



National Central Cooling Company PJSC
(DFM: TABREED)

Q1 2023
Earnings Presentation

12 May 2023



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Agenda

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01

Introduction and Business Highlights

1Q 2023 Income Statement Highlights

Financial Highlights: 1Q 2023 vs. 1Q 2022

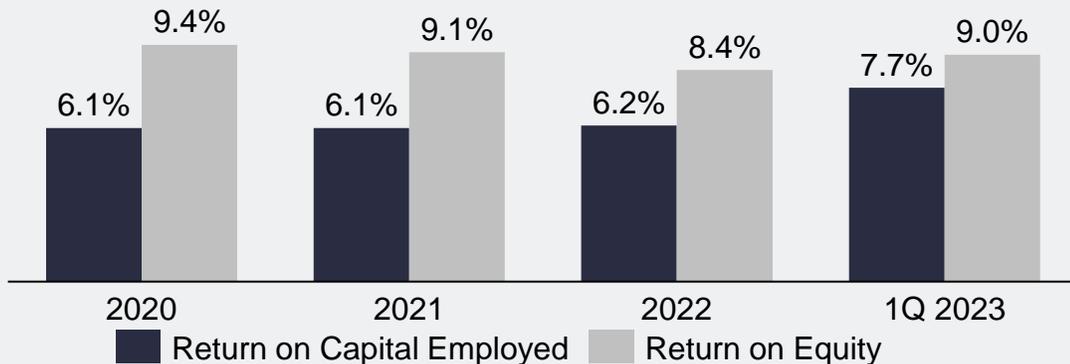
Total Revenue
AED 464m
+10% ↑

Chilled Water Revenue
AED 447m
+10% ↑

EBITDA
AED 268m
+2% ↑

Net Income
AED 236m
+168% ↑

Return on Capital Employed and Return on Equity



Performance Highlights and Other Developments

- The company's total revenue has witnessed a growth of 10%, driven by the revenue generated from the Chilled Water segment.
- EBITDA increased by 2% to AED 268m with Solid EBITDA margins of 58% in Q1 2023
- Q1 2023 Net Income before one-off gain increased by 33% to AED 117 Million. Including the one off gain of AED 119 Million, our Net Income increased by 168% to AED 236m,
- Previously announced capacity guidance to add 120k RT over 2023 and 2024 of which 12k RT has been delivered in Q1 2023
- Dividend of 13.5 fils per share for 2022 was approved in AGA on 20th March 2023 and subsequently paid in April
- Third ESG Report to be published in June 2023

Tabreed at a Glance

First and one of the world's largest publicly listed district cooling companies with strong regional presence

4

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



86

Operating plants



1.27m RT

Cooling delivered to clients

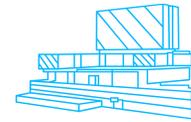


Equivalent to cooling

124

towers the size of Burj Khalifa

Exclusive provider of District Cooling services to several iconic projects



Cleveland Clinic Abu Dhabi



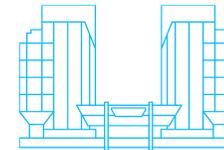
Sheikh Zayed Grand Mosque



Yas Marina Circuit



Rosewood Abu Dhabi



Abu Dhabi Global Market Square



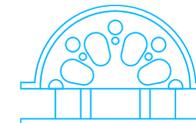
Yas Mall



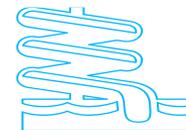
Ferrari World



Dubai Metro



Dubai Parks and Resorts



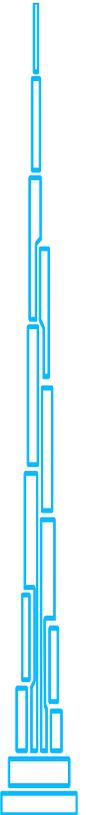
Yas Waterworld



Le Louvre Abu Dhabi



Etihad Towers



Burj Khalifa

Expansion of Connected Capacity (kRT) and Capital Expenditure

Consolidated	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023
UAE	1,033	1,038	1,053	1,060	1071
Bahrain	34	34	34	34	34
Oman	51	51	52	52	53
Total Consolidated	1,118	1,123	1,139	1,146	1,158
Equity Accounted					
UAE	9	9	9	9	9
KSA	110	110	110	110	110
Total Equity Accounted	119	119	119	119	119
Total	1,236	1,241	1,258	1,264	1,276
Total Capex (AED '000)*	33,344	51,881	58,373	40,844	16,894

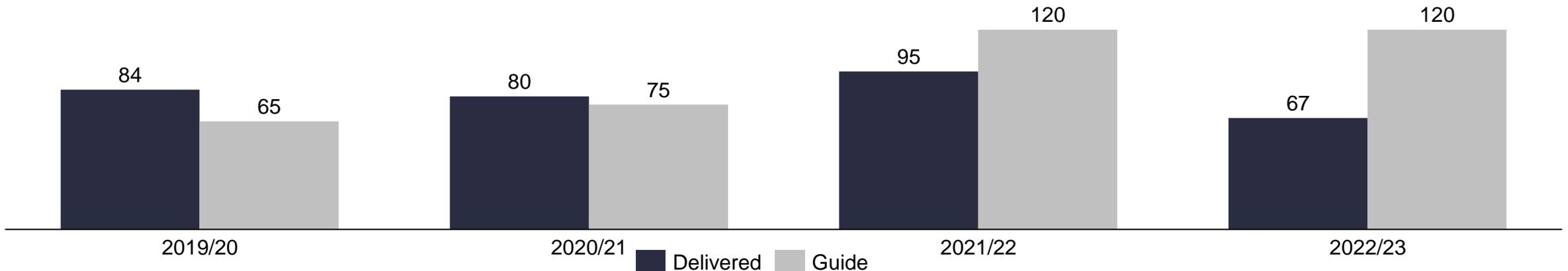
*Includes Maintenance, Replacement and Growth

Capacity Growth Guidance

2023/24 Two years guidance	kRT
2023/24 Capacity Guidance	120
1Q 2023 Actual Capacity delivered	12

2022/23 Two years guidance	kRT
2022/23 Capacity Guidance	120
2022/23 Actual Capacity delivered to date	67

- 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
- 12.2k RT was added in Q1 2023, which included 11.3k RT in UAE and balance 0.9k RT in Oman
- 55k RT was added in 2022, which included 35.5k RT in UAE, 19k RT in Oman and balance 0.5kRT in Bahrain
- 100% of the new capacity added from the consolidated entities
- Confident of achieving our guidance of 2022 and 2023

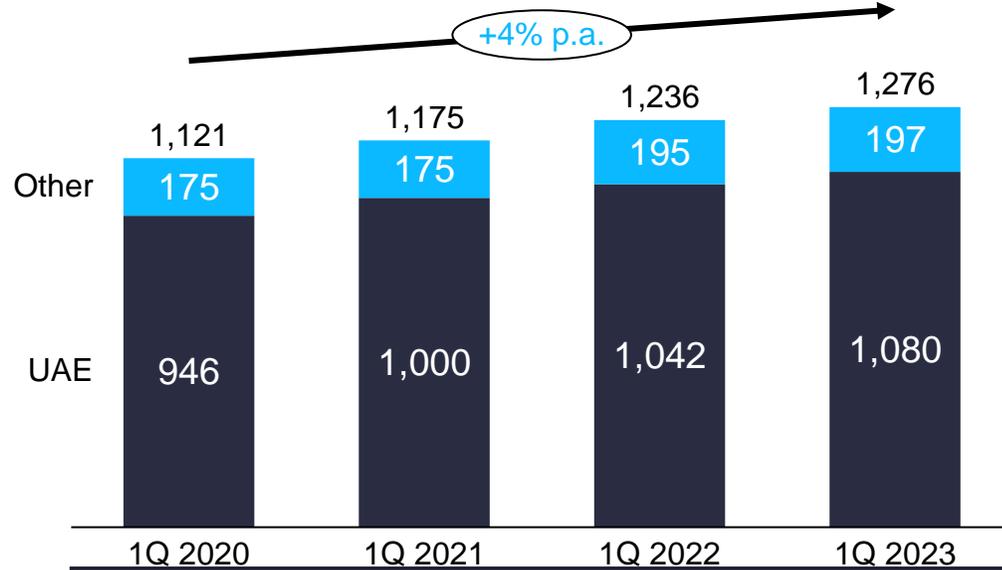


02

Performance Highlights

Performance Highlights (1/3)

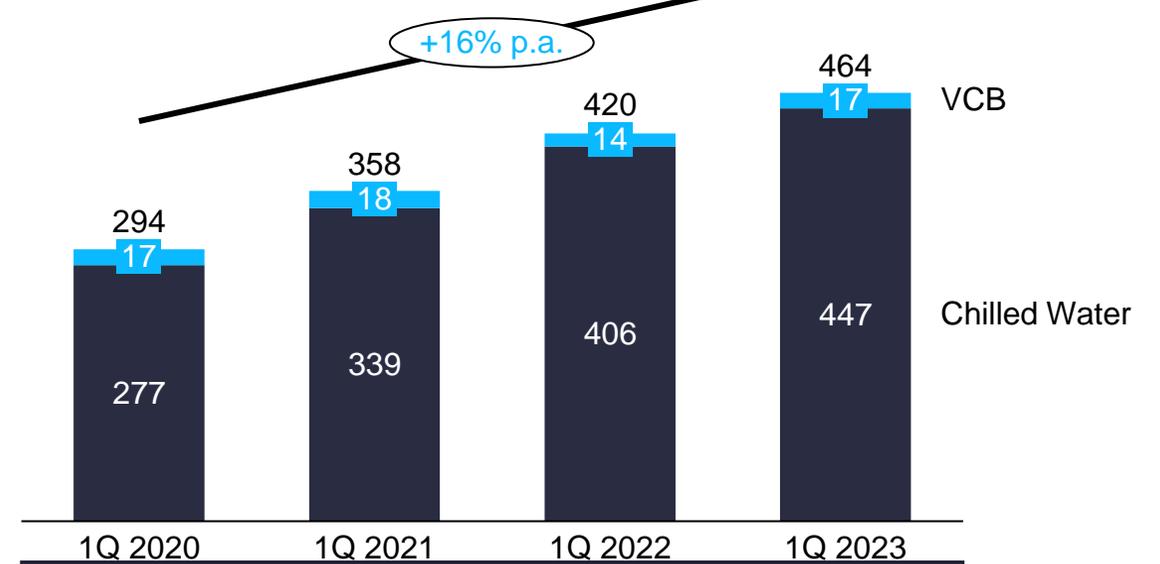
Group Connected Capacity (kRT)



Long-term Contracts With Credit Worthy Customers

- Providing over 1.3m RT of cooling across GCC – grown at 4% CAGR since 2020
- Long Term contracts (~25 years) means over 81% 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

Group Revenue (AEDm)

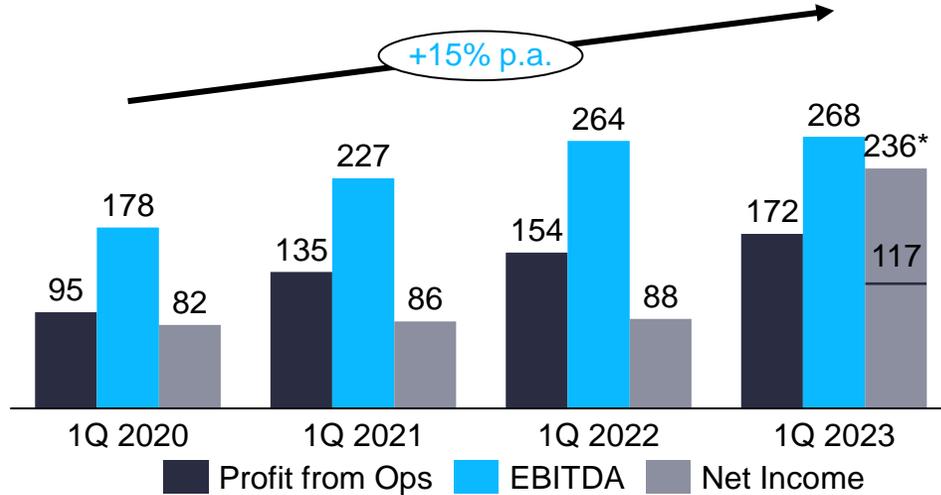


Revenue Growth From Existing And New Business

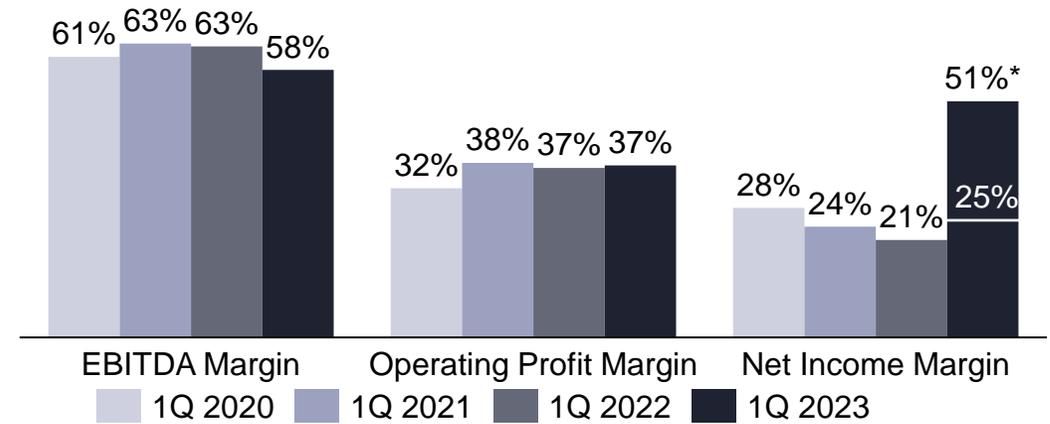
- Group Revenue growing at 16% CAGR since 2020 driven by Chilled Water revenue growth of 17%
- Utility business model leads to steady increases in revenue and profitability from existing customers

Performance Highlights (2/3)

Financial Results (AED m)



Key Margins



Financial Performance

- Predictability in earnings driven by capacity charge
- Profit from Operations has grown 22% annually since 2020
- EBITDA has grown 15% annually since 2020
- Net Income before one-off has grown 13% annually since 2020

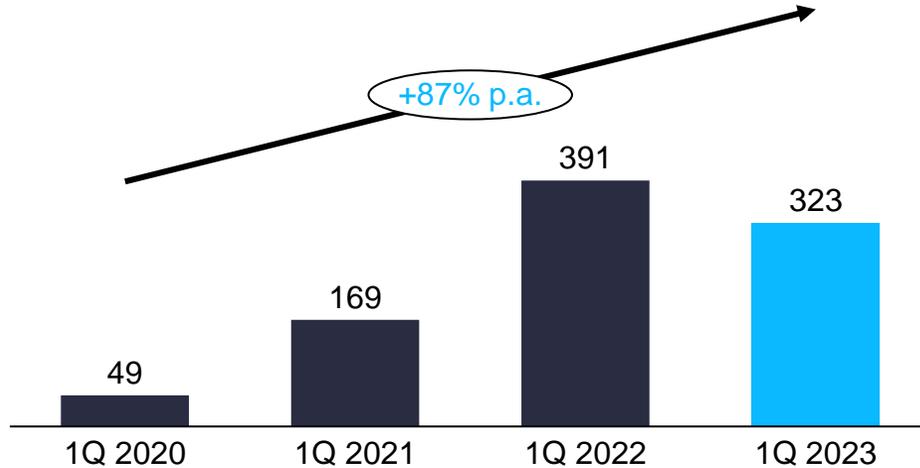
Margin Sustainability

- 2020 – 2023 Average EBITDA Margin: 61%
- 2020 – 2023 Average Operating Margin: 36%
- 2020 – 2023 Average Net Income Margin: 24%

*Includes one-off gain is mainly on account of deemed disposal of Saudi Investment and settlement of subsidiary loan.

Performance Highlights (3/3)

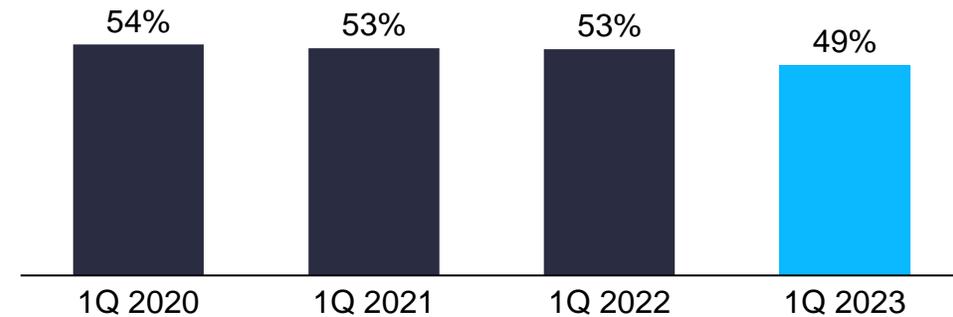
Cashflow from operations (AED m)



Cashflow from operations

- Resilient business model generates sustainable cashflows
- Maintaining Investment Grade rating of listed debt
- Cash flow from operations has grown more than 87% annually since 2020

Gearing



Gearing

- The improvement in the gearing ratio can be primarily attributed to the payment of the subsidiary's debt facility as part of liability management.
- The gearing ratio has been further affected by the proposed dividend for 2022, which has led to a reduction in equity.

03

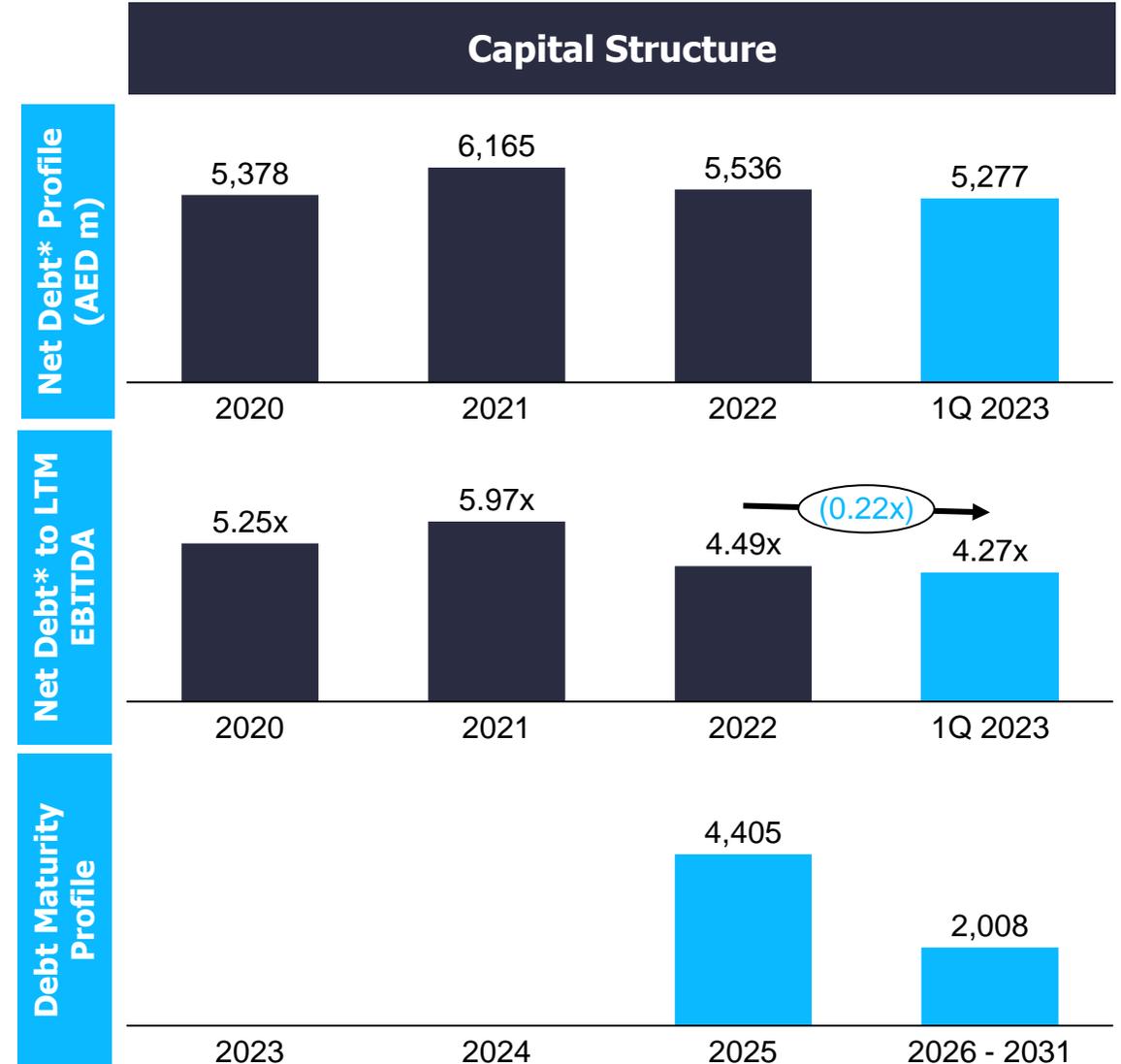
Financial Results

Income Statement

Consolidated Financials (AED m)	1Q 2023	1Q 2022	Variance	%
Revenue	463.7	419.9	43.8	10%
<i>Chilled water revenue (97%)</i>	446.9	405.7	41.1	10%
<i>Value chain businesses (3%)</i>	16.8	14.2	2.6	18%
Operating cost	(224.1)	(206.2)	(18.0)	9%
Gross Profit	239.6	213.8	25.8	12%
<i>Gross profit margin</i>	52%	51%		
Administrative and other expenses	(67.6)	(60.1)	(7.5)	12%
Profit from Operations	172.0	153.7	18.3	12%
<i>Operating profit margin</i>	37%	37%		
Net finance costs	(57.7)	(71.2)	13.5	(19)%
Share of results of associates and joint ventures	9.0	10.5	(1.5)	(14)%
Other gains and losses	119.1	0.3	118.8	NA
Income attributable to non-controlling interests	(6.1)	(5.1)	(1.0)	20%
Net Income	236.4	88.2	148.2	168%
<i>Net Income margin</i>	51%	21%		
EBITDA	267.6	263.6	4.0	2%
<i>EBITDA margin</i>	58%	63%		

Balance Sheet

Consolidated (AED m)	31 Mar 2023	31 Dec 2022
Fixed Assets and Intangibles	12,176.7	12,251.8
Associates and Joint Ventures	509.8	457.3
Receivables & Other Current Assets	623.7	704.7
Derivative – MTM	191.4	263.8
Cash and Short-Term Deposits	1,389.4	1,773.3
Total Assets	14,891.0	15,450.9
Equity and Reserves	6,840.9	7,154.1
Debt	6,457.0	7,309.0
Other Liabilities	1,593.0	987.9
Total Liabilities and Equity	14,891.0	15,450.9

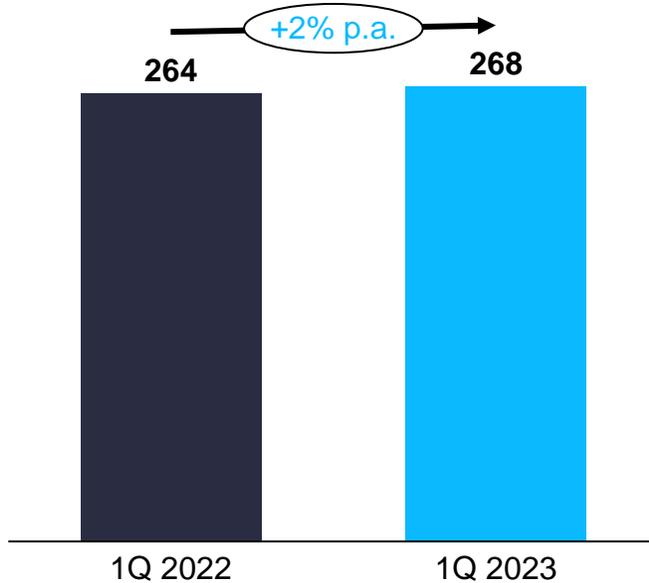


Cash Flow Statement

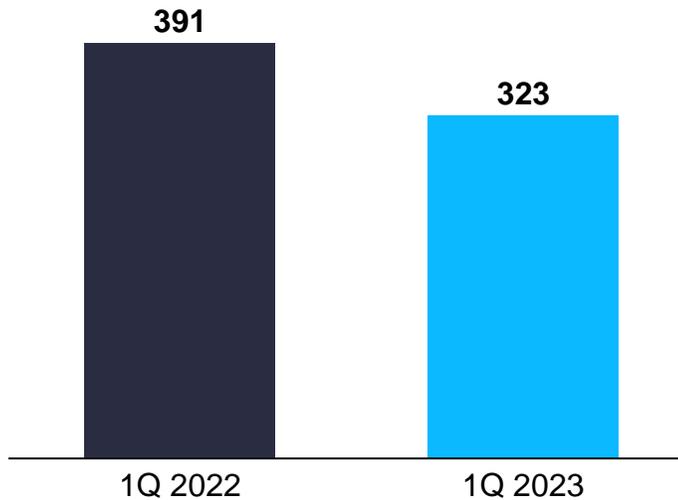
Consolidated Financials (AED m)	1Q 2023	1Q 2022	Variance	%
Profit from Operations	172.0	153.7	18.3	12%
Finance lease amortization	11.8	27.6	(15.8)	(57)%
Depreciation and Amortization	83.8	82.3	1.5	2%
Working Capital and other adjustments	55.2	127.6	(72.4)	(57)%
Net cash flows from Operating Activities	322.7	391.2	(68.5)	(18)%
Net cash flows from Investing Activities	(16.9)	(33.3)	16.5	(49)%
Net cash flows from Financing Activities	(689.8)	(76.1)	(613.7)	807%
Net Movement in Cash and Cash Equivalents	(383.9)	281.7	(665.6)	(236)%
Cash and Cash Equivalents at the start of the period	1,773.3	1,197.3	576.0	48%
Cash and Cash Equivalents at the end of the period	1,389.4	1,479.0	(89.6)	(6)%

Cashflow Highlights

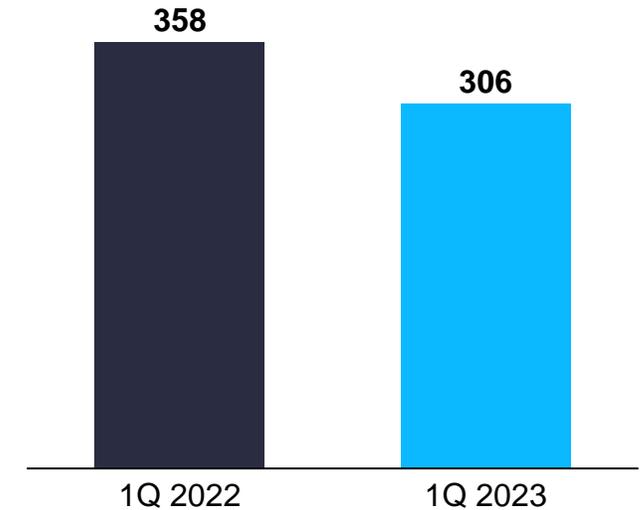
**Net Cashflows
from Operating Activities
Pre-Working Capital (EBITDA) (AED m)**



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



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



- Net Operating cashflow i.e., EBITDA is at AED 268 million an increase of approx. 2% compared to 2022
- The cash flow generated from operations during the first quarter of 2023 remains high with strong collection of dues from customers.
- The primary focus of investments made during the first quarter of 2023 was towards capital expenditure for the ongoing construction of plants

04

Tabreed Leadership

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.



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. Alyazia Ali Al Kuwaiti

Dr. Alyazia Ali Al Kuwaiti is the Executive Director of the Energy portfolio in Mubadala

Dr. Alyazia's corporate boards experience is primarily in the energy and industrial sector, with a strong record in financial and strategic value creation.



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 Dhaheeri

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.



Nadia Bardawil
Chief Legal Counsel

Nadia Bardawil has more than 15 years of experience in working on the development and financing of energy and infrastructure projects in Mena and Europe.

She spent 12 years at global law firm Shearman & Sterling before joining Masdar as General Counsel, where she won numerous awards for leadership and promotion of diversity and inclusion and was named as a Chambers GC Influencer on their 2019 UAE list.

Her most recent role was Senior Legal Advisor to Mubadala, where she was responsible for managing some of the group's largest global assets.



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.



Philippe Coquelle
Chief Development Officer

Philippe Coquelle joins Tabreed from Engie, where he has performed numerous roles in project management, business development, project finance and mergers and acquisitions (M&A) worldwide since joining in 2001, most recently as corporate M&A director at the group's Paris headquarters.

For more than 20 years he has operated within the international energy sector, having worked in Paris, London, Brussels, Panama and Dubai, said the statement from Tabreed.

He spent four years in the UAE between 2014 and 2018, focusing on the development and project financing of power and water infrastructure across the Middle East, and has a Master in Energy and Environment from University of Brussels (Brussels, Belgium), and a Master in Finance from the London Business School (London, UK), it added.

05

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 TSE¹ 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 LTM 1Q 2023



2.34bn kWh
reduction in
energy consumption in LTM



133,148
Homes powered in the
GCC every year (equivalent)

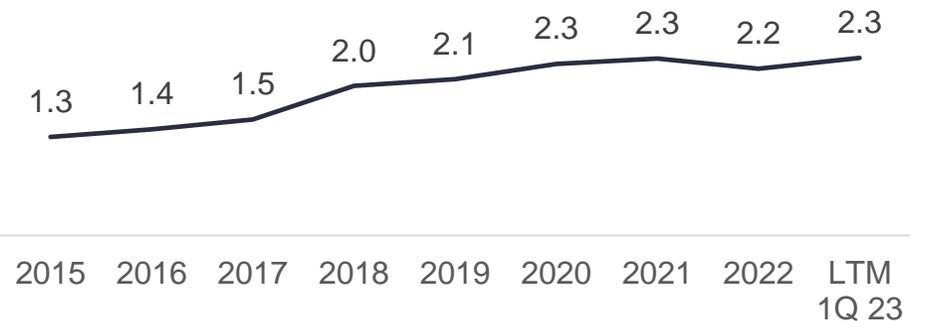


1.40 mn tons
Annual prevention of
CO₂ emissions



303,865
Cars removed annually

Annual reduction in energy consumption (In Billions of kWh)



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