

Case Summary

Name of organisation :

The organisation is Emaar Properties PJSC.

Risk assessment

Summary :

Financial risk assessment involves identifying, analyzing, and managing potential financial risks such as credit, market, and liquidity risks to safeguard an organization's financial stability.

Business and industry analysis

Industry :

The company operates in the real estate and related industries, primarily structured into three major segments: real estate, leasing and retail, and hospitality. The real estate segment focuses on the development, sale, and management of various properties, including condominiums, villas, commercial units, and plots of land. The leasing and retail segment involves the development, leasing, and management of malls, retail, commercial, and residential spaces. This segment aims to create vibrant commercial environments that support retail and business activities. The hospitality segment is dedicated to developing, owning, and/or managing hotels, serviced apartments, and leisure activities, catering to both business and leisure travelers. Additionally, the company engages in other segments such as property management, utility services, and investments in financial service providers, although these do not individually meet the criteria for a reportable segment. The company operates both domestically in the UAE and internationally, with significant projects that impact its results, indicating a diversified geographical presence.

Underwriting considerations

Proposed loan :

A borrower's cash flow and financial capacity refer to their ability to generate sufficient cash from operations and other sources to meet financial obligations and maintain liquidity.

Business Profile

Brief description of the company in 2 lines :

The company is a subsidiary of Emaar Properties PJSC, engaged in property development and development management services in the UAE. It is listed on the Dubai Financial Market and operates as part of a group with a focus on transparency, accountability, and ethical business conduct.

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

The company specializes in developing high-quality, integrated communities, offering a 'city within a city' experience with diverse retail and residential options. Its unique selling proposition lies in its strategically located land bank and diverse product offerings for varied customer needs.

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

Emaar targets diverse market segments, including real estate, leasing, retail, and hospitality, offering services such as property development, management, and leasing, while focusing on customer experience and ethical marketing. Their strategy aims to enhance recurring revenue through a strong portfolio of assets, expansions, and digital transformation initiatives.

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

The context provided does not give specific information about competitors or a detailed description of challenges, market conditions, or market sentiment in relation to Emaar's industry segment. However, it does mention some broad challenges and market conditions affecting the property market, such as heightened geopolitical tensions, low economic growth in major countries, and a "higher for longer" interest rate sentiment. These factors are contributing to potential constrained credit markets, negative capital value movements, and continued volatility in some property markets over the short-to-medium term. Management at Emaar is closely monitoring these conditions to assess their impact on asset valuations and the company as a whole. The company is taking a proactive approach by critically assessing asset valuations and being satisfied with the current assumptions and valuations reported. Emaar also employs strategies to identify and respond to changing market dynamics, ensuring adequate liquidity to manage any adverse events successfully.

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, recognised per IFRS 15 based on contract terms, and rental income from leased properties, recognised on a straight-line basis per IFRS 16. Critical revenue involves significant judgment in determining performance obligations and cost estimation.

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

Emaar focuses on enhancing the customer experience for all segments, including customers, guests, visitors, and the wider community, with initiatives like the EmaarOne app and satisfaction surveys. Their effectiveness is reflected in a high customer satisfaction score of 94.2% in 2024.

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

The company engages in sales and marketing, responsible asset transfer, and re-purposing to maintain profitability and sales. Additionally, it performs procurement, facility management, and tenant engagement to sustain its operations.

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

Emaar utilizes the Emaar One App for seamless property and community management in the UAE and has integrated customer-centric enhancements into the Emaar Misr App in Egypt. Additionally, they expanded payment options by rolling out Alipay and WeChat Pay across all Dubai hotels.

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, and the economy, while focusing on sustainable progress through innovation and impactful solutions.

Management Structure

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

The company, Emaar Properties PJSC, is a large-sized entity given its significant number of shares and shareholders. It is a public joint stock company, which indicates that it is publicly owned and its shares are traded on the Dubai Financial Market. As a subsidiary of Emaar Properties PJSC, the company operates under a corporate ownership structure.

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

The stakeholder analysis for the company involves understanding the interests and concerns of various parties involved with or affected by the company's operations. Key stakeholders include investors, who are concerned with economic performance and resilience; customers, interested in product quality and service; employees, who focus on human rights and workplace conditions; regulatory bodies, interested in compliance with legal and regulatory standards; and the community, which may be concerned with the company's ethical conduct and environmental impact. The company emphasizes transparency, accountability, and ethical business practices to foster long-term value for all stakeholders.

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, Hospitality is Nicolas Bellaton. The CIO is not explicitly mentioned in the provided context.