



National Central Cooling Company PJSC  
(DFM: TABREED)

Full Year 2022  
Earnings Presentation

15 February 2023



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# Agenda

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# Introduction and Business Highlights

# Tabreed Sustainable Investment Case

## Resilient Business Model



- A utility-like service considering the warm climate of the Middle East with operational track record of 25 years
- The pass-through clauses in most of Tabreed's contracts limit its exposure to fluctuations in the cost of utilities
- Long term revenue and EBITDA visibility makes our business robust and resilient, and in 2022 EBITDA increased by 19.2% to AED 1.23 billion with a margins of 56%

## Capacity Growth



- Since 2020, Increase of ~300k RT in connected capacity through greenfield and brownfield, excluding Qatar Cool divestment
- 120k RT of guided capacity over 2022 and 2023 on track to be achieved
- Continuously evaluating acquisition opportunities and remaining disciplined on valuation

## Sustainability Focused



- Green Financing Framework confirms the sustainable nature of our core business
- Upcoming ESG report 2023 will also demonstrate our strong social and governance credentials

## Strategic Partnerships



- Recently implemented Nemo, ENGIE's bespoke AI operations software, for Downtown DCP network
- Partnered with IFC, with a headquarter in Singapore, for expansions in India/Asia
- Entered Egyptian market with Marakez and Gascool for D5M Mall and with EHCS for Capital Med

## Cash Flow Visibility



- Operating Cashflow has grown approx. 20% annually since 2019
- Net debt to EBITDA reduced from 5.97x to 4.49x in 2022. Investment grade status affirmed by both Fitch (BBB) and Moody's (Baa3) with an upgrade from negative outlook to stable outlook
- Dividend payout ratio from 2019 to 2022 has been 60% on average

## Strong Corporate Governance



- Listed on the DFM with strong corporate governance driven by Mubadala and ENGIE board members
- All board members are independent, and the board is entirely non-executive

# 2022 Income Statement Highlights

## Financial Highlights: 2022 vs. 2021

Total Revenue	Chilled Water Revenue	Profit from Operations
AED 2,216m +13.4% ↑	AED 2,141m +13.8% ↑	AED 802m +28.7% ↑
EBITDA	EBITDA Cashflow Conversion*	Net Income
AED 1,232m +19.2% ↑	99.4% ↑	AED 600m +2.6% ↑

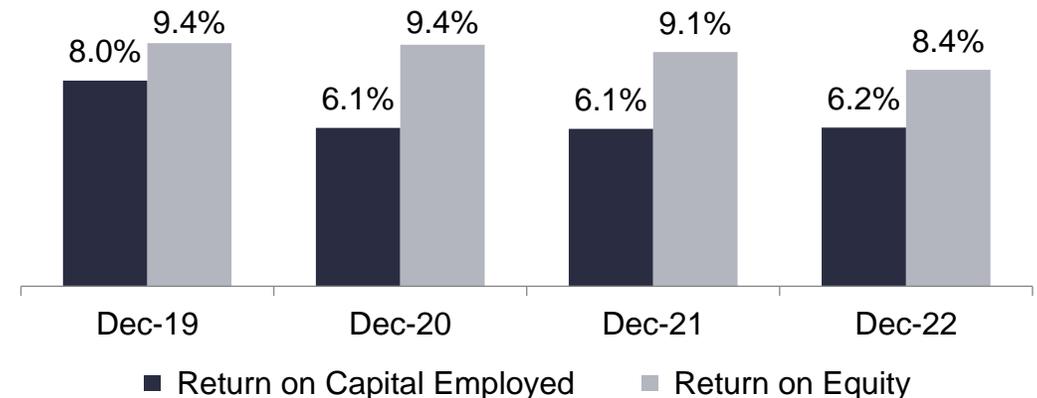
## Full Year Dividend: 2022 vs 2021

EPS	DPS 100% Cash	Dividend Payout
AED 21 Fils +2.6% ↑	AED 13.5 Fils +12.5% ↑	63.9%

## Performance Highlights and Other Developments

- EBITDA increased by **19.2%** to **AED 1.23 billion** with a margin of **56%**
- Starting 2022, Tabreed **Acquired Al Mouj DC** assets
- Entered into **New market of Egypt** and successfully signed 2 new projects including signing a concession of 30k RT for new smart Medical City in Greater Cairo
- Announced **Green Financing Framework**
- Increased Foreign Ownership Limit to **100%**

## Return on Capital Employed and Return on Equity



\* EBITDA to Net Cashflows from Operating Activities Pre-Working Capital

# Connected Capacity (kRT)

Consolidated	Dec 2021	Q1 2022	Q2 2022	Q3 2022	Dec 2022
UAE	1,025	1,033	1,038	1,053	1,060
Bahrain	33	34	34	34	34
Oman	33	51	51	52	52
<b>Total Consolidated</b>	<b>1,091</b>	<b>1,118</b>	<b>1,123</b>	<b>1,139</b>	<b>1,146</b>
<b>Equity Accounted</b>					
UAE	9	9	9	9	9
KSA	110	110	110	110	110
<b>Total Equity Accounted</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>119</b>	<b>119</b>
<b>Total</b>	<b>1,210</b>	<b>1,236</b>	<b>1,241</b>	<b>1,258</b>	<b>1,264</b>
<b>Capex (AED '000)</b>	<b>1,400,743</b>	<b>33,344</b>	<b>51,881</b>	<b>58,373</b>	<b>184,442</b>

# Capacity Growth Guidance

<b>2023/24 Two years guidance</b>	<b>kRT</b>
2023/24 Capacity Guidance	<b>120</b>

<b>2022/23 Two years guidance</b>	<b>kRT</b>
2022/23 Capacity Guidance	<b>120</b>
2022 Actual Capacity delivered	<b>55</b>

<b>2021/22 Two years guidance</b>	<b>kRT</b>
2021/22 Capacity Guidance	<b>120</b>
2021/22 Actual Capacity delivered	<b>95</b>

- New capacity guidance for 2023 and 2024 is 120k RT
- Of the guided capacity around 60% is expected to be contributed by consolidated entities and balance 40% by equity accounted entities

- 55k RT was added in 2022, which included 35.5k RT in UAE, 19k RT in Oman and balance 0.5kRT in Bahrain
- Actual capacity is 100% from the consolidating entity
- Confident of achieving our guidance of 2022 and 2023

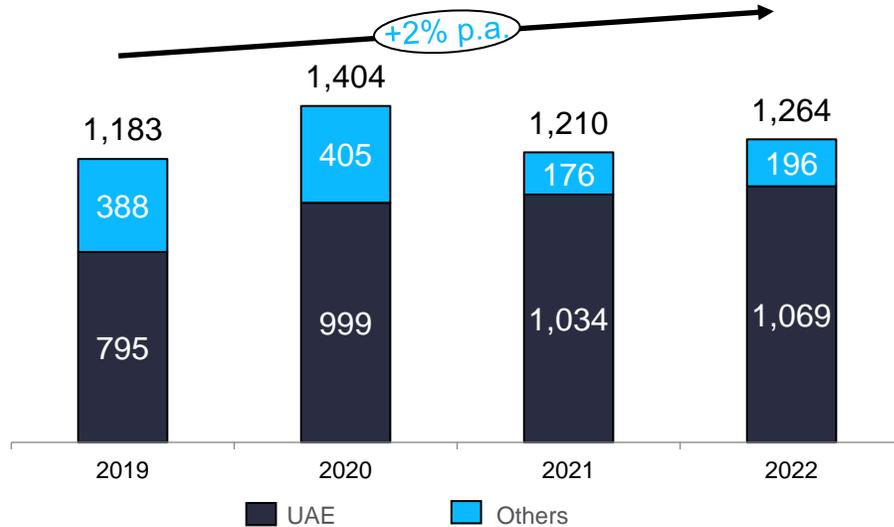
- 95k RT was added in 2021 and 2022, which included 74.5k RT in UAE, 19k RT in Oman and balance 1.5k RT in Bahrain
- Actual capacity is 100% from the consolidating entity

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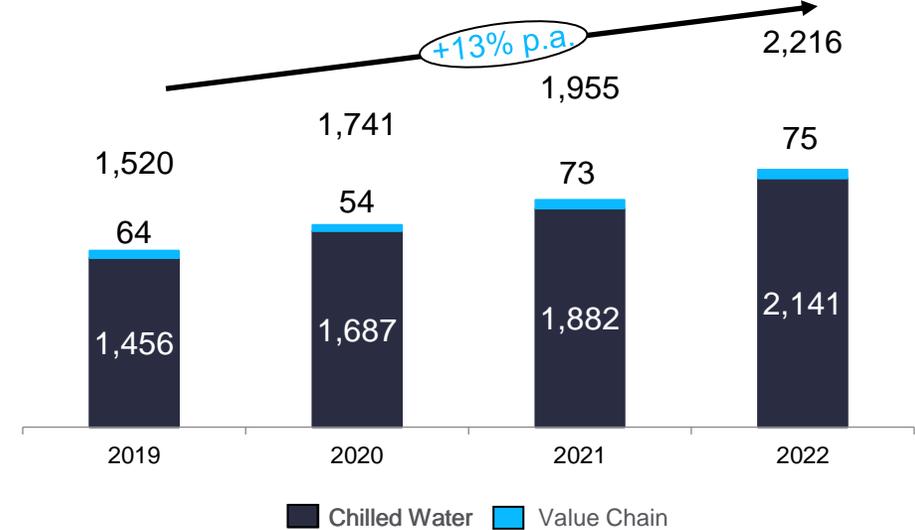
# Performance Highlights

# Performance Highlights (1/3)

## Group Connected Capacity (kRT)



## Group Revenue (AEDm)



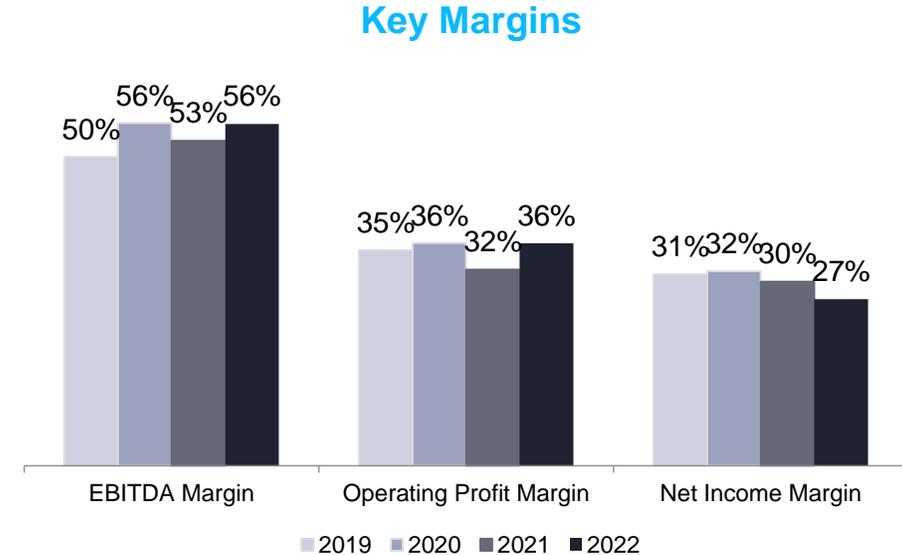
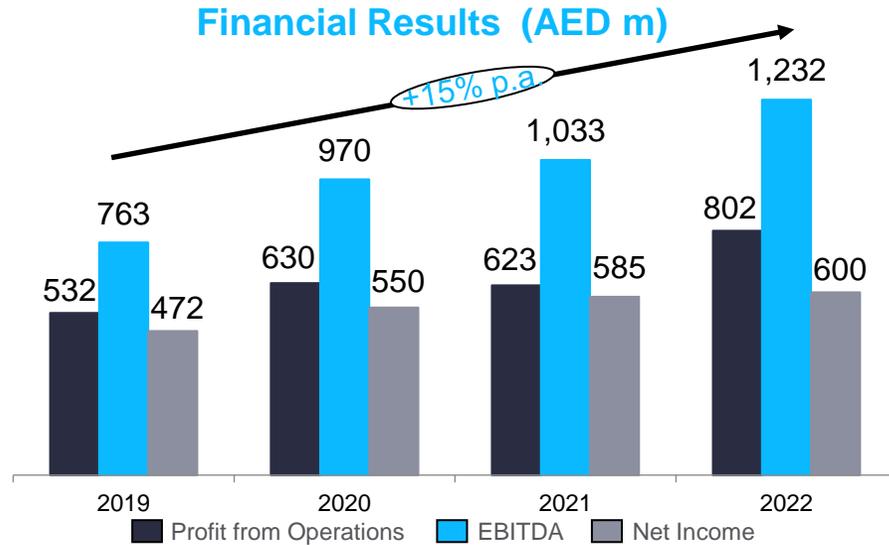
### Long-term Contracts With Credit Worthy Customers

- Providing over 1.3m RT of cooling across GCC – grown at 2% CAGR since 2019
- Long Term contracts (~25 years) means over 81% of contracted capacity locked in for at least the next 10 years
- About 64% of revenues from wholly government owned and partially government owned entities

### Revenue Growth From Existing And New Business

- Group Revenue growing at 13% CAGR since 2019 driven by Chilled Water revenue growth of 14%
- Utility business model leads to steady increases in revenue and profitability from existing customers
- In Q4 2021 we had step up acquisition acquiring balance 50% of capacity for Al Maryah Island DC concession and in early 2022 we acquired Al Mouj DC assets in Oman

# Performance Highlights (2/3)



## Financial Performance

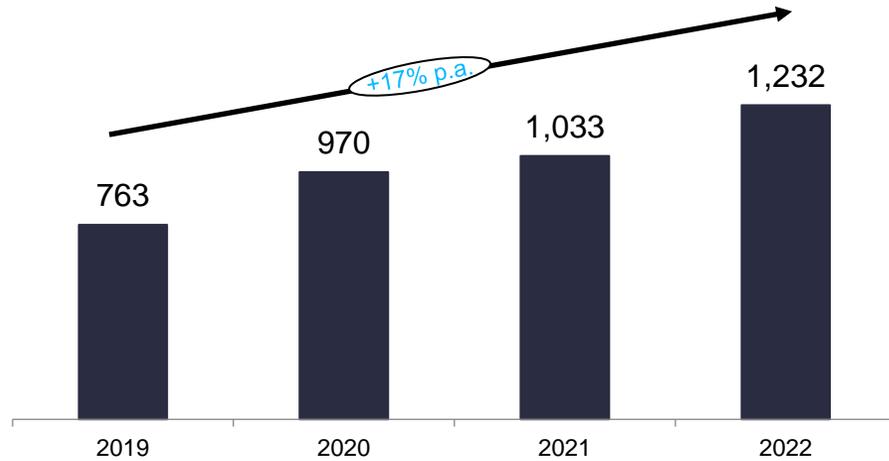
- Predictability in earnings driven by capacity charge
- Profit from Operations has grown 14.6% annually since 2019
- EBITDA has grown 17.3% annually since 2019
- Net Income has grown 8.3% annually since 2019

## Margin Sustainability

- 2019 – 2022 Average EBITDA Margin: 54%
- 2019 – 2022 Average Operating Margin: 35%
- 2019 – 2022 Average Net Income Margin: 30%

# Performance Highlights (3/3)

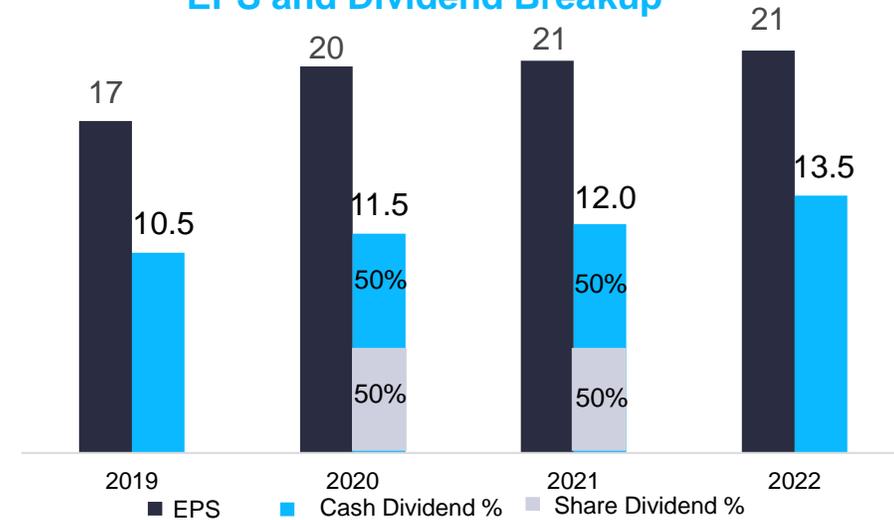
Operating Cashflow Pre Working Capital (AED m)



## Operating Cashflows Pre Working Capital

- Resilient business model generates sustainable cashflows
- Maintaining Investment Grade rating of listed debt
- Operating Cashflow pre working capital has grown more than 17% annually since 2019

EPS and Dividend Breakup



## Returns to Shareholders

- Dividend payout ratio from 2019 to 2022 has been 59.8% on average
- Earning per share has grown 8.3% annually since 2019
- Dividend of 13.5 fils is an increase 1.5fil from previous year, to be paid as 100% cash distribution

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# Financial Results

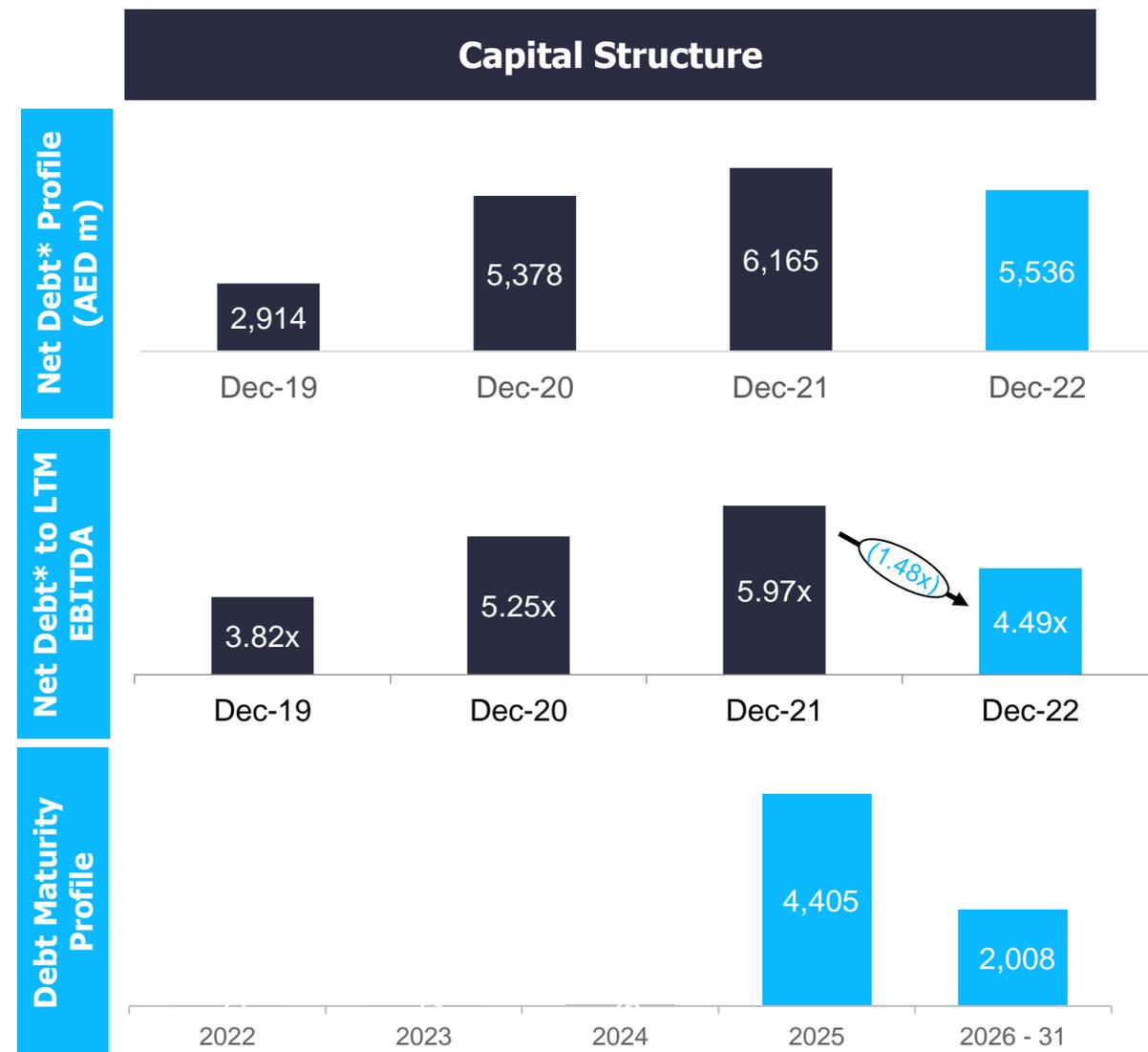
# Income Statement

Consolidated Financials (AED m)	FY 2022	FY 2021	Variance	%
Revenue	2,216.2	1,955.1	261.1	13%
<i>Chilled water revenue (97%)</i>	2,141.2	1,882.1	259.1	14%
<i>Value chain businesses (3%)</i>	75.0	73.0	2.0	3%
Operating cost	(1,177.9)	(1,084.3)	(93.7)	9%
<b>Gross Profit</b>	<b>1,038.2</b>	<b>870.8</b>	<b>167.4</b>	<b>19%</b>
<i>Gross profit margin</i>	47%	45%		
Administrative and other expenses	(236.3)	(247.6)	11.3	-5%
<b>Profit from Operations</b>	<b>801.9</b>	<b>623.2</b>	<b>178.7</b>	<b>29%</b>
<i>Operating profit margin</i>	36%	32%		
Net finance costs	(267.7)	(255.0)	(12.7)	5%
Share of results of associates and joint ventures	29.6	35.7	(6.1)	-17%
Other gains and losses	69.6	130.2	(60.6)	-47%
Income attributable to non-controlling interests	(33.2)	(25.6)	(7.6)	30%
Profit from discontinuing operations	0.0	76.7	(76.7)	-100%
<b>Net Income</b>	<b>600.2</b>	<b>585.2</b>	<b>15.0</b>	<b>3%</b>
<i>Net Income margin</i>	27%	30%		
<b>Other Comprehensive Income</b>	<b>296.0</b>	<b>152.2</b>	<b>143.7</b>	<b>94%</b>
<b>EBITDA</b>	<b>1,231.9</b>	<b>1,033.2</b>	<b>198.7</b>	<b>19%</b>
<i>EBITDA margin</i>	56%	53%		

# 2022 Balance Sheet

Consolidated (AED m)	31 Dec 2022	31 Dec 2021
Fixed Assets and Intangibles	<b>12,251.8</b>	12,521.5
Associates and Joint Ventures	<b>457.3</b>	372.8
Receivables & Other Current Assets	<b>704.7</b>	741.8
Derivative – MTM	<b>263.8</b>	(16.2)
Cash and Short-Term Deposits	<b>1,773.3</b>	1,197.3
<b>Total Assets</b>	<b>15,450.9</b>	<b>14,817.1</b>
Equity and Reserves	<b>7,154.1</b>	6,446.4
Debt	<b>7,309.0</b>	7,361.8
Other Liabilities	<b>987.9</b>	1,008.9
<b>Total Liabilities and Equity</b>	<b>15,450.9</b>	<b>14,817.1</b>

\* Debt includes Finance Leases liability recognized as per IFRS 16 on ROU Assets (AED 217M as at 31 December 2022)

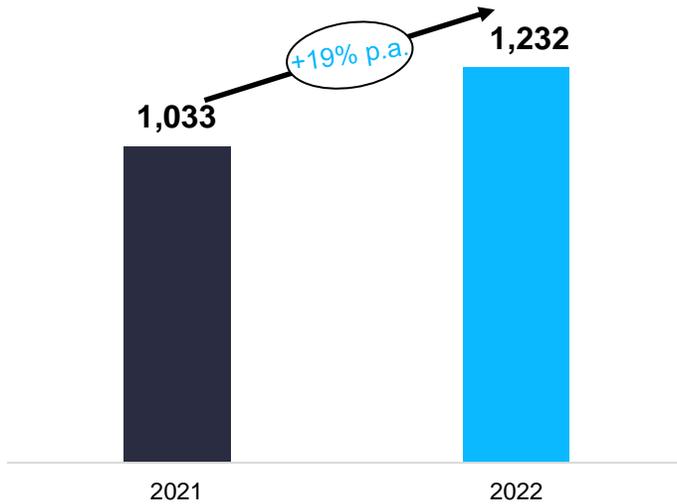


# Cash Flow Statement

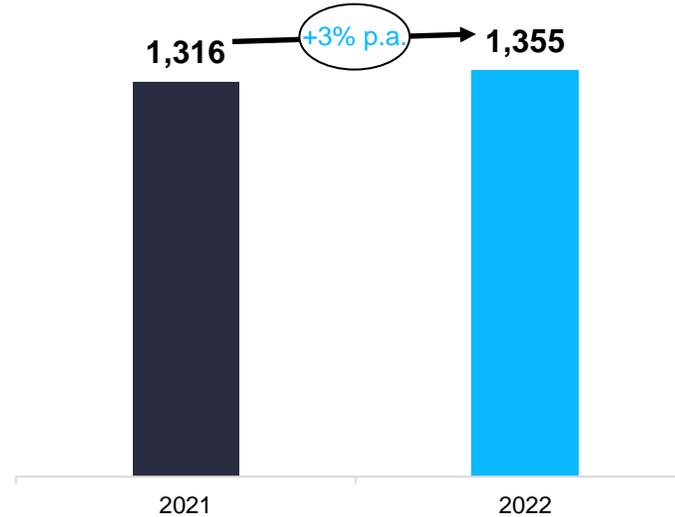
Consolidated Financials (AED m)	FY 2022	FY 2021	Variance	%
<b>Profit from Operations</b>	<b>801.9</b>	<b>623.2</b>	<b>178.7</b>	<b>29%</b>
Finance lease amortization	110.1	136.8	(26.7)	-20%
Depreciation and Amortization	319.9	273.2	46.7	17%
Working Capital and other adjustments	123.2	283.2	(160.0)	-56%
<b>Net cash flows from Operating Activities</b>	<b>1,355.1</b>	<b>1,316.4</b>	<b>38.7</b>	<b>3%</b>
<b>Net cash flows from Investing Activities</b>	<b>(214.5)</b>	<b>(976.6)</b>	<b>762.1</b>	<b>-78%</b>
<b>Net cash flows from Financing Activities</b>	<b>(564.5)</b>	<b>(455.4)</b>	<b>(109.1)</b>	<b>24%</b>
<b>Net Movement in Cash and Cash Equivalents</b>	<b>576.0</b>	<b>(115.6)</b>	<b>691.6</b>	<b>-598%</b>
Cash and Cash Equivalents at the start of the period	1,197.3	1,312.9	(115.6)	-9%
<b>Cash and Cash Equivalents at the end of the period</b>	<b>1,773.3</b>	<b>1,197.3</b>	<b>576.0</b>	<b>48%</b>

# 2022 Cashflow Highlights

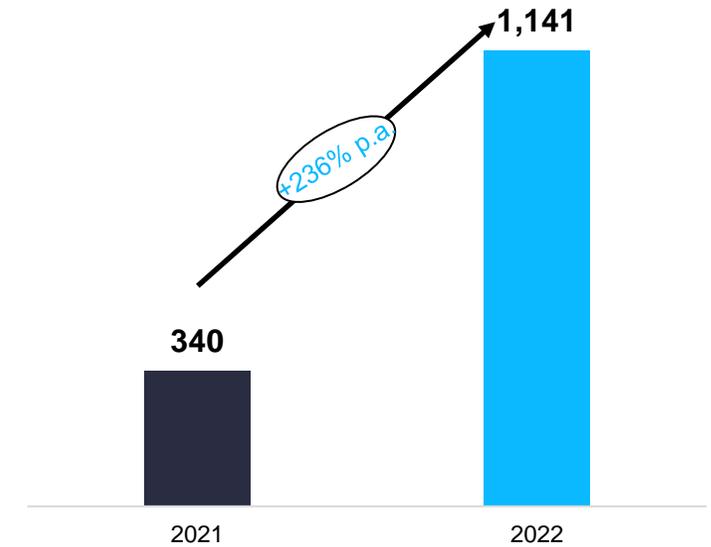
**Net Cashflows  
from Operating Activities  
Pre-Working Capital (EBITDA) (AED m)**



**Net Cashflows  
from Operating Activities (AED m)**



**Net Cashflows  
from Operating Activities  
Post-Investing Activities (AED mn)**



- Net Operating cashflow i.e., EBITDA is at AED 1.23 billion an increase of approx. 20% compared to 2021
- Cash flow from operations higher than last year due to settlement with the customers with long term due
- In 2022 we had a total net investment of AED 214 million compared to 2021 which were higher subsequent to two major acquisitions Saadiyat in Q2-2021 and AlWajeez in Q4-2021

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# Conclusion

# Board of Directors

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



**Khaled Abdulla Al Qubaisi**  
Chairman

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

**Other Board Positions**

Mr. Al Qubaisi sits on the boards of Abu Dhabi Global Market (ADGM), Abu Dhabi Future Energy Company (Masdar), Connect Infrastructure Topco Limited (CityFibre), Emirates Integrated Telecommunications Company (du), and Insurance House. Mr. Al Qubaisi is also the Chairman of the National Central Cooling Company (Tabreed), Chairman of Finance House and Director of Abu Dhabi Motor Sports Management



**Paulo Almirante**  
Vice 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.



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

Minister of Education

Board Member, Before his present position, he was Minister of State for Entrepreneurship and SMEs under the new UAE Government structure approved in July 2020



**Musabbeh Al Kaabi**

Executive Director- Low Carbon Solutions & International Growth at ADNOC Group

Mr. Kaabi is also a board member of EGA and Chairman of Mubadala Petroleum, and Yahsat



**Pierre Cheyron**

Managing Director Africa, Middle East and Asia @ ENGIE Energy Solutions

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



**Dr. Bakheet Al Katheeri**

Executive Director – UAE Industries, UAE Investments Platform

Board Member of Cepsa, Oil Search, Mubadala Petroleum, and Emirates Global Aluminum



**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)



**Saeed Ali Khalfan Al Dhaheri**

Director of Investments at Ali & Sons Holding LLC

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



**Claire Béchaux**

Chief Operating Officer for the Global Business Unit, Energy Solutions at ENGIE

# 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.



**Sean Magee**  
Acting Chief Legal Counsel

Sean joined Tabreed in 2020 and is responsible for overseeing all legal matters for the business, including development and investment projects and a wide range of operational and corporate governance matters

Prior to joining Tabreed, Senior Legal Counsel at twofour54, the commercial arm of the Media Zone in Abu Dhabi. He has also worked with a number of international law firms namely Clyde & Co (UAE), Paul Hastings (UK), and Eversheds (UK).

Sean holds a Bachelor of Laws (LLB), Law with Politics from Queen's University Belfast and is admitted as a Solicitor in England and Wales.



**Dr. Yousif Al Hammadi**  
Chief Asset Management Officer

Dr. Yousif Al Hammadi is the Chief Asset Management Officer at Tabreed following his appointment in December 2022, leading the company's Asset Management operations across its portfolio.

Dr. Yousif joined Tabreed in 2014, bringing with him more than 13 years of diversified experience in the Ministry, Oil and Gas and Construction sectors.

Prior to joining Tabreed, Dr. Yousif was Vice President of Mubadala's Construction Management Unit, where he contributed to delivering key projects in Abu Dhabi, including Zayed University, Paris Sorbonne University, Rosewood Hotel and New York University.



**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).

# 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

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

## Demonstrated environmental impact 2022



**2.31bn kWh**

reduction in energy consumption in 2022



**131,418**

Homes powered in the GCC every year (equivalent)



**1.38mn tons**

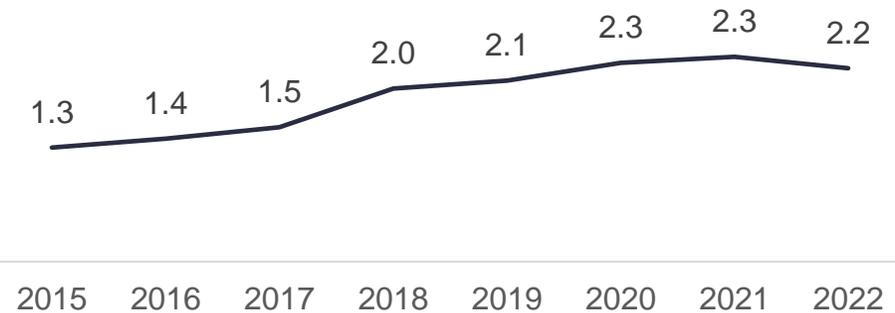
Annual prevention of CO<sub>2</sub> emissions



**299,919**

Cars removed annually

## Annual reduction in energy consumption (In Billions of kWh)



# Tabreed at a Glance

One of the world's largest district cooling companies with strong regional presence

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Countries: UAE, Saudi Arabia, Oman and Bahrain  
Further expansion in new geographies (India and Egypt)

86

Operating plants

1.26m RT

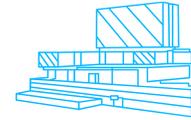
Cooling delivered to clients

Equivalent to cooling

124

towers the size of Burj Khalifa

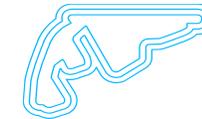
Exclusive provider of District Cooling services to several iconic projects



Cleveland Clinic Abu Dhabi



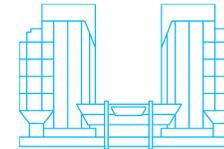
Sheikh Zayed Grand Mosque



Yas Marina Circuit



Rosewood Abu Dhabi



Abu Dhabi Global Market Square



Yas Mall



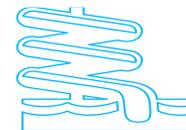
Ferrari World



Dubai Metro



Dubai Parks and Resorts



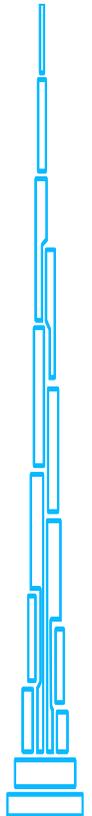
Yas Waterworld



Le Louvre Abu Dhabi



Etihad Towers



Burj Khalifa

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