



# **National Central Cooling Company PJSC**

(DFM: TABREED)

Full Year 2021

Earnings Presentation

15 February 2022

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# Agenda

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01

# Introduction and Business Highlights

# Tabreed at a Glance

One of the world's largest district cooling companies


**86**  
plants in 4 countries



**1.21m RT**  
delivered to clients



Equivalent to cooling  
**121**  
towers the size of Burj Khalifa



## Environmentally responsible operations reducing green house gas emissions



## Exclusive provider of DC services to several iconic projects

- 
- Burj Khalifa
  - Cleveland Clinic Abu Dhabi
  - Yas Mall
  - Dubai Metro
  - Sheikh Zayed Grand Mosque
  - Etihad Towers
  - World Trade Center
  - Ferrari World
  - Aldar HQ

## Strong Regional presence

- Largest publicly listed district cooling provider in the region
- Currently present in the UAE, Saudi Arabia, Oman and Bahrain
- Continuing to grow and targeting further expansion in new geographies (India and Egypt)

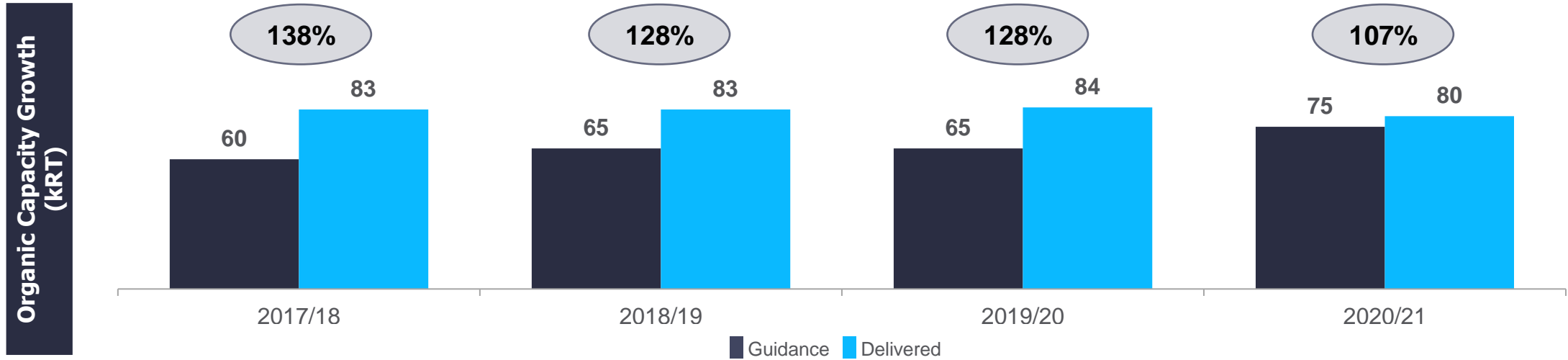
## Connected Capacity (kRT)

| <b>Consolidated</b>           | <b>Q4 2020</b> | <b>Q1 2021</b> | <b>Q2 2021</b> | <b>Q3 2021</b> | <b>Q4 2021</b> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| UAE                           | 925            | 928            | 940            | 954            | 1,025          |
| Bahrain                       | 32             | 32             | 33             | 33             | 33             |
| Oman                          | 32             | 33             | 33             | 33             | 33             |
| <b>Total Consolidated</b>     | <b>989</b>     | <b>993</b>     | <b>1,006</b>   | <b>1,019</b>   | <b>1,091</b>   |
| <b>Equity Accounted</b>       |                |                |                |                |                |
| UAE                           | 71             | 71             | 71             | 74             | 9              |
| KSA                           | 110            | 110            | 110            | 110            | 110            |
| <b>Total Equity Accounted</b> | <b>181</b>     | <b>181</b>     | <b>181</b>     | <b>184</b>     | <b>119</b>     |
| <b>Total</b>                  | <b>1,170</b>   | <b>1,175</b>   | <b>1,187</b>   | <b>1,203</b>   | <b>1,210</b>   |

Prior period capacity adjusted for Qatar Cool divestment

Reduction in UAE equity accounted connection due to transfer of Al Wajeez DC capacity to consolidated capacity

# Capacity Growth



## 2021/22

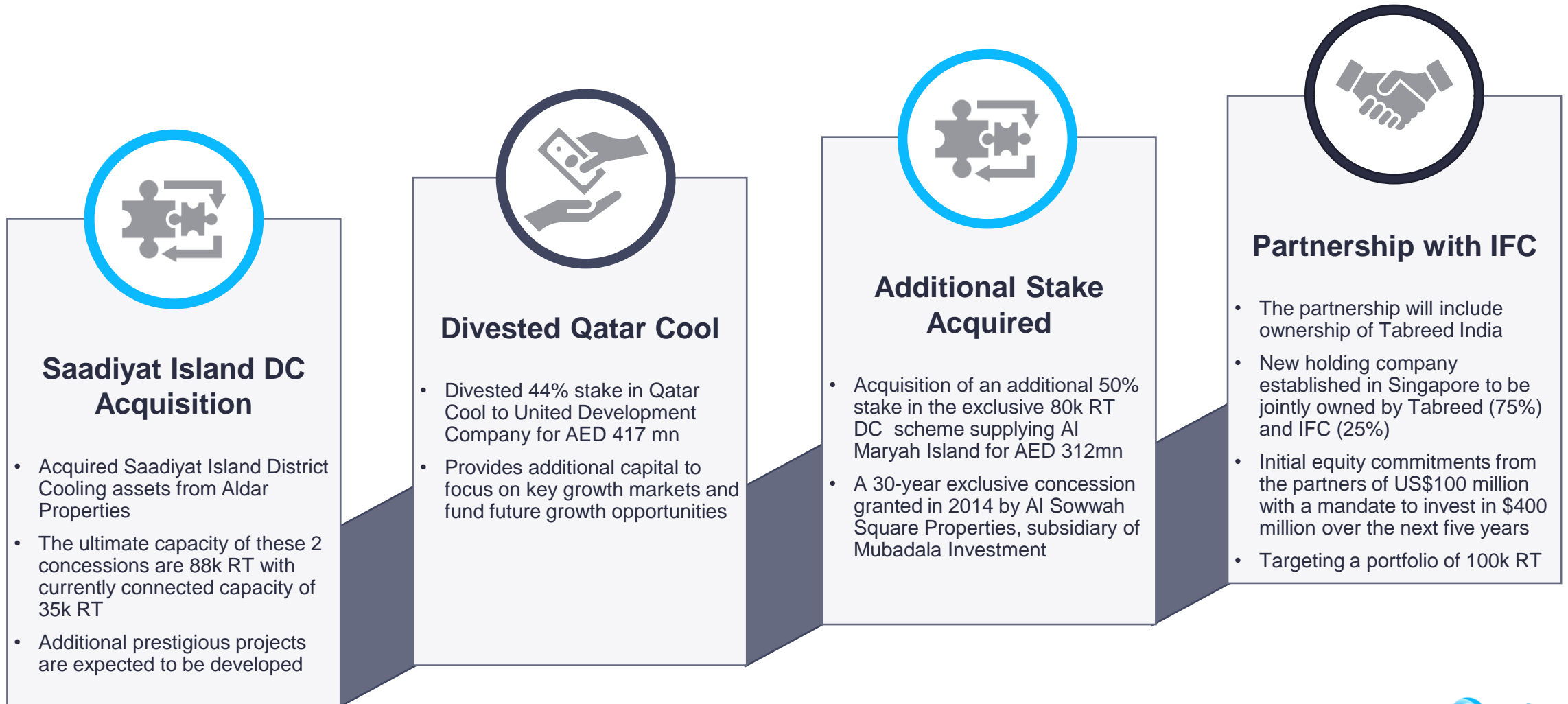
- Previously announced capacity guidance of 120k RT to be added over 2021 and 2022
- 40k RT was added in 2021, which included 39k RT in UAE and balance 1k RT in Bahrain
- Also added 18k RT with acquisition of Al Mouj DC assets in January 2022
- Confident of achieving our guidance of 2021 and 2022

## 2022/23

- New capacity guidance for 2022 and 2023 is 120k RT
- Of the guided capacity around 70% is expected to be contributed by consolidated entities and balance 30% by equity accounted entities

# Key Business Developments

Focus on developing platform for future growth opportunities





# Red Sea Project, KSA

Expected to pave way for Saudi Tabreed to secure future projects in the KSA



- The Red Sea project is part of Saudi Giga Projects which hold strategic importance to the country's goals and vision
- The project will position KSA on the global tourism market hence will result in global marketing opportunity for utility providers
- Saudi Tabreed is part of the ACWA power led consortium awarded multi-utilities concession for this project
- **Saudi Tabreed is an investor in the consortium with 15% stake and will support the district cooling aspect of the project**
- Project includes 16 luxurious hotel estates with recreation buildings and landscapes which will enable further potential business opportunities
- This will be a sustainable project powered by 100% solar and wind energy

Red Sea Project  
(2023 Plan)



**5**  
Islands  
Developed



**2**  
Inland  
Sites



**16**  
Hotels



**3,000**  
Rooms

02

# Tabreed Leadership

# Board of Directors

Continuity of board with four directors each appointed by Mubadala and ENGIE.



Khaled Al Qubaisi is the Chief Executive Officer, Real Estate & Infrastructure Investments at Mubadala.

### Other Board Positions

Mr. Al Qubaisi is Director and Vice Chairman of Abu Dhabi Motor Sports Management and Chairman of Finance House and sits on the boards of Abu Dhabi Global Market (ADGM), Abu Dhabi Future Energy Company (Masdar), Emirates Nuclear Energy Corporation (ENEC), Emirates Integrated Telecommunications Company (du), and Insurance House.

**Khaled Abdulla Al Qubaisi**  
Chairman



Paulo Almirante is currently Senior Executive Vice President of global energy leader ENGIE in charge of Renewable

### Other Board Positions

Mr. Almirante is a board member of numerous ENGIE group companies. He is also a member of ENGIE's Executive Committee in charge of Brazil; Middle East, South and Central Asia and Turkey; North, South and Eastern Europe and Generation Europe.

**Paulo Almirante**  
Vice Chairman



**Anne-Laure de Chamnard**

CEO, Engie Solutions International

Prior to that, she was Chairman and CEO of Bureau Veritas Construction, part of the Bureau Veritas Group



**Mohammed Al Huraimel Al Shamsi**

Director of Utilities Investments in Mubadala

Board Member of Jiangsu Suyadi Tancai Company and SMN Power Holding in Oman



**H.E. Dr. Ahmad Belhouli Al Falasi**

Minister of State for Entrepreneurship and Small and Medium Enterprises

Board Member



**Musabbeh Al Kaabi**

CEO, UAE Investments Platform, Mubadala Investment Company

Mr. Kaabi is also a member of Mubadala's Investment Committee and Chairman of Mubadala Petroleum, and Yahsat



**Frédéric Claux**

Managing Director Thermal and Supply, Africa Middle East Asia

Mr Claux also serves as a non-executive Board member of Les Eoliennes en Mer (offshore wind)



**Pierre Cheyron**

Managing Director, Client Solutions Global Business Line

Prior to that, he was the CEO of ENGIE Southeast Asia leading one of the fastest growing key business clusters in the Asia Pacific organisation towards Zero-Carbon Transition



**Saeed Ali Khalfan Al Dhaheeri**

Director of Investments at Ali & Sons Holding LLC

Prior to that, he was associated with Abu Dhabi Investment Authority

# Senior Management



**Khalid Al Marzooqi**  
Chief Executive Officer

Appointed as CEO of Tabreed in May 2021.

Before joining Tabreed, he was COO of Dolphin Energy Limited. In addition, he occupied senior roles at the Abu Dhabi Department of Transport, Abu Dhabi Water and Electricity Authority (ADWEA), and ADCO.

During his time as COO-Downstream at Dolphin Energy Limited, Mr. Al Marzooqi was responsible for overall direction of Operations, Technical Services, and Business Support, ensuring uninterrupted gas supply to customers in the UAE and Oman.

Khaled has over twenty five years of experience in the energy industry and holds two majors in Chemical Engineering and Petroleum Engineering.



**Adel Salem Al Wahedi**  
Chief Financial Officer

Appointed as Tabreed's Chief Financial Officer in March 2020.

Prior to joining Tabreed, he was Group CFO of Arabtec Holding. He has also served as CFO for some of the largest entities in the UAE including Abu Dhabi Ports Company and Petrofac Emirates, in addition to holding senior positions at Emirates Telecommunications Corporation (Etisalat).

He has over 22 years of experience in the fields of corporate finance, mergers & acquisitions, statutory accounting, budgeting, planning, costing and strategic decision making in both private and public companies in KSA, Egypt, Sudan, and the region.



**Hamish Jooste**  
Chief Legal Counsel

Hamish joined Tabreed in 2012 and in addition to serving as Chief Legal Counsel, he acts as Secretary to the Board of Directors of Tabreed.

He is a lawyer with over 18 years of experience in corporate law, M&A, banking and utilities.

Prior to joining Tabreed, he has practiced law in four countries across three different continents at large international law firms including Herbert Smith LLP where he worked on many landmark deals in the region.



**Antonio Di Cecca**  
Chief Operating Officer

Antonio Di Cecca was appointed as Tabreed's Chief Operating Officer in January 2022.

Has over 22 years of international experience within the energy sector, including a period of five years with the International Energy Agency. He is also an active member in many district energy associations, as well as the technical committee of the World Utility Congress

Has spent 11 years with ENGIE, where he performed numerous roles in the global district cooling industry, most recently as Head of Asset Management at the group's Dubai headquarters.



**François Xavier Boul**  
Chief Development Officer

François-Xavier ("FX") has over 19 years of experience in the fields of Business Development, Acquisitions, Project and Structured Finance. He has a diverse experience in different businesses such as construction, banking, financial services, utilities, and oil and energy industries across various geographies.

His last assignment was with ENGIE Group (in UAE) as Senior Vice President – Business Development wherein, he was responsible for leading the business development, structuring and negotiation of projects, and equity investments.

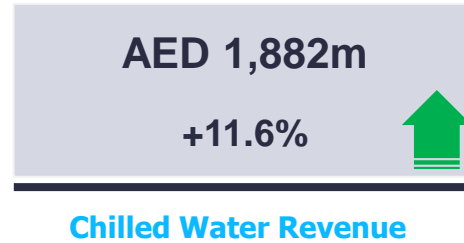
Prior to this, he worked for ACWA Power (Dubai), ABC Bank (Bahrain), Ambac (London) and Natixis (Paris).

03

# Performance Highlights

# 2021 Highlights

## Financial Highlights: 12M 2021 vs. 12M 2020



## Performance Highlights and Other Developments

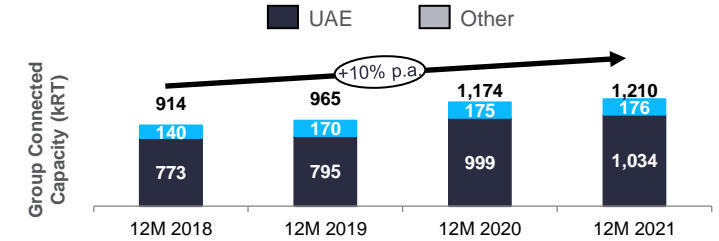
### Key Highlights

- Total Revenue increased by 12.3%. Chilled Water revenue grew 11.6%
- EBITDA increased by 6.6% to AED 1,033m with EBITDA margins of 52.8% in 2021
- Net Income increased by 6.3% to AED 585m
- Finalized strategic partnership with the IFC for expansion in India
- Added 40k RT in 2021 and 18k RT in January 2022 with the acquisition of Al Mouj Muscat DC Assets
- Saudi Tabreed was part of ACWA Power led consortium awarded multi utilities project for Red Sea in KSA; investor with 15% stake and will be responsible for district cooling related part of the project
- Proposed dividends of 12 fils, similar to 2020, to be paid 50% in cash and 50% in bonus shares

# Headline Performance

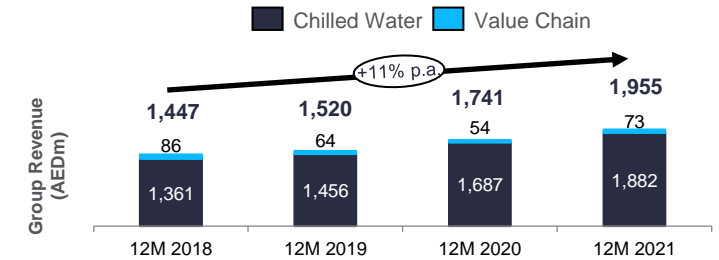
## 1 Long-term contracts with credit worthy customers

- Providing over 1.21m RT of cooling across GCC – grown at 10% CAGR since 2018
- Long term contracts (~25 years) mean over 90% of contracted capacity locked in for at least the next 10 years
- About 80% of revenues from wholly government owned and partially government owned entities



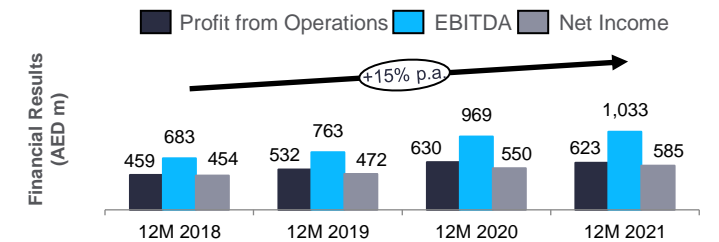
## 2 Revenue growth from existing and new business

- Group revenue growing at 11% CAGR since 2018 driven by Chilled Water revenue growth of 11%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- Acquired balance 50% capacity for Al Maryah Island DC concession and Al Mouj DC assets in Oman



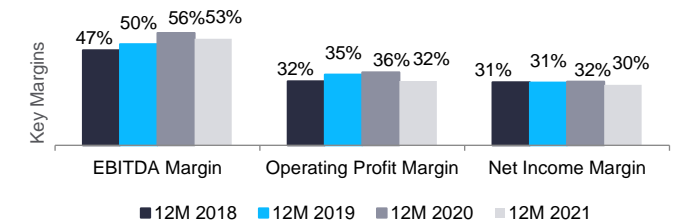
## 3 Solid financial performance

- Predictability in earnings driven by capacity charge
- Profit from operations growing at 11% CAGR since 2018
- EBITDA has grown 15% annually since 2018



## 4 Value to shareholders

- EBITDA margin of 53% (2018 – 2021 Average Margin: 51%)
- Operating Profit margin of 32% (2018 – 2021 Average Margin: 34%)
- Net Income margin of 30% (2018 – 2021 Average Margin: 31%)
- Strong balance sheet and Stable cash flow generation
- Dividend of 12 fils (cash + bonus shares), inline with prior year distributions.



03

# Financial Results



# Income Statement

| <b>Consolidated Financials (AED m)</b>            | <b>FY 2021</b> | <b>FY 2020</b> | <b>Variance</b> | <b>%</b>   |
|---|----------------|----------------|-----------------|------------|
| Revenue   | 1,955.1        | 1,740.7        | 214.4           | 12%        |
| <i>Chilled water revenue (96%)</i>                | 1,882.1        | 1,686.9        | 195.2           | 12%        |
| <i>Value chain businesses (4%)</i>                | 73.0           | 53.8           | 19.2            | 36%        |
| Operating cost                                    | (1,084.3)      | (886.1)        | (198.2)         | 22%        |
| <b>Gross Profit</b>                               | <b>870.8</b>   | <b>854.6</b>   | <b>16.2</b>     | <b>2%</b>  |
| <i>Gross profit margin</i>                        | 45%            | 49%            |                 |            |
| Administrative and other expenses                 | (247.6)        | (224.6)        | (23.1)          | 10%        |
| <b>Profit from Operations</b>                     | <b>623.2</b>   | <b>630.1</b>   | <b>(6.9)</b>    | <b>-1%</b> |
| <i>Operating profit margin</i>                    | 32%            | 36%            |                 |            |
| Net finance costs                                 | (255.0)        | (218.8)        | (36.2)          | 17%        |
| Share of results of associates and joint ventures | 35.7           | 51.2           | (15.5)          | -30%       |
| Other gains and losses                            | 130.2          | 79.0           | 51.2            | 65%        |
| Income attributable to non-controlling interests  | (25.6)         | (23.1)         | (2.5)           | 11%        |
| Profit from discontinuing operations              | 76.7           | 32.0           | 44.7            | 140%       |
| <b>Net Income</b>                                 | <b>585.2</b>   | <b>550.3</b>   | <b>34.8</b>     | <b>6%</b>  |
| <i>Net Income margin</i>                          | 30%            | 32%            |                 |            |
| <b>EBITDA</b>                                     | <b>1,033.2</b> | <b>970.1</b>   | <b>63.1</b>     | <b>7%</b>  |
| <i>EBITDA margin</i>                              | 53%            | 56%            |                 |            |

# Financial Position

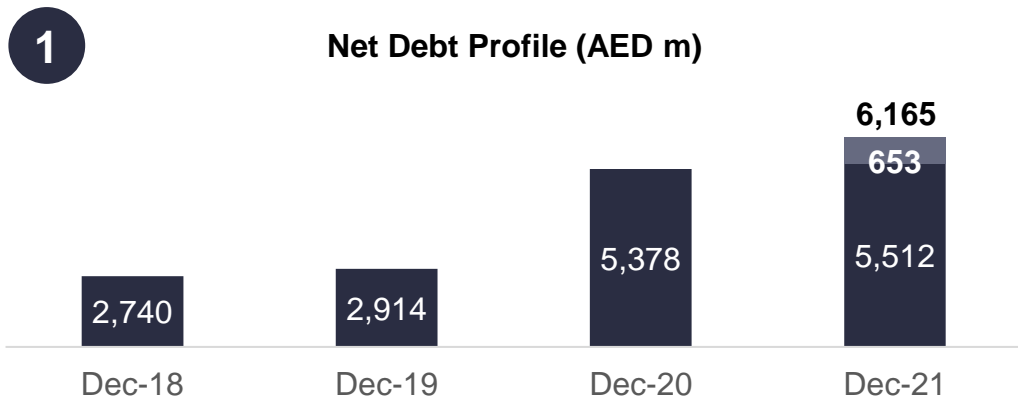
| <b>Consolidated Financials (AED m)</b> | <b>31 Dec 2021</b> | <b>31 Dec 2020</b> | <b>Variance</b> | <b>%</b>   |
|--|--------------------|--------------------|-----------------|------------|
| Fixed Assets                           | <b>8,237.0</b>     | 8,010.9            | 226.1           | 3%         |
| Intangibles                            | <b>4,284.5</b>     | 2,360.1            | 1,924.3         | 82%        |
| Associates and Joint Ventures          | <b>372.8</b>       | 358.3              | 14.5            | 4%         |
| Accounts Receivable                    | <b>691.0</b>       | 898.5              | (207.5)         | -23%       |
| Cash and Short-Term Deposits           | <b>1,197.3</b>     | 1,312.9            | (115.6)         | -9%        |
| Other Assets                           | <b>50.8</b>        | 42.4               | 8.4             | 20%        |
| Assets Held for Sale                   | -                  | 329.9              | (329.9)         | -100%      |
| <b>Total Assets</b>                    | <b>14,833.3</b>    | <b>13,312.9</b>    | <b>1,520.4</b>  | <b>11%</b> |
| Equity and Reserves                    | <b>6,446.4</b>     | 5,875.2            | 571.2           | 10%        |
| Debt                                   | <b>7,361.8</b>     | 6,690.8            | 671.0           | 10%        |
| Other Liabilities                      | <b>1,025.1</b>     | 746.9              | 278.2           | 37%        |
| <b>Total Liabilities and Equity</b>    | <b>14,833.3</b>    | <b>13,312.9</b>    | <b>1,520.4</b>  | <b>11%</b> |

# Cash Flow Statement

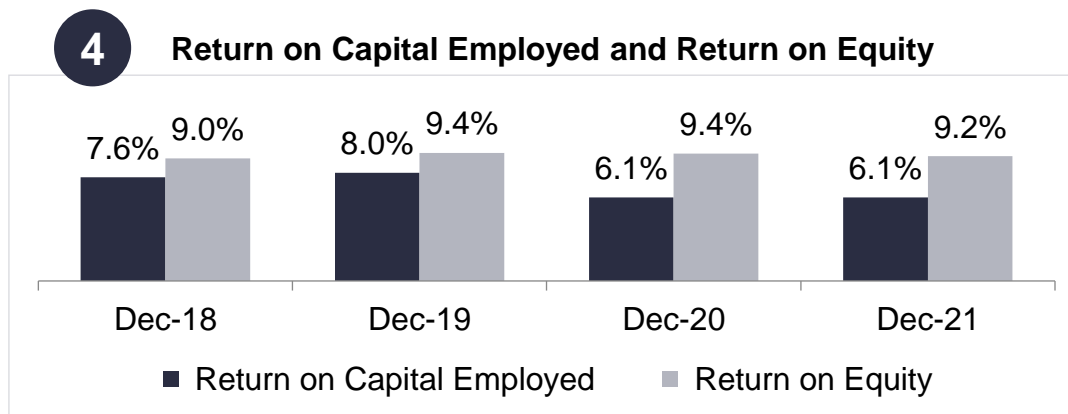
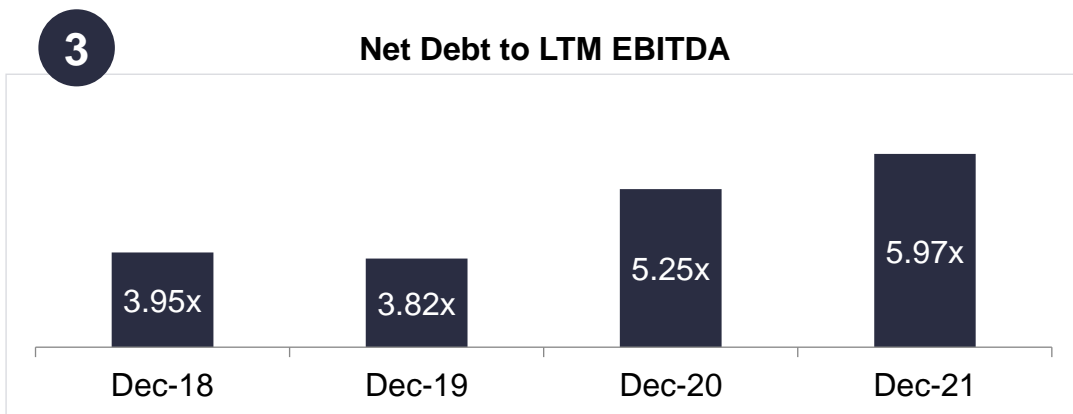
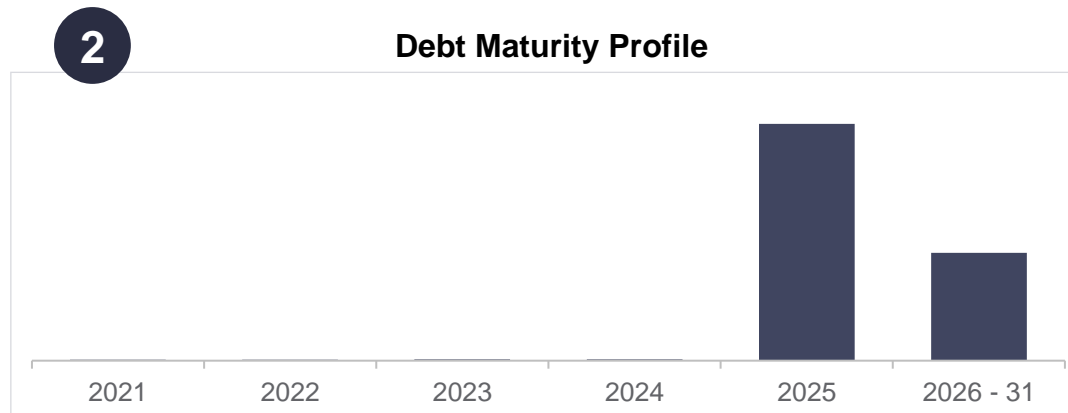
| Consolidated Financials (AED m)                           | FY 2021        | FY 2020          | Variance         | %            |
|---|----------------|------------------|------------------|--------------|
| <b>Profit from Operations</b>                             | <b>623.2</b>   | <b>630.1</b>     | <b>(6.9)</b>     | <b>-1%</b>   |
| Finance lease amortization                                | 136.8          | 117.6            | 19.2             | 16%          |
| Depreciation and Amortization                             | 273.2          | 222.4            | 50.8             | 23%          |
| Working Capital and other adjustments                     | 283.2          | (340.8)          | 624.0            | -183%        |
| <b>Net cash flows from Operating Activities</b>           | <b>1,316.4</b> | <b>629.3</b>     | <b>687.1</b>     | <b>109%</b>  |
| <b>Net cash flows from Investing Activities</b>           | <b>(976.6)</b> | <b>(2,594.6)</b> | <b>1,618.0</b>   | <b>-62%</b>  |
| <b>Net cash flows from Financing Activities</b>           | <b>(455.4)</b> | <b>3,051.3</b>   | <b>(3,506.7)</b> | <b>-115%</b> |
| <b>Net Movement in Cash and Cash Equivalents</b>          | <b>(115.6)</b> | <b>1,086.0</b>   | <b>(1,201.6)</b> | <b>-111%</b> |
| Cash and Cash Equivalents at the start of the period      | 1,312.9        | 226.9            | 1,086.0          | 479%         |
| <b>Cash and Cash Equivalents at the end of the period</b> | <b>1,197.3</b> | <b>1,312.9</b>   | <b>(115.6)</b>   | <b>-9%</b>   |

# Debt Portfolio and Return Ratios

Investment grade status affirmed by both Fitch and Moody's



AED 653 million added in 2021 on account of consolidation of Al Wajeez



04

# Conclusion

# Environmental Impact

Tabreed has set its own targets to support energy consumption reduction and emission prevention, through innovative technology solutions and environmentally-friendly practices.

## Pioneered various innovations

- 

**Utilization of TSE<sup>1</sup> water**  
Pioneering the use of TSE by recycling sewage water which would otherwise be discharged into the environment
- 

**Consistent emission monitoring**  
Commissioned Intertek to carry out annual stack emissions monitoring
- 

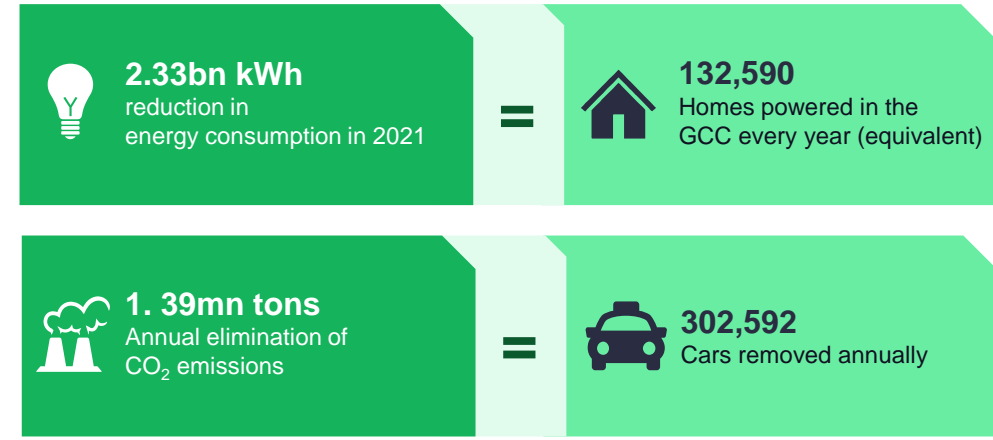
**Thermal Energy Storage**  
Enhances the ability to manage peaks in DC demand and ensures no additional production is needed during times of peak demand
- 

**Use of sea water to protect scarce resources**  
Utilizes sea water instead of potable water leading to substantial savings of potable water whilst simultaneously ensuring no harm to marine life
- 

**Management of hazardous waste**  
Engaged Environmental Services Providers for the management of hazardous materials from various plants operated by Tabreed and its affiliates
- 

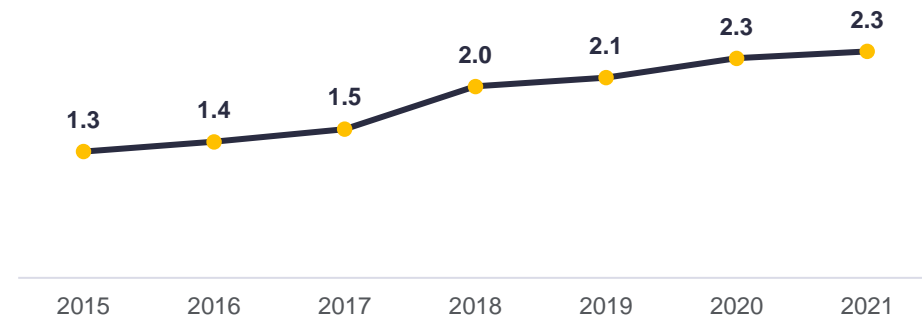
**Trade Effluent Discharge**  
Compliance with the framework of the regulation of trade effluent

## Demonstrated environmental impact (YTD 2021)



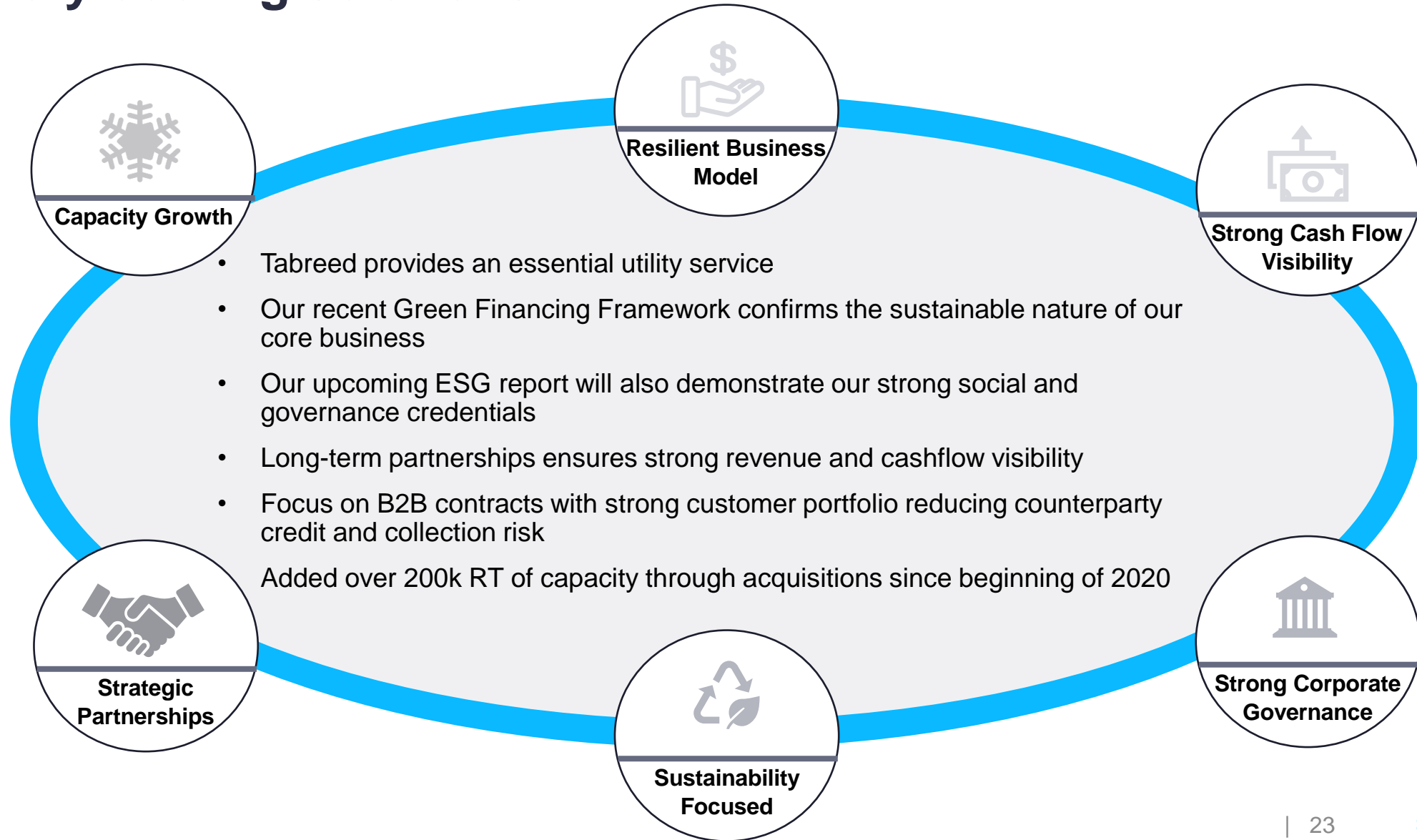
## Annual reduction in energy consumption

(In Billions of kWh)



Notes: (1) Refers to Treated Sewage Effluent ("TSE").

# Partner of choice across GCC for providing environmentally friendly cooling solutions



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