

# Being flexible enough to bend with the wind

Drake & Scull International PJSC (DSI) is still performing satisfactorily despite the ongoing downturn, says executive director: civils **Saleh Muradweij**. This because the company has resolutely guarded against putting all its eggs into a single basket.



Just over two years ago it diversified its portfolio of services and established independent functioning units focusing on infrastructure, water and power (IWP) services, in addition to civil contracting. "Together with our large portfolio of mechanical, electrical and plumbing (MEP) projects, this has given us the advantage of diversifying our risks and maintaining growth despite the slowdown," says Muradweij.

In addition, DSI completed a very successful Initial Public Offering (IPO) in the third quarter of 2008, with the aim of listing on the Dubai Financial Market (DFM). This eventually transpired on 16 March 2009. "We witnessed an increase in our capital that will allow us to sustain growth easily this year, with an expected increase in profitability of around 25%," says Muradweij.

But it is not just numbers that have allowed DSI to remain afloat in such a tumultuous market. "I think the human element in DSI has been a key factor

in our success. We have an excellent team of dedicated professionals, each of which has been individually picked based on their experience and skills. It is because of our team that we have enjoyed excellent planning and great execution, which has definitely given us an edge in what we do."

### **EVEN KEEL**

Commenting on the company's strategy in maintaining an even keel going forward, Muradweij says "no management team or company can survive if they do not have the flexibility to adapt to a changing environment.

"DSI has always had the vision and the willingness to change as the market changes. In 2006, we began developing green solutions. In 2007, we acquired a civil construction company to expand our business. In 2008, we expanded our geographical reach into the areas of Sudan and Bahrain." So how is DSI managing to cope with 'business

as usual' in what is essentially an abnormal trading environment?

"We are exporting our engineering capabilities. That is what we do, and we are very good at it. We are working along side developers and governments to help them in building their communities. Our projects in Bahrain and Sudan are examples of this," explains Muradweij. "We also believe in our people and their development. We are taking advantage of these tougher times to invest in our current team, as well as attracting additional talent."

### **DIFFERENTIATING FACTOR**

So what differentiates DSI from the other fish in the pond? "Our vision, our determination and our people," Muradweij states simply.

"We have been in the UAE for a very long time now – over 40 years. We know the country and the region, and we know our customers. DSI can see the many opportunities and identify

which will be the most profitable for it in the long run.

"For example, many companies have only now started looking outside of the UAE. We began this search over a year ago, and now have some very large projects outside the UAE, such as the 65,000 TR district cooling plant in Durrat Al Bahrain. We also specialise in fast-track turnkey projects because we have the experience, the financial capabilities and the manpower to do so," asserts Muradweij.

So does Muradweij have a 'survival tip' for fellow floundering businesses? "What worked for DSI has been carefully-planned expansions and additions to our business streamlines. It is imperative to have the ability to adapt and be flexible to change.

"Also, companies must invest in their people. A company's strength lies solely in its human assets, and these assets have to be taken care of and nurtured," is his firm conclusion.

## MEP dominates DSI's first-quarter results

Drake & Scull International PJSC (DSI) has reported net profit of AED78 million for the first quarter of 2009, as well as net revenue of AED488 million for the same period. Mechanical, electrical and plumbing (MEP) continue to dominate the company's activities, making up 58% of total revenue.

Infrastructure, water and power and civil engineering accounted for 19% and 23% respectively for the first quarter of 2009. DSI is currently working on 35 different projects, three of which have been awarded

this year. The value of its backlogged projects from 2008 is worth over AED3 billion, while the total value of its current projects is about AED6 billion.

The company's net profits contained in its consolidated Q1 financial results – as approved by the DSI Board of Directors on Saturday (9 May 2009) – reflected a year-on-year increase of about 162%, and 54% viewed on a quarter-on-quarter basis.

DSI, the only specialist contractor listed on the Dubai Financial Market (DFM), listed

on the exchange on 16 March 2009.

"We are delighted at our positive first-quarter results, and as a newcomer to the DFM, we are all grateful that we were able to deliver a solid performance with our maiden results as a listed company," said DSI vice-chairman and CEO Khaldoun Tabari. Tabari expressed his satisfaction with the figures, and stressed how they accentuate a positive outlook for the financial health of the company into 2009, as well as helping to consolidate its project pipeline.