



National Central Cooling Company PJSC

28 April 2016

2016 Q1 Results Presentation



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Agenda

- A | Introduction and Performance Highlights – Jasim Thabet, CEO
- B | Financial Results – Steve Ridlington, CFO
- C | Conclusion – Jasim Thabet, CEO

Tabreed at a glance

One of the world's largest district cooling companies

69 plants in the GCC



977 kRT delivered to clients



Equivalent to cooling 97 towers the size of Burj Khalifa




Greater reliability compared to conventional cooling and positive environmental impact

1.3 billion kWh annual reduction in electricity consumption through Tabreed's DC services

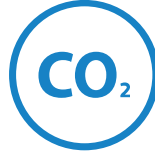


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Enough energy to power 44,000 homes in the UAE every year





650,000 tons eliminated of CO₂ emissions



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The equivalent of removing 130,000 cars from our streets every year



Iconic projects



ClevelandClinic Abu Dhabi



Yas Mall



Dubai Metro



Sheikh Zayed Grand Mosque



The Pearl Qatar

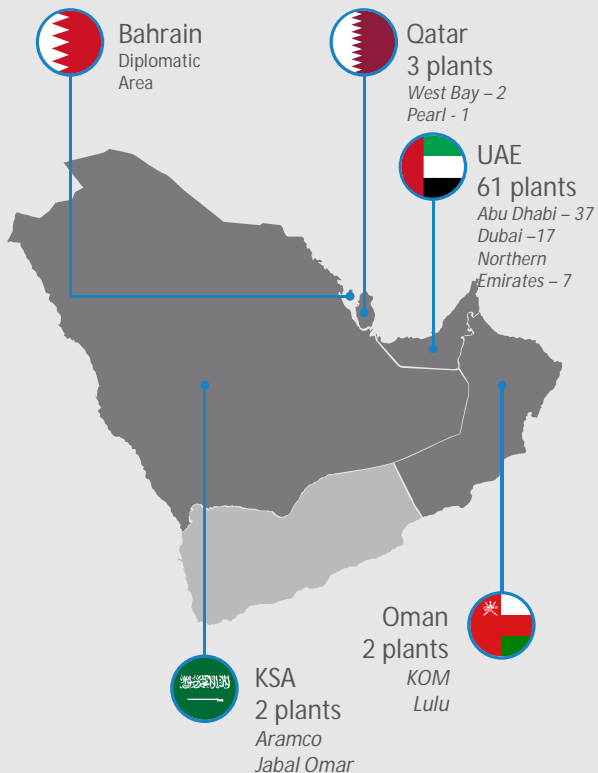


Jabal Omar Project The Holy City of Mecca

The only listed DC Company in GCC and operating across the region

5 Countries | 69 Plants | 977 kRT

- Only listed DC company in GCC markets
- Uniform utility infrastructure model implemented across GCC
- Long term contracts underpinning stability of earnings and returns for shareholders



National Central Cooling Company and its UAE investments

- 52 wholly owned plants, 9 held through associates and joint ventures
 - Plants in 6 emirates of the UAE - Abu Dhabi, Dubai, Ajman, RAK, Sharjah and Fujairah
 - 691 kRT delivered to clients including some of UAE's most prominent landmarks
- Landmark Projects: Dubai Metro, Sheikh Zayed Grand Mosque, Yas Island and Al Maryah Island

Qatar District Cooling Company (Tabreed 44%)

- Joint Venture with United Development Company
 - Owns and operates the world's largest 130 kRT DC Plant on The Pearl (102 kRT)
 - Also owns and operates 2 DC plants and a concession in Qatar's West Bay (83 kRT)
- Landmark Projects: The Pearl - Qatar, West Bay

Saudi Tabreed District Cooling Company (Tabreed 25%)

- Partnership with ACWA Power and Al Mutlaq
 - Owns and operates first significant DC plant in KSA - Saudi Aramco (32 kRT) & DC plant in the Holy City of Mecca (34 kRT)
 - Operates the DC plant servicing the landmark KAFD development (50 kRT)
 - Significant growth opportunities
- Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 90%)

- Partnership with Esterad, A.A. Bin Hindi and others
 - Owns and operates 1 DC plant (22 kRT)
 - Plant runs using sea water to provide cooling to the most prestigious developments in Bahrain
- Landmark Projects: Reef Island, Financial Harbour, World Trade Centre

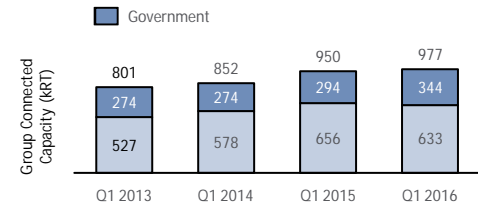
Tabreed Oman (Tabreed 60%)

- A partnership between Tabreed and prominent Omani shareholders
 - Owns and operates 2 plants serving Knowledge Oasis Muscat, Military Technical College and Lulu (12 kRT)
- Landmark Projects: Knowledge Oasis Muscat and Lulu Mall

Headline Performance

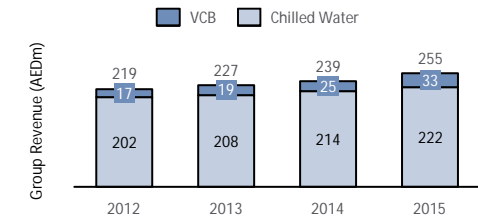
Long-term contracts with credit worthy customers

- Providing 977kRT of cooling across GCC– growing 7% annually since 2012
- Long term price certain contracts (~25 years) ensuring stability in earnings
- 50% of UAE capacity contracted to Government clients
- Contracts renewed/extended with key clients such as UAE Armed Forces and Aldar in the recent past



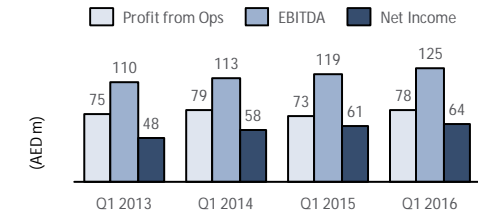
Revenue growth from continued focus on core business

- 87% of Group Revenue is from Chilled Water (2014: 89%)
- Total Group Revenue up 7% to AED 255m (2014: AED 239m)
- Chilled water revenue up 4% due to CPI pass through on capacity and increased consumption
- Utility business model leads to steady increases in revenue and profitability from existing customers



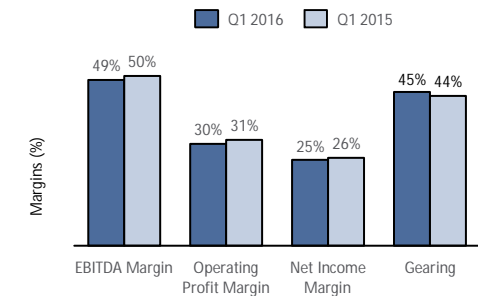
Strong operating performance and financial position

- Predictability in earnings driven by capacity charges
- Increasing profitability driven by economies of scale and cost control
- Steadily growing Net Income and EBITDA driven by chilled water business
- Q1 Net Income 4% higher despite additional gearing



Value to shareholders

- One of the few listed regional utilities and only DC company operating across GCC
- Q1 EPS of 2.3 fils/share – 32% higher due to MCB repurchase
- 6 fils per share dividend paid out in April 2016, dividend yield in the top 10 for DFM for the past 3 years
- Over 100kRT of contracted projects currently under construction in UAE (Dubai Parks and others), Qatar and Oman
- 45% leverage – approaching global utility industry averages



Stable utility infrastructure business with strong cash flows that continues to deliver earnings growth and dividends



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Financial Highlights

Income Statement

Unaudited Consolidated Financials (AED m)	March 2016	March 2015	Variance	%
Revenue	256	239	16	+7%
<i>Chilled water revenue (87%)</i>	222	214	8	+4%
<i>Value chain businesses (13%)</i>	33	25	8	+33%
Operating cost	(125)	(117)	(8)	+7%
Gross Profit	131	123	9	+7%
<i>Gross profit margin</i>	51%	51%		
Administrative and other expenses	(53)	(49)	(4)	+8%
Profit from Operations	78	73	4	+6%
<i>Operating profit margin</i>	30%	31%		
Net finance costs	(37)	(29)	(8)	+27%
Other gains and losses	4	1	3	+443%
Share of results of associates and joint ventures	22	17	5	+27%
Income attributable to non-controlling interests	(3)	(1)	(2)	+200%
Net Profit	63	61	2	+4%
<i>Net profit margin</i>	25%	26%		
EBITDA	125	119	6	+5%
<i>EBITDA margin</i>	49%	50%		

Key Points

- 7% increase in revenues has resulted in a 6% increase in profit from operations, mainly reflects chilled water performance
- Results of associates and JVs increased by 27%, driven by impact of Qatar Cool's 2015 connections
- Finance costs up by AED 8m, with additional finance cost incurred on the debt raised to finance the MCB repurchase

Stable utility infrastructure business model enables consistent performance with EBITDA margins approaching 50%

Financial Highlights

Financial Position

Unaudited Consolidated Financials (AED m)	March 2016	Dec 2015	Variance	%
Fixed Assets	6,833	6,766	66	+1%
Associates and Joint Ventures	724	714	11	+1%
Accounts Receivable	407	410	(3)	-1%
Cash and Short Term Deposits	296	177	119	+67%
Other Assets	86	167	(81)	-49%
Total Assets	8,345	8,233	112	+1%
Equity and Reserves	2,321	2,453	(132)	-5%
Mandatory Convertible Bonds – equity portion	1,773	1,773	-	+0%
Debt	3,371	3,274	98	+3%
Other Liabilities	880	733	147	+20%
Total Liabilities and Equity	8,345	8,233	112	+1%

Key Points

- Growth in fixed assets represents continuing investment in Dubai Parks and Resort plant and other projects under construction
- First draw down made on AED 193m project financing facility for Dubai Parks project leading to increase in cash and debt
- Reduction in equity is due to 6 fils dividend proposal, paid out in April 2016
- We do not have any assets classified as held for sale at the end of Q1 after completion of sale of land in Oman and re-classification of the value chain subsidiary

Balance sheet continues to show strength and positions Tabreed well for further growth

Financial Highlights

Cash flow Statement

Unaudited Consolidated Financials (AED m)	March 2016	March 2015	Variance	%
Profit from Operations	78	73	4	+6%
Finance lease amortization	16	15	2	+11%
Depreciation	31	31	(0)	-0%
Working capital and other adjustments	(28)	(15)	(13)	+90%
Net cash flows from Operating Activities	97	104	(7)	-7%
Capital expenditure incurred	(51)	(60)	9	-15%
Deposits placed with Banks	-	(203)	203	-100%
Dividends and interest income received	0	0	(0)	-67%
Net cash flows from Investing Activities	(51)	(262)	212	-81%
Loans drawn down	118	28	90	+324%
Principal and interest payments on loans	(33)	(51)	18	-35%
MCB cash coupon paid	(22)	(30)	9	-28%
Others	(7)	(2)	(5)	+224%
Net cash flows from Financing Activities	56	(55)	112	-201%
Net Movement in Cash and Cash Equivalents	103	(213)	316	-148%
Cash and Cash Equivalents at 1 Jan	193	418	(225)	-54%
Cash and Cash Equivalents at 31 December	296	205	91	+45%

Key Points

- Operating cash flows of ~AED 100m, we continue to see timely receipts from our customers
- Financing activities include draw down made on project financing facility for Dubai Parks project
- Investment activities reflect AED ongoing work on Dubai Parks and other UAE and Oman projects

Strong cash flow generation from long term price certain contracts enabling investment in growth

Debt Portfolio

- Tabreed's current gearing is 45% (debt: debt + equity), approaching global utility peers
- 95% of Tabreed's debt is denominated in AED, with the balance in USD and OR, in line with cash flow generation profile
- Virtually all the debt is floating rate with 55% of total debt hedged into fixed rates
- Weighted average loan life is over 5 years, with 63% of the debt portfolio maturing in 2021

Debt position (AED in millions)

Borrower	Type	Amount (AED m)	Undrawn amount (AED m)	Currency	Interest	Hedging (%)	Maturity
Tabreed	Term loan	2,893	-	AED	EIBOR + margin	55	2021
Tabreed	Revolver	-	450	AED	EIBOR + margin	-	2021
Project SPV	Project Finance	118	76	AED	EIBOR + margin	98	2032
Bahrain DC Company	Term loan	134	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	33	5	OR	Fixed	100	2024
Total		3,178	531			55	

Manageable debt portfolio with major repayments due in 2021



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A GCC-wide infrastructure assets company

Why District Cooling

- District Cooling is a critical part of the growing GCC infrastructure
- District Cooling is 50% more efficient in consuming electricity than conventional cooling reducing energy consumption, carbon footprint and state subsidies while also being 16% cheaper for the customer

Why Tabreed

- One of the largest district cooling companies in the world with experienced management team
- Only listed DC company in the GCC and one of the few listed utilities
- Track record of delivering infrastructure projects on time
- Over 50% of UAE capacity contracted to Government entities

Robust Financial Results

- Robust and predictable financial results underpinned by fixed revenue derived from long term 25 year contracts
- 2015 Net Profit of AED 345m, up 6% on 2014 and growing at 12% annually since 2012
- Strong cash generating ability, 2015 EBITDA of AED 545m - sufficient to repay debt, fund growth capex and distribute dividends

Core Business Focus Delivering Value

- Focus on Chilled Water leading to enhanced value from existing plants and increasing operational efficiencies
- Investing in sanctioned projects on "take or pay" billing basis to reduce real estate risk
- Project financing new plants to reduce equity capital and increase shareholder returns

Delivering growth

- Over 350kRT of new connections since 2010, a further ~100 kRT of fully contracted capacity currently under construction in UAE, Qatar and Oman
 - Pipeline of long-term projects :
 - Finalising agreement with King Khalid International Airport in Riyadh, Saudi Arabia to build 20kRT plant
 - Infrastructure in place at Maryah Island, Abu Dhabi, to connect Al Maryah Plaza and Al Maryah Central Will provide cooling to 7 QRail metro stations in Doha, Qatar starting 2019
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Questions

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Upcoming Investor Events

HSBC MENAT Conference, *Dubai*

DFM Roadshow, *London*

Q2 Earnings Call

9 & 10 May 2016

18 & 19 May 2016

4th week of July 2016

A full recording of this call will be available for replay on Tabreed's website