



**NAME:** Feras Kalthoum  
**COMPANY:** Drake & Scull International  
**TITLE:** Acting Chief Financial Officer

# Management Talk

Feras Kalthoum, joined Drake & Scull International in June to oversee a financial restructuring of the famous MEP contractor. He talks about the plan to help revive the company's fortunes and return it to former glory.

**Feras Kalthoum** has over 18 years of leadership and executive experience. He previously worked as the Executive Director and Advisor to the Board at Makkah and Madinah Holdings. He has also worked as the Chief Financial Officer at Istithmar World, and as the Head of Investments at Tamweel. Feras has extensive experience of leading strategic transformations including restructuring of ailing businesses.

## WHY IS DRAKE & SCULL UNDERGOING A RESTRUCTURING?

It is about returning to our core competency, which is MEP. This is where we are the most competitive, and where we can offer the best service. Drake & Scull International is a strong brand; it is a big name, with history and a pedigree.

## WAS IT YOUR EXPOSURE TO ANY COUNTRY IN PARTICULAR THAT HURT YOU?

No, there's no particular country. In general, before expanding across borders, a company needs to ask itself: what is your core market? Logic dictates that you increase the business in your home market, and only take on projects in new markets where you can secure the same high returns.

**SO IS THE STRATEGY NOW TO SCALE BACK ON THAT?**

Yes, we need to focus on our home base, and our core business. If something comes our way, or we see something that adds value in terms of margins or overall strategy, then of course we will consider it. This is now going to be the new strategy going forward.

**ARE YOU STILL BIDDING FOR WORK ON AN ONGOING BASIS?**

Yes, we are. I cannot disclose too much as we are a publicly-listed company. We have a number of projects nearing completion, and recently announced a new contract win here in the UAE, namely the West Bay residential tower in Business Bay.

**SO WHERE ARE YOU WITH THE FINANCIAL SIDE OF THE RESTRUCTURING?**

We are in the process of capturing our assets and liabilities in order to lay out the best path going forward. The first step is refinancing our general debt in order to secure a healthy cash flow. With that out of

the way, and a strategic investor injecting equity for working-capital purposes, we will be in a strong position. It will ensure that facilities are in place to win future contracts, and sustain day-to-day operations. We are on track in terms of achieving this.

**TELL US A BIT MORE ABOUT THE NEW SHAREHOLDERS, AND WHAT THEY BRING TO THE TABLE?**

Tabarak is the private equity arm of a family firm that has invested historically in real estate and education. It owns three universities in the UAE. What Tabarak brings to the table, as well as a capital injection, is support at a strategic level. And, finally, there is a lot of business that can come just through Tabarak's network and relationships.

**WHAT MESSAGE DO YOU WANT TO SEND TO THE CONSTRUCTION INDUSTRY?**

We are here to stay. Tabarak is committed to supporting DSI, ensuring we get back to our past performance, and achieving our

financial and business objectives. There are a lack of sizable MEP players that can perform big jobs of AED100m to AED500m. There are plenty of smaller players, but not many with our experience and track record who can bid for such jobs. Contractors want to see us fill that gap, and we feel we will be in a position to do that sooner rather than later. We expect to start 2018 in normal operational mode.

**WHAT'S YOUR OUTLOOK FOR THE CONSTRUCTION SCENE?**

There is plenty of work out there. Thanks to Expo 2020, there are billions of dirhams worth of contracts.■

**“WE EXPECT TO START 2018 IN NORMAL OPERATIONAL MODE”**



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