

Case Summary

Name of organisation :

The organisation from the document is Emaar Properties PJSC.

Risk assessment

Summary :

Financial risk assessment involves evaluating potential financial threats like credit, market, and liquidity risks to guide strategic decision-making and ensure stability.

Business and industry analysis

Industry :

The company operates in the real estate and hospitality industry, organized into three major segments: real estate, leasing and retail, and hospitality. In the real estate segment, the company is involved in the development, sale, and management of various properties, including condominiums, villas, commercial units, and plots of land. The leasing and retail segment focuses on the development, leasing, and management of malls, retail spaces, commercial properties, and residential units. The hospitality segment is dedicated to developing, owning, and managing hotels, serviced apartments, and engaging in leisure activities. The company's operations are not confined to its home country, the UAE, but extend internationally, influencing its overall business results. In addition to its core business activities, the company is also involved in other segments that include property management, utility services, and investments in financial services providers. Revenue from these non-core activities is categorized under other operating income. Overall, the company's diverse operations in real estate development, property management, and hospitality make it a significant player in the industry, both domestically and internationally.

Underwriting considerations

Proposed loan :

Borrower's cash flow and financial capacity refer to the borrower's ability to generate sufficient cash flow from operations to meet financial obligations and maintain financial stability.

Business Profile

Brief description of the company in 2 lines :

The company is a subsidiary of Emaar Properties PJSC, listed on the Dubai Financial Market, and focuses on property development and management services in the UAE. It is known for creating world-renowned architectures like the Burj Khalifa and the Dubai Mall.

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

The company specializes in developing high-quality, integrated communities and offers a 'city within a city' experience. Its unique selling proposition includes diverse product offerings and strategically located land to cater to various customer needs.

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

The company targets the real estate, leasing, retail, and hospitality markets, focusing on developing, managing, and selling properties and spaces, while also emphasizing customer experience and digital transformation. Their services are aimed at fostering trust and sustainability in communications, ensuring inclusivity and transparency.

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

The market conditions and sentiment for Emaar Properties PJSC, particularly in the property market segment, are influenced by several factors: 1. **Competitors and Market Conditions:** Emaar operates in a highly competitive real estate market, facing competition from other major developers in the region. The market is characterized by its cyclical nature, with changes in economic growth, geopolitical events, and interest rates impacting property valuations and demand. 2. **Challenges:** The company faces challenges such as heightened geopolitical tensions, low economic growth in major countries, and the sentiment of higher interest rates for a prolonged period. These factors have the potential to constrain credit markets, lead to negative capital value movements, and cause continued volatility in property markets. 3. **Market Sentiment:** The current market sentiment is cautious due to these factors, leading to potential volatility in property valuations. Management is closely monitoring these conditions to assess their impact on the company and is satisfied with the current asset valuations and assumptions. Overall, Emaar is actively engaging in risk management processes, including horizon scanning and maintaining adequate liquidity, to navigate these challenges and adapt to changing market dynamics.

Business Model

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

The company's revenue streams include property sales, rental income from leased properties, and development management services. Critical revenue involves determining the satisfaction of performance obligations and recognizing revenue over time or at a point in time for property sales.

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

Emaar targets customers, guests, visitors, and the wider community seeking positive experiences at world-class properties. The effectiveness is demonstrated by a 94.2% customer satisfaction score and swift resolution of 107,482 service requests in 2024.

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

The company maintains profitability and sales through sales and marketing efforts, responsible transfer and repositioning of assets, and stakeholder engagement to secure approvals and minimize risks.

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

Emaar uses the Emaar One App in the UAE and the Emaar Misr App in Egypt to streamline property management and enhance customer service. Additionally, they've integrated Alipay and WeChat Pay

across all Dubai hotels to offer convenient payment options.

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

The company offers innovative, future-proof lifestyle offerings that create enormous value for residents, investors, visitors, shareholders, and the economy. It aims to pioneer sustainable progress and lasting value through innovation, collaboration, and impactful solutions.

Management Structure

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

Based on the provided context, the company can be classified as follows: - ****Size****: Emaar Properties PJSC is a large company, with a significant number of shares and shareholders, totaling 8,838,789,849 shares held by 45,864 shareholders. - ****Ownership****: It is a Public Joint Stock Company, meaning its shares are publicly traded and owned by numerous shareholders. - ****Type of Ownership****: The company is a subsidiary of Emaar Properties PJSC, indicating that it is part of a larger corporate group with Emaar Properties PJSC as the parent company.

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

Emaar's stakeholder analysis involves integrating sustainability into decision-making processes to safeguard organizational integrity and foster long-term value for all stakeholders. The company's governance framework emphasizes transparency, accountability, and ethical business conduct, covering key material topics such as board oversight, legal compliance, ethics, human rights, data security, risk management, innovation, and economic resilience. This approach ensures responsible value creation and resilient performance in a volatile market environment.

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

The CEO of the company is Amit Jain. The Managing Director is Mohamed Ali Alabbar. The COO (Chief Operating Officer) of Hospitality is Nicolas Bellaton. The CIO (Chief Investment Officer) is Omar Karim.