

The Leading Lifestyle Centre Platform in Saudi Arabia

Investor Presentation

Q3-FY2020

31st December 2019



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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).

**93.7%
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.

**84.6 mn
9M-FY20
Footfall**

ACC seeks to continuously enhance its overall tenant mix, which includes **dining, entertainment, lifestyle and leisure offerings**, generating footfall growth of 3.6% y-o-y and maximizing returns on its mall portfolio.

**Fitch - BB+
Moody's - Ba1**

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 **1,689.2** mn
▲ 4.3% y-o-y
LFL ▲ 2.3% y-o-y

EBITDA

SAR **1,290.2** mn
▲ 21.2% y-o-y

FFO³

SAR **773.6** mn
▲ 1.2% y-o-y

Net Profit

SAR **545.8** mn
▼ 0.5% y-o-y

NAV

SAR **16,962.2** mn
▼ 5.5% vs. FY2019

* Nine-month period ended 31 December 2019 unless otherwise stated; ACC's fiscal year for 2020 (FY2020) ends on 31 March 2020

(1) Source: JLL Market Study (2018)

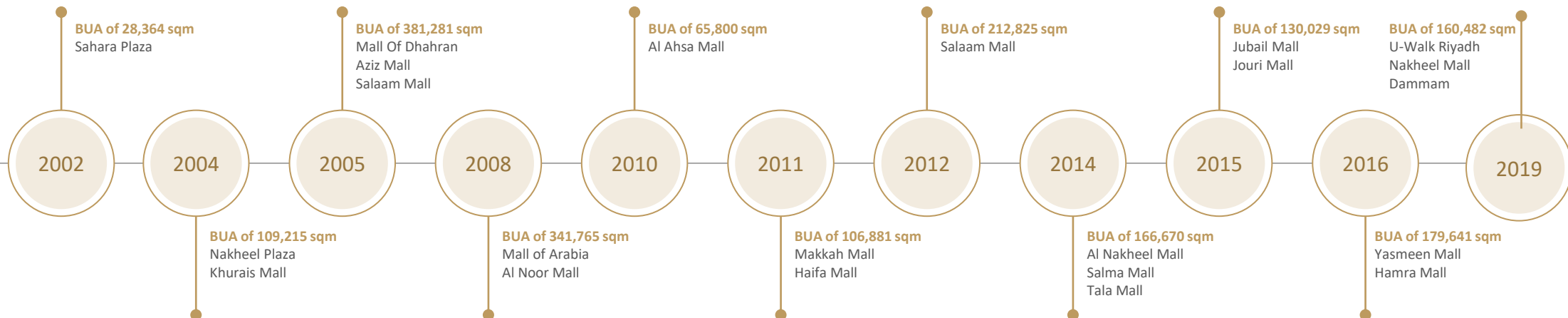
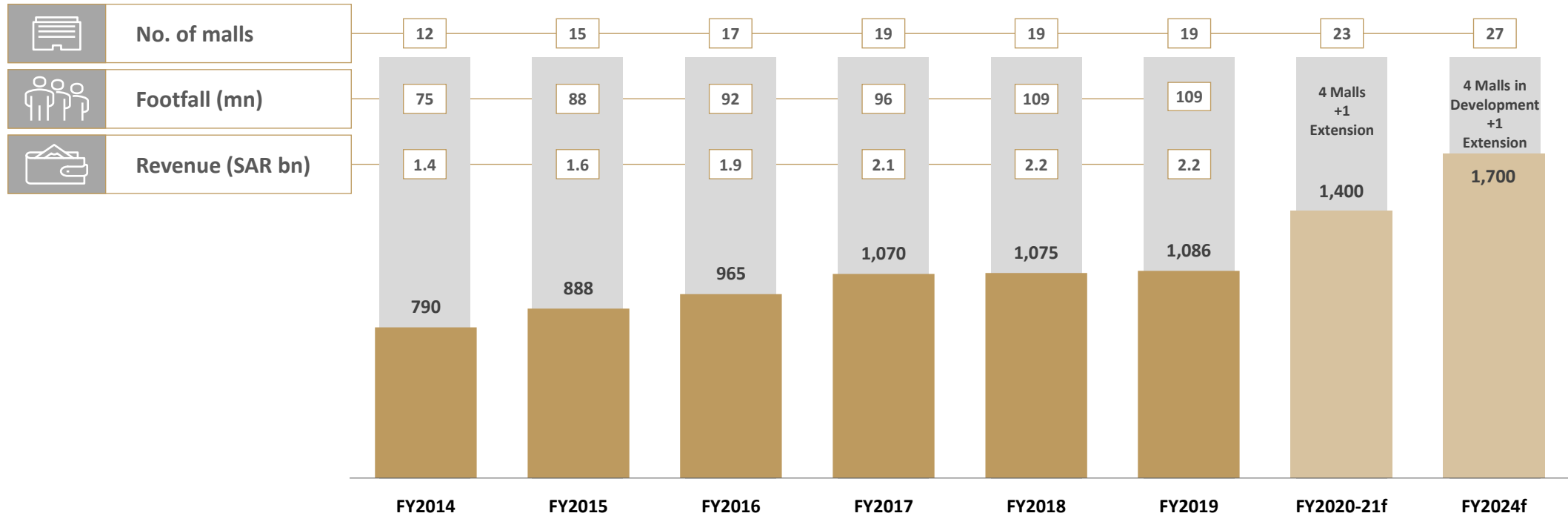
(2) Represents period-end like-for-like occupancy

(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.



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



37%
Revenue
Contribution⁽¹⁾

12
Regional
Malls

37,000 sqm
≤ GLA
< 74,000 sqm



54%
Revenue
Contribution⁽¹⁾

6
Community
Malls

GLA
< 37, 000 sqm



9%
Revenue
Contribution⁽¹⁾

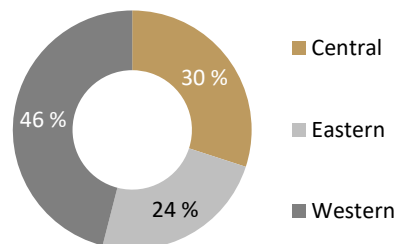
ACC's malls are located in major cities across Saudi Arabia and are anchored by the company's strategic partnerships with major retailers and other tenants.

4,100
stores

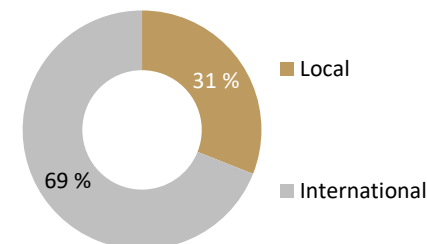
1,100
brands

720
customers

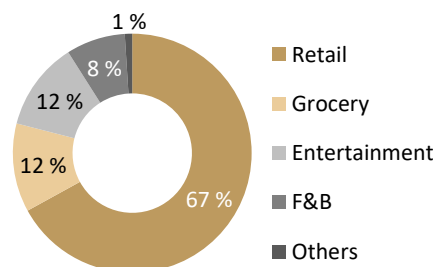
9M-FY20 Geographical Distribution | GLA



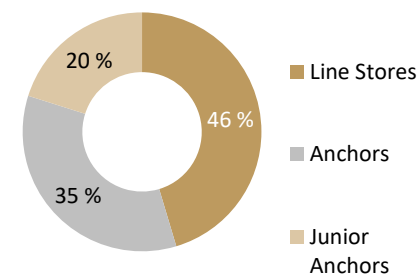
9M-FY20 Brand Split by Origin | No. of brands



9M-FY20 Distribution by Category | GLA



9M-FY20 Distribution by Store (GLA)



(1) As of 9M-FY2020, or the 9-month period ended 31 December 2019



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



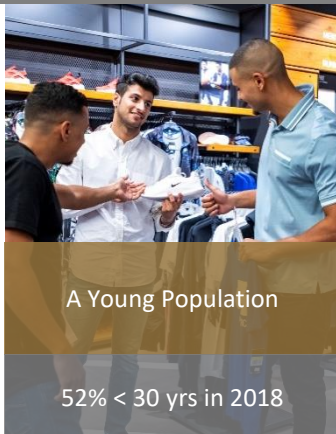
Attractive Industry Backdrop Driven by Favorable Local Demographic and Lifestyle Trends (I/II)

Favorable Macro-economic Drivers



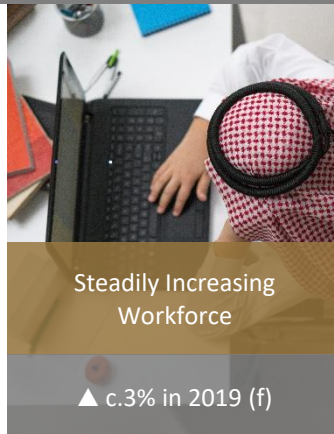
Strong Population Growth

▲ c.1.8% in 2017



A Young Population

52% < 30 yrs in 2018



Steadily Increasing Workforce

▲ c.3% in 2019 (f)

Favorable Demographic & Lifestyle Trends



Cultural predisposition towards shopping as a key leisure activity as well as for family outings



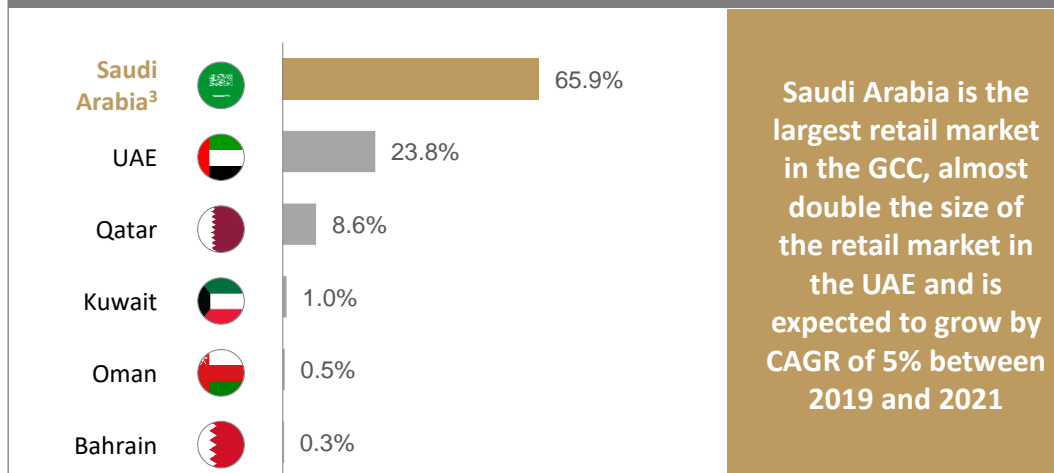
Strong gift-giving culture



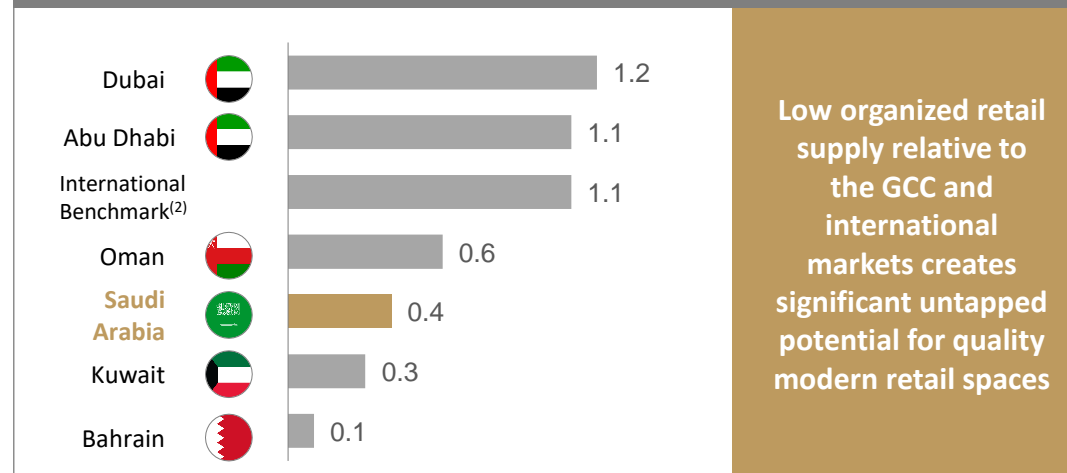
Hot climate supports a high level of demand for indoor, air-conditioned mall environments as a leisure destination

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⁾



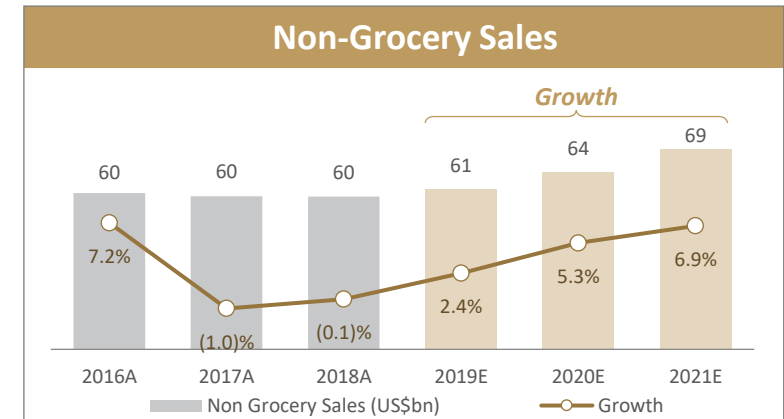
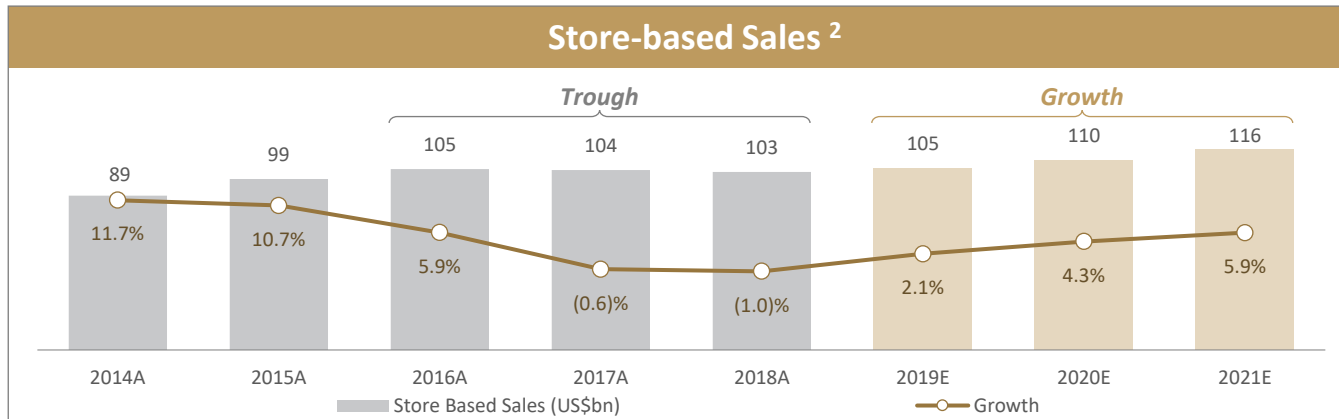
Source: Oxford Economics, JLL Market Study, Middle East Council of Shopping Centres (2018), International Council of Shopping Centres

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

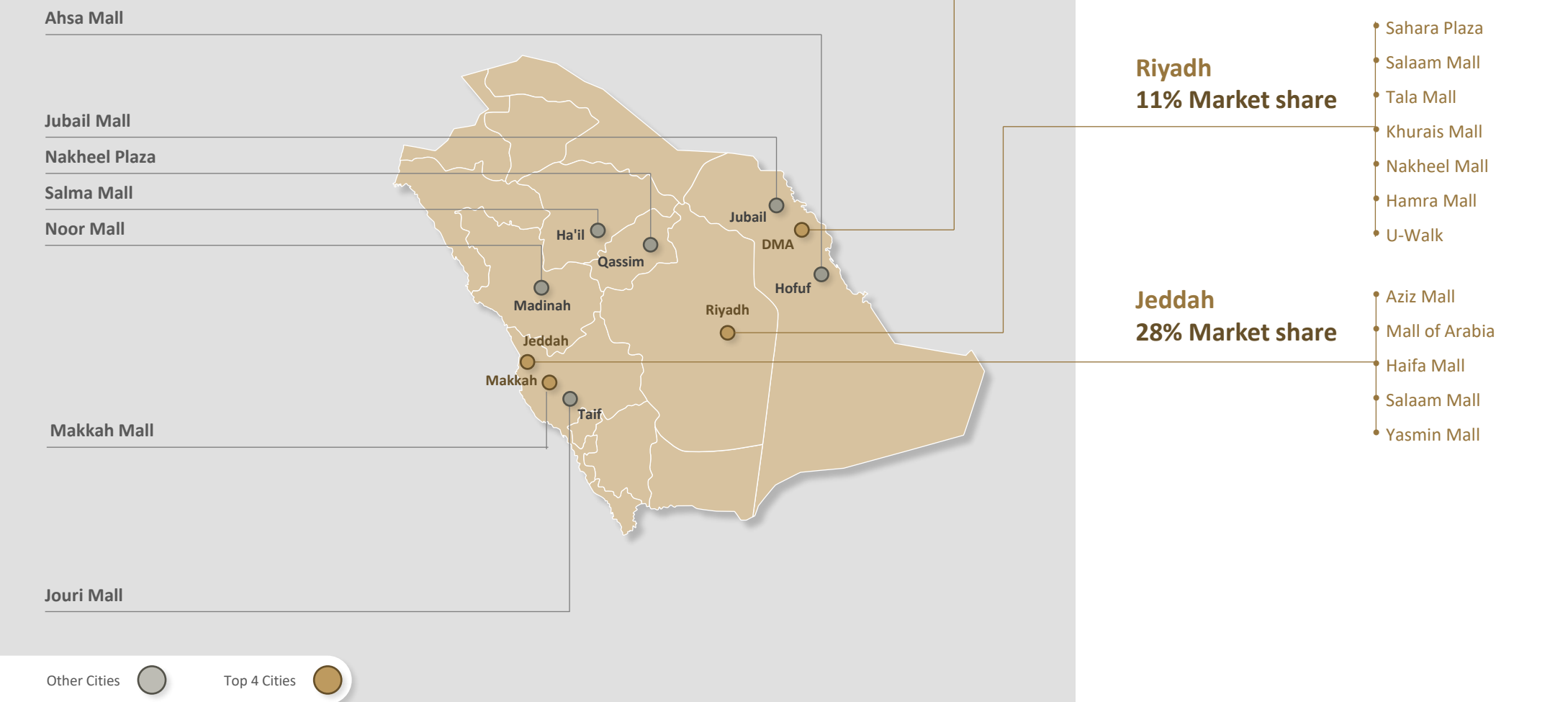
Notes: 1. Additional 770k working women calculated as 8% (30% minus 22%) of current women population in Saudi Arabia between 15-64 years of age. US\$2.6bn discretionary spend calculated as 38% of the total disposable income of additional working women

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⁾



⁽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 16 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

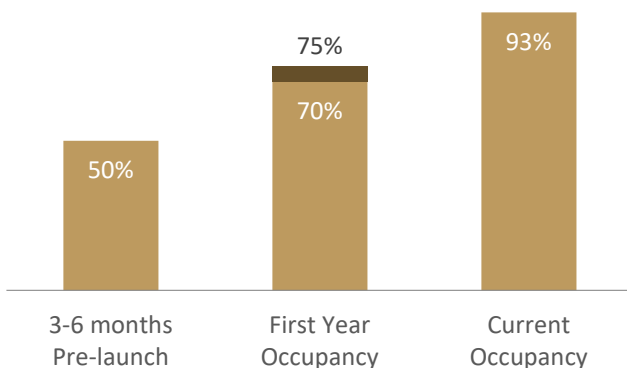
< 5%

Av. deviation

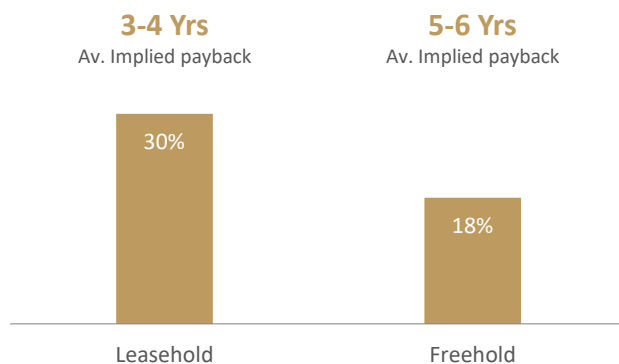
From scheduled budget

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 - FY2018 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



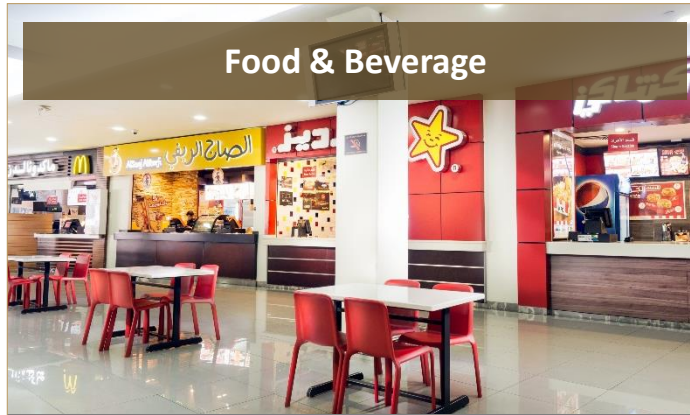
ESTÉE LAUDER

ALDO

La SENZA

MANGO

Food & Beverage



Food & Entertainment Company⁽¹⁾



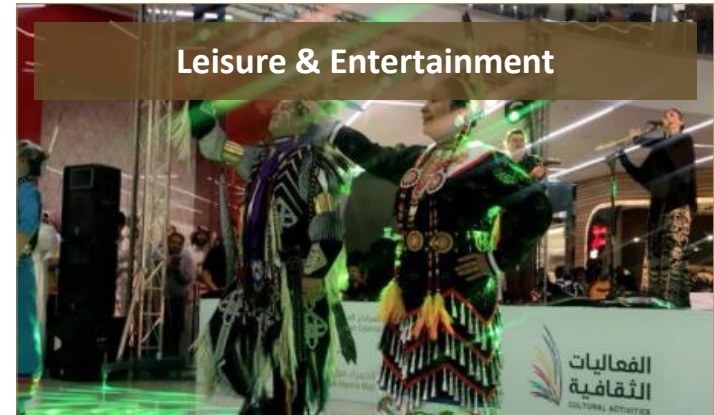
20+ BRANDS

CINNABON



Caffè Concerto

Leisure & Entertainment



FAS Entertainment⁽²⁾



3 BRANDS

KidZania



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 Al Hokair
Vice Chairman & MD

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.



Olivier Nougrou
CEO

Over 15 years of senior executive experience in retail property (as CEO for Germany at Unibail-Rodamco-Westfield) and Morgan Stanley Real Estate.



Dr. Lionel Ponsard
VP of Finance

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



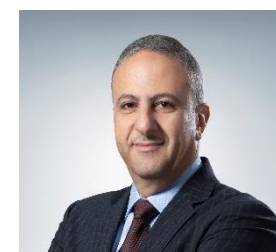
Khaled Aldubaie
Chief Commercial Officer

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.



Mohamed Balbaa
Chief Leasing Officer

Previously Senior Director of Leasing at Majid Al Futtaim Properties. 22+ years of experience amongst diverse property markets and regions, ranging from Super Regional to Community Malls.



Jamil Karmoul
Chief Operating Officer

20+ years of experience in strategic planning and daily operational processes for recognized brands including ACC, Fawaz Al Hokair Fashion Retail and Arab Food Catering Company Pizza Hut.



Rayan Al Karawi
Group Head of IR

Over 20 years of experience in investor relations and finance at companies including Zain KSA and Dar Al Arkan. He is a founding member and Chairman of the Saudi Chapter of the Middle East Investor Relations Association.



Bruno Wehbe
Chief Strategy & Portfolio Management Officer

Over 12 years of experience in consulting, most recently at Strategy & managing the real estate practice in the region.



Jabri Maali
CFO

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



Naji Fayad
Director of Internal Audit

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.



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.



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	✓ Related Party Transaction Policy (RPTP)	✓ RPTP requires management to conduct review of related party relationships on a quarterly basis and present report to Audit Committee	✓ Supports the Board in the adoption of global best practice in governance standards and frameworks ✓ Oversees board committee evaluations	✓ Determines need for new Framework Agreements ✓ Reviews management report on related party dealings	✓ 4 of the 8 currently appointed directors are independent ✓ Review Audit Committee report on related party transactions and provide recommendations to GA	✓ Scope of RPTs which require GA approval
	✓ Framework Agreements	✓ Framework Agreements lay down key parameters to assist management in its dealings with key related parties	✓ Ensures adequate succession planning for CEO and senior management	✓ 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.

Year-to-date, ACC has **inaugurated its first cinema theater in August 2019 at Mall of Arabia**, 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 LFL Revenue Growth

ACC achieved **like-for-like revenue growth of 2.3%** in 9M-FY20, marking the business' return to strong LFL growth.

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 93.7% LFL occupancy rate as of December 2019** with c. 89.4% of leases expiring at the end of the FY20 already renewed.

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 3Q2019 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 April 2020.

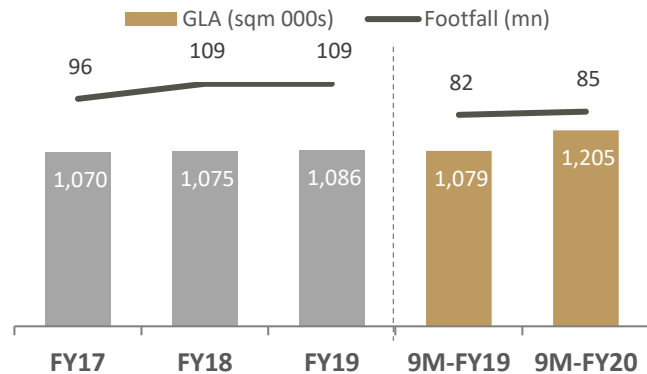
Acquisition of the 30-year lease for Jeddah Park, a key milestone in the delivery of ACC's near-term growth strategy and poised to add c.128k sqm of GLA upon completion in FY2021.

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



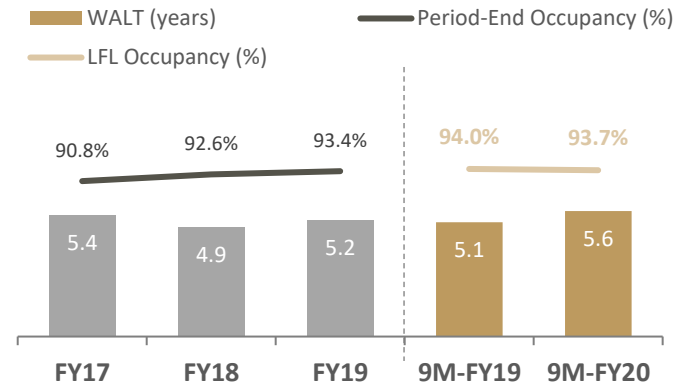
Strong Leasing Activity with Positive Spreads and High Occupancy Rates

GLA Progression vs. Average Footfall



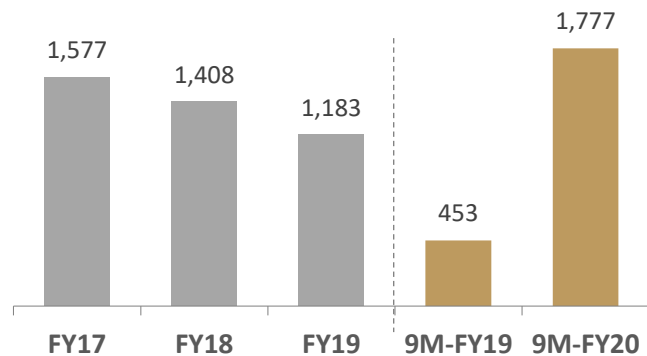
Total GLA increased 12% y-o-y to 1.205 million sqm, while average footfall increased 3.6% y-o-y.

Occupancy Rates vs. WALT



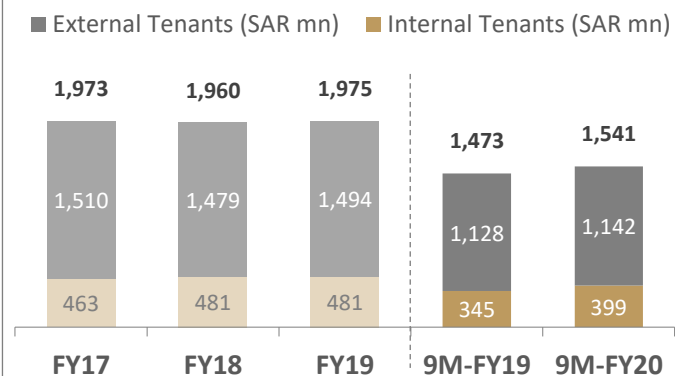
WALT climbed 10.0% y-o-y to 5.6 years in 9M-FY20, with LFL occupancy at the end of the quarter decreasing slightly to 93.7%.

Number of Leases Renewed



The Company renewed a total of 1,777 leases during 9M-FY20 with a positive releasing spread and c. 89.4% of leases expiring at the end of FY20 already renewed as of 31 December 2019.

Revenue by Tenant Type ⁽¹⁾



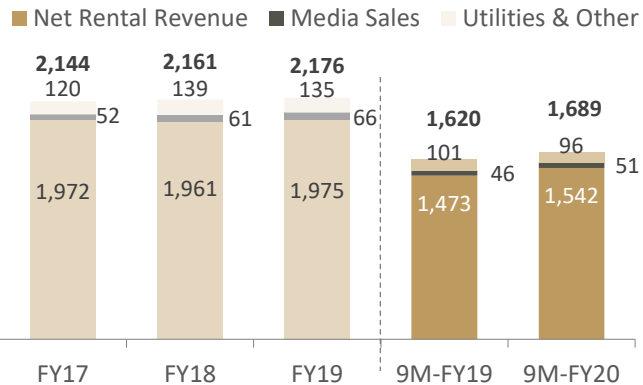
ACC maintained a good tenant mix, with internal tenants constituting c.26% of net rental revenue in 9M-FY20.

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.



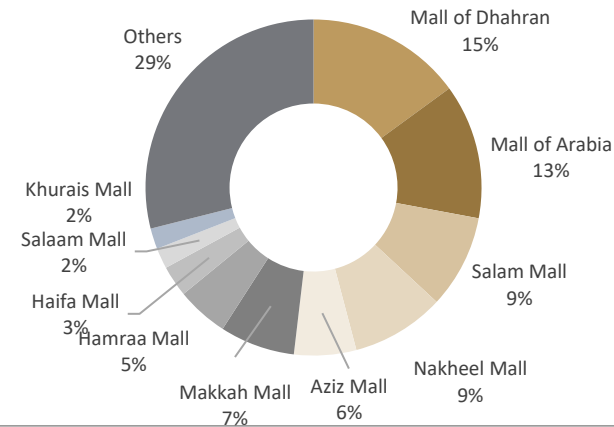
Return to LFL Total Revenue Growth

Revenue | SAR MN ⁽¹⁾



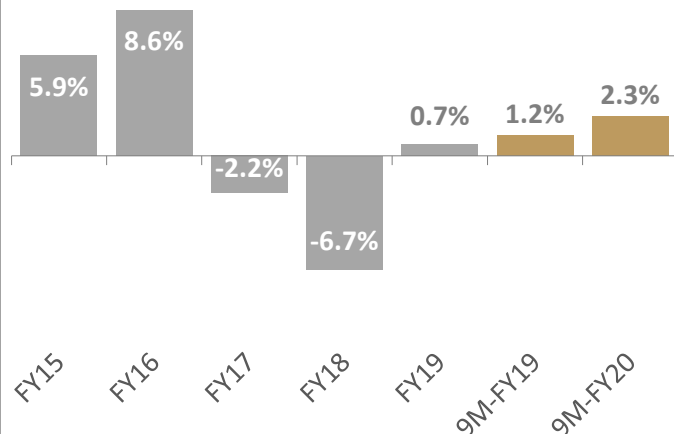
Total revenue climbed 4.3% y-o-y to record SAR 1,689.2 million in 9M-FY20. Top-line expansion was driven by growth net rental revenue as management's yield and space optimization strategy yield fruit.⁽²⁾

Revenue by Mall



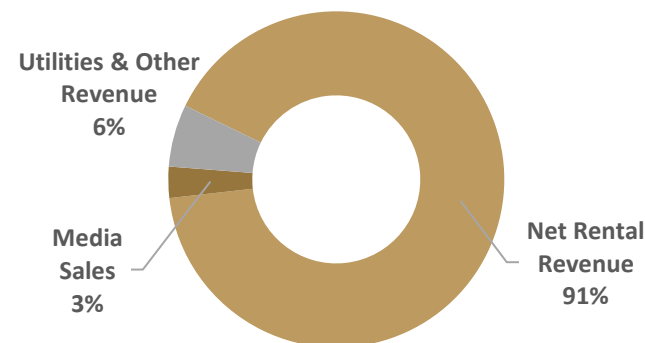
At 15%, Mall of Dhahran remained the largest contributor to total revenues in 9M-FY20, followed by Mall of Arabia (13%), Salaam Mall (9%) and Nakheel Mall (9%).

Like-for-Like Total Revenue Growth



On a like-for-like basis (across 19 malls), total revenue was up 2.3% y-o-y in 9M-FY20 driven by an improvement in ACC's discount policies, which helped offset 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 9M-FY20. 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.

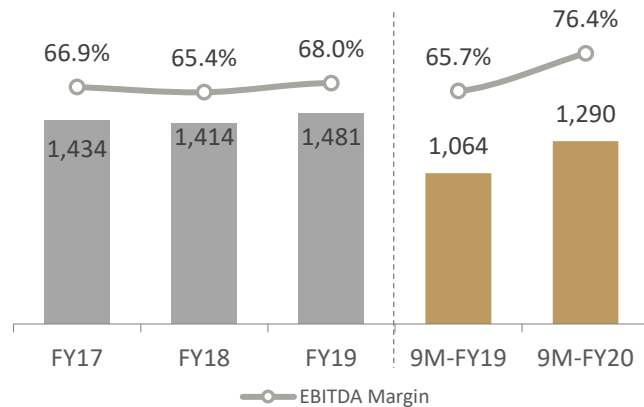
1) A previous version of this chart displayed total revenues for historical year FY17 using the SOCPA formulation. The chart has been modified to include FY17 revenues post-IFRS treatment, in line with the rest of the historical years and the quarterly revenues displayed on the chart.

2) This revenue figure for 9M-FY20 include 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.



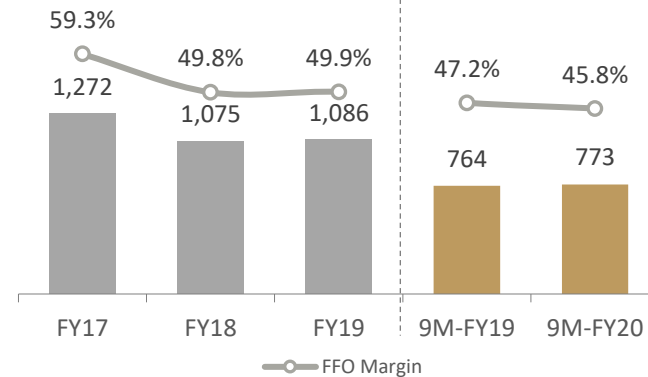
Robust Profitability with Solid Margins

EBITDA | SAR MN



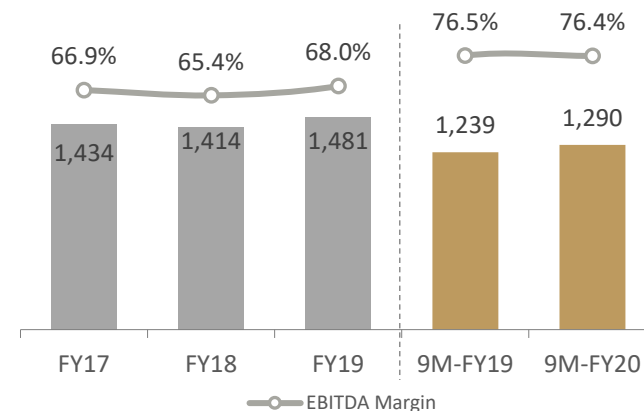
Enhanced EBITDA-level profitability stems from a sustained improvement in gross profit, itself boosted by adoption of IFRS 16 beginning in Q1-FY20 and the implementation of broad cost-control measures.

FFO | SAR MN⁽¹⁾



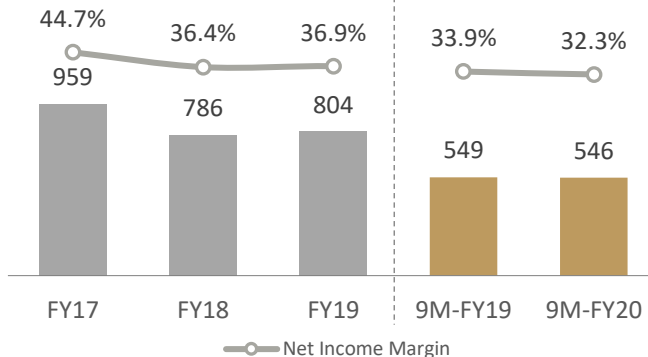
FFO climbed 1.2% y-o-y to book SAR 773.6 million for 9M-FY20, yielding a FFO margin of 45.8% against the 47.2% recorded one year previously.

EBITDAR | SAR MN



EBITDAR, which normalizes for the effects of IFRS 16, rose by 4.1% y-o-y in 9M-FY20. The period EBITDAR margin remain largely stable..

Net Income | SAR MN



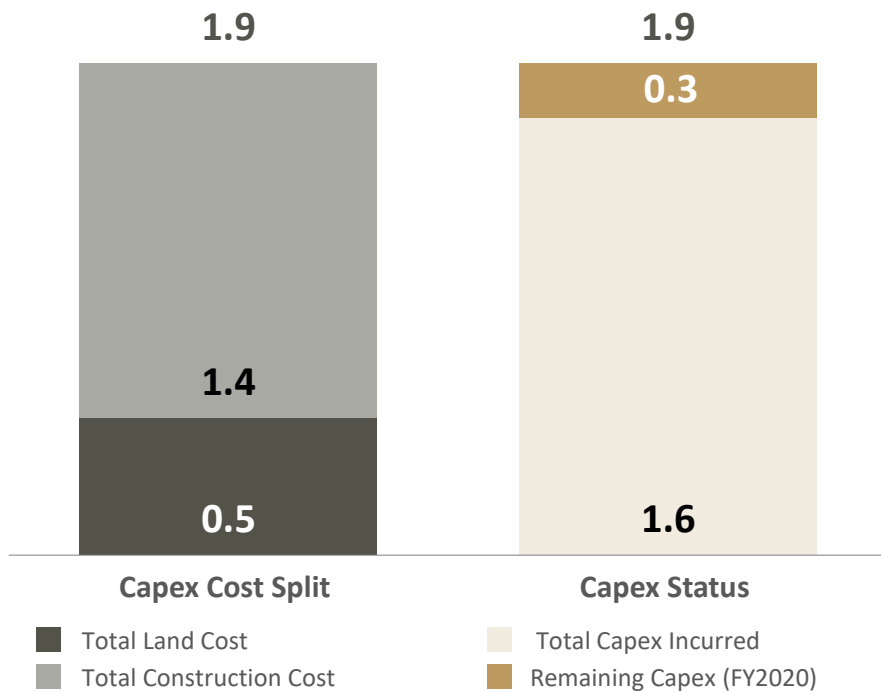
Net profit was stable in 9M-FY20 compared to the figure booked for 9M-FY19, with a slight reduction in the NPM over the period. 3Q-FY20 saw a decline in the bottom line on the back of increased financial charges.

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.



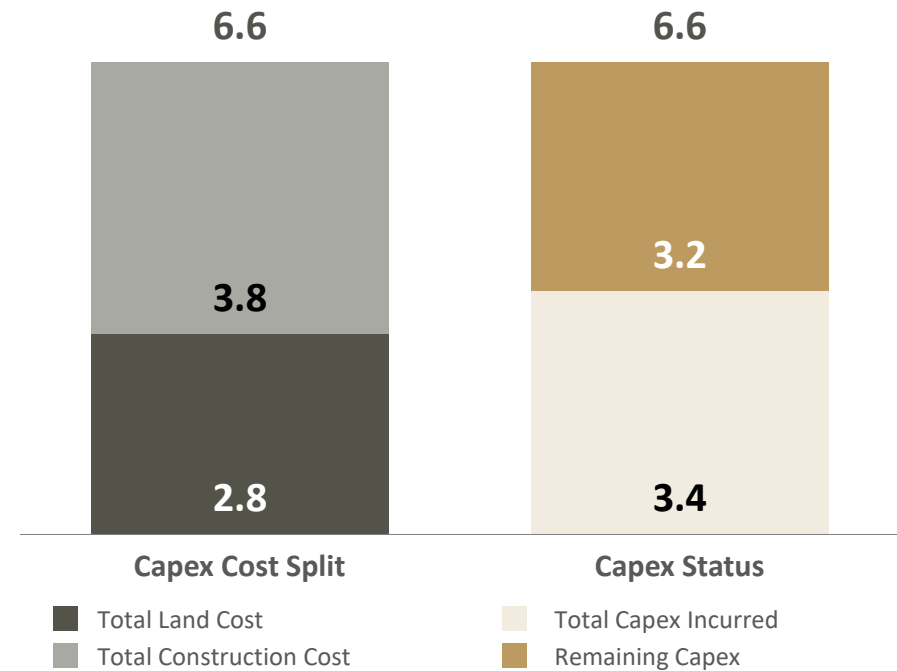
Continued Investment in Near- and Medium-Term Pipeline

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 0.3 bn is remaining and budgeted for FY2020

Medium-Term Pipeline



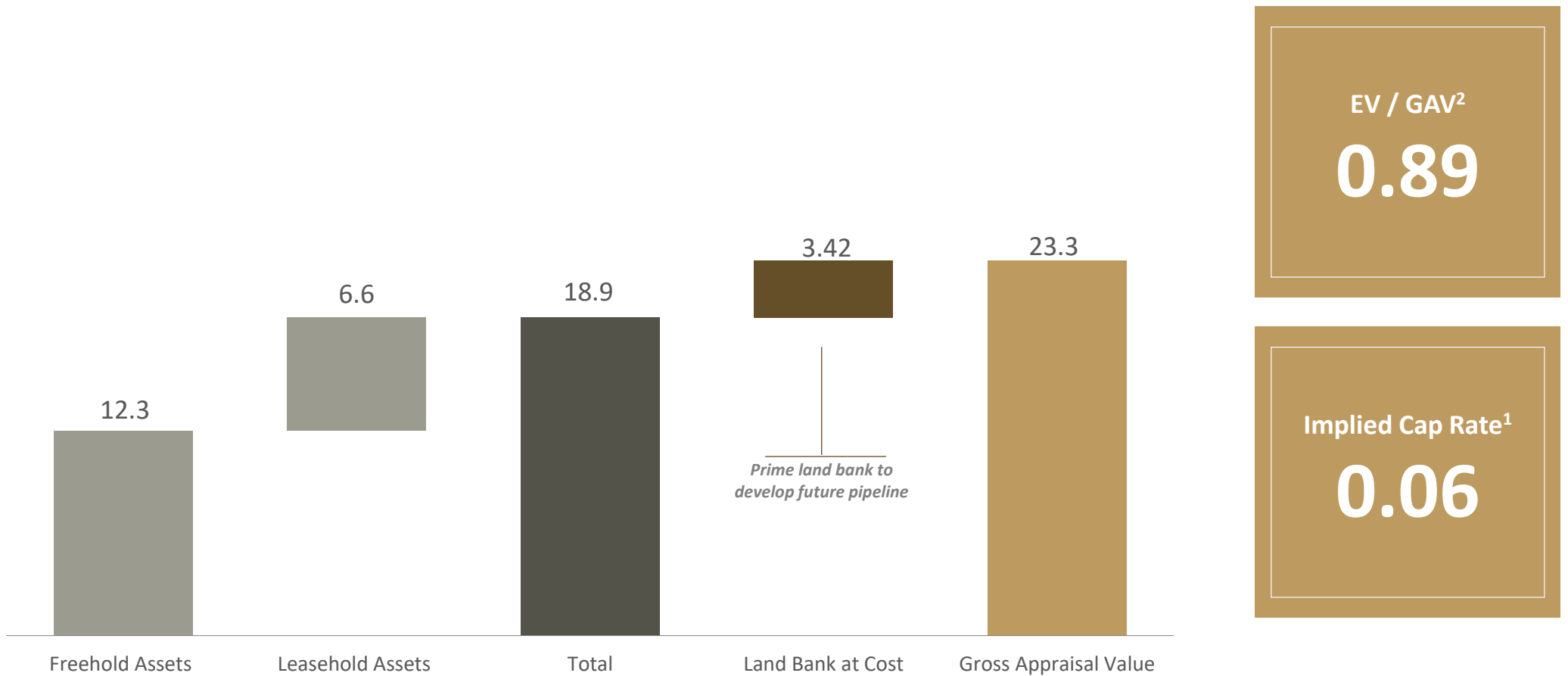
- Total Capex for Medium-Term pipeline including land cost for Mall of Arabia, Riyadh and Jawharat Jeddah is c.SAR 6.6bn (land cost of SAR2.8bn already incurred)
- Of the total capex, c.SAR 3.2bn is targeted to be spent from FY2020 onwards



Property Portfolio & Land Bank Values

Property Portfolio independently valued by Jones Lang LaSalle at SAR 19.1 Bn and Land Bank of SAR 3.4 Bn

Value of Assets as of Dec'2019 (SAR bn)⁽¹⁾



Source: Investment properties valuation from JLL as of 31st December 2019

1) Implied Cap Rate is calculated as (Annualized Income from Main Operations / (Market Capitalization + Outstanding Debt)

2) Calculated using annualized EBITDA



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 (Undrawn)*	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.

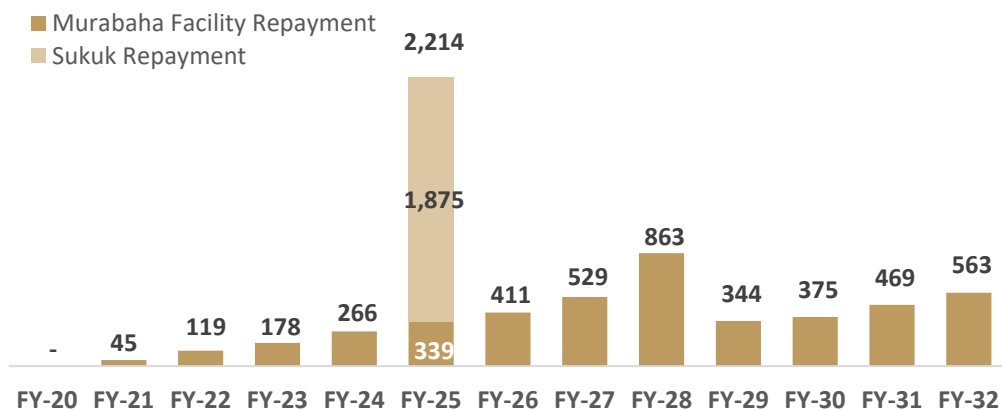
*Undrawn senior secured dual-currency revolving Murabaha facility



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)

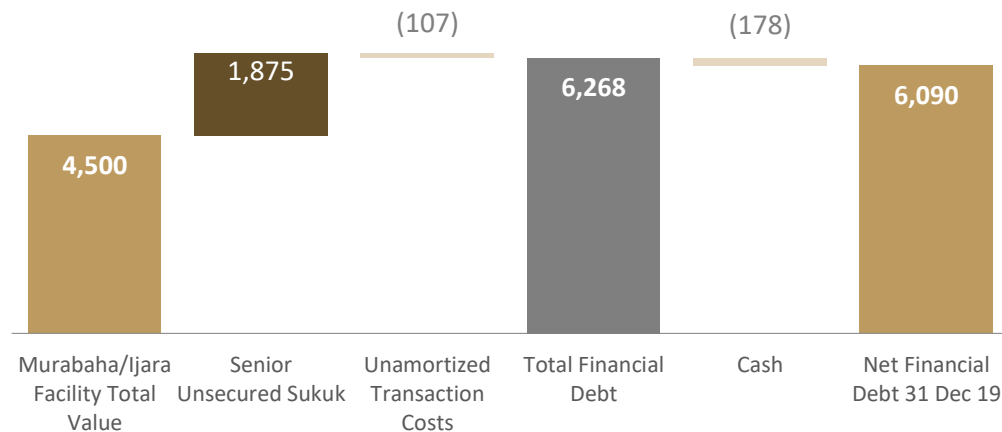


International credit rating agencies have both assigned ACC a stable outlook...

Ba1
Moody's

BB+
Fitch

Net Debt as of 31 December 19 | SAR mn



LTV

28%

Net Debt to EBITDA

3.5x

Debt to Equity

1.1x

Longer weighted average debt maturity

Reduced share of secured debt in capital structure



Financing Strategy Allowing for Pipeline Funding and Attractive Dividend Policy

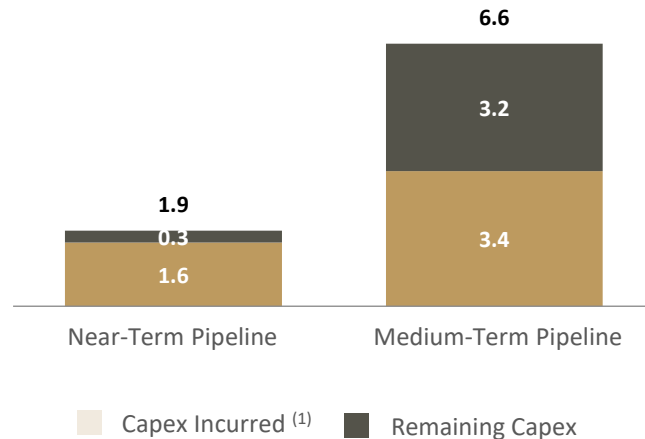
Funding for Growth

Management expects to raise debt financing over the next 5 years as the company repays its existing facility

Land for the near- and medium-term pipeline already paid

Remaining capex to be funded with debt (focusing on non-amortising debt and/or project finance)

Near-Term and Medium-Term Capex Funding (SAR Bn)



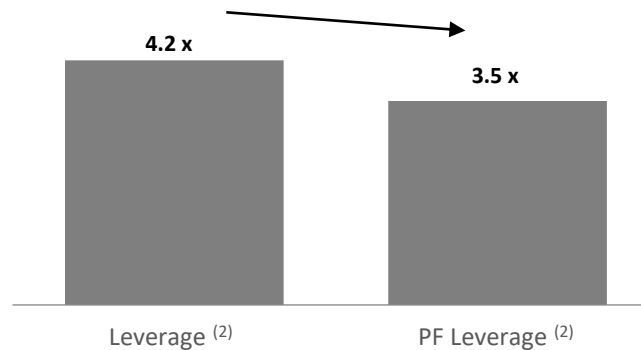
Engagement with Capital Markets

SAR 500 million from IPO primary component of SAR 780 were used for debt repayment. Remaining SAR 280 million utilized in accordance with debt amortization schedule

SAR 1.9 billion in refinancing secured, including fixed-rate USD 500 million Sukuk issuance with five-year tenor and 5.375% coupon

SAR 427.5 million dividend distributed for 1H-FY2020, valued at SAR 0.90 per share

Deleveraging post IPO



Dividend Policy

Min 60% of FFO⁽³⁾

Dividend Policy

Semi-annual

SAR 427.5 million already paid for H1-FY2020

SAR 850-900m

FY2020 dividend closer to 70% of Recurring FFO

SAR 925-975m

FY2021 anticipated dividend

c.22-26% CAGR until FY2024

Dividends to grow in line with FFO growth

Notes:

- For near term pipeline refers to cost incurred till 31-Dec 2019 including land is c.SAR 1.6 bn.
- Leverage calculated as Net Debt / EBITDA (pre-IFRS16). PF Leverage based on debt outstanding balances as of 30 Sep 2019 divided by annualized EBITDA (H1--FY20 EBITDA x 4).
- Fund from operations: net profit for the year plus depreciation of investment properties and PP&E and write-off of investment properties, if applicable.



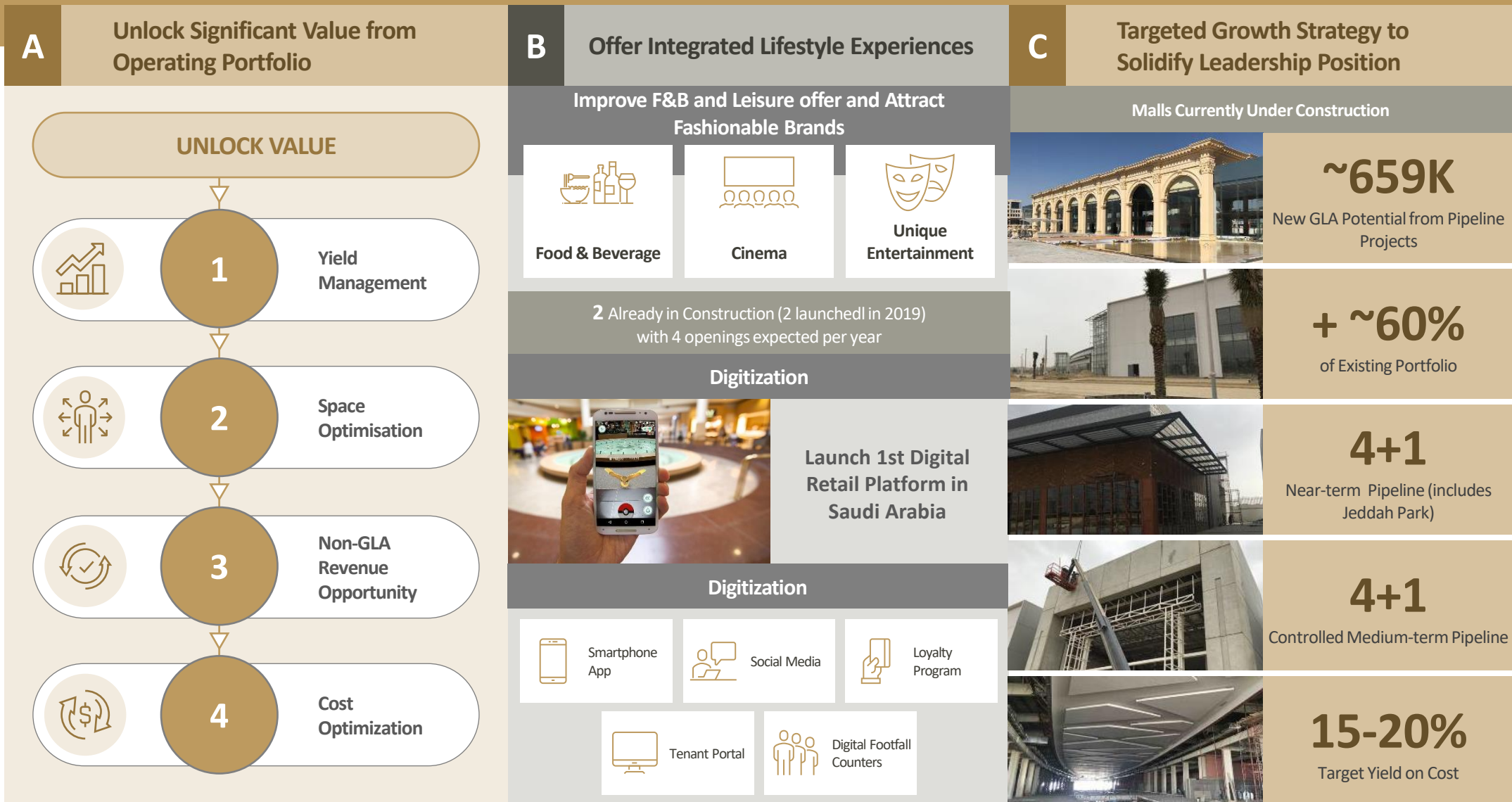
Growth Strategy





ACC's Growth Initiatives

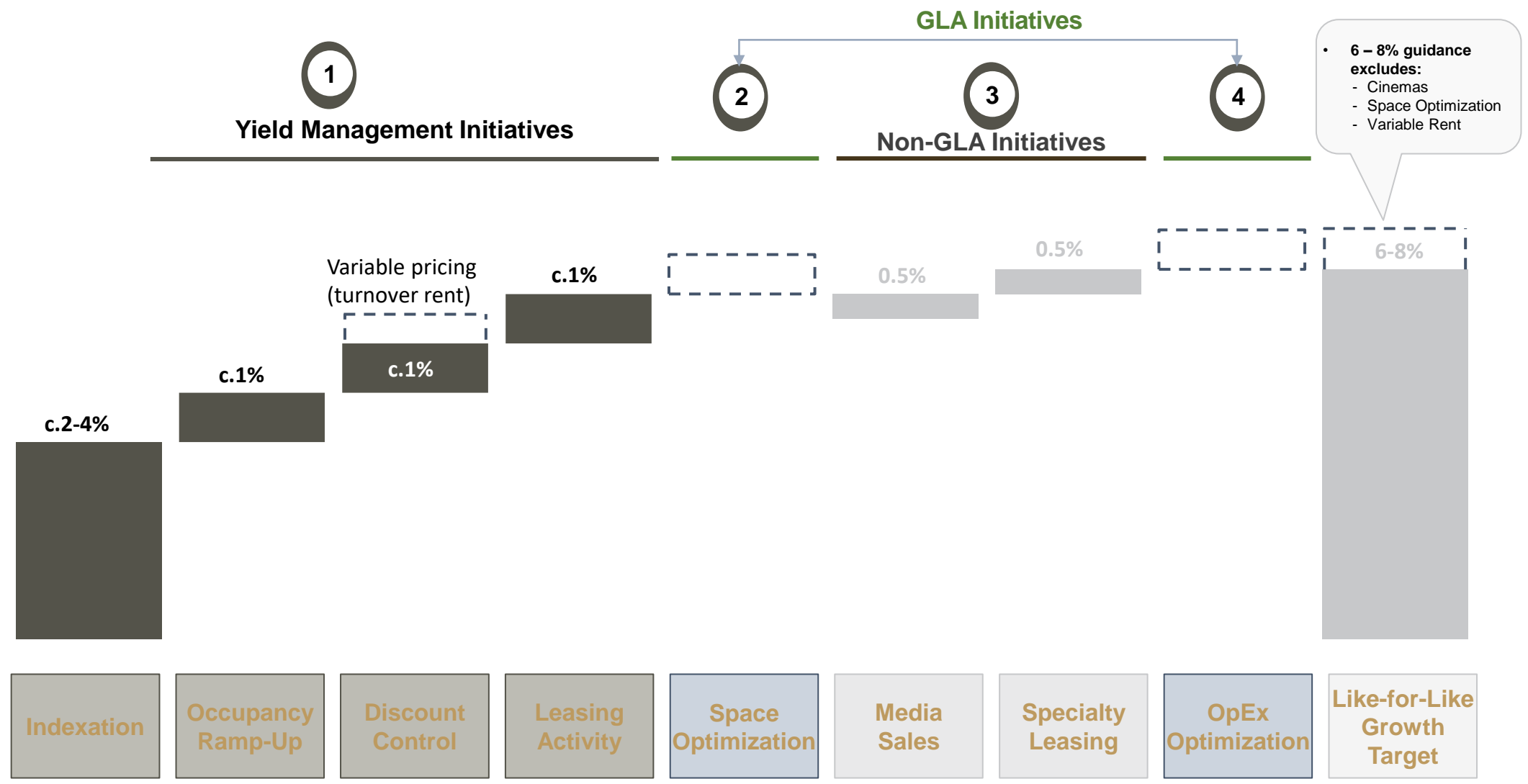
Key Pillars of ACC's Growth Strategy





Target 4% Above Index (Inflation) with Pro-Active Management of the Existing Portfolio

Active Asset Management Initiatives to Deliver Attractive LfL Growth on Existing Perimeter
Average Annual Growth Over FY2020-2022E

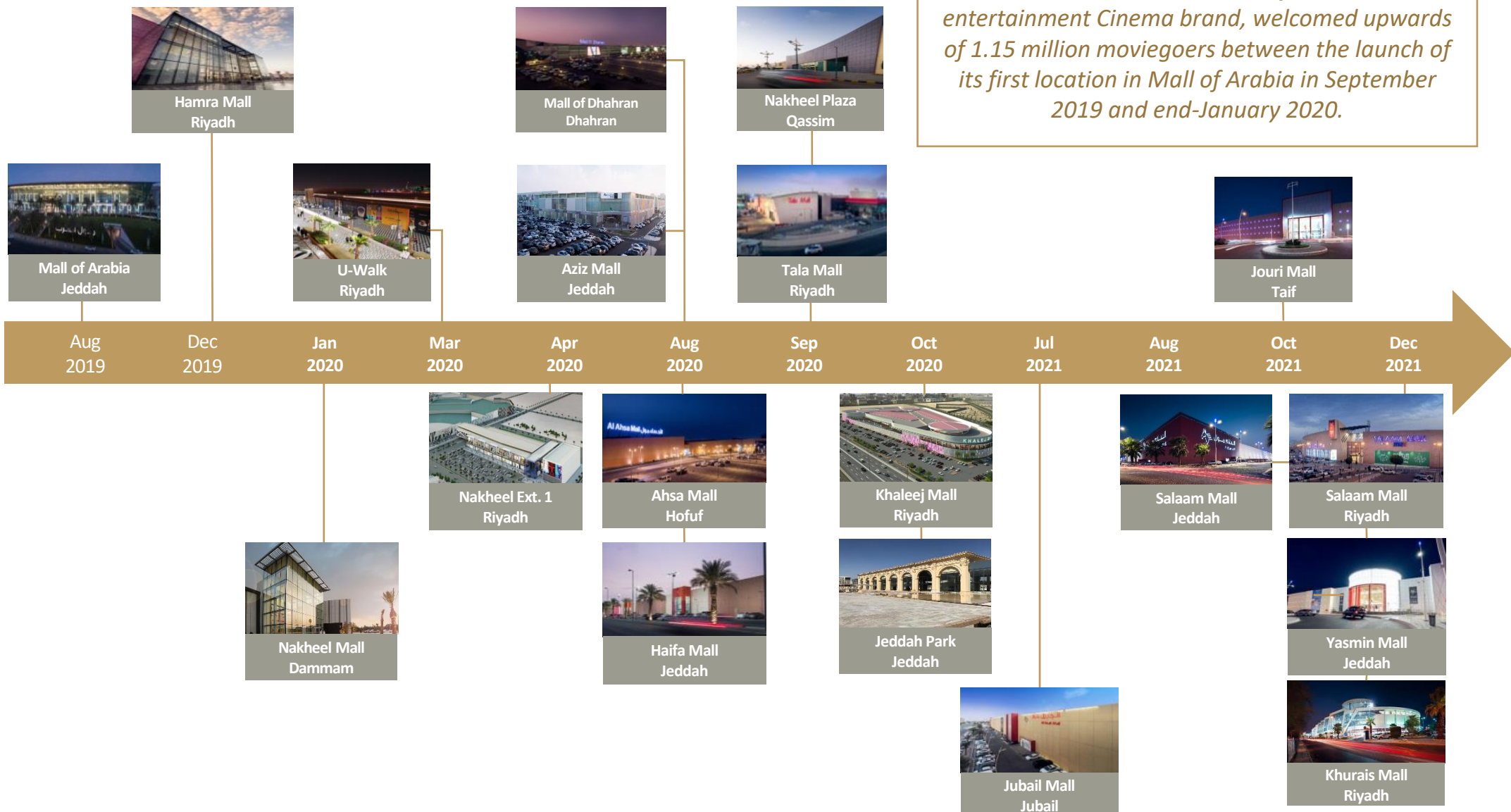




Strengthen ACC Malls as Go-To Family Destination Via Cinema Offering



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.

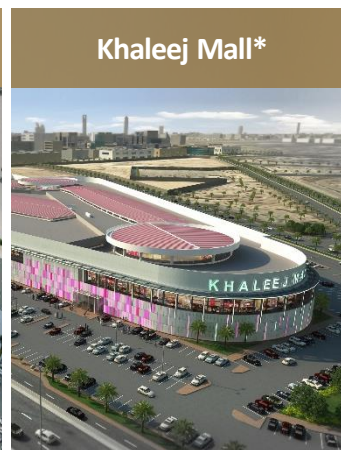
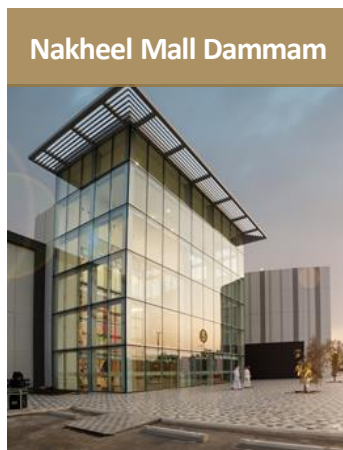
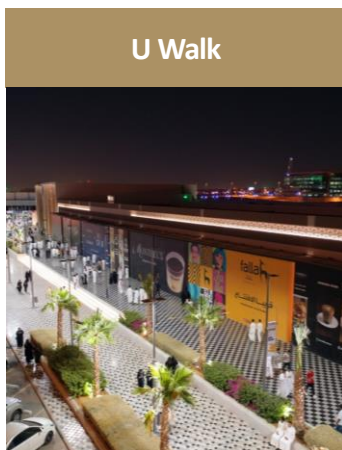
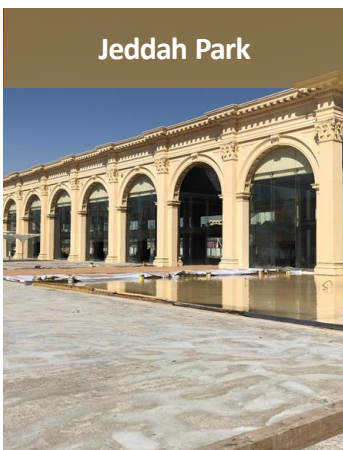




Near-Term Pipeline

Total
c.309k sqm
GLA Addition

c.62%
Pre-let as of December 2019



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%	96% ⁽¹⁾	80% ⁽¹⁾	55%	50%
% Completion(2)	75%	100%	100%	75%	70%
Target Opening Date	August 2020*	September 2019	September 2019	April 2020*	August 2020*
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

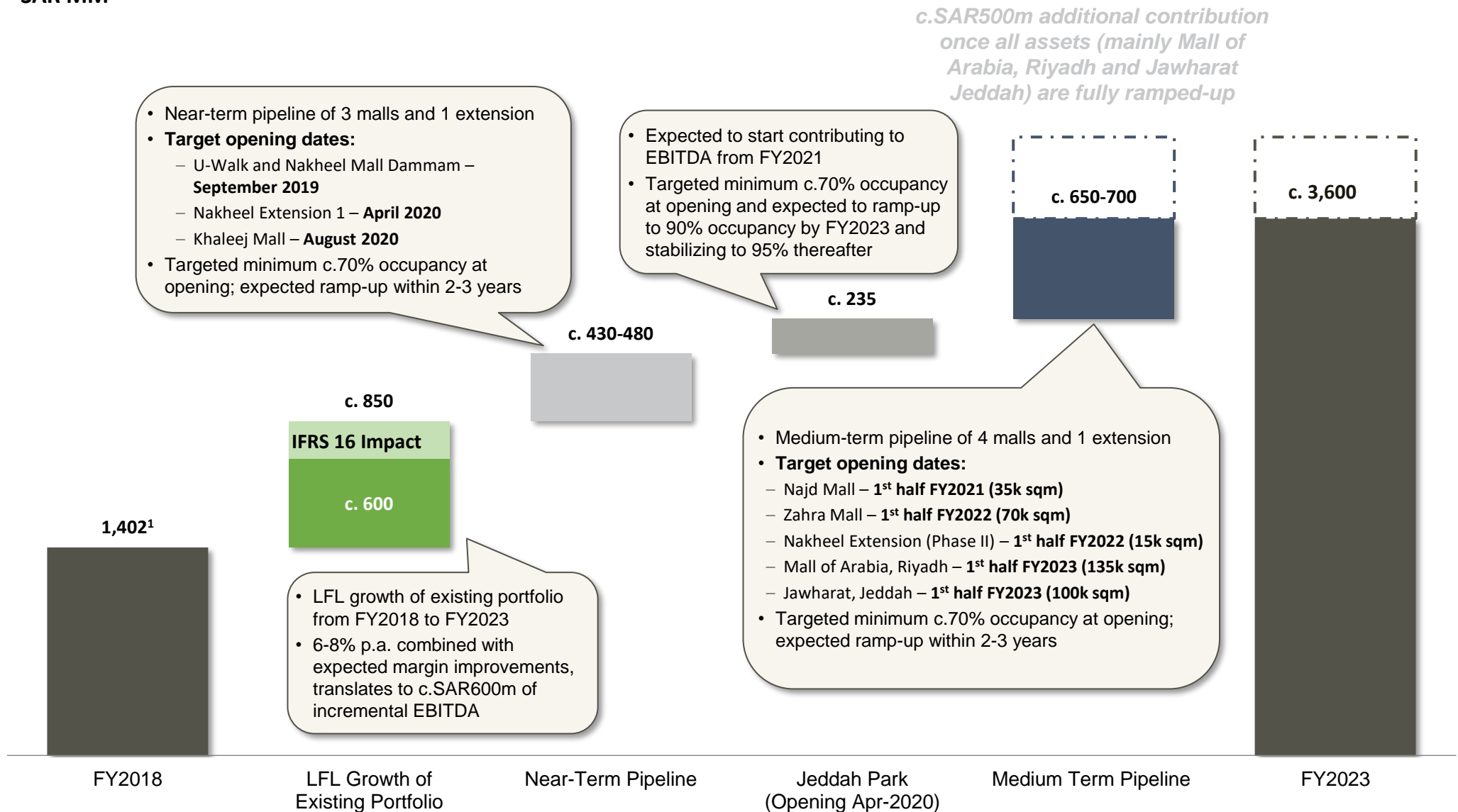
3) Expected Yield on Cost is derived on the basis of stabilized expected EBITDA (Net of lease expense for leasehold) divided by Total Development Cost (including land for freehold) where Total Development Cost defined as the capital expenditure incurred and the land cost

* Jeddah Park delayed from April 2020 due to uncompleted construction works from the landlord side, while Nakheel Extension1 delayed from January 2020 due to area re-adjustment for the Cinema theaters, and Khaleej Mall delayed from December 2019 due to further re-design of the first floor's façade adjacent to a new megaproject



ACC Growth Trajectory: Illustrative FY2023 EBITDA Build-Up

SAR MM



All financial years are ending 31 March – All data are post IFRS 16 (i.e. Pre-land lease cost) except FY2018

¹ Based on SOCPA



Appendices





Our Malls

				GLA (sqm)				Company Revenue Contribution (%)			
	Mall	City	Lease Expiry	Year Opened	9M-FY20	FY19	BUA (sqm)	Occupancy	FY18	FY19	9M-FY20
Super-Regional											
1)	Mall of Dhahran	Dammam	Feb 2025	2005	158,820	160,695	220,550	93.6%	15.90%	15.80%	15.01%
2)	Salam Mall	Jeddah	July 2032	2012	121,589	121,333	212,825	87.7%	8.80%	8.60%	8.63%
3)	Mall of Arabia	Jeddah	Freehold	2008	113,321	111,268	247,848	94.8%	12.80%	12.70%	12.85%
Regional											
4)	Aziz Mall	Jeddah	Nov 2046	2005	73,253	72,279	93,310	98.2%	7.20%	7.10%	6.34%
5)	Noor Mall	Madinah	Freehold	2008	67,119	67,047	93,917	95.1%	6.10%	6.20%	6.24%
6)	Nakheel Mall	Riyadh	July 2034	2014	56,475	56,166	98,000	95.8%	7.80%	8.7%	8.82%
7)	Yasmin Mall	Jeddah	Nov 2034	2016	54,727	54,510	101,672	96.0%	5.90%	6.1%	6.36%
8)	Hamra Mall	Riyadh	Freehold	2016	56,034	56,516	77,969	93.1%	5.00%	5.20%	5.45%
9)	Ahsa Mall	Hofuf	Freehold	2010	49,008	53,117	65,800	83.5%	2.50%	2.40%	2.00%
10)	Salaam Mall	Riyadh	Freehold	2005	48,799	50,043	67,421	99.7%	3.00%	3.20%	3.11%
11)	Jouri Mall	Taif	Mar 2035	2015	48,382	48,290	92,663	97.2%	4.70%	4.70%	5.03%
12)	Khurais Mall	Riyadh	Jan 2022	2004	41,618	41,618	60,230	91.4%	2.90%	2.60%	2.37%
13)	Makkah Mall	Makkah	Freehold	2011	37,514	37,623	56,720	92.1%	7.10%	7.20%	6.99%
14)	Nakheel Mall Dammam*	Dammam	Freehold	2019	61,439	-	92,229	80.0%	-	-	1.23%
15)	U-Walk**	Riyadh	July 2046	2019	61,143	-	68,254	96.0%	-	-	0.67%
Community											
16)	Nakheel Plaza	Qassim	Dec 2029	2004	47,921	49,317	48,985	84.7%	1.90%	2.3%	1.92%
17)	Haifa Mall	Jeddah	Apr 2032	2011	33,640	32,881	50,161	82.3%	3.30%	3.00%	2.78%
18)	Tala Mall	Riyadh	Apr 2029	2014	22,644	22,835	46,292	84.1%	1.90%	1.80%	1.73%
19)	Jubail Mall	Jubail	Freehold	2015	22,679	21,196	37,366	80.3%	1.80%	1.40%	1.50%
20)	Salma Mall	Hail	Mar 2022	2014	16,959	16,959	22,378	88.9%	0.90%	0.80%	0.73%
21)	Sahara Plaza	Riyadh	Freehold	2002	12,217	12,217	28,364	100.0%	0.20%	0.00%	0.23%
Total***					1,205,301	1,085,910	1,882,954	93.7%	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	9M-FY19 IFRS	9M-FY20 IFRS	Y-o-Y Growth
Net Rental Revenue	1,974,913,970	1,473,324,124	1,541,782,450	4.6%
Media Sales	66,027,217	45,850,678	51,214,858	11.7%
Utilities Revenue	135,458,493	100,811,092	96,170,442	-4.6%
Total Revenue	2,176,399,680	1,619,985,894	1,689,167,751	4.3%
Cost of revenue	-521,177,627	-405,564,306	-246,178,868	-39.3%
Depreciation of investment properties	-256,916,024	-191,149,099	-203,774,640	6.6%
Depreciation of right-of-use of assets	-	-	-118,385,695	N/A
Write-off of investment properties	-4,397,441	-	-	N/A
GROSS PROFIT	1,393,908,588	1,023,272,489	1,120,828,547	9.5%
<i>Gross Profit Margin</i>	<i>64.0%</i>	<i>63.2%</i>	<i>66.4%</i>	<i>3.2%</i>
Other income	10,697,190	6,842,642	6,469,156	-5.5%
Other expense	-6,821,779	-6,336,740	-30,218	-99.5%
Impairment loss on accounts receivable	-43,524,466	-4,947,142	-4,970,011	0.5%
Advertisement and promotion	-5,642,340	-53,202,227	-57,807,584	8.7%
General and administration	-171,821,914	-125,064,219	-135,915,078	8.7%
INCOME FROM MAIN OPERATIONS	1,176,795,279	840,564,803	928,574,812	10.5%
Share in net income of an associate	11,569,399	8,116,700	12,558,086	54.7%
Financial charges	-439,540,747	-361,806,126	-288,713,479	-20.2%
Interest expense on lease liabilities	-	-	-82,960,272	N/A
INCOME BEFORE ZAKAT	748,823,931	486,875,377	569,459,148	17.0%
Zakat	55,276,825	61,787,709	-23,699,533	-138.4%
NET INCOME FOR THE YEAR	804,100,756	548,663,086	545,759,615	-0.5%
Profit for the year attributable to:				
Owners of the Company	789,599,943	538,399,739	535,945,344	
Non-controlling interests	14,500,813	10,263,347	9,814,271	
	804,100,756	548,663,086	545,759,614	
Earnings per share:				
Basic and diluted earnings per share	1.77	1.15	1.14	
EBITDA	1,480,688,650	1,064,309,428	1,290,220,813	21.2%
<i>EBITDA Margin</i>	<i>68.0%</i>	<i>65.7%</i>	<i>76.4%</i>	<i>10.7%</i>
EBITDAR	-	1,238,855,975	1,290,220,813	4.1%
<i>EBITDAR Margin</i>	<i>-</i>	<i>76.5%</i>	<i>76.4%</i>	<i>-0.1%</i>
FFO	1,086,321,356	764,291,011	773,568,901	1.2%
<i>FFO Margin</i>	<i>49.9%</i>	<i>47.2%</i>	<i>45.8%</i>	<i>-1.4%</i>



Cost Breakdown

(SAR)	FY19 IFRS	9M-FY19 IFRS	9M-FY20 IFRS	Y-o-Y Growth
Rental expense	224,498,516	171,440,405	-	N/A
Utilities expense	109,791,055	90,006,785	92,785,891	3.09%
Security expense	56,082,002	44,885,986	45,354,075	1.04%
Cleaning expense	56,899,719	44,091,020	41,674,371	-5.48%
Repairs and maintenance	43,171,770	32,314,877	40,849,805	26.41%
Employees' salaries and other benefits	30,734,565	22,825,233	24,933,448	9.24%
Other expenses	-	-	581,281	N/A
Cost of Revenue	521,177,627	405,564,306	246,178,868	-39.30%
<i>As % of Revenue</i>	<i>23.95%</i>	<i>25.04%</i>	<i>14.57%</i>	
Depreciation of Inv. Properties	256,916,024	191,149,099	203,774,640	6.61%
Employee salaries and benefits	66,132,681	45,733,252	72,237,160	57.95%
Communication	12,889,776	9,209,960	9,125,034	-0.92%
Professional fees	9,654,787	7,981,339	10,186,466	27.63%
Insurance	8,325,811	6,345,610	5,263,371	-17.05%
Government expenses	28,654,751	24,765,666	5,948,497	-75.98%
Lease rent	3,862,277	3,106,142	-	N/A
Maintenance	194,867	194,867	92,972	-52.29%
Amortization of right-of-use asset	-	-	2,892,933	N/A
Board expenses	-	-	1,630,000	N/A
Others	6,699,016	3,248,557	4,503,999	38.65%
G&A(1)	136,413,966	100,585,393	111,880,432	11.23%
Depreciation – P&E	35,407,948	24,478,826	24,034,646	-1.81%
Write-off of receivables	-	53,202,227	57,574,508	8.22%
Opex				
Total Cost (ex. Depreciation)				
<i>As % of Revenue</i>	<i>30.2%</i>	<i>34.5%</i>	<i>24.6%</i>	<i>-9.9 pts</i>
Depreciation (IP and PP&E)				
<i>As % of Revenue</i>	<i>13.4%</i>	<i>13.3%</i>	<i>13.5%</i>	<i>0.2pts</i>

Source: Company Audited Financials, Company Information



Balance Sheet

Source: Company Audited Financials, Company Information

(SAR)	FY19 IFRS	9M-FY20 IFRS
Assets		
Cash and cash equivalents	457,670,983	177,664,751
Accounts receivable	299,245,146	303,004,559
Amounts due from related parties	567,558,035	633,392,536
Advances to a contractor, related party	499,595,478	531,623,936
Prepayments and other current assets	96,244,969	137,597,436
Accrued revenue (rentals)	30,191,211	25,416,944
Total Current Assets	1,950,505,822	1,808,700,162
Amounts due from related parties	-	-
Advances to a contractor, related party – non-current portion	105,318,598	105,318,598
Prepaid rent – non-current portion	-	-
Accrued revenue (rentals) – non-current portion	60,382,421	50,833,889
Investment in an equity-accounted investee	42,238,721	49,796,807
Other investments	108,708,763	105,960,375
Right-of-use assets	-	3,636,662,818
Investment properties	10,983,848,465	11,231,440,641
Property and equipment	114,773,889	99,063,762
Total Non-current Assets	11,415,270,857	15,279,076,890
Total Assets	13,365,776,679	17,087,777,052
Liabilities		
Current portion of long-term loans	501,875,532	45,000,000
Lease liability on right-of-use assets – current portion	-	559,432,078
Accounts payable	217,760,402	204,044,188
Amounts due to related parties	22,499,022	19,781,134
Unearned revenue	305,506,061	209,227,660
Accrued lease rentals	11,480,894	-
Accruals and other current liabilities	326,082,270	148,807,245
Zakat payable	82,457,716	82,202,258
Total Current Liabilities	1,467,661,897	1,268,494,563
Long-term loans	6,239,159,152	6,222,620,673
Liabilities under finance lease	-	3,629,394,157
Accrued lease rentals – non-current portion	515,366,044	-
Employees' end-of-service benefits	31,744,170	31,168,096
Other non-current liabilities	47,085,296	51,602,513
Total Non-current Liabilities	6,833,354,662	9,934,785,439
Total Liabilities	8,301,016,559	11,203,280,002
Total Equity	5,064,760,120	5,884,497,050
Total Liabilities and Equity	13,365,776,679	17,087,777,052



Thank You

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