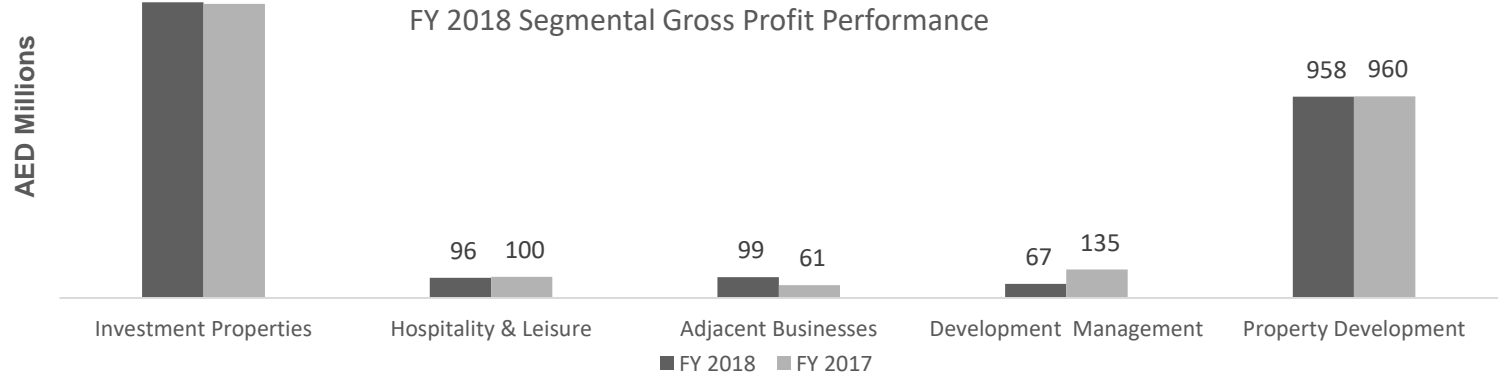


<sup>1</sup> Recurring revenues assets include Investment Properties (Retail, Residential, Commercial and OVs), Hospitality (Hotels & Leisure), Schools (Aldar Academies), Property & Facilities Management (Khidmah) and District Cooling assets  
 Q4 2018 recurring revenues excludes Pivot revenue of AED 192m (Q4 2017 revenue: AED 375m)  
 Q4 2018 recurring revenue gross profit excludes Pivot gross profit of AED 6m (Q4 2017 gross loss: AED 0.8m)

**FY 2018 recurring revenues of AED 3.2 billion (FY 2017: AED 2.9 billion) <sup>1</sup>**



**FY 2018 recurring revenues gross profit of AED 1,596 million (FY 2017: AED 1,557 million) <sup>1</sup>**



# SEGMENTAL ANALYSIS

<sup>1</sup> Recurring revenues assets include Investment Properties (Retail, Residential, Commercial and OVs), Hospitality (Hotels & Leisure), Schools (Aldar Academies), Property & Facilities Management (Khidmah) and District Cooling assets  
 FY 2018 recurring revenues excludes Pivot revenue of AED675m (FY 2017 revenue: AED1,052m)  
 FY 2018 recurring revenue gross profit excludes Pivot gross profit of AED 9m (FY 2017 gross profit: AED4m)

# GOVERNMENT RECEIVABLES

Transaction (AEDm)	Remaining cash inflows		
	2019	2020	Total
Sale of Al Raha Beach Land <sup>1</sup>	-	95	95
Infrastructure recoverables <sup>2</sup>	529	-	529
	<b>529</b>	<b>95</b>	<b>624</b>

<sup>1</sup> Al Raha Beach land plot handed over in Q3 2016 with a payment plan structure  
<sup>2</sup> Cash flow timing projection, subject to change

- ❑ AED 0.5 billion infrastructure handovers during 2018 completing “other income” infrastructure handover programme to Government
- ❑ AED 0.6 billion receivable remains as at 31 December 2018



### Retail

440,000 sqm GLA

Consolidating assets:

- Yas Mall
- Al Jimi Mall
- Remal Mall
- Yas Retail Park (IKEA and Ace)
- Community retail (24 assets)
- Saadiyat Beach
- Eastern Mangroves
- Al Bateen

Excludes non-consolidating assets

- Etihad Plaza



### Residential

5,100 units

Consolidating assets:

- al rayanna
- The Gate Towers
- Sas Al Nakhl
- Sun & Sky Towers
- Khalidiya Village
- Al Murjan
- Al Oyoum
- Al Mamoura
- Al Zeina
- Al Bandar
- Eastern Mangroves
- Cranleigh staff accommodation

Excludes non-consolidating assets

- Etihad Plaza



### Commercial

308,000 sqm GLA

Consolidating assets:

- Aldar HQ
- Al Mamoura
- Baniyas
- Sky Tower
- Daman House
- International Tower
- North Park
- Motorworld
- Repton School
- The Wing
- Yas OV
- Al Ain OV
- Saadiyat OV

Excludes non-consolidating assets

- Etihad HQ
- Etihad office building



### Hospitality

2,900 keys

Consolidating assets:

- Yas Hotel (previous Yas Viceroy)
- Crowne Plaza Yas
- Staybridge Yas
- Rotana Yas
- Radisson Blue Yas
- Park Inn Yas
- Centro Yas
- Tilal Liwa
- Yas Links golf club
- Eastern Mangroves
- Westin Abu Dhabi
- Saadiyat Beach club
- Saadiyat golf club
- Abu Dhabi golf club
- Al Bateen Marina

Excludes non-consolidating assets

- Hala Arjaan



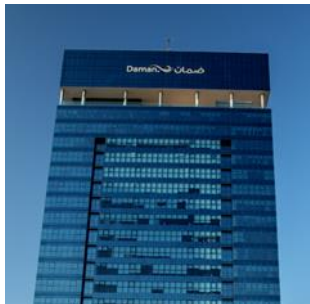
### Adjacent

Key consolidating assets and businesses:

- Education - Aldar Academies and Cranleigh school
- Property & facilities management – Khidmah
- Construction – Pivot
- District Cooling - Saadiyat District Cooling

# OPERATING ASSETS

# INVESTMENT PLAN



ACQUIRED IN Q4 2017

## Daman House

Type: Commercial office building  
Location: Abu Dhabi Island  
GLA: 23,000 sqm

COMPLETED IN Q3 2017

## Repton School

Type: Commercial  
Location: Abu Dhabi Island  
GLA: 20,000 sqm



ACQUIRED: Q2 2018

## Asset acquisition

Type: Various  
Location: Saadiyat Island and other



COMPLETED IN Q3 2016

## Al Mamoura School

Type: Aldar Academies school  
Location: Abu Dhabi Island  
Capacity: 1,800 student

ACQUIRED IN Q4 2017

## International Tower

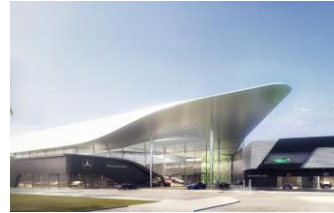
Type: Commercial office building  
Location: Abu Dhabi Island  
GLA: 39,000 sqm



EXPECTED COMPLETION: 2020

**Water's Edge**

Type: Residential  
 Location: Yas Island  
 Units: c.800



DESIGN STAGE

**Yas retail park**

Type: Retail  
 Location: Yas Island  
 GLA: c.10,000 sqm

DESIGN STAGE

**Shams Marina**

Type: Mixed-use  
 Location: Reem Island  
 Overview: Hotel, long-stay apartments and residential



EXPECTED COMPLETION: Q4 2018

**Al Jimi Mall extension**

Type: Retail extension to existing mall  
 Location: Al Ain  
 GLA: 33,000 sqm



EXPECTED COMPLETION: 2020

**The Bridges**

Type: Residential  
 Location: Reem Island  
 Units: 636

DESIGN STAGE

**Yas Mall Hotel**

Type: Hospitality  
 Location: Yas Island  
 Keys: 349



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