

ZHH HOLDING GROUP

ZHH Holding LLC was established by Mr. Mohammad al hammadi, in Abu Dhabi, and as a step to consolidate the various businesses that originated in 2003.

ZHH Holding is a pioneering investment holding company with a widespread presence in the Middle East



Agenda

What this report covers

01 Highlights and Key Updates

02 Timeline

03 Balance

04 Income

05 Cash Flow

06 Updates

OUR STORY ZHH HOLDING

ZHH Holding Prides itself for its culture of integrity, sustainability, innovation, and value creation which allows ZHH Holding to maintain a strong and competitive position in the market where it operates.



Our professional reputation is based on deploying the right investment strategy resulting in long lasting investment returns for our investors and shareholders while remaining committed to our values.

We search relentlessly for the best opportunities that allow us to capitalize on a wide range of investment projects and also acquire significant stakes across a variety of high-growth companies in various industries.

Multiple Companies in different sectors

-
- 01 ZHH GROUP HOLDING LLC
 - 02 ZHH GENERAL TRADING LLC
 - 03 ZHH CONSTRUCTION & REAL ESTATE INVESTMENTS
 - 04 TAXO LOGISTICS
 - 05 AL HELWA LADY SALON
-



Highlights and Key Updates



We recorded 10 % growth on yearly basis

Using our exclusive business strategy which is generates positive cash flows or earnings faster than the overall economy then we try to reinvest this earnings back into the company as opposed to paying out dividends to continue spurring growth.

Our people count grew by 5%.

People are at the core of what we do. Our dynamic, inclusive, and flexible culture focused on learning and collaboration. We're empowering our people and those in our communities to develop skills for the future.

Growth by 2027 due to multiple merger and acquisition transactions

We are looking to expand not just in GCC market but internationally as well in different sectors doing potential M&A transactions.

Strengths and Opportunities



Balanced revenue stream

Diversified portfolio

Experienced Board members
and management team

Key Points of 2022 - 2027 plan & Expansion Strategy

2022

will appoint multiple board members and advisors as CFO, COO and CSO.

Will add big value to advise the CEO professionally and will help to achieve the expansion strategy for the whole group.

2022-2027

Acquires new business in different sectors.

Different investments in different sectors

2027

Moves to remote work permanently

as per the new vision in the local economy.

2022-2023

Hires 200 to 500 employee

To cover the new business and to do the delivery ontime

Year-End

Posts 10 -15% Growth

Depending on the raising capital deal which will help to expand faster in the local market



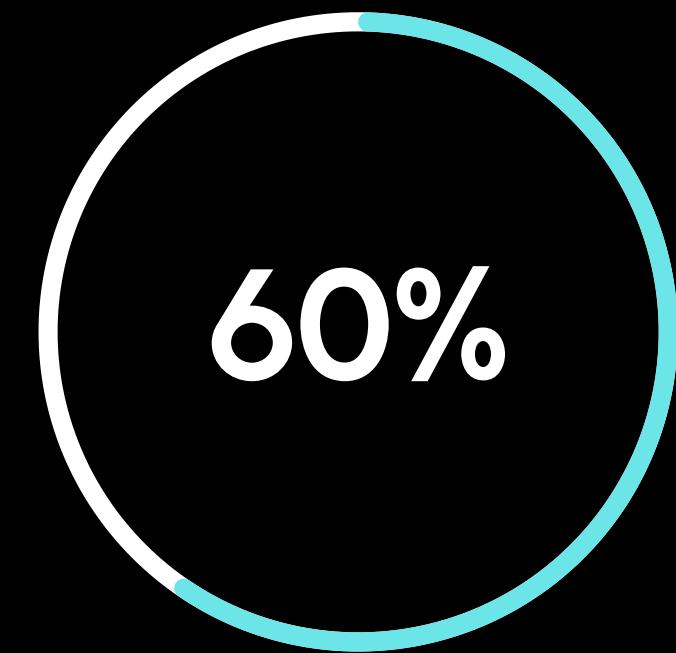
ZHH HOLDING
GROUP

Since 2003

2022- 2027 Financial Business plan

Highlights and Key Updates

Our large enterprise segment contributed the most revenue at



Construction and real estate investment is very important for ZHH Group revenues



Balance



As of March 1, 2022

\$ 2,500,000

Assets

(+25% from last period)

Our assets drive your returns. We pair our extensive network and expertise with the collective buying power of our investor community to acquire high-quality assets ranging from debt to equity, commercial to residential, and more.

\$ 500,000

Liabilities

(+25% from last period)

We are using our liabilities in a professional way to use them to cash our needs on time and we have the financial power to recover it any time.

\$123,456

Equities

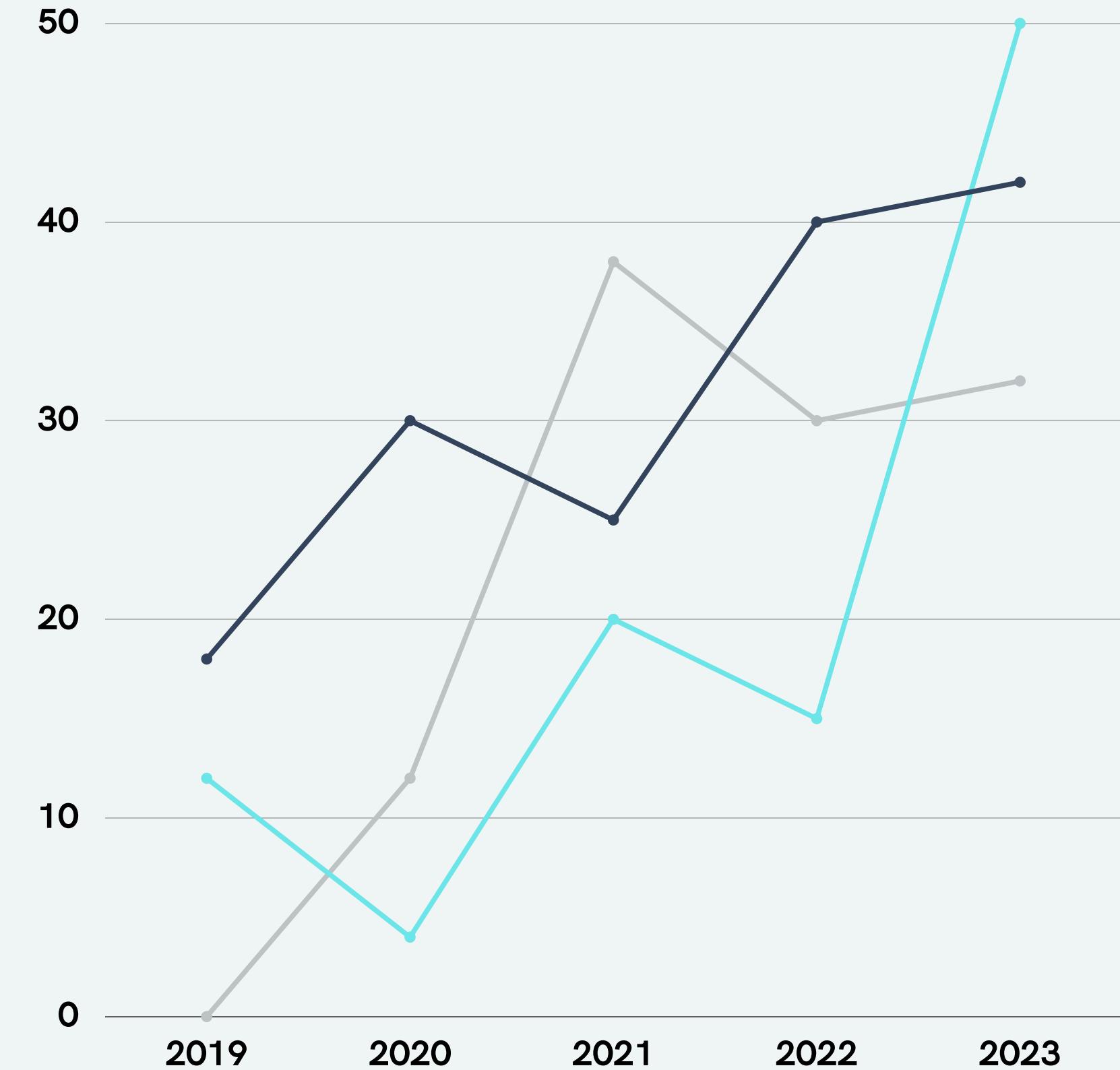
(+25% from last period)

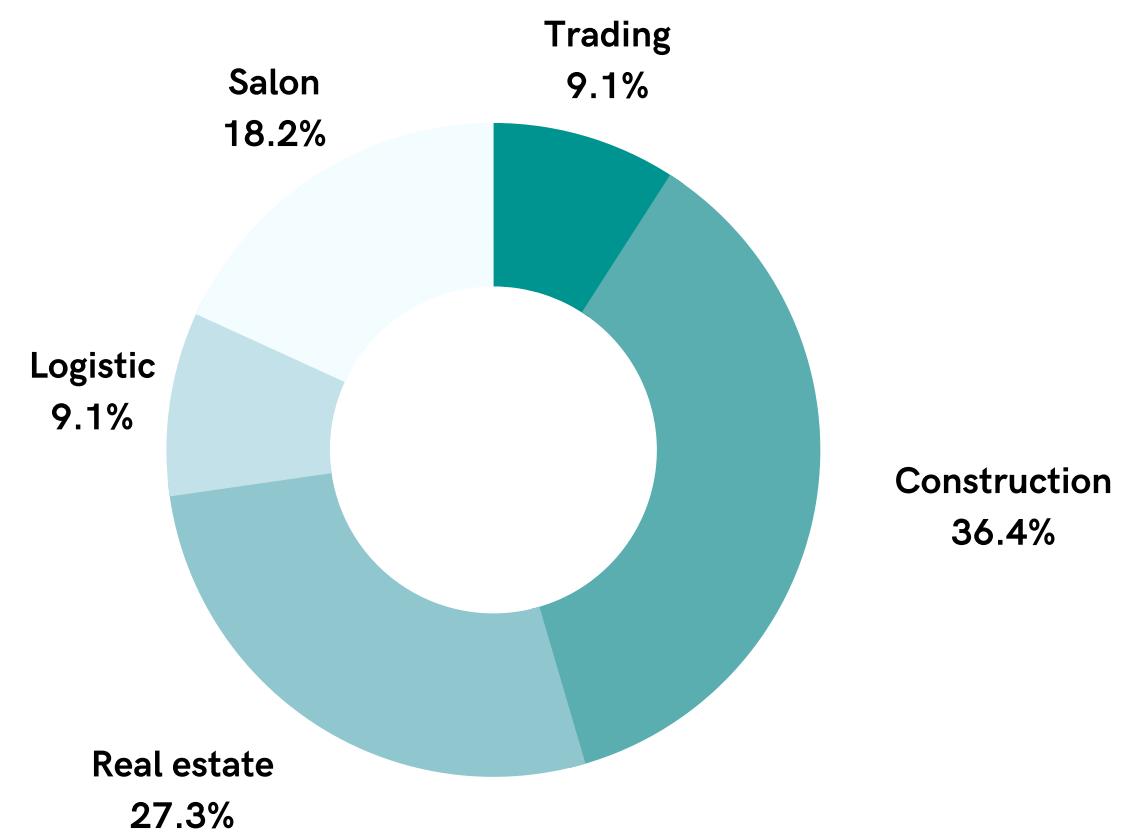
Our equities is enthusiastically recognized throughout the real estate industry for their ability to swiftly grasp shifting market dynamics, identify hidden opportunities, all while delivering competitive investment performance.

Balance

Per Year

The balance in 2019 dipped by 20% because of the COVID19 hit, but recovered in 2021 till now as we are using our strategy in the crisis period through our professional team.

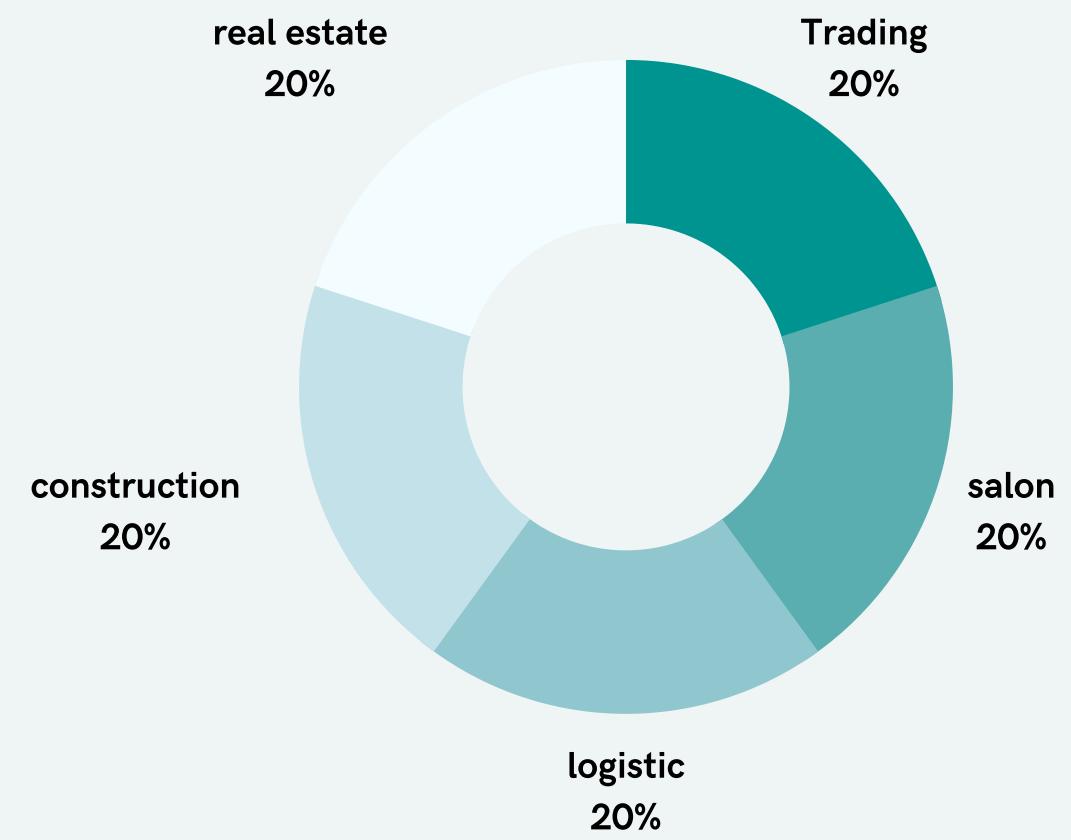




\$3,000,000

Revenue

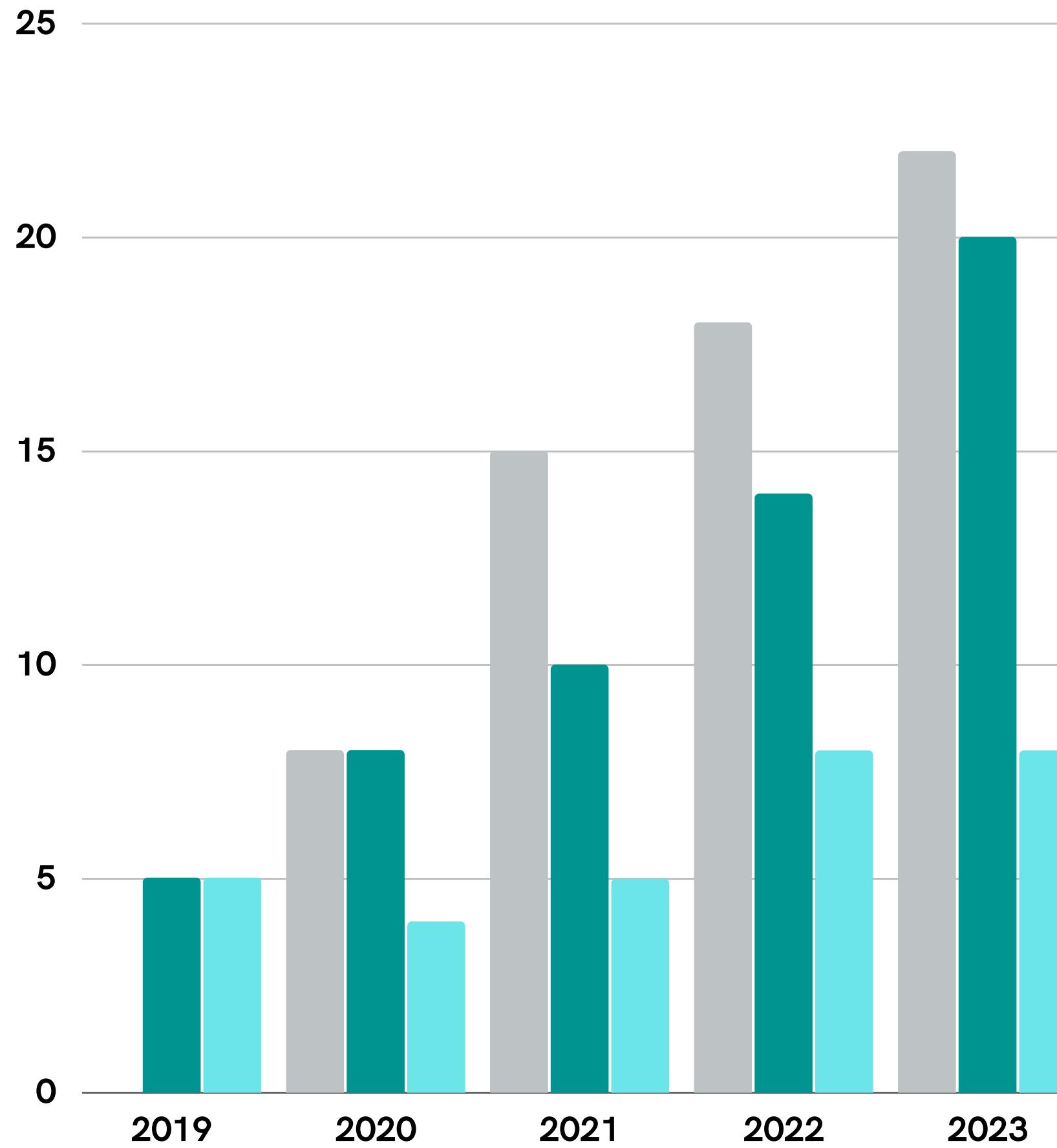
(+25% from last period)



\$5,000,000

Revenue

(+25% from last period)



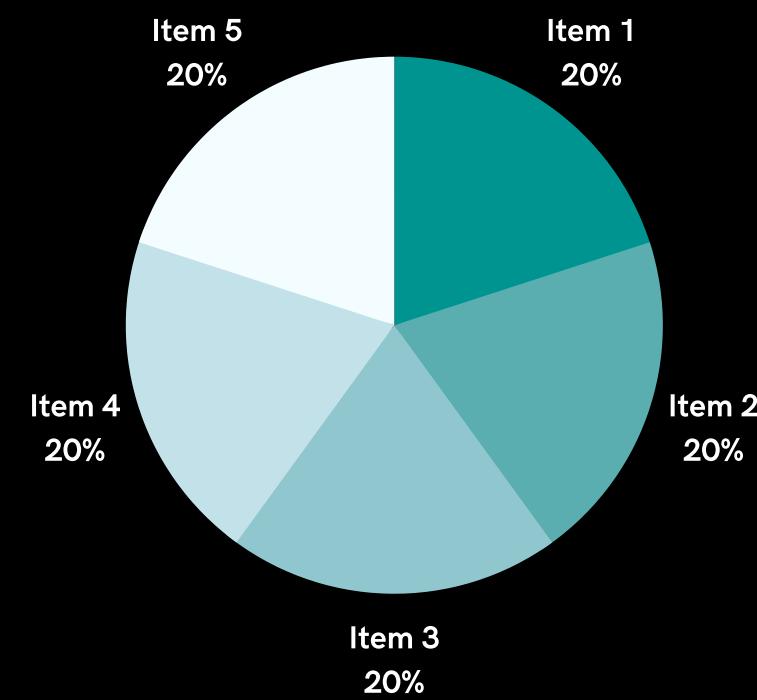
Net Income

Per Year

**Net income steadily rose
in 2021 & 2022 and more is
expected for 2023**

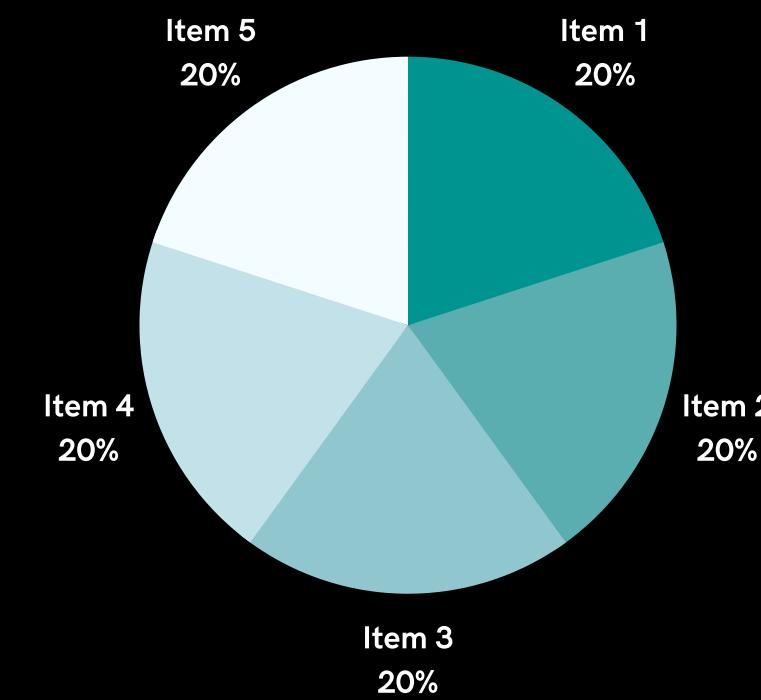
Investing in different sectors and using a professional financial strategy will assist in increasing the net income ratio in yearly basis.

Cash Flow Statement | As of March 1, 2022



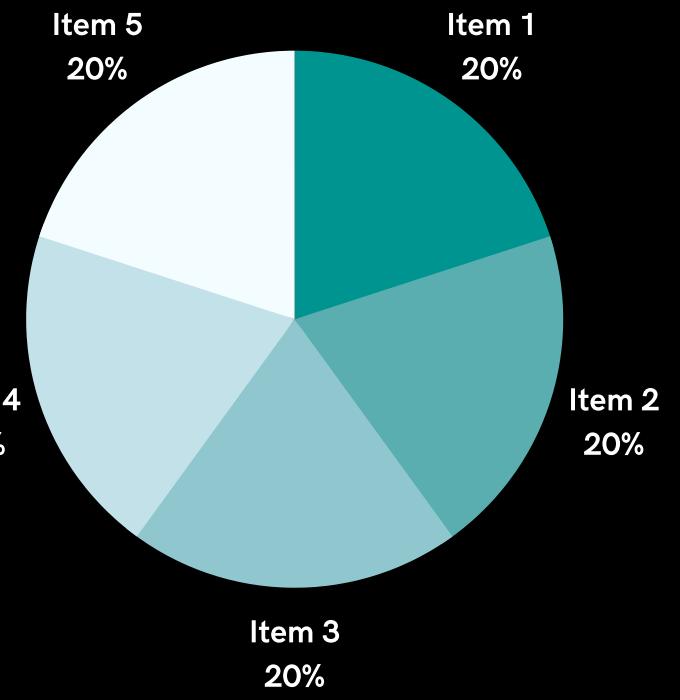
\$350,000
Operating Activities

(+25% from last period)



\$750,000
Investing Activities

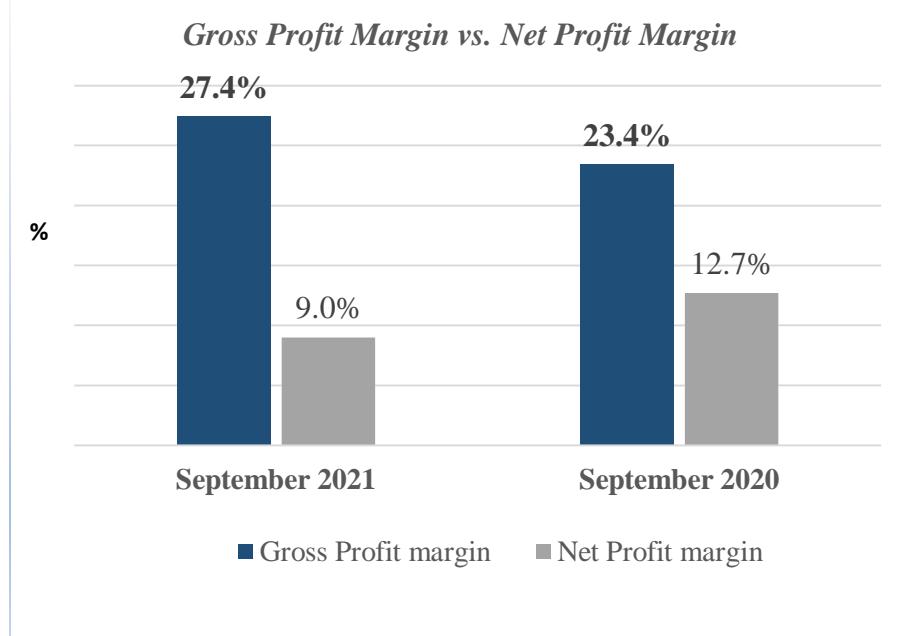
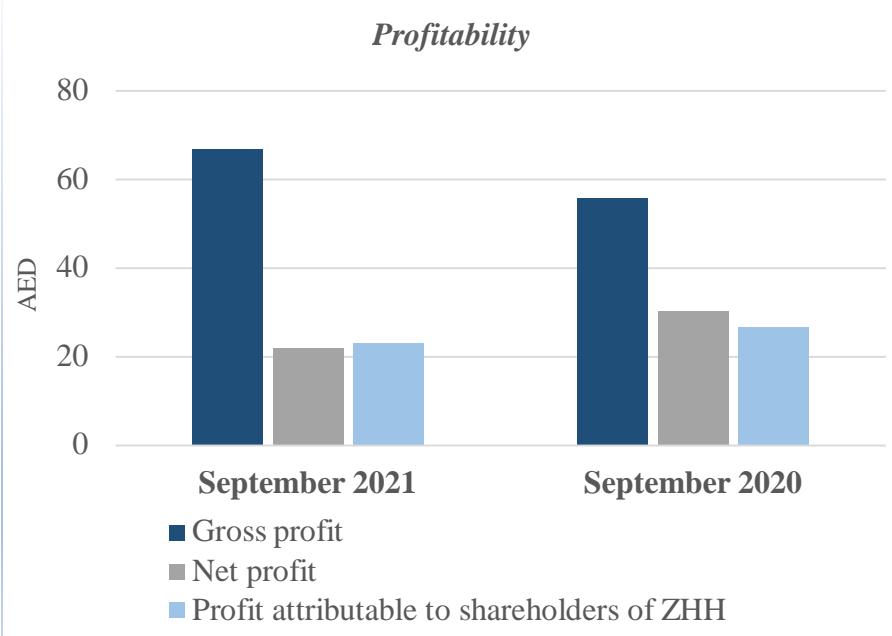
(+25% from last period)



\$200,000
Financing Activities

(+25% from last period)

Financial Highlights – Profitability Analysis

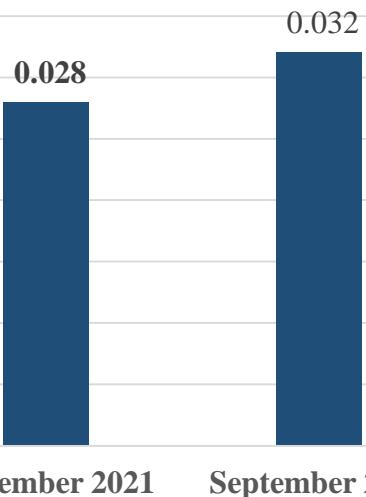


<u>September 30,</u>		2021	2020
		%	%
Gross profit margin		27.4%	23.4%
Net profit margin		9.0%	12.7%

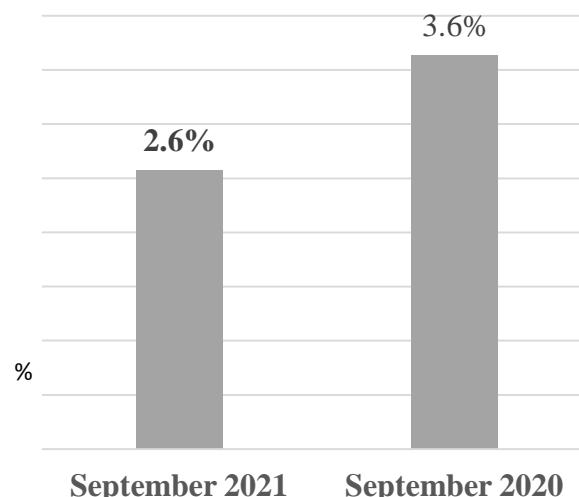
	2021 AED Millions	2020 AED Millions
Gross profit	66.9	55.8
Net profit	21.9	30.2
Profit attributable to shareholders of ZHH Holding	23.1	26.7

Financial Highlights - Return for Shareholders

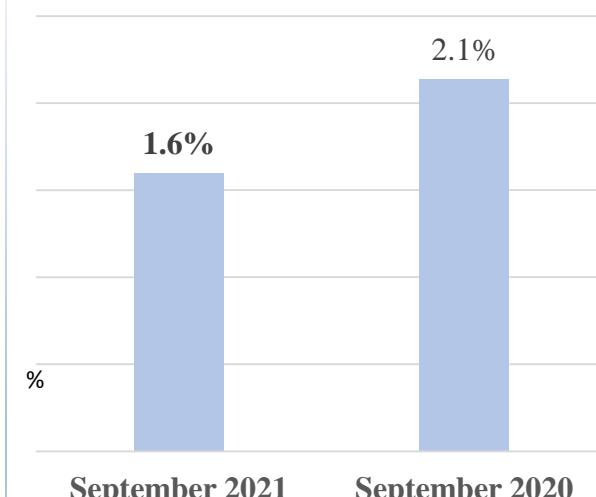
Earnings per Share



Return on Equity



Return on Assets



AE

Earnings per Share:

Profit for the period attributable to shareholders of ZHH HOLDING weighted average number of shares outstanding during the period

Return on Equity:

*Net profit for the period / Average Total Equity**

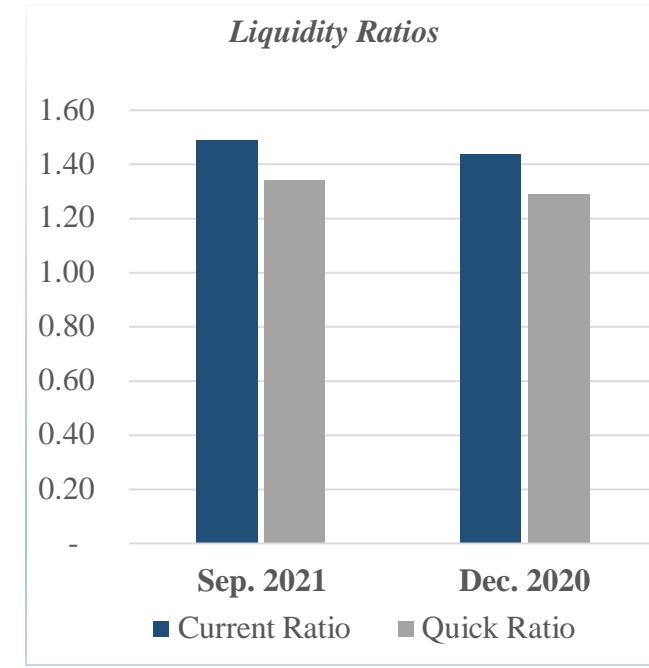
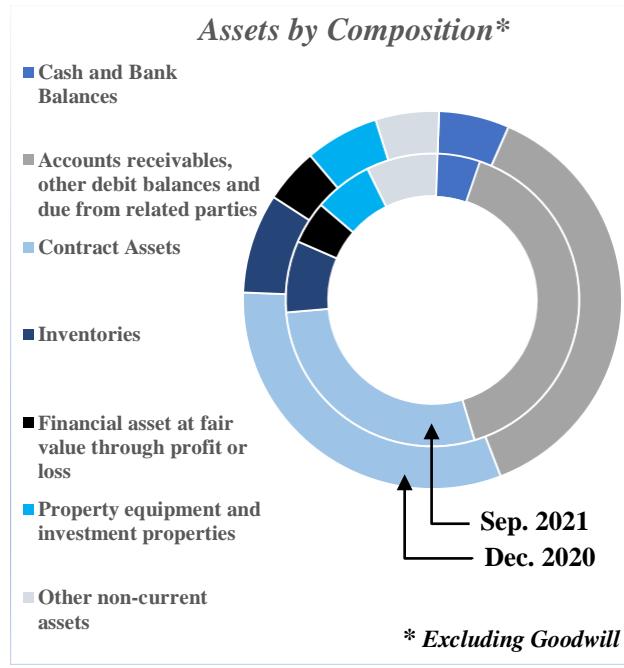
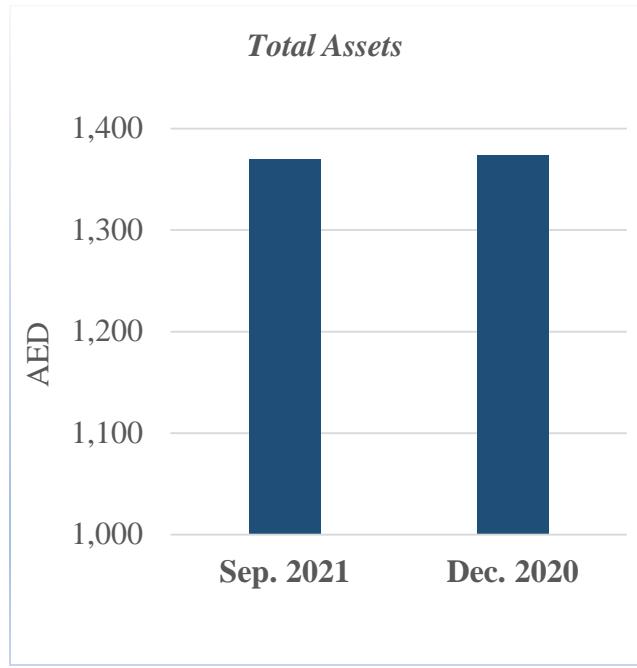
*Average Total Equity= (Beginning Total Equity+ Ending TotalEquity)/2

Return on Assets:

*Net profit for the period /Average Total Assets***

**Average Total Assets= (Beginning Total Assets + Ending TotalAssets)/2

Financial Highlights - Financial Position and Liquidity



	Sep. 2021 AED Millions	Dec. 2020 AED.Million
Total assets	1,370	1,374

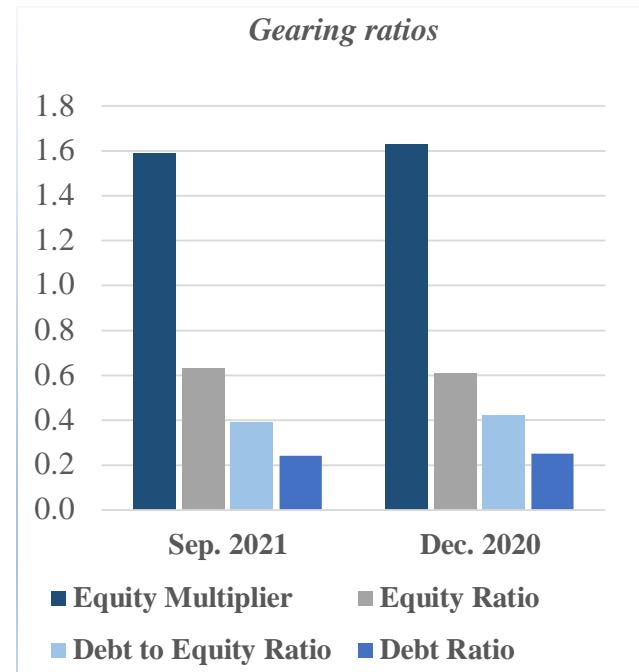
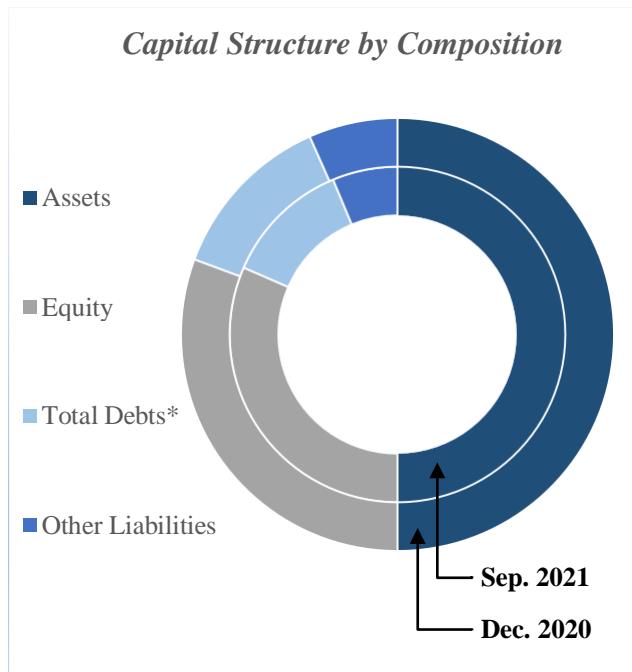
	Sep. 2021 %	Dec. 2020 %
Cash and bank balances	4.7%	6.0%
Accounts receivables, other debit balances and due from related parties	40.1%	37.6%
Contract assets	28.3%	31.5%
Inventories	7.9%	8.5%
Financial asset at fair value through profit or loss	4.7%	4.7%
Property, equipment and investment properties	6.4%	6.3%
Other non-current assets	7.9%	5.4%

	Sep. 2021 Times	Dec. 2020 Times
Current ratio	1.49	1.44
Quick ratio	1.34	1.29

Current Ratio:
Total current assets/ Total current liabilities

Quick Ratio:
(Total current assets – inventories)/Total current liabilities

Financial Highlights – Capital Structure and Gearing



	Sep. 2021 AED. Millions	Dec. 2020 AED. Millions
Assets	1,370	1,374
Equity	864	842
Liabilities	506	532

	Sep. 2021 %	Dec. 2020 %
Assets	50.0%	50.0%
Equity	31.5%	30.7%
Total debts*	12.2%	12.7%
Other liabilities	6.3%	6.6%

	Sep. 2021 Times	Dec. 2020 Times
Equity multiplier	1.59	1.63
Equity ratio	0.63	0.61
Debt to equity ratio	0.39	0.42
Debt ratio	0.24	0.25

* Total debts represent all bank borrowings and bank overdrafts

Equity Multiplier: Total assets/ Total equity

Equity Ratio: Total equity/Total assets

Debt to Equity Ratio: Total debts / Total equity

Debt Ratio: Total debts/ Total assets

Consolidated Statement of Financial Position

	September 30, 2021 AED. '000 (Unaudited)	December 31, 2020 AED. '000 (Audited)
ASSETS		
Current assets		
Cash and bank balances	30,938	39,937
Accounts receivable and other debit balances	247,167	231,017
Contract assets	186,098	208,632
Due from related parties	16,995	17,814
Inventories	52,055	56,576
Total current assets	533,253	553,976
Non-current assets		
Retention receivables	37,576	32,968
Financial asset at fair value through profit or loss	31,000	31,000
Investment properties	27,904	27,904
Goodwill	711,492	711,492
Right-of-use assets	14,177	2,853
Property and equipment	14,518	13,837
Total non-current assets	836,667	820,056
TOTAL ASSETS	1,369,920	1,374,031

	September 30, 2021 AED'000 (Unaudited)	December 31, 2020 AED '000 (Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	830,000	830,000
Legal reserve	12,928	12,928
Revaluation reserves	14,398	14,398
Other reserves	(138,910)	(138,910)
Retained earnings	137,092	114,040
Equity attributable to shareholders of the parent	855,509	832,457
Non – controlling interests	8,433	9,594
Total equity	863,942	842,051
Current liabilities		
Bank overdrafts	9,309	9,396
Borrowings	208,605	214,827
Lease liabilities	4,152	1,781
Due to related parties	7,724	7,640
Contract liabilities	--	1,165
Retention payable	1,066	3,686
Dividend payable	2,692	3,466
Accounts payable and other credit balances	125,475	143,594
Total current liabilities	359,025	385,555
Non-current liabilities		
Borrowings	116,298	125,353
Lease liabilities	10,192	1,098
Retention payable	1,309	812
Employees' end of service benefits	19,154	19,163
Total non-current liabilities	146,954	146,426
Total liabilities	505,979	531,981
TOTAL EQUITY AND LIABILITIES	1,369,920	1,374,031

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<u>Nine months period ended September 30,</u>	
	2021 AED '000 (Unaudited)	2020 AED'000 (Unaudited)
Revenue	244,336	238,072
Direct costs	(177,475)	(182,280)
Gross profit	66,862	55,792
Other income	6,080	22,948
General and administrative expenses	(43,132)	(39,607)
Finance costs	(7,918)	(8,904)
Net profit for the period	21,891	30,229
Other comprehensive income	--	--
Total comprehensive income for the period	21,891	30,229
<i>Attributable to:</i>		
Shareholders of the Parent	23,052	26,739
Non-controlling interests	(1,161)	3,490
	21,891	30,229
Basic and diluted earnings per share		
Basic earnings per share	0.028	0.032

5 Years' Projection (Operational results with Cash Flow)

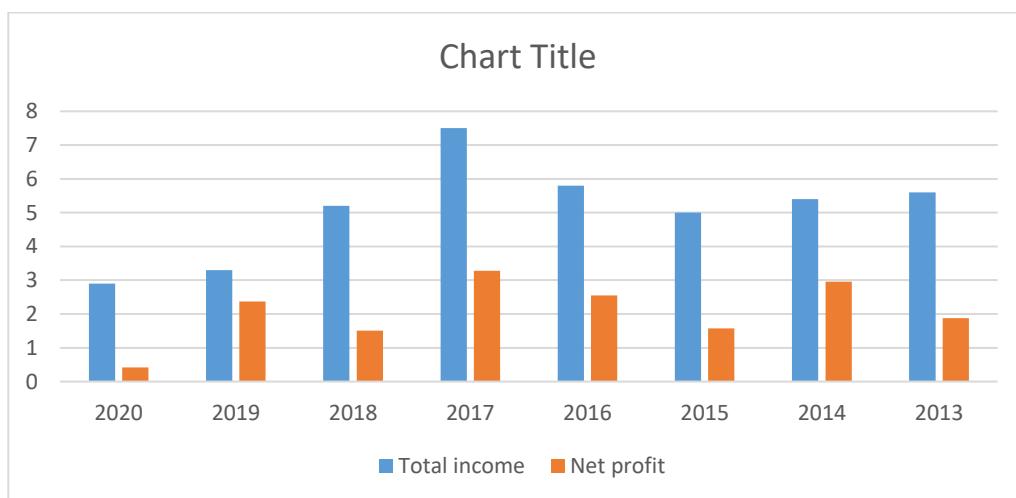
Particulars	2021	2022	2023	2024	2025
<u>Revenue :</u>					
Contract Revenue	4,000	5,000	5,500	6,000	6,500
Total (A)	4,000	5,000	5,500	6,000	6,500
<u>Direct Expenses :</u>					
Material	1,575	1,950	2,150	2,350	2,550
Manpower	900	1,200	1,375	1,550	1,700
Other Direct Expenses	150	200	220	240	260
Depreciation (Direct)	340	335	330	325	320
Total (B)	2,965	3,685	4,075	4,465	4,830
Gross Profit (C) = (A - B)	1,035	1,315	1,425	1,535	1,670
GP Ratio (%)	26	26	26	26	26
<u>Indirect Expenses :</u>					
Staff Cost	360	430	450	480	500
Overheads	160	200	220	250	275
Finance Cost	250	250	250	230	230
Depreciation (Indirect)	80	75	70	65	60
Total (D)	850	955	990	1,025	1,065

Net Profit (E) = (C - D)	185	360	435	510	605
NP Ratio (%)	5	7	8	9	9
Available Cash	605	770	835	900	985
(Net Profit + Depreciation)					

ZHH HOLDING GROUP:

Audit Report summary:

Year	Total income	Net profit
2020	2,947,053 AED	42,870 AED
2019	3,346,559 AED	237,650 AED
2018	5,259,558 AED	151,512 AED
2017	7,580,974 AED	328,580 AED
2016	5,878,790 AED	255,386 AED
2015	5,005,765 AED	157,858 AED
2014	5,476,146 AED	296,418 AED
2013	5,619,445 AED	188,277 AED



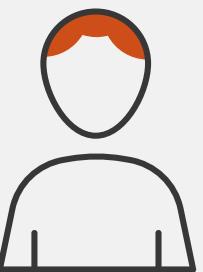
- 1- The total income and the net profit of the company is different in the last 10 years , this difference because of many reasons such projects value which got awarded from the local market directly , projects value , term for execution these projects with extra bonus for delivery.
- 2- The company are making more receivables of renting some of their assets (machinery, buildings).
- 3- The company will use the new capital just to expand and to get more projects inside UAE and outside as well, which will can easily make a good profit and attractive ROI.
- 4- The Company often enters into transactions involving a range of the Company's products and services.
- 5- Related to the business what the company will be awarded in the next 5 years as per our expansion strategy, total contract revenues will be between (500,000,000 AED to 750,000,000 AED).
- 6- After applying new strategy to minimize the direct and indirect cost in the company, the expected net profit will be between 10 % to 15% and this percentage might be more depending on the delivery of the current business what the company will be awarded.
- 7- The UAE market is very open in this sector as they are serving not just the local market but they are depending on other GCC markets so we are expecting to achieve more and more especially with the new equity.

Requests



Financial support as we will start the series A funding in the next quarter.

We are looking to raise around 100 M AED which will help us to execute our expansion strategy



Hiring referrals for more staff.

we should hire more staff in case we can raise capital in the shortet time to be able to manage our production and the delivery should be on time as usual



Financial support for the next Funding series B and C

we are looking to have more investors and more fresh capital in our company 750 MAED approx.

Thank you!

Feel free to reach out to us if you have any questions.

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ZHH HOLDING
GROUP

Since 2003