

Abu Dhabi National Energy Company (TAQA UH)

Target Price: AED 3.72/share
Upside: 10.2%

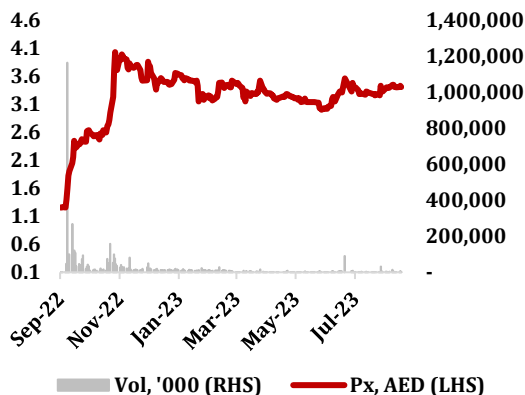
Recommendation	Accumulate
Bloomberg Ticker	TAQA UH
Current Market Price (AED)	3.38
52wk High / Low (AED)	4.140/1.210
12m Average Vol. ('000)	19,327.3
Mkt. Cap. (USD/AED mn)	103,480/380,028
Shares Outstanding (mn)	1,12,434.25
Free Float (%)	10%
3m Avg Daily Turnover (AED'000)	15,055.8
6m Avg Daily Turnover (AED'000)	12,973.8
P/E'23e (x)	20.6 x
EV/EBITDA'23e (x)	18.2 x
Dividend Yield '23e (%)	1.9%

Price Performance:

1 month (%)	3.0%
3 month (%)	8.7%
12 month (%)	174.3%

Source: Bloomberg, values as of 23 August 2023

Price-Volume Performance



Source: Bloomberg

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- **TAQA is one of the largest listed integrated utility companies in EMEA with high visibility on cash profile.**
- **Anticipated revenue surge through strategic sustainable energy initiatives and partnerships.**
- **Promising future with solid margins and improving dividend yields.**
- **Solid cash flows with declining leverage demonstrating financial stability and resilience.**

We review our coverage of Abu Dhabi National Energy Company (TAQA UH: Abu Dhabi) and update our **rating to Accumulate** with a **target price to AED 3.72**, which leaves an upside of 10.2% from the current levels. Our optimism remains strong, as the stock is currently trading at a P/E of 20.6x based on our 2023 estimates, compared to its historical average 1-year forward P/E of 38.0x. The group is set to pose a growth amid its market leadership and exclusive rights over key projects in Abu Dhabi along with expected improvement in the oil & gas segment post-FY'23e.

Investment Thesis

TAQA presents a compelling investment opportunity due to its market leadership in energy and transmission, anticipated growth in the oil & gas sector post-FY'23e, strong cash flows, and an improving dividend yield.

- One of the largest listed integrated utility companies in EMEA with a high predictable and secure cash profile.
- The company's substantial cash reserves make it well positioned to finance its capacity expansion strategies.
- The group's decreasing leverage and constant debt/equity indicates sound financial management and a low-risk profile.
- Sustained growth with reliable dividend payouts and rising dividend yields.

Valuation and risks: Our valuation is based on a mix of DCF (80% weight), and multiples approach (10% weight each to P/E and EV/EBITDA based multiples). Key downside risks: Unplanned shutdowns, longer than expected completion time for construction projects and slow recovery in oil & gas segment.

Key indicators

(In AED mn)	FY21	FY21	FY23e	FY24e	FY25e
Revenues	45,294	49,967	51,271	56,328	61,199
Gross profit margin	22.7%	26.1%	26.8%	21.2%	22.0%
Net income margin	15.8%	35.9%	14.3%	15.5%	16.8%
EBITDA margin	41.0%	47.1%	40.2%	40.0%	39.9%
ROE	8.1%	10.4%	22.1%	9.0%	10.5%
ROA	3.1%	4.4%	9.9%	4.2%	5.0%
P/E	64.7x	47.3x	20.6x	47.2x	40.1x
EV/EBITDA	11.00x	21.64x	18.18x	19.38x	17.92x
EV/Sales	4.66x	8.88x	8.55x	7.79x	7.17x
Dividend yield	0.8%	1.4%	1.9%	1.9%	2.3%

Source: Company Reports, U-Capital Research

*P/E, EV/EBITDA and EV/Sales from 2023 onwards calculated on current price

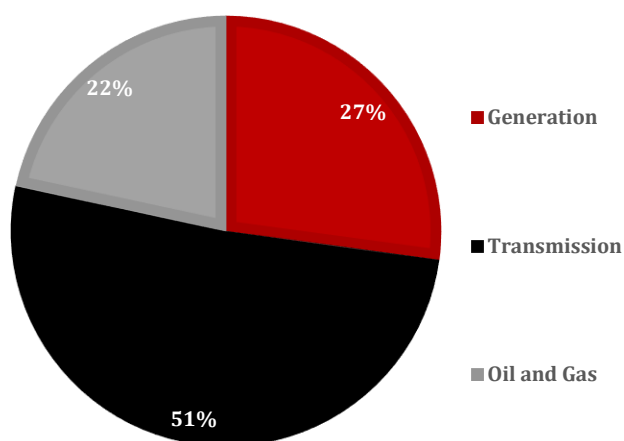
Investment rationale

TAQA, largest player in Utilities market in Abu Dhabi

TAQA is a prominent player in the domestic market with a global presence, and it is expected to increase its power generation capacity both locally and internationally. Notably, TAQA enjoys exclusive rights to participate in all upcoming power and water generation projects tendered in Abu Dhabi for the next decade, with a minimum 40% stake. This gives TAQA a significant advantage in the Abu Dhabi market from the outset.

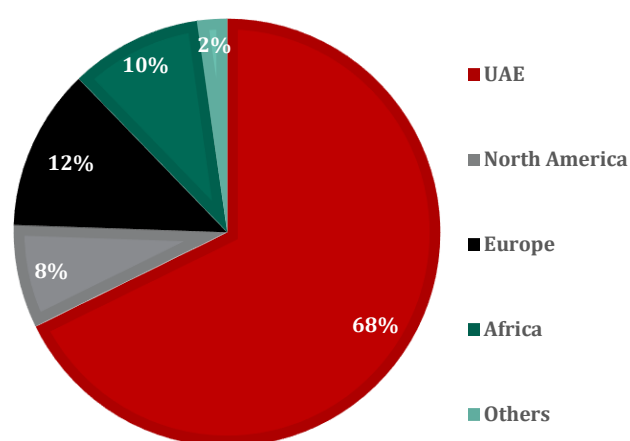
The group holds substantial investments in power and water generation, transmission, and distribution assets, along with upstream and midstream oil and gas operations. The company's extensive asset portfolio spans various countries, including the United Arab Emirates, Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom, and the United States.

Revenue by segment (FY'22)



Source: Company Reports, U Capital Research

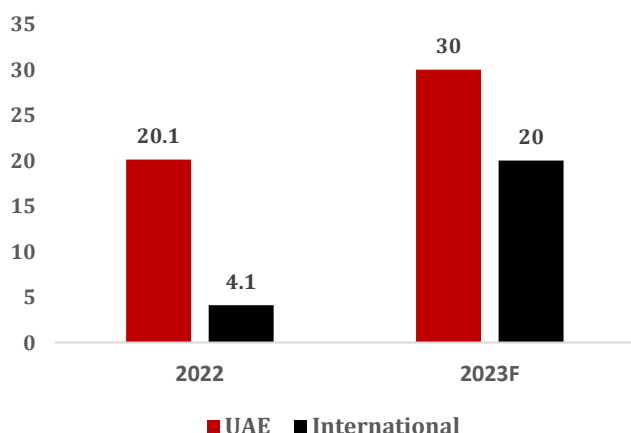
Revenue by geography (FY'22)



Source: Company Reports, U Capital Research

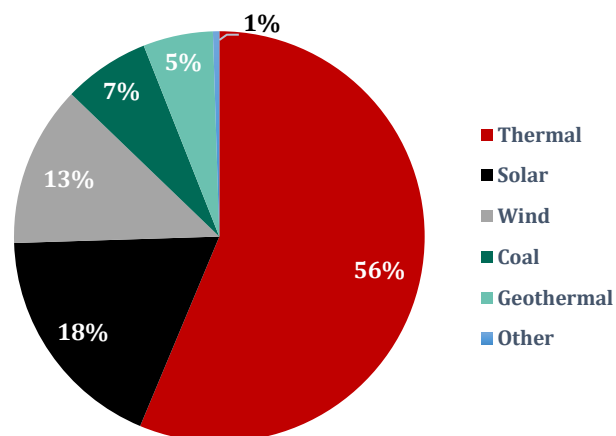
TAQA, the largest player in the power generation business with gross power capacity of 20.1 GW in UAE and 4.1GW internationally. The group intends to improve its gross power capacity by 50% domestically to 30 GW and enhance 400% internationally reaching 20 GW by 2030. Currently, thermal contributes 56% of the gross capacity with ~37% being contributed by clean energy. Considering the transition towards clean energy in UAE as per their 2050 net target goals, the contribution from clean energy sources would increase as TAQA aims to help fulfil the UAE strategy of increasing the share of clean generation to 50 per cent. by 2050.

TAQA Power Generation Capacity (GW)



Source: Company Reports, U Capital Research

TAQA Gross Capacity Technology Mix



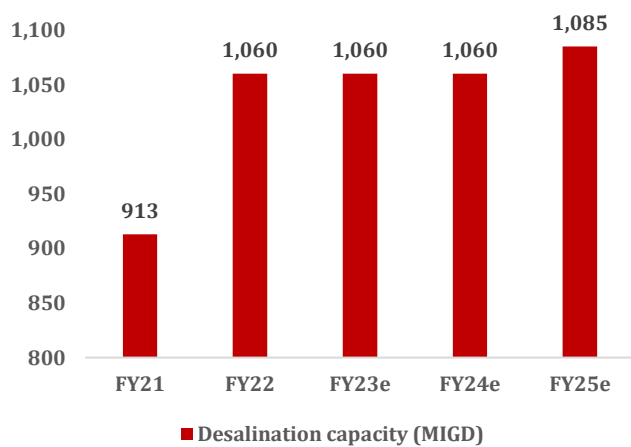
Source: Company Reports, U Capital Research

TAQA's vertical integration drives operational efficiency in power and water distribution

TAQA's vertical integration provides operational efficiency through its transmission and distribution business. Consequently, the company holds a prominent position in both the desalination of water and the transmission and distribution of water. Currently, TAQA boasts a desalination capacity of 1,060 MIGD, and with its strategic initiatives and partnerships, it aims to further enhance this capacity to 1,085 MIGD by FY'25e.

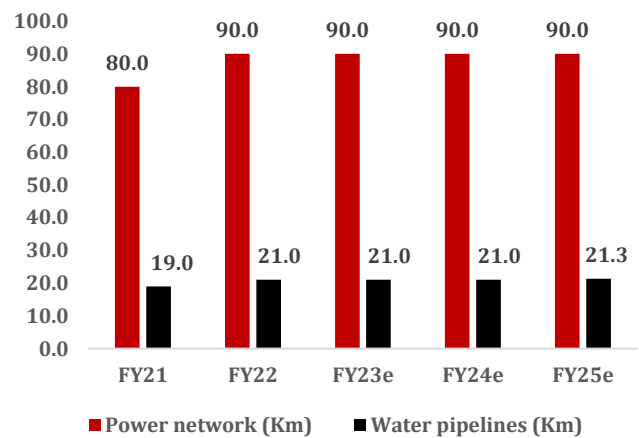
In addition to its desalination prowess, TAQA maintains an extensive power network spanning 90,000 kms, boasting an impressive transmission power asset availability of 99.3%. The company also operates a substantial 21,000 kms water pipeline network for distributing desalinated water, with a transmission water asset availability of 99.3%. This impressive performance establishes TAQA as a supreme leader in the domestic markets, especially in the transmission and distribution business.

TAQA Desalination plants capacity (MIGD)



Source: Company Reports, U Capital Research

Power and Water pipeline network (Kms) (thousand)

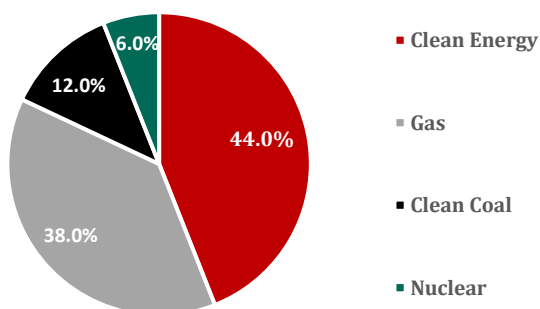


Source: Company Reports, U Capital Research

UAE Energy Strategy 2050: Paving the Way Towards Net-Zero with Diverse Energy Mix

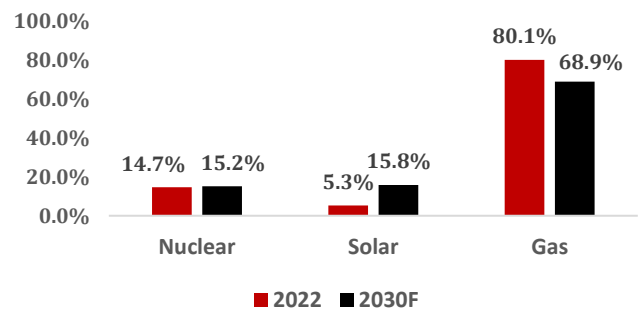
The UAE Energy Strategy 2050 aims to achieve a balanced energy mix consisting of renewable, nuclear, and clean energy sources, aligning with the economic needs and environmental objectives of the UAE. Following the same path, Abu Dhabi is set to increase its solar capacity while decreasing reliance on gas, with the goal of reaching a net-zero target.

UAE Energy Strategy 2050



Source: Company Reports, U Capital Research

Energy Transition across EWEC network*



Source: Company Reports, U Capital Research

*Note: EWEC - Emirates Water & Electricity Company

The UAE is leading the way in implementing revolutionary renewable energy and energy efficiency initiatives. Demonstrating a profound awareness of the consequences of climate change, the country is actively seeking alternative methods to generate the energy required to drive its economy. Notably, the UAE's pioneering Net Zero by 2050 Strategic Initiative, the first of its kind in the Middle East, is in complete harmony with the objectives of the Paris Agreement. This strategic initiative also aligns with the UAE's vision of progress, aiming to foster innovation, green industries, and promote the growth of eco-friendly skills and employment opportunities.

As part of the UAE's Net Zero by 2050 plan, Abu Dhabi is set to launch several remarkable renewable energy ventures. These include the 5.6 GW Barakah nuclear energy plant and the 2 GW Al Dhafra Solar PV project, combining to achieve an impressive clean power generation capacity of 8.8 GW by 2025. This ambitious initiative is expected to result in 55% of Abu Dhabi's electricity in 2025 being sourced from renewable and clean sources, significantly reducing power generation emissions from approximately 40 million tons of CO2 emissions in 2020 to around 20 million tons by 2025.

TAQA is strategically positioned to be a major player in the power generation market in Abu Dhabi and the UAE, benefiting from the ongoing transition. It holds a significant stake in all the PV plants, including the Al Dhafra Solar PV project, as well as key stakes in all gas plants. While not owning the Barakah Nuclear Energy plant, TAQA provides Transmission & Distribution connectivity, further enhancing its strategic advantage in the region. This positioning allows TAQA to emerge as a key and prominent player in the power generation industry.

Green initiatives under Generation for TAQA

Spreadheading TAQA's green initiatives

- Dafrah PV2 (2GW capacity) will be the world's single largest solar PV farm upon completion
- Taweelah RO (200 MIGD), once commissioned will be the world's largest RO desalination plant
- Fujairah 3 (2.4 GW capacity) is designed to be the most efficient CCGT plant on Abu Dhabi network

Source: Company Reports, U Capital Research

Green initiatives under T&D for TAQA

Preparing the ground for energy transition

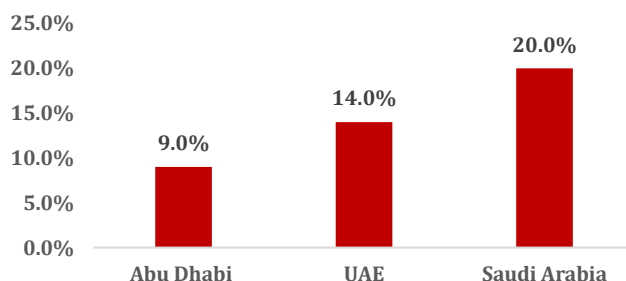
- Investments in energy transition readiness and associated infrastructure, incl. battery storage, EV charging and demand side management
- Emphasis on digitalization to achieve operational improvements and smart grid readiness

Source: Company Reports, U Capital Research

The Growing Importance of Desalination in UAE's Water Supply: Promising Outlook and Government Initiatives

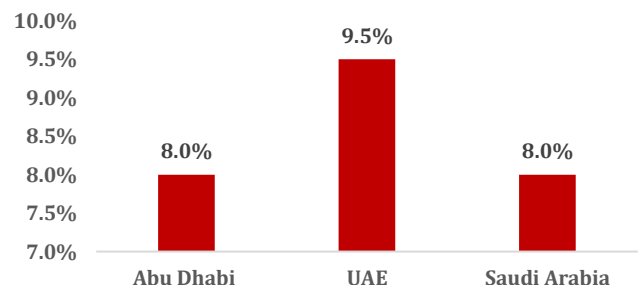
The desalination sector holds a crucial role in supplying water to the UAE. As of 2022, around 42% of the nation's drinking water came from desalination plants, and this proportion is predicted to rise in the coming years. The outlook for the desalination industry in the UAE appears promising, with an anticipated CAGR of 3% from 2023 to 2028. The UAE government is fully dedicated to ensuring a secure water supply for the country, and desalination plays a vital part in their water strategy. Additionally, the government is actively investing in research and development to improve the efficiency and cost-effectiveness of desalination technologies.

Desalinated water output as a % of total output



Source: Company Reports, U Capital Research

Desalinated water market size (CAGR 2023-28e)



Source: Company Reports, U Capital Research

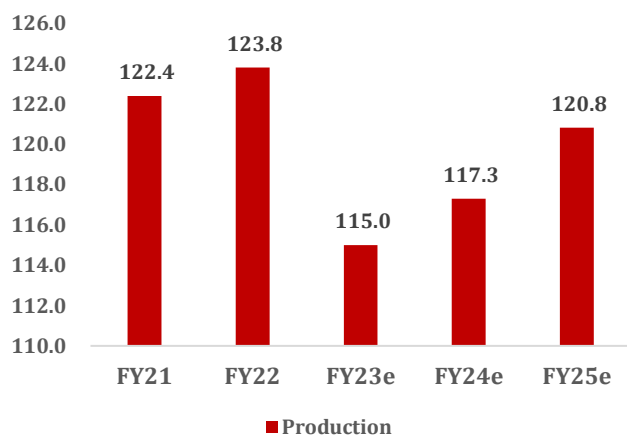
Abu Dhabi generates 9% of the world's desalinated with highest contribution from Saudi Arabia of 20%. The water desalination sector is expected to grow at a GACR of 8% between 2023-27e. Desalination water is a major part of the water supply in Abu Dhabi. In fact, desalination plants provide about 90% of the emirate's drinking water. The sector is expected to grow in the coming years, as the demand for water in Abu Dhabi increases.

Due to its strategic positioning in the desalination sector and its continuous expansion in generation and transmission capacity, TAQA is poised to capitalize on this progress and boost its revenue from desalination water. Moreover, the company's strategic endeavors and collaborations, particularly with ADNOC, coupled with the imminent completion of the Mirfa 2 Reverse Osmosis desalination project in the UAE by the end of 2025, are positioning TAQA as a prominent leader in the industry.

Outlook for TAQA's oil & gas revenue: Weathering the challenges and forecasting recovery

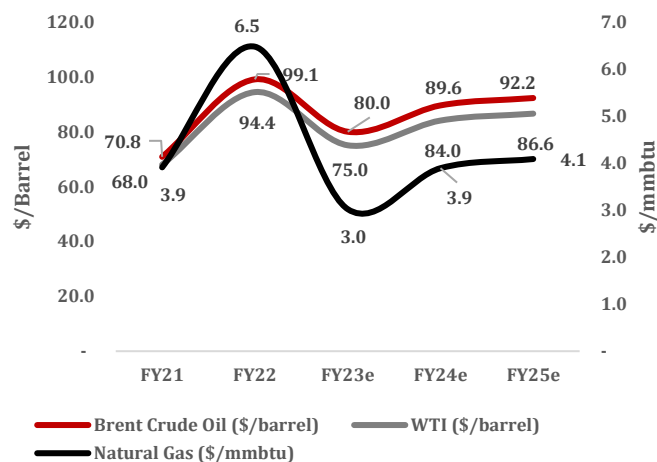
TAQA's revenue from Oil & Gas comprises 22% of its total earnings. However, in FY'23e, there has been a slowdown in this sector due to global economic concerns, including potential recessions, rising interest rates, and a slow recovery in China. Despite these challenges, we anticipate market stability beyond 2023e and expect a recovery in the Oil & Gas sector. Currently, there is a projected decline in oil prices, with Brent expected to fall by 19%, and WTI likely to decline by approximately 20.5% in 2023e. Additionally, natural gas prices are anticipated to experience a significant decrease of 53.3% in 2023e. However, we foresee prices rebounding in 2024e and showing substantial growth, particularly when considering the low base in 2023e. Looking ahead, we expect prices to steadily improve up until 2027e, leading to an enhancement in the revenue contribution from the Oil & Gas sector.

Oil Production (mboepd)



Source: Company Reports, U Capital Research

Oil & Natural Gas prices



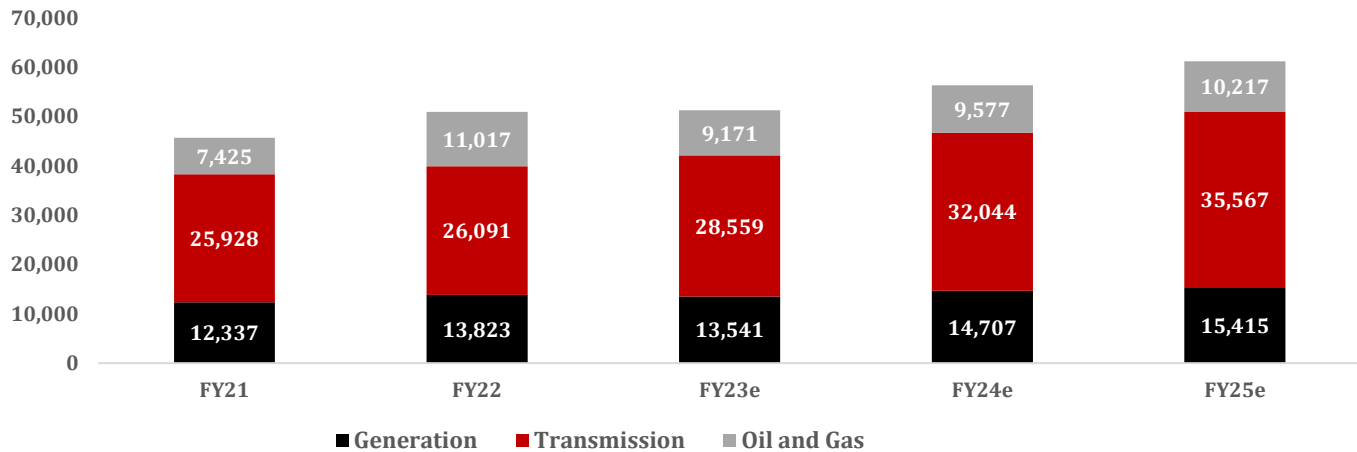
Source: Company Reports, U Capital Research

TAQA's strategic positioning and initiatives poised to propel growth in topline

TAQA aims to help fulfil the UAE strategy of increasing the share of clean generation to 50% by 2050 and with its development in Dafrah PV2 plant, the group is strategically well positioned to gain significant advantage. Additionally, the group is a prominent player in the generation and transmission business with having exclusive rights to participate in all upcoming power and water generation projects tendered in Abu Dhabi for the next decade, with a minimum 40% stake. This gives TAQA a significant advantage in the Abu Dhabi market from the outset.

The Power & Water Generation segment is projected to experience a CAGR of approximately 6.7% between FY'23-25e, while the Power & Water Transmission segment is expected to achieve a CAGR of 11.6% during the same period. Additionally, the Oil & Gas sector is forecasted to witness a CAGR of around 5.6% for the given timeframe. Considering all these factors, the total revenue is expected to demonstrate a CAGR of 9.3% during the stated period and is projected to reach AED 61 billion by FY'25e.

Revenue by Segment



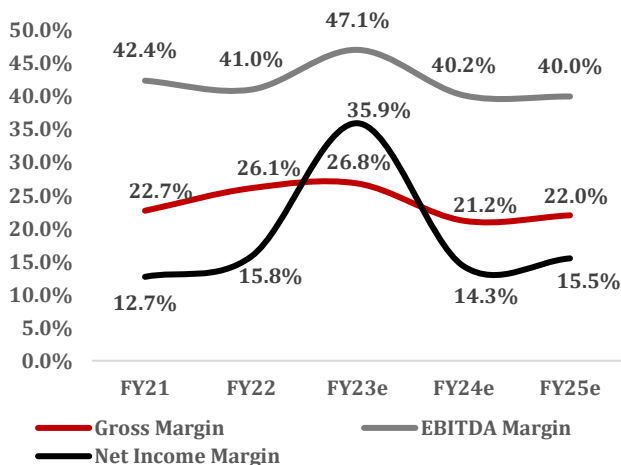
Source: Company Reports, U Capital Research

Sustained growth for TAQA driven by solid margins

The group has a consistent track record of maintaining steady margins, with a significant portion (70%) of its adjusted EBITDA coming from regulated and contracted assets. These results are attributable to long-lasting agreements with the Abu Dhabi government. Furthermore, the group's expansion plans, focusing on green energy, and their exclusive right to participate in all upcoming power and water generation projects tendered in Abu Dhabi for the next decade (with a minimum 40% stake) are expected to contribute to continued positive trends beyond FY'23e. Projected EBITDA margins are anticipated to remain around ~40% until FT'25e, and net income margins are expected to stay within the range of 14-15% up to FY'25e.

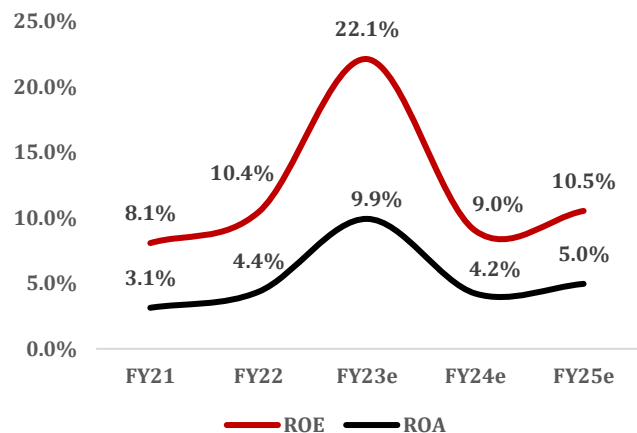
In addition to these promising prospects, TAQA's strong market position and solid margins are likely to lead to improved return ratios beyond FY'23e.

Solid margins expected to continue post-FY'23e



Source: Company Reports, U Capital Research

Improving Return Ratios



Source: Bloomberg, U Capital Research

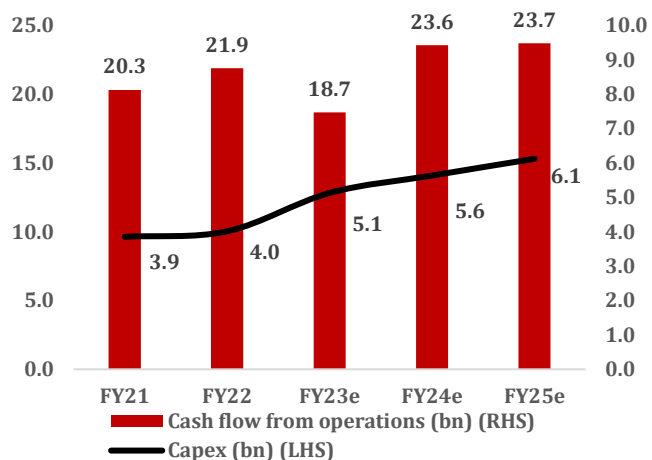
*Note: In FY'23e, the Net Income margin is anticipated to experience a substantial boost, primarily driven by the recognition of a one-off exceptional item. This recognition will result in a gain of AED 10,784 million from the group's investment in Abu Dhabi National Energy Company PJSC.

Expansion plans to continue driven by strong cash flows

TAQA is actively pursuing various expansion plans that prioritize green initiatives and aim to boost the capacity of its T&D business. These plans include the development of projects like Dafrah PV2 plant and Fujairah 3, both of which are geared towards advancing sustainable energy production. Additionally, TAQA is committed to further strengthening its transmission business by focusing on the expansion and interconnection of power, water, and recycled water infrastructure in Abu Dhabi. TAQA is in a favorable position to carry out its expansion activities using its own cash reserves, thereby reducing its dependence on external debt. This advantage is due to its substantial cash conversion ratio, which is a result of long-term contracts with the Abu Dhabi government and a track record of consistently generating substantial cash flows. The company is expected to have a remarkable CAGR of ~12.6% in cash flow from operations between FY'23-25e, indicating strong operational efficiency and profitability.

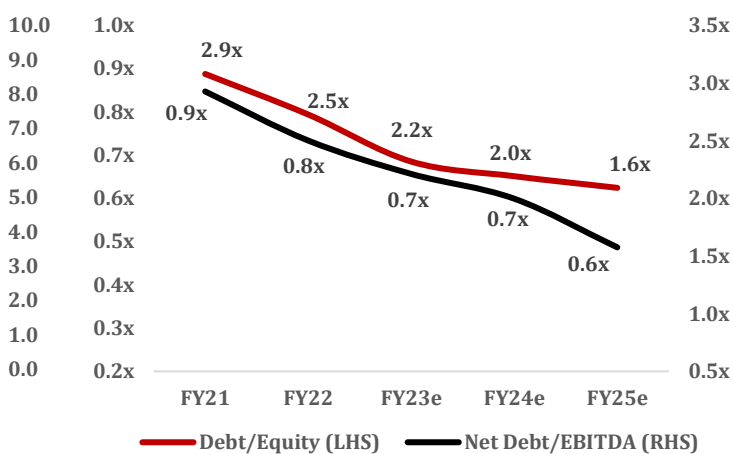
The Debt/Equity ratio is expected to maintain stability at around 1.6x until FY'25e, indicating the company's effective debt management and reduced dependence on debt. Additionally, the decreasing Net Debt/EBITDA ratio highlights the company's adeptness in handling debt efficiently. TAQA's financial stability and resilience are clearly demonstrated by its significant cash reserves and minimal debt, reaffirming its strong financial standing.

Cash generation and capex (AED bn)



Source: Company Reports, U Capital Research

Steady debt with decreasing leverage

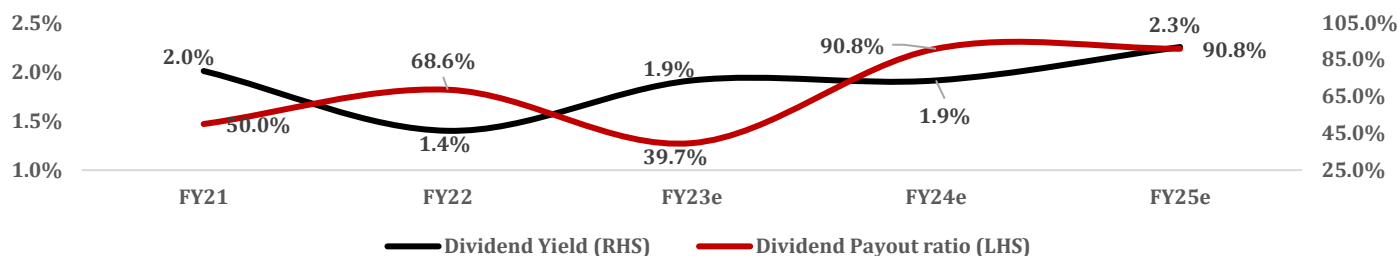


Source: Company Reports, U Capital Research

Solid growth accompanied with consistent dividend payments

TAQA has a track record of regularly paying dividends, and we anticipate that this trend will continue after FY'23e, with a stable payout ratio of ~90.8% between FY'24-25e. As a result, the dividend yield is expected to increase steadily after FY'23e, reaching 2.3% by FY'25e. The steady and growing yield indicates a dependable source of returns for investors looking for income-generating opportunities.

Improving dividend yield and payout



Source: Company Reports, U Capital Research

Sensitivity Analysis

Our TP for Abu Dhabi National Energy Company (TAQA UH) is sensitive to valuation inputs such as Cost of Equity (CoE) (+/- 1%) and terminal growth rate (+/- 0.25%). Between them, the higher sensitivity is towards Cost of Equity. Our TP is also sensitive (although relatively much lower) to the Oil & Gas production and Oil & Gas revenue per barrel.

TAQA UH

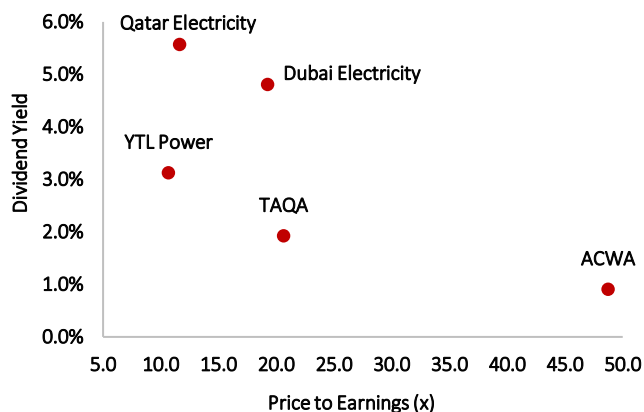
		Cost of Equity					Oil and gas revenue per barrel				
		11.2%	12.2%	13.2%	14.2%	15.2%	107	117	127	137	147
Terminal Growth rate	1.50%	4.4	3.8	3.4	3.0	2.7	63	3.6	3.6	3.6	3.8
	1.75%	4.7	4.1	3.5	3.1	2.8	73	3.6	3.6	3.7	3.8
	2.00%	5.0	4.3	3.7	3.3	2.9	83	3.6	3.7	3.7	3.8
	2.25%	5.4	4.6	3.9	3.4	3.1	93	3.7	3.7	3.6	3.8
	2.50%	5.8	4.9	4.2	3.6	3.2	103	3.7	3.7	3.7	3.8

Peer Group Valuation

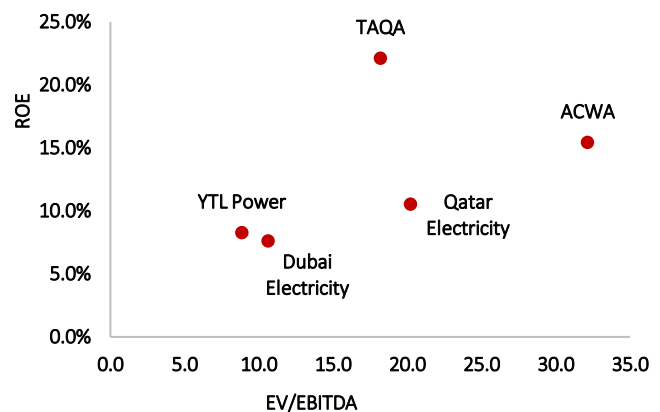
Name	Mkt Cap (SAR mn)	Last Px (AED)	Px Change 1M, %	Px Change 3M, %	Px Change YTD, %	EV/EBITD A'23e, (x)	P/E'23e, (x)	ROE'23e, (%)	Div Yield' 23e, (%)	FCF Yield'23e (%)
ABU DHABI NATIONAL ENERGY CC	3,80,027.8	3.38	3.0%	8.7%	-0.8%	18.2	20.6	22.1%	1.9%	4.0%
QATAR ELECTRICITY & WATER CO	20,096.2	18.13	0.7%	4.1%	2.4%	20.2	11.6	10.5%	5.6%	8.4%
ACWA POWER CO	1,36,725.4	191.00	0.6%	23.2%	25.7%	32.1	48.7	15.4%	0.9%	1.0%
YTL POWER INTERNATIONAL BHE	11,246.8	1.76	34.4%	49.2%	146.2%	8.8	10.7	8.3%	3.1%	-0.6%
DUBAI ELECTRICITY & WATER AU	1,30,000.0	2.60	-4.1%	4.4%	13.6%	10.6	19.3	7.6%	4.8%	3.1%
Average						18.0	22.2	12.8%	3.3%	3.2%
Median						18.2	19.3	10.5%	3.1%	3.1%

Source: Bloomberg, U Capital Research, na – not available, nm – not meaningful; *valued as of 23 August 2023 Market-cap weighted average multiples – EV/ EBITDA, and P/E

Price to Earnings & Dividend Yield



EV/EBITDA & ROE



Source: Bloomberg, U Capital Research; As of 23 Aug 23

Source: Bloomberg, U Capital Research; As of 23 Aug 23

Valuation Summary

To value Abu Dhabi National Energy Company, we employed Sum-of-the-parts (SOTP) and DDM method for valuation. In our SOTP analysis, we have given a weight of 50% and valued Generation and Transmission segment using relative valuation (EV/EBITDA multiple) and Oil & Gas using DCF multiple. SOTP yields a fair value of AED 3.54/share. On the other hand, our DDM valuation yielded a fair value of AED 3.91/share. We used a cost of equity of 6.7%, a risk-free rate of 3.1%, a beta of 0.63, risk premium of 5.8%, and a terminal growth rate of 2.8%.

Taking a weighted average of these valuations, we arrived at an overall fair value of **AED 3.72 per share**.

Valuation

TAQA

Sum-of-the-parts (SOTP)

Generation (EV/EBITDA multiple)

EV/EBITDA multiple	21.6x
EBITDA	7,750
Enterprise Value	1,67,422

Transmission (EV/EBITDA multiple)

EV/EBITDA multiple	20.4x
EBITDA	8,561
Enterprise Value	1,74,315

Oil & Gas (DCF multiple)

Assumptions	
Risk Free Rate (%)	3.0%
Adjusted Beta	1.0
Risk Premium (%)	3.5%
Cost of Equity (COE) (%)	6.5%
Terminal growth rate	1.0%
Enterprise value (AED mn)	1,07,835

Total Enterprise value	4,49,572
Less: Net Debt	-51,283
Equity Value	3,98,289
Outstanding Shares (mn)	1,12,434
Target Price (AED)	3.54

Dividend Discount Model

Dividend discounted based multiple

2023e	7,139
2024e	6,687
2025e	7,378
2026e	8,222
2027e	8,951
Terminal value	38,376
Total PV of Future Cashflows (Enterprise Value, AED mn)	76,753

Risk Free Rate (%)	3.1%
Adjusted Beta	0.63
Risk Premium (%)	5.8%
Cost of Equity (COE) (%)	6.7%
Terminal growth rate	2.8%
Equity value (AED mn)	4,39,206
Outstanding Shares (mn)	1,12,434
Target Price (AED)	3.91

Target Price (AED)	3.72
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Current Market Price (AED)	3.38
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Upside/(Downside), %	10.2%
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Recommendation

Accumulate

Source: Company Financials, Bloomberg, U Capital Research

Financial tables

(AED mn)	FY21	FY22	Previous FY23e	FY23e	Previous FY24e	FY24e	FY25e
Income Statement							
Sales	45,294	49,967	54,964	51,271	62,469	56,328	61,199
COGS	-35,012	-36,918	-40,673	-37,517	-38,897	-44,396	-47,730
Gross profit	10,282	13,049	14,291	13,754	23,572	11,932	13,469
SG&A expenses	-2,254	-2,166	-2,400	-1,791	-1,657	-1,881	-2,016
Operating profit	8,028	10,883	11,891	11,962	21,915	10,051	11,453
Other income – net	1,473	404	577	12,061	505	1,182	1,185
Finance charges	-3,070	-2,949	-3,000	-2,891	-2,410	-2,763	-2,661
Income before tax	6,431	8,338	9,468	21,132	20,010	8,470	9,977
Tax	-682	-457	-519	-2,702	-1,000	-424	-499
Net income for the period	5,749	7,881	8,949	18,430	19,009	8,047	9,478
Balance Sheet							
Cash and bank balances	8,772	10,422	22,191	7,508	33,552	13,166	17,931
Derivative financial instruments	11	75	11	75	11	75	75
Trade and other receivables	6,534	7,333	6,023	7,524	6,827	8,244	8,981
Inventories	3,518	3,402	3,343	3,457	3,188	4,080	4,398
Property, plant and equipment	1,22,397	1,17,470	1,16,918	1,11,643	1,15,148	1,06,881	1,02,270
Investments in joint ventures	1,683	0	1,616	6,700	1,619	6,713	6,732
Operating financial assets	9,047	7,917	9,047	7,917	9,047	7,917	7,917
Total assets	1,80,197	1,81,508	1,83,601	1,90,064	1,92,114	1,91,160	1,91,122
Trade and other payables	16,228	18,047	19,542	16,628	17,518	20,589	22,494
Interest bearing loans and borrowings - current	2,843	11,129	5,165	9,724	6,961	10,210	10,720
Interest bearing loans and borrowings	61,369	50,484	52,742	51,043	48,895	48,036	45,658
Share capital	1,12,434	1,12,434	1,12,434	1,12,434	1,12,434	1,12,434	1,12,434
Legal reserve	0	0	0	0	0	0	0
Retained earnings	7,284	9,002	13,773	20,236	25,249	21,024	21,951
Total stockholders' equity	65,904	70,379	72,393	81,613	83,869	82,401	83,328
Total liabilities & stockholders' equity	1,80,197	1,81,508	1,85,769	1,90,064	1,94,282	1,91,160	1,91,122
Cash Flow Statement							
Cash from operating activities	20,293	21,879	25,022	18,678	31,760	23,553	23,684
Cash from investing activities	-2,475	-8,036	-7,128	-10,614	-8,475	-5,378	-5,867
Cash from financing activities	-17,510	-12,331	-12,603	-10,978	-11,924	-12,518	-13,052
Net changes in cash	308	1,512	5,291	-2,914	11,361	5,658	4,765
Cash at the end of the period	8,422	10,123	22,191	7,508	33,552	13,166	17,931
Key Ratios							
Current ratio	1.0	0.7	1.2	0.7	1.6	0.8	0.9
Inventory turnover ratio	9.8	10.7	12.4	10.9	11.9	11.8	11.3
Debtors' turnover ratio	6.8	7.2	9.3	6.9	9.7	7.1	7.1
Creditors turnover ratio	2.2	2.2	2.1	2.2	2.1	2.4	2.2
Gross profit margin	22.7%	26.1%	26.0%	26.8%	37.7%	21.2%	22.0%
Operating margin	17.7%	21.8%	21.6%	23.3%	35.1%	17.8%	18.7%
Net profit margin	12.7%	15.8%	16.3%	35.9%	30.4%	14.3%	15.5%
EBITDA margin	42.4%	41.0%	43.6%	47.1%	55.4%	40.2%	40.0%
Average return on equity	8.1%	10.4%	11.4%	22.1%	22.3%	9.0%	10.5%
Average return on assets	3.13%	4.36%	4.9%	9.9%	10.1%	4.2%	5.0%
Debt/Equity (x)	0.89x	0.79x	0.7x	0.7x	0.6x	0.7x	0.6x
Interest coverage ratio (x)	2.61x	3.69x	4.0x	4.1x	9.1x	3.6x	4.3x
P/E	64.71x	47.61x	39.6x	20.7x	18.6x	47.5x	40.3x
EV/EBITDA	11.00x	21.64x	17.6x	18.3x	12.2x	19.5x	18.0x
EV/Sales	4.66x	8.88x	7.7x	8.6x	6.8x	7.8x	7.2x
EPS (AED)	0.05	0.07	0.08	0.16	0.17	0.07	0.08
Dividend payout ratio	50.0%	68.6%	75.4%	39.7%	38.4%	90.8%	90.8%
Dividend yield (%)	2.0%	1.4%	1.9%	1.9%	2.1%	1.9%	2.3%
Net debt (AED 'million)	56193	51283	36537	53355	23161	45179	38550
Net debt/ EBITDA	2.93x	2.50x	1.53	2.2x	0.7x	2.0x	1.6x
ROCE	5.1%	7.4%	7.7%	7.6%	13.5%	6.5%	7.6%

Disclaimer

Recommendation

BUY	Greater than 20%
ACCUMULATE	Between +10% and +20%
HOLD	Between +10% and -10%
REDUCE	Between -10% and -20%
SELL	Lower than -20%

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