



الطيّار
Al Tayyar

Investor update presentation

May 2016

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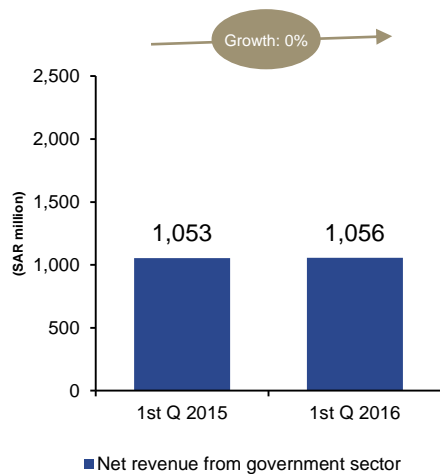


Section 1

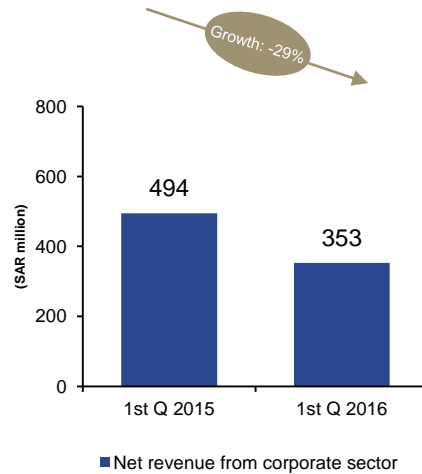
Update on Q1 2016 financial performance

Sector performance impacted by general macroeconomic environment and government austerity measures

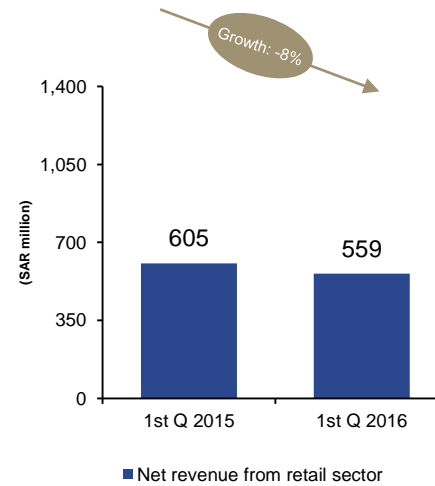
Government revenue



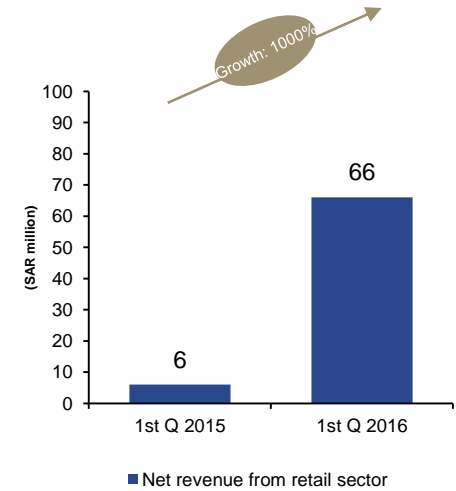
Corporate revenue



cash sales (Retail) revenue



online business revenue



Performance of government sector is impacted by government austerity measure

Corporate revenue declined reflecting the economic slowdown

Retail sales declined due to lower consumers spending

Online businesses have started to contribute in the top line

ATG financial performance showed decline in revenue due to economic slowdown

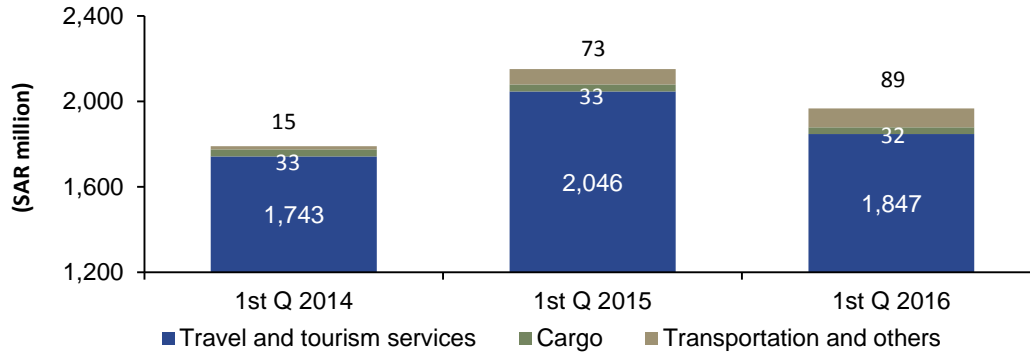
Highlights of the income statement

In SAR million	1 st Q 2015	1 st Q 2016	Comments
Revenue	2,153	1,968	<ul style="list-style-type: none"> ATG top line declined of about -9%, from core ticketing segment -15%, however tourism & transportations/others revenue grew by 23% & 14% respectively due to contribution from e-commerce business and that is mainly from Almosafer along with Hanay car rental. Gross margin declined to 19% with +/- 1% fluctuation which is considered normal in the business, given that the contribution from government sector is less. ATG maintained the same level of selling expenses compared to last year, however administrative expenses grew by 6% that is mainly due to payroll of newly acquired company during 2015. Other operating income mainly consist of incentives received from airlines and GDSs (i.e. Amadeus, Galileo) Net profit declined for the period of about -32% but the Normalized net profit decline is -22% after excluding the impact impairment loss recorded on equity investment and impairment loss on intangible assets.
COGS	(1,712)	(1,591)	
GP	441	377	
GPM	20%	19%	
Selling exp	(65)	(65)	
Admin exp	(92)	(98)	
Other operating income	19	26	
Other income (expense)	(2)	(27)	
EBIT	301	213	
EBIT margin	14%	11%	
Interest	(3)	(10)	
zakat	(11)	(10)	
Minority	(2)	1	
Net income	286	194	
Net income margin	13%	10%	

Ticketing business declined as a main contributor to the top line while tourism and transportation grew because of newly acquired company in 2015 and especially e-commerce initiatives

Transportation segment contributed positive performance driven by acquisition in 2015

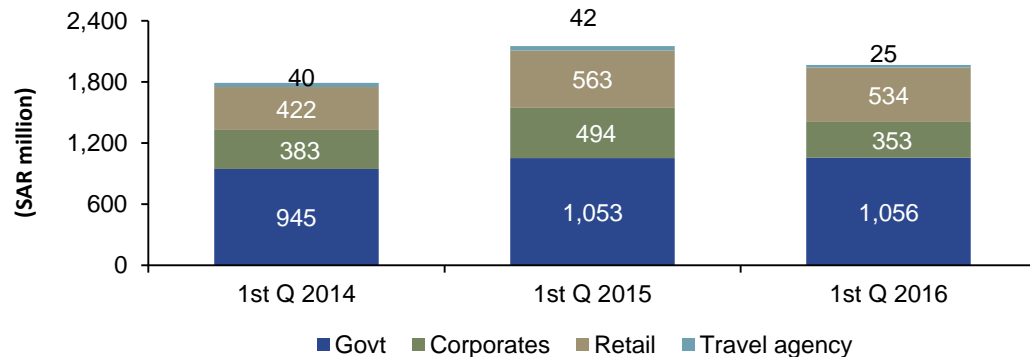
Net revenue by business segment



Comments/outlook

- Ticketing currently contributes close to 77% of ATG's net revenue
- The contribution from the hospitality segment, primarily in Makkah, is expected to start 2016

Net revenue by client



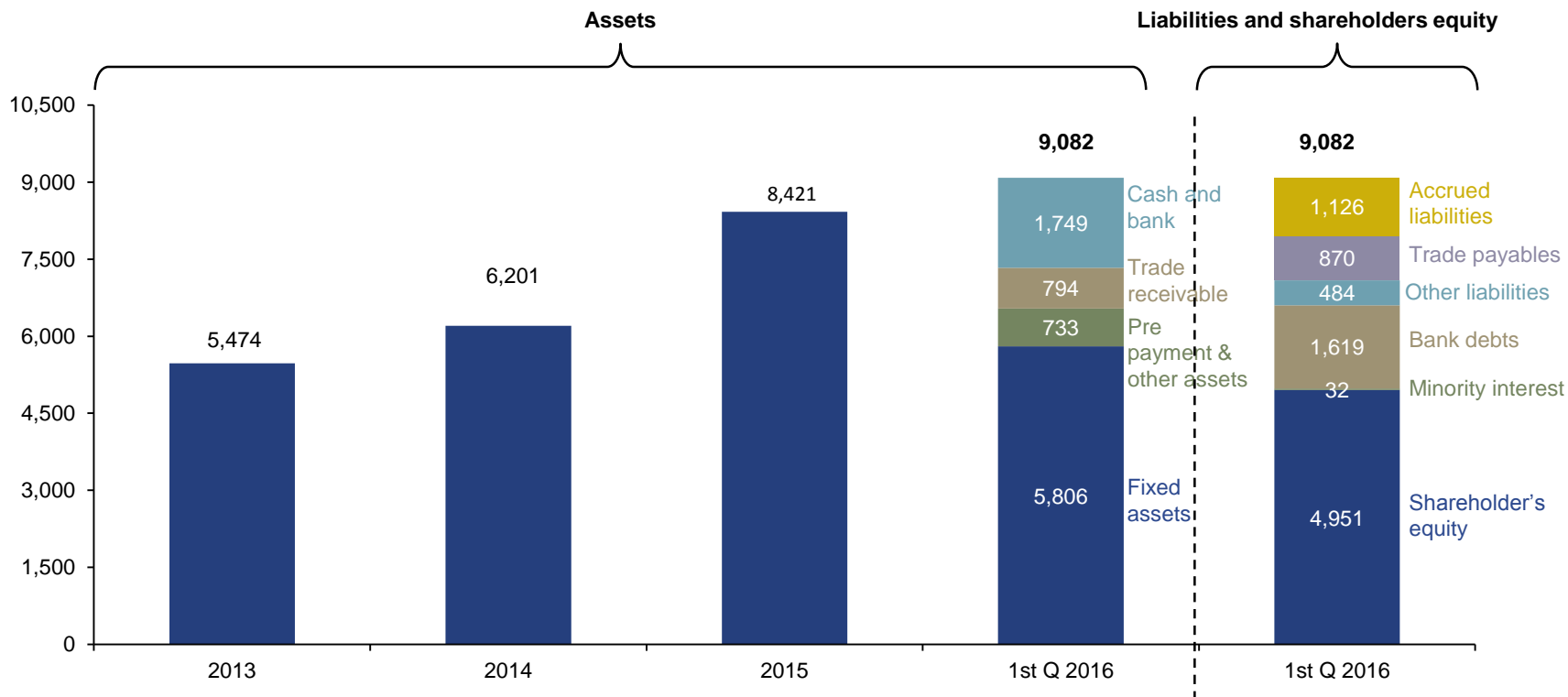
Comments/outlook

- Revenues from government clients maintained the same level as of last year, whereas revenues from corporate and retail clients declined by -29% and -8% respectively
- ATG is looking to increase its market share in the retail segment

Ticketing services contribution is lower on yearly basis because of government austerity measures in favor of tourism and transportation as online business and acquisitions in 2015 started to perform

The successful closing of Thakher acquisition has significantly increased the total assets and equity

Highlights of ATG balance sheet



The vast majority of ATG's assets are in working capital related to its core operations of ticketing and more importantly to its investments in the hospitality segment in Makkah

Cash flow has been impacted significantly due to economic condition

Highlights of cash flow statement

In SAR million	2013	2014	2015	1 st Q 2015	1 st Q 2016	Comments
Net profit for the year	943	1,119	1,162	286	193	<ul style="list-style-type: none"> During Q1 2016 most of corporates/government clients utilized the advances resulting in negative cash flow from operating activities The majority of investments is related to the acquisition of the additional stake in Muthmerah, CTM, Elegant Resorts & Kenzi hotel
Cash from change in working capital	1,214	44	332	(321)	(557)	
Net Cash flow from operating activities	<u>2,157</u>	<u>1,163</u>	<u>1,493</u>	<u>(36)</u>	<u>(364)</u>	
Cash flow used in investing activities (net)	(370)	(735)	(2,422)	(1,583)	(55)	
Cash flow from financing activities	26	(42)	984	795	160	
Dividend paid	(443)	(545)	(5)	-	-	
Increase/decrease in cash	<u>1,370</u>	<u>(158)</u>	<u>50</u>	<u>(824)</u>	<u>(259)</u>	
Cash at beginning	747	2,117	1,959	1,959	2,009	
Cash in hand	2,117	1,959	2009	1,135	1,749	

Increase in working capital requirements attributed to the austerity measures



Section 2

Update on hospitality projects

ATG has invested on a well located projects to complete its vertical integration strategy

ATG developed and acquired different hospitality properties to fuel growth

Tower Name	Prince Majed Rd Hotel	Movenipick City star Hotel	Harram Hotel
Property use	Hotel	Hotel	Hotel
Location	Prince Majed Rd, Jeddah	Madina Rd, Jeddah	In front of Holy mosque, Makkah
No. of rooms/suits	200	228	422
Expected operating income p.a (SAR mn)	20	25	90
Expected delivery	Q4 2017	Delivered	Q3 2016
Expected market value (SAR mn)	200	260	1,800

Prince Majed Rd Hotel



Movenipick City Star Hotel



Harram Hotel



Muthmerah is a leading real estate developer and owner in Makkah

Muthmerah has developed residential and commercial towers

Tower Name	3 rd Ring Road	Masafi Hotel	Beer Balela	Albawaba 1 & 2	Sheabquresh Hotel
Property use	Offices	Hotel	Hotel	Retail	Hotel
Distance from Haram	4 KM	0.3KM	0.3KM	NA	0.45KM
No of rooms (residential) / GLA (office and retail)	31,300 sqm	192	547	8,298 sqm	491
Expected Rental income p.a (SAR mn)	20	9	28	3	20
Expected delivery	Delivered	Delivered	Delivered	Delivered	Q1 2017
Expected market value (SAR mn)	350	160	550	33	350

3rd Ring Road



Masafi Hotel



Beer Balela Hotel



Al Bawaba



Shebalquresh



Note: Muthmerah owns 3 parcels of land that have been under compulsory purchase order by the government which their book value is over SAR 410 million

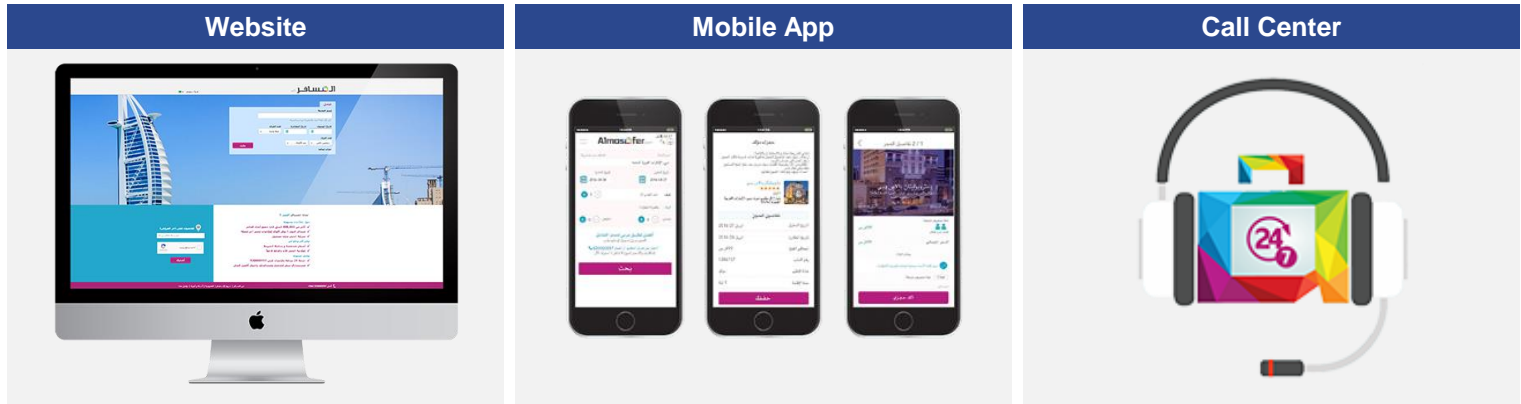


Section 3

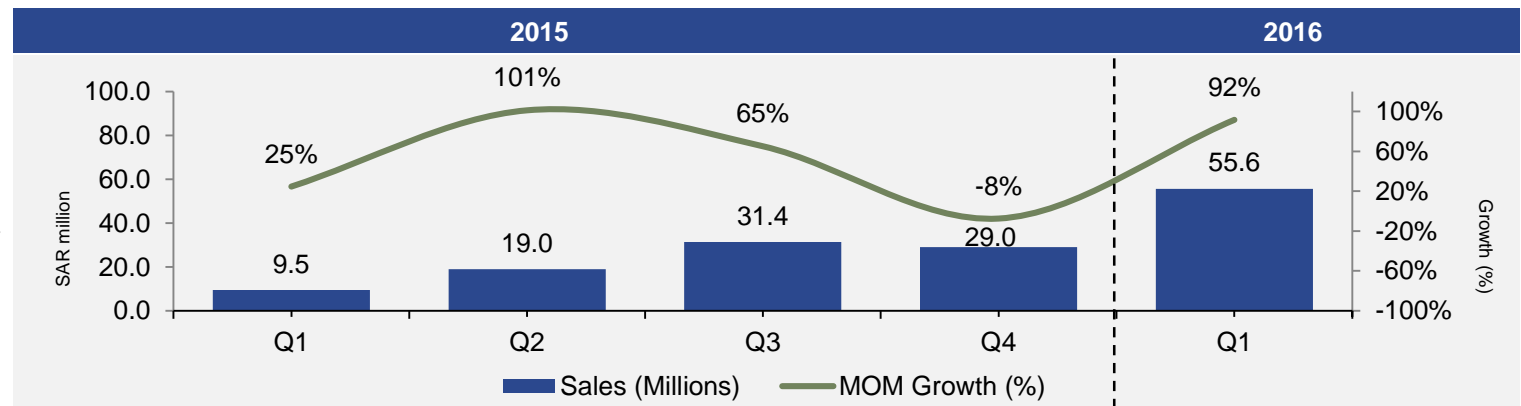
Update on E-commerce businesses

Almosafer is a locally grown hotel booking tool offering more than 500,000 hotels around the globe through Mobile Tablet apps

Sales Channels



Financial performance



500K

Hotel around the globe

150+

Employee

486%

Sales growth in Q1 2016

SAR55.6M

Total sales in Q1 2016

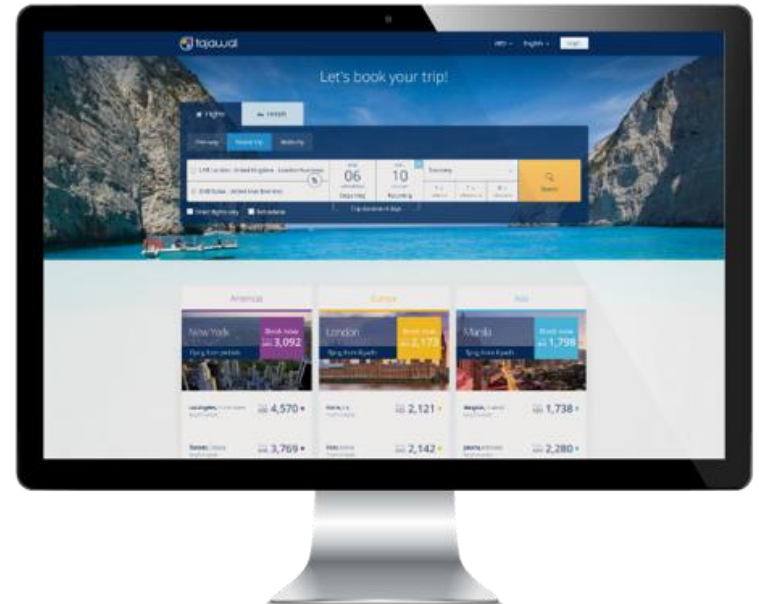
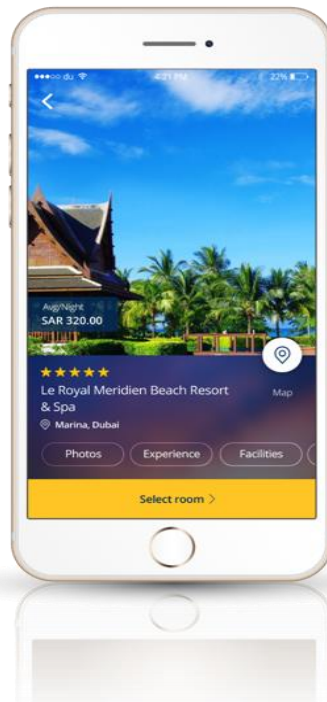
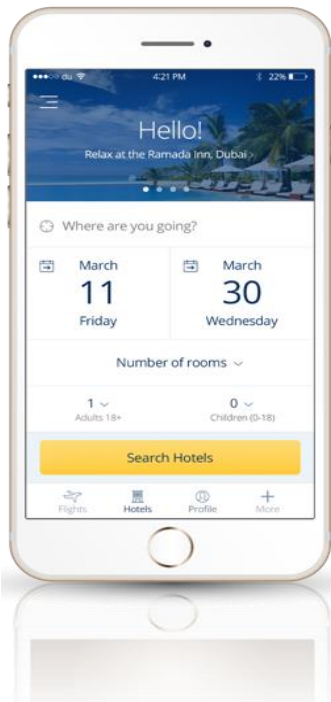
SAR300M

Annualized sales in 2016

الموسافر كوم

First Arabic mobile app for hotel booking

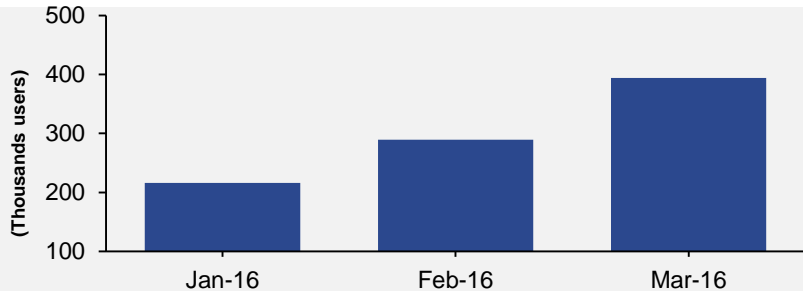
ATG has launched Tajawal as its latest OTA platform from its technology hub



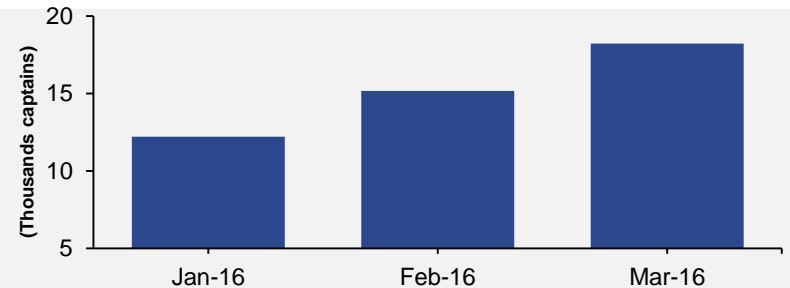
Tajawal reflects the latest global developments and insights and is showing strong growth in first few months

Careem is the leading car booking services has shown massive growth

Careem has grown 25-30% MoM to reach 394K total active users



...singling up new captains to reach 18K captain



26K

Q4 2015



54K

Q1 2016



500K

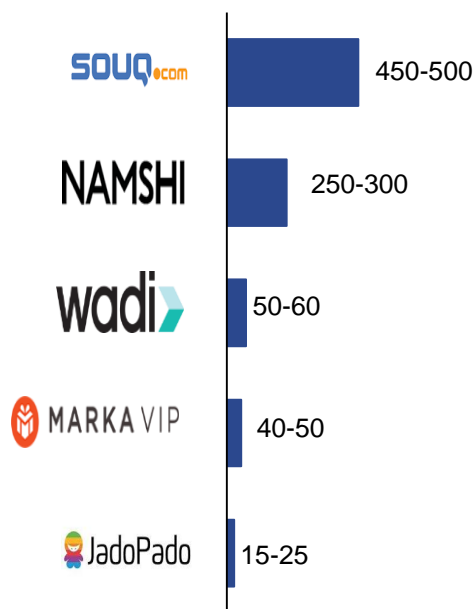
2017

Careem doubled daily active users in Q1 2016 and need another 10x growth to reach 500k by end of 2017

Wadi has quickly emerged as one of the strongest e-commerce marketplace platform in the region...

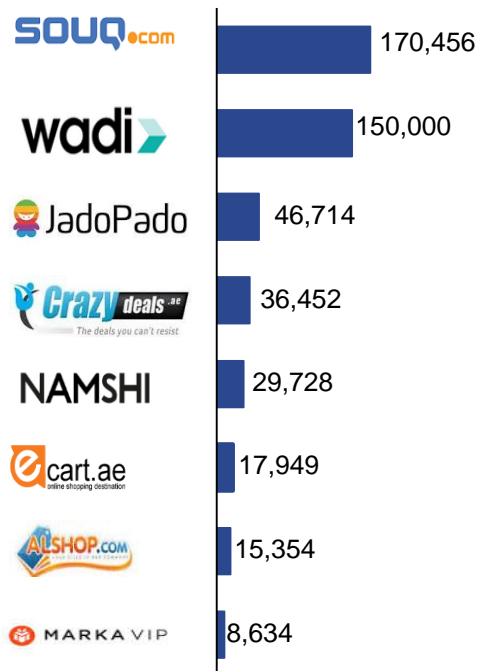
3rd largest by run-rate GMV @ USD 50+ million

Estimated 12 month GMV, USD mn¹



2nd largest player by catalog size with 150k+ skus

Catalog size, # skus



One of the most diverse catalogs offered by any player

- Dedicated fashion property. Several new categories added – automotive, home, sports, home and kitchen
- Exclusive launches with Infinix Note 2 and xtouch
- Well recognized marketing properties (Flash Sale and Best Price Guarantee)



500+ suppliers



25+ categories



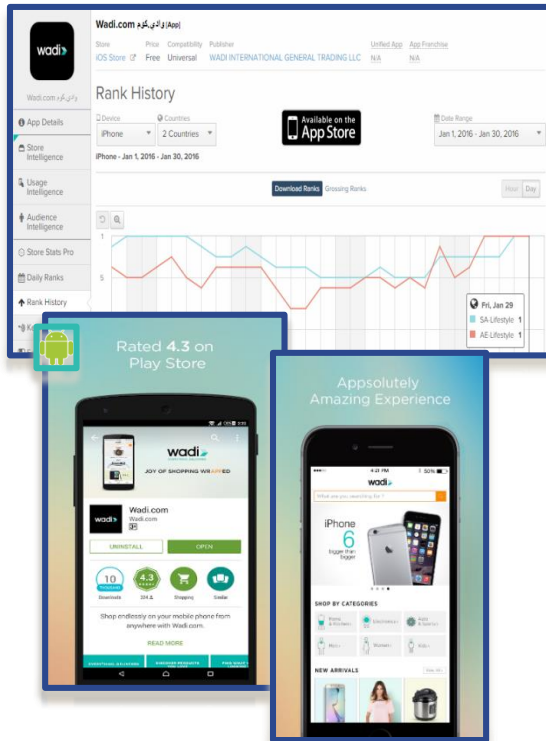
2,000+ international brands



1.6+ mn sessions/ month

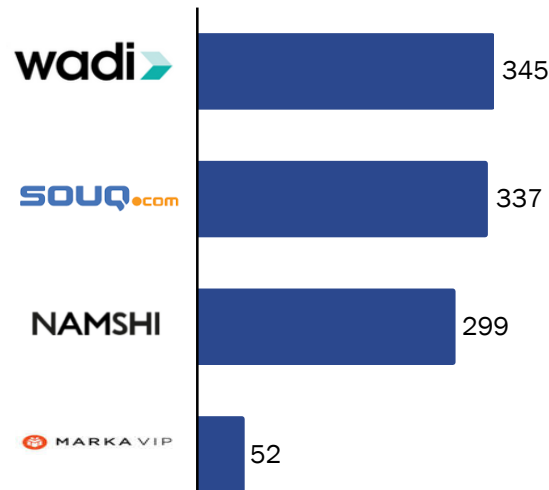
... and is becoming well recognized brand in the market

1 ranking lifestyle app in both KSA and UAE



Wadi's App install base has grown 3X from 69k to 210k from Nov to Jan

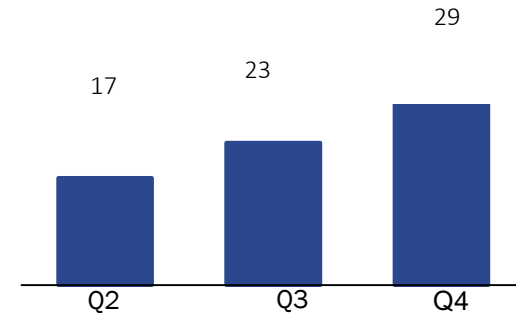
Strong followership on social media



- Highest number of followers on twitter, net 125K followers added in just 2 months
- Strong followership on Instagram (~20k followers) and Facebook (~90k followers)

Increasing number of repeat customers every quarter

Share of repeat customers
% of GMV



- Bounce rate (% of visitors leaving without any activity on site) at industry-best levels of 26.5%