

# 1H 2018 Investor Presentation

September 2018

# Contents

Overview	3
Financial Performance	5
Travel	9
Hospitality	12
Supporting Businesses	14

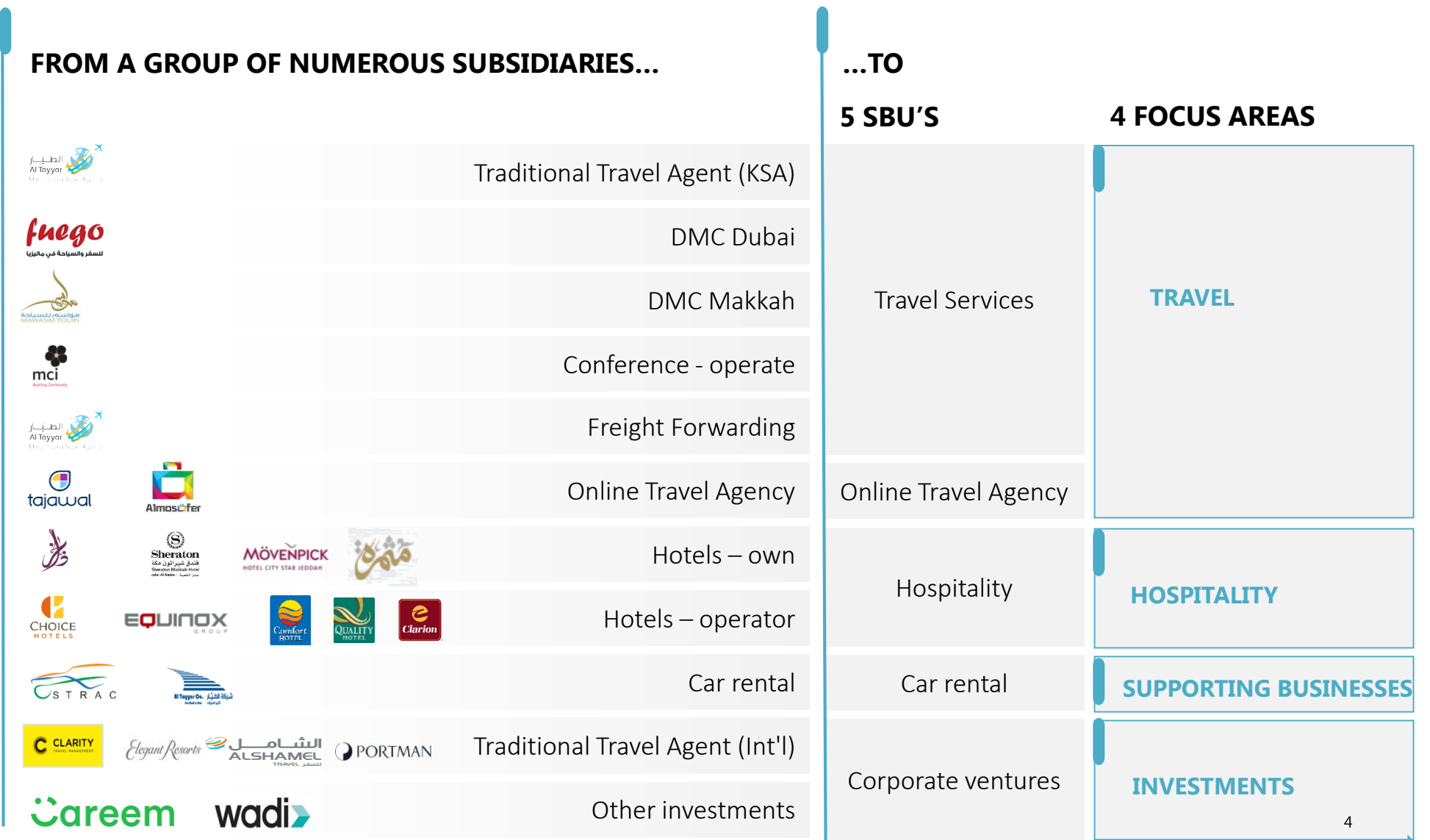
# Overview: A leading travel & tourism company

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



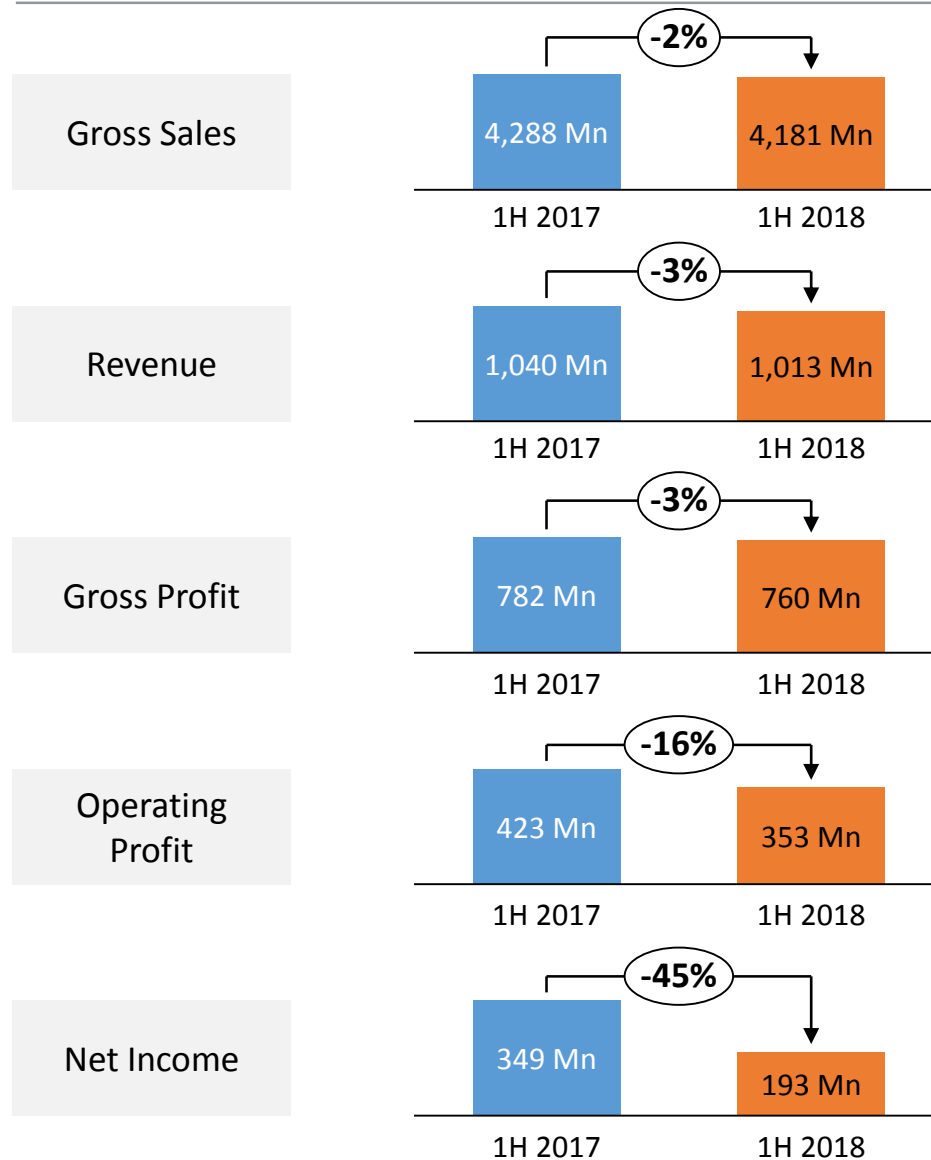


# Financial Performance



# Key Figures

Resilient topline performance with a pressure on net profit due to change in terms of government accounts and revenue mix

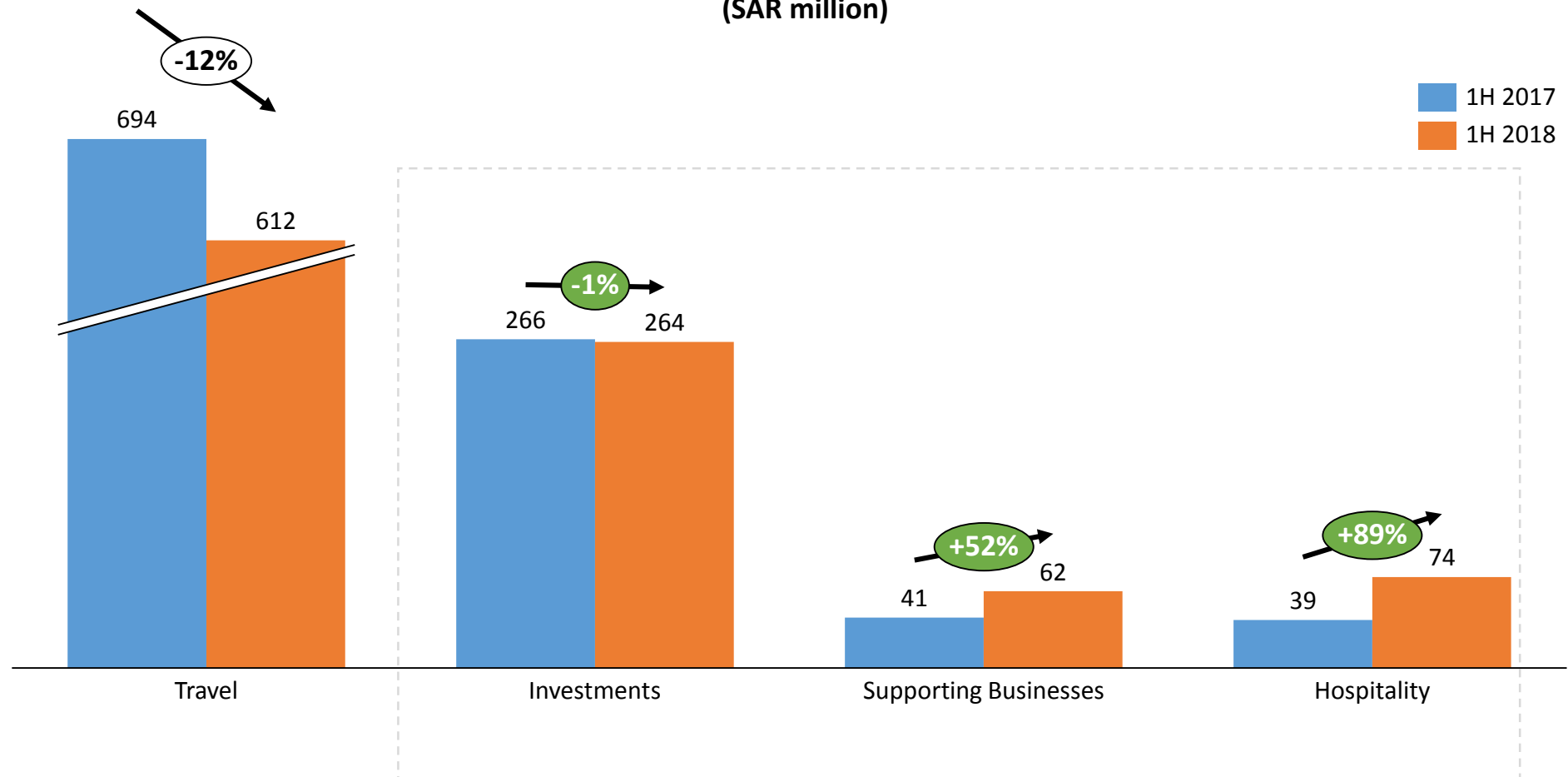


- Gross sales of SAR4.1bn, down -2% from SAR4.3bn in 1H 2017
- Government and corporate business decline by -30%, due to change in terms of government accounts.
- The decline was offset by strong growth from OTA, Hospitality and Supporting Business.
- Net revenue of SAR1bn, down by -3% from SAR1.04 made in Q1 2017
- OTAs, Hospitality and Supporting Business grew by 41%, 89% and 52% respectively, compensating for decline in government business
- Gross profit of SAR760mn declined by -3% as compared to the first half last year due to pressure from government business
- The decline was mainly countered by Hospitality and Supporting business
- Operating profit was SAR353mn , -16% lower than 1H 2017
- Higher operating expenses are attributed to expansion in online BU and operations of new hotels.
- Net profit SAR193mn, down -45% from 1H 2017
- Provision recorded for Zakat amounting SAR83mn to cover previous years reassessment
- Excluding one-off impairments/provision, would be SAR276million, down -25%

# Revenue Breakdown by Focus Area

Increasingly diversified revenue base, reducing dependency on government and corporate business

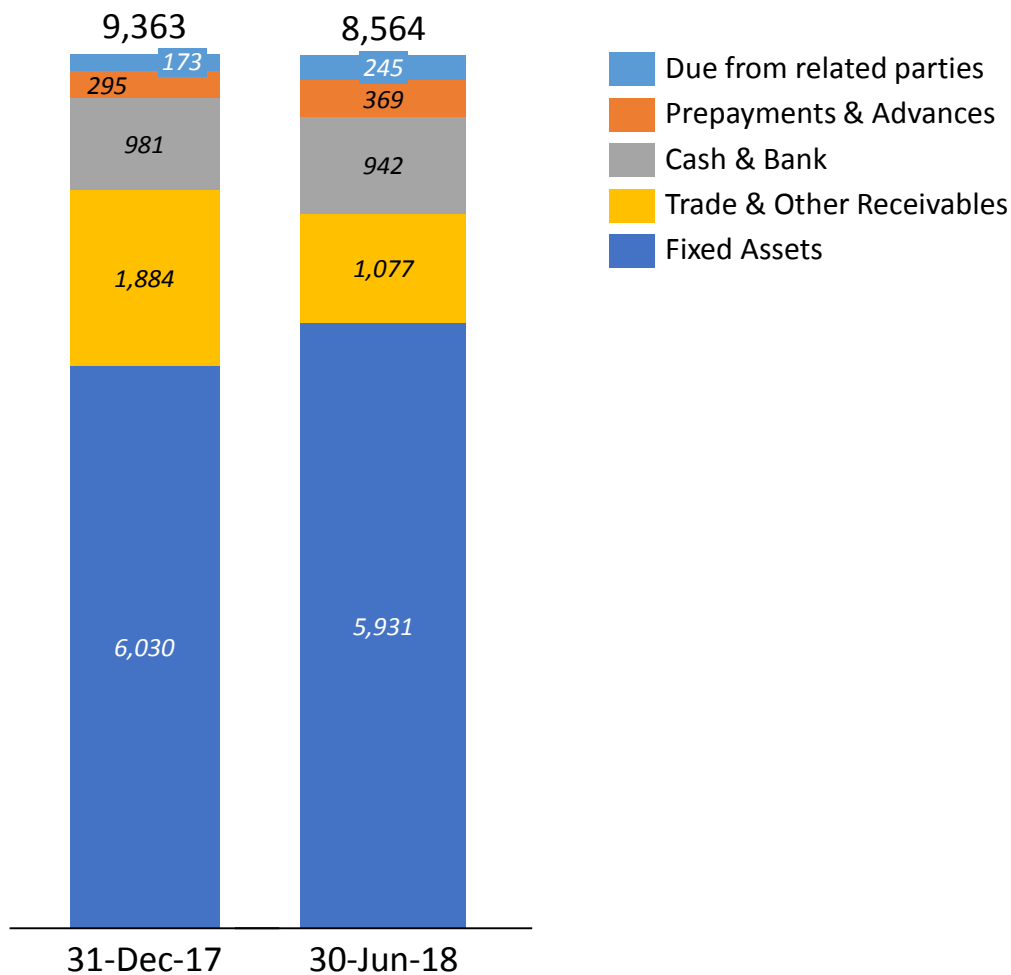
Revenue, Breakdown by Business, 1H 2017 – 1H 2018  
(SAR million)



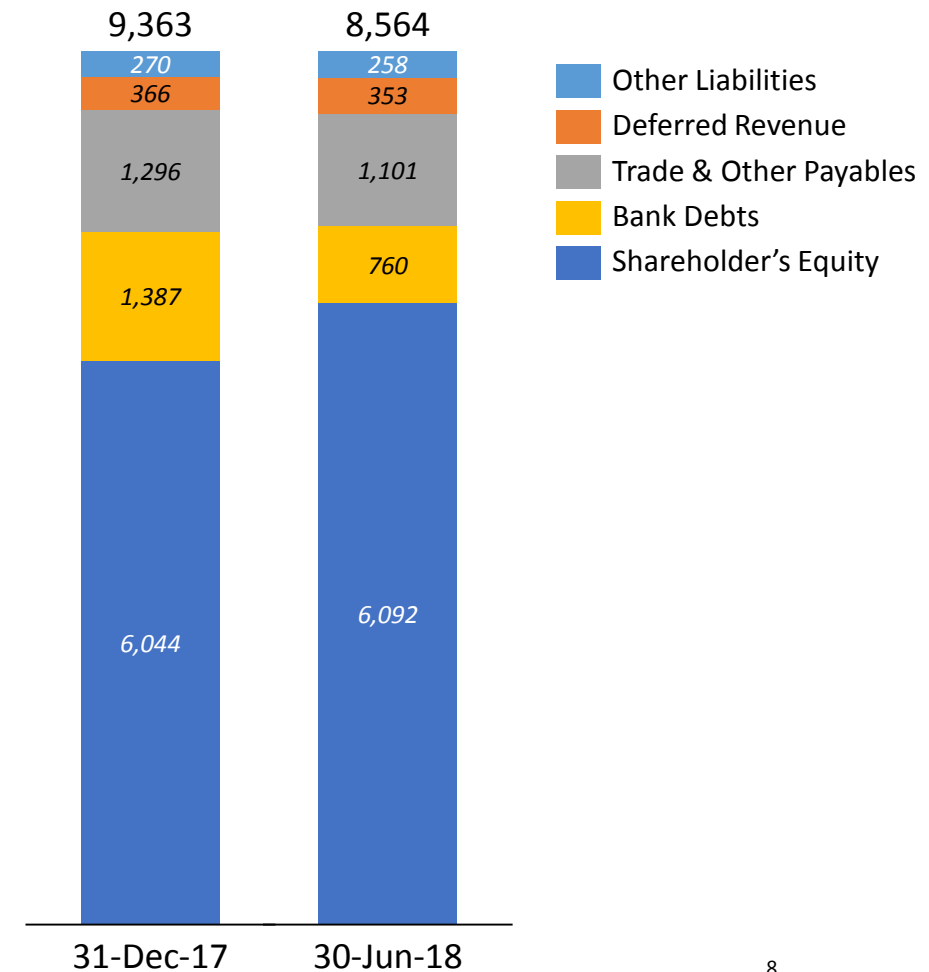
# Balance Sheet Breakdown

Receivables has significantly dropped and proceeds used to deleverage the balance sheet

**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

# Travel: Focus on diversification

Online and Leisure BUs growth is countering effect of new government contracting arrangements

## Pressure on government margins...

- Pressure on margins after a new arrangement and adoption of new terms and condition with our major governmental accounts.
- While corporate showing stability during first half of 2018 with maintaining business as usual

## ...while leisure is growing profitability...

- Leisure BU grew by 47% in the first half of 2018.
- Growth is mainly driven by increasing number of transactions as well as improving product mix

## ... and OTAs are growing at exceptional rate

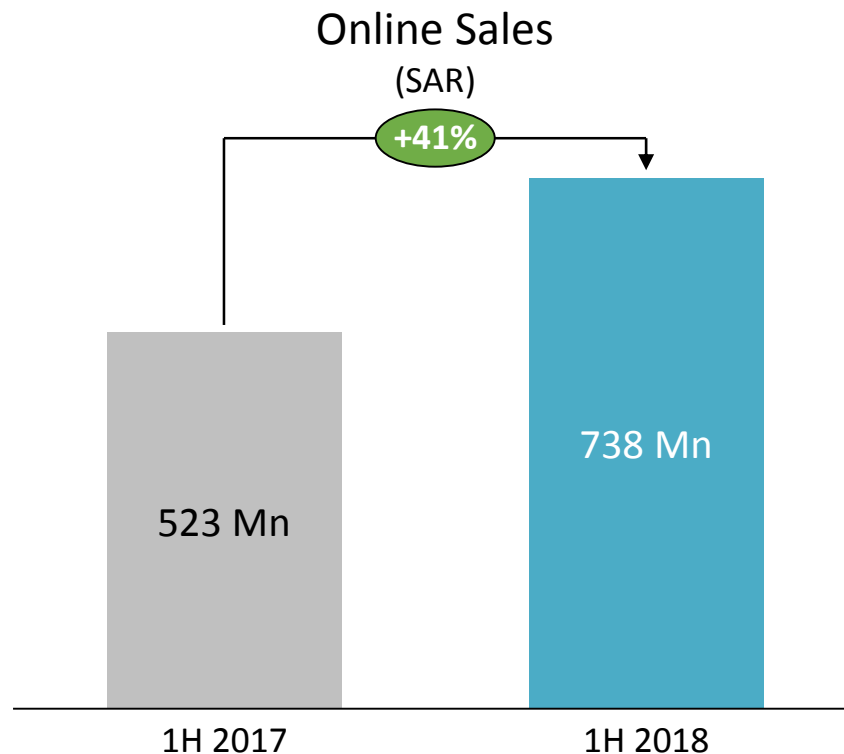
- Accelerating growth in existing markets
- Expanding foot print into new markets i.e. Egypt
- Number of apps downloads exceeded 4mn.
- More than 201k daily online session

# Online Travel: Platform Growth

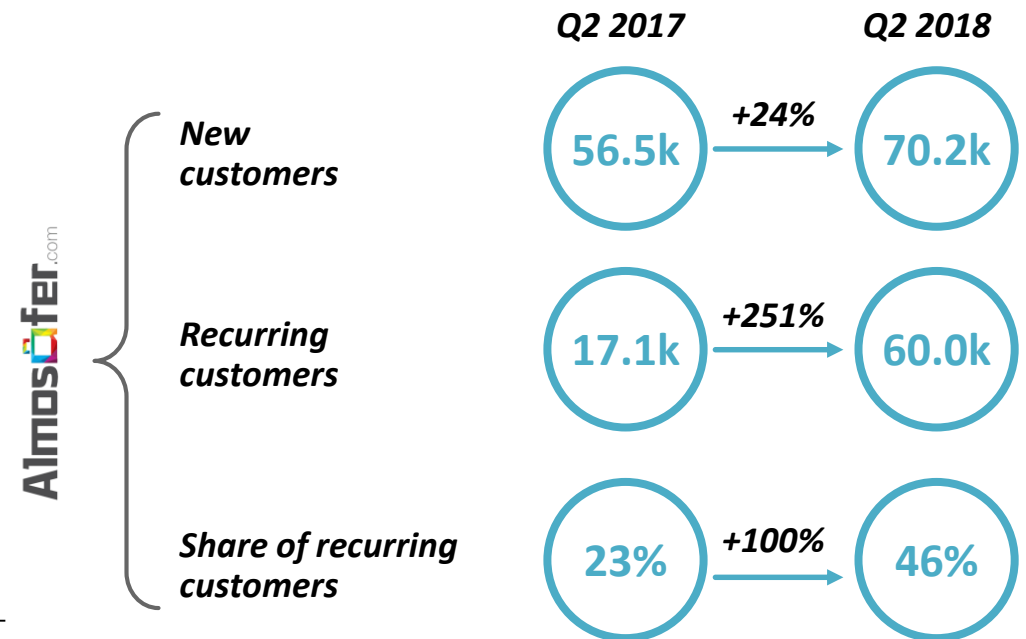
Online Travel, led by our flagship brands Almosafer and Tajawal, sustained its impressive growth trajectory



Online achieved higher-than-expected YoY growth...



...with a growing loyalty base of Almosafer





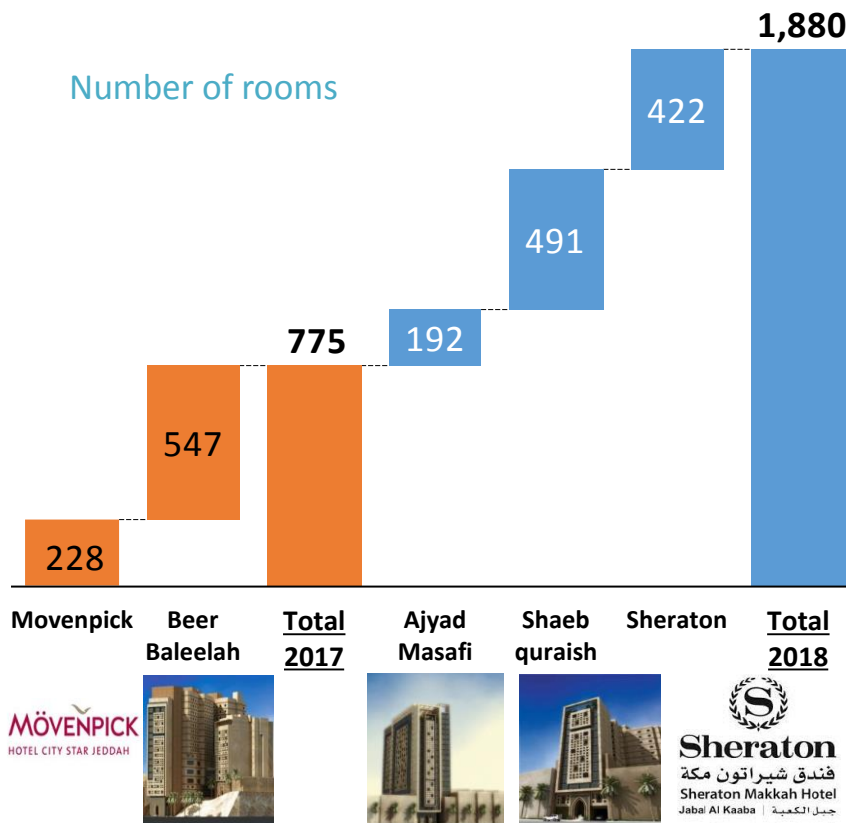
# Hospitality

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

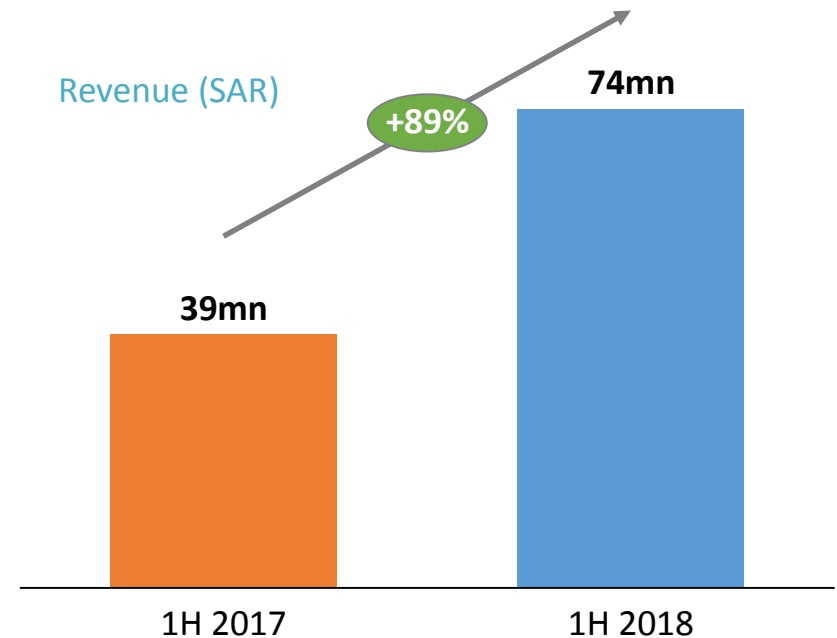
# Hospitality: Ramp up

Our hospitality assets was successfully delivered and fully operational in 1H 2018

5 operational hotels with total 1880 number of room in Makkah and Jeddah...



...which led to almost doubling the revenues





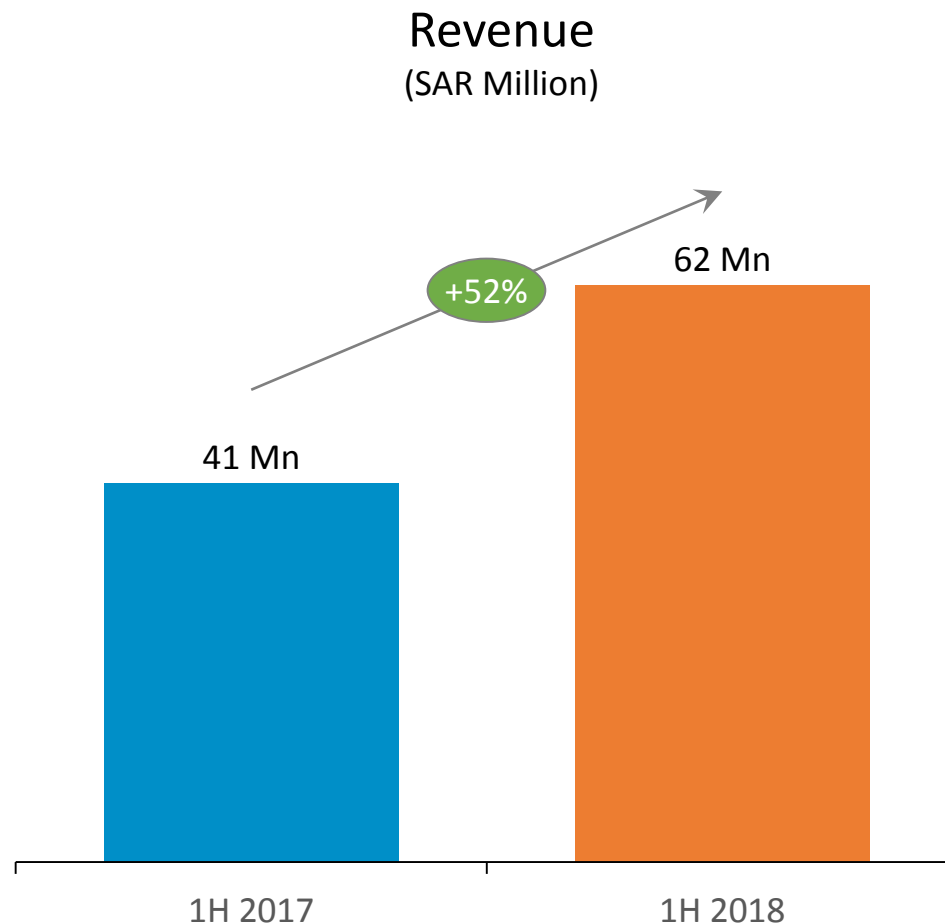
# Supporting Businesses

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 52% with strategic airport presence to serve corporate customers with greater priority



- Car rental SBU started to be profitable since the beginning of 2018
- Managed a fleet of +5,300 vehicles with +3,000 vehicles in rental achieving an average utilization of 72%
- Riyadh and Jeddah airport at full capacity
- Acquired new contracts with Jubail technical college, Arabian International company for steel and others.
- We secured governments bids with Saudi Railway, Public Transport and others.



More Than a Travel Agency

Al Tayyar Group

[www.altayyargroup.com](http://www.altayyargroup.com)