

The Leading Lifestyle Centre Platform in Saudi Arabia

Investor Presentation

FY-2020

31st March 2020



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Leading Developer, Owner and Operator of Shopping Malls Across Saudi Arabia

Headline Figures*

21 Malls

Arabian Centres Company (ACC) is the **leading developer, owner and operator of shopping malls across Saudi Arabia, with a portfolio of 21 malls.**

14% Market Share

ACC's malls are spread across key urban areas throughout the Kingdom, including the top 10 cities **covering 60% of the population and with a 14%⁽¹⁾ market share** by year-end FY2018.

1.2 mn sqm GLA

ACC operates some of the most iconic malls in the Kingdom, including **Mall of Arabia** (Jeddah) and **Mall of Dhahran**, two of the Company's landmark Super-Regional Malls, and **Nakheel Mall** (Riyadh).

93.1% Occupancy²

Its malls are home to more than **1,100 international, regional and local retail brands**, including Zara, Debenhams, Coach, H&M, Virgin Megastores, Panda and IKEA.

110.7 mn FY2020 Footfall

ACC seeks to continuously enhance its overall tenant mix, which includes **dining, entertainment, lifestyle and leisure offerings**, maximizing returns on its mall portfolio.

Fitch - BB+ Moody's – Ba2

ACC made its debut in international debt capital markets, **floating a USD 500 million Sukuk** and securing a new USD 1.2 billion Islamic facility. The company was assigned a **stable rating** by international credit agencies.

Revenue

SAR **2,197.3** mn
▲ 1.0% y-o-y
LFL ▼ 2.0% y-o-y

EBITDA

SAR **1,625.5** mn
▲ 9.8% y-o-y

FFO³

SAR **959.8** mn
▼ 12.8% y-o-y

Net Profit

SAR **642.6** mn
▼ 20.1% y-o-y

NAV

SAR **15,493.5** mn
▼ 13.6% vs. FY2019

* Fiscal year ended 31 March 2020 (FY2020) unless otherwise stated

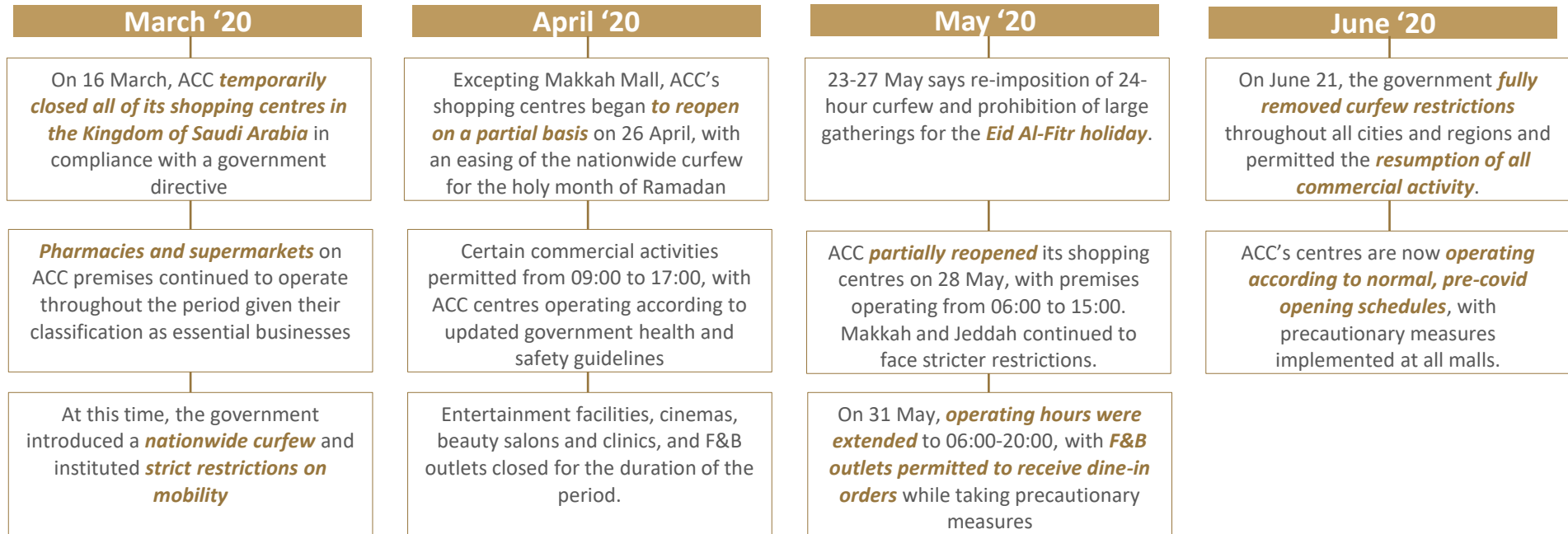
(1) Source: JLL Market Study (2018)

(2) Represents period-end like-for-like occupancy

(3) Fund from operations: net profit for the year plus depreciation of investment properties and PP&E and write-off of investment properties, if applicable.



Covid-19: Resilience Despite Material Impact



Health & Safety

Comprehensive safety measures at all centres in cooperation with Ministry of Health. Mandatory temperature checks and distribution of face masks at all entrances.

Additional social distancing measures enforced at retail units, hallways and elsewhere. Regular disinfection of premises. Contactless payment encouraged.

Work from home policy rapidly and successfully implemented for all administrative staff.

Financial Measures

Strong liquidity position after securing SAR 1.9 billion in November refinancing transaction, including fixed-rate USD 500 million Sukuk with 5-year tenor and 5.375% coupon

Debt maturity profile significantly extended, with no obligations coming due over the short term, and significantly enhanced covenant headroom.

More than SAR 1 billion in cash on hand after drawdown of revolving credit facility.

Rent Relief Policy

6-Week Waiver

On all contractual base rent and service charges beginning 16 March

Additional Support

For tenants whose stores were mandatorily closed by government order

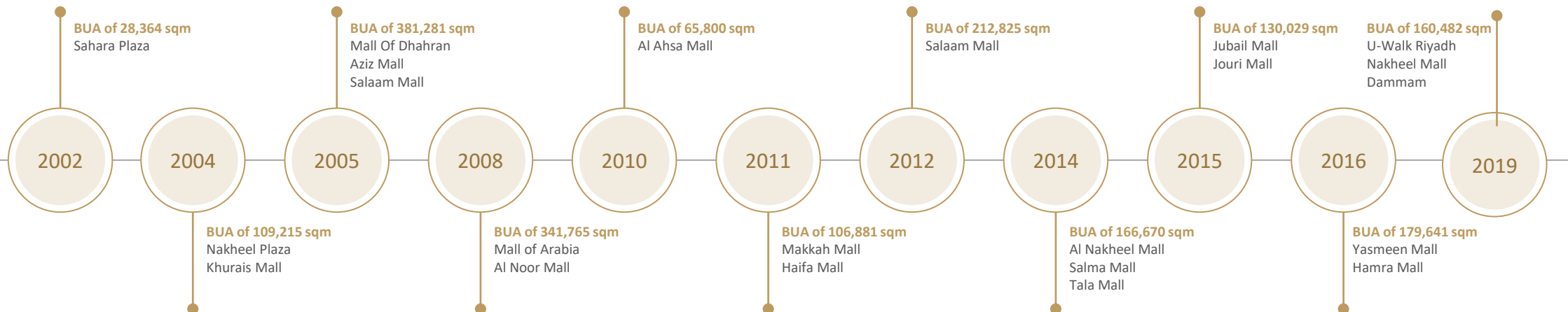
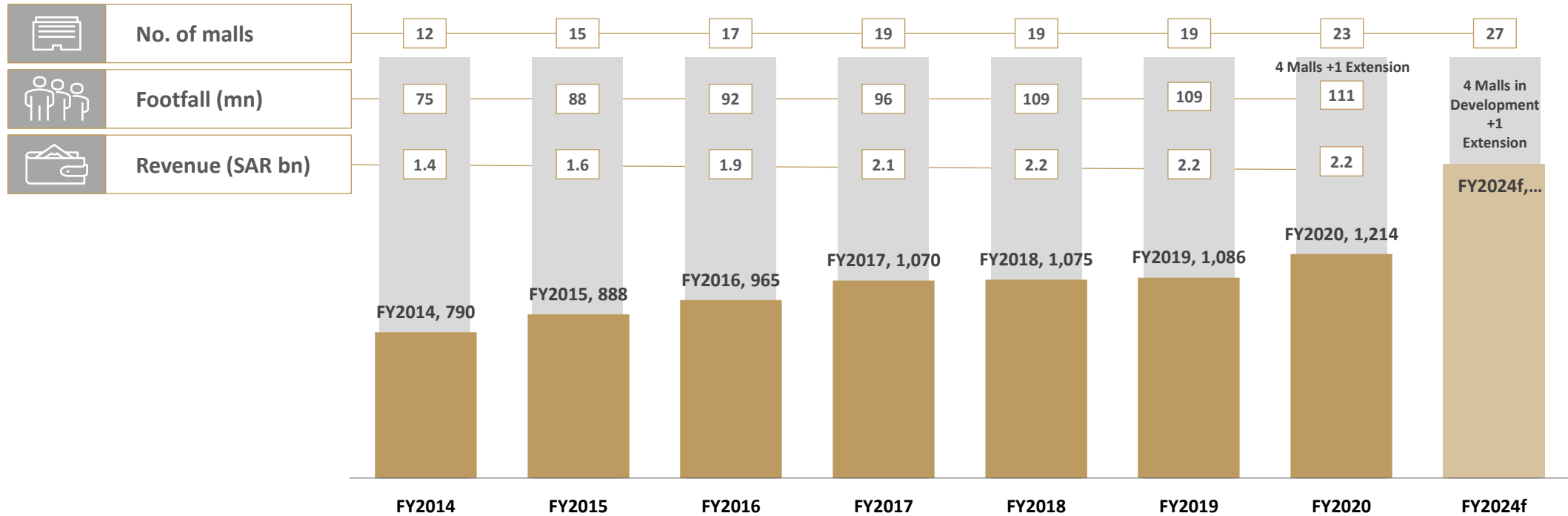
Escalations Suspended

Lease escalations suspended for 2020 and 2021.



15+ Years Track Record Achieving Leadership Position Through Sustained Growth

GLA Growth FY2014 – FY2024f (000s sqm)





Our Assets are Diversified and Strategically Located across Saudi Arabia

Our Malls

3
Super
Regional
Malls

GLA
≥ 74,000 sqm



36%
Revenue
Contribution⁽¹⁾

12
Regional
Malls

37,000 sqm
≤ GLA
< 74,000 sqm



55%
Revenue
Contribution⁽¹⁾

6
Community
Malls

GLA
< 37, 000 sqm



9%
Revenue
Contribution⁽¹⁾

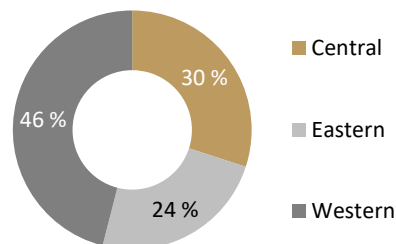
ACC's malls are located in major cities across Saudi Arabia and are anchored by the company's strategic partnerships with major retailers and other tenants.

4,100
stores

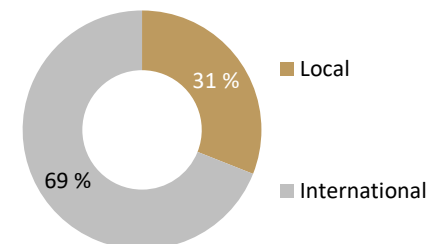
1,100
brands

720
customers

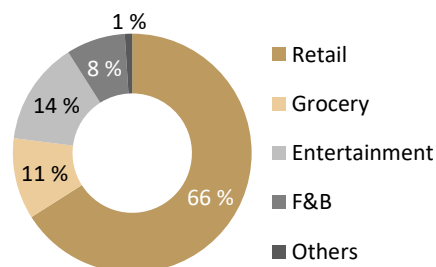
FY2020 Geographical Distribution | GLA



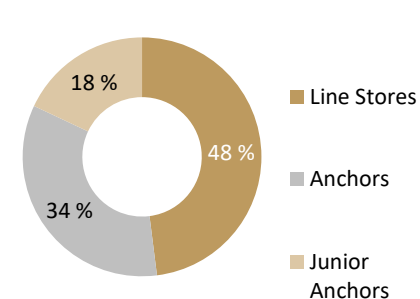
FY2020 Brand Split by Origin | No. of brands



FY2020 Distribution by Category | GLA



FY2020 Distribution by Store (GLA)



(1) As of FY2020, or the fiscal year ended 31 March 2020



The Leading Lifestyle Centre Platform in Saudi Arabia



1

Attractive industry backdrop driven by favorable local demographic and lifestyle trends

2

Largest retail platform in Saudi Arabia with leading positions across key metropolitan areas

3

Strong mall development business with superior returns

4

Fully integrated retail ecosystem

5

Experienced management team with clear roadmap to growth

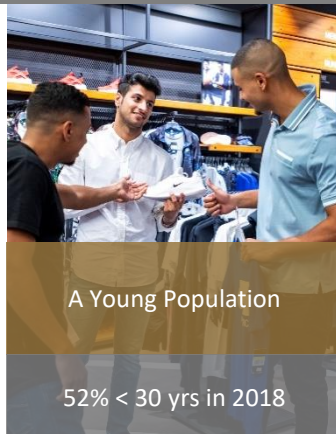
6

Best-in-Class Corporate Governance Framework



Attractive Industry Backdrop Driven by Favorable Local Demographic and Lifestyle Trends (I/II)

Favorable Macro-economic Drivers

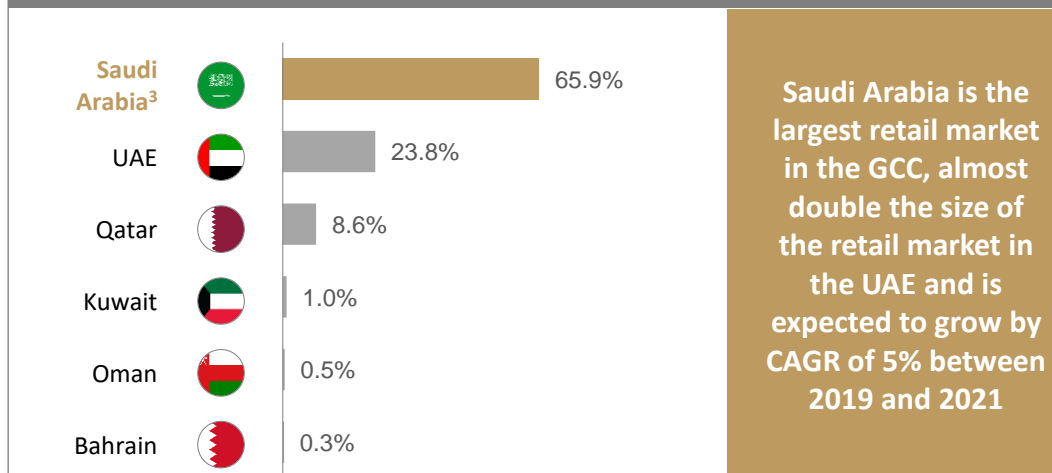


Favorable Demographic & Lifestyle Trends

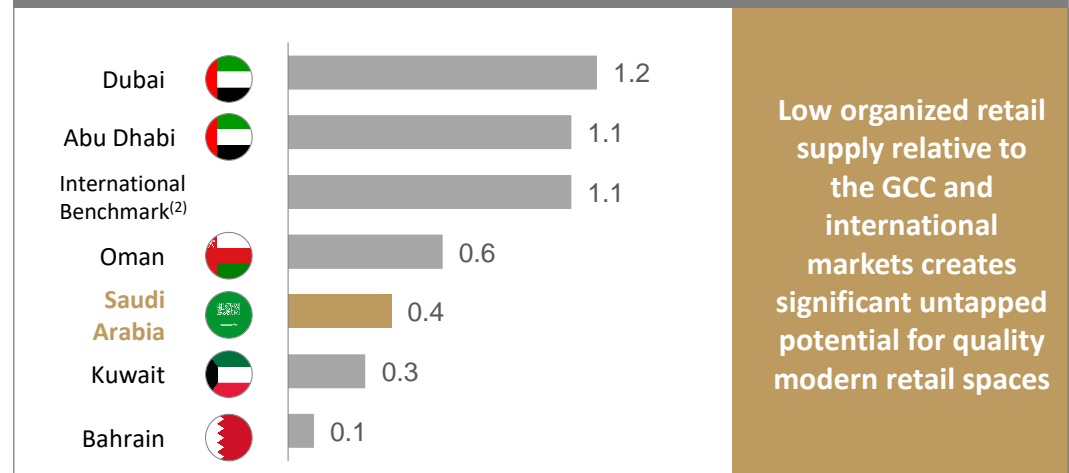


Saudi Arabia's modern retail market remains largely underpenetrated with long-term growth prospects

2017A Market Share of GCC Retail Sales



2018A Retail Mall GLA per capita (sqm) ⁽¹⁾



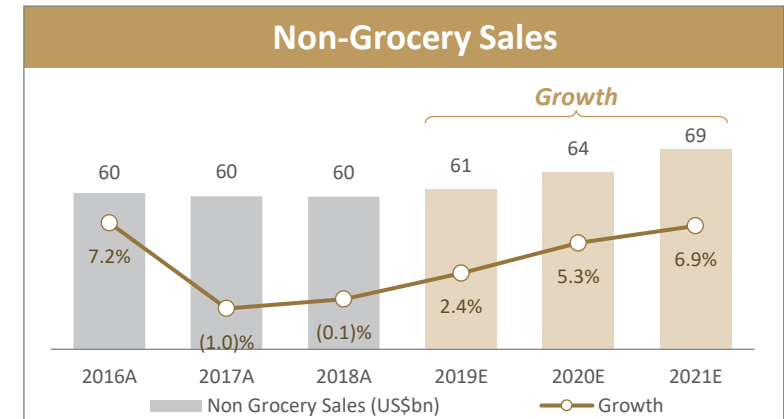
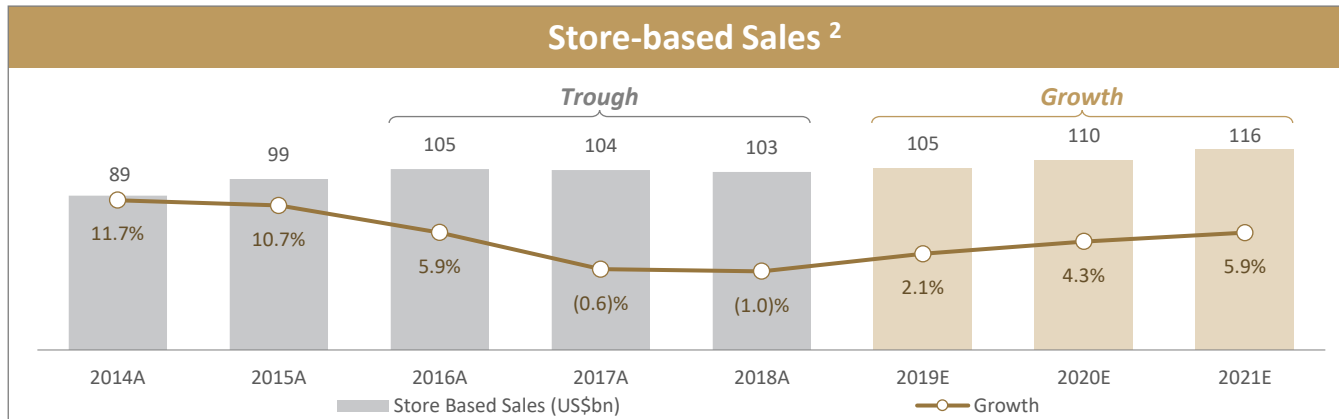
Source: Oxford Economics, JLL Market Study, Middle East Council of Shopping Centres (2018), International Council of Shopping Centres

1) Retail mall GLA includes shopping centres / malls and quality strip malls but excludes independent standalone stores. (2) As identified by the International Council of Shopping Centres. (3) For only the four major cities i.e. Riyadh, Makkah, Jeddah and DMA



Attractive Industry Backdrop Driven by Favorable Local Demographic and Lifestyle Trends (II/II)

Retail market is recovering following two years of slowdown, with significant upside driven by the Vision 2030 reforms



Key Focus Areas of VISION 2030 Reforms

Enriching Quality of Life	Promote Saudi Arabia’s entertainment industry	Enhance Saudi Arabian cities’ positioning among top cities	
Women Enablement	Government drive to increase women mobility	Increase the participation of women in the workforce from 22% to 30% by 2030 → 7% increase per year in discretionary spend ⁽¹⁾	
Boosting Tourism	Focus on tapping the country’s underdeveloped tourism industry	Foster more balanced and sustainable demand	Increase the Umrah visitors from 8 million to 30 million per year by 2030
Infrastructure	Improve public transportation infrastructure / connectivity	Upcoming ~US\$426 billion infrastructure plan	

Expected Impacts for Retail / ACC

Entertainment / leisure including cinemas as incremental footfall generators
Recapture retail spending outside of the Kingdom

Enablement of large part of target catchment

Boost in total purchasing power

Increasing domestic and international tourist flows in Saudi Arabia

Improved accessibility / mobility leading to higher footfall

Source: Vision 2030, Jadwa Investment, Centre for International Communication, Euromonitor 2018, Saudi Railways Organization, Bloomberg, JLL Market Study, IMF

Notes: 1. Additional 770k working women calculated as 8% (30% minus 22%) of current women population in Saudi Arabia between 15-64 years of age. US\$2.6bn discretionary spend calculated as 38% of the total disposable income of additional working women

Notes: 2 Store-based Sales / Source: JLL Market Study, Euromonitor 2018, IMF



Largest Retail Platform in Saudi Arabia with Leading Positions Across Key Metropolitan Areas

Diversified portfolio strategically positioned in large catchment areas

Key Saudi Arabian Cities Retail Mall Market Share by GLA as of 2018⁽¹⁾

Ahsa Mall

Jubail Mall

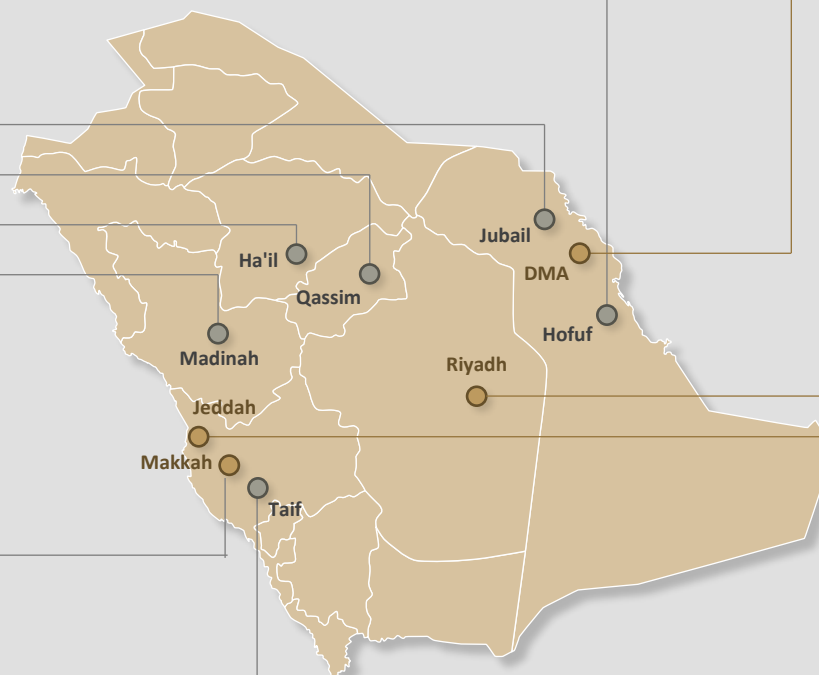
Nakheel Plaza

Salma Mall

Noor Mall

Makkah Mall

Jouri Mall



Other Cities



Top 4 Cities



DMA

17% Market share

- Mall of Dhahran
- Nakheel Mall Dammam

Riyadh

11% Market share

- Sahara Plaza
- Salaam Mall
- Tala Mall
- Khurais Mall
- Nakheel Mall
- Hamra Mall
- U-Walk

Jeddah

28% Market share

- Aziz Mall
- Mall of Arabia
- Haifa Mall
- Salaam Mall
- Yasmin Mall

⁽¹⁾ Source: JLL Market Study (2018), Company information - Based on 4 key cities (Riyadh, Jeddah, DMA and Makkah) and only including organized retail space (>3,000 sqm)



ACC Has Constructed a Strong Mall Development Business with Superior Returns

High Mall Development Capabilities and Expertise

Through its partnership with FARE (member of Fawaz Alhokair & Partners Co.), ACC has successfully developed 18 Malls (with the exception of Tala Mall in Riyadh, Salaam Mall in Jeddah and Salma Mall in Hail).

ACC has demonstrated its ability to accurately assess changing market requirements which are important for identifying and securing attractive sites for its Malls.

1-3 Years

Average total delivery time

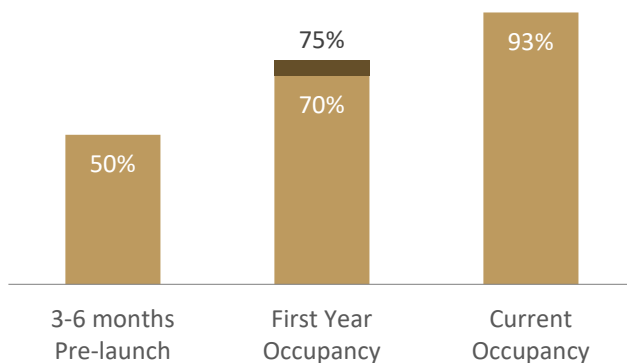
< 5%

Av. deviation

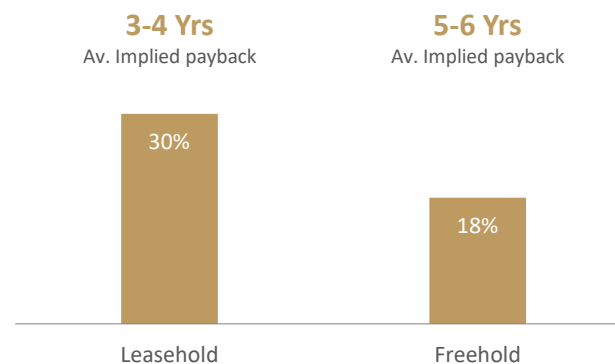
From scheduled budget

Strong Pre-leasing Model

ACC has been able to pre-lease approximately 50% of its recent new malls 3-6 months ahead of their launch



Superior Returns (YTC)



YTC - FY2020 Actual EBITDA (Net of lease expense for leasehold) divided by Total Development Cost (including land for freehold) where Total Development Cost defined as the capital expenditure incurred and the land cost

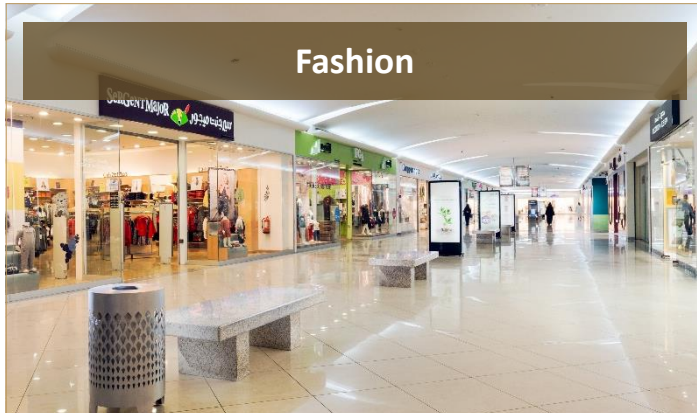
Favorable Lease Terms

~5%	Escalation Clause for Line Stores
~90%+	With Variable Rent Clause
3-5 Years	Typical Tenure for KSA Line Stores



Fully Integrated Retail Ecosystem

Fashion



Alhokair Fashion Retail



75+ BRANDS

Dezigual

ZARA

Bershka

Monsoon

Massimo Dutti

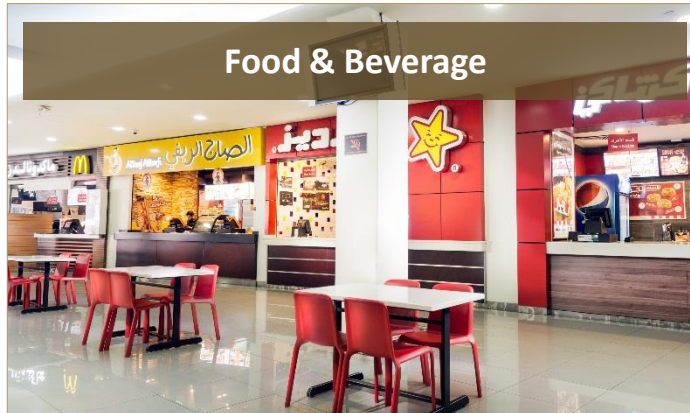
ESTÉE LAUDER

ALDO

La SENZA

MANGO

Food & Beverage



Food & Entertainment Company⁽¹⁾



20+ BRANDS

CINNABON



Molten
Chocolate Cafe

EMIRGAN
Sutis

SEATTLE'S BEST
COFFEE

ميامنتو كافيه
Miamanto Coffee

Life with
CACAO

SKINNYPIZZA

Caffè Concerto

Leisure & Entertainment



FAS Entertainment⁽²⁾



3 BRANDS

KidZania



BILLY REED

Large and Attractive Retail Portfolio

95+ BRANDS

(1) Includes Food & Entertainment Co., Food Gate Company Commercial, and Coffee Centres

(2) Trading Includes Billy Games Company Co, Kids Space Company and Next Generation Company Limited



Experienced Management Team with Clear Roadmap to Growth



Salman Abdulaziz Fahad Alhokair
Vice Chairman Managing Director

Responsible for overseeing the day-to-day activities of the Company and directing its management team on its shareholders' behalf. He is also a founding member of Alhokair Fashion Retail.



Faisal Al Jedaie
Chief Executive Officer

Over 30 years of wide-ranging experience in business administration in the retail and fashion industries. Mr. Al Jedaie is currently chairman of Thobe Al Aseel Company and sits on the Board of ANB's Al Mubarak Real Estate Income Fund.



Olivier Nougrou
Senior Advisor for Strategy and Growth

Over 15 years of senior executive experience in retail property (as CEO for Germany at Unibail-Rodamco-Westfield) and Morgan Stanley Real Estate. Mr. Nougrou advises ACC's CEO and Board of Directors on strategy and growth.



Jabri Maali
Chief Financial Officer

25+ years of experience in finance - held several executive roles including Finance Manager of Planet Group and External Audit Supervisor at BDO .



Lionel Ponsard
VP of Finance

20+ years of experience in financial management and operations including Faisaliah Group and Boston Consulting Group.



Khaled Aldubaie
Chief Commercial Officer

Over a decade of service at Arabian Centres – He joined in 2009 as Media Sales Manager, responsible for all in-mall media and advertising and was subsequently promoted to Head Leasing and Sales.



Ghassan Abu Mutair
Chief Development & Project Management Officer

Previously held position of Manager of the Supply Chain Group at Fawaz Abdulaziz Alhokair Real Estate Company. He also served in other operations positions at General Electric and the Saudi Binladin Group.



Naji Fayad
Director of Internal Audit Department

He has over 20 years of experience in audit related functions and holds several academic degrees and professional qualifications including a Chartered Accountant (CA) degree and a Certified Internal Auditor.



Turki Al Zahrani
Chief Support Services Officer

Serving as Chief Support Services Officer since 2015 after joining company in 2009 as Director of Human Resources. He previously held management positions at Geant Saudi Limited and Al Othaim Holding Company.



Francois Kanaan
Chief Digital and Marketing Officer

25 years of experience in corporate marketing. His background includes corporate communications, digital transformation, brand development and destinations marketing.



Best-in-Class Corporate Governance Framework (I/II)



Fawaz Abdulaziz Alhokair
Chairman

- Co-founder of Al Hokair Group
- Chairman of the board of FAS Saudi Holding Company



Salman Abdulaziz Alhokair
Vice Chairman and MD

- Co-founder of Al Hokair Group
- Director on the board of FAS Saudi Holding Company



Kamel Al Qalam
Remuneration & Compensation Committee Member

- Consultant to Fawaz Abdulaziz Al Hokair Real Estate Company



Omar Almohammady¹
Board Member

- Group CEO at Fawaz Alhokair Group



Mohamed Al Khorayef
Remuneration & Compensation Committee Chairman

- CEO of Al Khorayef Group

Independent



Omar Al Farisi¹
Corporate Governance Committee Chairman

- Managing member at Diyala Advisors LLC
- Member of the board of the Savola Group

Independent



Bernard Higgins
Audit Committee Chairman
Corp. Gov. Committee Member

- Honorary professor at Edinburgh Business School
- Previously CEO of retail banking at Royal Bank of Scotland

Independent



Abdulrahman Al Tuwaijri
Board Member

- Previously chairman of Capital Market Authority (CMA) in KSA

Independent



VACANT

BOARD COMPOSITION

4

Non-Independent

4

Independent

1

Vacancy

BOARD COMMITTEES

Audit



Remuneration &
Compensation

Corporate
Governance



Best-in-Class Corporate Governance Framework (II/II)

ACC is Committed to Maintaining the Highest Standard of Corporate Governance

	Key Documents	Company Management	Corporate Governance Committee	Audit Committee	Board of Directors	General Assembly (GA)
 Regulatory Requirements	Corporate Governance Manual	None	Required to act as the main resource on governance for the Board	Required to supervise and review related party dealings	Independent members must comprise more than a third of the Board or 3 directors	GA to approve related party transactions; conflicted shareholders to abstain from voting
 Additional Protective Measures	<ul style="list-style-type: none"> ✓ Related Party Transaction Policy (RPTP) 	<ul style="list-style-type: none"> ✓ RPTP requires management to conduct review of related party relationships on a quarterly basis and present report to Audit Committee 	<ul style="list-style-type: none"> ✓ Supports the Board in the adoption of global best practice in governance standards and frameworks ✓ Oversees board committee evaluations 	<ul style="list-style-type: none"> ✓ Determines need for new Framework Agreements ✓ Reviews management report on related party dealings 	<ul style="list-style-type: none"> ✓ 4 of the 8 currently appointed directors are independent ✓ Review Audit Committee report on related party transactions and provide recommendations to GA 	<ul style="list-style-type: none"> ✓ Scope of RPTs which require GA approval
	<ul style="list-style-type: none"> ✓ Framework Agreements 	<ul style="list-style-type: none"> ✓ Framework Agreements lay down key parameters to assist management in its dealings with key related parties 	<ul style="list-style-type: none"> ✓ Ensures adequate succession planning for CEO and senior management 	<ul style="list-style-type: none"> ✓ Provides recommendations to the board, including on compliance with Framework Agreements 		



Financial & Operational Performance





ACC Continues to Deliver on its Growth Strategies

Unlocking new value from existing portfolio

ACC's **recent re-measurements resulted in an increase in GLA** of approximately 28k sqm, which will be reflected in lease renewals over the next 2-3 years.

ACC has **inaugurated its first cinema theaters during** FY2020 at Mall of Arabia, Al Hamra Mall, U-Walk and Nakheel Dammam, a key growth avenue for the business and an incremental footfall generator.

Developing a new digital platform which will allow customers to reserve/purchase items online for store pick up. The platform is currently in its trial stage, with brands already signed on.

Robust Top Line Growth

ACC achieved **revenue growth of 1.0%** in FY2020 despite covid-related disruptions during the final two weeks of Q4-FY20.

Growth was driven by Implementation of a yield and space optimization strategy, with new value unlocked from the portfolio offsetting temporary setbacks from the termination of weak performers. ACC **recorded a 93.1% LFL occupancy rate as of March 2020** with almost all leases expiring at the end of the FY20 renewed during the year.

Completed IPO & Optimized Capital Structure

Completed IPO will allow the company to deliver on its growth strategy, specifically its ambitious expansion plans to develop 8 assets and 2 extensions within the next five years*

In Q3-FY20 ACC successfully completed a **comprehensive debt refinancing** transaction, including the issuance of a fixed rate USD 500 million Sukuk. **ACC's debt maturity profile has been significantly extended** by the transaction, increasing flexibility to invest in the business and **reducing secured debt as a proportion of overall borrowing**.

Continued expansion of mall portfolio to solidify market position

ACC's near-term pipeline projects will all be completed during FY2021, bringing ACC's property portfolio to 23 malls.

Ongoing extension of Nakheel Mall (Riyadh), with phase 1 expected to be completed by September 2020.

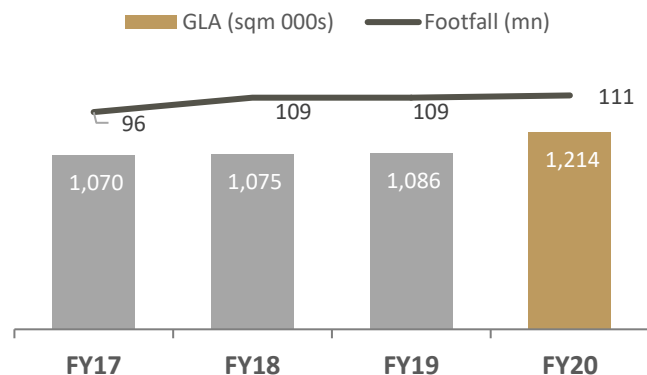
Acquisition of the 30-year lease for Jeddah Park, a key milestone in the delivery of ACC's near-term growth strategy and poised to add c.128k sqm of GLA upon completion in FY2021.

* Currently 2 assets have been delivered during Q2-FY20, namely U-Walk Riyadh & Nakheel Mall Dammam.



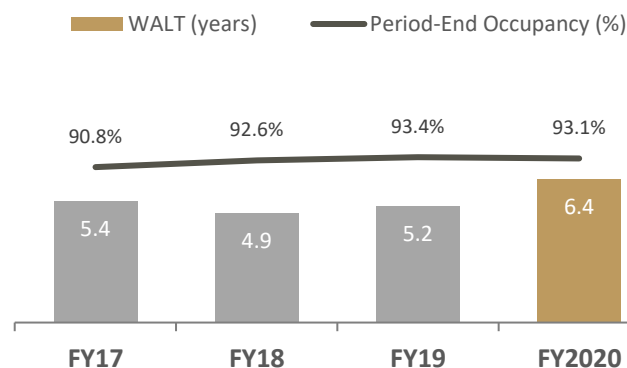
Strong Leasing Activity with Positive Spreads and High Occupancy Rates

GLA Progression vs. Average Footfall



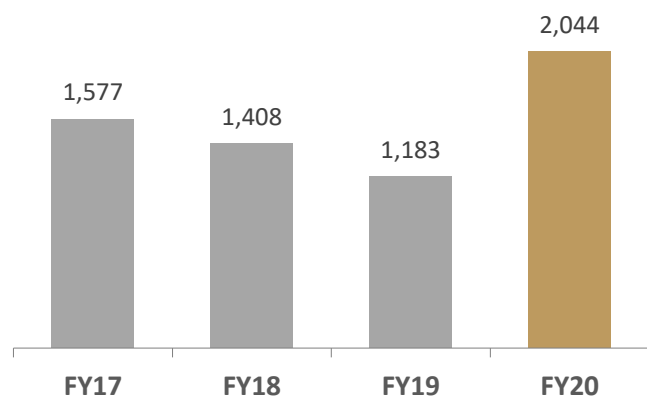
Total GLA increased 12% y-o-y to 1.214 million sqm, while average footfall increased 1.8% y-o-y.

Occupancy Rates vs. WALT



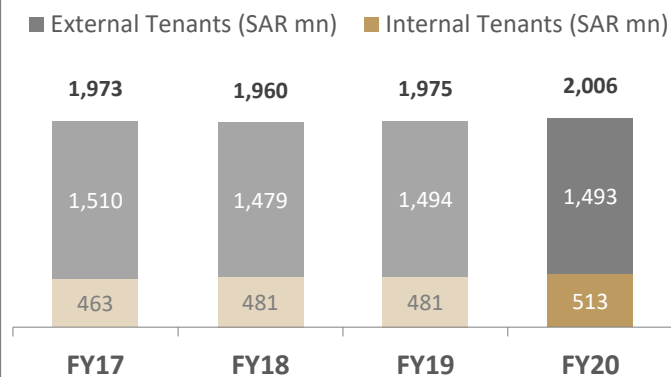
WALT climbed 23.5% y-o-y to 6.4 years in FY2020, with LFL occupancy at the end of the quarter decreasing slightly to 93.1% as the Company allocates greater space to cinema theatres.

Number of Leases Renewed



The Company renewed a total of 2,044 leases during FY2020 with a positive releasing spread and nearly all leases expiring at the end of the year already renewed as of 31 March 2020.

Revenue by Tenant Type ⁽¹⁾



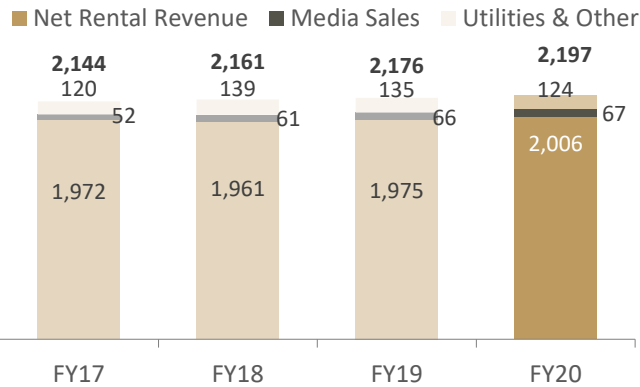
ACC maintained a good tenant mix, with internal tenants constituting c.26% of net rental revenue in FY2020.

1) A previous version of this chart displayed total revenues by tenant type for the historical years FY17, FY18 and FY19. The chart has been modified to display net rental revenues by tenant type for these historical years.



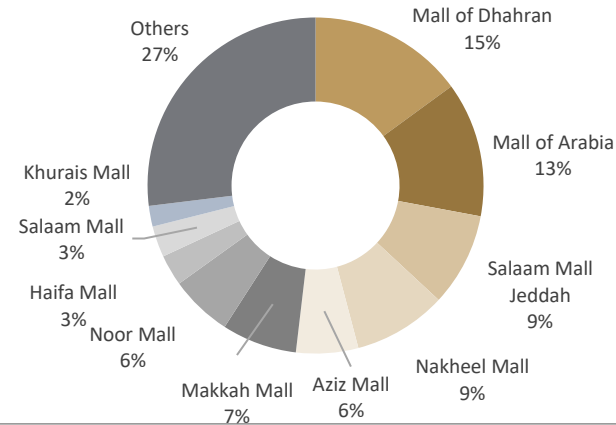
Robust Top-Line Performance

Revenue | SAR MN ⁽¹⁾



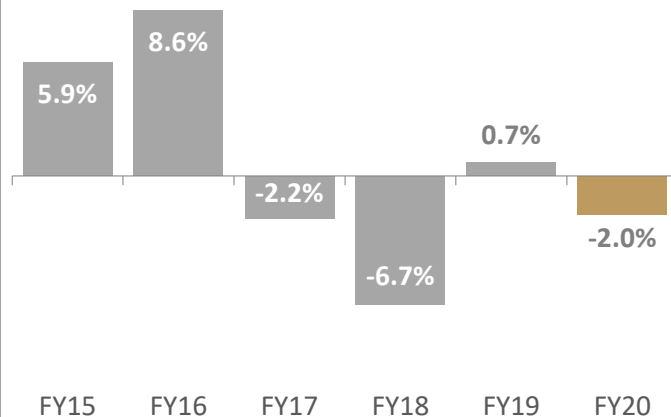
Total revenue climbed 1.0% y-o-y to book SAR 2,197.3 million for FY2020. Growth was driven by rising net rental revenue as management's space optimization strategy continued to yield fruit. Revenues were further boosted by the introduction of cinema theaters.⁽²⁾

Revenue by Mall



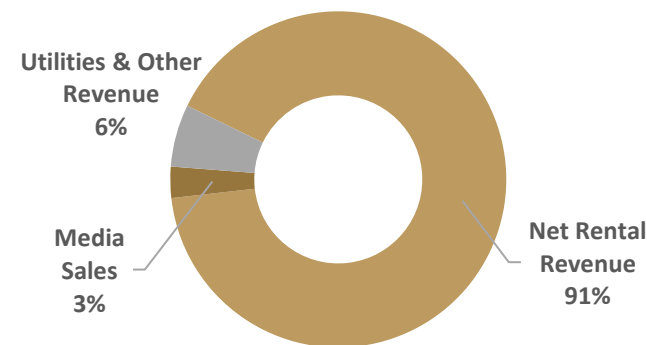
At 15%, Mall of Dhahran remained the largest contributor to total revenues in FY2020, followed by Mall of Arabia (13%), Salaam Mall Jeddah (9%) and Nakheel Mall (9%).

Like-for-Like Total Revenue Growth



On a like-for-like basis (across 19 malls), total revenue was down 2.0% y-o-y in FY2020, driven by covid-related disruptions during the final 2 weeks of Q4-Y20 and a temporary decrease in like-for-like occupancy rates on account of space being allocated for the cinemas.

Revenue by Type



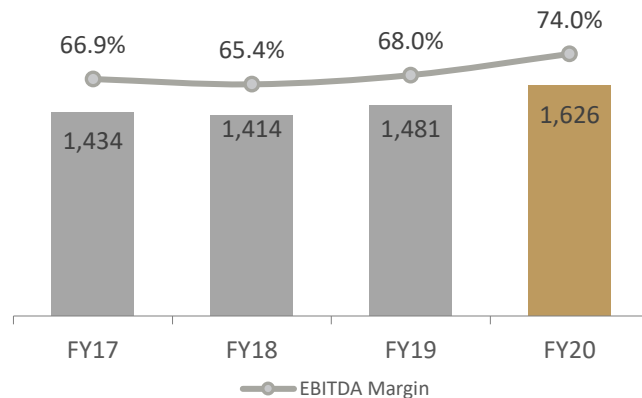
ACC derives the lion's share of its revenues from net rental revenue, which constituted 91% in FY2020. ACC is working toward yield optimization on the GLA as well as increasing contributions from non-GLA activities as one of its key growth avenues.

- 1) A previous version of this chart displayed total revenues for historical year FY17 using the SOCPA formulation. The chart has been modified to include FY17 revenues post-IFRS treatment, in line with the rest of the historical years and the quarterly revenues displayed on the chart.
- 2) This revenue figure for FY2020 includes two recently opened malls, U-Walk and Nakheel Mall Dammam, which were launched during Q2-FY20 and remain in a ramp-up phase as regards leasing.



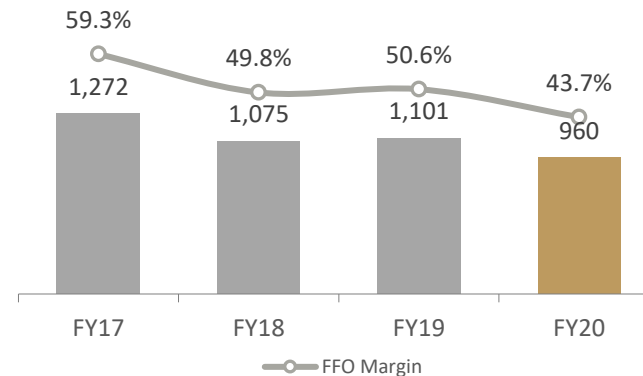
Robust Profitability with Solid Margins

EBITDA | SAR MN



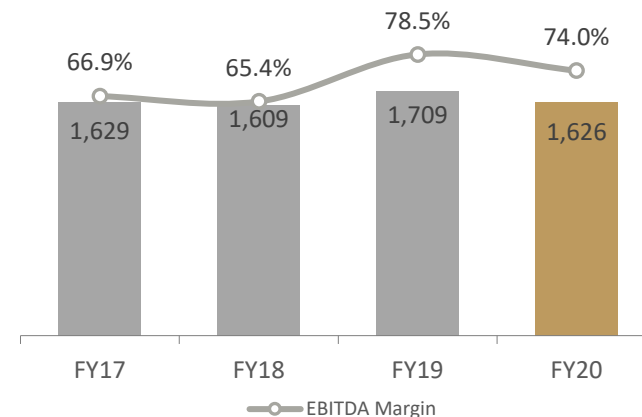
Enhanced EBITDA-level profitability stems from a sustained improvement in gross profit, itself boosted by adoption of IFRS 16 beginning in Q1-FY20 and the implementation of broad cost-control measures.

FFO | SAR MN⁽¹⁾



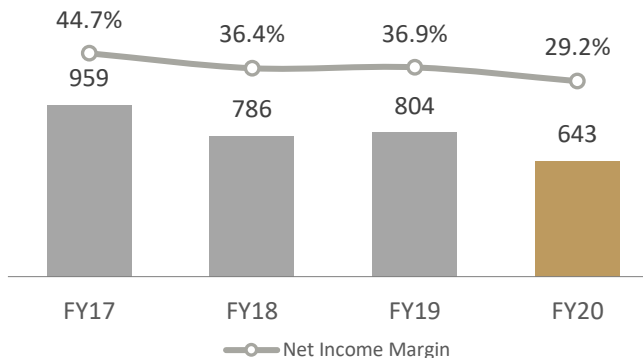
FFO fell by 12.8% y-o-y to book SAR 959.8 million for FY2020, yielding a FFO margin of 43.7% against the 50.6% recorded one year previously.

EBITDAR | SAR MN



EBITDAR, which normalizes for the effects of IFRS 16, fell by 4.9% y-o-y in FY2020. The EBITDAR margin contracted by 4.5 percentage points during the year.

Net Income | SAR MN



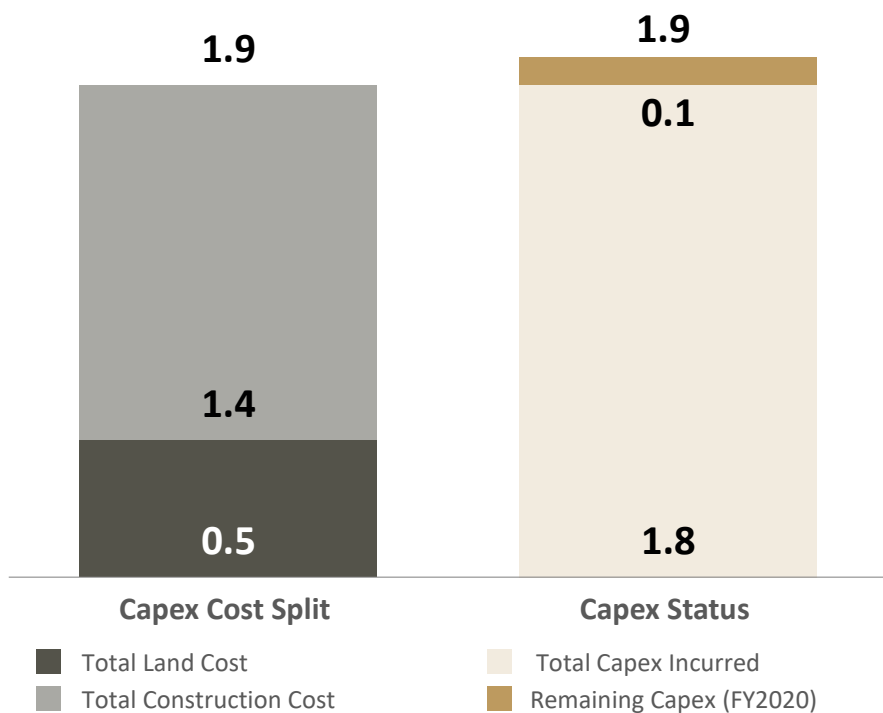
Net profit decreased by 20.1% y-o-y in FY2020, yielding a reduced NPM. Bottom-line performance was affected by an impairment loss on accounts receivable, the write-off of one-time financial charges, and unfavorable base effects from the previous year.

1) Fund from operations: net profit for the year plus depreciation of investment properties and PP&E and write-off of investment properties, if applicable.



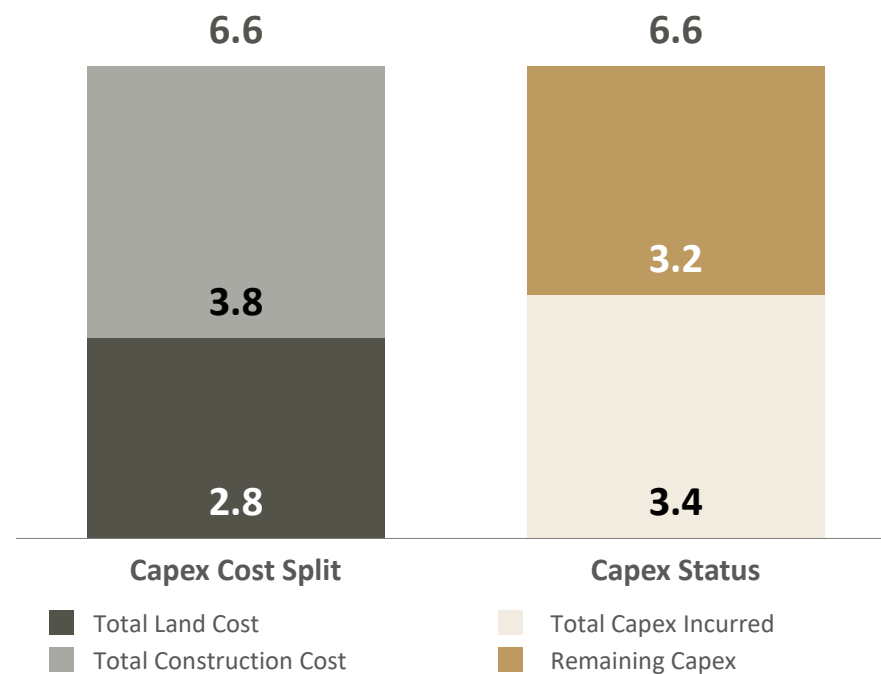
Continued Investment in Near- and Medium-Term Pipeline

Near-Term Pipeline



- Total Capex for Near-Term pipeline including land cost for Nakheel Mall-Dammam and Khaleej Mall is c.SAR1.9bn
- Of the total capex, c.SAR 0.1 bn is remaining and budgeted for FY2021

Medium-Term Pipeline



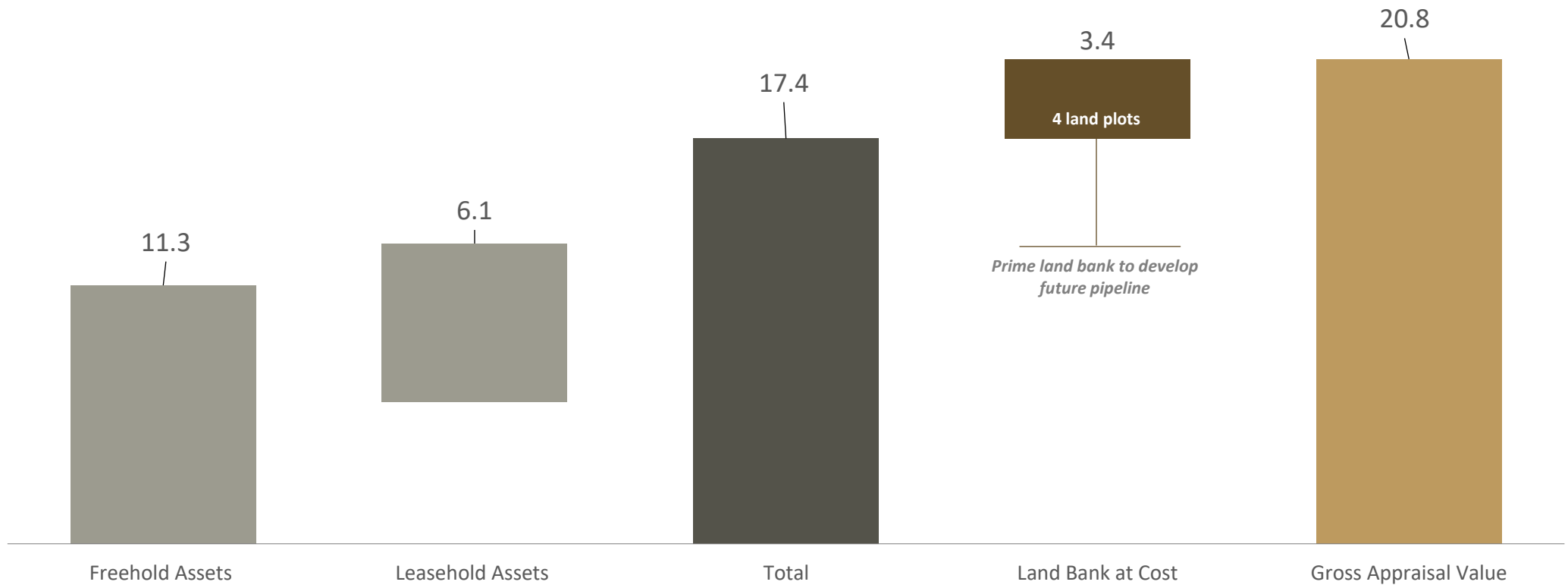
- Total Capex for Medium-Term pipeline including land cost for Mall of Arabia, Riyadh and Jawharat Jeddah is c.SAR 6.6bn (land cost of SAR2.8bn already incurred)
- Of the total capex, c.SAR 3.2bn is targeted to be spent from FY2020 onwards



Property Portfolio & Land Bank Values

Property Portfolio independently valued by Jones Lang LaSalle at SAR 17.4 Bn and Land Bank of SAR 3.4 Bn

Value of Assets as of Mar'2020 (SAR bn)



Source: Investment properties valuation from JLL as of 20th March 2020



An Extended Maturity and Better Terms Debt Profile

ACC is successfully working to optimize the Company's capital structure with an eye to ensuring sustainable expansion and maximizing shareholder value...

Capital Structure Optimization

In September 2019 ACC made its debut in international debt capital markets, securing a new USD 1.2 billion Islamic facility and floating a USD 500 million Sukuk. The Company will use the funds to refinance its existing Islamic facility.

Sources	SAR mn	USD mn	Tenor	Pricing
New Senior Unsecured Sukuk	1,875	500	5 years	5.375%
New Senior Murabaha/Ijara Facility – Tranche A	1,375	367	8 years	L+245 bps / S+210 bps
New Senior Murabaha/Ijara Facility – Tranche B	3,125	833	12 years	S+225 bps
New Revolving Credit Facility (Drawn in Q4-FY20)*	750	200	3 years (+1+1)	L+190 bps / S+155 bps
Total	7,125	1,900		

Capital structure now includes a distinctive mix of secured facilities and unsecured debt instruments, extending ACC's debt maturity profile and increasing flexibility to invest in the business...

USD 500 mn	4x	5.375%
Debut 5-Year Sukuk	Sukuk Oversubscription	Coupon Rate vs 5.75% initial price guidance
USD 1.9 bn		
Debt Refinanced		

ACC's successful Sukuk offering and loan refinancing leaves the Company on track to successfully implement its financial policies

Funding	Unsecured debt now at 30% of capital structure versus 100% secured debt prior to the transaction.
Maturity	Debt maturity profile stands at c. 6.4 years versus 4.5 prior to the transaction.
Liquidity	Cash and standby lines at c.20% of debt. Funding in place ahead of further large Capex commitments.
Terms	Ample covenant headroom.
Diversification	Diversified funding sources vs loan-only structure prior to the transaction.
Standing	Transaction broadens ACC's relationships with international and regional banks, while further qualifying it in the eyes of new potential investors as it meets its leverage ratio targets.

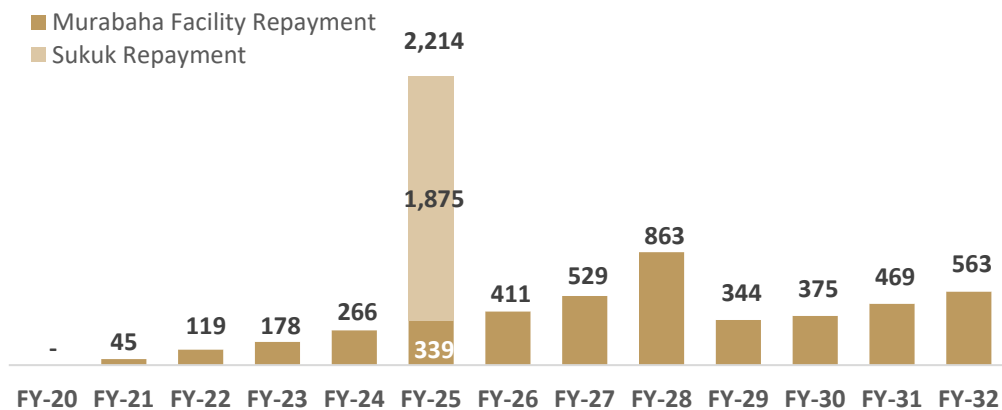
*Senior secured dual-currency revolving Murabaha facility drawn in Q4-FY2020 as a risk management exercise



Improved Debt Maturity Profile and Stable Outlook

ACC's Sukuk Issuance Affords the Company a Smooth Debt Maturity Profile

Debt Maturity Profile – Amortizing Facility (SAR Mn)

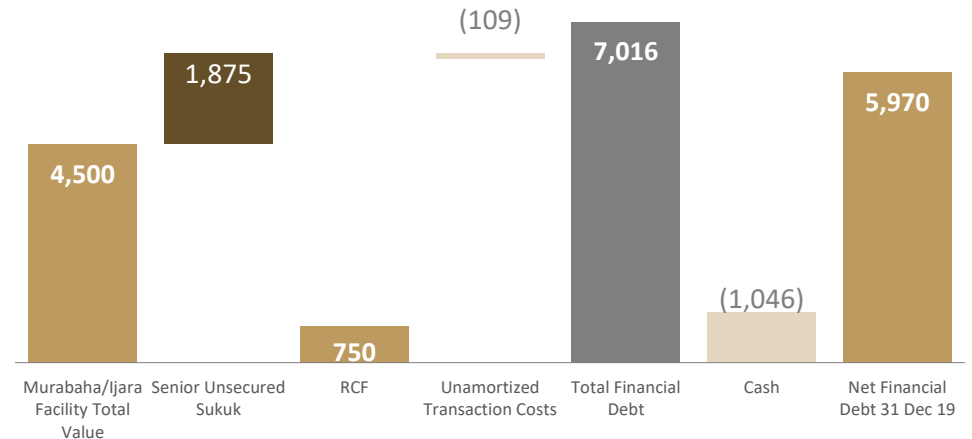


International credit rating agencies both assigned a stable outlook to ACC's Sukuk issuance, with Moody's putting ratings under review...

Ba2
Moody's

BB+
Fitch

Net Debt as of 31 March 20 | SAR mn



LTV

32%

Net Debt to EBITDA

3.7x

Debt to Equity

1.2x

Longer weighted average debt maturity

Reduced share of secured debt in capital structure



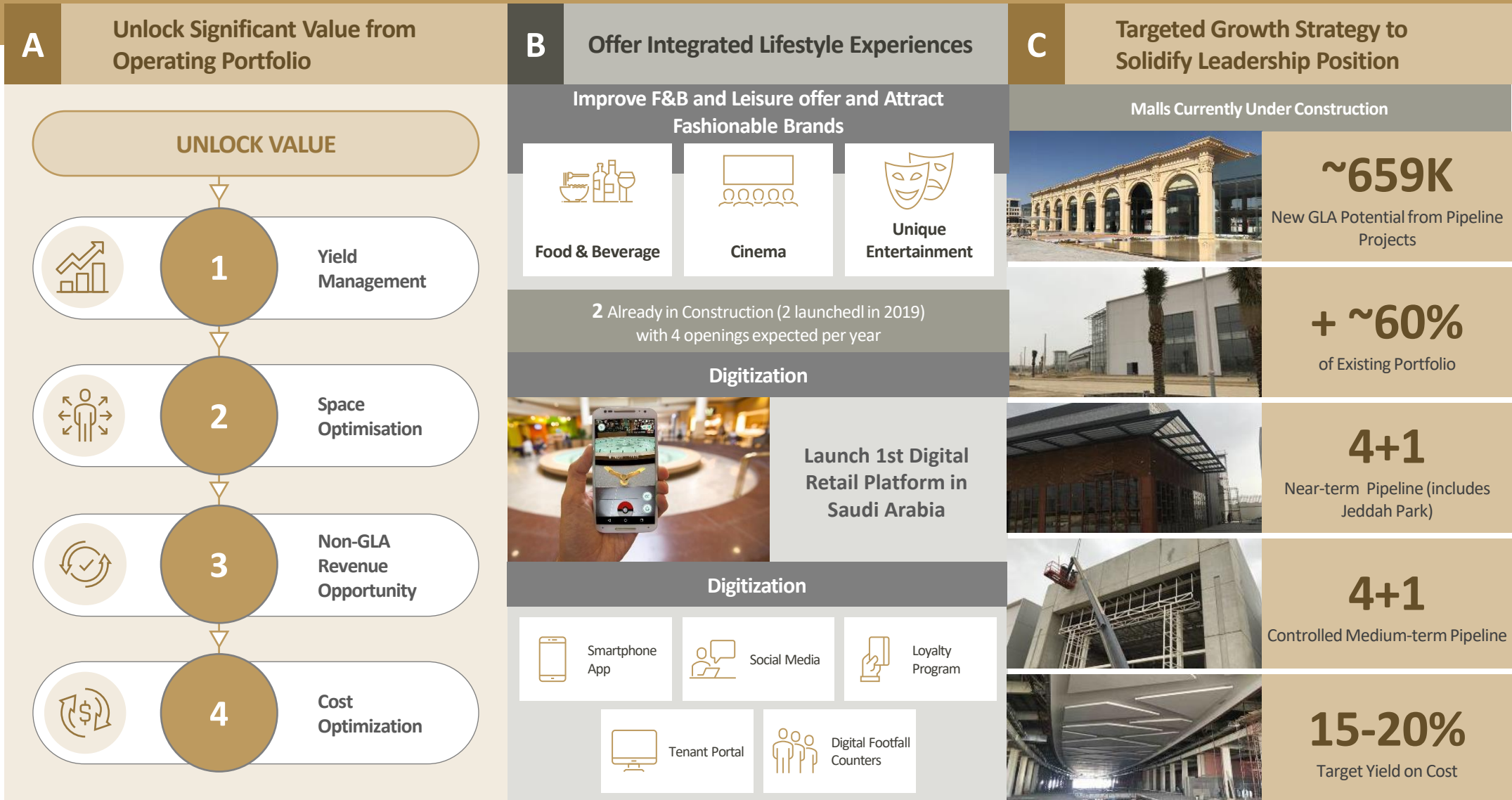
Growth Strategy

A stylized, minimalist illustration of a plant with several long, curved leaves and a central stem, rendered in a light beige color against a solid brown background.



ACC's Growth Initiatives

Key Pillars of ACC's Growth Strategy

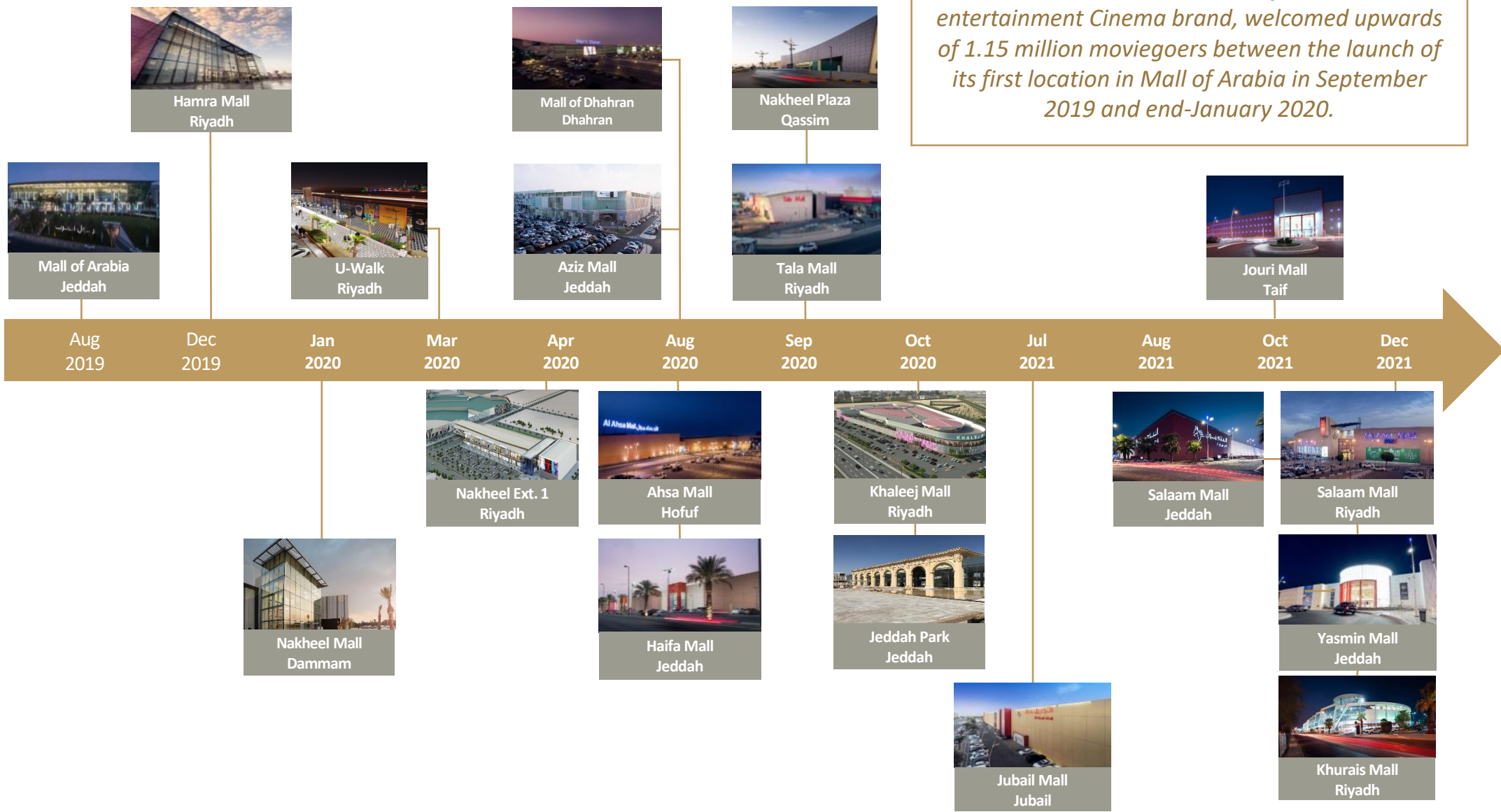




Strengthen ACC Malls as Go-To Family Destination Via Cinema Offering



Muvi Cinemas, Saudi Arabia's first domestic entertainment Cinema brand, welcomed upwards of 1.15 million moviegoers between the launch of its first location in Mall of Arabia in September 2019 and end-January 2020.

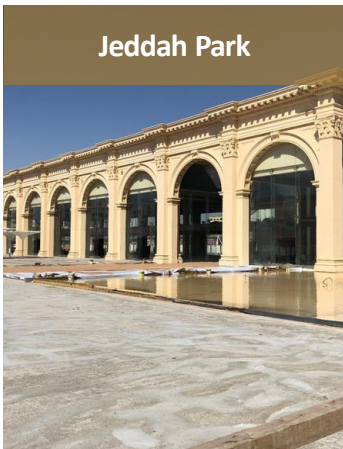




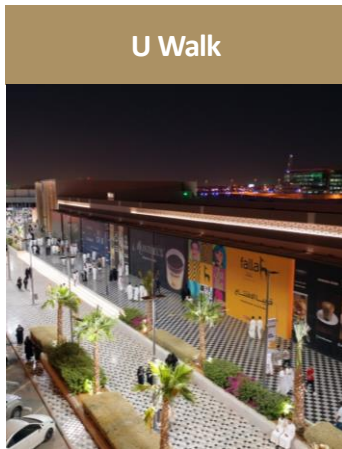
Near-Term Pipeline

Total
c.309k sqm
GLA Addition

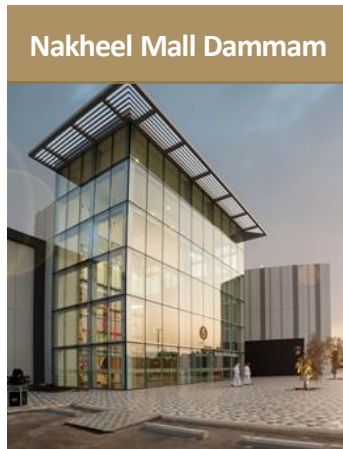
c.62%
Pre-let as of March 2020



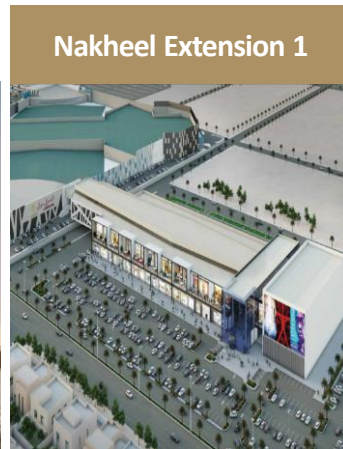
Jeddah Park



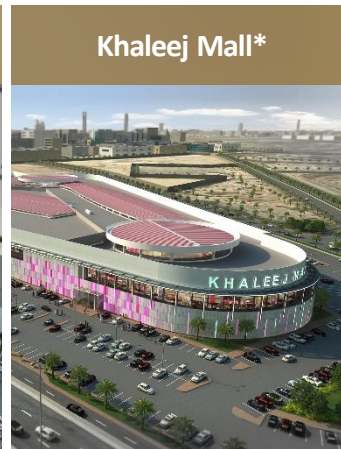
U Walk



Nakheel Mall Dammam



Nakheel Extension 1



Khaleej Mall*

Location	Jeddah	Riyadh	Dammam	Riyadh	Riyadh
Ownership	Leasehold	Leasehold	Freehold	Leasehold	Freehold
GLA (sqm)	128,740	c. 52,000	c. 61,000	c. 52,000 + 16,000 extension	c. 51,000
Pre-lease Status	45%	97% ⁽¹⁾	82% ⁽¹⁾	55%	50%
% Completion(2)	80%	100%	100%	75%	58%*
Target Opening Date	March 2021*	September 2019	September 2019	September 2020*	September 2021*
Expected Yield on Cost(3)	+500% (cash payback < 1 year)	15%-20%			

1) Based on heads of terms agreed with tenants

2) Based on billing as of 10-Apr-2019

3) Expected Yield on Cost is derived on the basis of stabilized expected EBITDA (Net of lease expense for leasehold) divided by Total Development Cost (including land for freehold) where Total Development Cost defined as the capital expenditure incurred and the land cost

4) Percent of completion of construction works at Khaleej Mall has been revised downwards to reflect an increase in the total project value as a result of an additional parking lot, a redesign of the food court to incorporate additional entertainment areas under an integrated concept, the provision of greater visibility through the mall façade, and the construction of additional terraces on the ground and first floors.

* Jeddah Park delayed from April 2020 due to uncompleted construction works from the landlord side, while Nakheel Extension1 delayed from January 2020 due to stoppages associated with covid-19 lockdown measures, and Khaleej Mall delayed from December 2019 due to further re-design of the first floor's façade adjacent to a new megaproject. Khaleej Mall delayed from August 2021 due to reasons discussed in [3].



Appendices





Our Malls

				GLA (sqm)		Company Revenue Contribution (%)					
Mall		City	Lease Expiry	Year Opened	FY20	FY19	BUA (sqm)	Occupancy	FY18	FY19	FY20
Super-Regional											
1)	Mall of Dhahran	Dammam	Feb 2025	2005	159,482	160,695	220,550	95.9%	15.90%	15.80%	15.00%
2)	Salam Mall	Jeddah	July 2032	2012	121,642	121,333	212,825	86.3%	8.80%	8.60%	8.50%
3)	Mall of Arabia	Jeddah	Freehold	2008	113,059	111,268	247,848	94.3%	12.80%	12.70%	12.60%
Regional											
4)	Aziz Mall	Jeddah	Nov 2046	2005	73,237	72,279	93,310	95.6%	7.20%	7.10%	6.20%
5)	Noor Mall	Madinah	Freehold	2008	67,552	67,047	93,917	97.2%	6.10%	6.20%	6.20%
6)	Nakheel Mall	Riyadh	July 2034	2014	56,218	56,166	98,000	91.7%	7.80%	8.7%	9.00%
7)	Yasmin Mall	Jeddah	Nov 2034	2016	54,716	54,510	101,672	96.5%	5.90%	6.1%	6.50%
8)	Hamra Mall	Riyadh	Freehold	2016	55,598	56,516	77,969	93.6%	5.00%	5.20%	5.50%
9)	Ahsa Mall	Hofuf	Freehold	2010	49,987	53,117	65,800	65.0%	2.50%	2.40%	1.70%
10)	Salaam Mall	Riyadh	Freehold	2005	48,423	50,043	67,421	97.5%	3.00%	3.20%	3.20%
11)	Jouri Mall	Taif	Mar 2035	2015	48,077	48,290	92,663	96.8%	4.70%	4.70%	4.90%
12)	Khurais Mall	Riyadh	Jan 2022	2004	41,618	41,618	60,230	87.7%	2.90%	2.60%	2.20%
13)	Makkah Mall	Makkah	Freehold	2011	37,473	37,623	56,720	94.8%	7.10%	7.20%	6.90%
14)	Nakheel Mall Dammam*	Dammam	Freehold	2019	62,452	-	92,229	82.0%	-	-	1.60%
15)	U-Walk**	Riyadh	July 2046	2019	63,679	-	68,254	97.0%	-	-	1.40%
Community											
16)	Nakheel Plaza	Qassim	Dec 2029	2004	50,306	49,317	48,985	76.3%	1.90%	2.3%	1.90%
17)	Haifa Mall	Jeddah	Apr 2032	2011	33,698	32,881	50,161	81.0%	3.30%	3.00%	2.70%
18)	Tala Mall	Riyadh	Apr 2029	2014	22,636	22,835	46,292	85.7%	1.90%	1.80%	1.70%
19)	Jubail Mall	Jubail	Freehold	2015	22,679	21,196	37,366	78.6%	1.80%	1.40%	1.4%
20)	Salma Mall	Hail	Mar 2022	2014	16,959	16,959	22,378	76.1%	0.90%	0.80%	0.70%
21)	Sahara Plaza	Riyadh	Freehold	2002	14,722	12,217	28,364	100.0%	0.20%	0.00%	0.30%
Total***					1,214,213	1,085,910	1,882,954	93.1%	100.0%	100.0%	100.0%

* Occupancy rate at Nakheel Mall Dammam reflects pre-leasing rates. ** Occupancy rate at U-Walk reflects pre-leasing rates. ***Total occupancy rate reflects like-for-like figures.



Income Statement

(SAR)	FY19 IFRS	FY20 IFRS	Y-o-Y Growth
Net Rental Revenue	1,974,913,970	2,005,926,287	1.6%
Media Sales	66,027,217	67,195,370	1.8%
Utilities Revenue	135,458,493	124,193,530	-8.3%
Total Revenue	2,176,399,680	2,197,315,187	1.0%
Cost of revenue	(521,177,627)	(316,594,593)	-39.3%
Depreciation of investment properties	(256,916,024)	(286,418,176)	11.5%
Depreciation of right-of-use of assets	-	(155,864,844)	N/A
Write-off of investment properties	(4,397,441)	-	N/A
GROSS PROFIT	1,393,908,588	1,438,437,574	3.2%
<i>Gross Profit Margin</i>	<i>64.0%</i>	<i>65.5%</i>	<i>1.4%</i>
Other income	10,697,190	12,678,935	18.5%
Other expense	(6,821,779)	(3,376,868)	-50.5%
Impairment loss on accounts receivable	(43,524,466)	(119,264,999)	174.0%
Advertisement and promotion	(5,642,340)	(12,946,592)	129.5%
General and administration	(171,821,914)	(182,674,510)	6.3%
INCOME FROM MAIN OPERATIONS	1,176,795,279	1,132,853,540	-3.7%
Share in net income of an associate	11,569,399	15,841,207	36.9%
Financial charges	(439,540,747)	(351,259,733)	-20.1%
Interest expense on lease liabilities	-	(134,543,493)	N/A
INCOME BEFORE ZAKAT	748,823,931	662,891,521	-11.5%
Zakat	55,276,825	(20,290,170)	N/A
NET INCOME FOR THE YEAR	804,100,756	642,601,351	-20.1%
Profit for the year attributable to:			
Owners of the Company	789,599,943	633,934,247	
Non-controlling interests	14,500,813	8,667,104	
	804,100,756	642,601,351	
Earnings per share:			
Basic and diluted earnings per share	1.68	1.35	
EBITDA	1,480,688,650	1,625,529,768	9.8%
<i>EBITDA Margin</i>	<i>68.0%</i>	<i>74.0%</i>	<i>5.9%</i>
EBITDAR	1,709,049,443	1,625,529,768	-4.9%
<i>EBITDAR Margin</i>	<i>78.5%</i>	<i>74.0%</i>	<i>-4.5%</i>
FFO	1,100,822,169	959,804,482	-12.8%
<i>FFO Margin</i>	<i>50.6%</i>	<i>43.7%</i>	<i>-6.9%</i>



Cost Breakdown

(SAR)	FY19 IFRS	FY20 IFRS	Y-o-Y Growth
Rental expense	224,498,516	-	N/A
Utilities expense	109,791,055	110,510,793	0.66%
Security expense	56,082,002	56,949,711	1.55%
Cleaning expense	56,899,719	57,510,792	1.07%
Repairs and maintenance	43,171,770	52,755,946	22.20%
Employees' salaries and other benefits	30,734,565	36,137,114	17.58%
Other expenses	-	2,730,237	N/A
Cost of Revenue	521,177,627	316,594,593	-39.25%
<i>As % of Revenue</i>	23.95%	14.41%	
Depreciation of Inv. Properties	256,916,024	286,418,176	11.48%
Employee salaries and benefits	66,132,681	100,212,451	51.53%
Communication	12,889,776	12,853,654	-0.28%
Professional fees	9,654,787	14,533,876	50.54%
Insurance	8,325,811	7,029,636	-15.57%
Government expenses	28,654,751	6,791,359	-76.30%
Lease rent	3,862,277	-	N/A
Maintenance	194,867	200,740	3.01%
Amortization of right-of-use asset	-	3,767,046	N/A
Others	6,699,016	6,500,793	-2.96%
G&A(1)	136,413,966	151,889,555	11.34%
Depreciation – P&E	35,407,948	30,784,955	-13.06%
Impairment loss on accounts receivable	43,524,466	119,264,999	174.02%
Opex	657,591,593	468,484,148	-28.76%
	30.2%	21.3%	-8.9 pts
Total Cost (ex. Depreciation)	701,116,059	587,749,147	-16.17%
<i>As % of Revenue</i>	32.2%	26.7%	-5.5 pts
Depreciation (IP and PP&E)	292,233,972	317,203,131	8.5%
<i>As % of Revenue</i>	13.4%	14.4%	1.0 pt

Source: Company Audited Financials, Company Information



Balance Sheet

Source: Company Audited Financials, Company Information

(SAR)	FY19 IFRS	FY20 IFRS
Assets		
Cash and cash equivalents	457,670,983	1,045,680,193
Accounts receivable	299,245,146	234,254,125
Amounts due from related parties	567,558,035	591,222,957
Advances to a contractor, related party	-	-
Prepayments and other current assets	96,244,969	138,790,964
Accrued revenue (rentals)	30,191,211	69,362,957
Total Current Assets	1,450,910,344	2,079,311,196
Amounts due from related parties	--	--
Advances to a contractor, related party – non-current portion	604,914,076	614,438,352
Prepaid rent – non-current portion	--	--
Accrued revenue (rentals) – non-current portion	60,382,421	99,835,361
Investment in an equity-accounted investee	42,238,721	53,079,928
Other investments	108,708,763	104,463,375
Right-of-use assets	-	3,561,974,788
Investment properties	10,983,848,465	11,356,912,845
Property and equipment	114,773,889	91,474,811
Total Non-current Assets	11,914,866,335	15,882,179,460
Total Assets	13,365,776,679	17,961,490,656
Liabilities		
Current portion of long-term loans	501,875,532	45,000,000
Lease liability on right-of-use assets – current portion	-	338,065,081
Accounts payable	217,760,402	149,442,700
Amounts due to related parties	22,499,022	3,899,682
Unearned revenue	305,506,061	177,225,232
Accrued lease rentals	11,480,894	0
Accruals and other current liabilities	326,082,270	232,071,497
Zakat payable	82,457,716	78,524,952
Total Current Liabilities	1,467,661,897	1,024,229,144
Long-term loans	6,239,159,152	6,970,743,077
Liabilities under finance lease	-	3,899,162,750
Accrued lease rentals – non-current portion	515,366,044	0
Employees' end-of-service benefits	31,744,170	30,370,714
Other non-current liabilities	47,085,296	52,729,339
Total Non-current Liabilities	6,833,354,662	10,953,005,880
Total Liabilities	8,301,016,559	11,977,235,024
Total Equity	5,064,760,120	5,984,255,632
Total Liabilities and Equity	13,365,776,679	17,961,490,656



Thank You

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