

# EMIRATES DRIVING COMPANY P.J.S.C.

Investor Presentation – 2<sup>nd</sup> Quarter & H1 2022 Update

*August 2022*

# SUSTAINABLE VALUE CREATION



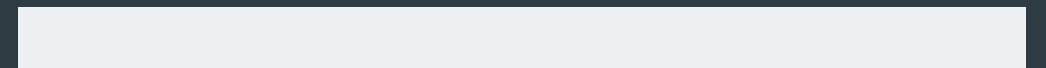
شركة الإمارات لتعليم قيادة السيارات  
Emirates Driving Company

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# EXECUTIVE SUMMARY

*2<sup>nd</sup> & H1 QUARTER 2022 UPDATE*



# EXECUTIVE SUMMARY

## SUMMARY

Emirates Driving Company's (EDC) 2022 2<sup>nd</sup> quarter and cumulative 1<sup>st</sup> half financial performance is a testament of operational excellence and a continued positive momentum across all key figures.

The Company's revenue from customers and Net Income figures increased by 27.19% and 43.81% as compared to H1 2021 to reach AED 156.73 million and AED 122.97 million respectively. EDC's ability to run a highly efficient operation was yet again demonstrated through a further increase in its gross, operating, and net profit margins to reach 81.66%, 62.57% and 78.46% respectively.

In addition to the above, the company's investment portfolio continued its upward trend to record a net gain equity investments (at fair value through profit & loss) of AED 13.46 million for the 1<sup>st</sup> half of the year, an increase of 158.09% compared to the same period last year.

The company remains focused on its ultimate objective of generating value to all its key stakeholders and as such has finalized the development of its five-year sustainability strategy, which was approved by the Board of Directors during its meeting held during the 2<sup>nd</sup> quarter. EDC will be swiftly moving to the second phase of its sustainability plan to launch an internal ESG transformation office which will manage and oversee the implementation of its sustainability initiatives to ensure the company reaches all its ESG objectives based on the set timelines.

During the 2<sup>nd</sup> quarter of the year, 33,681 customers registered to train with EDC, a 6.51% increase from the previous quarter and a tremendous 44.72% H1 2022 increase compared to the same period last year to reach a cumulative number of 65,304 customers.

## KEY HIGHLIGHTS

### Free Cash Flow to the Firm

Free Cash Flow to the Firm (FCFF) considers all cash inflows from revenues, all cash outflows from ordinary expenses, and all reinvested cash to grow the business. The remaining number is a measurement of a company's financial health. Emirates Driving Company's FCFF figure further increased at the end of H1 2022 as compared to the previous year to reach AED 119.93 million (51.40% higher than H1 2021).

### Profitability

EDC reported yet another impressive net profit figure of AED 122.97 million for the 1<sup>st</sup> half of the year 2022, a notable 43.81% increase compared to the AED 85.51 million recorded during the same period last year.

As a result, the company generated, for the same period, a 1.37 earnings per share (EPS) number reflecting an impressive performance and an increase of 44.21% compared to the same period last year, the EPS of which was at 0.95.

### Net Gain from Financial Assets at Fair Value Through Profit and Loss

The company's value-focused investment strategy continued its positive performance recording a net gain equivalent to AED 13.46 million a 1.58 fold increase compared to the 1<sup>st</sup> half of 2021 which stood at AED 5.22 million.

### High Return on Equity & Low Debt

The company's return on equity (ROE), reflecting H1 2022 profitability, recorded a preforming 14.58%, while the last-twelve-months (LTM) ROE figure stood at 24.92%,

Finally, we have maintained a healthy balance sheet with a low debt to asset ratio set at 4.24%.

# FINANCIAL SUMMARY

*2<sup>nd</sup> QUARTER & H1 2022 UPDATE*



# FINANCIAL SUMMARY Higher Numbers Across all Key Figures

UNAUDITED (in AED MM, except percentages and per share data)	Three month period ended 30 June		Six month period ended 30 June		
	2022	2021	2022	2021	% Change
Revenue from Customers	80.49	76.24	156.73	123.23	27.19%
Gross Profit	64.04	63.95	127.99	99.69	28.39%
Gross Margin	79.56%	83.88%	81.66%	80.90%	0.76%
Net Gain from Financial Assets at Fair Value Through P&L	(4.12)	1.52	13.46	5.22	158.09%
Rental Income	1.26	1.62	2.49	3.01	(17.39%)
Operating Expenses	14.33	15.60	29.93	26.58	12.63%
Income from Operations	49.71	48.35	98.06	73.12	34.12%
Operating Margin	61.75%	63.42%	62.57%	59.33%	3.23%
Net Profit for the period	47.35	75.62	122.97	85.51	43.81%
Net Profit Margin	58.82%	99.19%	78.46%	69.39%	9.07%
EPS (basic and diluted) from continuing operations	0.53	0.84	1.37	0.95	44.21%
Net Cash Generated from Operating Activities	54.24	56.26	133.88	86.51	54.76%
Free Cash flow to the Firm	51.52	48.05	119.93	79.21	51.40%
Cash and cash equivalents	470.14	373.25	470.14	373.13	26.00%

## Key Highlights & Figures



+28.39%  
increase in  
Gross Profit

127.99  
MM

99.69  
MM



Net Gain from Financial  
Assets @ FV through P&L +158.09%



+34.12% Higher  
Operating Income

98.06...

73.12M  
M



Net Profits for  
H1'2022 +43.81%



EPS Increase +44.21%

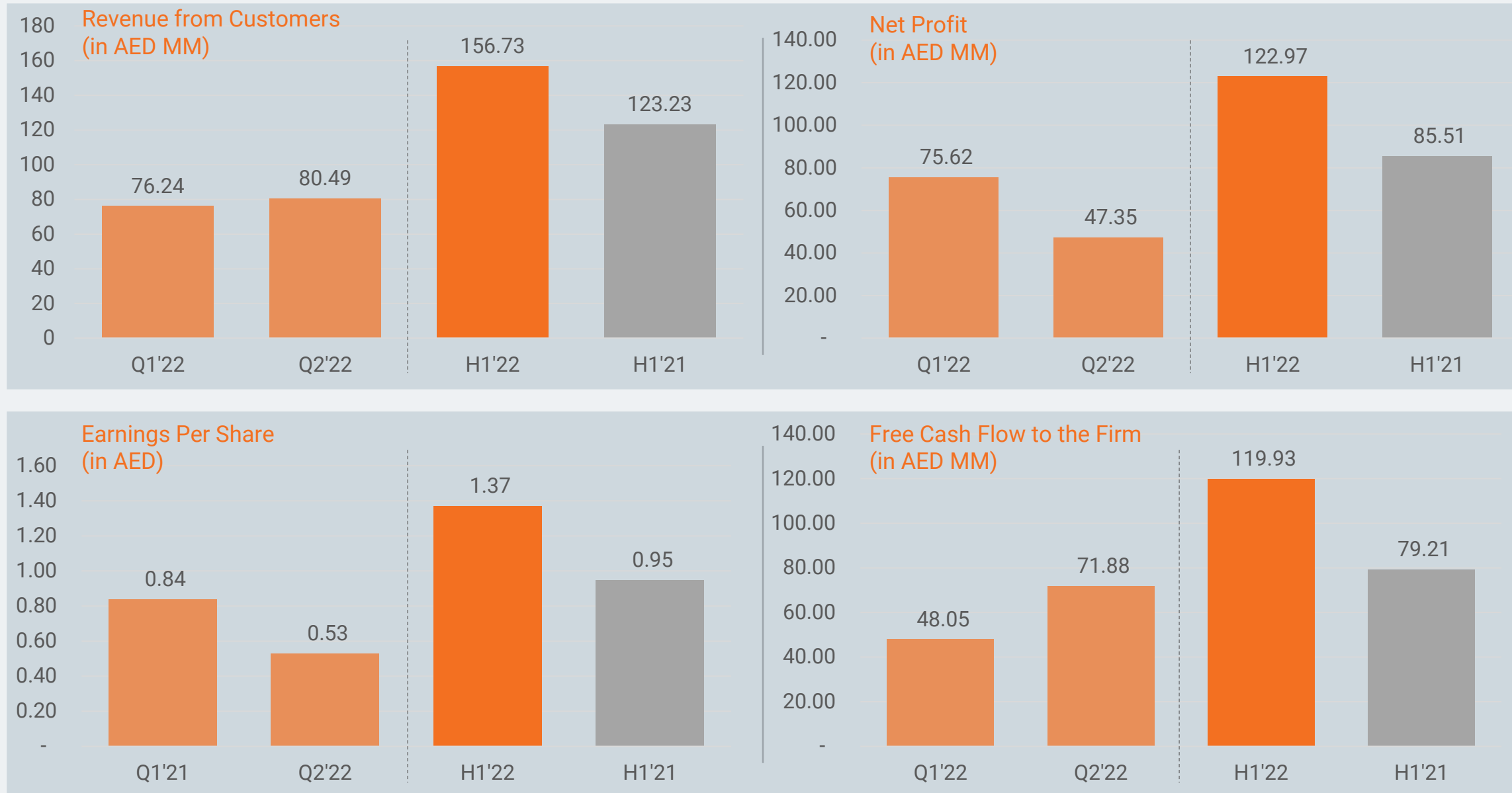


+51.40% Increase  
in FCFF

119.93...

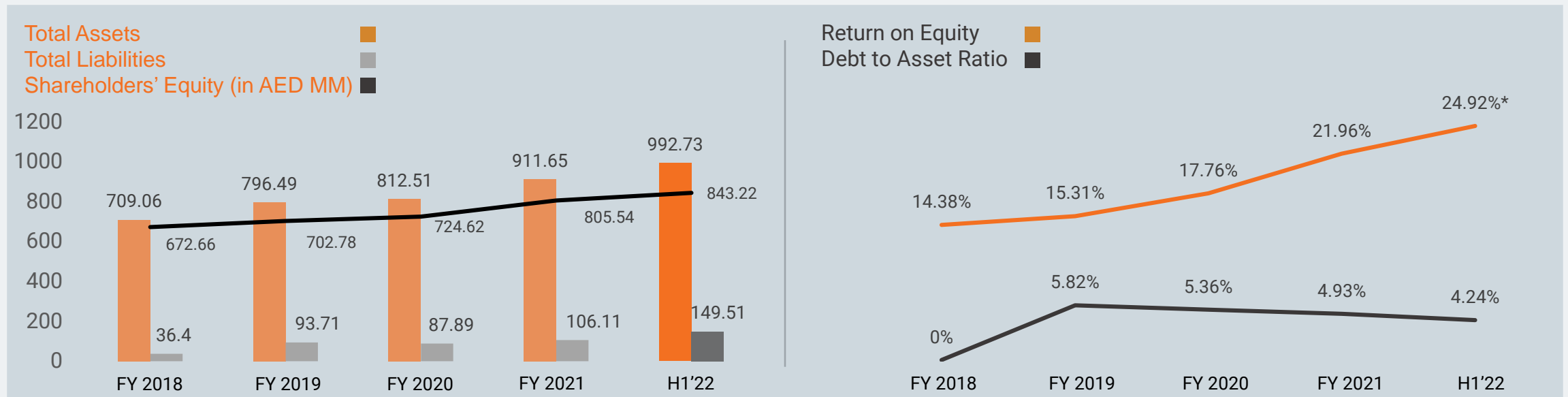
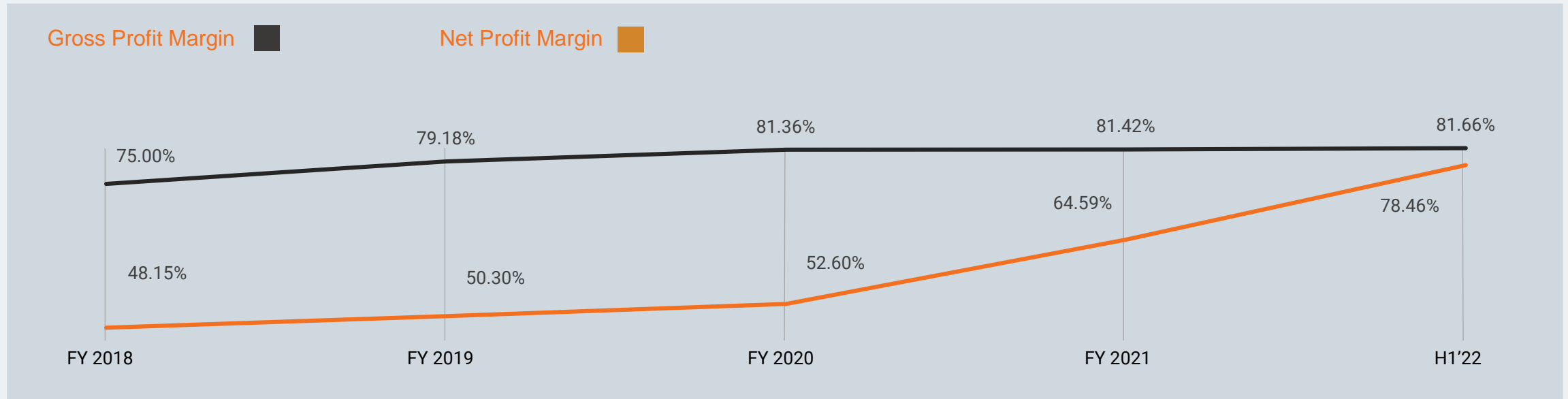
79.21M  
M

## FINANCIAL HIGHLIGHTS (1/2) Continuous Positive Trend



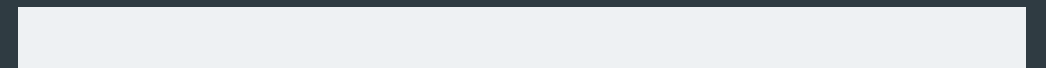


## FINANCIAL HIGHLIGHTS (2/2) Further Improved Performance



# NUMBER OF CUSTOMERS

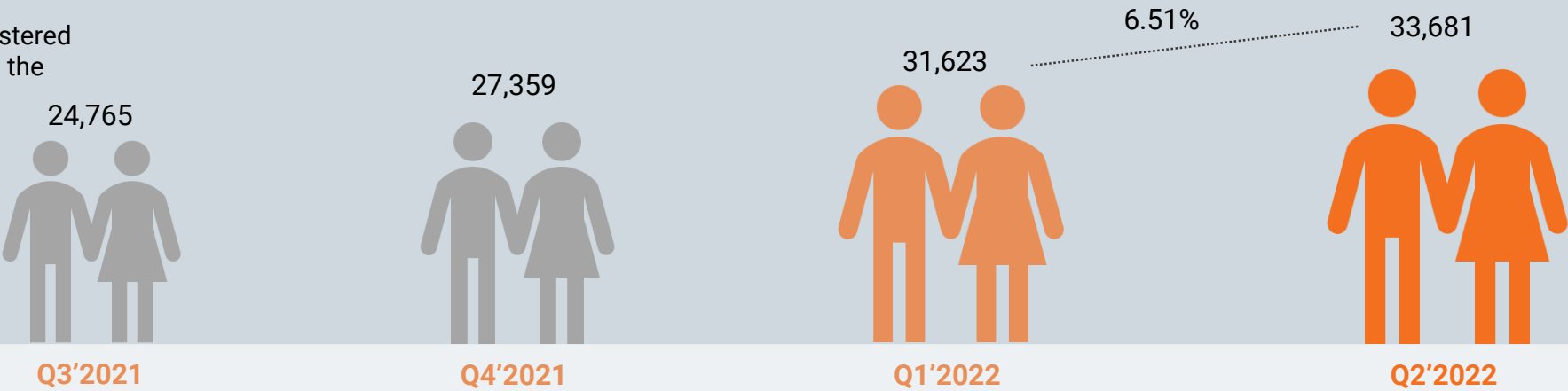
*2<sup>nd</sup> QUARTER & H1 2022 UPDATE*



# NUMBER OF CUSTOMERS Consistent Upward Trend

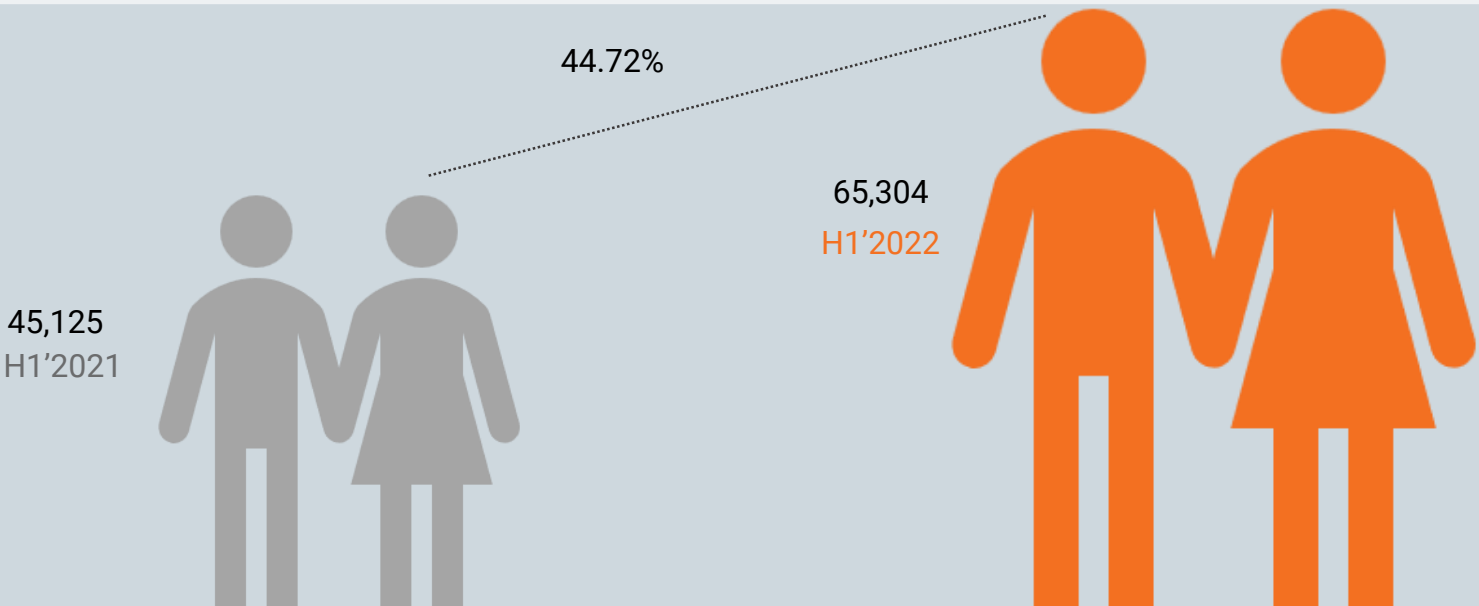
## Number of Customers (Last four quarters)

A 6.50% increase in registered customers compared to the previous quarter



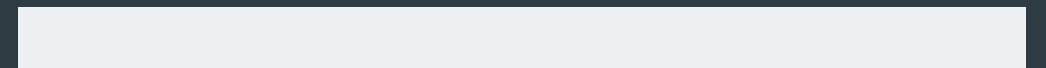
## Number of Customers (Same period as last year comparison)

A 44.70% increase in the number of registered customers when compared to the same period the previous year

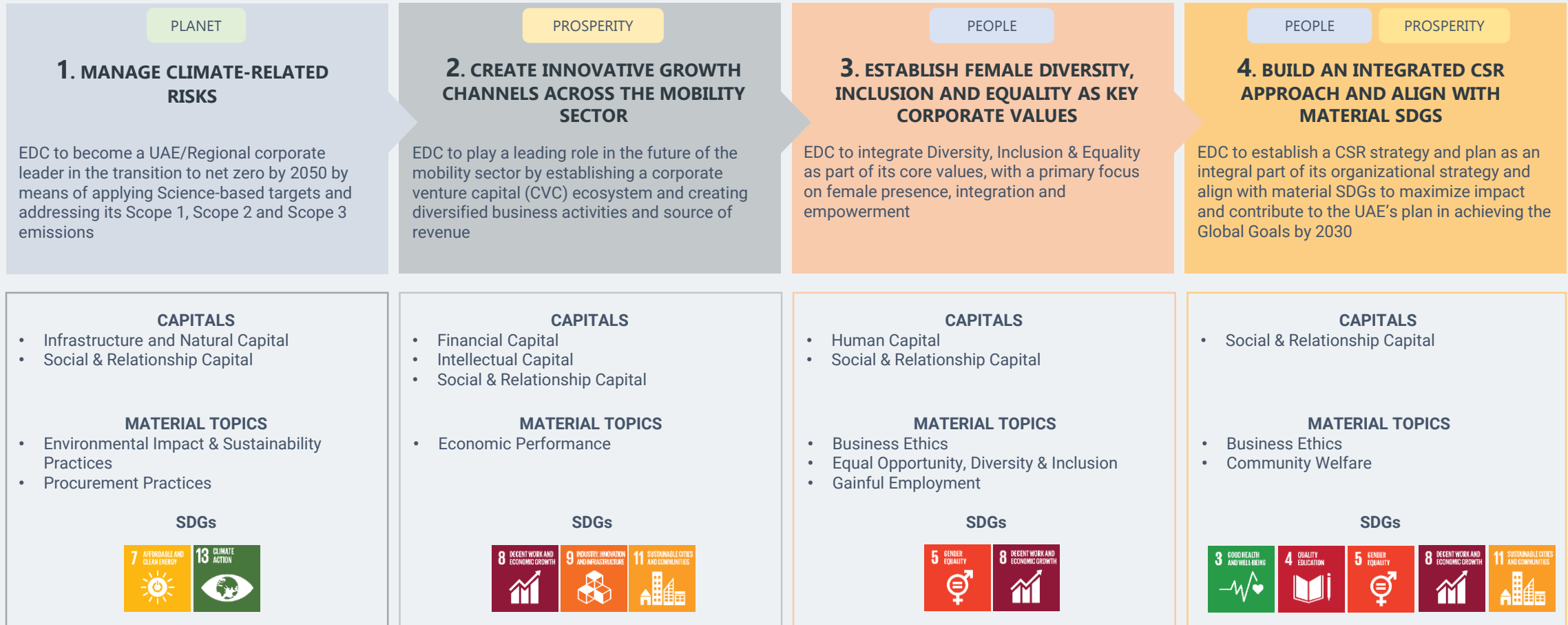


# ESG PROGRESS

*2<sup>nd</sup> QUARTER & H1 2022 UPDATE*



We have completed our Five-Year Sustainability Strategy. The strategy adopts a focused approach designed around four sustainability pillars which form the key elements of EDC's sustainability progress. Objectives, initiatives and KPIs have been identified for each pillar providing a framework with a prioritised set of actions. Our sustainability pillars and alignment with our capitals (as per the Integrated Reporting Framework), material sustainability topics and Sustainable Development Goals (SDGs) are depicted below:



# KEY ANNOUNCEMENTS

*2<sup>nd</sup> QUARTER & H1 2022 UPDATE*



## KEY ANNOUNCEMENTS Moving Towards Achieving our Vision



### Emirates Driving Company's CEO Receives Top CEO Award

- Emirates Driving Company's CEO, Mr. Khaled Al Shemeli, was awarded 1<sup>st</sup> place among GCC-listed companies in the 2022 Top CEO awards in the Retail, FMCG & Consumer Care category.
- Established in 2015, Top CEO is the Middle East's most prestigious Conference & Awards ceremony for business leaders in the GCC. Every year, it brings the region's top 100 listed companies' most prominent executives.
- The formula for granting the awards has been jointly developed by the TOP CEO team, and the prestigious INSEAD Business School along with Dubai-based Hawkamah Institute for Corporate Governance



EMIRATES DRIVING COMPANY P.J.S.C.

Five-Year Sustainability Strategy

### Emirates Driving Company's Board of Directors Approves EDC's Five-Year Sustainability Strategy

- Emirates Driving Company's Board of Directors approved the company's Five-Year Sustainability Strategy, which sets the ESG direction of the company for the next five years, allowing it to progress towards its sustainability vision and goals.
- The Strategy includes the company's sustainability pillars and provides a framework with a prioritized set of objectives, initiatives and targets.
- The company is now moving towards the implementation of its strategy, to ensure effective and successful execution of the various initiatives and achievement of corresponding targets.



## **Customer Happiness at the Core of Emirates Driving Company's Strategy**

- As part of the company's quest to continuously increase customer happiness and in line with its strategic pillars, an independent Customer Satisfaction Survey (CSAT) and a mystery shopper initiative were introduced in 2021 as additional and enhanced methods of engagement.
- At the end of this quarter, the company achieved an overall CSAT score of 89%, a consistent result from the previous wave, and an overall mystery shopper score of 85%, a positive increase as compared to 81% achieved in the previous wave.
- Such results are a testament of the company's efforts to constantly ensure and improve customer satisfaction and wellbeing .



## **Employee Wellbeing at Emirates Driving Company**

- In line with the company's continued efforts to enhancing employee happiness and to fostering a work environment of wellbeing, Emirates Driving Company partnered with Al Jaber Optical Center to provide free eye tests to all employees.
- The above initiative exemplifies Emirates Driving Company's enhanced efforts to promote public health and to set health and safety at the core of its mission.



# ABOUT EMIRATES DRIVING COMPANY

*2<sup>nd</sup> QUARTER & H1 2022 UPDATE*



## ESTABLISHMENT



- Established in 2000 under Amiri Decree No. 1
- The leading drivers training and road safety institute in the emirate of Abu Dhabi
- Multiply Group is the major shareholder (at 48%)

## FOOTPRINT



- Headquartered in Abu Dhabi
- Two main branches – Abu Dhabi City and Al Ain
- One large branch in Zayed City
- Four other Satellite branches in the emirate of Abu Dhabi

## PEOPLE



- 527 total employees
- 399 trainers & drivers
- 28 nationalities

## CUSTOMERS



- 500 new students registered per day
- 97,249 new students in 2021
- Over 80,000 graduates per year on average

## REGULATED



- Licensed by the Department of Economic Development in Abu Dhabi
- Public Joint Stock Company
- Listed on the Abu Dhabi Securities Exchange (ADX) since 2005

## ALLIANCES



## CERTIFICATIONS / ACCREDITATIONS



## MEMBERSHIPS



# FIVE GROWTH PILLARS **Dynamic Growth Plan**



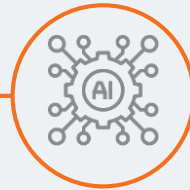
## **EXPANSION & ACQUISITION**

- We will expand our geographic presence across other emirates and key GCC locations
- We will also look to expand horizontally within the mobility sector and capture unique opportunities
- Growth organically and by acquiring existing companies



## **SMART MOBILITY**

- Ensure that EDC plays a leading role in the smart mobility sector and capture market share in disruptive mobility technologies
- Create strategic partnerships and incubate smart mobility start ups



## **DIGITALIZATION & AI**

- Digitalize our operation and make it a seamless experience for our customers, strive for business excellence
- Aim to enhance value and personalize training by using AI to capture customers' unique needs



## **SUSTAINABILITY**

- Embed sustainability into our business model and day-to-day corporate practices
- Manage ESG related risks & opportunities, enhance our ESG performance, and be a corporate leader in the transition to a Net Zero UAE economy



## **RESEARCH & DEVELOPMENT**

- Embed innovation in EDC's DNA by means of building R&D capabilities
- R&D creates knowledge and builds products & services that will serve as growth catalysts
- Collaborate with reputable global knowledge centers with mobility expertise



# SELECT AWARENESS CAMPAIGNS #roadsafety #trafficsafety #onlyonearth #healthsafety



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