

Al Akaria Q4 2023 Earnings Presentation

13 March 2024



@AlakariaSA



تاريخها يكي
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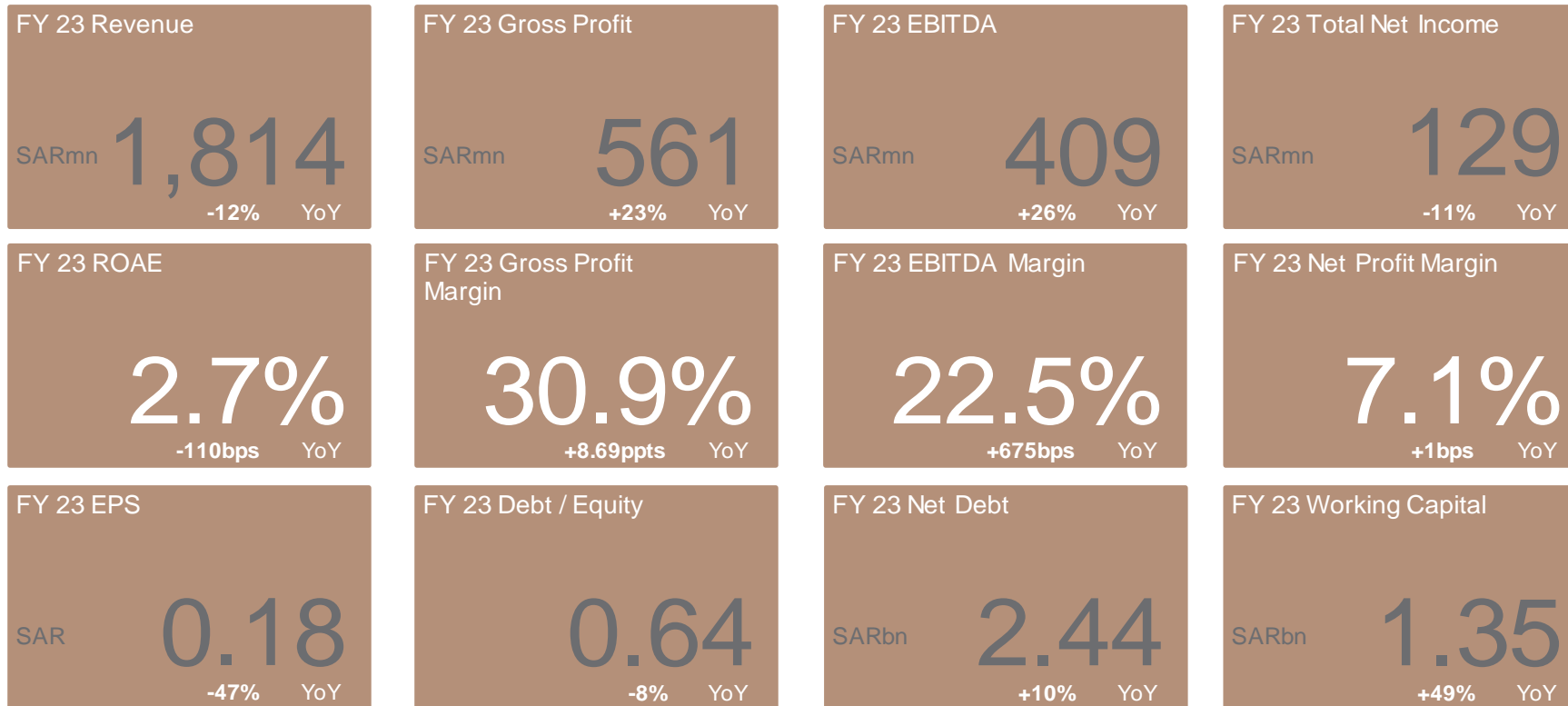


Financial Performance

Earnings Presentation

Financial Performance – Summary

Net income in 2023 was impacted by higher financial charges and Tamear losses

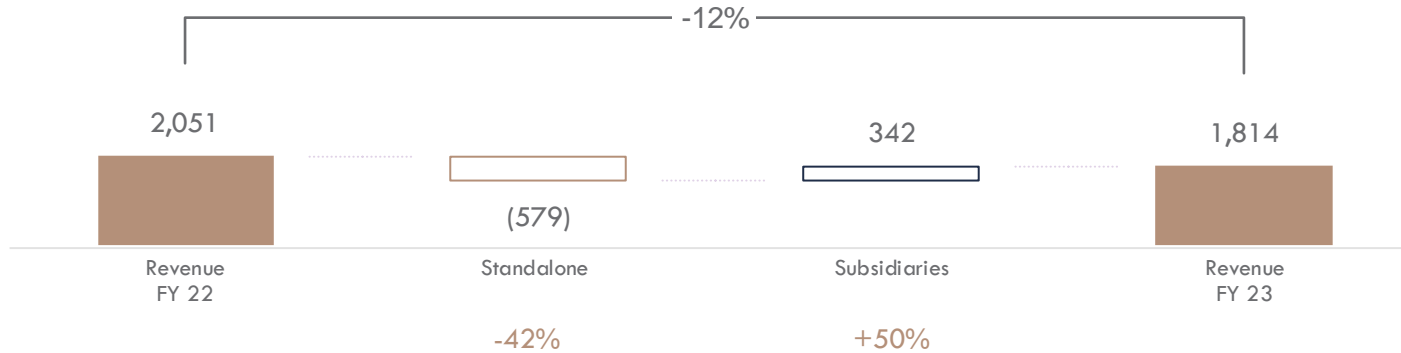




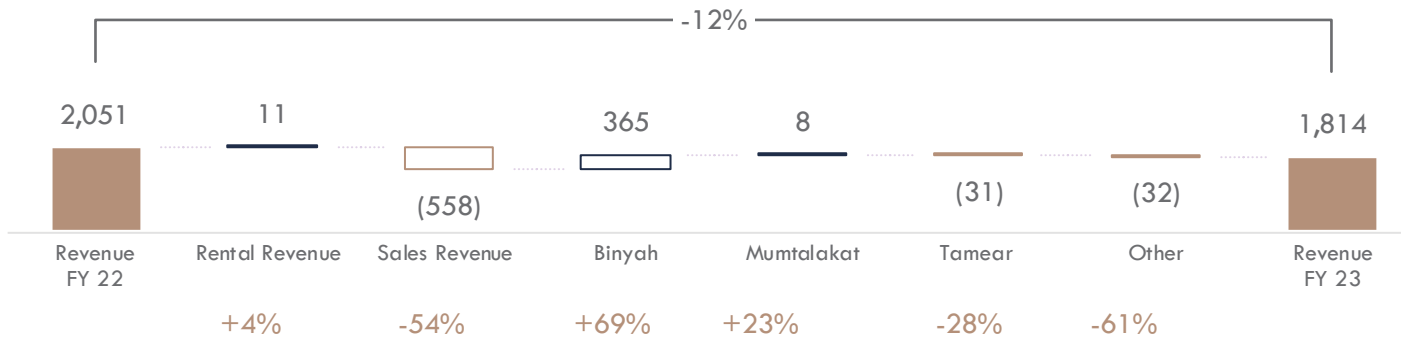
Financial Performance – Revenue

2023 Revenue decreased by 12% YoY, due to a decline in sales revenue and Tamear's performance

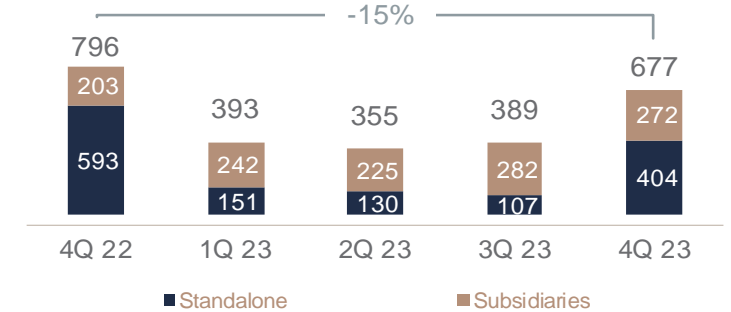
Revenue Movement YoY (SARmn)



Revenue Movement YoY by Segments (SARmn)



Total Revenue (SARmn)

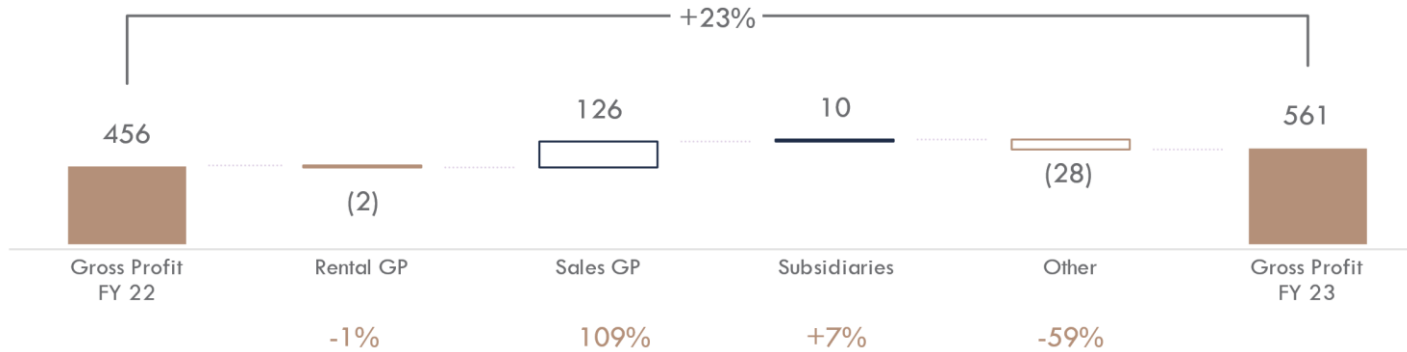


- Revenue decreased by 15% in 4Q 2023, mainly due to Al-Dahia project sales that were mainly completed in 2022, in addition to a 38% decrease in Al Akaria Park Sales.
- 2023 Revenue decreased by 12% YoY. This was mainly due to Al-Dahia project, which was primarily recognized in 2022 in addition to 6% lower sales in Alakaria Park
- Subsidiary's performance in 2023 increased by 50% YoY. Binyah primarily drove this growth, partially offset by Tamear's underperformance.
- Rental revenue was higher by 4% Year over Year due to increased rental prices during 2023, as contracts were renewed during the year with higher prices.

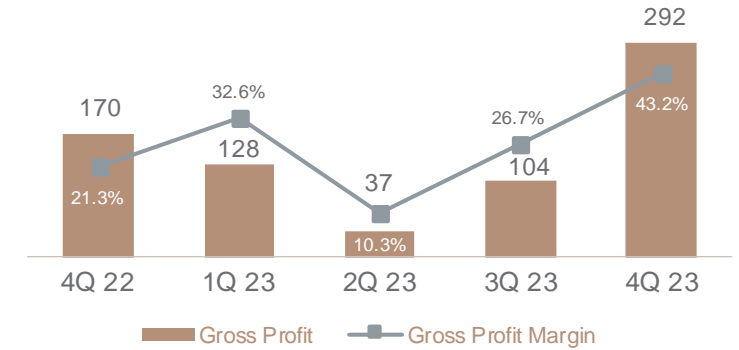
Financial Performance – Gross Profit and EBITDA

In 2023, margins improved YoY due to Alakaria Park higher margins compared to Al-Dahia in 2022

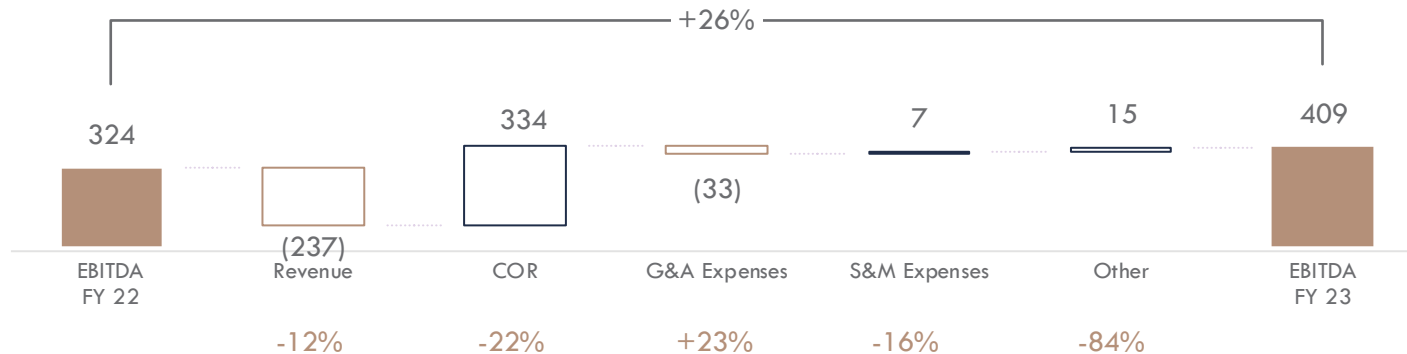
Gross Profit Movement YoY (SARmn)



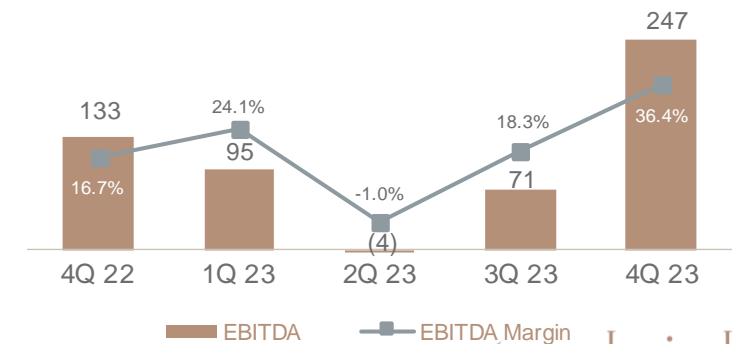
Gross Profit Trend (SARmn)



EBITDA Movement YoY (SARmn)



EBITDA Trend (SARmn)

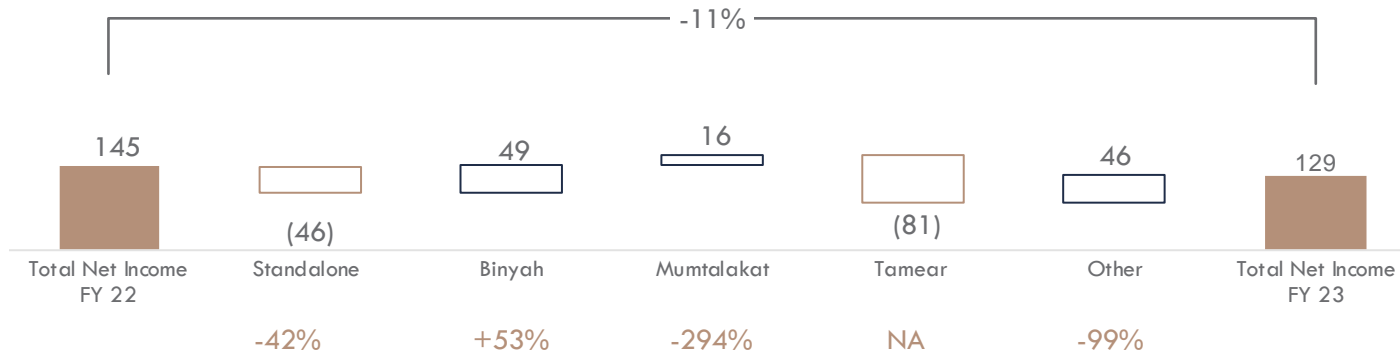




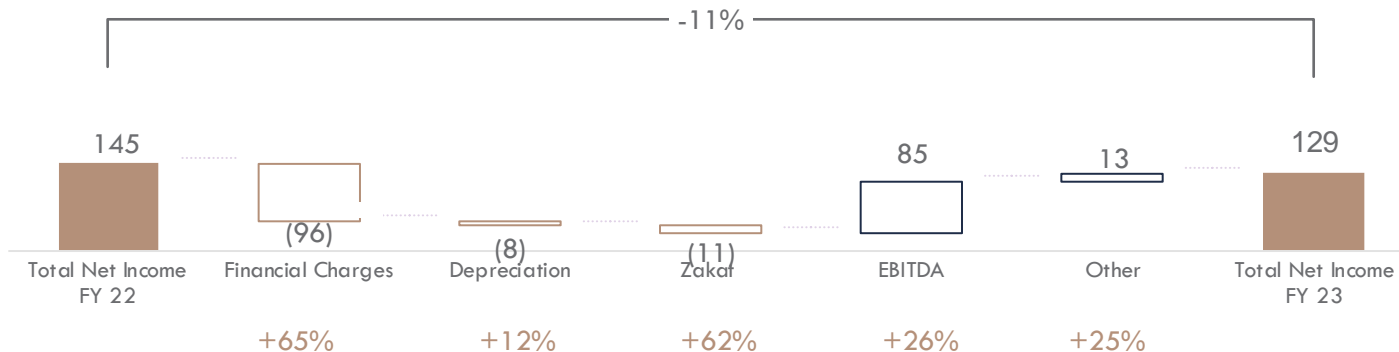
Financial Performance – Net Income

Net profit in 2023 decreased by 11% due to increase in financial charges and Tamear losses

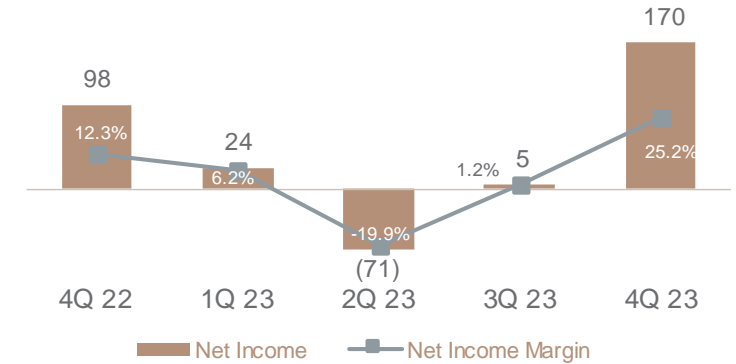
Total Net Income Movement YoY (SARmn)



Total Net Income Movement YoY (SARmn)



Net Income Trend (SARmn)



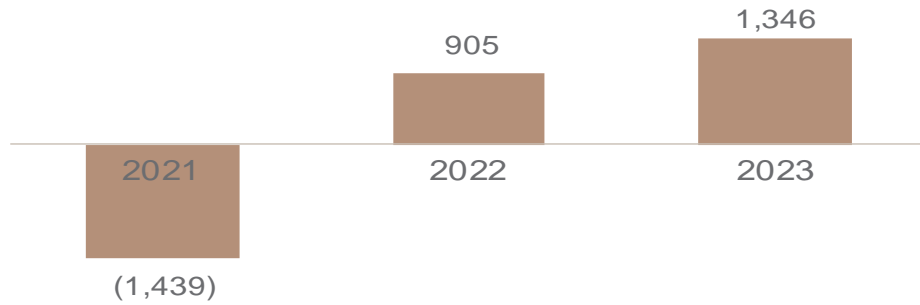
- Net profit in 2023 decreased by 11% due to an increase in financial charges by 65% and Tamear losses.
- The increase in Financial charges is driven by the rise in interest rates in 2023 compared to 2022.
- Tamear experienced losses in one of its major projects in addition to an increase in provisions by SAR 21mn.
- Other income increased by 25% YoY, mainly due to time deposits income.



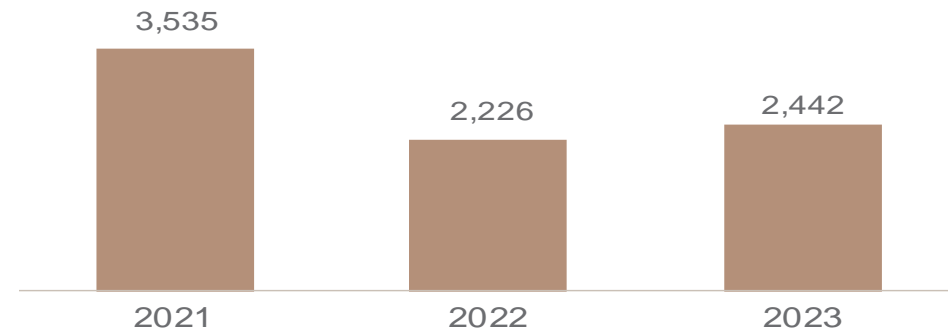
Financial Performance –liquidity & leverage

Alakaria has maintained healthy levels of liquidity and leverage in 2023

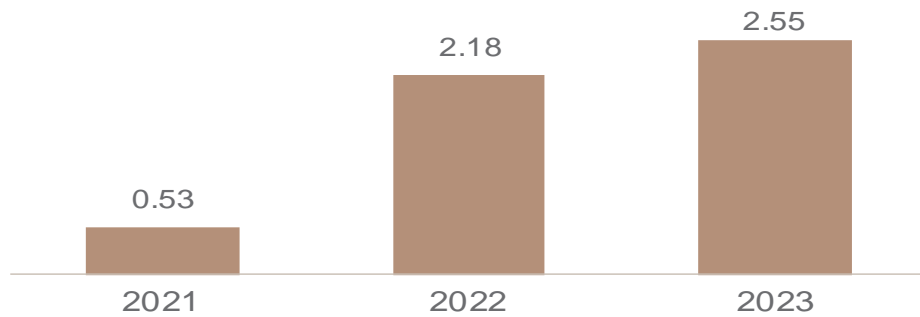
Working Capital (SARmn)



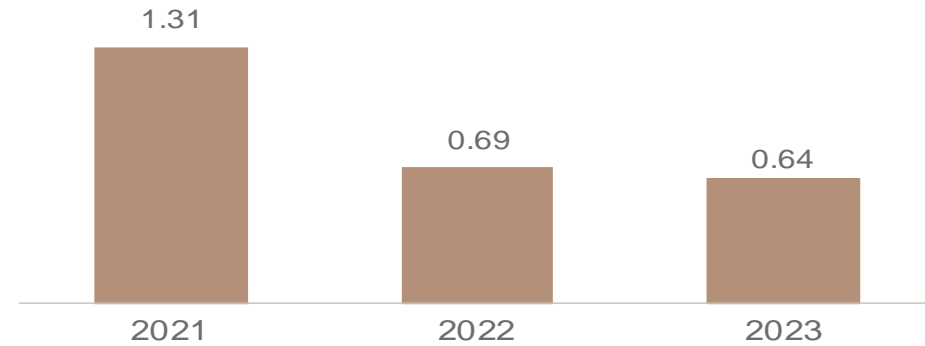
Net Debt (SARmn)



Current Ratio (SARmn)



Debt / Equity





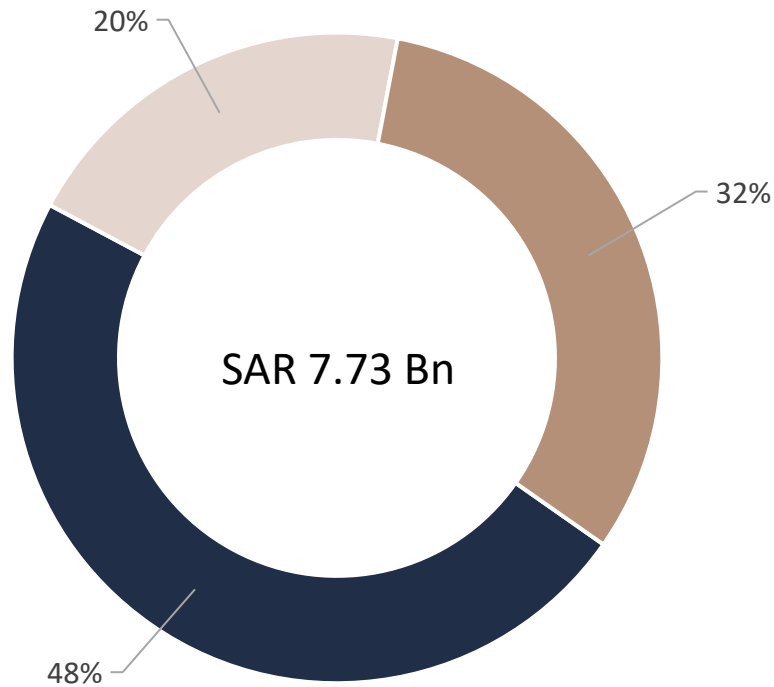
Projects overview

Earnings Presentation

Projects Capex and source of funds

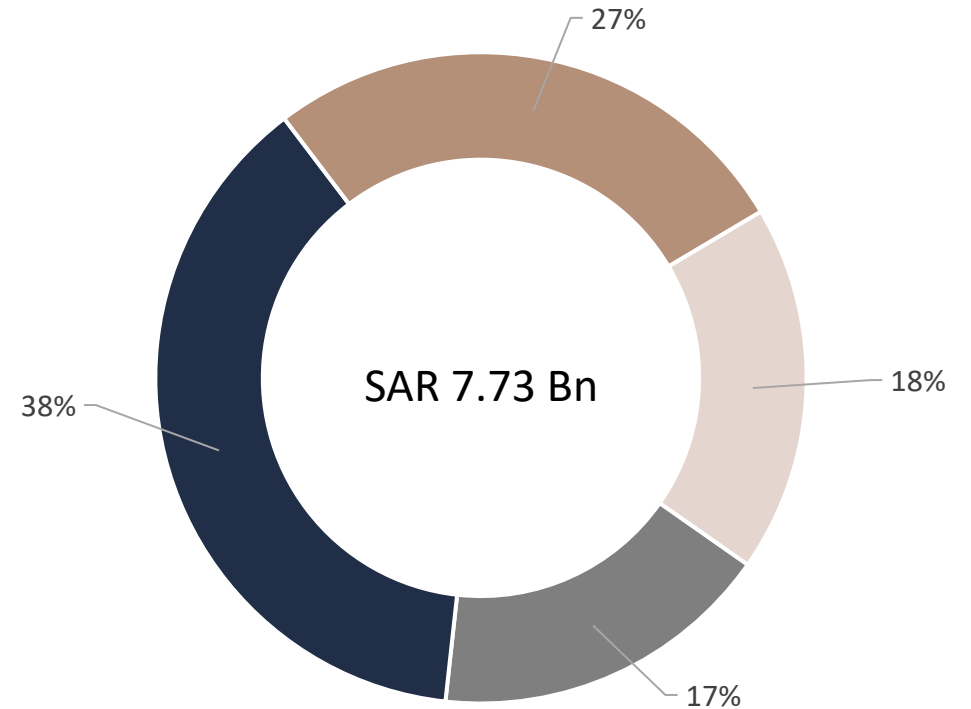
Total Capex of SAR 7.73 bn with a funding mix of Equity, debt and IGF

Capex



■ PUDs
 ■ Projects Under Planning
 ■ Upcoming Projects

Source of funds



■ Equity (In-Kind)
 ■ Equity (Cash)
 ■ Debt
 ■ IGF



Projects Under Development (PUDs)

Earnings Presentation



PUDs - Al-Akaria Park (Freehold) – Riyadh



Project Summary

Alkaria Park Masterplan is located in East of Riyadh. featuring 2,926 villa plots, 33 apartment plots and 46 commercial plots.

839m
Total Capex*

1.3bn
Total Project Value

1,913,400 Sqm
Land Area

1,214,763 Sqm
Gross Sellable Area

Project Timeline

2022 → 2024

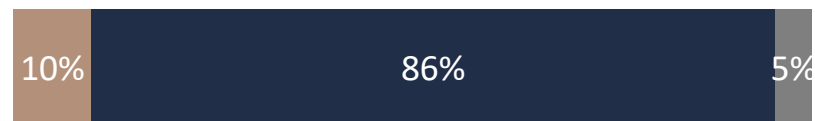
Status

~ 90% of the work for main infrastructure contract is already completed

2,438
No. of Sold Contract

SAR 1.1BN
Value of sold Contract

Sellable Land Area Mix



Commercial Villa Apartment

PUDs - Al-Reef Residential Community (Leasehold) – Riyadh



Project Summary

Al-Reef project is the first self-integrated residential community in the Diplomatic Quarter offering various housing solutions, including 64 villas and duplexes and 176 apartments supported with state-of-art communal facilities.

39,010 Sqm

Land Area

47,581 Sqm

Gross Floor Area

Project Timeline

2022 → 2026

Status

Under construction

GFA Mix



■ Villas ■ Apartments ■ Retail



PUDs - Porta Jeddah Mixed-use Destination (Leasehold) – Jeddah



Project Summary

Porta Jeddah leisure & work destination will feature 238 keys lifestyle hotel & serviced apartments in addition to retail/dinning/entertainment components with GFA of 22,091 sqm & Grade A office space occupying 26,928 sqm

47,971 Sqm

Land Area

75,964 Sqm

Gross Floor Area

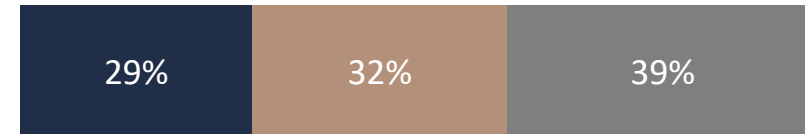
Project Timeline

2023 → 2026

Status

Detailed design, Tendering and Enabling package

GFA Mix



■ Hotel ■ Retail ■ Office

PUDs - Fai Sedra (1) Residential Project (Freehold) - Riyadh



Project Summary

Fai Sedra (1) is a residential scheme located within Sedra Masterplan Phase 1 offering 138 villa units with a design inspired by the Salmani Architecture

434m
Total Capex*

475m
Total Project Value

44,368 Sqm

54,708 Sqm

Land Area

Gross Floor Area

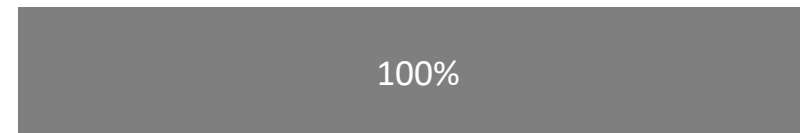
Project Timeline

2023 → 2025

Status

Under construction

GFA Mix



■ Villa

PUDs - Fai Sedra (2) Residential Project (Freehold) - Riyadh



Project Summary

Fai Sedra (2) is a residential scheme located within Sedra Masterplan Phase 2 offering 290 villa units with a design inspired by the Salmani Architecture

854m
Total Capex*

972m
Total Project Value

92,450 Sqm

111,013 Sqm

Land Area

Gross Floor Area

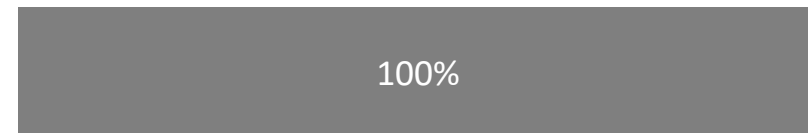
Project Timeline

2023 → 2025

Status

Design Stage, Infrastructure Works In- Progress

GFA Mix



■ Villa



Projects Under Planning (PUPs)

Earnings Presentation



PUPs - L'Avenir Mixed-use Destination (Leasehold) – Riyadh



Project Summary

L'Avenir is a leisure and work destination that will feature lifestyle hotel offering 252 keys in addition to retail/ dining/ entertainment with GFA of 13,478 sqm and co-working space occupying 1,755 sqm

25,500 Sqm

Land Area

36,436 Sqm

Gross Floor Area

Project Timeline

2024 → 2028

Status

Design Stage

GFA Mix



■ Hotel ■ Business Center ■ Retail



PUPs - Vyda Residential Project (Freehold) Riyadh



Project Summary

Vyda is a residential scheme located within Akaria Park Masterplan offering 280 villa units. The project is a joint venture (JV) between Al-Akaria and Al-Tahaluf

88,492 Sqm

Land Area

119,849 Sqm

Gross Floor Area

Project Timeline

2023 → 2025

Status

Design Stage

GFA Mix

100%

■ Villa



PUPs - Tilal Commercial Centre (Leasehold) - Riyadh



Project Summary

Flamingo Lifestyle Centre is an Outdoor Lifestyle Center features a Cluster of F&B, Retail shops & Wellness center: 9,509 sqm of GFA and office space occupying 8,935 sqm

21,561 Sqm

Land Area

18,791 Sqm

Gross Floor Area

Project Timeline

2023 → 2026

Status

Design Stage

GFA Mix



■ Retail ■ Office



Upcoming Pipeline Projects

Earnings Presentation



Upcoming Projects - Narjes Business Park (Leasehold) - Riyadh



Project Summary

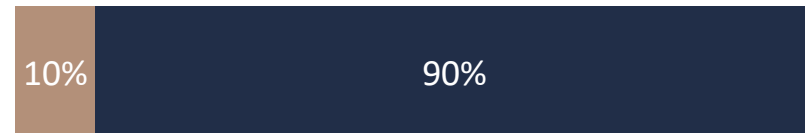
Narjes business park will feature low-rise office buildings with GFA of 39,197 sqm and a cluster of F&B and retail shops offering 4,352 sqm of GFA

40,000 Sqm
Land Area

44,699 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Retail ■ Office



Upcoming Projects - Al-Akaria (1) Mixed-Use (Leasehold) –Riyadh



Project Summary

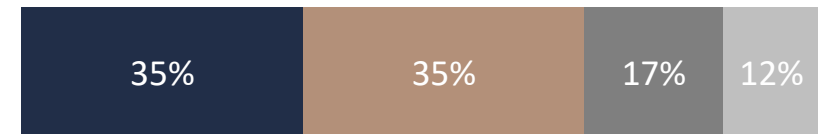
Al-Akaria (1) is a transit-oriented development (TOD) offering 214 keys internationally branded hotel and a promenade featuring 17,350 sqm of F&B and retail GFA alongside 35,000 sqm of collaborative office space and 389 apartment units

30,215 Sqm
Land Area

100,583 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Apartment ■ Office ■ Retail ■ Hotel



Upcoming Projects - Sitteen Vertical Residential (Leasehold) - Riyadh



Project Summary

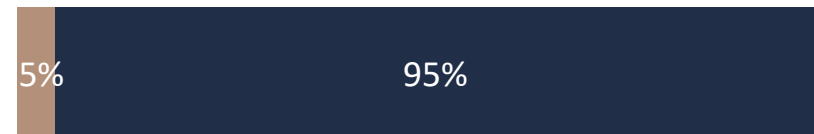
Sitteen project is the vertical residential community offering various size of apartment unit including 320 apartments supported with state-of-art communal facilities and retail shops occupying 1,548 sqm on the ground floor

9,857 Sqm
Land Area

33,268 Sqm
Gross Floor Area

Status
Design Stage

GFA Mix



■ Retail ■ Apartments



Upcoming Projects - Madinah Faraud Land (Freehold) - Riyadh



Project Summary

Al-Akaria owns a sizable land located along King Khalid Road adjacent to Al-Hadra district towards the east of Madinah Munawarah. The company is contemplating to develop the subject site into serviced plots to offer for sale. The masterplan features 68 villa plots, 8 commercial plots, and a kindergarten school plot.

65m
Total Capex*

81m
Total Project Value

63,495 Sqm
Land Area

44,295 Sqm
Net Sellable Area

Status

Masterplan Design Stage

GFA Mix



■ Villa ■ Commercial ■ School

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Subsidiaries

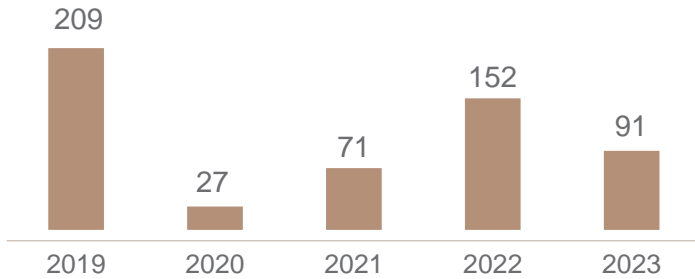
Earnings Presentation



Subsidiaries – Tamear

Over the last five years, Tamear has won projects but has struggled with successful delivery.

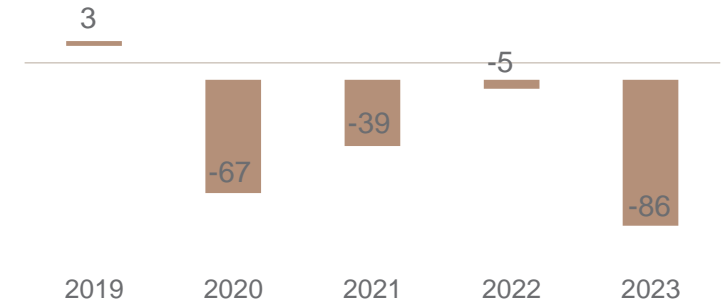
Revenue (SARmn)



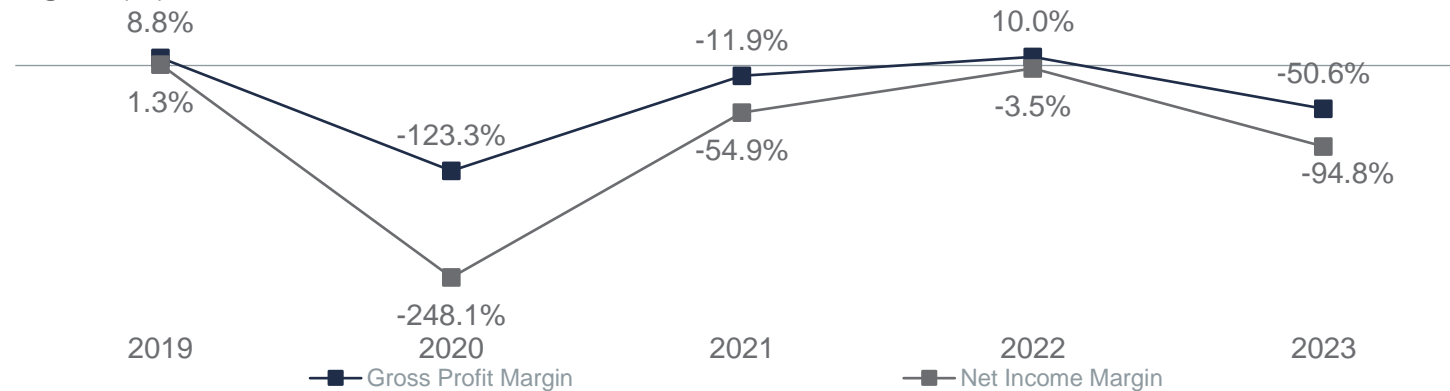
Gross Profit (SARmn)



Net Income (SARmn)



Margins (%)

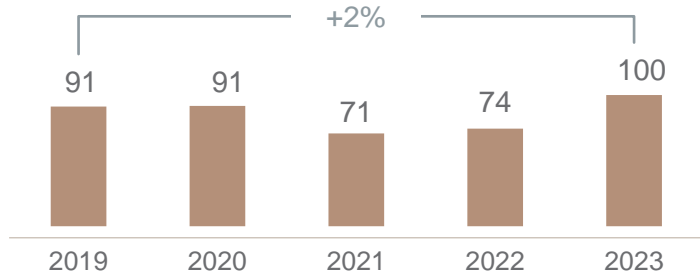


- Despite securing projects over the past five years, Tamear has been unable to turn a profit from them.
- Alakaira has decided to make structural changes to Tamear in 2023 to improve performance going forward.
- A full balance sheet clean-up was performed in 2023 with a provisions of SAR 21mn and fully recognized loss from Al-Mashreqia.
- As of December 2023, Tamear's Backlog stands at SAR 333mn.

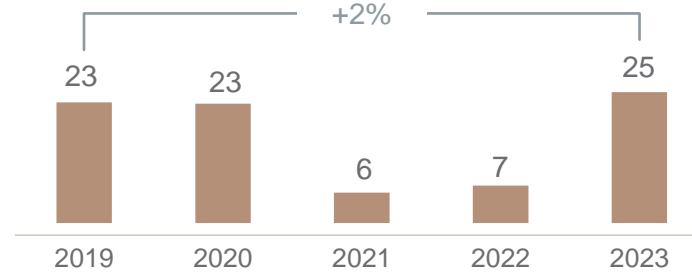
Subsidiaries – Mumtlakat

Mumtalakat has maintained a sustainable revenue generation over the past 5 years with a CAGR of 2%

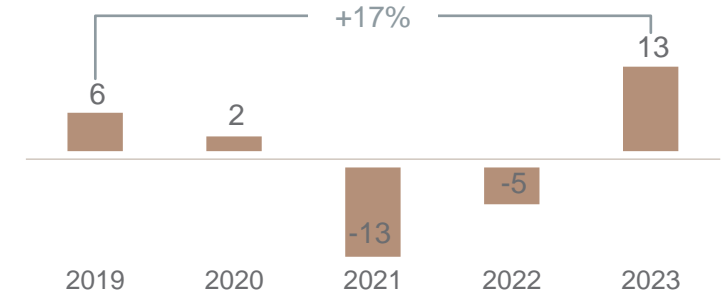
Revenue (SARmn)



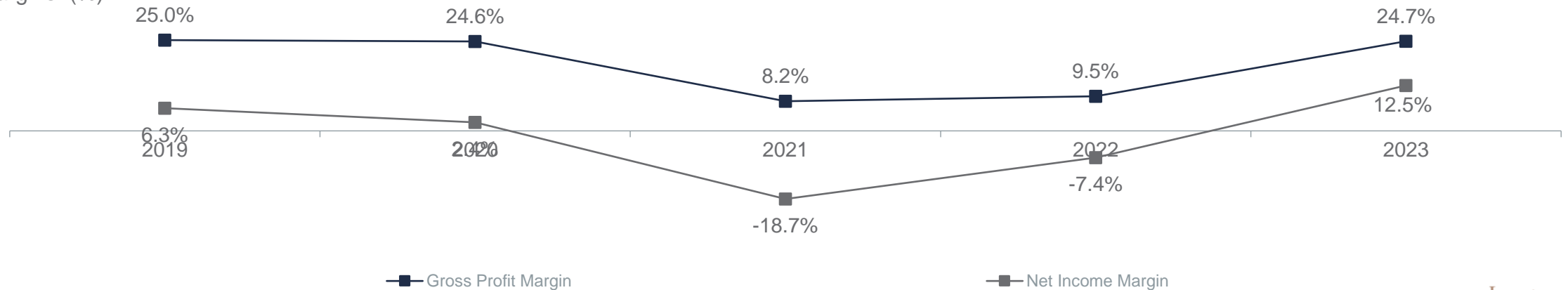
Gross Profit (SARmn)



Net Income (SARmn)



Margins (%)

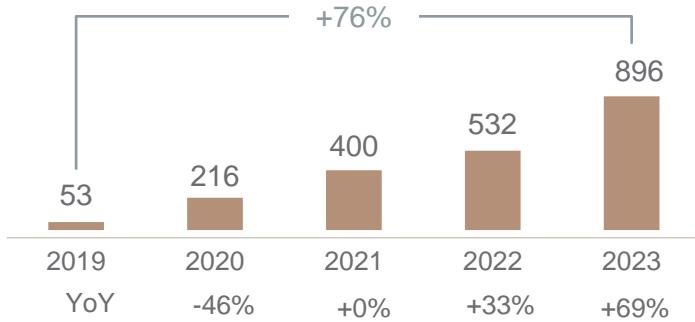




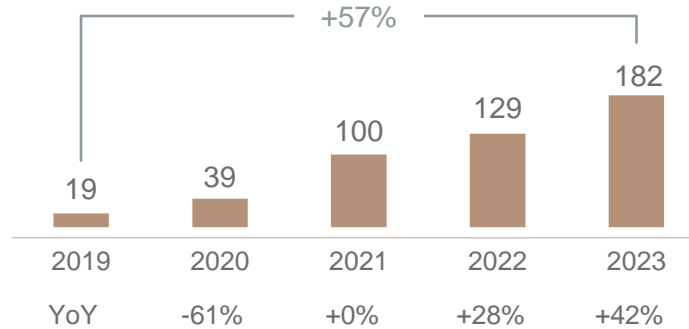
Subsidiaries – Binyah

2023 Revenue Increased by 69% YoY, translated to 53.2% YoY increase in net income

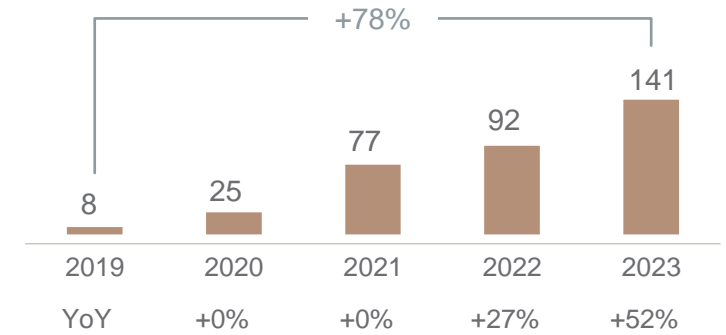
Revenue (SARmn)



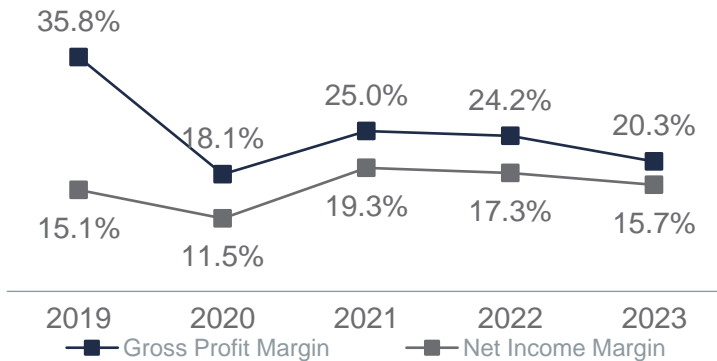
Gross Profit (SARmn)



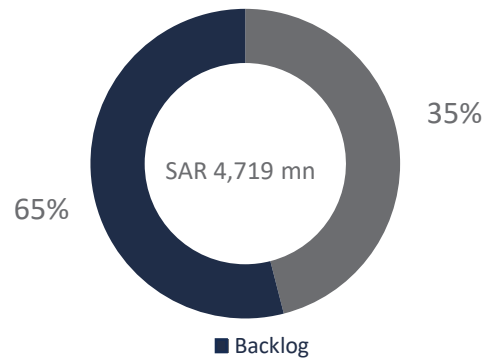
Net Income (SARmn)



Margins (%)



Backlog (%)



- Binyah has achieved a compound annual growth rate of 61% in the past four years, primarily due to its collaboration with PIF on GIGA/Mega Projects. In 2023, Revenue grew by 69% YoY as a result of a growth in sales revenue and Binyah's performance
- In 2023 Binyah recorded a 34% growth in the volume of projects compared to the previous year.
- 2023 Backlog equal to SAR 3,067mn

Projects summary

Metro Box Retaining Structure – DGCL



Design & construction of Metro -box retaining structures in three areas: South, North & Central

2023 → 2025

Project Value
SAR 722 MN

Excavation of Car Parks A & B - Dirayah



Excavation of two car parks, namely Carpark - A and Carpark - B

2023 → 2025

Project Value
SAR 532 MN

DG II Enabling works - DGCL



Site preparation, earthworks & associated works.

2022 → 2024

Project Value
SAR 373 MN

Constructing of MISK City Infra structure Package - MISK



Roads , Wet utilities, RO, district cooling network and low -pressure gas network

2022 → 2024

Project Value
SAR 276 MN

Projects summary

Triple Bay North Interchange RSG

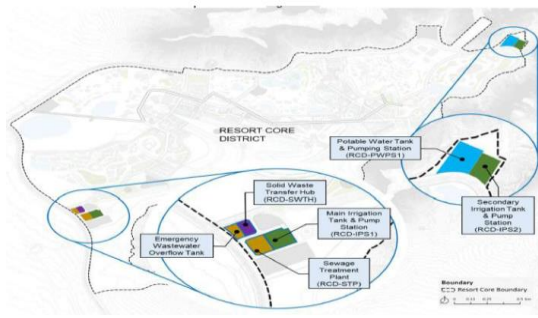


Concrete bridge, earth works, road works, street lighting,

2023 → 2023

Project Value
SAR 101 MN

Resort Core Bulk Utilities Pkg 4 - QIC



Sewage treatment plant, irrigation water storage tanks & pump station, solid waste transfer hub

2023 → 2025

Project Value
SAR 405 MN

Resort Core District Primary & Secondary Roads, bridges - QIC



Primary & secondary roads, utilities networks, utility culverts, pedestrian bridges

2023 → 2025

Project Value
SAR 1,639 MN

Site Hoarding Works, & chain link fencing startup site - NMDC



Design, supply & installation of branded hoarding & installation of chain link fence

2023 → 2024

Project Value
SAR 109 MN



Appendix

Earnings Presentation



About Alakaria

Earnings Presentation



About Al Akaria – Why Al Akaria

“With Our **extensive** experience, **strategic** land bank locations, **diversified** revenue stream, **strong** ownership structure, and a **comprehensive** range of subsidiaries that help us cover the entire real estate value chain, we are well-positioned for significant growth. Our ability to leverage these resources provides a unique and compelling investment opportunity in KSA real estate industry.”

1

Our **Extensive** experience of being a pioneer in the market for 40 years, enables us to identify and capitalize on investment opportunities

2

Our **Strategic** land bank locations are carefully selected to ensure maximum growth and value creation potential

3

Our **Diversified** revenue stream between rental, sales and subsidiaries activities provides the company with a solid foundation and opportunities for growth

4

Our **Strong** ownership structure, with a majority owned by the public investment fund (PIF) the promoter of the 2030 Vision

5

Our **Comprehensive** range of subsidiaries helps us cover the entire real estate value chain, allowing us to benefit from the entire chain.



Restricted lands

Earnings Presentation



Restricted land– Al Widyan

About Al Widyan
Land

Total Land Area

Sqm 7.0mn

Carrying Value*

SAR 2.6bn

Market Value

SAR >6.4bn

As of Dec 2023

Land Summary

- Al Akaria invested in the land for Al Widyan project.
- Al Akaria was informed by the government that the land is located in an area currently under study by relevant government agencies for development
- This may cause a fundamental change in the original project (Al Widyan).
- The impact is still uncertain and depends on the development plan by the relevant government agencies

Update as of today

Al Akaria management is discussing how this land will be treated with related government agencies.



Not available for use lands

About the lands

Total Land Area

Sqm 10.2m

Carrying Value*

SAR 438mn

Market Value

SAR 2.1bn

As of Dec 2023

Lands Summary

- Al Akaria lands, which are located in Benban, Al Aarid and AlDammam industrial are currently not available for use or development
- The land restriction is mainly due to their location
- The impact is still uncertain and depends on the results of the discussion

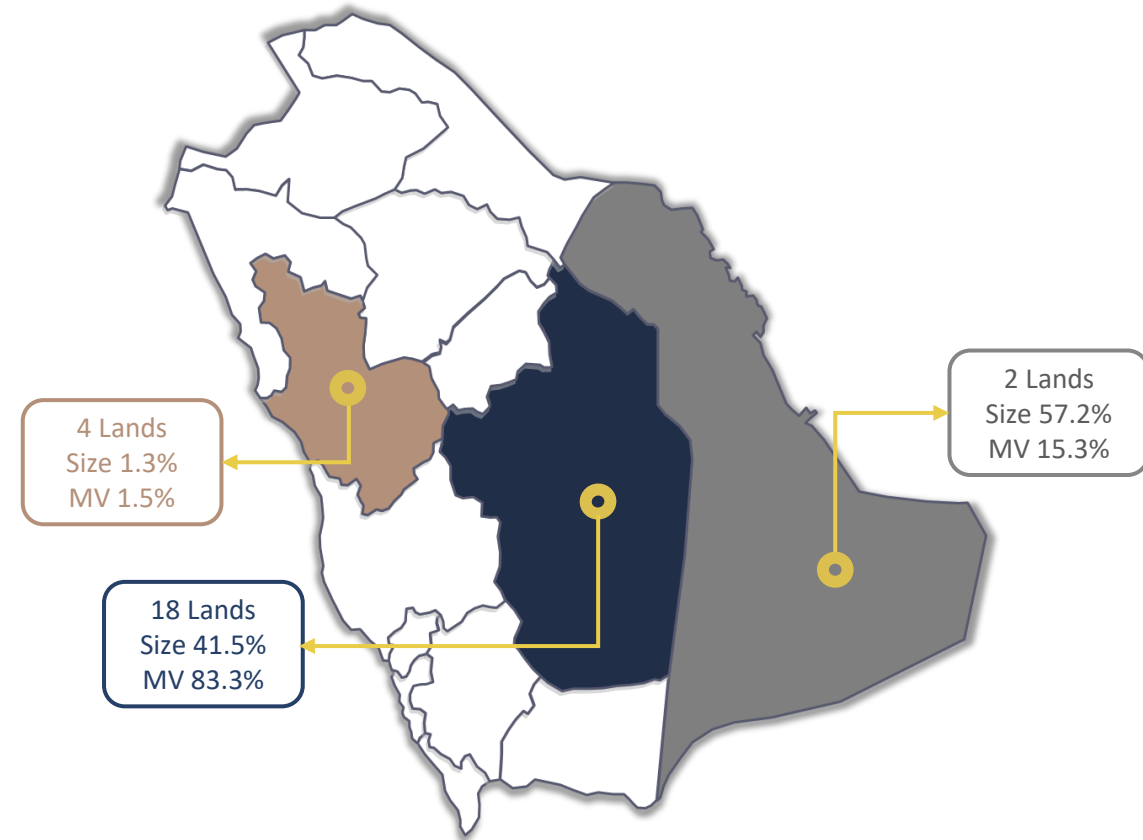
Update as of today

Al Akaria management is currently in discussion with related government agencies and committees to enable lands use.



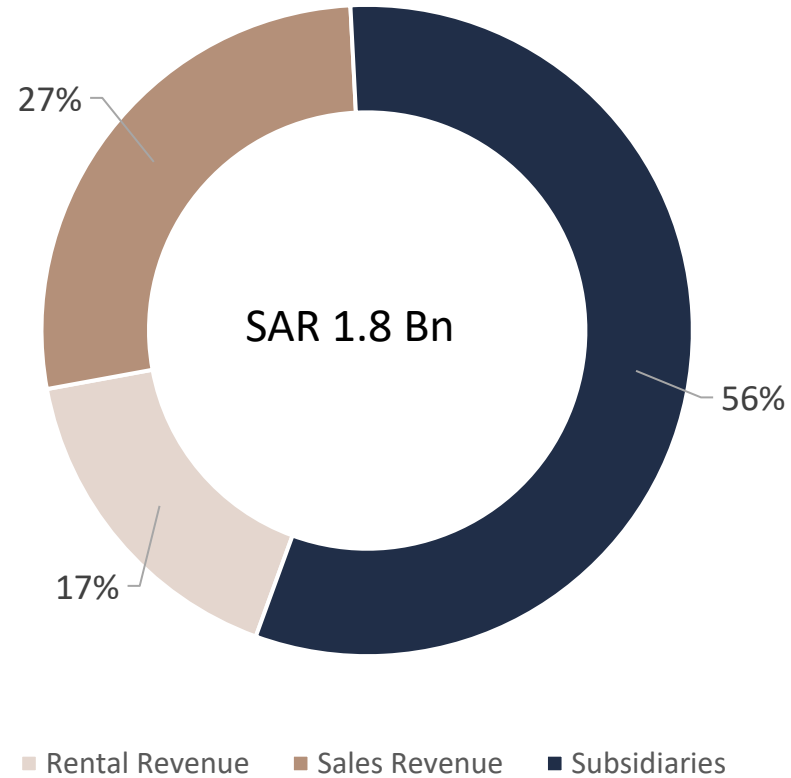
About Al Akaria - Land Bank Locations

Strategic landbank portfolio comprising 24 landholdings covering a total land of 23.7mn sqm



About Al Akaria – FY 2023 Revenue Streams

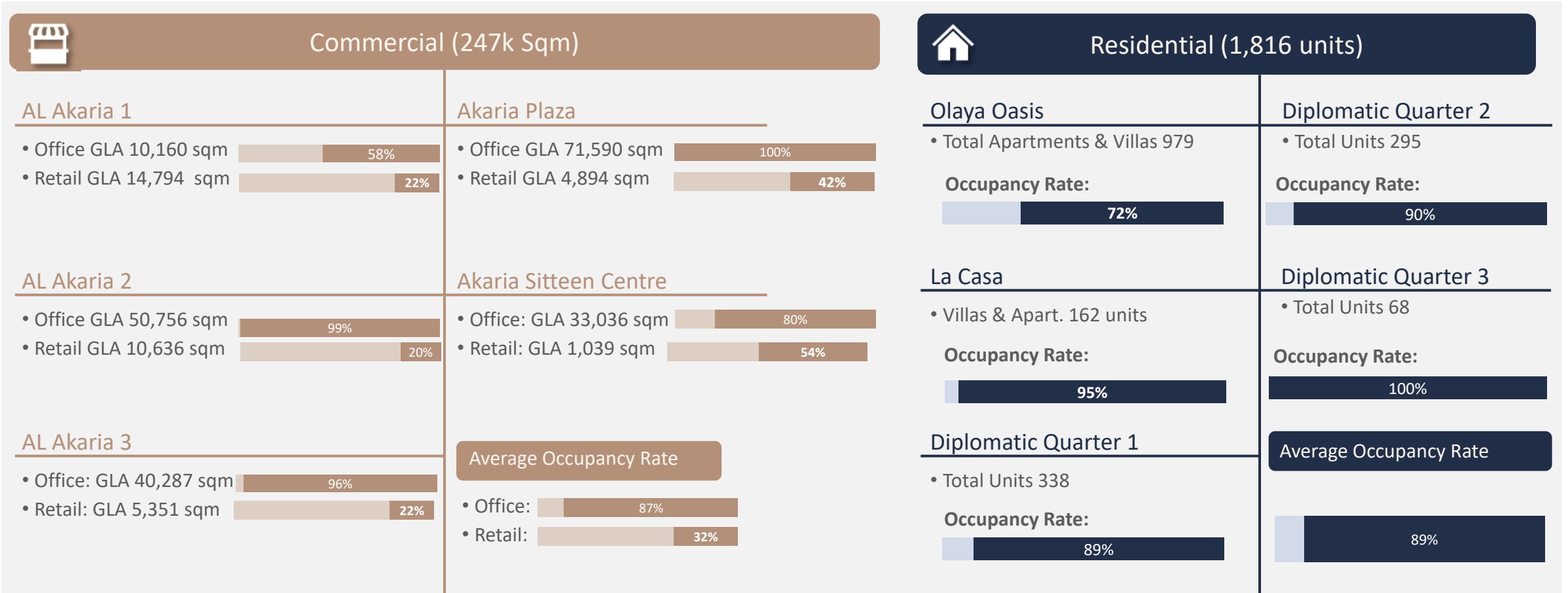
Diversified revenue streams, between rental, sales and subsidiaries activities





About Al Akaria– Rental Revenue

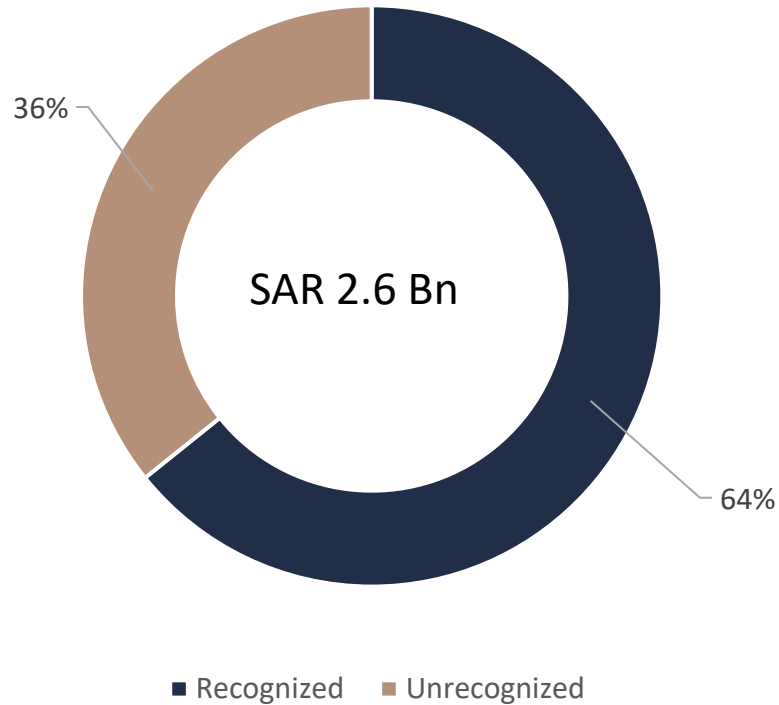
Stable revenues from a balanced combination of commercial and residential rental properties



About Al Akaria– Developed Projects Sales Revenue

Two projects to fuel 2024 sales revenue: Fia Sedra and Alakrai Park

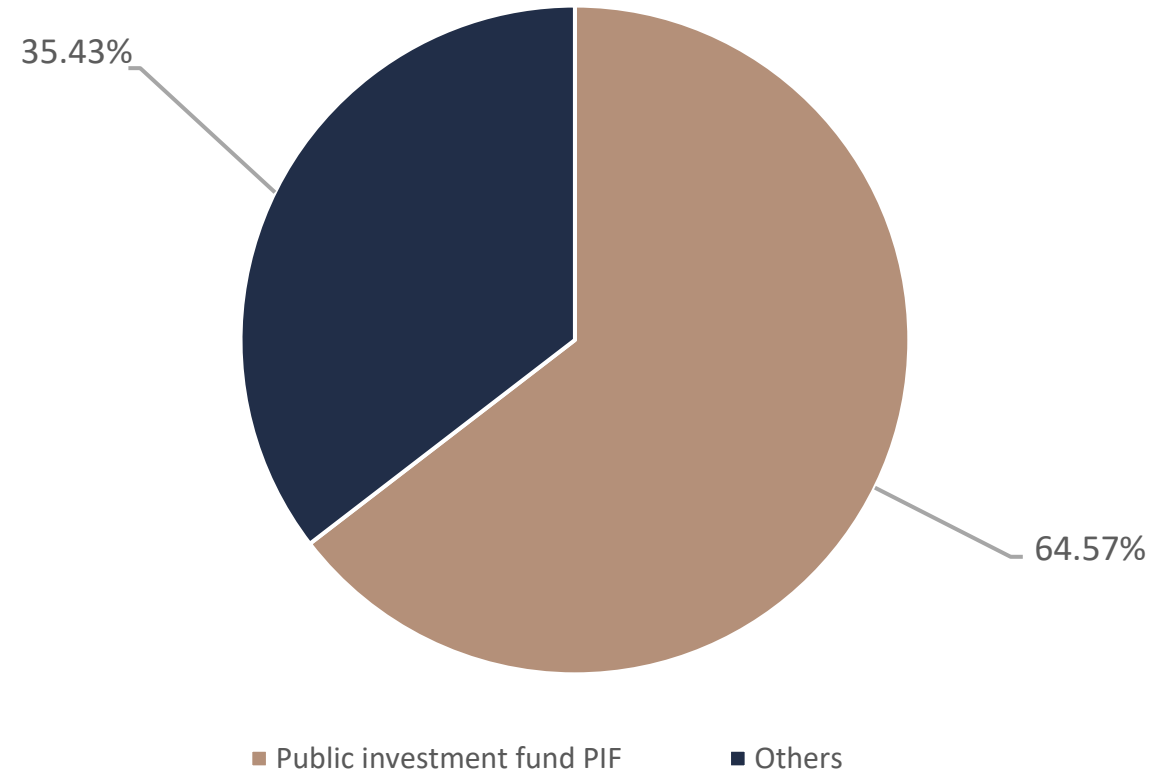
Recognized vs Unrecognized Revenue





About Al Akaria– Ownership Structure

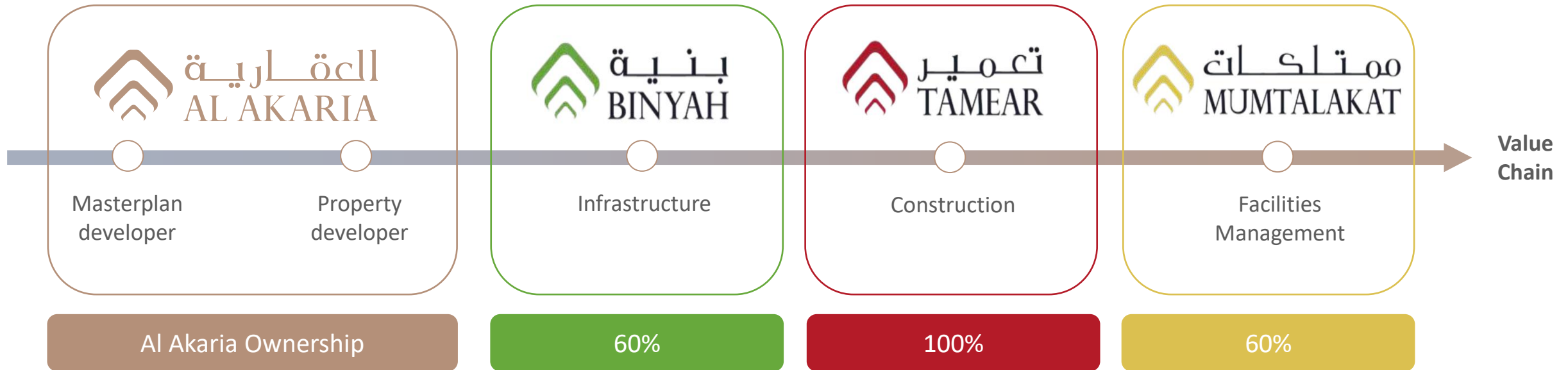
The Public Investment Fund (PIF) is the main shareholder of Al Akaria





About Al Akaria – Subsidiaries

Al Akaria and its subsidiaries cover the entire real estate value chain





Our Strategy

Earnings Presentation

Al-Akaria Corporate Strategy Overarching

1 Our Vision

To build the finest living experience in the Kingdom of Saudi Arabia ...

2 Our Mission

Redefining real estate experiences to be human-oriented, by adopting modern & innovative concepts ...

3 Target Market

- Saudi Arabia with particular focus on Riyadh City, the Capital of KSA
- PIF Newly Established Destinations

4 Sector Focus / Pipeline Projects



Residential Communities



Mixed-Use (+ Hospitality) Destinations



Business Office Parks



Lifestyle Commercial Centers

5 Targeted Segments



Mid & upper middle-income households seeking reasonably priced/contemporary housing units or serviced lands in master-planned communities...



Corporates and office occupiers seeking different sized office units within office park format supported with wide range of facilities/amenities & ample car parking ...



Business & leisure travelers seeking upper upscale hospitality offering integrated with F&B, retail and office space facilities



Households & individuals seeking retail & leisure dwelling experience that offers varied retail, food & beverage, and entertainment offerings ...

6 Operating Model Synopses

A Real Estate Investment



We invest in real estate projects to sustain and grow the Company's assets & income generating portfolio, whilst recycling projects returns (from development properties) into future investments ...

B Property Development



We develop real estate projects for Alakaria and for others through our specialized development management and work closely with top-tier architectural and engineering firms to deliver projects within budget, time-schedule and targeted positioning.

C Property Management



We manage our income-generating portfolio through our property management arm including all leasing & property administration activities, CRM, rent collection & reconciliation, etc.), and we contract with 3rd-party service providers for facility management and security services ...

D Property Sales & Marketing



We launch our residential lands/units' sales through our in-house sales & marketing executives, whilst utilizing different sales & market platforms and channels with our marketing & branding agencies ...

Our 5 years Strategy – Track pillars and progress made (2021-2025)

Significant progress has been made since the launch of the strategy.

Strategy update:

In 2021, the Company adopted a new 5-year growth strategy which broadly aims to purchase land, outfit it with necessary infrastructure, and either sell it as developed residential plots or use them in commercial and residential real estate projects. In December 2023, the company updated its strategy to reflect an ambition to expand its income-generating assets portfolio to stabilize income further in addition to improving the capital structure. This update has extended the strategy time frame to 2027 instead of 2025.

The Legacy Akaria

The New Akaria



Fix The Basics



Recharge Engine 1



Restructure Corporate Portfolio



Grow Engine 2

Track Pillars

- Debt restructuring & Capital raising
- Improve lands composition
- Improve profitably
- Improve liquidity
- Upgrade Operating Model
- Developing rapid response mechanisms for market needs and competitive advantage

- Regain our leadership position in Riyadh
- Exit select underperforming assets
- Regaining leadership position in Riyadh

- Optimize corporate portfolio by the divestment of subsidiaries which are underperforming
- Improving levels of satisfaction
- Stocktaking of position and value addition

- Focus on Residential developments
- Develop medium-scale mixed-use projects
- Opportunistically undertake PPP/ BOT with Giga/Mega projects
- Expanding our IGA (Income Generating Assets) portfolio



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