



National Central Cooling Company PJSC

27 Oct 2016

2016 Q3 Results Presentation

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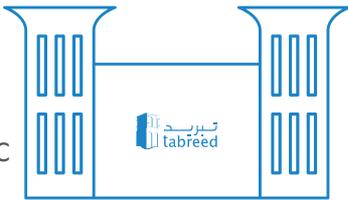
Agenda

- 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

70
plants in the GCC



1m RT
delivered to clients



Equivalent to cooling
100 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 in 2015



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



650,000 tons eliminated
of CO₂ emissions



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

Iconic projects



Cleveland Clinic
Abu Dhabi



Yas Mall



Dubai
Metro



Sheikh Zayed Grand
Mosque



The Pearl
Qatar

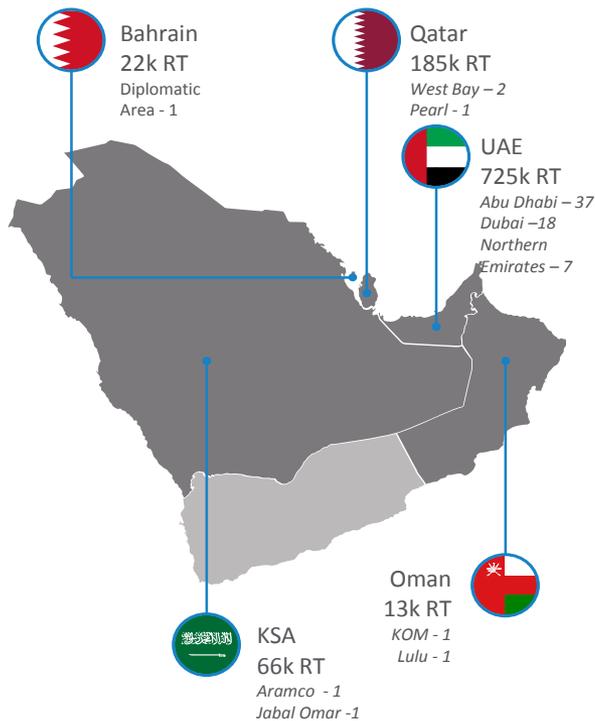


Jabal Omar Project
The Holy City of Mecca

The only listed DC Company in GCC operating across the region

5 Countries | 70 Plants | 1,011 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



Capacity (kRT)	UAE	Qatar	KSA	Bahrain	Oman	Total
Consolidated	636	-	-	22	13	671
Equity Accounted	89	185	66	-	-	340
TOTAL	725	185	66	22	13	1,011

National Central Cooling Company and its UAE investments

- 53 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
- 725 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 Holding and others
- Owns and operates first significant DC plant in KSA - Saudi Aramco (33 kRT)
- Also owns and operates a DC plant in the Holy City of Mecca (33 kRT) for Jabal Omar Development Co.
- Operates the DC plant servicing the landmark KAFD development (50 kRT)

Landmark Projects: Saudi Aramco, Jabal Omar Development

Bahrain District Cooling Company (Tabreed 90%)

- 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%)

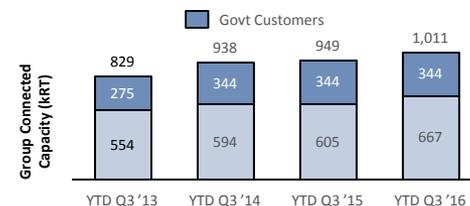
- A partnership between Tabreed and prominent Omani shareholders
- Owns and operates 2 plants serving Knowledge Oasis Muscat, Military Technical College and Lulu (13 kRT)

Landmark Projects: Knowledge Oasis Muscat and Lulu Mall

Headline Performance

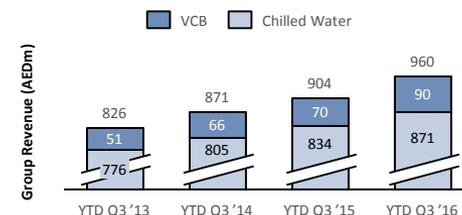
Long-term contracts with credit worthy customers

- Providing over 1m RT of cooling across GCC—growing 7% annually since 2012
- Long term price certain contracts (~25 years) ensuring stability in earnings
- 47% of UAE capacity contracted to Government clients
- Contracts recently extended with key clients such as UAE Armed Forces and Aldar



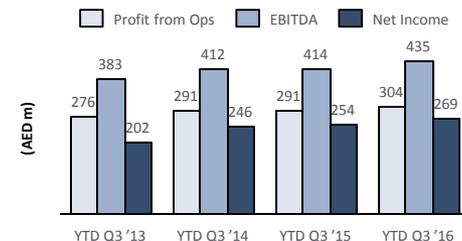
Revenue growth from continued focus on core business

- Focus on core chilled water business, makes up 90% of YTD revenue
- Total Group Revenue up 6% to AED 960m (2015: AED 904m)
- Chilled water revenue up 4% due to Dubai Parks connection and CPI pass through on capacity
- Utility business model leads to steady increases in revenue and profitability from existing customers



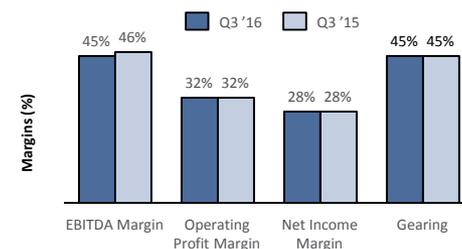
Strong operating performance and financial position

- 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 stable and predictable chilled water business
- YTD Q3 EBITDA up 5% and Net Income up 6% despite additional gearing and related finance costs



Value to shareholders

- Dubai Parks plant delivered in 2016 from development pipeline of 100kRT of contracted projects
- YTD EPS of 9.9 fils/share – 28% higher mainly due to MCB repurchase
- Cash savings of over AED 35m YTD from MCB repurchase
- 45% leverage – in line with 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)	Q3 2016	Q3 2015	Variance	%
Revenue	960	904	56	+6%
<i>Chilled water revenue (90%)</i>	871	834	36	+4%
<i>Value chain businesses (10%)</i>	90	70	20	+28%
Operating cost	-519	-482	-37	+8%
Gross Profit	442	422	19	+5%
<i>Gross profit margin</i>	46%	47%		
Administrative and other expenses	-138	-131	-7	+5%
Profit from Operations	304	291	13	+4%
<i>Operating profit margin</i>	32%	32%		
Net finance costs	-115	-100	-16	+16%
Other gains and losses	5	4	0	+7%
Share of results of associates and joint ventures	80	60	20	+34%
Income attributable to non-controlling interests	-4	-2	-2	+117%
Net Profit	269	254	15	+6%
<i>Net profit margin</i>	28%	28%		
EBITDA	435	414	21	+5%
<i>EBITDA margin</i>	45%	46%		

Key Points

- 6% increase in revenues due to CPI pass through to customers, billings to Dubai Parks and higher consumption volumes
- Associates and JVs share of results increased by 34%, reflecting increased contribution from UAE JVs and continued growth in regional investments
- Finance costs up by AED 16m, reflecting additional debt raised to finance the MCB repurchase in 2015

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

Financial Highlights

Financial Position

Unaudited Consolidated Financials (AED m)	Sep 2016	Dec 2015	Variance	%
Fixed Assets	6,837	6,766	71	+1%
Associates and Joint Ventures	800	714	86	+12%
Accounts Receivable	607	410	197	+48%
Cash and Short Term Deposits	234	177	57	+32%
Other Assets	82	167	(84)	-51%
Total Assets	8,560	8,233	327	+4%
Equity and Reserves	2,531	2,453	78	+3%
Mandatory Convertible Bonds – equity portion	1,773	1,773	-	+0%
Debt	3,448	3,274	174	+5%
Other Liabilities	808	733	75	+10%
Total Liabilities and Equity	8,560	8,233	327	+4%

Key Points

- Increase in fixed assets represents investment in Dubai Parks and other projects in UAE
- Increase in receivables principally reflects administrative delay in payment from a major customer
- AED 174m increase in debt mainly reflects draw down on Dubai Parks project finance facility and revolving credit facility offset by scheduled debt payments

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

Financial Highlights

Cash flow Statement

Unaudited Consolidated Financials (AED m)	Q3 2016	Q3 2015	Variance	%
Profit from Operations	304	291	13	+4%
Finance lease amortization	37	32	5	+15%
Depreciation	94	91	3	+4%
Working capital and other adjustments	(108)	35	(143)	-410%
Net cash flows from Operating Activities	327	449	(122)	-27%
Capital expenditure incurred	(148)	(140)	(8)	+6%
Net investment in joint ventures	(45)	28	(73)	-262%
Others	12	1	10	+867%
Net cash flows from Investing Activities	(182)	(111)	(71)	+64%
Loans drawn down	360	1,033	(673)	-65%
Principal and interest payments on loans	(228)	(195)	(33)	+17%
MCB cash coupon paid	(65)	(82)	17	-21%
Dividend paid to shareholders	(163)	(174)	11	-6%
MCB repurchase	-	(1,000)	1,000	-100%
Others	(9)	(12)	3	-23%
Net cash flows from Financing Activities	(105)	(429)	324	-76%
Net Movement in Cash and Cash Equivalents	40	(91)	132	-144%
Cash and Cash Equivalents at 1 Jan	193	418	(225)	-54%
Cash and Cash Equivalents at 31 December	234	326	(93)	-28%

Key Points

- Continuing positive cash flows in 2016, though declined compared to 2015 due to increase in receivables
- AED 47m of dividends received from Al Maryah and Qatar Cool
- Cash balances remain healthy

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

Debt portfolio adequately hedged against interest rate increases

- Tabreed's current gearing is 45% (debt: debt + equity), in line with global utility peers
- 96% of Tabreed's debt is denominated in AED, with the balance in USD and OR, in line with cash flow generation profile
- Majority of the debt is floating rate with 53% of total debt hedged into fixed rates
- Weighted average loan life is ~5 years, with ~AED 2bn of debt maturing in 2021

Debt position as at 30 September 2016 (AED in millions)

Borrower	Type	Amount (AED m)	Undrawn amount (AED m)	Currency	Interest	Hedging (%)	Maturity
Tabreed	Term loan	2,797	-	AED	EIBOR + margin	57	2021
Tabreed	Revolver	140	310	AED	EIBOR + margin	-	2021
Project SPV	Project Finance	188	6	AED	EIBOR + margin	61	2032
Bahrain DC Company	Term loan	129	-	USD	LIBOR + margin	-	2019
Tabreed Oman	Term loan	33	5	OR	Fixed margin	100	2024
Total		3,288	321			53	

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 and operating them efficiently
- 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
- YTD Q3 Net Profit up 6% to AED 269m (2015: AED 254m), double digit growth since 2012
- Strong cash generating ability, YTD Q3 EBTIDA up 5% to AED 435m (2015: AED 414m) - 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

- Development pipeline of over 100 kRT of contracted capacity, Dubai Parks plants delivered in Q3 2016 with more than 60kRT to be added in the future in UAE, KSA, Qatar and Oman
- Concession-like arrangements and catchment areas add connections to existing plants :
 - Infrastructure in place at Maryah Island, Abu Dhabi, to connect Al Maryah Plaza and Al Maryah Central
 - Agreement in place to provide cooling to 7 QRail metro stations in Doha, Qatar starting 2019
 - Concession-like arrangements in place at Yas Island and Raha Beach, Abu Dhabi, The Pearl Qatar in Doha, Jabal Omar development in Makkah and others



Questions

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Upcoming Investor Events

BofAML MENA Conference 2016, Dubai

2016 financial results and analyst call

2016 Annual General Assembly, Abu Dhabi

14th November 2016

Last week of January 2017

Q1 2017

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