



الارجان
AL ARGAN

(KSE: ARGAN)

CORPORATE PRESENTATION

November 2017

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SUMMARY

Investment Rationale

One of the leading middle income focused residential developers in the GCC

\$1.6 billion projects under development and 2 million sqm built form delivered

Focused on sustainable, environment friendly and energy efficient designs

Competitive advantage by operating across the real estate value chain

Recurring resorts and rental revenue streams underpin future development pipeline

Disciplined approach on realizing value on timely exits

Evaluate income generating acquisition opportunities in Kuwait, GCC, US and Europe

Talent development and retention through sharing in the ALARGAN growth trajectory



الارجان
ALARGAN
الحياة... كما تحبها
LIFE... As You Love It

CORPORATE OVERVIEW

Our Mission

To provide **life enhancing** solutions while generating **superior value** to our stakeholders

Our Vision

To maintain the **real-estate brand of choice** by continuing to offer **innovative** and **sustainable** products that anticipate the **life-style needs** of our communities

Our Values

Motivate **People**
Innovate **Projects**
Differentiate **Products**



ALARGAN - At a Glance



A real estate developer, focused on middle income residential project developments across GCC



In-house capability for end to end project management, construction & contracting, property management, sales and landscaping



Key revenue streams include development projects, resorts, hotels and rental income



Has presence and experience across GCC and MENA region.



Listed on the Kuwait Stock Exchange since 2007



5,555+ Units Delivered



\$1.6 Billion Projects under development

“ALARGAN strives to integrate its motto, ‘Life... As You Love It’, across its projects by creating “live, work, play and savor” environments that present a unique lifestyle experience.”

Business Services

Real Estate Development

Innovative real estate pioneer: From building homes to building communities

Project Management

- Customized services for design and construction management, tender and contract management and procurement management
- Manages innovative projects to obtain LEED certification
- In-house design expertise for master planning, architecture and interior design

Constructing & Contracting

- Longstanding track record of delivering complete turnkey solutions to clients' construction projects across commercial buildings, business towers, retail facilities and mixed use developments
- Focus on exceeding client's expectation on project construction timeline and budgets
- Classified by the Kuwait CTC as Category 1 for civil and construction works, HVAC as Category 4 and Electrical Works as Category 2

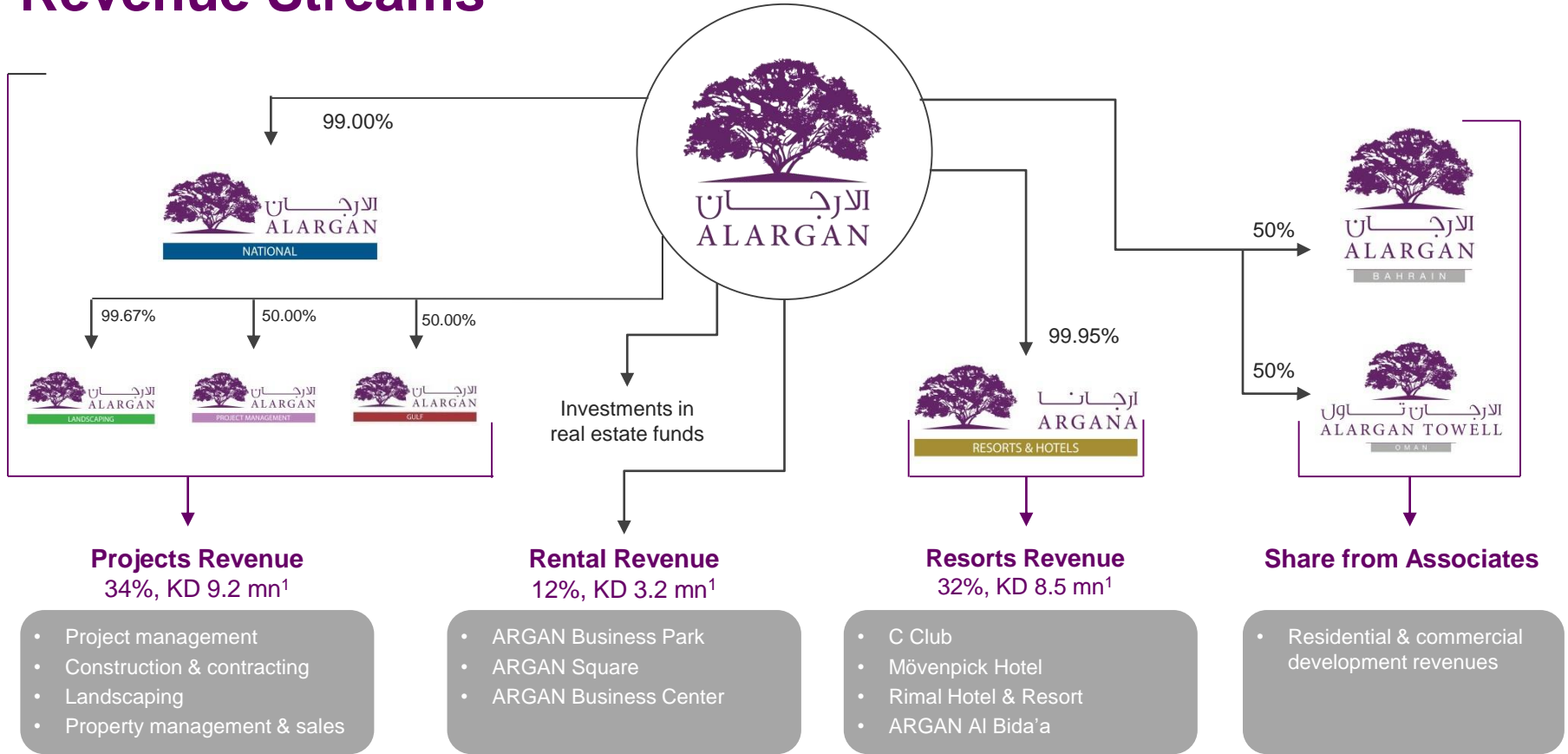
Landscaping

- Landscaping services for commercial and residential developments applying 3D visualization
- Services include project evaluation, design, maintenance, artificial lakes, irrigation networks, pumping units and fountains

Property Management & Sales

- Expertise in property management which optimizes rental revenue potential and market value
- Focus on managing operating expenses and maintaining high occupancy rates
- Successful execution of sales and marketing strategies for new development launches across GCC

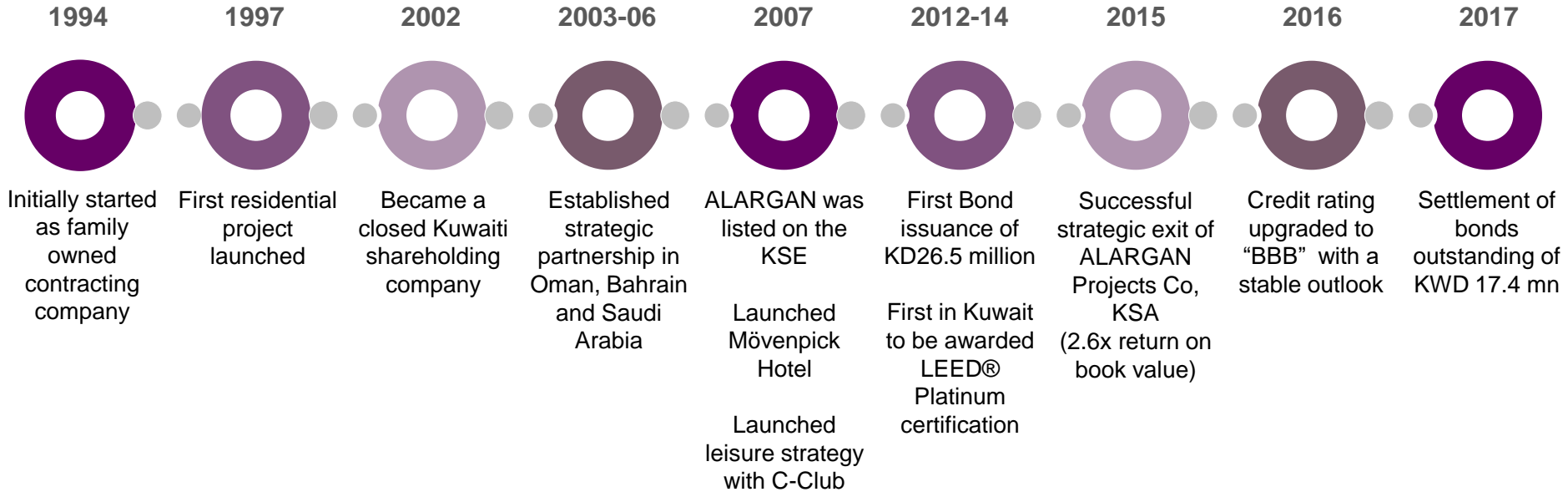
Revenue Streams



Note:

1. Revenue for 12M 2016 and excludes Other

Corporate Journey



Regional Expertise



1

KUWAIT
Presence Since: 1994 Headquarters
Key Projects: Mövenpick Hotel and Resort;
C Club; Rimal; Argan Business Park;
ARGAN Square, ARGAN Shuwaikh

2

BAHRAIN
Presence Since: 2005
Key Projects: Saar Gate; Jeyoun
Townhouses, ARGAN village

3

OMAN
Presence Since: 2003
Key Projects: Al Mawaleh; Al Nakheel;
Qurm Gardens; Qurm Hills;
Beyout Al Faye; Al Waha

4

KSA
Presence Since: 2006
Key Projects: Manazel Qurtoba; Al Sohoul;
Janadariyah; Murjana; Muroj

5

EGYPT
Presence Since: 2003

6

MOROCCO
Presence Since: 2017
Key Project: Maarif Project

Awards and Recognitions

- 2005** Euromoney Award for Best Housing Developer in the Sultanate of Oman.
- 2006** IREF Best Developer award in both Kuwait and the Sultanate of Oman.
- 2007** CNBC Arabian Property. The Best Property Award in Kuwait was awarded to ALARGAN International Real Estate Company for the Mövenpick Hotel & Resort project in Al-Bida'a. The Best Multi Unit Architecture Award in Oman to ALARGAN Towell Investment Company for the Qurm Gardens project.
- 2008** The Euromoney Liquid Real Estate Award was awarded to ALARGAN International Real Estate Company for Best Leisure Developer in Kuwait.
- 2009** CNBC Arabian Property Award for Best Development to ALARGAN TOWELL Investment Company for Qurm Gardens project. Cityscape Award in Leisure Future for Oberoi Resort at Al Khiran, in Oman.
- 2011** Arabian Property Awards for the Jeyoun project for Best Architecture Multiple Residence, Best Development (multiple units Bahrain) and Best Development (multiple units Arabia).
- 2012** Best Housing Project Award in KSA was awarded to ALARGAN Projects. The award was granted for the development of Manazel Qurtoba-II project.
- 2014** The Headquarters of ALARGAN International Real Estate Company, located at ARGAN Business Park in Shuwaikh Free Trade Zone, Kuwait was awarded LEED Platinum Certification for Commercial Interiors.

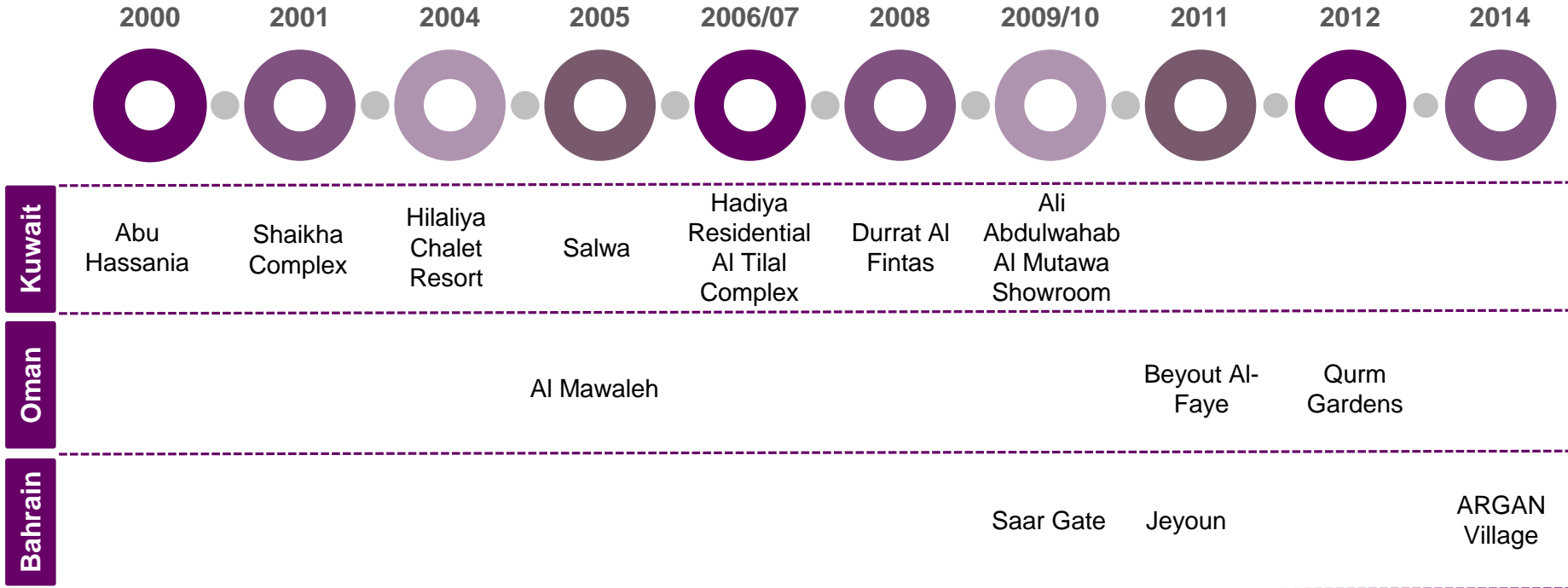
ALARGAN International Real Estate Company was awarded the "Best Real Estate Developer" in Kuwait by Arabian Business Magazine, (ITP) Group for publication.
- 2015** In the Mixed-Use Development Award category, Al Nakheel Resort was commended with the "Highly Commended" Award for its innovative design and community setting, in the Arab and African International Property Awards (Part of the International Property Awards).

ALARGAN was awarded Best International Retail Developer and "Best Retail Architecture" for its new mixed-use development in Bahrain, ARGAN Village, by The International Property Awards.

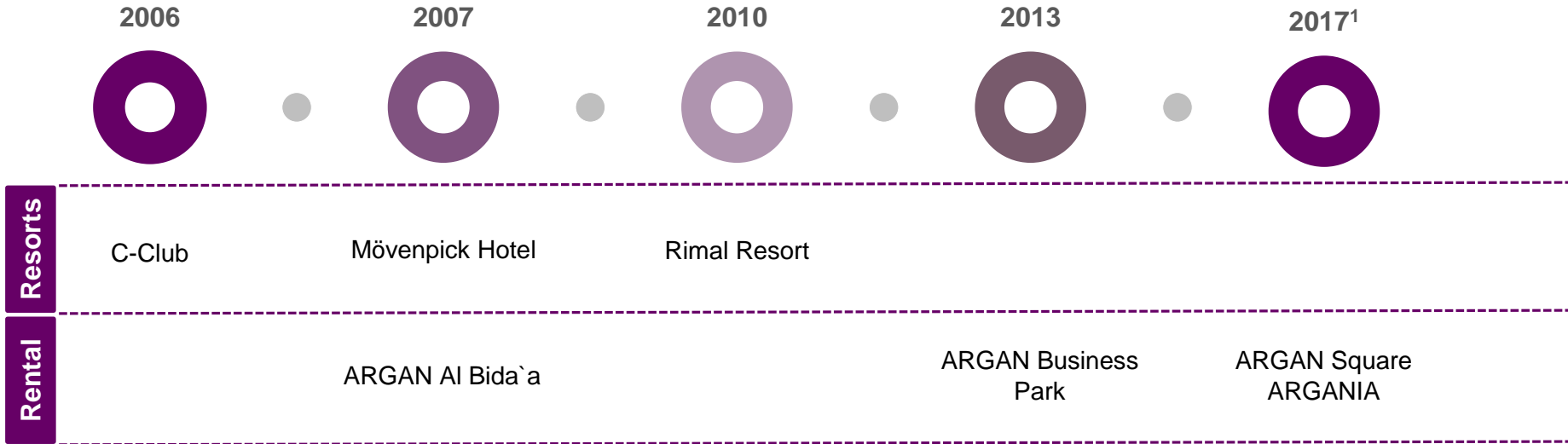


PORTFOLIO HIGHLIGHTS

Key Development and Construction Track Record



Key Resorts and Rental Revenue Streams



Note:

1. Under development

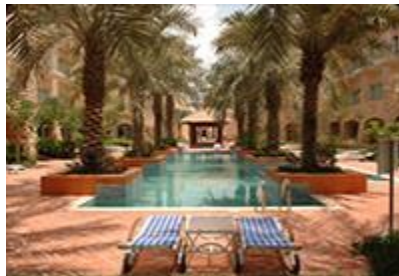


Portfolio Track Record

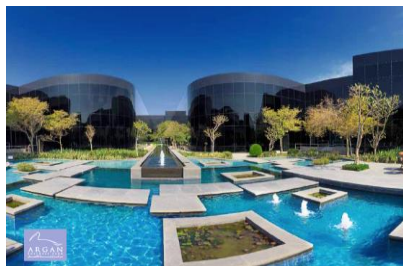
Kuwait



C-Club



Mövenpick Hotel and Resort



ARGAN Business Park



ARGAN Square

Oman



Al Mawaleh



Beyout Al-Faye



Qurm Gardens



Al Bustan

Portfolio Track Record

Bahrain



Saar Gate



Jeyoun



ARGAN Village

Other International



Manazel Qurtoba, KSA



Al Rihab, KSA



Al Masa, Egypt



Al Zumoroda, Egypt

BOARD AND MANAGEMENT

Board of Directors



Haitham S. Al-Khaled
Chairman



Khaled K. Al-Mashaan
Vice Chairman and CEO



Tareq B. Al-Mutawa
Independent Board Member



Hamad A. Al-Mudhaf
Board Member



Mohammad F. Al-Othman
Board Member

Audit Committee

Mohammad F. Al-Othman	Chairman
Hamad A. Al-Mudhaf	Member
Tareq B. Al-Mutawa	Member
Swapnili Tewari	Secretary

Nomination and Remuneration Committee

Haitham S. Al-Khaled	Chairman
Khaled K. Al-Mashaan	Member
Tareq B. Al-Mutawa	Member
Rana Ammar	Secretary

Risk Management Committee

Tareq B. Al-Mutawa	Chairman
Hamad A. Al-Mudhaf	Member
Khaled K. Al-Mashaan	Member
Nishant Ghandi	Secretary

Senior Management



Khaled Al-Mashaan
Vice Chairman and CEO



Walid Sayed Amin
Chief Financial Officer



Ali Khajah
General Manager, Kuwait Operations



Meshaan Al-Meshaan
Chief Business Development Officer



Marwan Asa'd
Chief Real Estate Development Officer
- Consultant



Mamdouh Abdelhamid
Senior Vice President,
Organizational Control



Khaled Al Ramly
Vice President,
Marketing & Communications



Hussein Saleh
Head of Legal Affairs

FINANCIAL OVERVIEW

Key Financials



9M 2017

Projects Revenue

KWD 3.49 mn

Resorts Revenue

KWD 5.82 mn

Rental Revenue

KWD 2.22 mn

Total Revenue¹

KWD 18.15 mn

Operating Profit

KWD 5.73 mn

Margin: 31.6%

Net Profit

KWD 5.13 mn

Margin: 28.2%

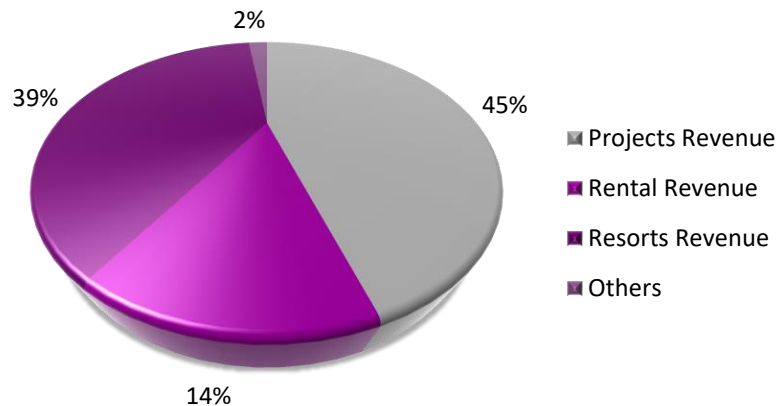
Note:

1. Including Others

Key Financials

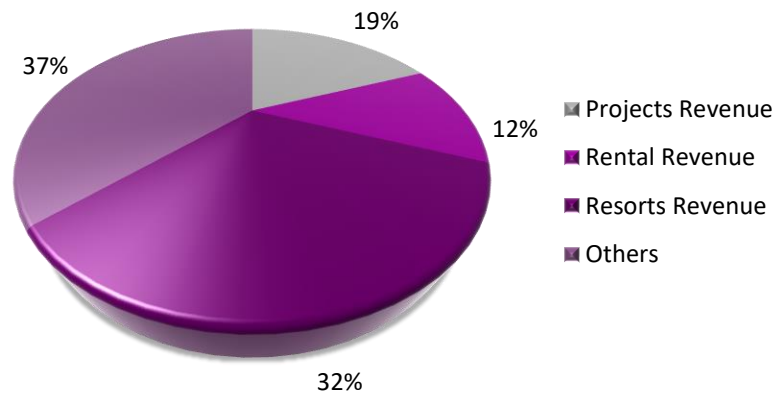
Revenue by Segment (9M 2016)

9M 2016:
KWD 17.15 mn



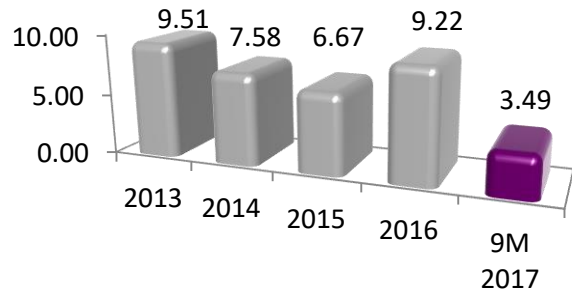
Revenue by Segment (9M 2017)

9M 2017:
KWD 18.15 mn

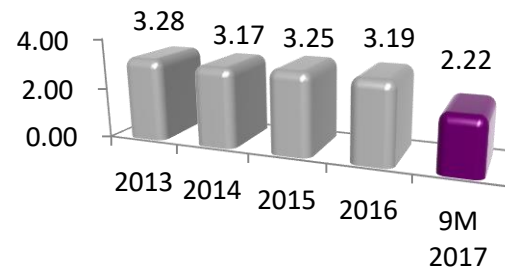


Key Financials

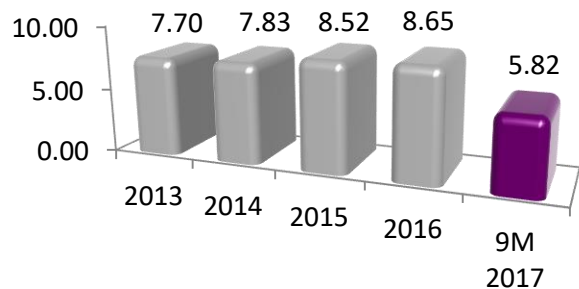
Project Revenue (KWD mn)



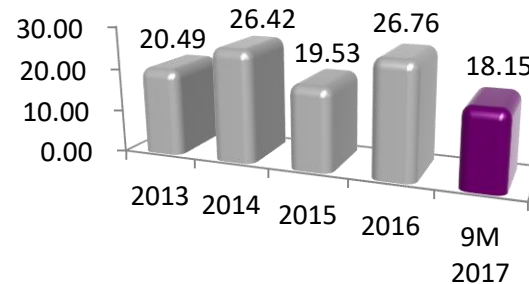
Rental Revenue (KWD mn)



Resorts Revenue (KWD mn)



Total Revenue (KWD mn)

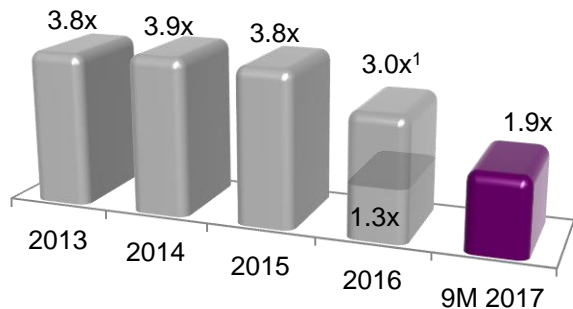


Leverage Profile

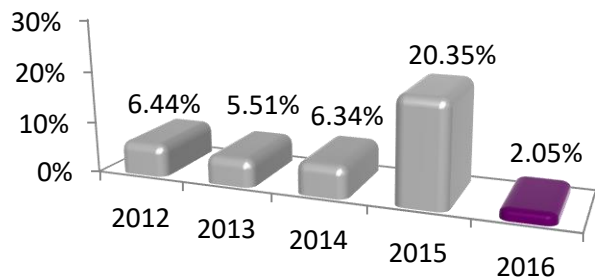
(KWD mn)	September 2017	June 2017	March 2017
Short Term Borrowings	7.02	6.62	23.45
Long Term Borrowings	50.96	37.70	33.35
Total Debt	57.99	44.32	56.80
Less: Cash & Cash Equivalents	5.99	8.22	23.37
Net Debt / (Net Cash)	51.99	36.10	33.43
Shareholders Equity	90.24	85.66	88.11
Total Debt/ Shareholders Equity	0.64x	0.52x	0.64x

Key Ratios

Current Ratio (x)



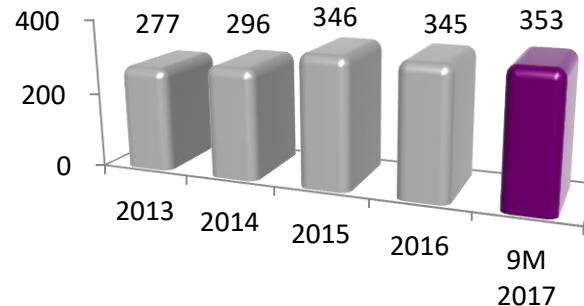
Return on Equity (%)



Note:

1. Current ratio excluding impact of Short Term Bonds. Current Ratio = Current Assets / Current Liabilities
2. Return on Equity = Net Profit / Average Shareholders Equity

Book Value Per Share (fils)



Commentary

- 2015 included KD 26.2 mn as profit from the strategic exit of ALARGAN Projects Co., KSA. This had a positive impact on the RoE for 2015

STRATEGIC DIRECTION

Strategic Direction

Building on Core Portfolio Strengths

- Continued focus on affordable and middle income housing projects in the GCC region
- Product innovation to meet ever evolving consumer preferences
- Developments focused on sustainable, environment friendly and energy efficient designs
- Strong international ALARGAN branded hospitality & leisure asset portfolio
- Established leading business park and pipeline of commercial rental properties
- Leverage construction and contracting track record across all future developments
- Enhance income generating portfolio through selective acquisitions

Organic & Acquisition Geographic Expansion

- Build upon the successful international track record in Oman and Bahrain
- Expand geographic presence in MENA by partnering with the leading regional real estate firms
- Capitalize on project planning and management expertise with construction to be outsourced
- In addition to Kuwait / GCC, evaluate acquisition opportunities in the US and Europe
- Disciplined approach on realizing value on timely exits as with ALARGAN Projects Co., KSA

Strategic Direction

Generating Sustainable Returns for Shareholder

- Maintain conservative capital structure while strengthening capital market relationships
- Recurring resorts and rental revenue streams underpin future development pipeline
- Drive profitability through focus on construction excellence and ALARGAN brand marketing
- Maintain competitive advantage by operating across the real estate value chain
- Leveraging retail, office and hospitality sector expertise through selective investing criteria
- Clearly identified financial performance goals for the senior management team

Developing a Team to Deliver on Strategy

- Talent development and retention through sharing in the ALARGAN growth trajectory
- Creating a collaborative work environment and corporate sense of belonging
- Focus on providing rewarding and fulfilling career opportunities across functional areas
- Early recognition of young and upcoming professionals to develop future project leaders
- Contributing to the local community through dynamic corporate social responsibility initiatives

Corporate Social Responsibility

ALARGAN's strong adherence to the best practices of corporate social responsibility radiates the Company's preservation of business ethics. ALARGAN's commitment to a social responsibility is evident in its participation in community and creating activities that aim to lay a positive influence society through local interaction. ALARGAN's initiatives are designed to engage the community as well as to increase awareness and accessibility on several issues including environmental, cultural, social and educational. Key activities that the Company participates includes:



Industry Programs

- Partnering with the Kuwait Institute for Scientific Research (KISR)
- Supporting with LEED assessments in future developments

Educational Programs

- Engaging with university students
- Engaging with educational associations

Others

- Cleaning up beach shores
- Internal recycling programme
- A long-term commitment to Bayt Abdullah Children's Hospice (BACCH)

Disclaimer

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