

Case Summary

Name of organisation :

Emaar Development PJSC

Risk assessment

Summary :

The Group has exposure to credit, market, and liquidity risks and has established policies and procedures for measuring and managing these risks. The Board of Directors and senior management are responsible for overseeing and reviewing the risk management framework.

Financial analysis

Current Ratio :

1.23

Quick Ratio :

NA

Debt-to-Equity Ratio :

1.11

Return on Assets :

$4,265,078 / 18,297,153 = 0.233$

Return on Equity :

To calculate the Return on Equity (ROE) for 2022, we need to know the total profit and the sum of equity attributable to owners of the Company. From the given financial statement, we can see that the profit attributable to the owners of the Company in 2022 is AED 3,808,248. The sum of equity attributable to owners of the Company in 2022 is AED 18,297,153 (equity attributable to owners of the Company) + AED 1,774,401 (non-controlling interest) = AED 20,071,554. Therefore, the ROE for 2022 is $(3,808,248 / 20,071,554) * 100 = 18.96\%$.

Gross Margin :

Profit

Gross Profit Margin :

44.87%

Operating Margin :

I don't know.

Net Profit Margin :

Net Profit Margin for 2022: 19.8%

Asset Turnover Ratio :

$(11,540,904 - 6,357,238) / 18,297,153 = 0.296$ (rounded to 3 decimal places)

Inventory Turnover Ratio :

NA

Earning Per Share :

0.95

Business and industry analysis

Industry :

The company operates in the property development and development management services industry in the UAE.

Underwriting considerations

Proposed loan :

The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and borrowing facilities from Parent, and continuously monitoring forecasted and actual cash flows to maintain a balance between continuity of funding and flexibility.