

Case Summary

Name of organisation :

Emaar Development PJSC, a property development company in the UAE.

Risk assessment

Summary :

Financial risk assessment involves identifying, analyzing, and managing risks that could affect an organization's financial health, including credit, market, and liquidity risks.

Business and industry analysis

Industry :

The company operates within the real estate development industry. This sector involves the planning, construction, and management of residential, commercial, and industrial properties. As a real estate development business, the company focuses on creating and managing properties that may range from housing estates to commercial buildings and mixed-use developments. The industry is characterized by its significant capital investment requirements, long project timelines, and sensitivity to economic cycles. Real estate developers play a crucial role in urban planning and development, often working closely with government agencies, architects, and contractors to bring projects from concept to completion. The company is organized into a single segment, which allows it to consolidate its operations and focus on resource allocation and performance assessment as a unified entity. The management monitors the operating results of the business as a whole, which enables the company to streamline decision-making processes and maintain a clear strategic direction in the competitive real estate market. Given the company's focus, it is likely involved in activities such as land acquisition, property sales and leasing, and property management services, all of which contribute to its overall revenue and operational success.

Underwriting considerations

Proposed loan :

The borrower maintains sufficient cash reserves and facilities to meet operational expenses and financial obligations, while managing liquidity risk through monitoring and matching financial assets and liabilities.

Business Profile

Brief description of the company in 2 lines :

Emaar Development PJSC, a company listed on the Dubai Financial Market, focuses on property development and development management services in the UAE. It is a subsidiary of Emaar Properties PJSC and continues to expand its portfolio with innovative products and new masterplans.

What is the specialization and the Unique selling proposition of the company? in 2 lines :

The company's specialization is property development and development management services in the UAE. Its unique selling proposition includes a focus on execution standards, on-time delivery, and a customer-centric approach, along with introducing innovative products and masterplans for sustainable growth.

Description on the market and the target segment company is trying to provide services to? in 2 lines :

The company operates in the real estate development market, focusing on residential and commercial units primarily within the UAE. Their target segment includes individuals and businesses seeking residential units, commercial spaces, and development services.

Brief Description of Competitors, Challenges , market condition and market sentiment in relation to company industry segment ? :

The context provided does not offer specific details about competitors, challenges, market conditions, or market sentiment for the company's industry segment. It discusses valuation techniques, the impact of global inflationary pressures, interest rates, and geopolitical events on property markets, as well as management's assessment of asset valuations. However, specific competitors or detailed market sentiment analysis is not provided. If you have access to additional information or reports, they might contain the specific details you're looking for.

Business Model

What are the revenue streams of the company with emphasis on critical revenue? in 2 lines :

The company's critical revenue streams include the sale of residential and commercial units, plots of land, and development services, with a significant portion recognized over time. Revenue from the sale of land is recognized at a point in time when the customer gains access to the plot.

Which customer segment it is Company targeting and how effective it is ? in 2 lines :

The company targets the real estate market in the UAE, focusing on residential and commercial unit sales. Its effectiveness is evidenced by substantial revenues, although there is a decline from AED 15,601,892,000 in 2021 to AED 11,540,904,000 in 2022.

What are the Key activities company performs to maintain profitability and sales? in 2 lines :

The company maintains profitability and sales by focusing on execution standards, on-time delivery, and a customer-centric approach, while expanding its portfolio with innovative products and new masterplans.

What are the Channels the company uses for selling and service other than website? in 2 lines :

The provided context does not specify the channels used by the company for selling and service other than the website.

What are the Value proposition the company is offering ? in 2 lines :

The company offers development properties that are evaluated at the lower of cost or estimated net realizable value, ensuring competitive pricing amidst market volatility. They employ professionally qualified external valuers to assess property values, integrating considerations like liquidity, credit risk, and geopolitical events.

Management Structure

Classify the company on the basis of Size, Ownership and the type of ownership in few lines :

The company can be classified as follows: Size: The company is part of a larger group that is involved in real estate development, suggesting it is a significant entity in terms of operations and scale, potentially indicating a large size. Ownership: The company is partly owned by the Investment Corporation of Dubai (ICD), which is an entity owned by the Government of Dubai. Type of Ownership: The ownership type is public sector-related, given the involvement of a government-owned entity.

Stake Holder's analysis for the company in few lines :

The stakeholders of the company likely include shareholders, the Board of Directors, senior management, employees, customers, suppliers, and regulatory bodies. The Board of Directors is responsible for proposing dividends and overseeing risk management, while shareholders have a say in approving dividends. Senior management is tasked with developing and monitoring risk management policies. The company's primary activities are focused on property development and providing management services in the UAE, impacting customers and suppliers directly involved in these sectors. Additionally, regulatory bodies oversee compliance with local laws and regulations.

Who is the CEO, Managing director, COO, CIO of the company :

I don't have information on the CEO, Managing Director, COO, or CIO of the company from the provided context. I suggest checking the company's official website or latest reports for the most accurate and updated information.