



# National Central Cooling Company

FY 2024 Earnings Presentation

14 February 2025

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# Agenda

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# Key Highlights

Adel Al Wahedi, Chief Financial Officer



# FY 2024 Key Highlights



## Stable revenue, solid margins & cash flows with a resilient balance sheet



- ▶ Revenue at AED 2.43 bn (+1% YoY), while **EBITDA grew 5% YoY** on margin expansion to 51.4%
- ▶ **Net profit before tax increased by 4%** versus 2023 normalized<sup>1</sup> level
- ▶ Solid improvement in financial health with **Net Debt to EBITDA at 3.7x** on proactive debt management
- ▶ **Return on Equity at 9.0%**
- ▶ Board recommended a **dividend of 15.5 fils** per share for 2024 (**5.3%<sup>2</sup> yield**)

## Robust operational volumes with healthy pipeline of organic & M&A opportunities



- ▶ Consumption **volumes grew 5% YoY**, reflecting strong cooling demand
- ▶ **2 new greenfield plants** commissioned to meet new demand
- ▶ Added **23.8k RT** of new connections leading to a total connected capacity of 1.325 million RT
- ▶ Further **expanded international footprint** with 1/3<sup>rd</sup> of incremental capacity coming from outside UAE
- ▶ Continuing to see **strong expansion potential** (both organic and M&A)

## Leading the way in sustainable cooling with environmental stewardship

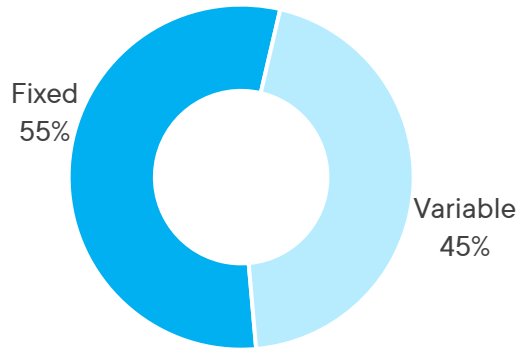


- ▶ Achieved '**Verified Carbon Standard**' at one of the plants, further reinforcing the role of district cooling in reaching net zero goals
- ▶ Continued to advance several initiatives such as use of **solar panels, nano-fluids** to drive energy efficiency and decarbonisation of operations
- ▶ **2.64 billion kWh** of energy consumption reduced, and **1.58 million tons** of CO<sub>2</sub> avoided through Tabreed's energy efficient cooling services

# FY 2024 Operational Performance - consumption volumes and capacity



## FY 2024 Chilled Water Revenue



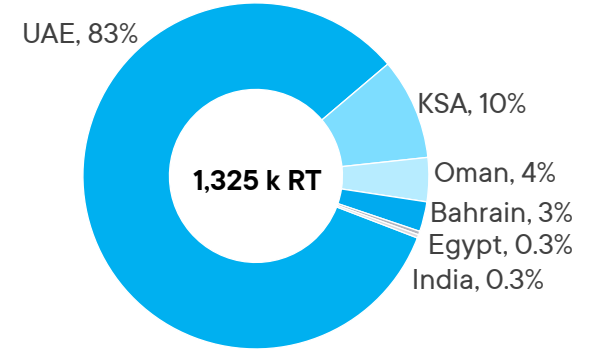
## FY 2024 Consolidated Consumption Volumes

2.66 billion RTh

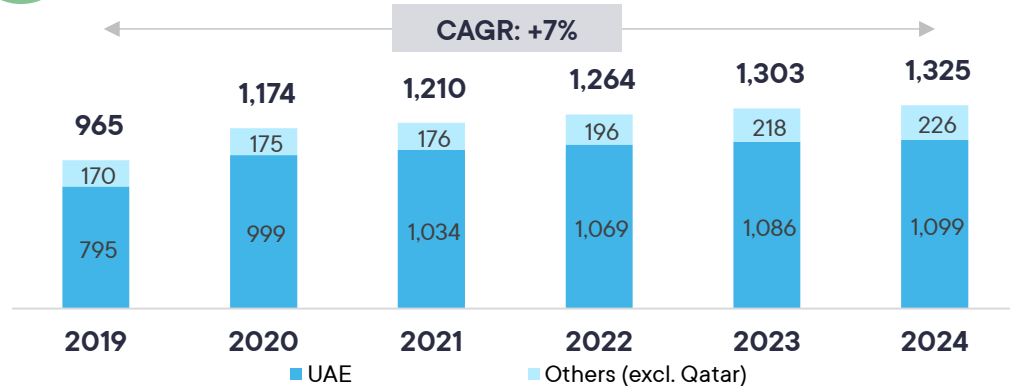
+5% YoY



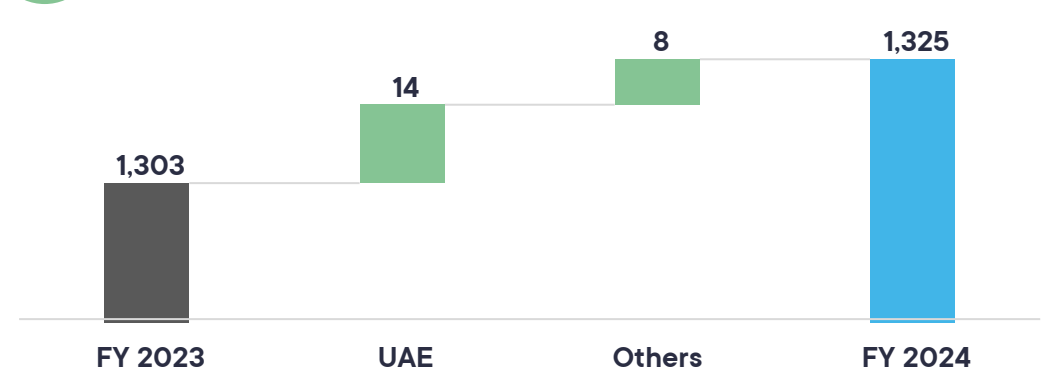
## Capacity by Country as of FY 2024



## Historical Capacity Additions (k RT)



## FY 2024 Net Capacity Additions (k RT)



02

# Strategy & Sustainability Update

Adel Al Wahedi, Chief Financial Officer



# Strategy Update








Tabreed aims to be the leader in sustainable cooling and associated services in the MENA region and beyond





# Strategic Progress – KPIs and Achievements



Strategic Pillar	How progress is measured (KPIs)	Achievements
 <p><b>Local and International growth</b></p>	<ul style="list-style-type: none"> <li>Capacity Addition in existing and new markets (k RT)</li> <li>Market Share in key markets (%)</li> <li>EBITDA and Net Profit (AED)</li> </ul>	<ul style="list-style-type: none"> <li>7% Capacity CAGR and ~ 80k RT added per year in the last 5 years</li> <li>International expansion beyond GCC with 4k RT in India and 4.5k RT in Egypt over 2023-24</li> <li>10% EBITDA CAGR in the last 5 years</li> </ul>
 <p><b>Business Excellence</b></p>	<ul style="list-style-type: none"> <li>Lost Time Injury Frequency Rate (LTIFR)</li> <li>System Availability (%)</li> <li>Efficiency &amp; Margins</li> <li>Customer Satisfaction Rate</li> </ul>	<ul style="list-style-type: none"> <li>0.29 LTIFR</li> <li>Average EBITDA Margin of 53% in the last five years</li> <li>Overall Customer Satisfaction – Satisfactory in 2024</li> <li>100% Customer Complaints Resolution Rate in 2024</li> </ul>
 <p><b>Governance and Control</b></p>	<ul style="list-style-type: none"> <li>Regulatory Compliance (%)</li> <li>Ethics Incidents Resolution (%)</li> <li>ESG Rating</li> </ul>	<ul style="list-style-type: none"> <li>Best ESG Report by MEIRA IR Awards 2024</li> <li>Verified Carbon Standard Certification for 1 plant by Verra in 2024, recognizing efficient cooling produced by Tabreed</li> </ul>
 <p><b>People</b></p>	<ul style="list-style-type: none"> <li>Emiratization (%)</li> <li>Employee Engagement Score</li> <li>Employee Satisfaction Rate</li> <li>Training Hours (Hours/Employee)</li> </ul>	<ul style="list-style-type: none"> <li>42% Emiratization Rate in 2024</li> <li>4.3/5.0 Employee Satisfaction Score in 2024</li> <li>4.2/5.0 Employee Engagement Score in 2024</li> </ul>
 <p><b>Research, Development and Innovation</b></p>	<ul style="list-style-type: none"> <li>Number of Innovative Programs Implemented</li> <li>Investment in R&amp;D Projects</li> </ul>	<ul style="list-style-type: none"> <li>\$ 4.6m Investment in Sustainable Technology</li> <li>Region's 1<sup>st</sup> Geothermal Energy DC plant opened</li> <li>Use of nanoparticle fluid technology to enhance plant efficiency by up to 12%</li> </ul>

# Key market trends underpin positive district cooling outlook



## GCC

**Urbanization and Mega Projects:** Increasing demand driven by large-scale urban developments (e.g. smart cities, mega-events like Expo).

**Government Regulations:** Well-developed in the UAE, with ongoing formulation in other GCC countries, which may push for broader adoption.

**Sustainability Goals:** Focus on reducing carbon emissions in line with national visions (e.g. Net Zero by 2050).

**Public-Private Partnerships (PPPs):** Growing trend of governments partnering with private operators to expand infrastructure.

## India

**Rising Demand for Cooling:** Rapid urbanization and increasing temperatures drive demand for efficient cooling systems in commercial and residential sectors.

**Market Creation:** District cooling is still emerging, with significant efforts required to establish the market, Tabreed well positioned to lead the market development.

**CAAS Model Push:** Push towards Cooling-as-a-Service (CAAS) as an emerging model to enhance affordability and drive adoption in India, given the fragmented market structure.

**Energy Efficiency Focus:** Initiatives like the National Cooling Action Plan (NCAP) support district cooling as a sustainable alternative.

## Egypt

**Infrastructure Expansion:** Strong focus on new cities (e.g., Ras el-Hekma and New Administrative Capital) and large-scale developments requiring centralized cooling.

**Sustainability Drive:** Emphasis on reducing energy consumption in line with national energy efficiency targets.

**Increasing Foreign Investment:** Growing interest from international investors in infrastructure, boosting district cooling adoption.

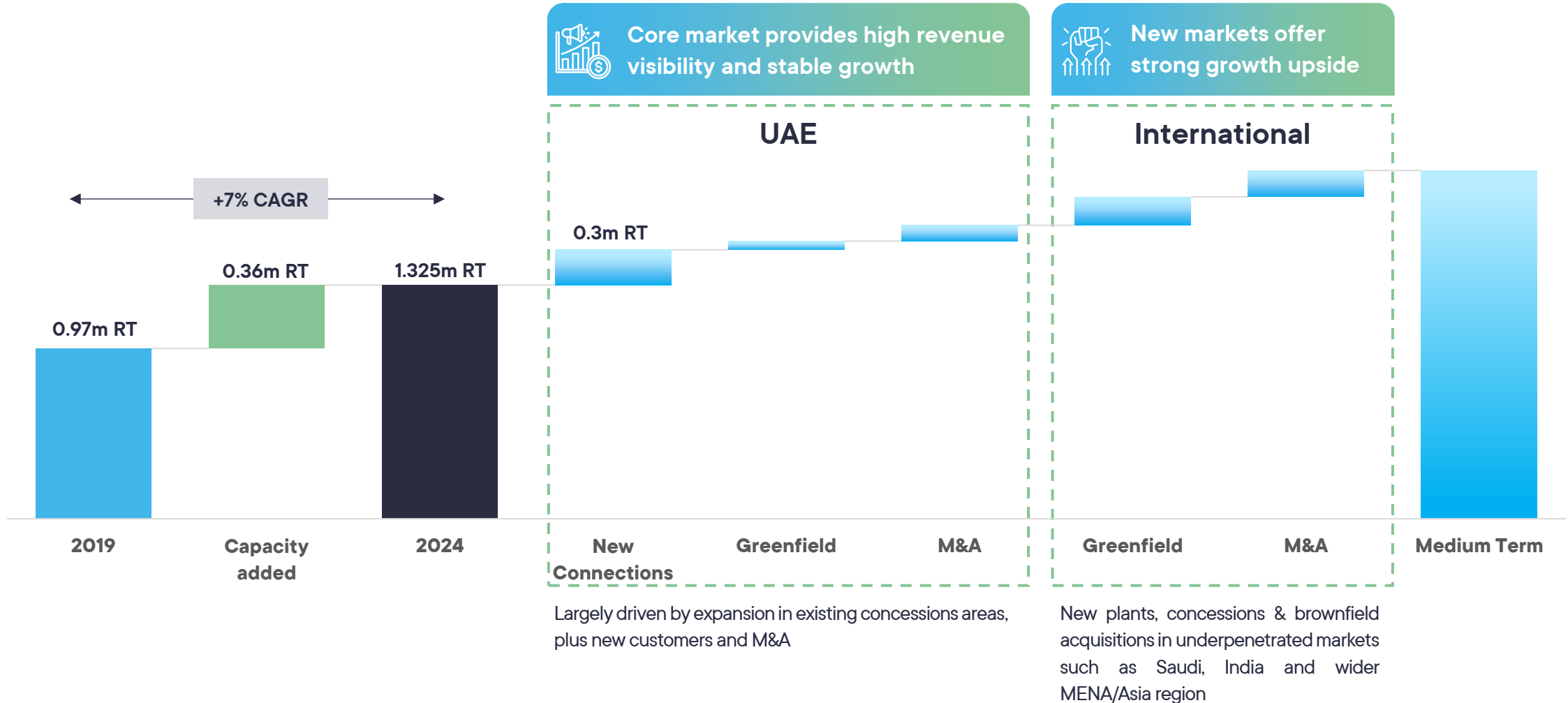
## Rise in Space Cooling Demand

Energy demand from space cooling to rise by **~3x by 2050** causing increase in electricity consumption and carbon emissions

## Increase in District Cooling Adoption

District cooling offers remarkable efficiency of **up to 50%** and is **16% cost effective** over a life cycle

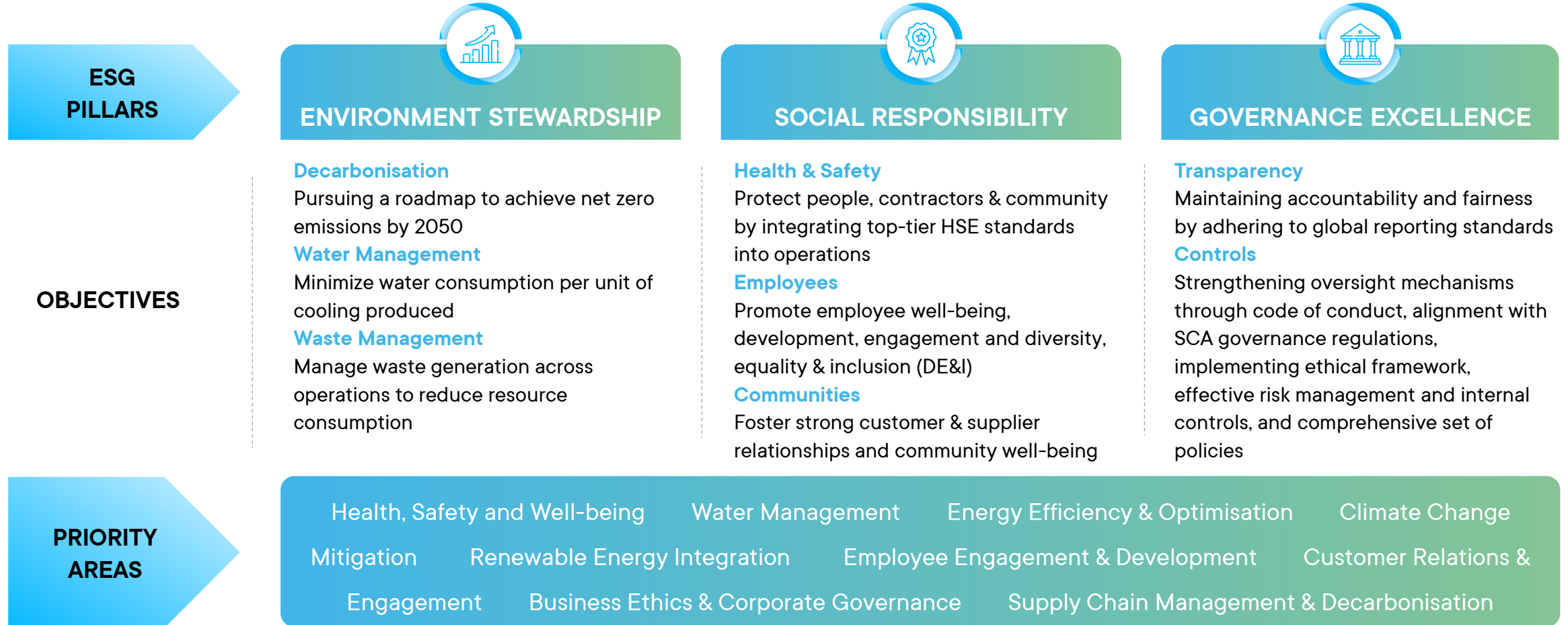
# Capitalizing on expansion opportunities to sustain long-term growth



# Sustainability Update



Tabreed's ESG framework is built on three core pillars



# Net Zero commitment and decarbonization principles



Tabreed is actively pursuing a roadmap to achieve net zero emissions by 2050. The decarbonisation philosophy integrates pioneering technology and effective energy strategies and is guided by six core principles

## Net Zero by 2050

- ▶ **Energy Efficiency & Optimisation**  
Expanding optimisation efforts across district cooling systems to achieve further reductions in energy consumption and emissions
- ▶ **Technology Upgrades**  
Upgrading the district cooling systems with the latest innovations to enhance operational efficiency and reduce environmental footprint
- ▶ **Renewable Energy Integration**  
Scaling renewable energy projects in the long term, including solar PV and geothermal technologies
- ▶ **Innovation & Strategic Partnerships**  
Strengthening partnerships with governments, industries, and communities to scale sustainable solutions and collectively address climate challenges
- ▶ **Supply Chain Management & Decarbonization**  
Collaborating with suppliers to align procurement practices with our Net Zero targets, ensuring environmentally sustainable and socially responsible sourcing
- ▶ **Compensating for Residual Emissions through Offsetting**  
Expanding the scope of Verified Carbon Standard certifications to include new district cooling plants, enabling participation in carbon markets

Some of the initiatives to enable sustainable use of energy and achieve positive environmental impact



### Variable Frequency Drives (VFDs) Retrofit

Extensive retrofit of VFDs to increase energy efficiency - completed phase 3 of Tasheel programme



### Nanofluid Pilot Study

Concluded the world's first pilot project of its kind, demonstrating results with significant gains in energy efficiency



### Renewable Energy

Completed new Geothermal plant and investing in solar energy at key UAE locations

# Responsible business practices for a positive environmental impact



Our sustainability efforts reflect the company's commitment to water and waste management to reduce consumption of potable water and other natural resources whilst simultaneously ensuring no harm to marine life



## Water conservation and environmental sustainability

### Demand Management and Use of Technology

Investing in upgrading and maintaining infrastructure and systems that increase water efficiency, reduce freshwater and resource consumption

### Waste Management

Engaging environmental services providers for the management of hazardous materials and compliance with the framework of the regulation of trade effluent

Some of the initiatives to enable sustainable use of water and reduce waste



#### Utilization of TSE<sup>1</sup>

Pioneering the use of TSE by recycling sewage water which would otherwise be discharged into the environment



#### Use of Sea Water

Utilizing sea water where possible, leading to substantial reductions in water consumption while ensuring no harm to marine ecosystems



#### Management of Waste

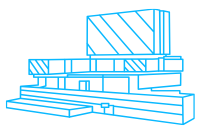
Promoting reduce, reuse & recycle approach and active management of hazardous materials from various plants

1) Refers to Treated Sewage Effluent ("TSE")

# Sustainable, efficient and cost-effective cooling services



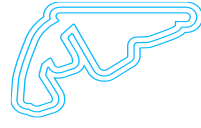
## Exclusive provider of District Cooling services to several iconic projects



Cleveland Clinic  
Abu Dhabi



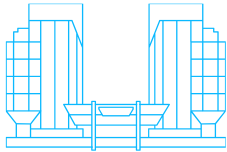
Sheikh Zayed Grand  
Mosque



Yas Marina  
Circuit



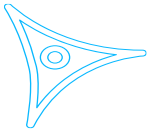
Rosewood Abu  
Dhabi



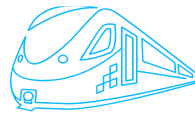
Abu Dhabi Global  
Market Square



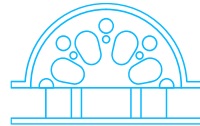
Yas Mall



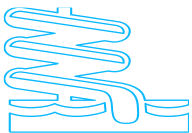
Ferrari  
World



Dubai  
Metro



Dubai Parks  
and Resorts



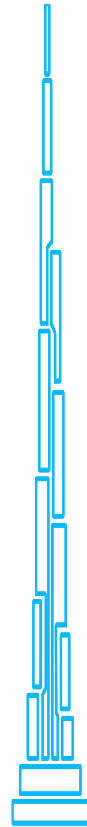
Yas  
Waterworld



Le Louvre  
Abu Dhabi



Etihad  
Towers



Burj Khalifa

## Sustainable district cooling solutions enabling significant energy savings and prevention of green house gas emissions



**2.6 billion kWh**  
reduction in energy  
consumption through  
Tabreed's DC services



Enough energy to power  
**~150,300** homes in GCC  
every year

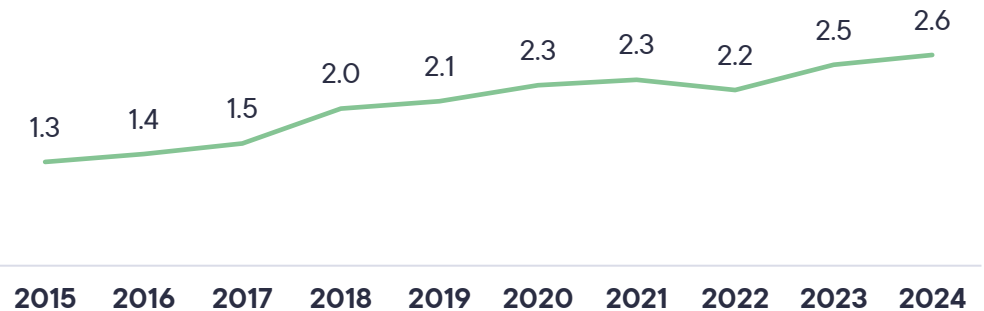


**1.58 million tons**  
prevention of CO<sub>2</sub>  
emissions



The equivalent of removing  
**~343,000** cars from our  
streets every year

### Annual savings in energy consumption (In Billions of kWh)



03

# FY 2024 Financial Results

Salik Malik, Vice President - Finance





# Financial Summary



## Income Statement



	FY 2024	FY 2023	YoY (%)
Revenue	2,434	2,415	1%
Gross Profit	1,081	1,082	0%
EBITDA	1,252	1,198	5%
Operating Profit	793	806	(2)%
Normalized Net Profit Before Tax	624	603	4%
Normalized Net Profit	570	603	(5)%

## Balance Sheet



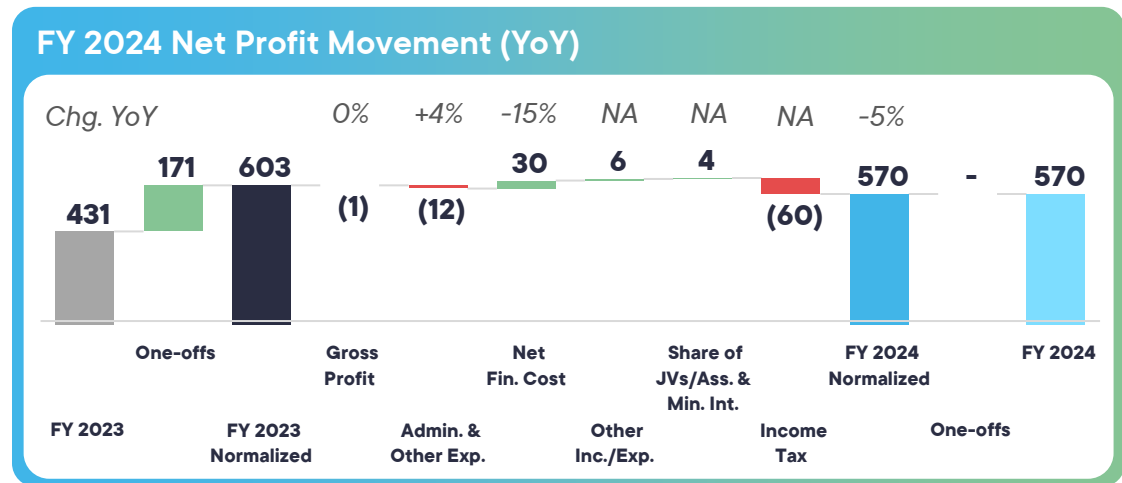
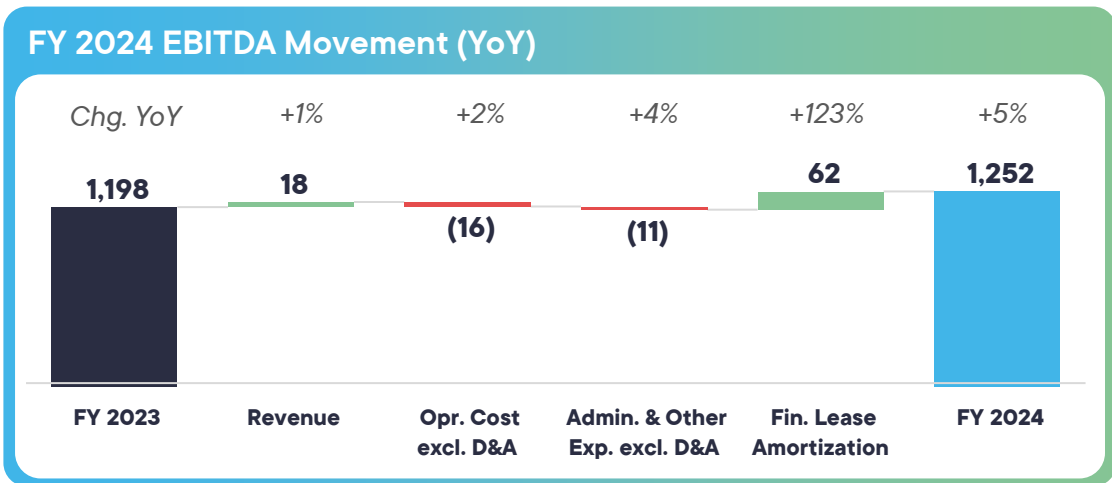
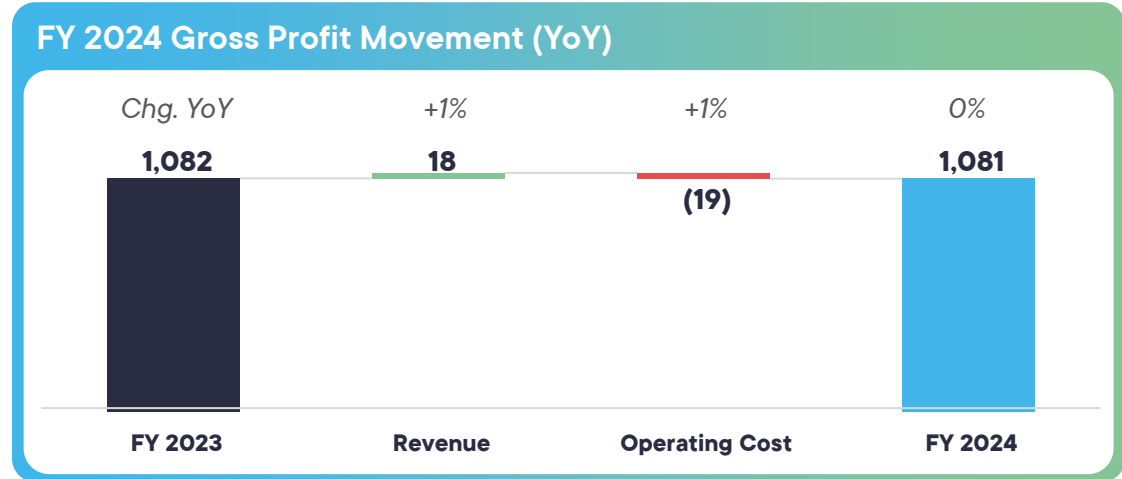
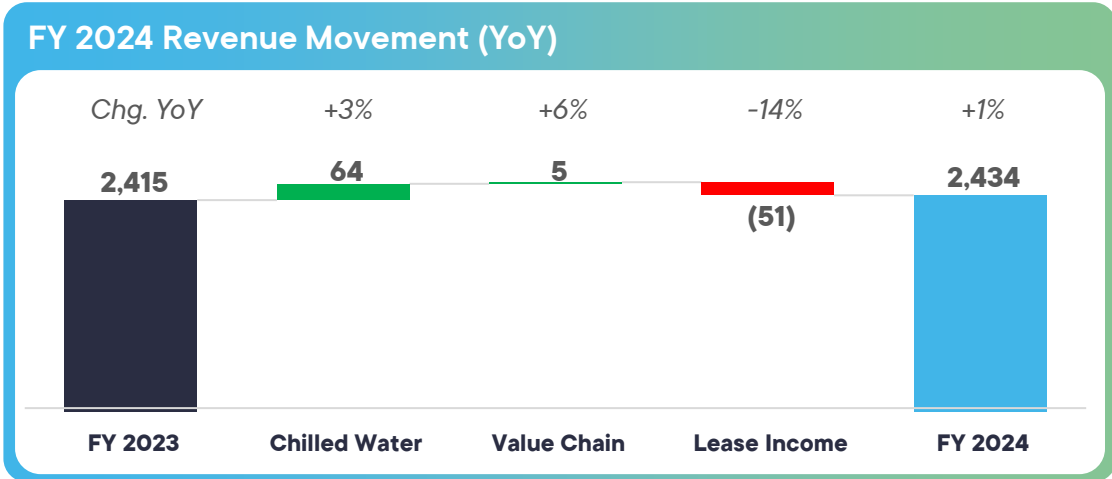
	FY 2024	FY 2023	YTD (%)
Non-current Assets	12,067	12,210	(1)%
Current Assets	2,051	2,630	(22)%
<b>Total Assets</b>	<b>14,118</b>	<b>14,840</b>	<b>(5)%</b>
Total Equity	6,962	6,943	0%
Total Liabilities	7,156	7,897	(9)%
<b>Total Equity &amp; Liabilities</b>	<b>14,118</b>	<b>14,840</b>	<b>(5)%</b>

## Cash Flows



	FY 2024	FY 2023	YoY (%)
Cash flows from Oper.	1,258	1,204	4%
Changes in Working Cap.	(69)	81	NA
<b>Net Oper. Cash Flows</b>	<b>1,189</b>	<b>1,285</b>	<b>(7)%</b>
Net Inv. Cash Flows	(177)	(54)	228%
Net Fin. Cash Flows	(1,499)	(1,495)	0%
<b>Inc. / Dec. in cash</b>	<b>(487)</b>	<b>(263)</b>	

# Income Statement Highlights

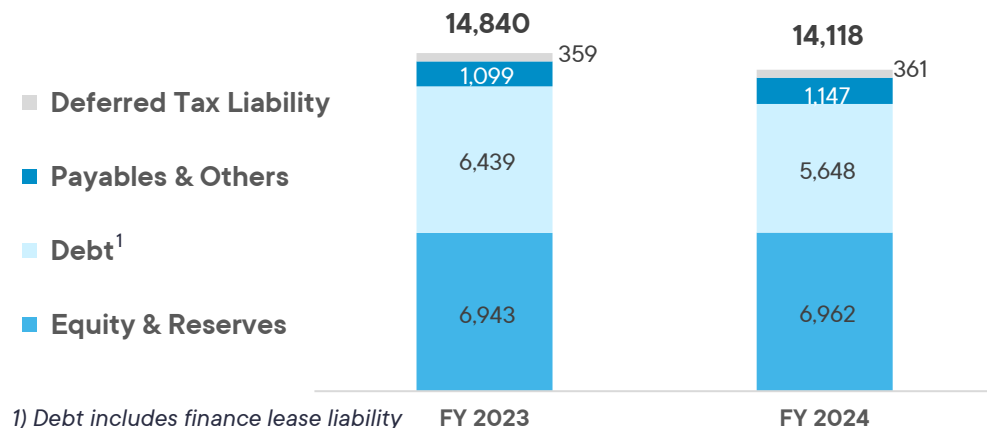
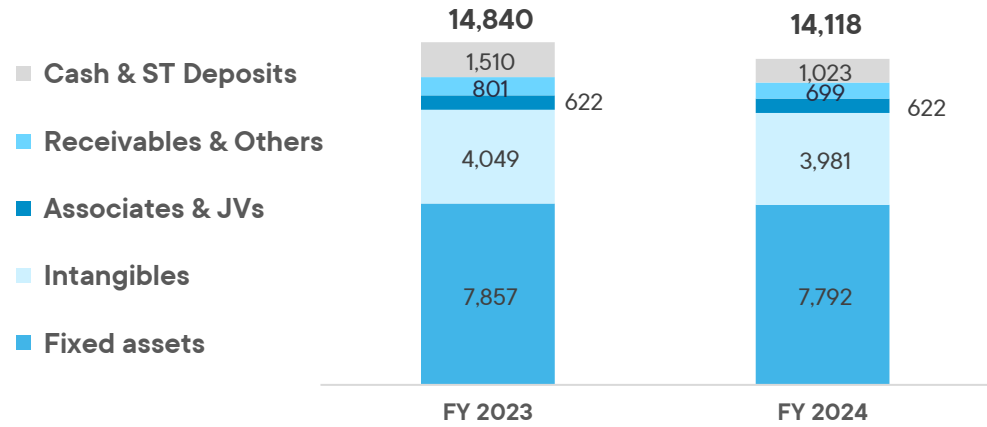


All figures in AED millions (unless stated explicitly) rounded to nearest whole number

# Balance Sheet Highlights

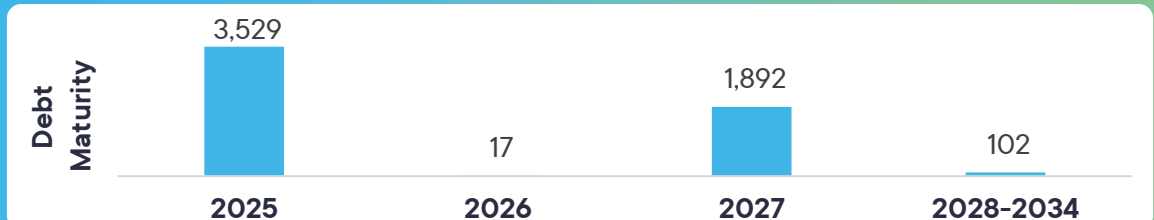
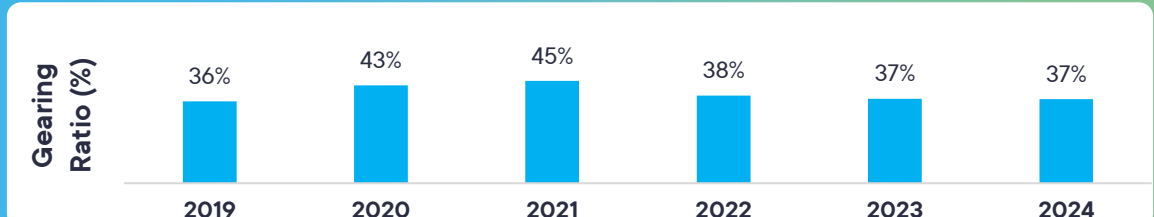
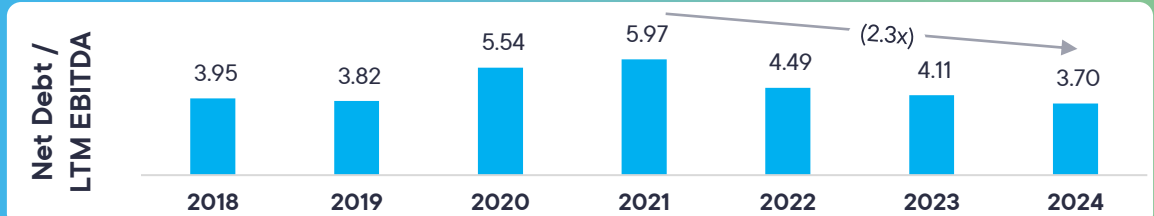
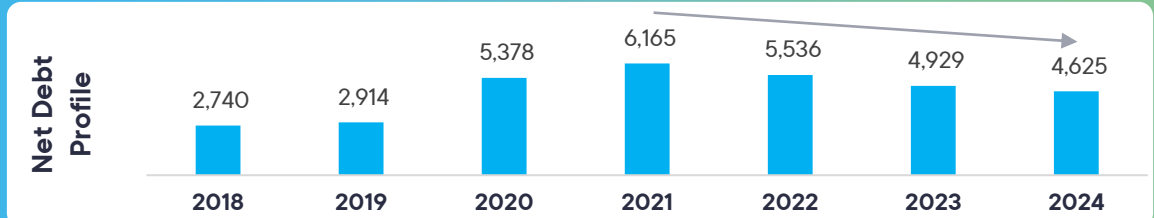


## Balance Sheet Breakdown



<sup>1</sup>) Debt includes finance lease liability

## Debt Profile and Leverage Ratios



# Optimum utilisation of cash to reduce leverage and increase dividends



## Cash Movement



All figures in AED millions (unless stated explicitly) rounded to nearest whole number

04

# Guidance & Concluding Remarks

Adel Al Wahedi, Chief Financial Officer

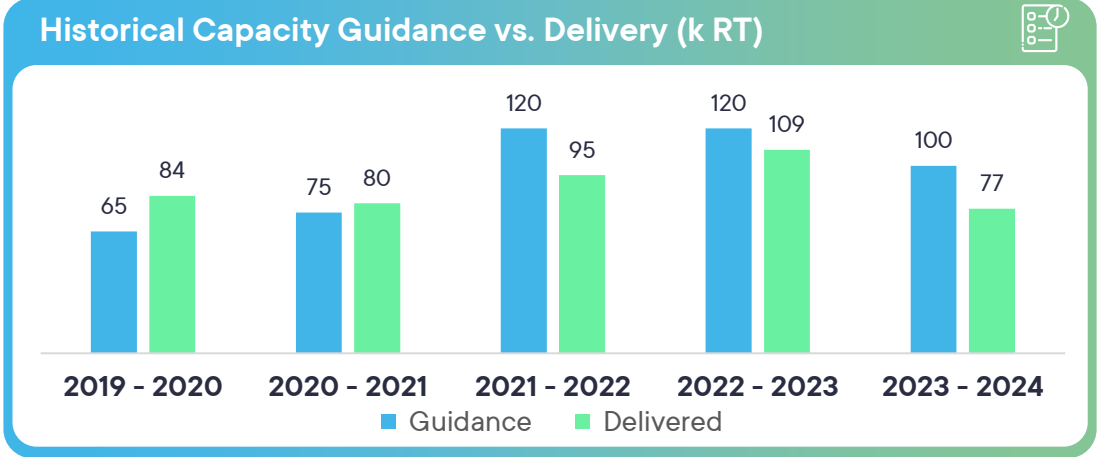


# Guidance Update



2023-2024 Two years Capacity Guidance Update	k RT
2023 - 2024 Capacity Guidance	100
2023 - 2024 Actual Capacity Delivered	77

- After 53k RT k RT was added in 2023, additional 24k RT was delivered in 2024 taking total capacity added over **2023-24 to 77k RT**, of which **80% came from consolidated entities**
- Majority of new capacity addition came from UAE and Saudi Arabia – 47.1k RT in UAE, 15.7k RT in Saudi, 4.5k RT in Egypt, 4.0k RT in India, 3.0k RT in Bahrain and 2.8k RT in Oman.



## Medium-term Guidance (2025 – 2027)

### Capacity Growth

**3-5**  
% p.a.

### Organic Capex

**200-300**  
AED m p.a.

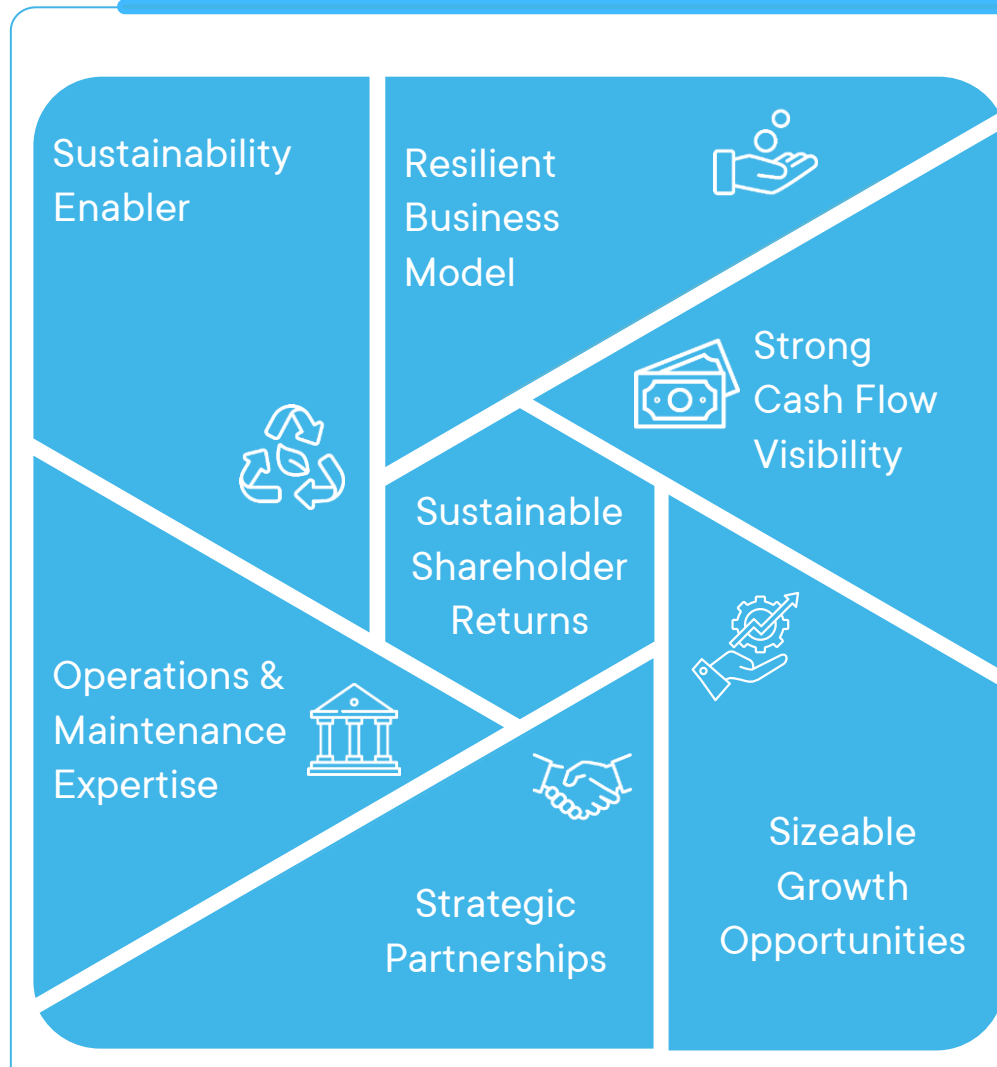
### EBITDA Margin

**50-53**  
%

### Leverage

**Maintain**  
**Investment**  
**Grade Credit**  
**Rating**

# Tabreed's Investment Proposition



- Resilient utility-like infrastructure model with robust tariff structure implemented across countries
- Long-term contracts with creditworthy customers underpin stability and high visibility of cashflows
- Solid track record of delivering growth with connected capacity increasing by ~ 40% in the last five years
- Diversified presence in attractive markets poised to witness rising district cooling penetration, thereby sustaining growth momentum
- Leveraging partnership model to grow business and achieve operational excellence
- 27 years of operational track record to provide safe, reliable and efficient cooling
- Sustainable district cooling services enabling significant energy savings and prevention of carbon emissions

# Appendix



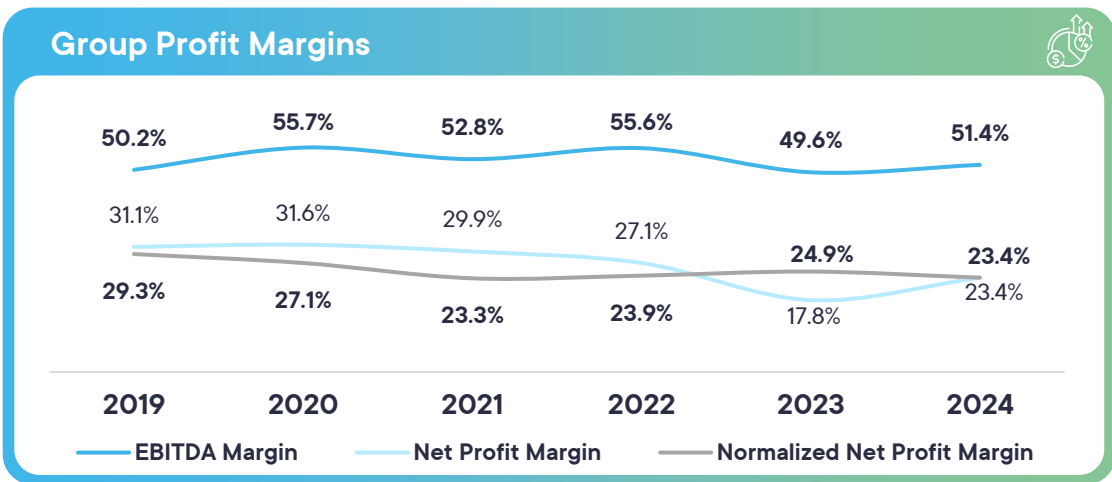
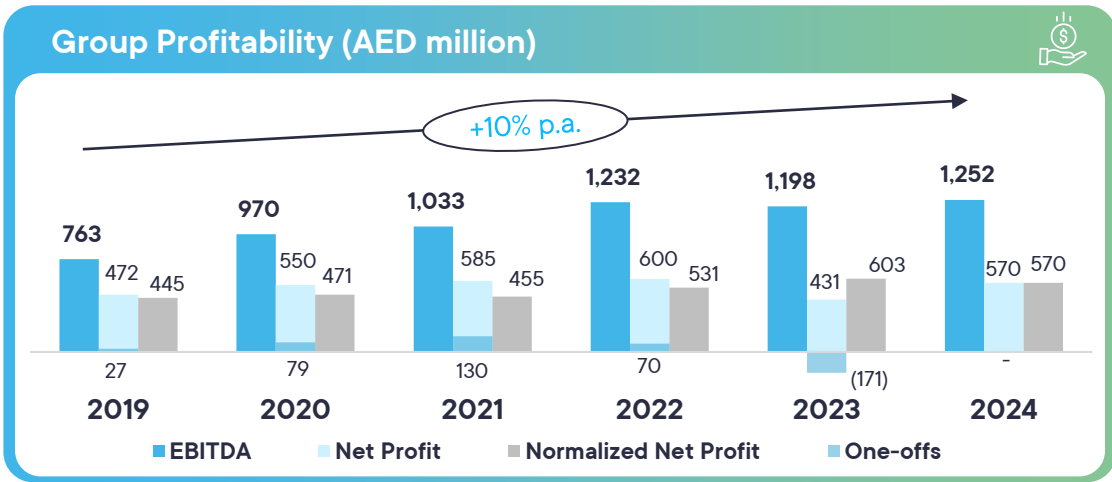
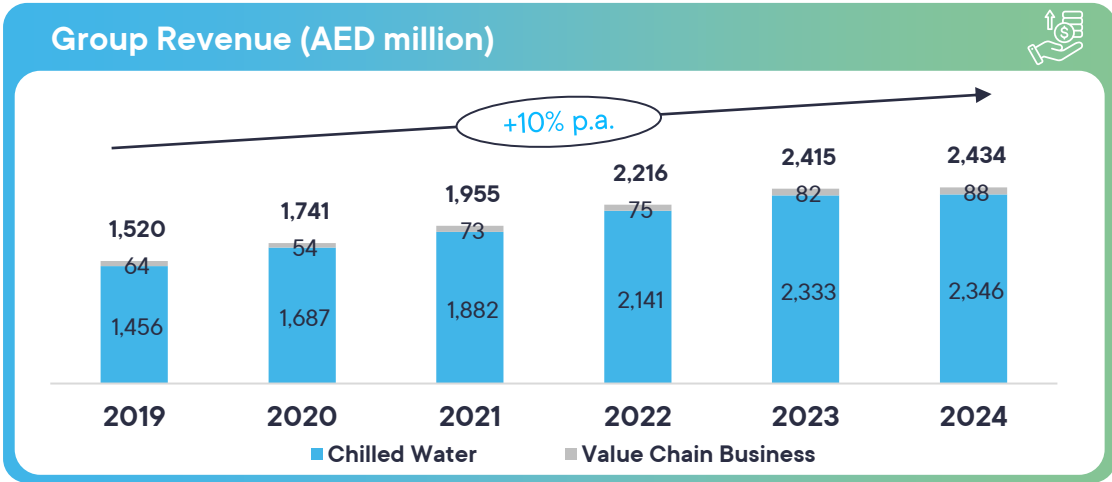
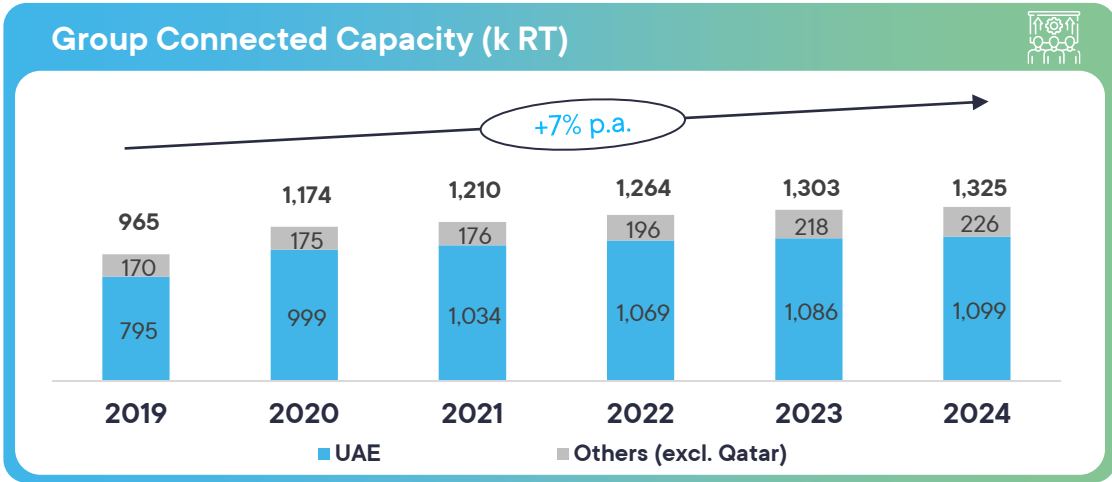
# Connected Capacity and Volumes



Consolidated	2019	2020	2021	2022	2023	2024
UAE	724	928	1,025	1,060	1,053	1,066
Bahrain	28	32	33	34	37	37
Oman	32	32	33	52	53	54
India	-	-	-	-	1	4
Egypt	-	-	-	-	3	4.5
<b>Total Consolidated</b>	<b>1,123</b>	<b>992</b>	<b>1,091</b>	<b>1,146</b>	<b>1,146</b>	<b>1,166</b>
<b>Equity Accounted</b>						
UAE	71	71	9	9	33	33
KSA	110	110	110	110	124	126
<b>Total Equity Accounted<sup>1</sup></b>	<b>181</b>	<b>181</b>	<b>119</b>	<b>119</b>	<b>157</b>	<b>159</b>
<b>Total Capacity (k RT)</b>	<b>965</b>	<b>1,174</b>	<b>1,210</b>	<b>1,264</b>	<b>1,303</b>	<b>1,325</b>
<b>Consolidated Consumption Volumes (billion RTh)</b>	<b>1.53</b>	<b>1.72</b>	<b>2.12</b>	<b>2.35</b>	<b>2.52</b>	<b>2.66</b>

1) Represents 100% share of equity accounted capacity, where Tabreed's share is 50% in UAE and 21.8% in KSA

# Proven track record of sustainable growth and resilient margins



Normalized Net Profit is calculated after excluding one-off gains and losses, which are non-recurring in nature

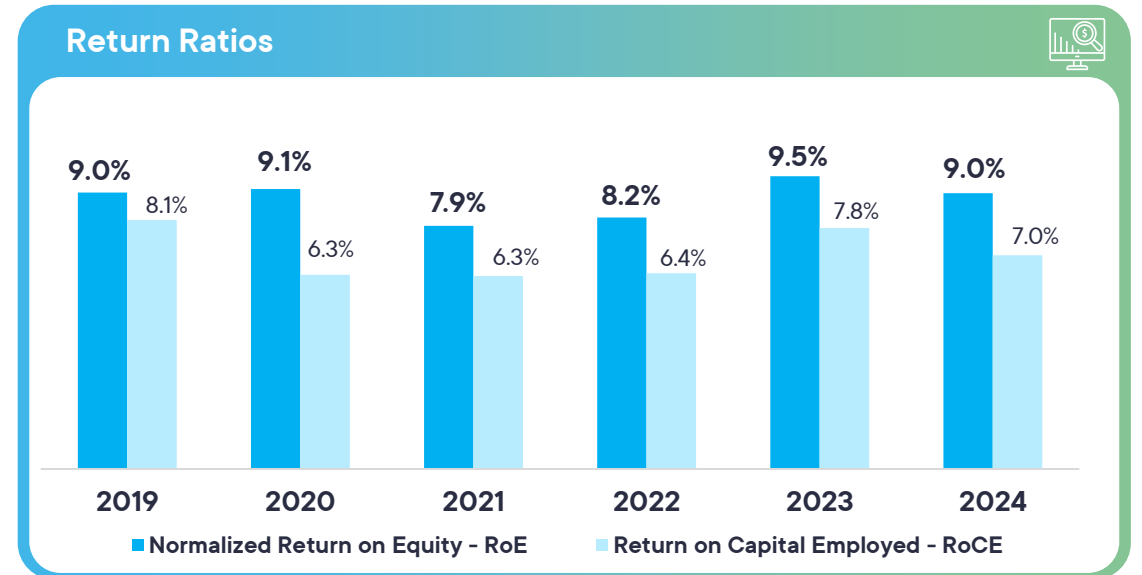
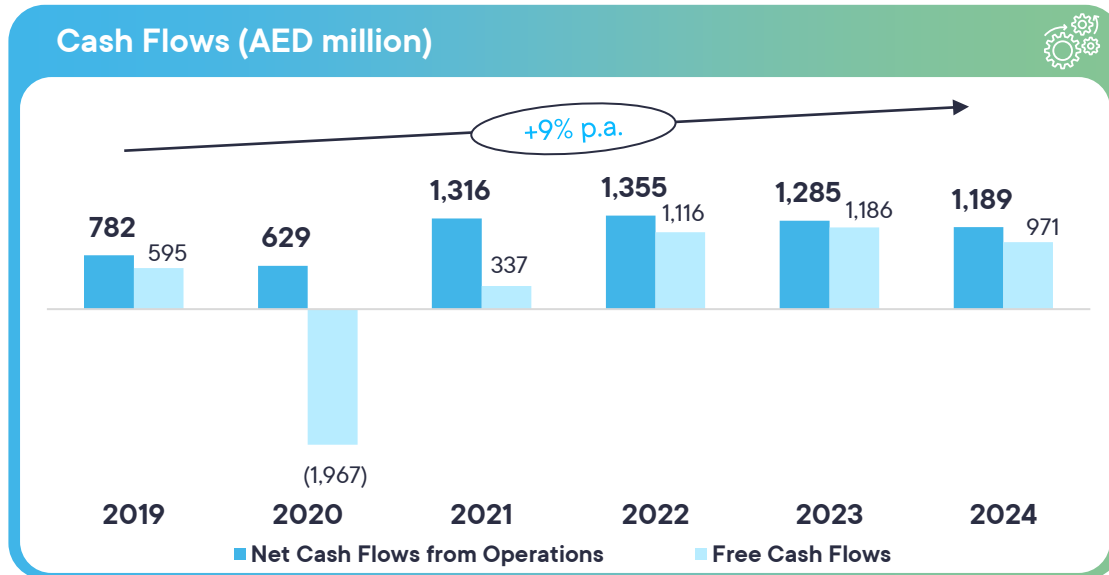
# Robust cash flows underpin ability to deliver attractive shareholder returns



Consistently growing cash flows and robust balance sheet provide a strong foundation to deliver attractive long-term returns for shareholders through combination of growth and sustainable dividend policy.

Committed to maintain Investment Grade credit rating, underscoring strong creditworthiness.

Return on Equity and Return on Capital Employed showing improving trends, reflecting ability to grow business and efficiently manage capital allocation.





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