



National Central Cooling Company

Q1 2024 Earnings Presentation

15 May 2024

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Agenda

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01

Key Highlights

Adel Al Wahedi, Chief Financial Officer



Q1 2024 Key Highlights



Strong financial management and profit generation capability



- ▶ Revenue and EBITDA continued to climb with a healthy rate
- ▶ EBITDA margin witnessed an upturn to 58.1% in Q1 2024
- ▶ Net Profit before tax and one-off gains/losses up 4% YoY following 32% YoY savings in net finance cost
- ▶ Robust cash flow generation and sound financial practices evident in reduced net debt to EBITDA of 3.97x

Strategic expansion in the UAE and Internationally



- ▶ 9% YoY increase in consumption volumes
- ▶ 1,700 RT of new customer connections, mostly in the UAE
- ▶ Total connected capacity reached 1.305 million RT, largely driven by organic growth
- ▶ Continuing to pursue new projects in the UAE and Internationally to secure future growth

Sustainability remains at the core of Tabreed's strategy

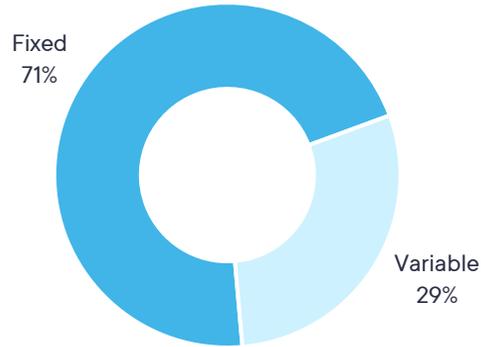


- ▶ Successfully completed Phase III of 'Tasheel' initiative, aiming to retrofit our chillers with Variable Frequency Drives
- ▶ 340 million kWh of energy consumption reduced, and 204 thousand tons of CO₂ avoided in Q1 2024 through Tabreed's energy efficient and sustainable cooling services

Q1 2024 consumption volumes and capacity update



Q1 2024 Chilled Water Revenue



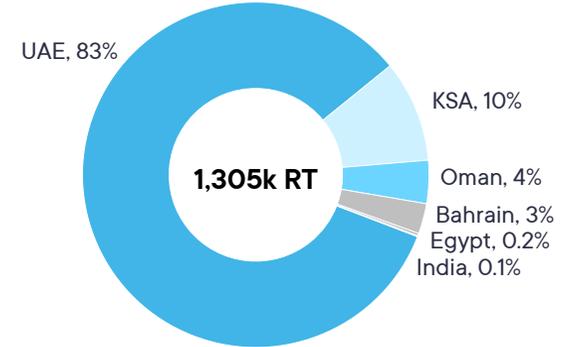
Q1 2024 Consumption Volumes

0.3 billion RTH

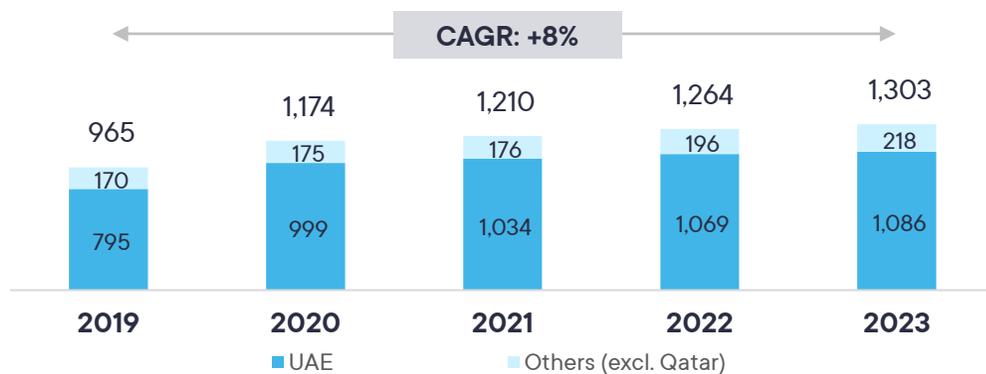
+9% YoY



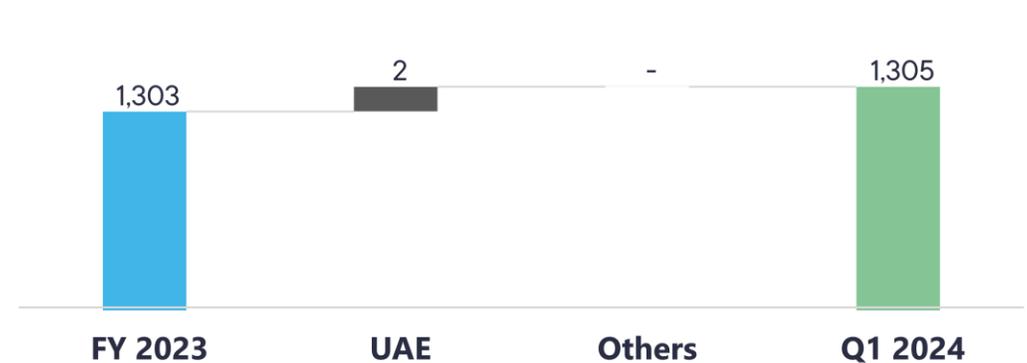
Capacity by Country



Historical Capacity Addition (k RT)



Q1 2024 Capacity Addition (k RT)



02

Sustainability Overview

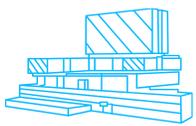
Adel Al Wahedi, Chief Financial Officer



Sustainable, efficient and cost-effective cooling services



Exclusive provider of District Cooling services to several iconic projects



Cleveland Clinic
Abu Dhabi



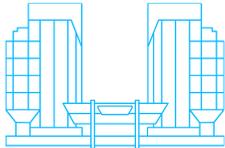
Sheikh Zayed Grand
Mosque



Yas Marina
Circuit



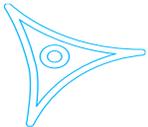
Rosewood Abu
Dhabi



Abu Dhabi Global
Market Square



Yas Mall



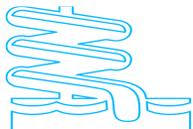
Ferrari
World



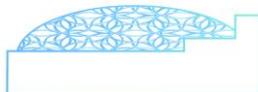
Dubai
Metro



Dubai Parks
and Resorts



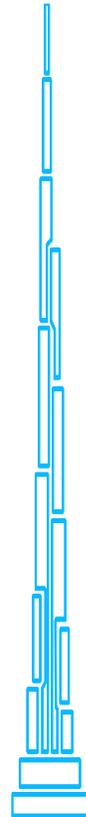
Yas
Waterworld



Le Louvre
Abu Dhabi



Etihad
Towers



Burj Khalifa

Sustainable district cooling solutions enabling significant energy savings and prevention of green house gas emissions



2.54 billion kWh
reduction in energy
consumption through
Tabreed's DC services



Enough energy to power
~145,000 homes in GCC
every year



1.52 million tons
prevention of CO₂
emissions



The equivalent of removing
~330,000 cars from our
streets every year

Annual savings in energy consumption (In Billions of kWh)



Decarbonizing our operations for a cool future



Our sustainability efforts reflect the company's commitment to energy efficiency, protecting the environment, and to the sustainable socio-economic development of the region



Net Zero by 2050

Demand Management

Optimizing the amount of energy required to produce the same amount of cooling, through operational excellence with data-driven approach and AI forecasting in addition to technological upgrades

Renewable Energy

Running our operations with clean energy sources, such as solar energy and application of geothermal energy in cooling

Some of the initiatives to enable sustainable use of energy and achieve positive environmental impact



Variable Frequency Drives (VFDs) Retrofit

Extensive retrofit of VFDs to increase energy efficiency - completed phase 3 of Tasheel programme



Nanofluid Pilot Study

Concluded the world's first pilot project of its kind, demonstrating results with significant gains in energy efficiency



Renewable Energy

Completed new Geothermal plant and investing in solar energy at key UAE locations

Responsible business practices for a positive environmental impact



Our sustainability efforts reflect the company's commitment to water and waste management to reduce consumption of potable water and other natural resources whilst simultaneously ensuring no harm to marine life



Water conservation and environmental sustainability

Demand Management and Technology

Investing in upgrading and maintaining infrastructure and systems that increase water efficiency, reduce freshwater and resource consumption

Waste Management

Engaging environmental services providers for the management of hazardous materials and compliance with the framework of the regulation of trade effluent

Some of the initiatives to enable sustainable use of water and reduce waste



Utilization of TSE¹

Pioneering the use of TSE by recycling sewage water which would otherwise be discharged into the environment



Use of Sea Water

Utilizing sea water where possible, leading to substantial reductions in water consumption while ensuring no harm to marine ecosystems



Management of Waste

Promoting reduce, reuse & recycle approach and active management of hazardous materials from various plants

1) Refers to Treated Sewage Effluent ("TSE")

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Q1 2024 Financial Results

Salik Malik, Vice President - Finance



Financial Summary



Income Statement



	Q1 2024	Q1 2023	YoY (%)
Revenue	468	464	1%
Gross Profit	238	240	0%
EBITDA	272	268	2%
Operating Profit	162	172	(6)%
Normalized Net Profit Before Tax	122	117	4%
Normalized Net Profit	112	117	(5)%

Balance Sheet



	Q1 2024	FY 2023	YoY (%)
Non-current Assets	12,193	12,210	(0)%
Current Assets	2,675	2,604	3%
Total Assets	14,868	14,814	0%
Total Equity	6,591	6,943	(5)%
Total Liabilities	8,277	7,870	5%
Total Equity & Liabilities	14,868	14,814	0%

Cash Flows

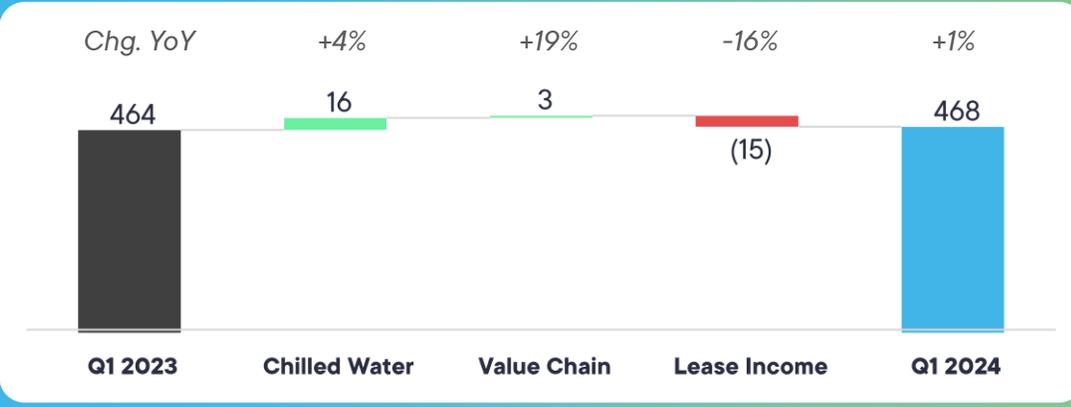


	Q1 2024	Q1 2023	YoY (%)
Cash flows from Oper.	274	268	2%
Changes in Working Cap.	(30)	54	NA
Net Oper. Cash Flows	244	323	(25)%
Net Inv. Cash Flows	(57)	(17)	NA
Net Fin. Cash Flows	(64)	(690)	(91)%
Inc. / Dec. in cash	123	(384)	NA

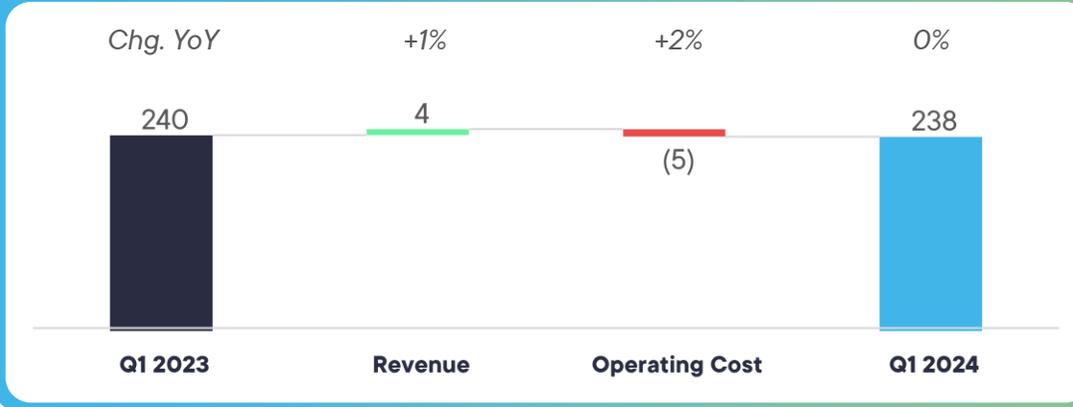
Income Statement Highlights



Q1 2024 Revenue Movement (YoY)



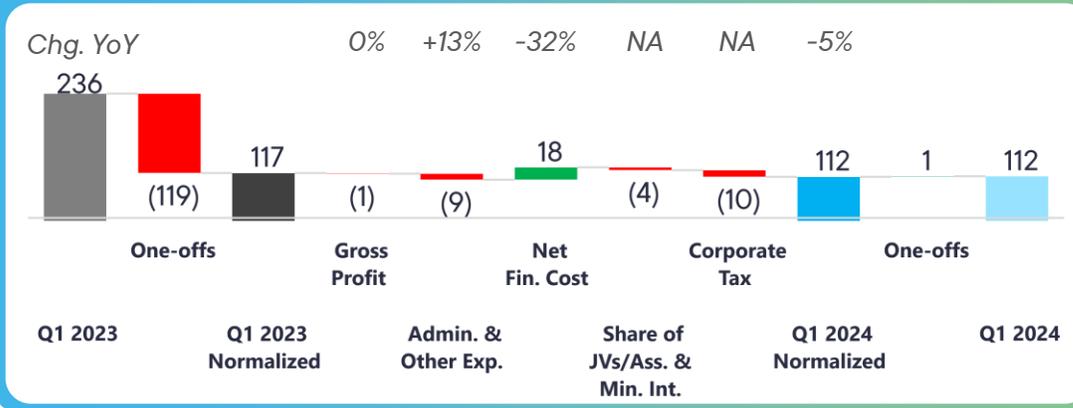
Q1 2024 Gross Profit Movement (YoY)



Q1 2024 EBITDA Movement (YoY)



Q1 2024 Net Profit Movement (YoY)



All figures in AED millions (unless stated explicitly) rounded to nearest whole number

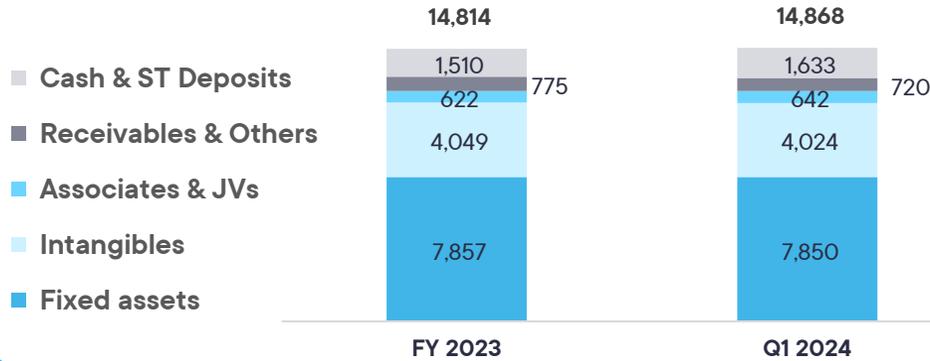
Balance Sheet Highlights



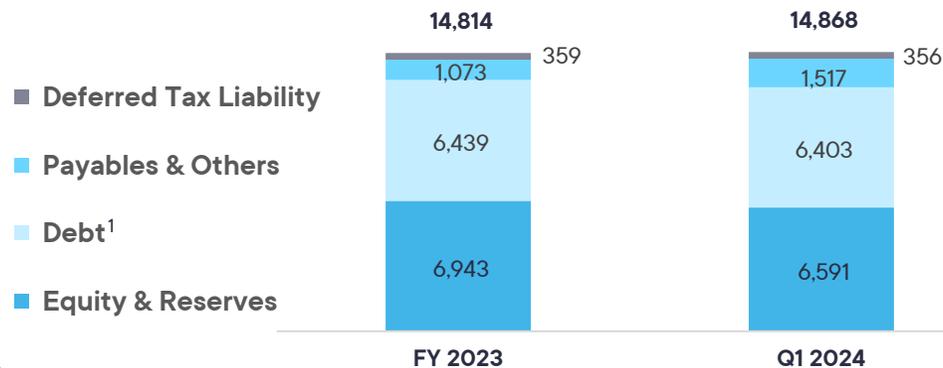
Balance Sheet Breakdown



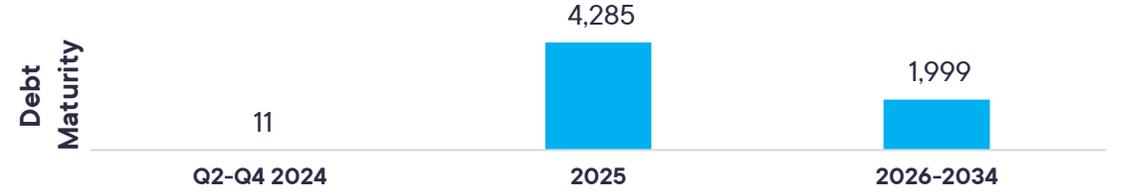
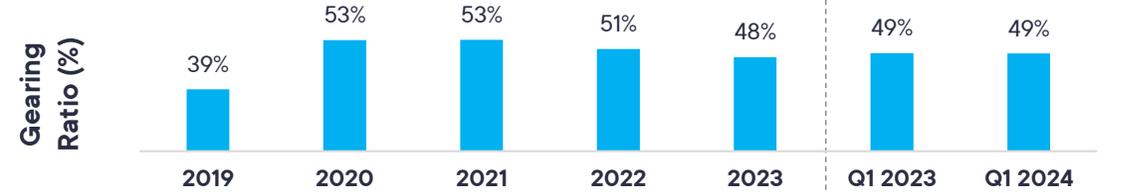
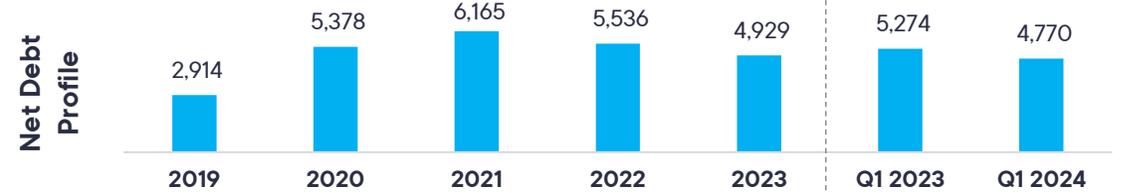
Total Assets



Total Equity & Liabilities



Capital Structure



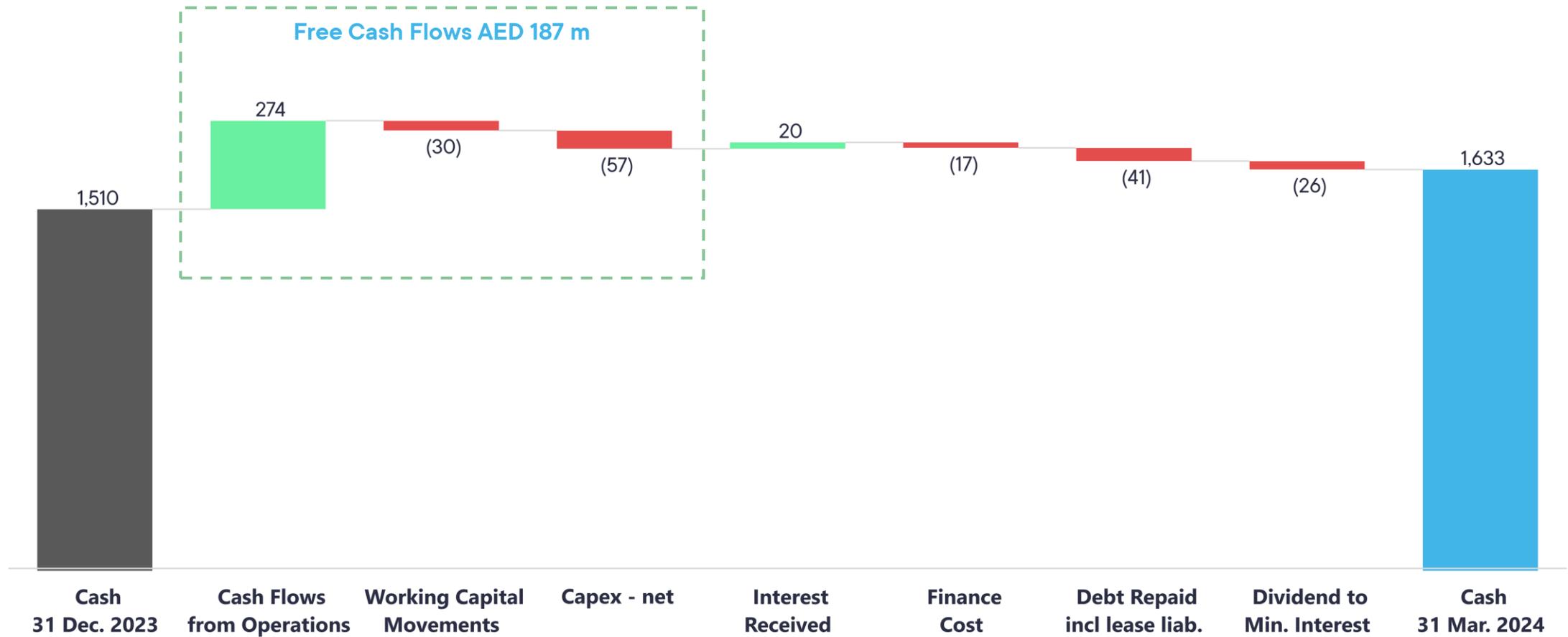
All figures in AED millions (unless stated explicitly) rounded to nearest whole number

1) Debt includes finance lease liability

Highly cash generative business supports growth, deleveraging & dividends



Cash Movement



All figures in AED millions (unless stated explicitly) rounded to nearest whole number

04

Outlook & Concluding Remarks

Adel Al Wahedi, Chief Financial Officer



Capacity Growth Guidance

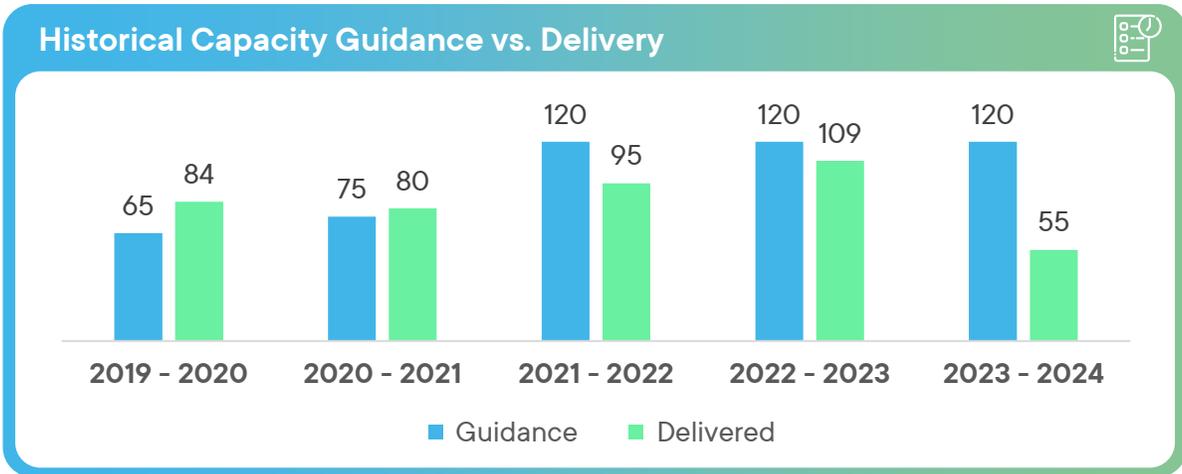


2022-2023 Two years guidance update	kRT
2022 - 2023 Capacity Guidance	120
2022 - 2023 Actual Capacity Delivered	109

- 55k RT and 53k RT was added in 2022 and 2023 resp. - 67k RT in UAE, 20k RT in Oman, 14k RT in Saudi, 3.5kRT in Bahrain, 3k RT in Egypt and 1k RT in India.
- 87% of the capacity added in 2022 and 2023 came from the consolidated entities vs. guidance of 70%.
- Marginal shortfall mainly due to equity accounted entities.

2023-2024 Two years guidance update	kRT
2023 - 2024 Capacity Guidance	120
2023 - Q1 2024 Actual Capacity Delivered	55

- Capacity guidance for 2023 and 2024 is 120k RT, of which around 60% is expected from consolidated entities and balance 40% from equity accounted entities.
- 55k RT was added in 2023 and as of Q1 2024, which included 33k RT in UAE, 14k RT in Saudi, 3k RT in Bahrain, 3k RT in Egypt, 1k RT in Oman and India each



Capacity Guidance

120 k RT

2023 - 2024

Medium-term Guidance¹

3-5 % p.a.

2024 - 2026

1) Based on high visibility of projects already secured or in advanced stage of discussion with the customers, materialization of additional pipeline offers upside risk

Rising demand for space cooling reinforces strong growth outlook



1



Space Cooling Demand

Space Cooling accounts for ~50% of peak electricity consumption

Energy demand from space cooling to rise by ~3x by 2050

2



District Cooling Efficiency

District cooling offers remarkable efficiency

District cooling uses 50% less energy, is highly reliable and cost effective over a life cycle

3



Energy Resilience, Decarbonisation

Government policies to increasingly promote district cooling to support ambitious energy efficiency and 'Net Zero by 2050' targets

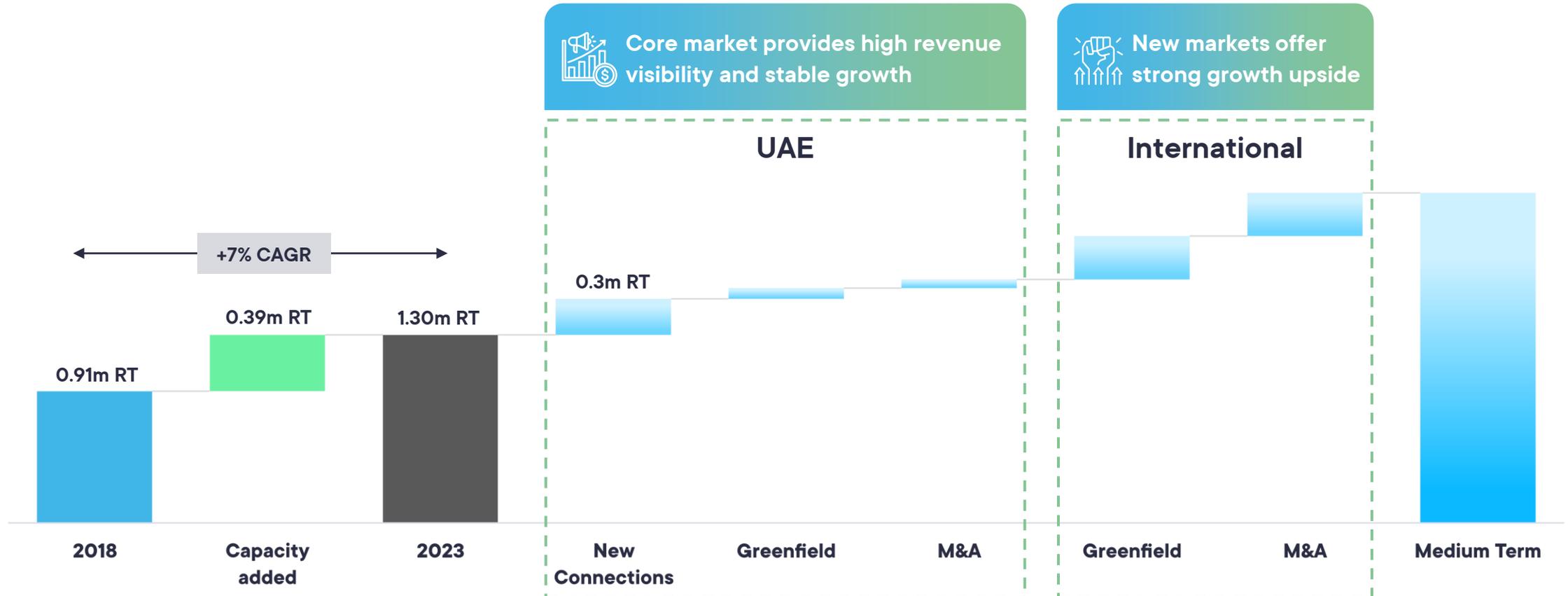
4



Rising District Cooling Adoption

Tabreed's key markets expected to see acceleration in GDP growth and increase in penetration of district cooling

Leveraging on expansion opportunities to sustain long-term growth



Largely driven by expansion in existing concessions areas plus new customers, green field plants and M&A

New plants, concessions & brownfield acquisitions in underpenetrated markets such as Saudi, India and wider MENA/Asia region

Tabreed's Investment Proposition



- Resilient utility-like infrastructure model with robust tariff structure implemented across countries
- Long-term contracts with creditworthy customers underpin stability and high visibility of cashflows
- Solid track record of delivering growth with connected capacity increasing by more than 40% in the last five years
- Diversified presence in attractive markets poised to witness rising district cooling penetration, thereby sustaining growth momentum
- Leveraging partnership model to grow business and achieve operational excellence
- 25 years of operational track record to provide safe, reliable and efficient cooling
- Sustainable district cooling services enabling significant energy savings and prevention of carbon emissions

Q&A



Appendix

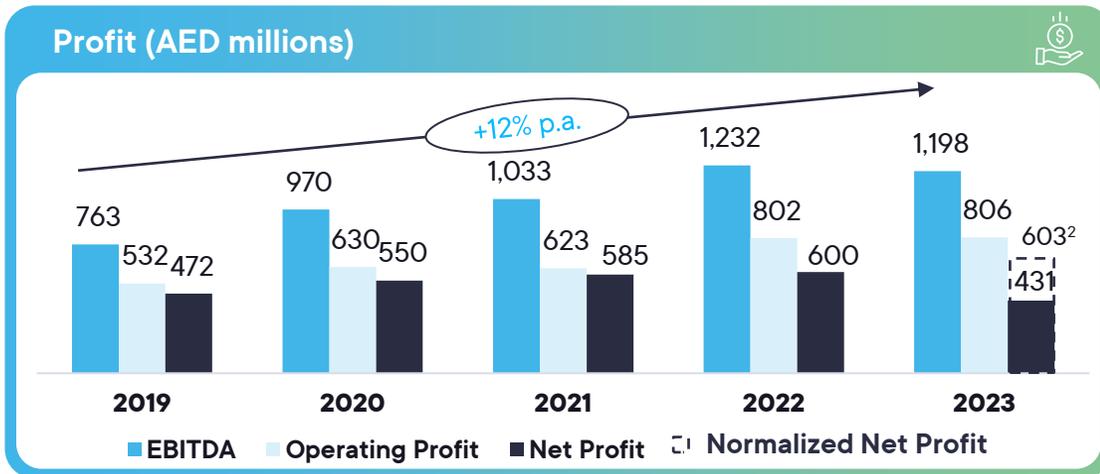
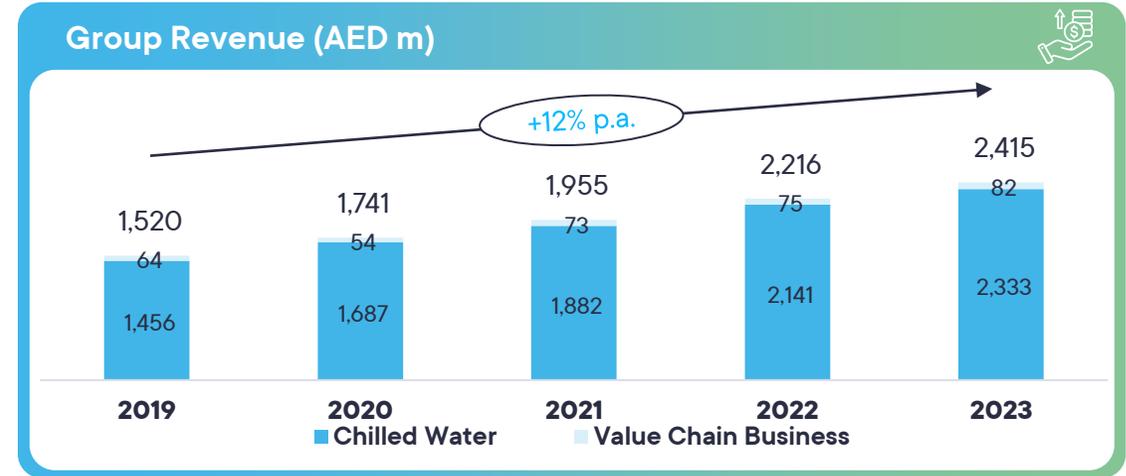
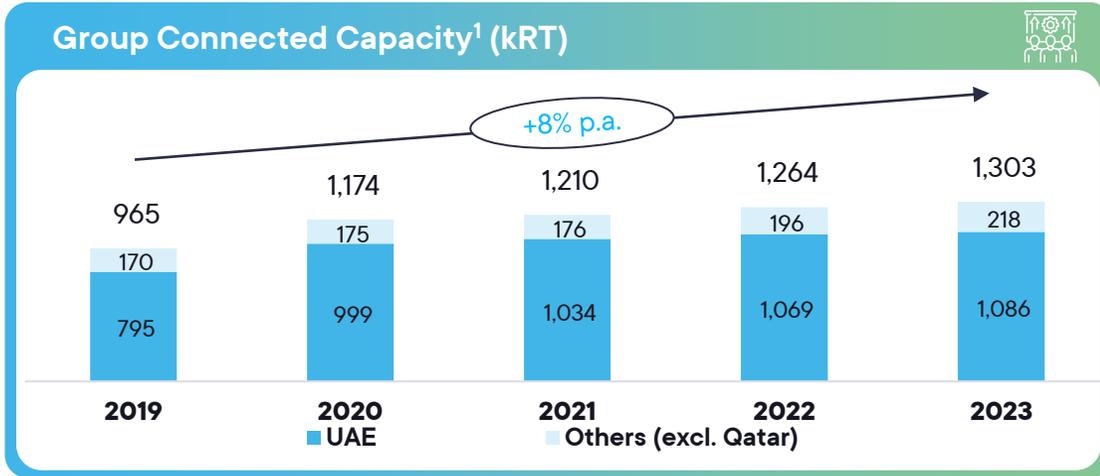
Connected Capacity



Consolidated	2019	2020	2021	2022	2023	Q1 2024
UAE	724	928	1,025	1,060	1,053 ¹	1,054
Bahrain	28	32	33	34	37	37
Oman	32	32	33	52	53	53
India	-	-	-	-	1	1
Egypt	-	-	-	-	3	3
Total Consolidated	1,123	992	1,091	1,146	1,146	1,148
Equity Accounted						
UAE	71	71	9	9	33 ²	33
KSA	110	110	110	110	124	124
Total Equity Accounted	181	181	119	119	157	157
Total Capacity (k RT)	965	1,174	1,210	1,264	1,303	1,305

1) Reduced due to deconsolidation of Tabreed Parks Investment on 50% stake sale and subsequently recognized in equity accounted; (2) Increased due to movement of Tabreed Parks Investment from consolidated to equity accounted

Proven track record of growth with sustainable earnings and resilient margins



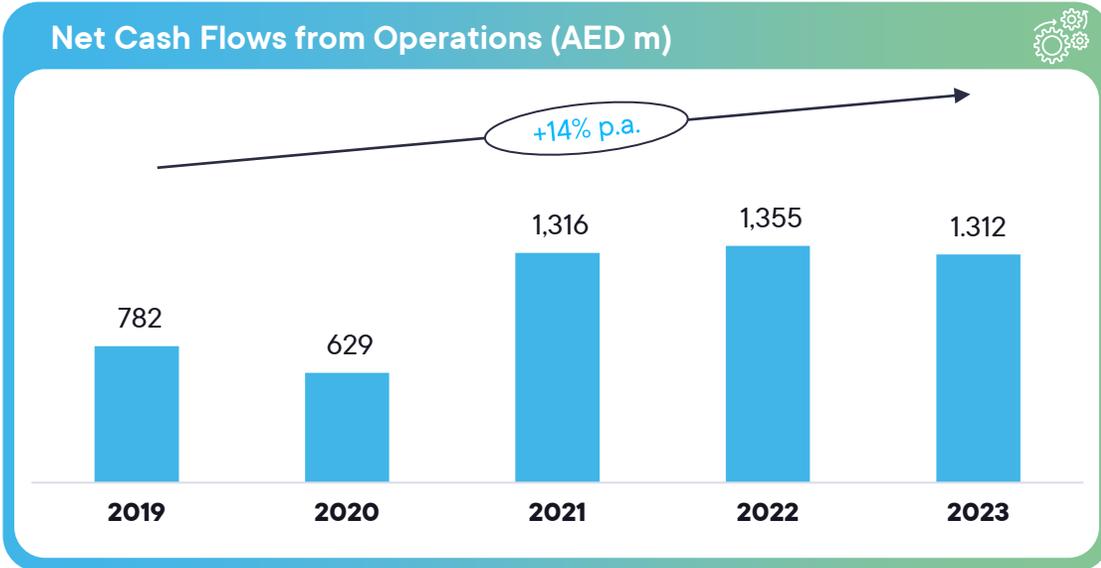
1) Excluding Qatar Cool divestment 2) Normalized for one-off gains and losses

Robust cash flows underpin ability to deliver attractive shareholder returns



Consistently growing cash flows and sufficient balance sheet capacity provide a strong foundation to maintaining financial strength, expanding our operations and delivering attractive long-term returns for shareholders through combination of growth and sustainable dividend policy.

Maintained Investment Grade credit rating, underscoring strong creditworthiness. Return on Capital Employed improved to 7.8% in 2023 reflecting ability to generate sustainable EBITDA and cash flows.



1) RoE on normalised net profit



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