

Alandalus Property posts 15.6% net profit increase for Q3 2019

Riyadh, Saudi Arabia – 7 November 2019: Alandalus Property (the “Company”) (Tadawul: 4320) - a pioneering real estate company involved in the investment, development and operation of income-generating properties across the Kingdom of Saudi Arabia - today announced its interim financial results for the third quarter ending 30 September 2019.

The Company’s net profit in Q3 2019 grew by 15.6% to SAR 14.6 million compared to SAR 12.6 million in the corresponding period a year ago. Overall, net profit for the nine-month period ending 30 September 2019 stood at SAR 50 million, a 10.4% increase from SAR 45.3 million in the corresponding period last year. The increase in net profit was largely due to higher revenues and share of income from associate companies. The Company’s financial results also benefitted from a fall in Zakat provision, despite the downward pressure following the implementation of IFRS16 (leases).

Revenues were SAR 42.7 million in Q3 2019, 5.5% higher as compared to SAR 40.5 million in Q3 2018. Revenues for the nine-month period reached SAR 125 million, a 2% increase from SAR 123 million for the same period in 2018. While Alandalus Property faced a challenging environment in its hospitality portfolio, its higher revenues this quarter were due to its office leasing segment, which saw revenues quadruple on a year-on-year basis and the steady growth across its retail segment, supported by the launch of Al Marwa Center in March 2019.

Mr. Hathal Al Utaibi, Chief Executive Officer, said: *“Alandalus Property continued to experience steady growth across its retail, and office segments. We expect our growth and diversification efforts to gain momentum as our healthcare portfolio comes online with the launch of our joint venture with regional healthcare leader, Dr. Sulaiman Al-Habib Medical Group.*

“Our differentiated approach to the retail segment and continuous enhancements to our commercial destinations ensure our ability to effectively engage our diverse consumer base for the foreseeable future. With one of the largest cinemas in Jeddah set to open in our flagship property, Alandalus Mall, I’m confident that our retail sector will continue to deliver steady and healthy growth. Our robust hospitality and offices sectors are in advantageous positions to support this growth and continue to provide us with a competitive and diversified edge in the Saudi market.”

In Q3 2019, Alandalus Property’s gross profit rose 6.6% to SAR24.1 million, from SAR 22.6 million in Q3 2018. Despite higher operating costs associated with the launch the company’s offices portfolio, gross profit remained largely steady over the period ending 30 September at SAR 71.3 million, compared to SAR 71.5 million over the corresponding period in 2018.

Alandalus Property's operating profit also performed favorably in Q3 2019, increasing by 9.7% to SAR 26.0 million, compared to SAR 23.7 million in Q3 2018. Over the nine-month period ending 30 September 2019, jumping by 7.3% to SAR 80.6 million, compared to SAR 75.1 million over the corresponding period in 2018. The Company's lower administrative expenses and increase in share of income from associates drove operating profits upwards.

Commenting on the results, Mr. Fawaz bin Huwail, Chief Financial Officer, said: "Alandalus Property's diversified portfolio continues to deliver returns for its shareholders. The significant growth in our offices sector, driven by the acquisition of Salama Tower, and the substantial increase in our operating profits have contributed positively to our bottom line this quarter, despite the impact of IFRS16 (leases). Looking ahead, we remain committed to prioritizing our stakeholder's journey and experience, whilst we focus on optimizing costs across the business to maintain through-cycle resilience.

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About Alandalus Property:

Established in 2006, Alandalus Property (TADAWUL: 4320), is a Saudi Arabian real estate company involved in the investment, development and operation of income-generating commercial properties across the Kingdom of Saudi Arabia.

In late 2015, Alandalus became the first mall investor, developer, and operator in Saudi Arabia to be listed on Tadawul and today the Company's business portfolio spans shopping malls, offices, property management, hospitality, healthcare and other complementary mixed-use developments. The company's property portfolio extends across major Saudi Arabian cities, covering a significant amount of commercial space generating high occupancy rates.

Alandalus looks to develop diversified, high-quality properties that foster loyalty, visit frequency and long-term economic value, whilst establishing the company as the preferred third place destination, after home and work.

For more details on Alandalus Property, please visit <http://www.alandalus.com.sa>

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