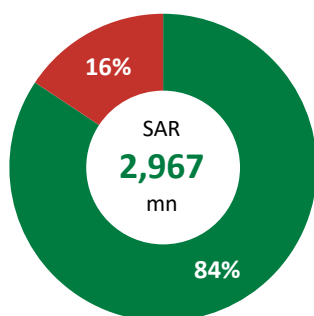


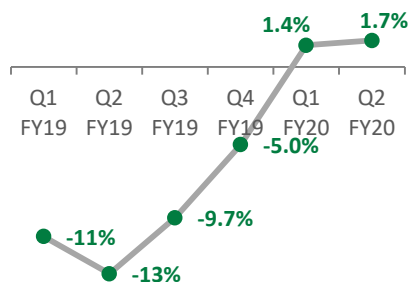
Fawaz A. Alhokair & Co Releases Results for the Six-Month Period Ended 30 September 2019

Revenue by Geography

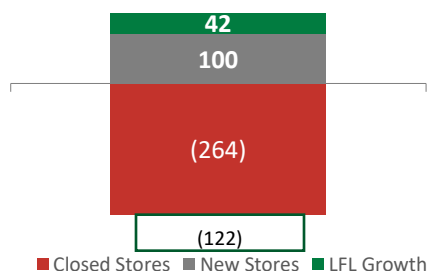


■ Saudi Arabia ■ International

Like-for-Like Net Revenue Growth



1H-FY20 Revenue Change (SAR mn)



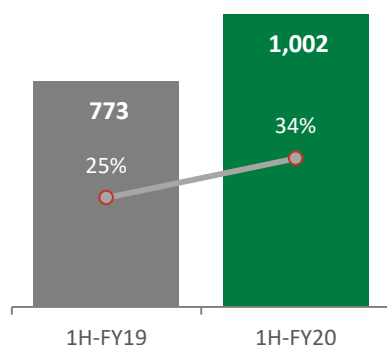
(Riyadh, 6 November 2019) Fawaz Abdulaziz Alhokair Co. (Alhokair Fashion Retail, the “Group” or “Alhokair,” 4240 on the Tadawul), the largest franchise retailer in Saudi Arabia, the Middle East and North Africa, Central Asia and the Caucasus, announced today its results for the six-month period ended 30 September 2019, reporting a **normalized net profit before minority interest of SAR 250.3 million** for the period, down 2.0% y-o-y from the SAR 255.5 million booked one year previously, with the net profit margin climbing to 8.4% from 8.2% in 1H-FY19.

Financial & Operational Highlights

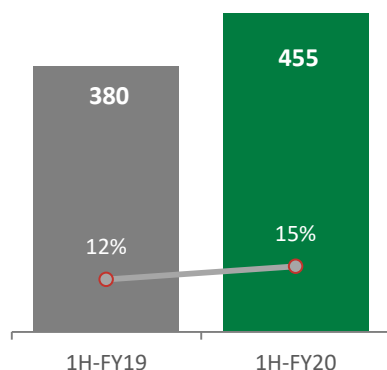
SAR Million	1H-FY19	1H-FY20 Before IFRS 16	Change without IFRS 16	1H-FY20 After IFRS 16	Change
Revenue	3,119.7	2,967.0	(4.9%)	2,967.0	(4.9%)
Cost of Revenue	(2,346.5)	(2,259.3)	(3.7%)	(1,965.0)	(16.3%)
Gross Profit	773.3	707.7	(8.5%)	1,002.0	29.6%
Gross Profit Margin	24.8%	23.9%	(0.9 pt)	33.8%	9.0 pts
Selling and Distribution Expenses	(101.1)	(85.5)	(15.4%)	(67.1)	(33.7%)
General and Administrative Expenses	(162.2)	(130.2)	(19.7%)	(97.3)	(40.0%)
Other Income (loss), net	20.6	12.9	(37.1%)	63.0	206.5%
EBITDA	530.5	504.9	(9.6%)	900.7	69.8%
EBITDA Margin	17.0%	17.0%	-	30.4%	13.4 pts
Depreciation and Amortization	(150.6)	(134.6)	(10.6%)	(445.6)	195.9%
Operating Income	379.9	370.3	(2.5%)	455.1	19.8%
Operating Income Margin	12.2%	12.5%	(0.3 pt)	15.3%	3.2 pts
Financial Charges	(103.6)	(97.3)	(6.1%)	(234.1)	126.0%
Profit before Zakat and Tax	276.4	273.1	(1.2%)	221.0	(20.0%)
Zakat and Income Tax	(20.9)	(22.8)	9.1%	(22.8)	9.1%
Net Profit for the Period	255.5	250.3	(2.0%)	198.2	(22.4%)
Net Profit Margin	8.2%	8.4%	0.2 pt	6.7%	(1.5 pts)
Attributable to:					
Shareholders of the Company	259.2	248.9	(13.8%)	196.8	(24.1%)
Non-Controlling Interest	(3.8)	1.4		1.4	
Earnings per Share	1.22	1.19		0.94	

On a like-for-like (LFL) basis, net revenue rose by 1.7% y-o-y, marking the second consecutive quarter of positive LFL growth, cementing a recovery from

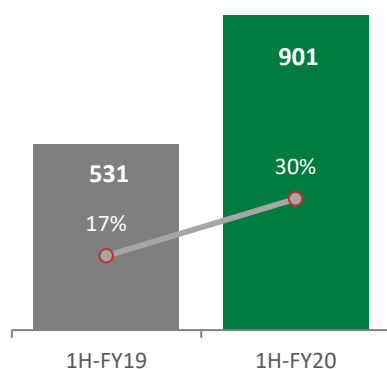
Gross Profit (SAR mn / margin)



Operating Profit (SAR mn / margin)



EBITDA (SAR mn / margin)



a 24-month period of LFL decline. The current LFL recovery in the Company's top line reflects the fruition of management's integrated portfolio optimization strategy, which involves the disposal of weak brands and closure of nonperforming stores across the Company's portfolio. The strategy's implementation has provided Alhokair with a solid platform for sustainable top line growth, as evidenced by performance during the first half of FY-2020. Alhokair's top line for the period was further boosted by a modest recovery in Saudi Arabia's macroeconomic environment.

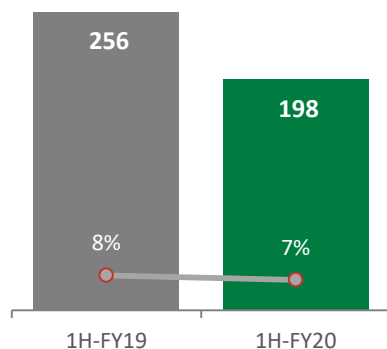
Commenting on the period's results and the Company's outlook, Alhokair Chief Executive Officer Marwan Moukarzel said: "Halfway through FY-2020, Alhokair Fashion Retail sees several encouraging signs. With our store closure effort coming to a close, the rate of revenue decline has eased significantly, while positive like-for-like revenue growth has been maintained for two consecutive quarters. As the rate of nonperforming store closures and new store openings normalizes, we expect further top-line relief to materialize in the near future. Moving forward we will be coordinating closely with our brand partners and landlords in the introduction of new offerings, working to leverage the platform for sustainable value creation provided by our portfolio optimization."

"Meanwhile, we have made far-reaching efforts to slim down our cost base, and these have borne fruit in the form of sustained declines in selling, general and administrative expenses. Combined with our portfolio optimization strategy, these developments have allowed us to extract greater value from our operations as indicated by a 7% year-on-year rise in normalized EBITDA per square metre during the period, even as the number of stores operated fell by 10%. As we take further advantage of enhanced efficiency and a significantly healthier portfolio, management is confident in Alhokair's ability to continuing growing shareholder value," **Moukarzel added.**

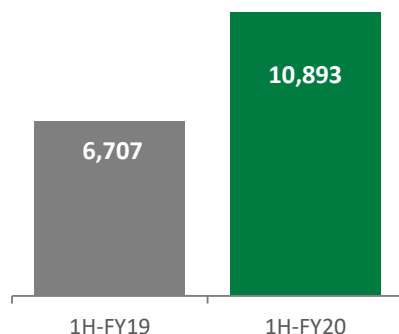
Alhokair's global network encompassed 1,615 stores as at 30 September 2019 against 1,789 stores one year previously. The Company generated approximately 84% of revenues for 1H-2019 from its core Saudi operations.

Units per transaction (UPT) came in at 1.77 in 1H-FY20, up from 1.74 as at 1H-FY19, continuing a longer-term trend with the UPT having grown from 1.60 as at FY2017. The Group's enhanced performance in this area indicates the success of its pioneering Saudization efforts and the resultant enhanced customer engagement. Alhokair's Saudization rate stood at 74% in 1H-2019, 87% of which were females. Higher Saudization rates have contributed to heightened quality of service in the Group's core market, an improvement further evidenced by the growth in **average transaction value (ATV)** to SAR 160.0 in 1H-FY20 from SAR 158.0 one year previously.

Net Profit after Minority Interest (SAR mn / margin)



Total Assets (SAR mn)



Normalized for the effects of IFRS16, **the Company recorded a gross profit** of SAR 707.7 million in 1H-FY20. This represents a y-o-y decline of 8.5% against the level recorded in 1H-FY19, with the gross profit margin decreasing by 0.9 percentage-points to 23.9% in 1H-FY20. Reduced gross profitability reflects the impact of store closures completed during the period.

Meanwhile, Alhokair recorded a statutory gross profit of SAR 1,002.0 million in 1H-FY20, up by 29.6% from the same period one year previously and driving a nine percentage-point climb in the gross profit margin to 33.8% supported by the adoption of IFRS 16.

Selling, general and administrative expenses (SG&A) booked a total of SAR 164.3 million for 1H-FY20, representing a decrease of 37.6% y-o-y against SAR 263.3 million booked in 1H-FY19. This decline reflects the Group's successful efforts at streamlining marketing outlays and successful cost-cutting initiatives, including efforts to streamline supply chain processes and control operating costs, including local and global staffing, warehousing, and freight and distribution. Meanwhile, SG&A to sales continued to improve, falling to 5.5% in the first half of FY-2020 from 8.4% in the same period one year previously.

Normalized **EBITDA** recorded SAR 504.9 million for the first half of FY-2020, down 5% y-o-y to yield an EBITDA margin of 17.0%, stable at the level booked in 1H-FY19. The decrease in EBITDA was driven by reduced profitability at the gross level. Meanwhile, Alhokair posted a post-IFRS EBITDA of SAR 900.7 million in the six-month period ended 30 September 2019, an increase of 69.8% y-o-y. Rapid EBITDA growth during the period reflects the heightened depreciation expense associated with the adoption of the new accounting standards, which has seen SAR 4.4 billion in right-of-use assets recognized as at 30 September 2019 and depreciation expense up to SAR 445.6 million in 1H-FY20 from SAR 150.6 million one year previously. Alhokair recorded an EBITDA margin of 30.4% in 1H-FY20, up by 13.4 percentage-points from the 17.0% booked in 1H-FY19.

Normalized for the effect of IFRS 16, Alhokair Fashion Retail recorded **a net profit before minority interest for the period** of SAR 250.3 million, down 2.0% y-o-y from the SAR 255.5 million booked one year previously, with the net profit margin climbing to 8.4% from 8.2% in 1H-FY19.

Statutory net profit before minority interest fell by 22.4% y-o-y to SAR 198.2 million for the first half of FY-2020, with the decrease driven by higher financial charges amounting to SAR 234.1 million in the first half of FY-2020 against SAR 103.6 million one year previously. This increase in financial charges was a result of the adoption of IFRS 16 accounting standards. Alhokair reported a statutory net profit margin for 1H-FY20 of 6.7%, down from 8.2% in the first half of FY-2019.

–Ends–

About Fawaz A. Alhokair & Co

Fawaz A. Alhokair & Co (known as “Alhokair Fashion Retail”) was formed in 1990 by Fawaz, Salman and Abdulmajeed Alhokair. The company has since become the largest franchise retailer in the KSA, MENA, Central Asia and Caucasus regions, and the only listed business of its type in the Middle East. Quality, innovation, service and trust are the guiding principles for all Alhokair Fashion Retail operations. These values are coupled with an ability to move quickly, to seize new opportunities and to enter emerging markets. Since the opening of its first store in 1991, Alhokair Fashion Retail has grown considerably and now trades in more than 1,650 stores across 100 shopping malls in 13 countries, with a retail platform operating on a total GLA of over 500,000m². All of this is managed by a workforce numbering more than 12,000. Alhokair Fashion Retail currently represents over 80 brands, spanning from womenswear, menswear, kids and baby, department stores, shoes and accessories, cosmetics and coffee shops. For more information, please visit www.fawazalhokairfashion.com

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Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management’s (“Management”) current views of future events, are based on Management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Saudi Arabia, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management’s ability to timely and accurately identify future risks to our business and manage the risks mentioned above.