

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

Investor Presentation – 3<sup>rd</sup> Quarter Update

*November 2021*

# SUSTAINABLE VALUE CREATION



شركة الإمارات لتعليم قيادة السيارات  
Emirates Driving Company

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# EXECUTIVE SUMMARY

*Q3 UPDATE*



## SUMMARY

Emirates Driving Company (EDC) continued to demonstrate operational efficiency and quality management throughout the 3<sup>rd</sup> quarter by recording an impressive net profit margin of 69.18%, which is a remarkable 16.58% increase from the previous year.

We remain the leading drivers training and road safety institute in the emirate of Abu Dhabi and have placed throughout the year greater emphasis on providing customer excellence. Accordingly, construction work for building EDC's new branch in Madinat Zayed, which commenced last August, is specifically meant to enhance customer experience in that region.

Our Balance Sheet remains solid with a low debt to asset ratio of 4.88% and a consistently increasing shareholders' equity amounting to AED 768.31 million while also maintaining a healthy 20.09% return on equity.

As a testament to our corporate responsibility of creating value to all our stakeholders, we have issued EDC's first Sustainability Report towards the end of June and have included as part of this update deck some highlights related to our ESG performance.

Our company has undergone an important change in shareholder structure which we have depicted on the next slide.

## KEY HIGHLIGHTS

### Cash

Free Cash Flow, a measurement of a corporation's ability to repay creditors or pay dividends to investors increased to AED 129.24 million a positive change of 24.20% YoY.

Cash and cash equivalent was also significantly higher YoY with an increase of ~30% to AED 330.31 million.

### Profitability

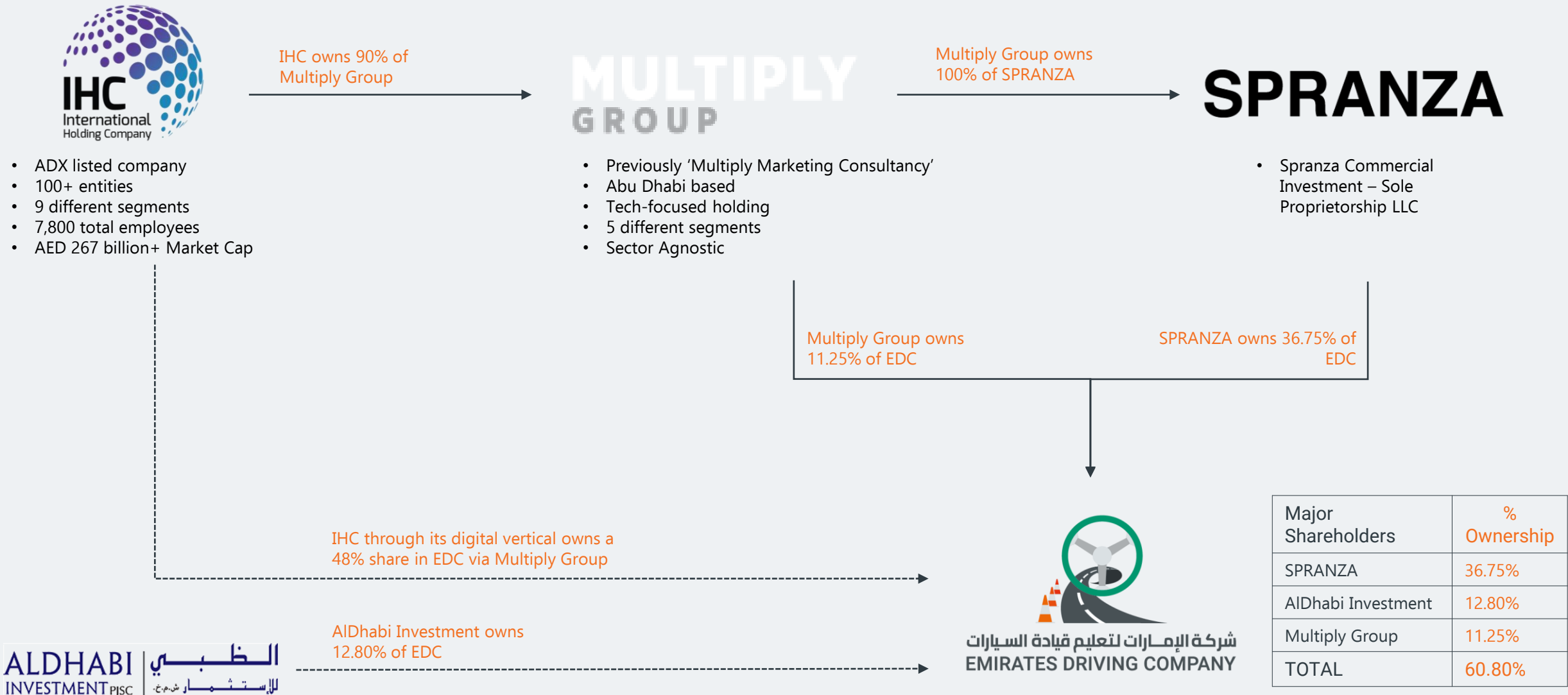
Gross and operating margins were at 81.46% & 60.73% respectively with a net income at AED 130.77 million, a 28% increase from the previous year.

The above resulted in an earnings per share (EPS) number of 1.46 compared to 1.14 the same period the previous year.

### Low Debt

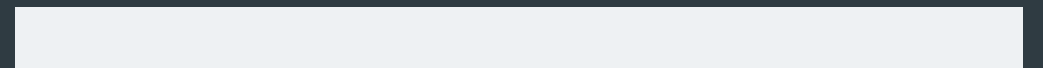
Despite our significant YoY increase in capital expenditures (as a result of our expansion strategy) we have maintained a low debt level with a debt to equity ratio set at 6.13%.

# EDC's OWNERSHIP STRUCTURE – NEW STRATEGIC SHAREHOLDER



# FINANCIAL SUMMARY

*Q3 UPDATE*



# FINANCIAL SUMMARY Highly Performing Quarter

UNAUDITED (in AED MM, except percentages and per share data)	Three months period ended 30 September		Nine months period ended 30 September		
	2021	2020	2021	2020	% Change
Revenue from Customers	65.793	71.026	189.025	172.724	9.44%
Gross Profit	54.292	58.966	153.985	137.443	12.04%
Gross Margin	82.52%	83.02%	81.46%	79.57%	2.37%
Net Gain from Equity Investment	1.193	2.208	6.41	1.63	293.25%
Rental Income	1.444	1.308	4.455	4.031	10.52%
Operating Expenses	12.613	11.363	39.19	45.625	-14.10%
Income from Operations	41.679	47.603	114.795	91.818	25.02%
Operating Margin	63.35%	67.02%	60.73%	53.16%	14.24%
Profit for the period attributable to Owners of the Company	45.259	52.085	130.77	103.202	26.71%
Profit Margin	68.79%	73.33%	69.18%	59.75%	15.79%
EPS (basic and diluted) from continuing operations	0.50	0.57	1.46	1.14	28.07%
Net Cash Generated from Operating Activities	54.243	59.449	140.751	105.634	33.24%
Free Cash flow	798.576	847.044	130.731	105.63	23.76%
Cash and cash equivalents	40.801	113.106	330.311	254.433	29.82%

## Key Highlights & Figures



+12.04%  
increase in  
Gross Profit

153.985  
MM

137.443  
MM



Net Gain from  
Equity Investment

+293.25%



+25.02% Higher  
Operating Income

114.79  
5...

91.818  
MM



Net Profits (to  
Shareholders)

+26.71%



EPS Increase

+28.07%



Cash & Cash  
Equivalents

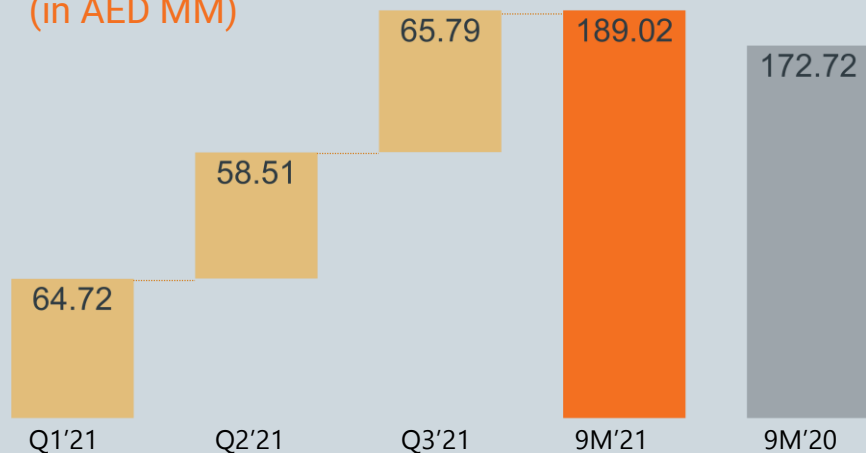
330.31  
1...

254.43  
3MM

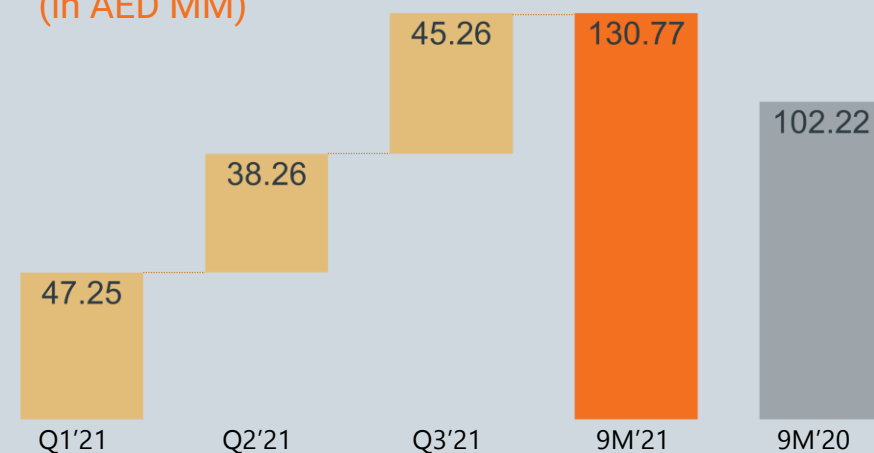


## FINANCIAL HIGHLIGHTS (1/2) Continued Upward Trend

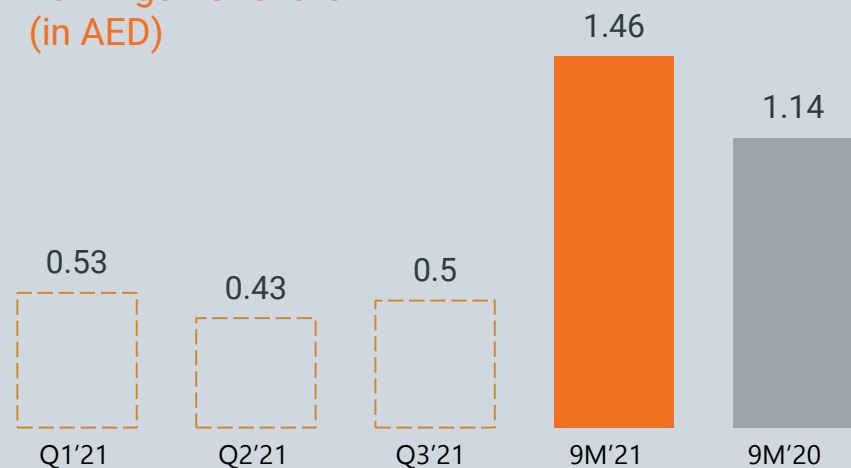
Revenue from Customers  
(in AED MM)



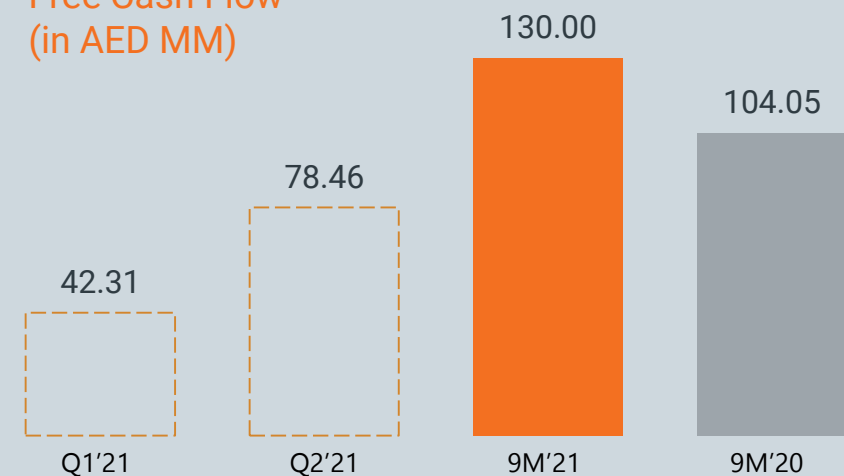
Net Profit  
(in AED MM)



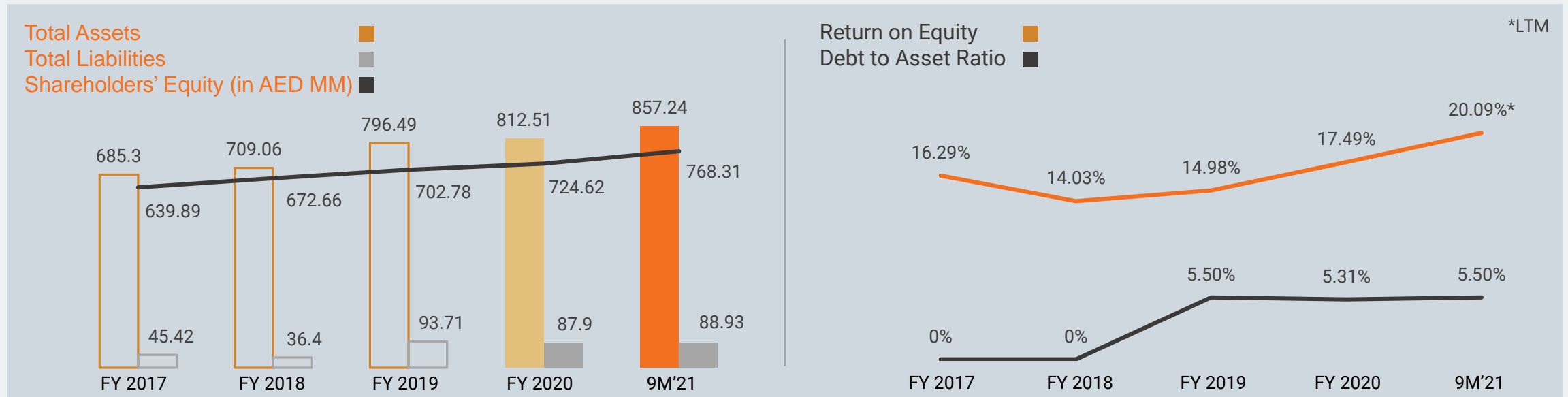
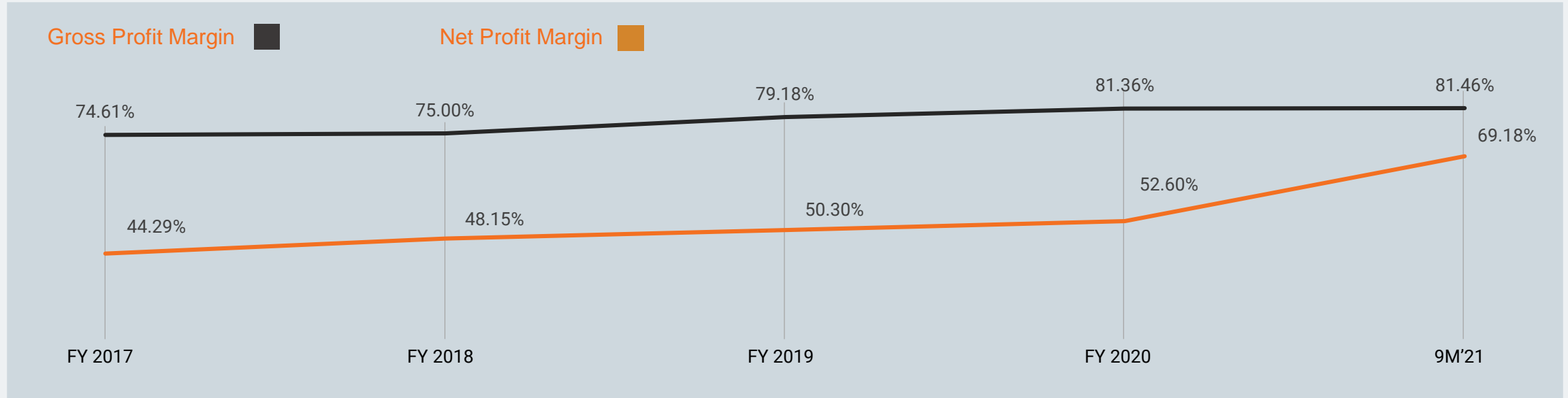
Earnings Per Share  
(in AED)



Free Cash Flow  
(in AED MM)



## FINANCIAL HIGHLIGHTS (2/2) Healthy Margins/Ratios Across all Key Financial Indicators



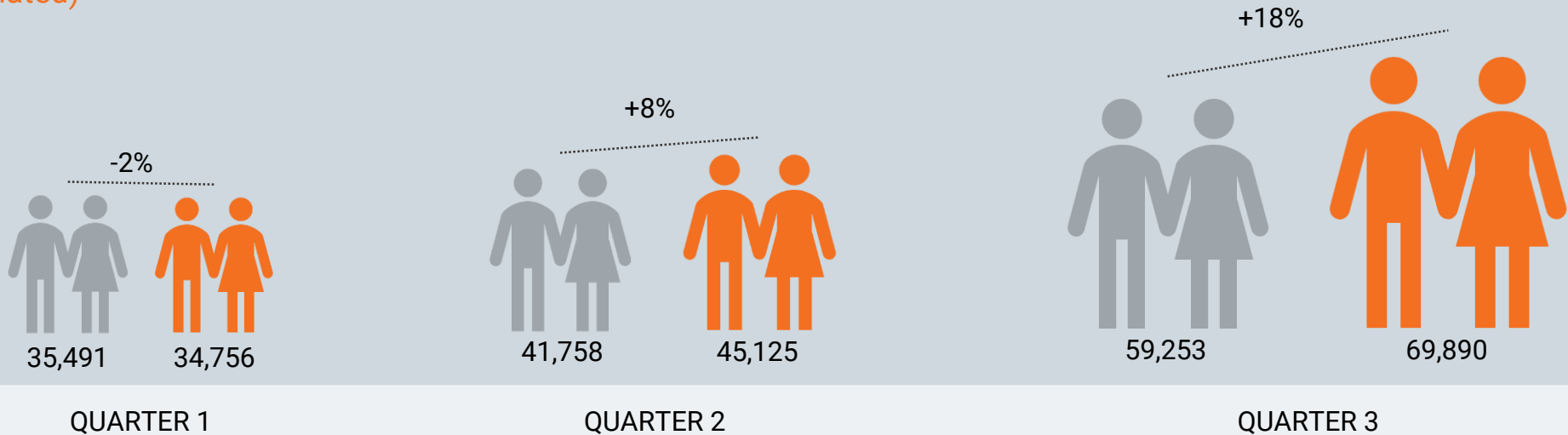
# OPERATIONAL OVERVIEW

*Q3 UPDATE*

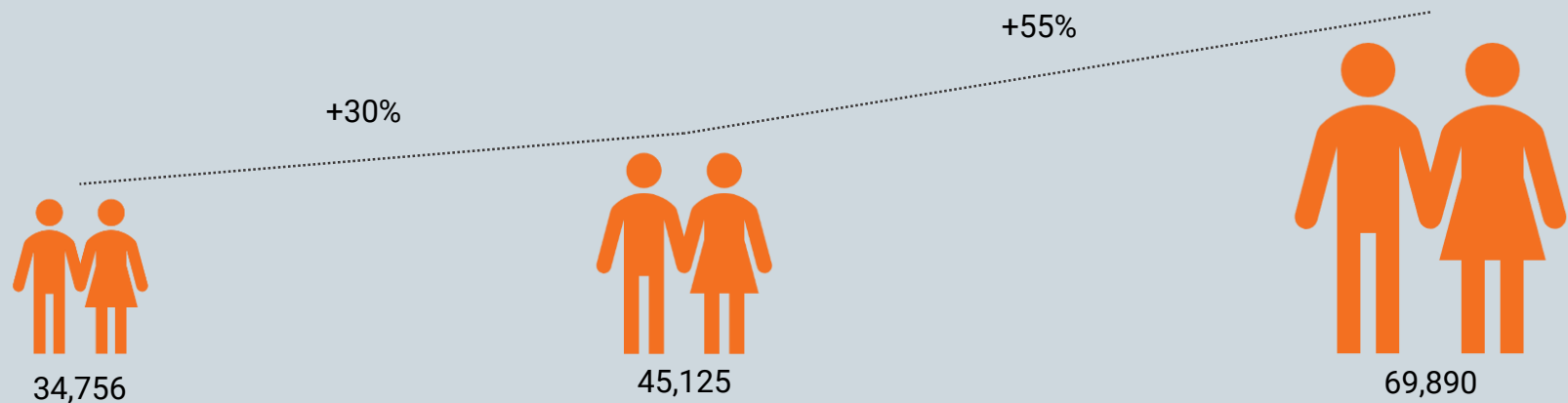


# OPERATIONAL OVERVIEW Increase in Number of Registered Students (theoretical & practical)

Same period as last year  
Comparison (accumulated)



2021 QoQ Comparison  
(accumulated)



## EXPANSION: NEW BRANCH

With the aim to continuously enhance its offering and provide exceptional customer service, and as part of EDC's strategic plan to expand locally as well as internationally, the construction of a new branch in Madinat Zayed City (Al Dhafra region) commenced in August.

Land Size: 115,223 sqm  
Investment Size: ~ AED 22 million  
Completion Date: Expected end of 2022



## NEW ISO 14001:2015 CERTIFICATION






- ISO (International Organization for Standardization) is the world's largest developer of voluntary International Standards. These standards are synonymous to operational excellence through efficiency and effectiveness.
- Throughout the company's two decades of operation, it has developed a multitude of robust policies and procedures to effectively manage and reduce any potential risks. As such the company had obtained different ISO certifications including an ISO related to quality management as well as ISO 18001 related to occupational health & safety.
- As a natural progression to the company's strategic quest for business excellence, and in alignment with its efforts to contribute to the sustainability transition the world is going through, Emirates Driving Company has now also 14001 ISO certified its environmental management system.

# ESG PROGRESS

*Q3 UPDATE*



- Emirates Driving Company is fully committed to the transition to a more sustainable world, and as such, is currently developing its sustainability strategy which forms one of the main pillars of its corporate strategy. Throughout the year, we have issued our inaugural Integrated Report demonstrating our value creation model, as well as issued our Sustainability Report in accordance with best-practice
- We will be setting ambitious Environmental, Social, and Governance (ESG) targets and particularly for what pertains to climate change
- The UAE's net zero initiative (1<sup>st</sup> MENA country to do so) is yet another bold leading move that we will incorporate in our strategic priorities

COMMITMENT	INITIATIVES	PERFORMANCE and KPIs
 <p><b>E</b> Progressively but ambitiously decreasing our impact on the climate. Clear targets will be set during the coming 2021 reporting season</p>	<ul style="list-style-type: none"> <li>• 50% of our fleet will be replaced to eco-friendly cars by 2023 and 100% by 2026</li> <li>• 100% paperless by 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Became ISO 14001 certified</li> <li>• Solar panels are being installed in our two main branches and provisioned the same for our new branch in Madinat Zayed</li> </ul>
 <p><b>S</b> Continuously working towards the wellness of our customers, employees, and society</p>	<ul style="list-style-type: none"> <li>• Committed to a 30% female employee presence by 2023 (from 18% currently)</li> <li>• 5% turnover-rate target for high-performing staff by 2023</li> </ul>	<ul style="list-style-type: none"> <li>• 76% 1<sup>st</sup> time pass rate during the period 9M'21 (for theory and yard tests only)</li> <li>• 77 amount of social media posts on road safety awareness so far in 2021</li> </ul>
 <p><b>G</b> Committed to instilling sustainability in our corporate governance structure</p>	<ul style="list-style-type: none"> <li>• At least one female board member by the next round of BOD elections (2023)</li> </ul>	<ul style="list-style-type: none"> <li>• All Emirates Driving Company board members are independent</li> </ul>

# ABOUT EMIRATES DRIVING COMPANY

*Q3 UPDATE*





# PROFILE 20 Years of Corporate Excellence

## ESTABLISHMENT



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

## FOOTPRINT



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

## PEOPLE



- 487 total employees
- 375 trainers & drivers
- 28 nationalities

## CUSTOMERS



- 500 new students registered per day
- 82,445 graduates in 2020
- Over 400'000 graduates in the last 5 years

## 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**



## **OPERATION OPTIMIZATION**

This would primarily include optimizing our processes through digitalization



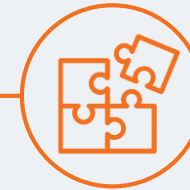
## **GEOGRAPHICAL EXPANSION**

We have set out to expand within the Emirates of Abu Dhabi, as well as to other Emirates and Regionally



## **VERTICAL INTEGRATION**

We are adamant on further expanding through vertical integration by opportunistically looking at the wider mobility sector



## **DISRUPTIVE INNOVATIONS**

We plan on playing an active role in disruptive mobility movements by means of incubating and investing in start-up opportunities



## **RESEARCH & DEVELOPMENT**

R&D creates knowledge and serves as a catalyst for growth. The key objective will remain to promote road safety, in this case, by means of collaboration with knowledge centers and universities





Clockwise starting from the upper left picture: 1. Our HQ, 2. Control Tower, 3. Simulator, 4. Tadano machinery used in EDC training

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