

FY 2017 Investor Presentation

February 2018

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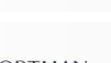
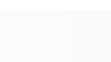
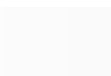
Overview: A leading travel & tourism company

with a balanced portfolio of trusted brands that
consistently exceed customer expectations

On the cusp of change

A strong foundation to propel us to new heights around 4 Focus Areas

FROM A GROUP OF NUMEROUS SUBSIDIARIES...



Traditional Travel Agent (KSA)

DMC International

DMC Mecca

Conference - operate

Freight Forwarding

Online Travel Agency

Hotels – own

Hotels – operator

Car rental

Traditional Travel Agent (Int'l)

Other investments

...TO

5 SBU'S

Travel Services

Online Travel Agency

Hospitality

Car rental

Corporate ventures

4 FOCUS AREAS

TRAVEL

HOSPITALITY

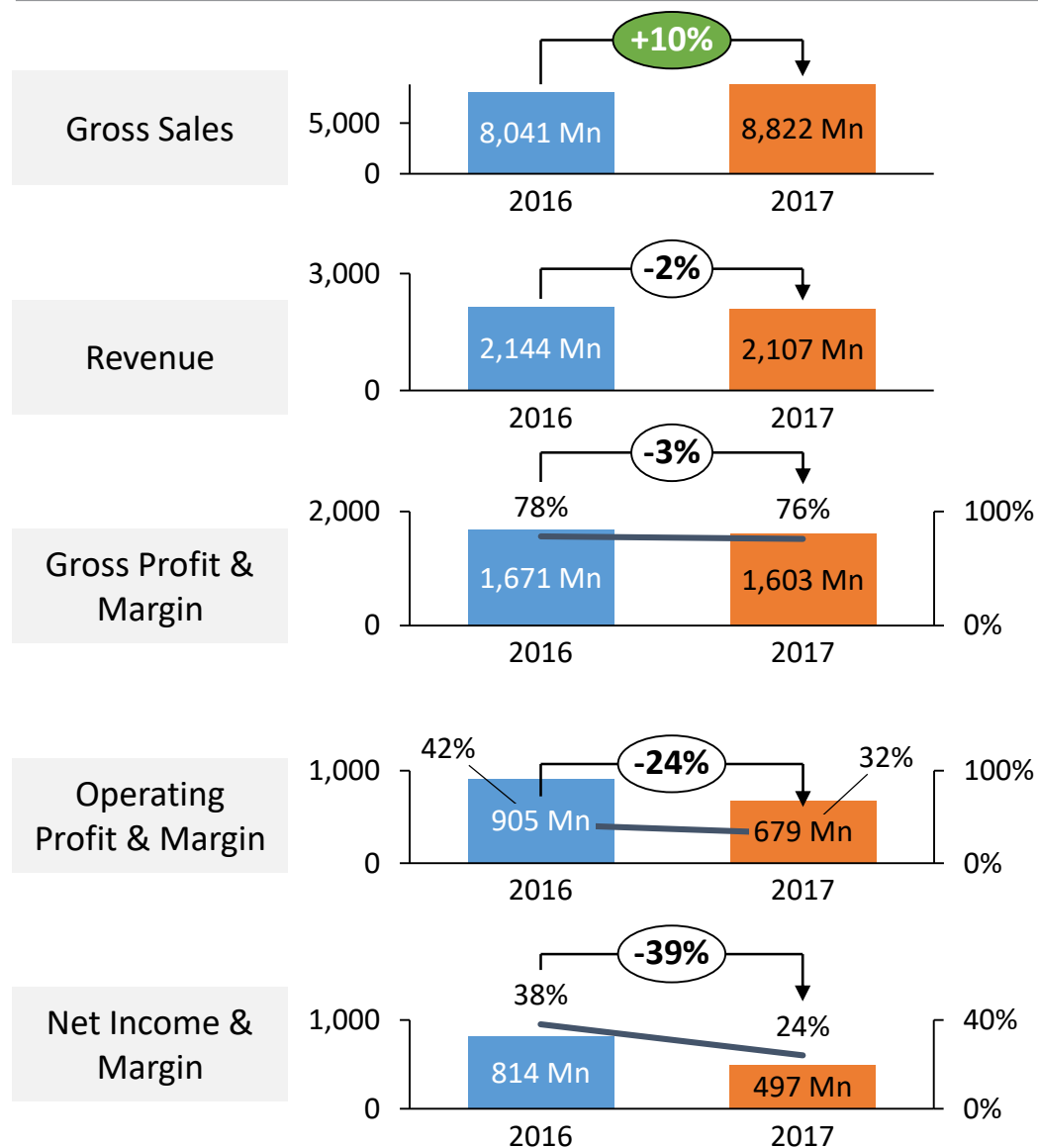
SUPPORTING BUSINESSES

INVESTMENTS

Financial Performance

Key Figures

Strong topline and gross profit figures with contracted net profit, owing to active reconfiguration of revenue mix and and Portman consolidation



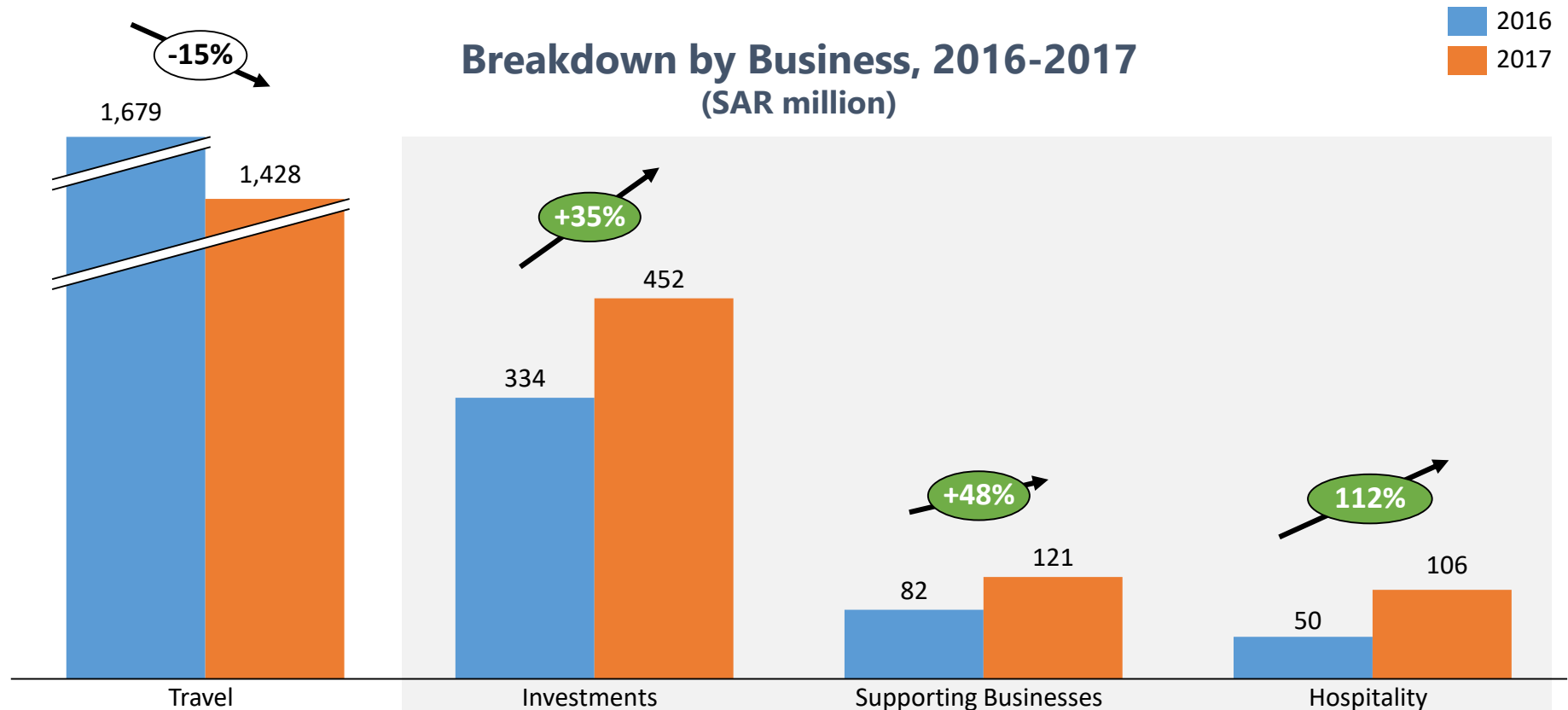
- Gross sales of SAR 8.82 billion, up 10% from SAR 8.0 billion in 2016
- Driven by strong growth of Online Travel segment
- Net revenue of SAR 2.11 billion, a slight dip from SAR 2.14 billion made in 2016
- High potential growth businesses are compensating for maturing legacy businesses
- Gross profit of SAR 1.6 billion down 4% as compared to 2016
- Lower margins from Government accounts and product mix with variable margins
- Operating profit was SAR 680 million (\$181m), 24.9% lower than 2016
- Lower margin from Government accounts, product mix with variable margins and Portman Group acquisition
- Net profit SAR 497 million, down 39% percent from the prior year
- Excluding one-off impairments, would be SAR 593 million, down 34%

Revenue breakdown by focus area

Increasingly diversified revenue base, whereby high growth businesses are compensating for maturing legacy businesses

Net Revenue SAR 2.11 billion

Breakdown by Business, 2016-2017
(SAR million)

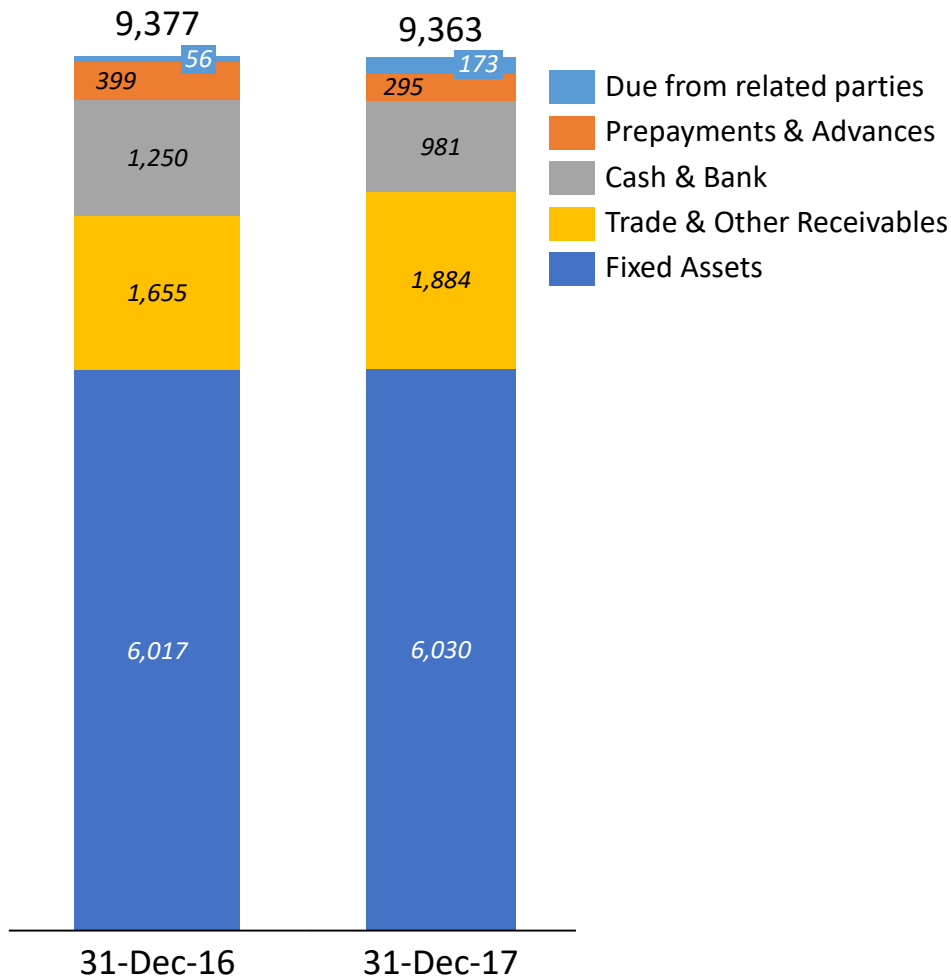


Diversification into high growth business areas

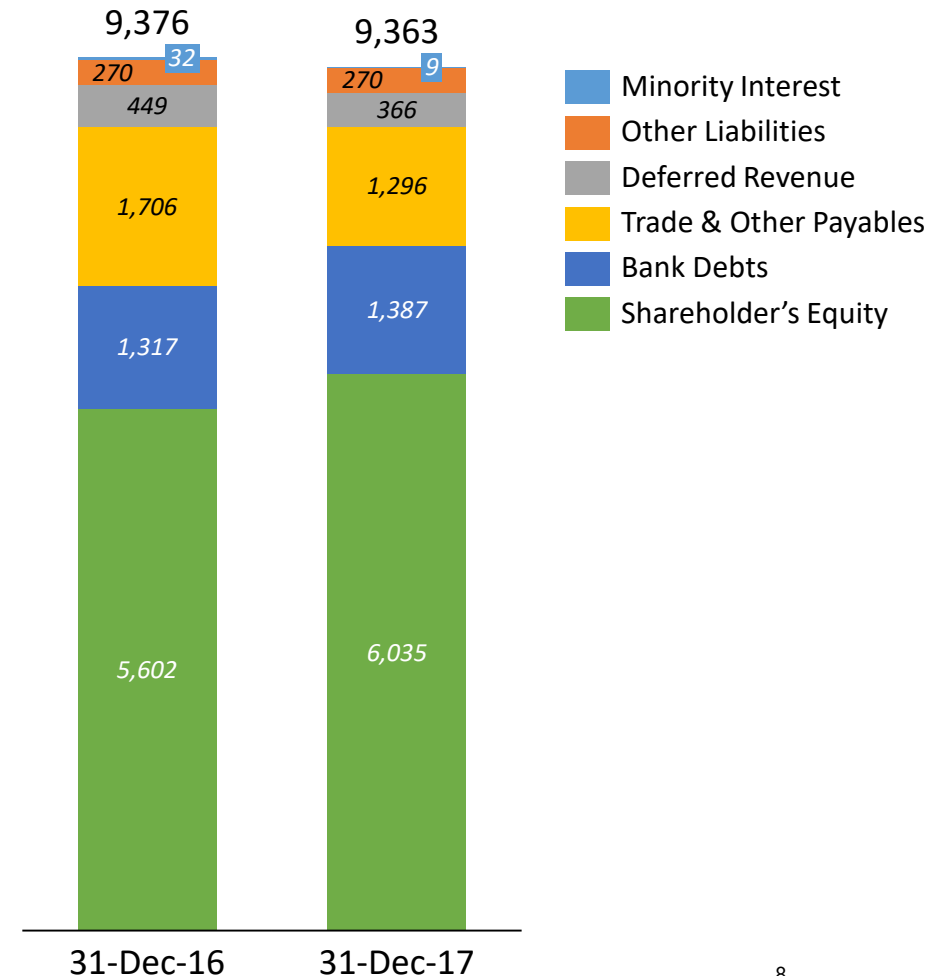
Balance Sheet Breakdown

We continue to optimize the balance sheet in order to better capitalize on emerging opportunities

Total Assets
(SAR Million)



Total Liabilities & Shareholder's Equity
(SAR Million)



Travel

Al Tayyar Travel Group delivers travel and holiday solutions to its customers across the MENA region and broader Muslim world through its travel service outlets and proprietary online travel platforms

Online Travel: Overview

Undergoing a technology-enabled transformation; scaling towards being a full service Online Travel Agency

ATG has established two leading MENA OTAs...

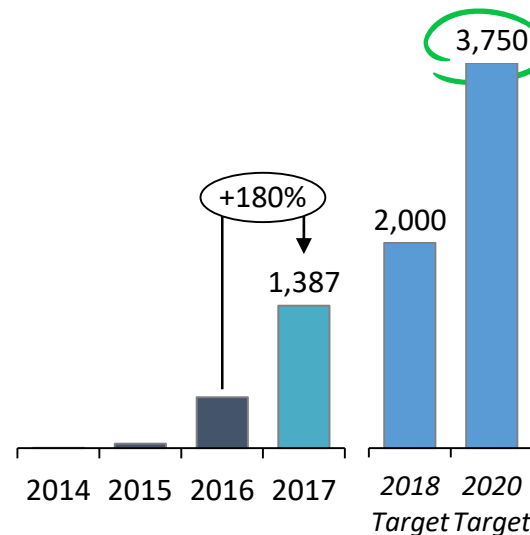


... catering to local needs through..

- Arabic content
- Local payment options
- Tailored offers to preferred destination for Saudi tourists
- Packages for religious tourism

Online Travel grew by over 180% from last year; on target to achieve SAR 3.7 Bn by 2020

Gross booking value (M SAR)



In 2017, we grew our talent pool by 215 professionals across 25 countries

Strategy is to increase the product roadmap and expand into new markets

Coming soon



Insurance



Activities



New Markets



Packages



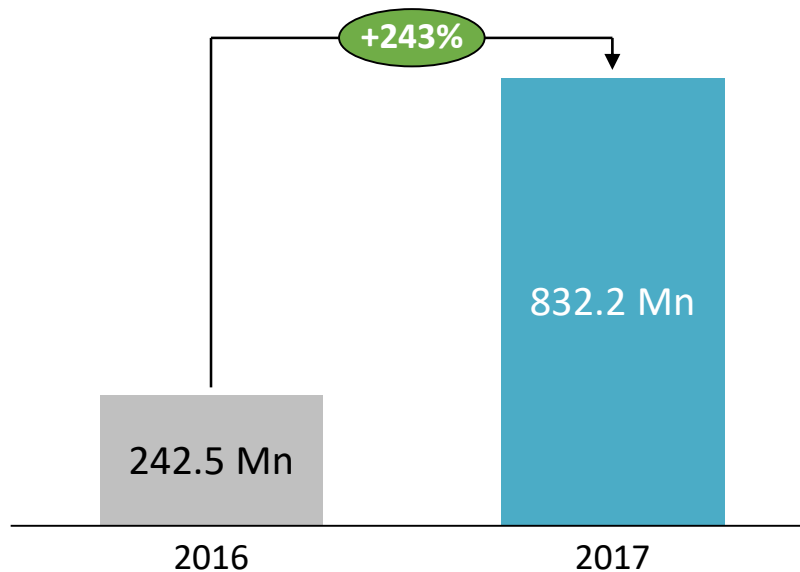
Ground Transport

Online Travel: Platform Growth

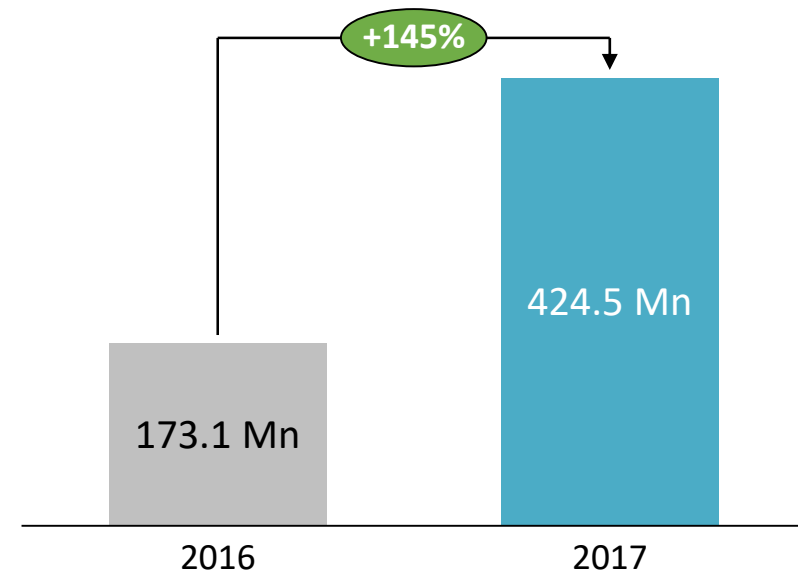
Online Travel, led by our flagship brands Almosafer and Tajawal, sustained its impressive growth trajectory



Online Sales
(SAR)



Online Sales
(SAR)



Note: Total online sales figures (including ecommerce and B2B) were SAR 1, 387 million in 2017, up from SAR 496 million on 2016

Travel Services: Strategy & Performance

Realigning our legacy Travel Services business; leveraging 72 retail branches, 54 franchise branches; with presence in 45 cities, including all 13 KSA provinces

Overview




Financial
Performance

Travel

Hospitality

Investments

Supporting
Businesses

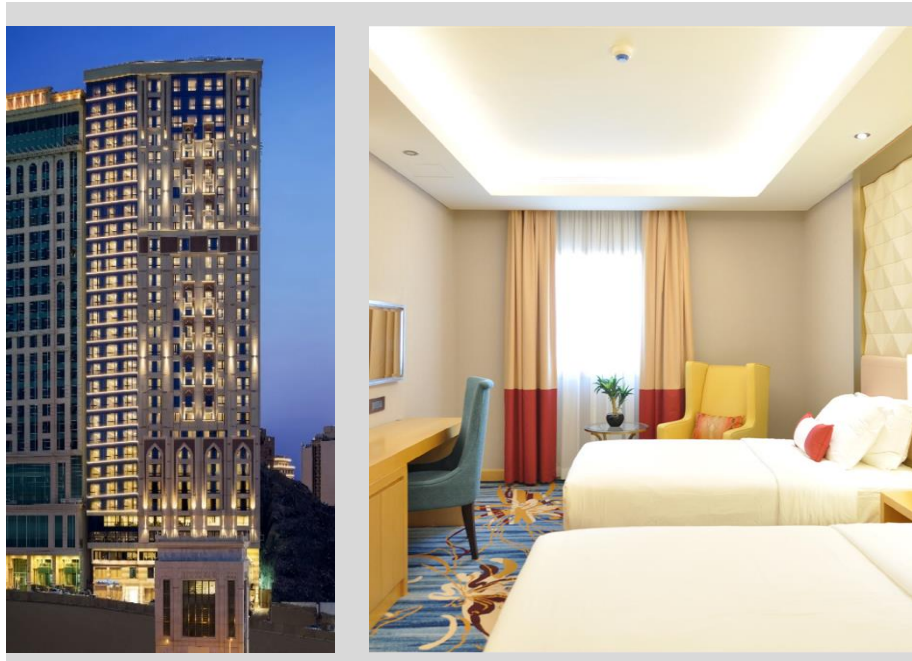
STRATEGY	REFRESH	REBALANCE	REALIGN
	 <p>Leisure Tourism</p>	 <p>Government & Corporate Business</p>	 <p>Hajj & Umrah</p>
OBJECTIVE	<ul style="list-style-type: none"> Seize untapped opportunity leisure business Target SAR 2.7 bn gross sales by 2022 	<ul style="list-style-type: none"> Defend leading position in government business Consolidate growth of corporate business 	<ul style="list-style-type: none"> Identify new growth opportunities for Hajj & Umrah tourism
PERFORMANCE	<ul style="list-style-type: none"> Sales: SAR 1.3 bn Al Tayyar Online represents over 10% of our leisure sales; and is growing Retail branches: 72 Franchise branches: 54 	<ul style="list-style-type: none"> 200+ corporate clients with 33 corporate implants 119 government clients 18 university clients 	<ul style="list-style-type: none"> Enabling factors : <ul style="list-style-type: none"> Easing visa restrictions Increase of disposable income of pilgrims Spending expected to increase from current 6.5k SAR per person Grand Mosque expansion Haramain high-speed rail linking Makkah and Medina Jeddah Airport complete expansion in 2018 – can handle 30m passengers

Hospitality

Al Tayyar Travel Group is leveraging its legacy business to successfully reposition the Company through a balanced asset portfolio that offers stable cash-flows and risk-adjusted returns

Hospitality: Direct investments

We successfully completed the opening of Sheraton Makkah and we have been receiving steady income from the Movenpick City Star Jeddah



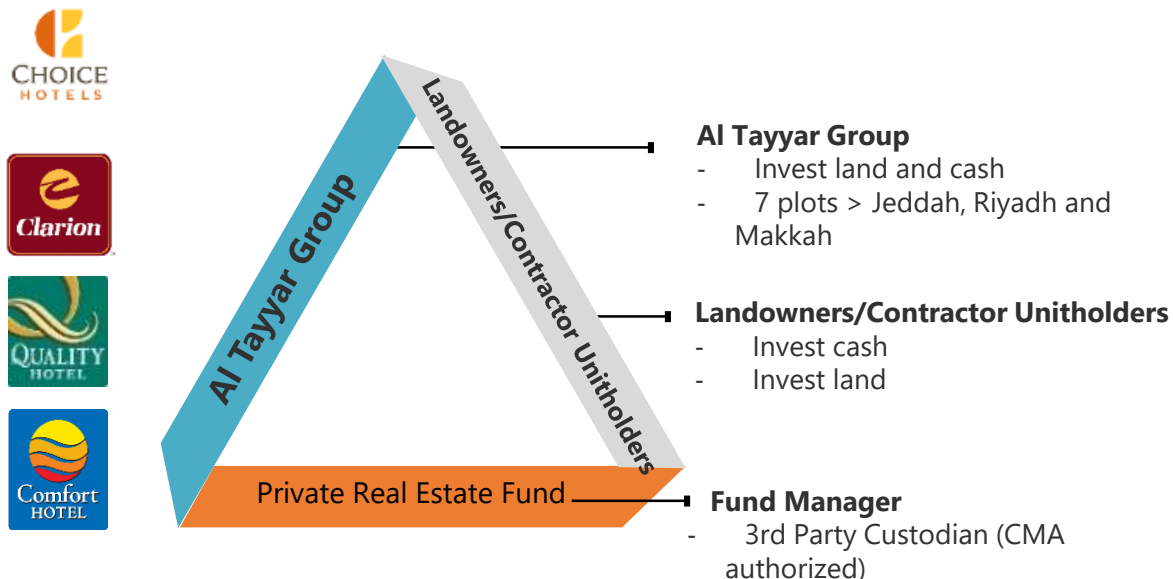
- Opened on August 20, 2017
- Successful Hajj operations:
 - Occupancy = 95%
 - Average nightly rate = SAR 1,650
- Surpassed target operating profit
- 2017 Guest Review award (Booking.com)
- No. 1 top of all Movenpick Hotels in terms of guest review (TripAdvisor)

Hospitality: Indirect Investment

Received Board approval to proceed with strategy that will increase cashflow, via off-balance sheet financing, and will enhance our liquidity profile

ASSET 1: MID MARKET DEVELOPMENT FUND

- **Develop and operate** mid-market hotels across GCC utilizing equity and debt off the balance sheet
- **Contribute 7 plots of land and cash equity into the fund**, to be managed by a independent fund manager and operated by the Choice Hotel brand
- **Develop 10 hotels** under the **Choice Hotel** brand



ASSET 2: REIT

- Create REIT to extract cash for investment and provide stable net income to the group
- 100% of assets in Makkah
- Specialist hospitality portfolio
- Consists of 3 fully leased hotels and 110 serviced apartments
- Fully focused on Hajj & Umrah
- Listing Q1 2018; retain majority stake



Masafi Hotel



Sheab Quraish



Beer Baleela

Hospitality: Minority Stakes

Thakher will be one of the largest development projects in Makkah

30%
acquisition –
SAR 804 m

Largest
development
project in
Makkah

323 sq/m size

95 hotels and
apartments



8 residential
buildings

Phase 1
completed by
FY 2018

Direct
investment
commitment
SAR 100m

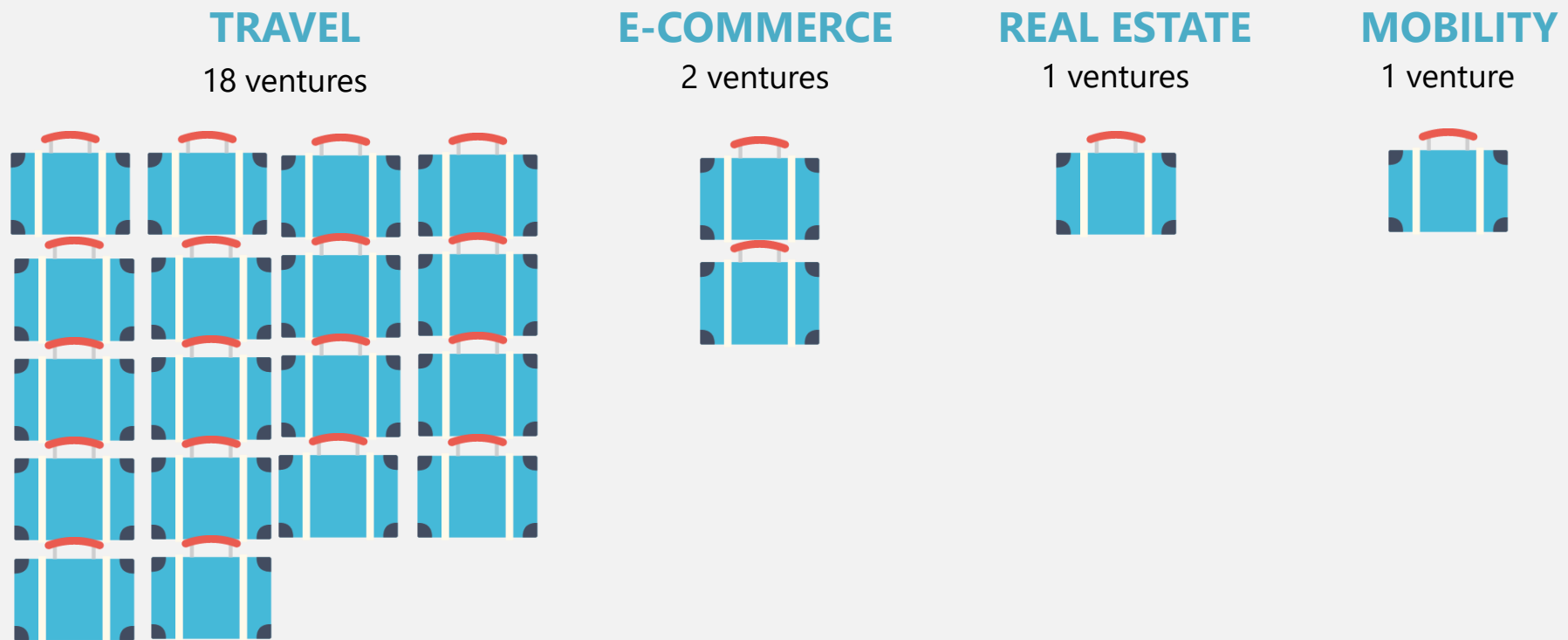


Investments

Al Tayyar Travel Group manages a portfolio of other assets and enterprises with significant upside potential and attractive valuation

Investments: Snapshot

22 investments grouped by 4 main clusters where ATG has a mix of minority, majority and full ownership



Conduct performance reviews and regular monitoring to identify right opportunities to determine the best approach for each investment in the short and long-term

Investments: Success Stories

ATG has made some successful acquisitions by investing in businesses that have attractive returns & market scale

PORTMAN (Acquired in 2016)

- The Portman/Clarity combination is #9 Travel Management Company (TMC) in the UK
- Access to corporate clients in new markets with technology-enabled cost synergies

Consolidation underway in mid-market segment in the UK, making the now larger TMC more attractive

Careem (Acquired stake in 2014)

- Market leader in the MENA region; 10 million registered users in 60 cities
- Growth has been exceptional: daily active users surged 1,800% between 2015–2017

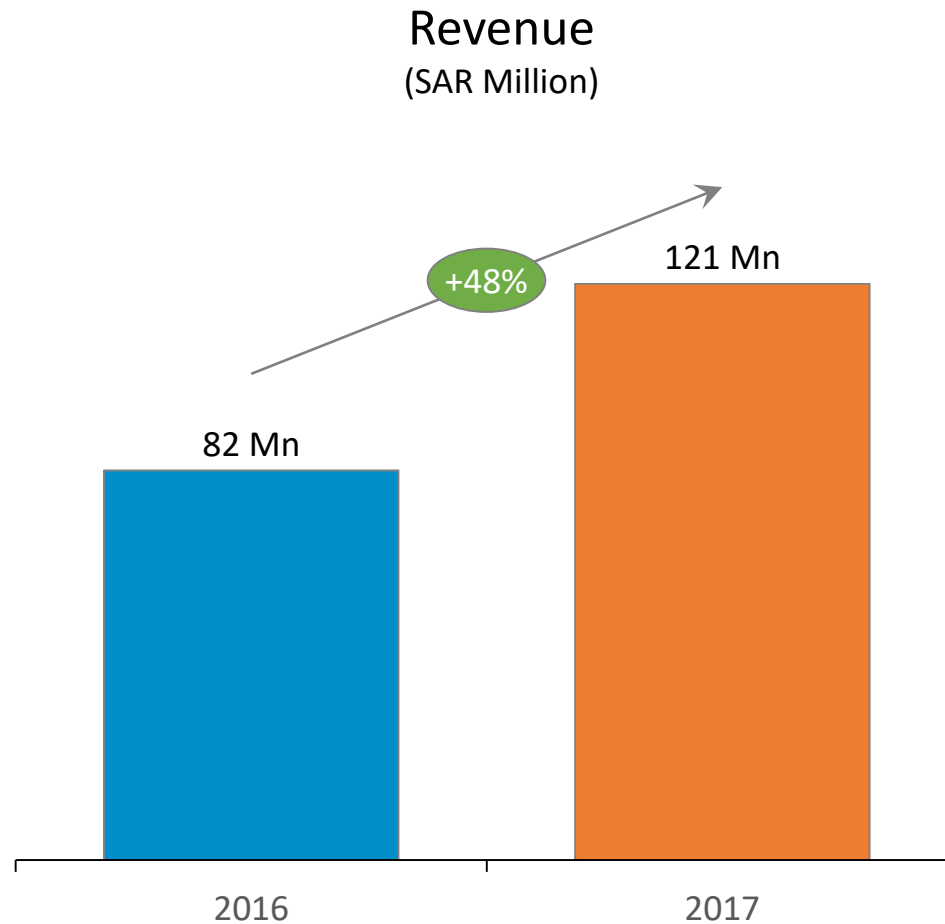
Valuation reached ~\$1 billion (one of the first MENA-based Unicorns) making our 14.7% stake more valuable

Supporting Businesses

Al Tayyar Travel Group invests in businesses that are complementary to the Company's core activities and focuses on services that deliver stable returns and contribute to shareholder value

Supporting Business: Car Rentals

The car rental business grew by almost 50% with strategic airport presence to serve corporate customers with greater priority



- Broke even within a two-year payback period
- Managed a fleet of 2,600 vehicles with an average utilization of 75% and secured a lease contract for over 1,300 vehicles worth SAR 100 million
- Substantial revenue from two major airports, Riyadh and Jeddah
- New lease agreements with multinational companies such as Siemens, Nokia, Carrier and others
- We secured governments bids with Saudi Railway, Public Transport Authority, Ministry of Metrology and the Saudi Electricity Company



Al Tayyar Group

www.altayyargroup.com