



A Pioneer Developer in the Real Estate Sector

Q4/FY-2023
Earnings Presentation



RETAL

TABLE OF CONTENTS

OPERATIONAL
REVIEW

03

FINANCIAL
REVIEW

08

BACKLOG
UPDATE

16

FORWARD-
LOOKING
GROWTH

21

01

OPERATIONAL REVIEW



2023 OPERATIONAL HIGHLIGHTS

Thanks to the unrelenting dedication of its team, Retal successfully expanded its project portfolio in 2023, diversifying its revenue streams, penetrating new segments of the real estate sector

1,200+

Units Sold
▲ 40% YoY

12

Ongoing Projects
▲ 3x YoY

SAR **1.9** bn

Contractual Sales
vs. SAR 1.4 bn in FY 2022

8

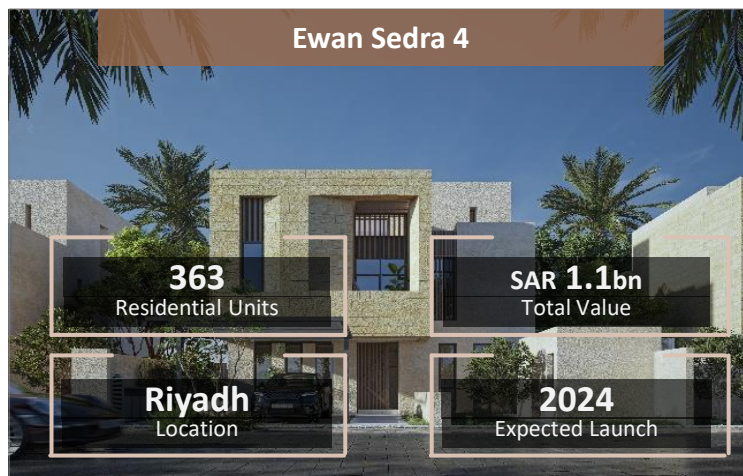
Project Awards
▲ 2x YoY

9

RE Funds/ JV
5 in initial stages of
development

NEWLY AWARDED PROJECTS IN 2023

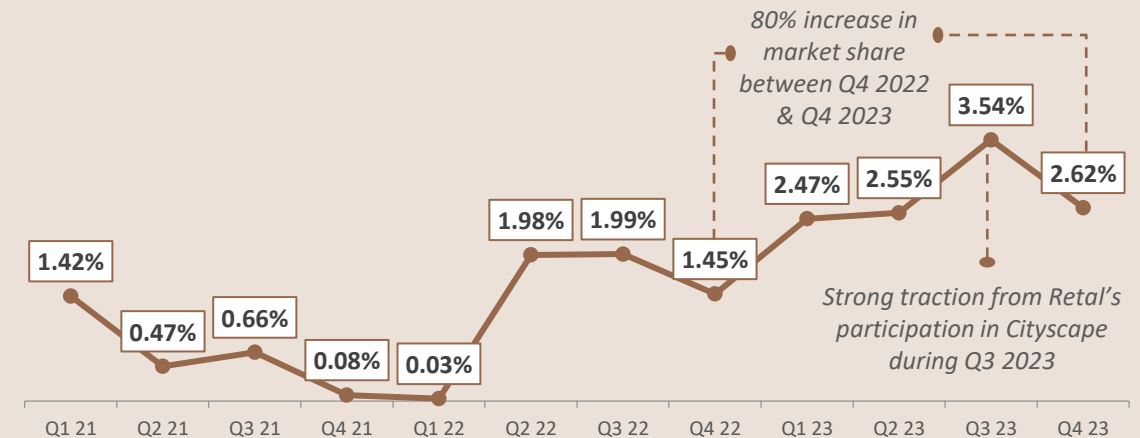
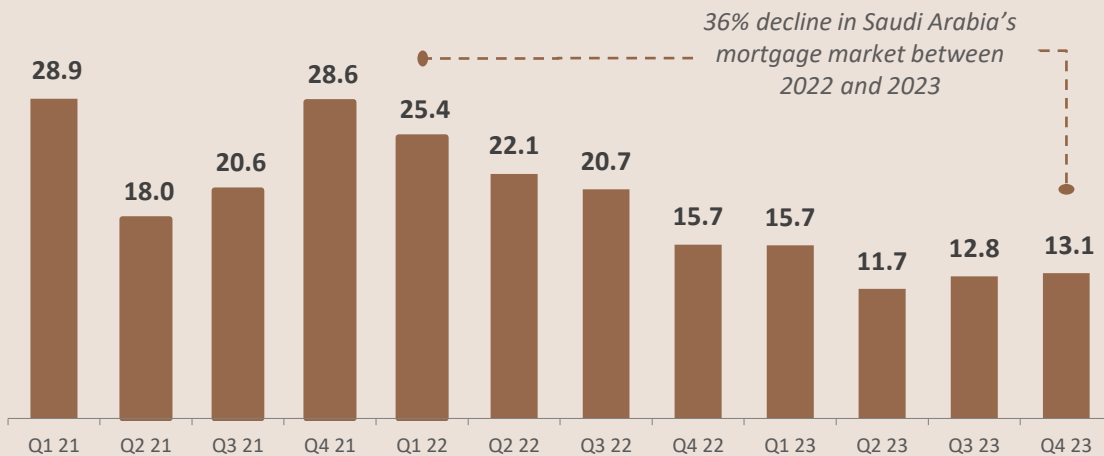
Retal announced 8 new projects in 2023 through strategic collaborations with ROSHN, NHC & Jabeen worth SAR 3.8 billion



MARKET POSITIONING

In light of the real estate market's downturn caused by increasing interest rates, Retal has managed to enhance its market share considerably year-on-year. This growth can be attributed to its high-quality offering, in addition to the departure of smaller-sized developers from the market.

KSA | Houses Mortgage Value (SAR bn)
Q1-2021 to Q4-2023



02

FINANCIAL REVIEW



RETAL IN NUMBERS 2023

Retal booked record revenues of SAR 1.4 billion in 2023, up 24% year-on-year, with revenues from development contracts crossing the SAR 1 billion mark



SAR **1,367** mn

▲ 24% YoY

Record revenues
(since inception)



SAR **379** mn

▲ 25% YoY

Record gross profit
(since inception)
GP Margin | 27.7%



SAR **1,271** mn

▲ 83% YoY

Record development
contract revenues
(since inception)



SAR **202** mn

▼ 18% YoY

Net profit
(Normalized NP ▲ 7%)
NP Margin | 14.8%



SAR **160** mn

Cash
dividend paid
in 2023



2.62%

Market Share
In 4Q23

FINANCIAL HIGHLIGHTS Q4-2023

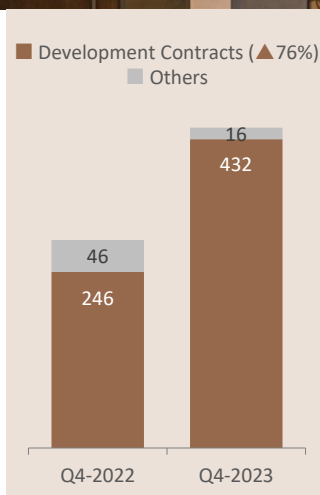
Key Income Statement Highlights

Retal's Development Contracts segment recorded a 76% YoY expansion, reaching SAR 432 million in Q4-2023

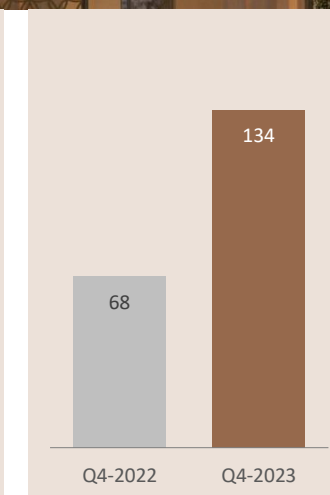
Revenues Bridge (SAR mn) Q4-2022 to Q4-2023



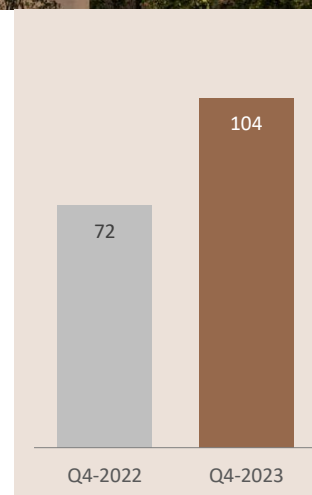
Revenues (SAR mn) ▲ 54% YoY



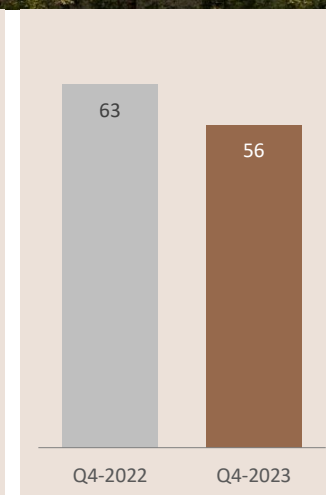
Gross Profit (SAR mn) 29.8% Margin ▲ 97% YoY



EBITDA (SAR mn) 23.2% Margin ▲ 44% YoY



Net Profit (SAR mn) 12.5% Margin ▼ 10% YoY

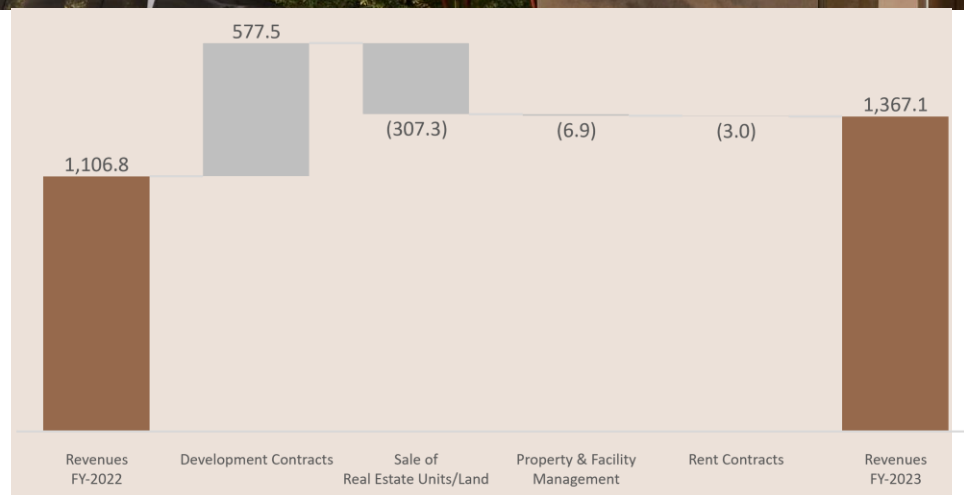


FINANCIAL HIGHLIGHTS FY-2023

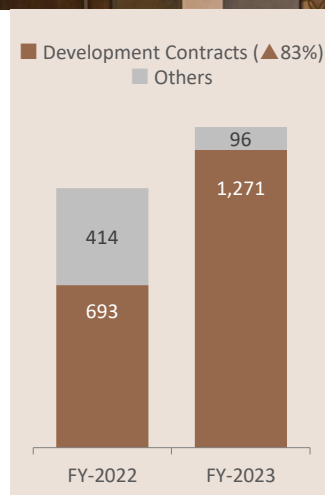
Key Income Statement Highlights

Retal's revenue in FY 2023 came in at SAR 1,367 million, increasing 24% YoY on the back of an 83% YoY expansion of Development Contract revenues

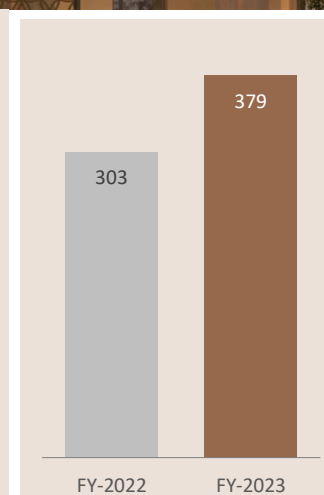
Revenues Bridge (SAR mn) FY-2022 to FY-2023



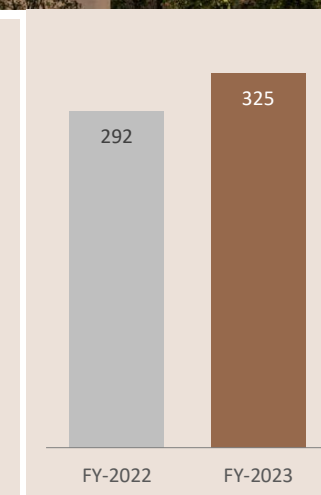
Revenues (SAR mn) ▲ 24% YoY



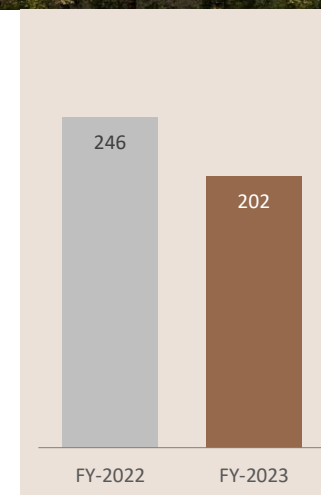
Gross Profit (SAR mn) 27.7% Margin ▲ 25% YoY



EBITDA (SAR mn) 23.8% Margin ▲ 11% YoY



Net Profit (SAR mn) 14.8% Margin ▼ 18% YoY

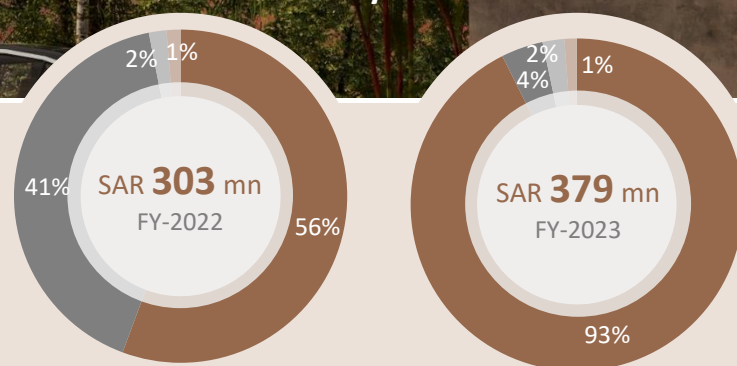


FINANCIAL HIGHLIGHTS FY-2023

Segmental Gross Profitability

Gross profit grew by 25% YoY in FY-2023, with gross profit from development contracts up by more than 2-fold YoY on the back of higher revenues and improved GPM from operational leverage. Despite the declining contribution of the sale of real estate units & land to Retal's top line, typically associated with higher gross profitability, the GPM remained steady year-on-year, recording an increase of 0.3 pts to 27.7%

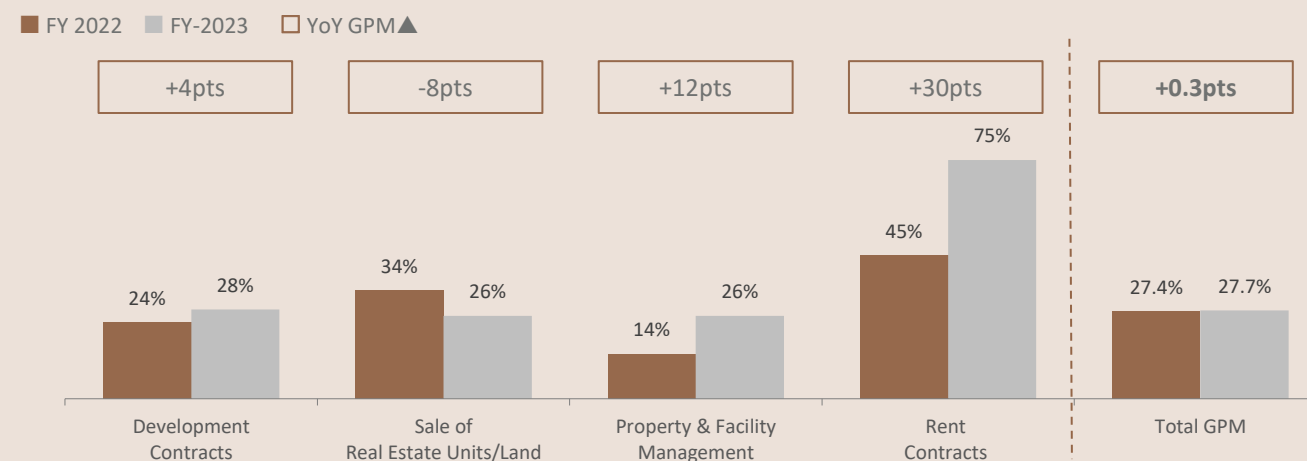
Gross Profit by Business Line



Change in Contribution

Development Contracts	▲ 36.9 pts
Sale of Real Estate Units/Lands	▼ 37.2 pts
Property & Facility Management	▲ 0.4 pts
Rent Contracts	▼ 0.2 pts

GPM by Business Line (%)

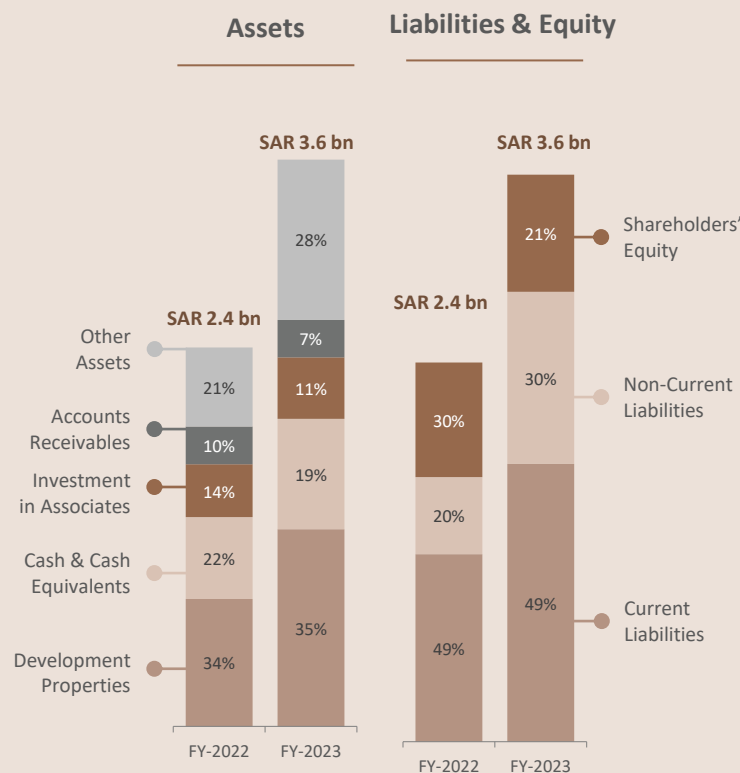


FINANCIAL HIGHLIGHTS FY-2023

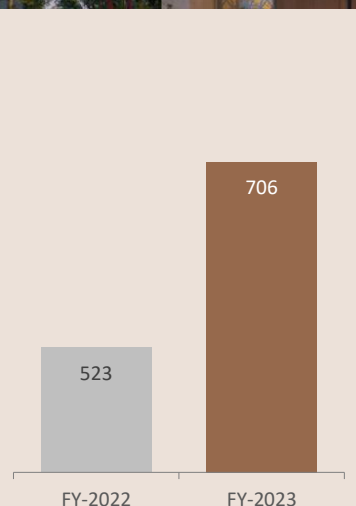
Key Balance Sheet Highlights

Retal booked an impressive 50% year-on-year increase in total assets to book SAR 3.6 bn, primarily fueled by a sharp increase in development properties and a higher cash balance. In parallel, the Company recorded a 70% year-to-year rise in total liabilities to finance its expansion.

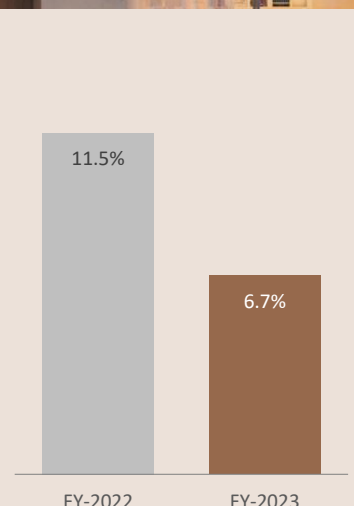
Balance Sheet Summary



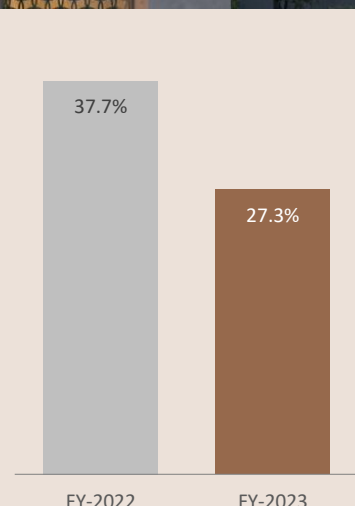
Cash & Cash Equivalents (SAR mn)



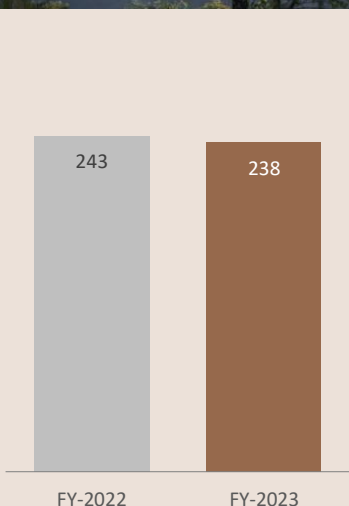
Return on Assets⁽¹⁾ (%)



Return on Equity⁽¹⁾ (%)



Accounts Receivable (SAR mn)



⁽¹⁾ Based on TTM net profit as of 31 December 2023 and 31 December 2022

FINANCIAL HIGHLIGHTS FY-2023

Debt Highlights

Retal's debt grew by 78% year-to-year mainly to finance the acquisition of land associated with Ayala Jeddah, projects in partnership with ROSHN, as well as Nesaj Town Al-Hassa. This resulted in the expansion of the Company's leverage ratios, while remaining within its target ranges.

Financial Ratios

1.21x

Current Ratio

▲ 0.08x YTD

3.26x

Adj. Leverage Ratio⁽¹⁾

▲ 1.30x YTD

1.94x

Debt/Equity

▲ 0.82x YTD

1.58x

Net Debt / Equity

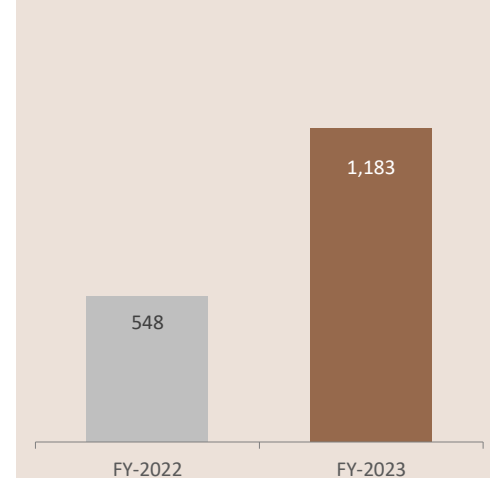
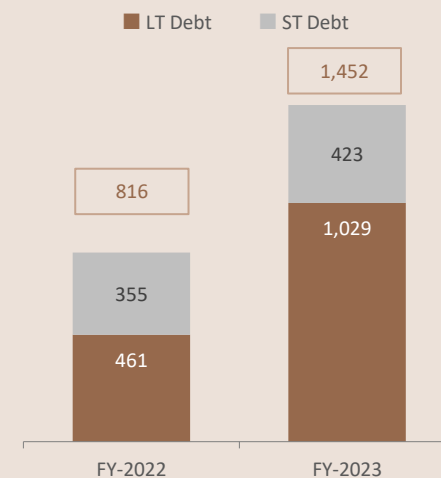
▲ 0.8x YTD

Total Debt (SAR mn)

▲ 78% YTD

Net Debt (SAR mn)

▲ 116% YTD

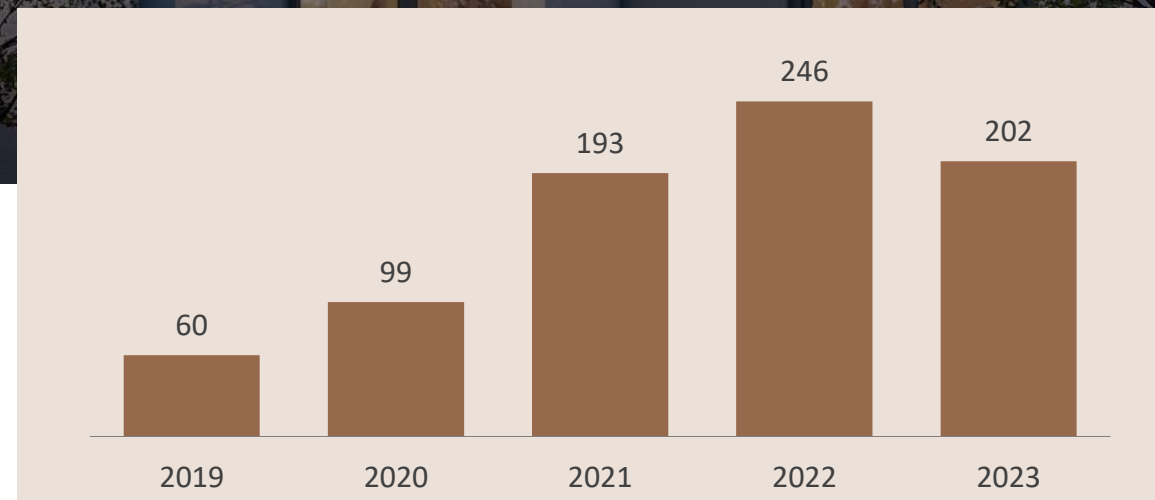
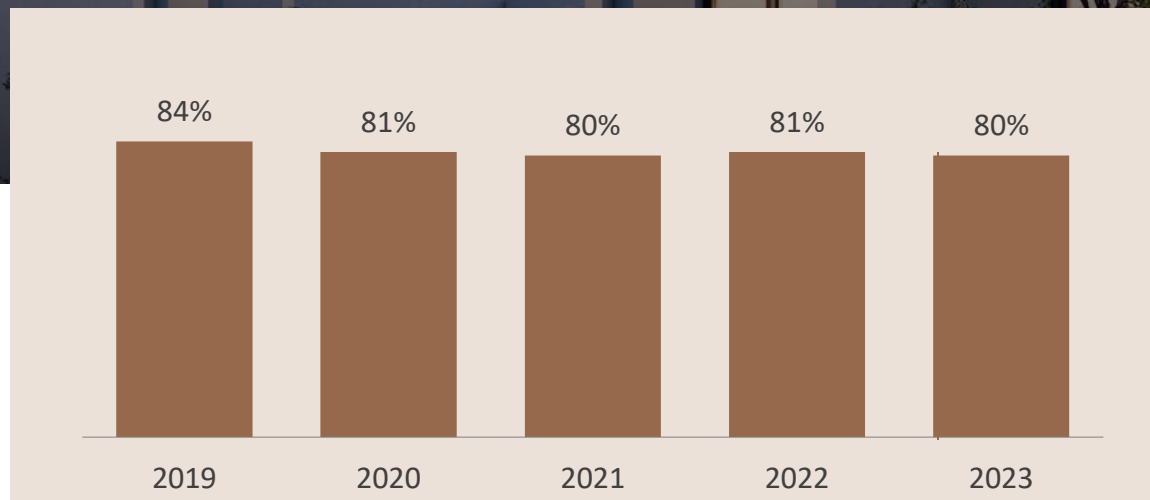


⁽¹⁾ Adjusted leverage ratio = (Total liabilities – Payable to NHC) / Total Equity

DIVIDEND PAYOUT

Dividend Payout Ratio | %

Net Income | SAR mn



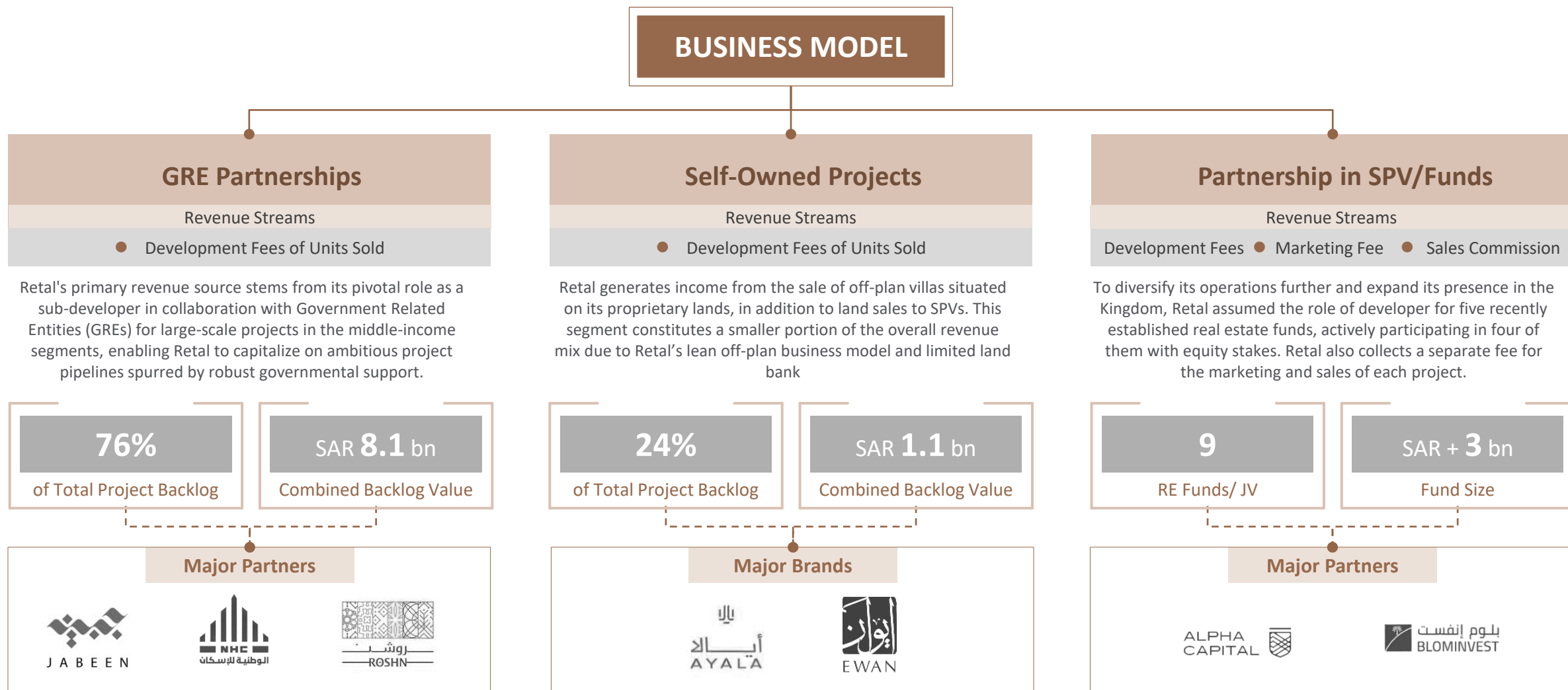
DURING A TIME WHEN REGIONAL REAL ESTATE LEADERS HAVE BEEN UNABLE TO PAY OUT DIVIDENDS, RETAL HAS PAID AVERAGE DIVIDENDS OF 81% OF ITS NET PROFIT, WHICH HAS GROWN AT A CAGR OF 35% OVER THE LAST 4 YEARS

03

BACKLOG UPDATE



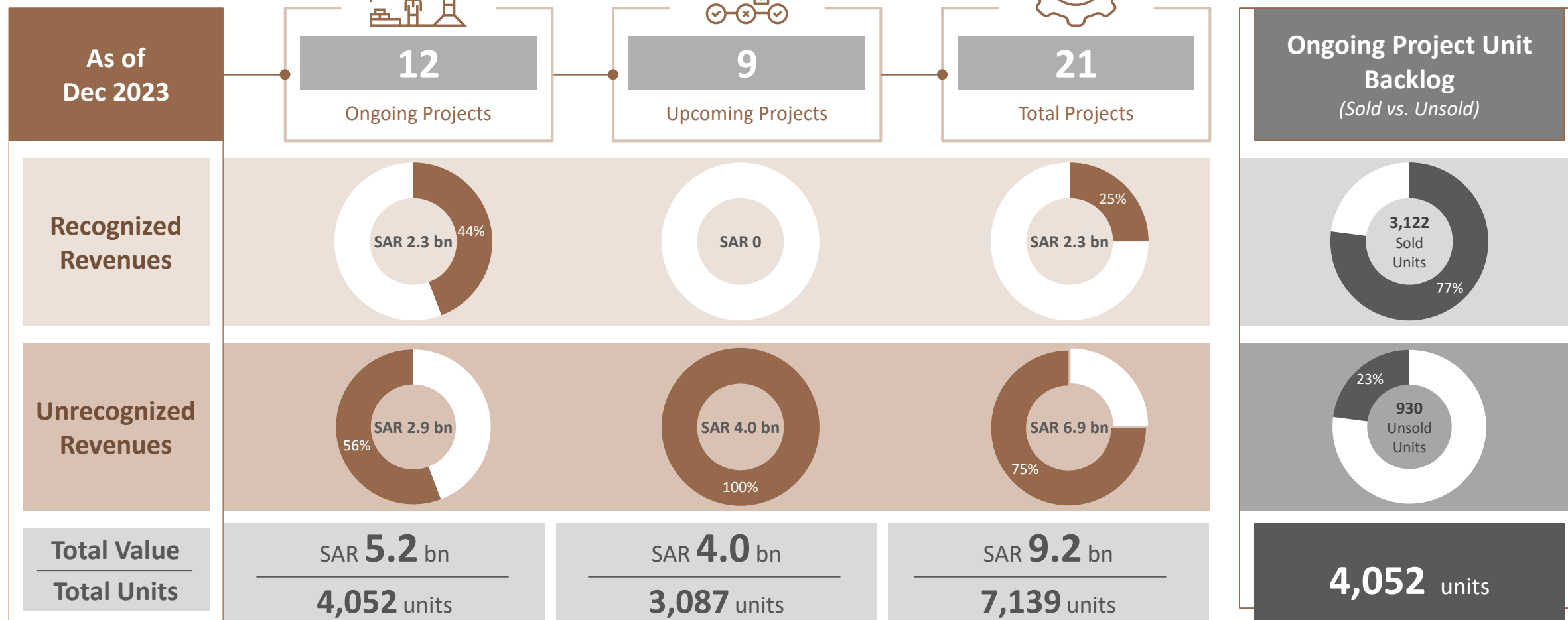
DIVERSIFIED BUSINESS MODEL DELIVERING SUSTAINABLE GROWTH



OUR PORTFOLIO

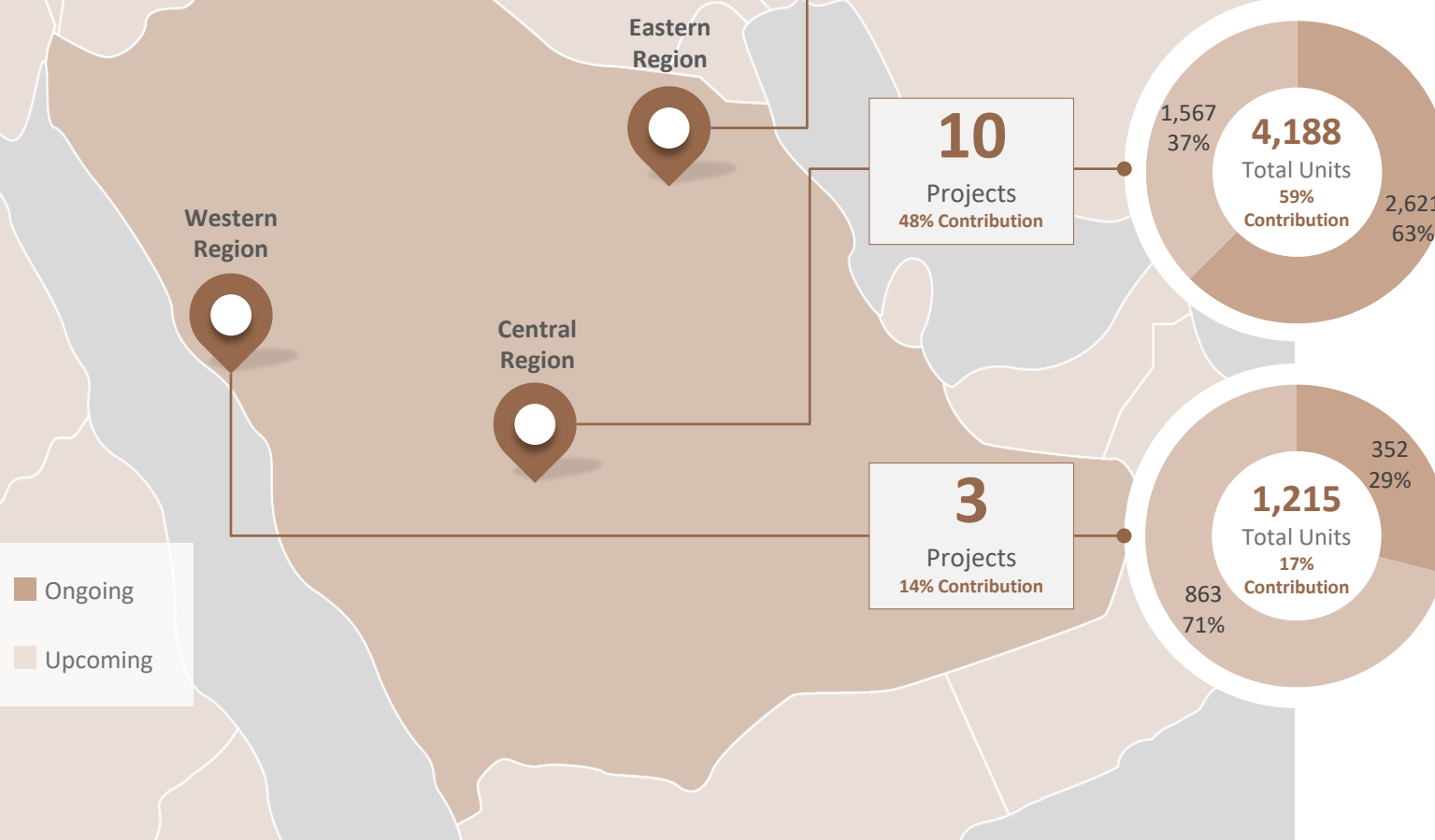
The total value of Retal's ongoing and completed projects grew from SAR 7.6 bn in Q3-2023 to stand at SAR 9.2 bn by year-end

Recognized Revenues to Date |
Ongoing & Upcoming Projects



PROJECT STATUS SUMMARY

Regional Portfolio Distribution | Ongoing & Upcoming projects

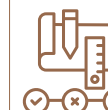


With a strong existing presence in the Eastern Region, **Retal has successfully expanded its footprint** to enjoy a more balanced distribution of projects between the Eastern, Central and Western regions, with **Riyadh expected to play a significant role in its growth story**



12

Ongoing Projects

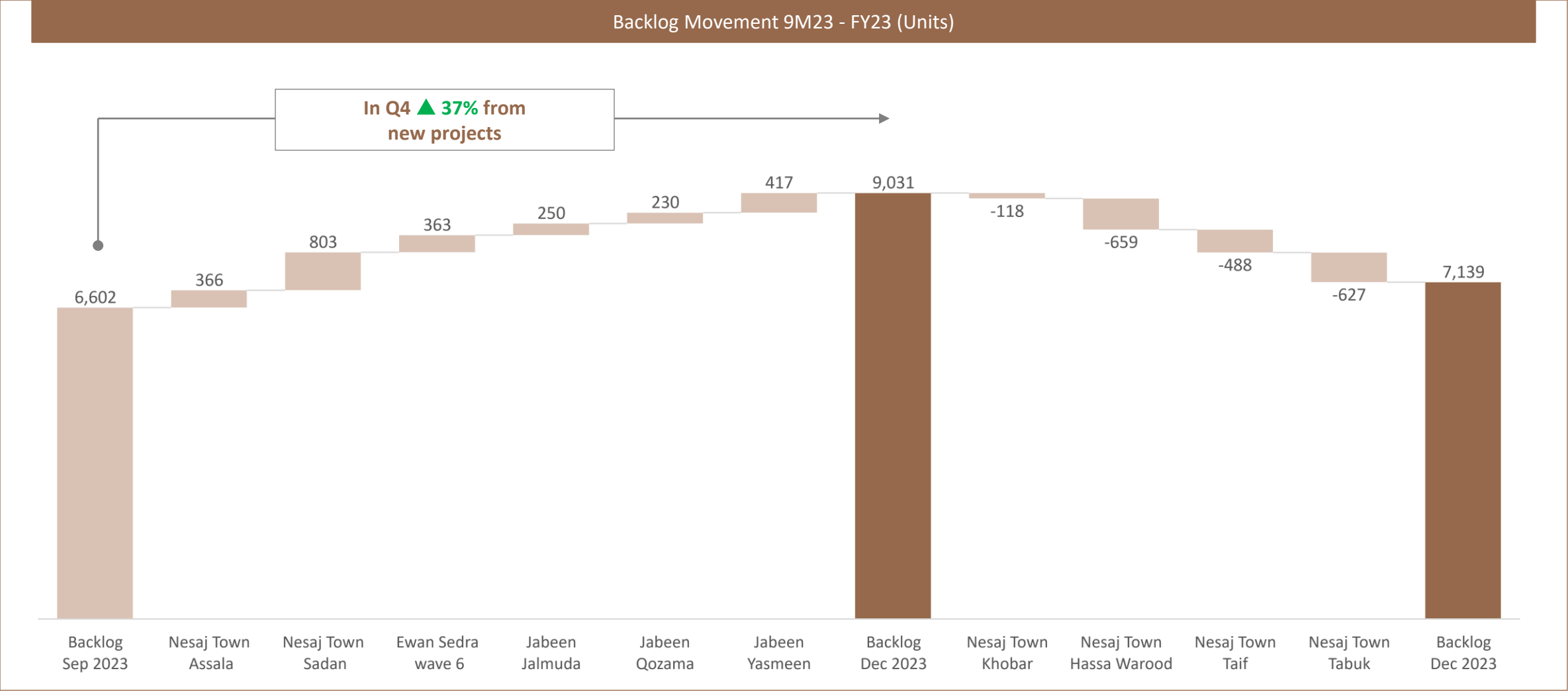


9

Upcoming Projects

BACKLOG PROGRESSION

Backlog Movement 9M23 - FY23 (Units)



04

FORWARD- LOOKING GROWTH



FORWARD-LOOKING GROWTH PILLARS

Guided by an unwavering dedication to its stakeholders, Retal relies on four main pillars for future growth



Strategic Partnerships

Strengthen existing partnerships with reputable entities

Leverage track record with proven partners, including NHC and ROSHN, to explore new opportunities



Diversification

Prioritize timely completion of portfolio projects while focusing on initiating new landmark developments in collaboration with partners

Further solidify our standing in the commercial arena, leveraging the success of our latest ventures in office, retail and lifestyle developments

Pioneer innovative fund structures for sustainable expansion



Customer Experience

Continue to design properties which adapt to evolving homeowner needs and preferences

Secure agreements with banks to provide special rates for clients

Continuous improvement in digital interfaces to better serve clients



ESG

Bring proportion of sustainable buildings in Retal's portfolio to 50% by 2030

Increase female workforce participation rate to 40% and Saudization rate to 75% by 2025

Review and enhance human rights practices, include human rights clauses in 100% of supply agreements by mid-2024

05

Q&A





THANK YOU

DISCLAIMER

THE FOLLOWING APPLIES TO THIS PRESENTATION AND THE INFORMATION CONTAINED THEREIN, THE ORAL PRESENTATION BY RETAL URBAN DEVELOPMENT COMPANY (THE "COMPANY") OR ANY PERSON ON BEHALF OF THE COMPANY, AND ANY QUESTION-AND-ANSWER SESSION THAT FOLLOWS THE ORAL PRESENTATION (COLLECTIVELY, THE "INFORMATION"). THE INFORMATION HAS BEEN PREPARED BY THE COMPANY FOR BACKGROUND PURPOSES ONLY AND DOES NOT PURPORT TO BE FULL, ACCURATE OR COMPLETE. NO RELIANCE MAY BE PLACED FOR ANY PURPOSE ON THE INFORMATION OR ITS ACCURACY, FAIRNESS OR COMPLETENESS. THE INFORMATION AND OPINIONS CONTAINED HEREIN ARE PROVIDED AS AT THE DATE OF THE PRESENTATION AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. THE PRESENTATION HAS BEEN PREPARED BY THE COMPANY AND HAS NOT BEEN REVIEWED OR APPROVED BY ANY REGULATORY OR SUPERVISORY AUTHORITY.

ANY STATEMENTS, PROJECTIONS, OPINIONS, OR ESTIMATES EXPRESSED IN THIS PRESENTATION ARE FORWARD-LOOKING IN NATURE AND INVOLVE INHERENT RISKS, UNCERTAINTIES, AND CHANGES. ACTUAL RESULTS MAY VARY FROM THOSE ANTICIPATED DUE TO VARIOUS FACTORS, INCLUDING MARKET CONDITIONS, ECONOMIC SHIFTS, REGULATORY CHANGES, AND UNFORESEEN DEVELOPMENTS. CONSEQUENTLY, THE ACCURACY AND RELIABILITY OF SUCH FORWARD-LOOKING INFORMATION CANNOT BE GUARANTEED. INVESTORS ARE STRONGLY ADVISED TO EXERCISE DUE DILIGENCE AND SEEK INDEPENDENT ADVICE FROM QUALIFIED FINANCIAL, LEGAL, AND INVESTMENT PROFESSIONALS BEFORE MAKING ANY DECISIONS BASED ON THE CONTENT OF THIS PRESENTATION. THE INFORMATION PRESENTED HEREIN IS NOT INTENDED TO SERVE AS THE SOLE BASIS FOR ANY INVESTMENT CHOICES, AND RELIANCE SOLELY ON THIS PRESENTATION IS DISCOURAGED.

RETAL HAS MADE REASONABLE EFFORTS TO ENSURE THE ACCURACY AND COMPLETENESS OF THE INFORMATION PRESENTED IN THIS DOCUMENT. HOWEVER, RETAL DOES NOT PROVIDE ANY WARRANTY, EXPRESS OR IMPLIED, REGARDING THE ACCURACY, TIMELINESS, OR COMPLETENESS OF THE INFORMATION, AND DISCLAIMS ANY RESPONSIBILITY FOR ERRORS OR OMISSIONS THAT MAY BE PRESENT. PAST PERFORMANCE MENTIONED IN THIS PRESENTATION IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. BY ACCESSING AND REVIEWING THIS PRESENTATION, YOU ACKNOWLEDGE THAT NO FINANCIAL, LEGAL, OR INVESTMENT RELATIONSHIP IS ESTABLISHED BETWEEN YOU AND RETAL. THIS PRESENTATION DOES NOT CONSTITUTE AN INVITATION TO ENTER INTO ANY FORM OF BUSINESS OR INVESTMENT ARRANGEMENT WITH RETAL. ANY RELIANCE ON THE INFORMATION PRESENTED IS AT YOUR OWN RISK, AND YOU BEAR FULL RESPONSIBILITY FOR ANY CONSEQUENCES ARISING FROM SUCH RELIANCE. RETAL RESERVES THE RIGHT TO MODIFY, UPDATE, OR WITHDRAW ANY PART OF THIS PRESENTATION WITHOUT PRIOR NOTICE. THE CONTENT PROVIDED HERE IS SUBJECT TO CHANGE AND MAY NOT NECESSARILY REFLECT THE MOST CURRENT INFORMATION ABOUT RETAL OR THE MARKET CONDITIONS IT OPERATES WITHIN.

THIS PRESENTATION AND ITS CONTENT ARE CONFIDENTIAL AND ARE NOT FOR RELEASE, REPRODUCTION, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY TO ANY OTHER PERSON OR IN OR INTO OR FROM SAUDI ARABIA, OR ANY OTHER JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD BE UNLAWFUL.