



TMG

STRATEGY PRESENTATION

SEPTEMBER 2019

TMG Holding S.A.E.
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Giza, Egypt

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Publicly held since 2007
EGX: TMGH.CA / TMGH EY



Talaat Moustafa Group Holding (TMG Holding) a leading conglomerate with special emphasis on developing integrated communities, including but not limited to mixed-use real estate and hospitality projects across Egypt's key cities. It has an outstanding track-record in creation of large, vibrant and diverse communities, providing high-quality housing accompanied by superb amenities and embodying the company's unmatched experience in planning, execution, management and maintenance of large-scale developments. Constant execution of the company's bold and ambitious vision has been redefining and reshaping Egypt's property landscape over the past two decades, dictating new trends and higher standards and substantially contributing to sustainable economic growth and improvement in quality of life for local communities.

TMG Holding is the developer of Al Rehab city in New Cairo, Al Rabwa in Sheikh Zayed city, Mayfair in Al Shorouk city and Madinaty, its flagship mega-development occupying a whopping 33.6mn sqm in East Cairo, in addition to "Celia" its recently launched project in the New Administrative Capital. TMG Holding also own three luxurious Four Seasons hotels in Sharm El Sheikh, Alexandria and Cairo, where it also owns the Kempinski Nile Hotel. The company owns 875 upscale hotel rooms in total and is currently expanding its portfolio by 443 additional rooms in two new upscale hotel properties in Sharm El Sheikh and Cairo. Another two upscale hotels are to be developed in Marsa Alam and Luxor.

TMG Holding is also an owner of over 127 thousand sqm of prime retail space located across its integrated communities and is an emerging dominant player on Cairo's sporting club scene, with two operational integrated sporting clubs accommodating about c0.2 million members and additional two clubs under construction.

The company is publicly held since 2007 and is the largest listed developer by market capitalization, at EGP23.4bn as of today. It has a total land of 53mn sqm, the largest accessed by a listed developer in Egypt. TMG Holding has the largest backlog among local developers, at EGP48.0bn and to be fully delivered within the coming four years.

Disclaimer

Certain information disclosed in this presentation consists of forward looking statements reflecting the current view of the company with respect to future events, and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking statements, including worldwide account of trends, economic and political climate of Egypt, the Middle East, and changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual results may vary materially from those described in such forward looking statements.

Market capitalization
EGP23.4bn

Annual turnover (FY2018)
EGP10.9bn

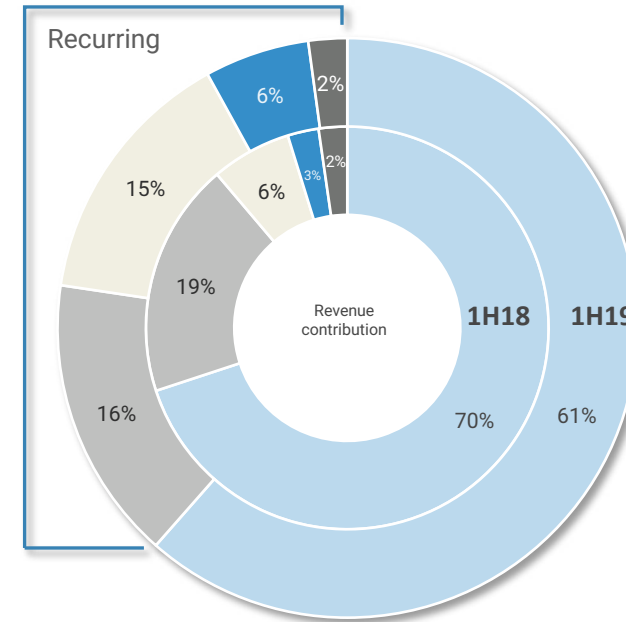
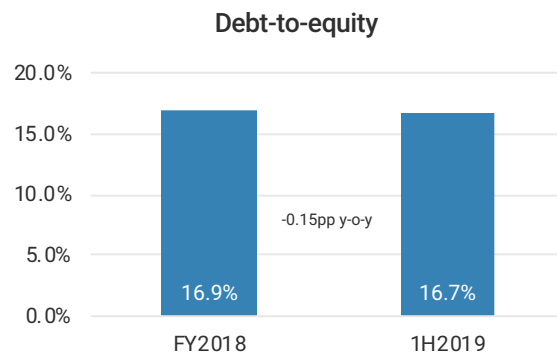
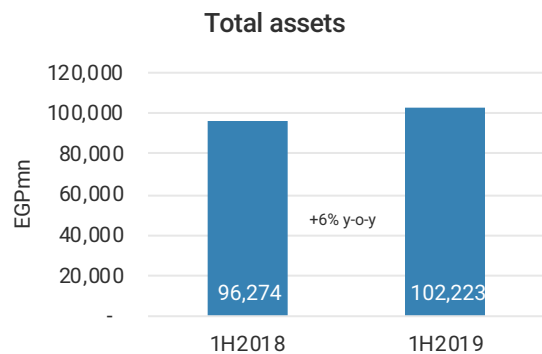
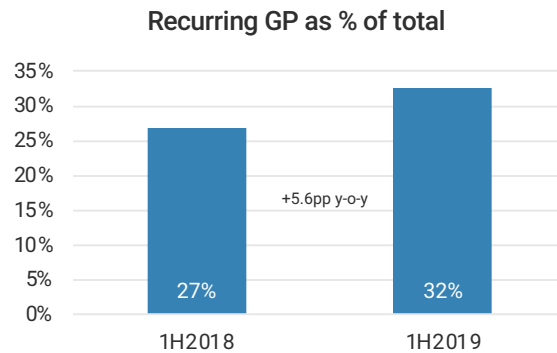
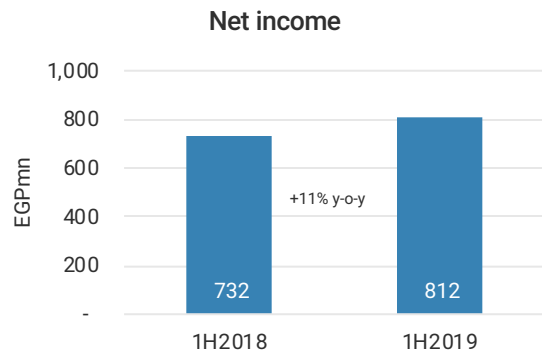
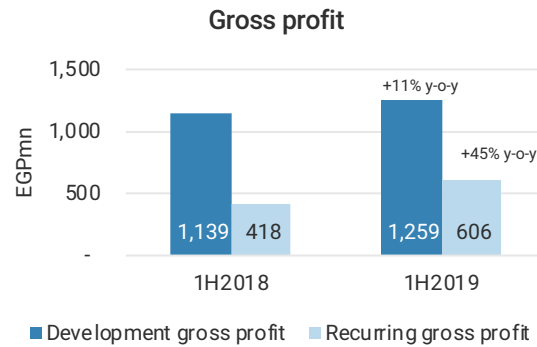
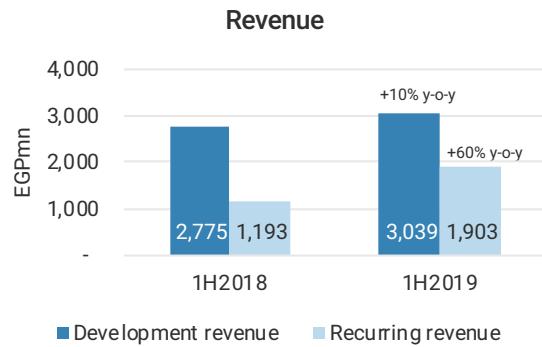
Backlog (1H2019)
EGP48.0bn

Total assets (1H2019)
EGP102bn



- Achieved strong sales of EGP11.7bn in 1H2019, the highest in the Egyptian market, of which EGP178mn represented stand-alone club membership sales.
- Launched a new successful marketing campaign focused on Madinaty and its quality facilities and planning
- Launched a new upscale neighborhood in Madinaty – Privado in May 2019, with 9,846 well-designed apartments, meeting a strong response from the market, with sales of EGP4.85bn achieved until end-June 2019.
- Launched a mortgage finance JV with EFG Hermes and GB Capital, with a paid in capital of EGP150mn, expected to increase to EGP250mn. In the first 12 months of its operation, the JV plans to offer EGP450mn worth of mortgage funding and will almost exclusively focus on TMG-branded product, increasing the investment appeal of our primary market offering.
- Introduced a new, shorter 7-year payment plan for residential sales, diversifying the already wide portfolio of payment options.
- Implemented further upgrades to all existing facilities which significantly improved customer satisfaction and reflected in stellar sales performance

Key financial highlights of 1H2019



Further improvement in revenue mix with strong growth in recurring income achieved in 1H2019

- Revenues of EGP4.94bn, up 24.6% y-o-y, of which 39% or EGP1.90bn generated from hospitality and other recurring income lines, growing 59.6% y-o-y
- Gross profit of EGP1.86bn, up 19.8% y-o-y
- Net profit before minority interest of EGP852mn, up 10.1% y-o-y
- Net profit after tax and minority interest of EGP812mn, up 11.0% y-o-y

MENA's leading developer⁽¹⁾

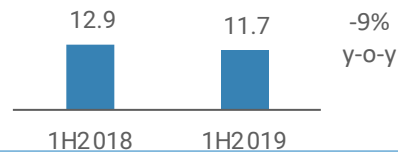
#1 Egyptian RE developer by market cap
40+ years track record

c90k / 2.6k units sold
(since inception / 1H2019 only)

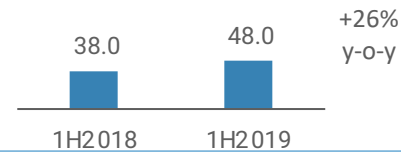
c100k+ units delivered
(since inception, including ministry units)
Highest cumulative deliveries by a single MENA developer

875 operational hotel rooms
443 rooms under development⁽²⁾

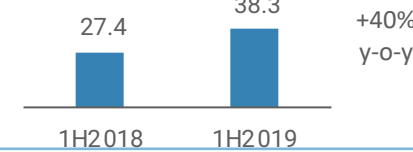
New sales [EGPbn]⁽³⁾



Backlog [EGPbn]



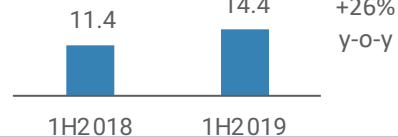
Remaining collections [EGPbn]



127.5k sqm GLA portfolio⁽⁴⁾

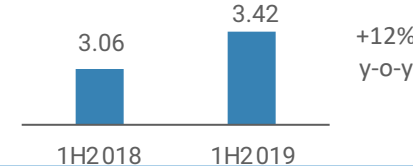
41k sqm GLA leased and operational

Expected net cash flow from backlog and delivered units [EGPbn]



15mn sqm residual BuA
c3.5mn BuA commercial
BTS and BTL

Net cash position [EGPbn]



197k club membership capacity⁽⁵⁾

Sold c46k memberships, c151k memberships yet to be sold

Egypt's leading developer of premium master planned communities with sufficient land bank for 16 years and sizeable portfolio of Recurring Income Assets contributed 30% of GOP for 2018⁽⁶⁾ and planned to increase to 40-45%

Note (1): By number of units delivered.

Note (2): Includes Four Seasons Sharm El Sheikh extension (under construction) and Four Seasons Madinaty (in design phase)

Note (3): 1H2018 sales captured EGP1bn school transaction, in addition to EGP7.2bn contributed by Celia launch. If adjusted, like-for-like sales in legacy geographies were up by c148% up y-o-y

Note (4): Includes Open Air mall (new units opening over 2019, Carrefour operating since October 2018, achieving the highest Carrefour sales per sqm in Egypt)

Note (5): Substantial high-margin revenue stream with limited CapEx needs overlooked by the market, to deliver exponential growth mimicking accelerated population build-up. Capacity does not include Celia, Privado clubs which are under process of licensing.

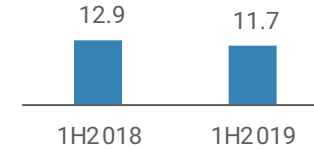
Note (6): Contributed 25% in 2017, 32% in 1H2019

1

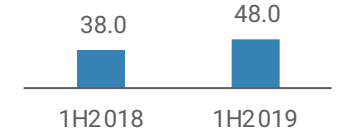
Achieving robust growth in sales

FY2019e sales target: EGP24bn, up 13% y-o-y on FY2018a of EGP21.3bn

New sales [EGPbn]



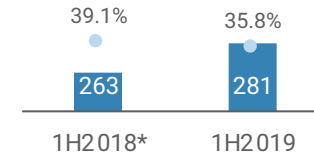
Backlog [EGPbn]



2

Continue building our recurring income portfolio –
- target 40-45% of gross profit by 2020, up from 30% in 2018

Hospitality EBITDA [EGPmn]



- The Group invested EGP1bn to increase its stake in ICON to 83.3%
- Signed JLL to manage and operate Open Air Mall in Madinaty
- Signed Carrefour as anchor tenant in Rehab & Madinaty malls, opened in Open Air mall in October 2018

3

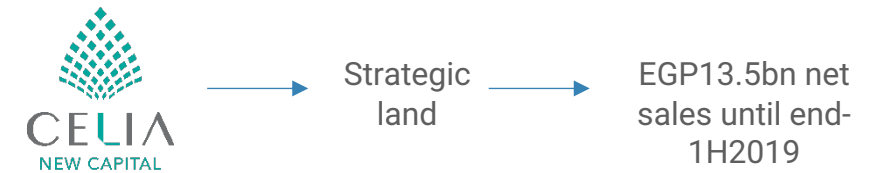
Executing the Group's strategy of monetizing non-core assets



EGP1bn proceeds from the transaction in 2018

4

Disciplined approach for land acquisitions while managing financial risk



5

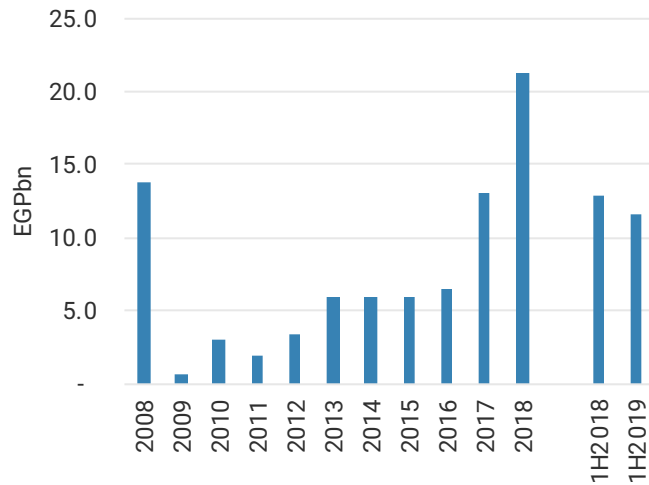
Preserving capital appreciation while providing a dividend stream

No equity increases since IPO, moderate leverage, stable dividend payout since 6 years

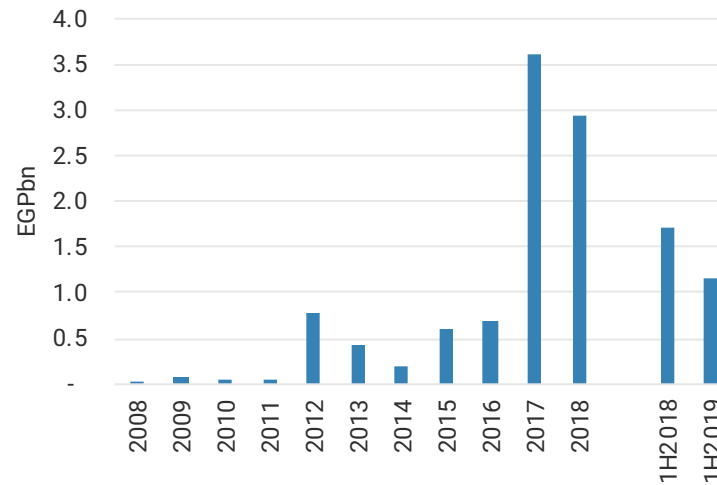
Mission: Provide exceptional services to all our clients and ensure great customer experience and capitalize on such client base for new projects

Note (*): Comparative figures adjusted for one-offs

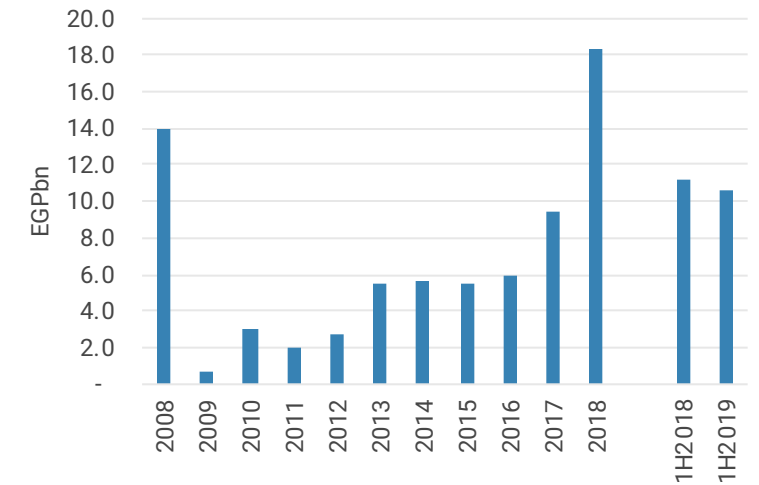
Evolution of total sales across all projects



Evolution of non-residential sales across all projects

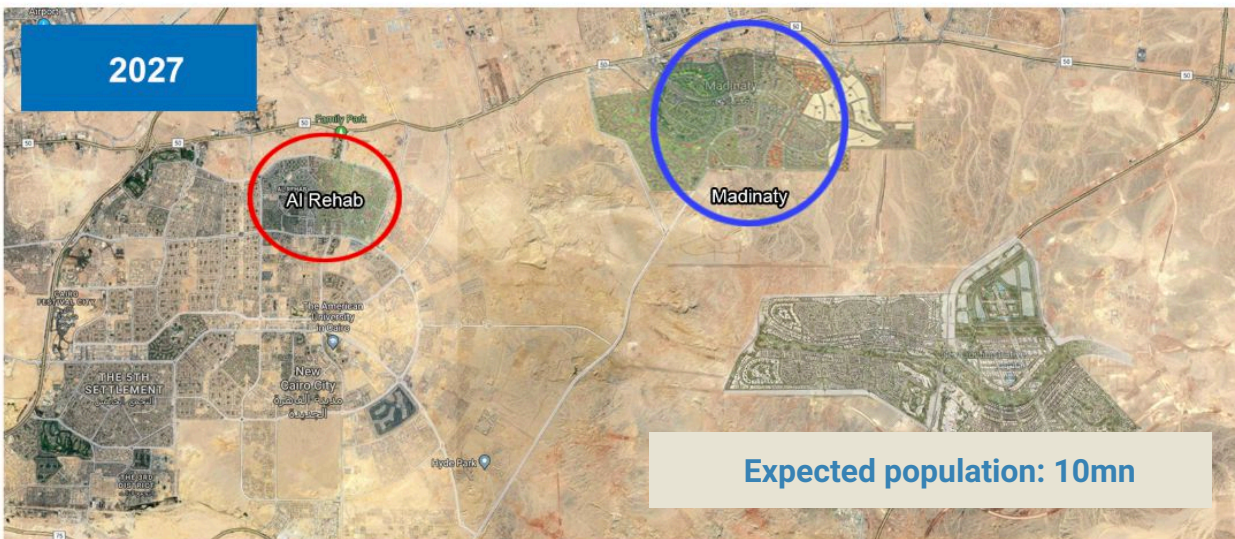
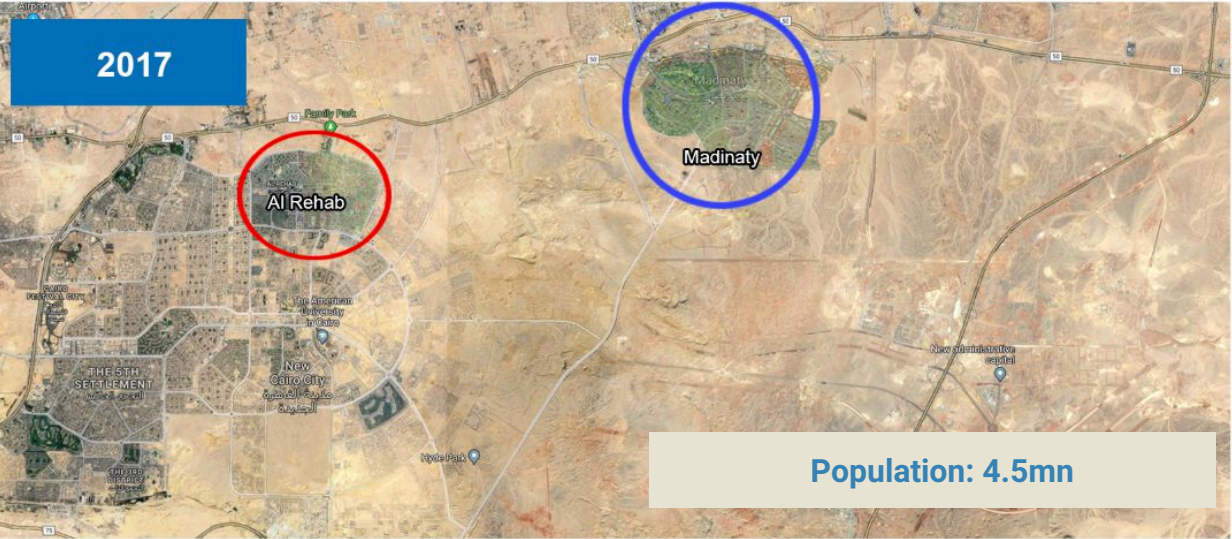
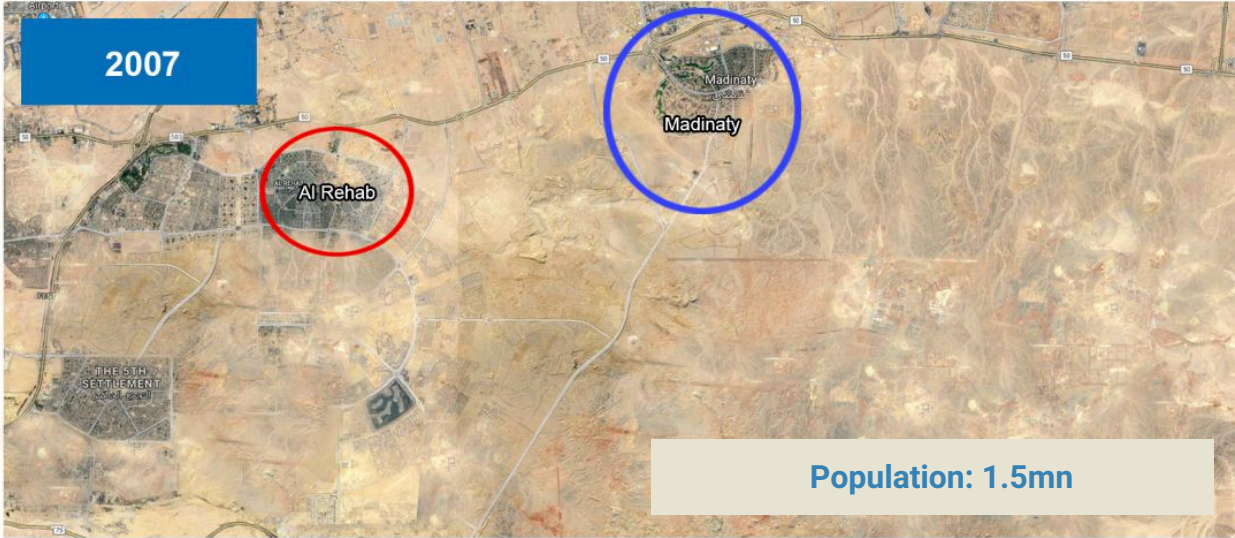
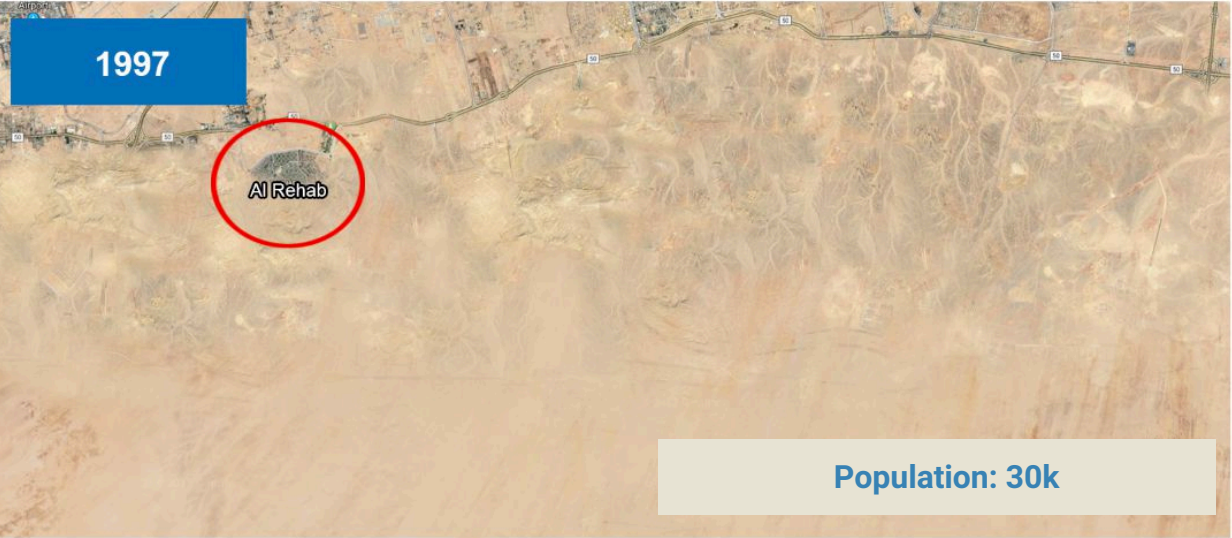


Evolution of residential sales across all projects



- Strong brand equity and development progress drive strong growth in residential and non-residential sales since 2017.
- Achieved EGP11.7bn in total sales in 1H2019, compared to 12.9bn in 1H2018, which was boosted by EGP1bn school transaction and Celia launch (new destination) of EGP7.2bn, benefiting from pent-up demand for the New Administrative Capital product.
- Achieved EGP1.1bn in non-residential and club sales sales in 1H2019. This compares to EGP1.7bn in 1H2018, boosted by EGP1bn school transaction.

Strategic vision allowed for early foothold in rapidly urbanizing East Cairo



- Madinaty is TMG’s flagship mixed-use city in East Cairo spanning over a massive area of 33.6 km², launched in 2006 and to be fully completed by 2035
- Designed to be self-sufficient international city for quality life-style and world-class commerce, leveraging on 40+ years of experience of TMG teaming up with renowned international master planners and architects

Land area
33.6 km²

117k residential units

Over 4mn sqm of non-residential BuA

Prime location

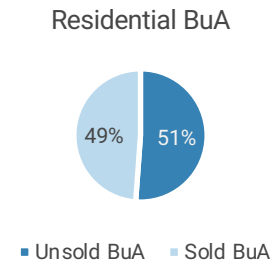
- Well-connected to the 5th Settlement and inner Cairo
- Well-connected to the New Administrative Capital and Suez zone
- In close proximity to Cairo International Airport and the New Capital airport
- Well-connected to other project’s of TMG, such as Rehab and Celia

Well diversified unit mix supporting a sustainable community

- 107.5 thousand finished apartments of various sizes
- 9.3 thousand stand-alone units with private gardens
- 3.8mn sqm of regional services, including malls, office space, hotels, clinics etc., in addition to 0.33mn sqm of district and sector centers
- Hosting one of the largest downtown centers of trade and commerce in Egypt and the region (the Spine)

Gaining critical mass

- Delivered some 50 thousand residential units to date since inception
- Quality ready-made finishing and amenities encourage a vibrant rental market, boosting occupancies and commercial activity



Offering superb amenities

- Vast, high-quality sustainable landscaping (25 sqm of greenery per inhabitant)
- Internal road network with service lanes, biking tracks and pedestrian lanes, dedicated water and electricity infrastructure
- High-quality schools with diverse international and local curricula, nurseries
- Sporting club of 200 feddans
- World-class medical centers and pharmacies
- Dedicated transportation services
- Mosques and churches

World-class planning and vision

- Designed by renowned international architects, such as Sasaki, SWA, HHCB, Dar, F+A, HR&A, among others
- Provides for tranquility of residential quarters and immediate accessibility to commercial centers
- Well-connected to surrounding neighborhoods, capturing footfall of East Cairo and the New Administrative Capital



A value proposal leveraging on quality services of Madinaty paired with tranquility of a gated compound...

- **Privado** is our newest apartment neighborhood in the East of Madinaty, spanning over 1.2mn and neighboring the downtown area
- Total residential BuA of c1.1mn sqm
- In addition to 7.3k sqm of service space, with a dedicated Town Square spanning over 12.1k sqm, containing:
 - Retail, market, storage, nursery, courtyard, stage, administrative offices
- Footprint of 16% only, leaving 84% for open areas and green spaces dotted with lakes and other water features, including a central park spanning over 630,000 sqm
- Entertainment zone with 4 movie theatres and 250 retail outlets
- Adventure Park with car racing, retro arcade, kids indoor climbing, BMX and skating park

Centrally located...

- **Privado** will grant its residents an easy access to top-notch facilities of the compound as well as the services and amenities of Madinaty
- It is centrally located within walking distance from Madinaty downtown areas and the Central Park, with direct access to Cairo-Suez road

276 feddans

Privado land area

1.1mn sqm

Total residential area

EGP4.85bn

Total net sales since prelaunch until end-1H2019

1,253 units (c13%)

sold until end-1H2019

9,846 units

Total residential units for sale



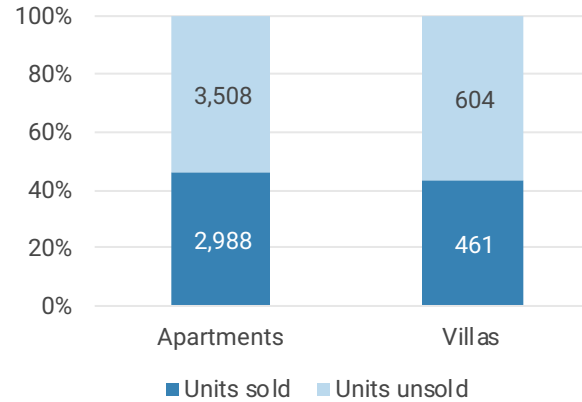
PRIVADO
MADINATY



Unmatched brand equity of TMG in the Egyptian market

- **Celia** is a new mixed-use development located on 500 feddans in the New Administrative Capital (NAC) – largest land plot launched in NAC to date
- Total residential BuA of c1.07mn sqm, in addition to c190k sqm of non-residential space
- Launched in June 2018, to be completed within the next 4 – 6 years
 - Very good market reception as a testimony to brand equity
 - Significant pent-up demand in location despite earlier launches by smaller companies before the launch of Celia
 - Good outlook on demand dynamics following launch
 - More than 15% of clients are returning clients
- Well-diversified offering portfolio:
 - Four types of multitenant buildings, 8 floors each
 - Five types of stand-alone units ranging from 213 to 373 sqm per unit
 - Master plan accommodates for a sporting club and basic services
- Land purchased in 2017 for EGP2,100/sqm, payable over 9 years (10% down payment, 2 years grace period + 7 years installments, interest of 10% only)

Sales status as at end-1H2019



500 feddans
Celia land area

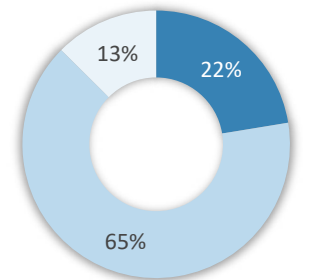
1.07mn sqm
Total residential area

cEGP13.5bn
Total net sales since launch until end-1H2019

3,449 units (c47%)
sold until end-1H2019

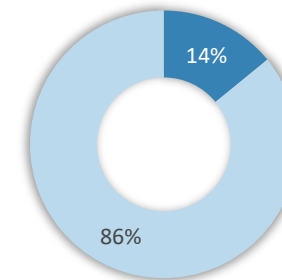
7,561 units
Total residential units for sale

BuA breakdown by type



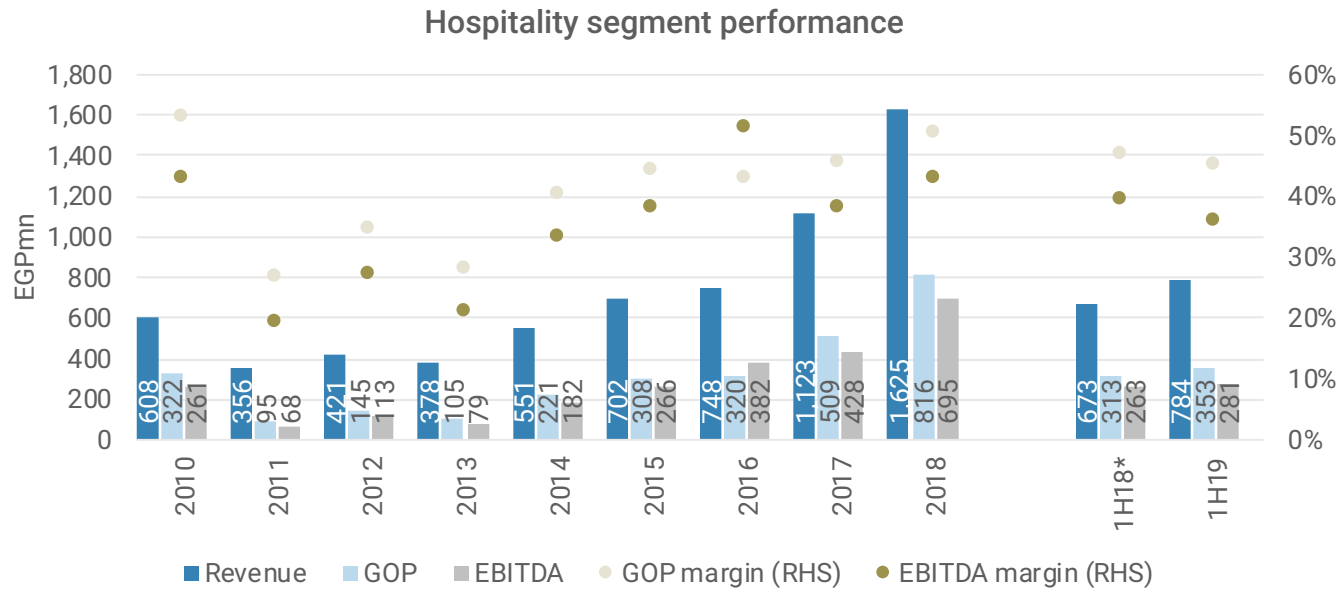
■ Villas ■ Apartments ■ Services

Units breakdown by type



■ Villas ■ Apartments





- Freed liquidity from monetizing non-core assets and invested EGP1.0bn in ICON in a value accretive transaction, increasing stake in TMG's yielding hospitality segment to 83.3%
- Appointed Hotel Chief Operating Officer in 2019 to oversee existing portfolio and its expansion
- 443 new keys under development:
 - 346 keys in FS Madinaty + 191 residential units, construction breaking ground in 2019, to be completed in 2023
 - 97 keys in FS Sharm El Sheikh ext. + 69 residential units; under construction, to be completed in 2020
- Ongoing phased renovation of FS Nile Plaza

Four Seasons Sharm El Sheikh
[200 keys, opened 2001]



Four Seasons Nile Plaza, Cairo
[366 keys, opened 2004]



Four Seasons San Stafano, Alexandria
[118 keys, opened 2007]

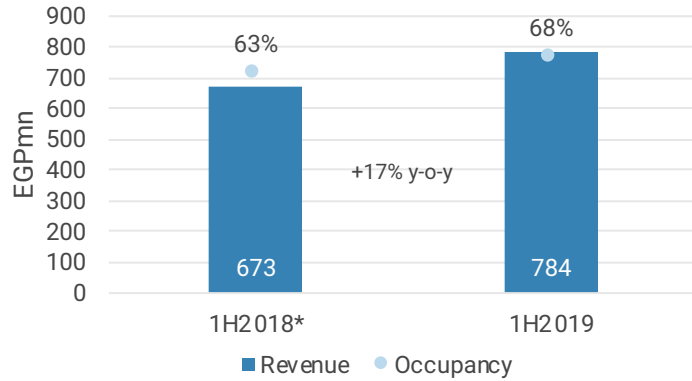


Kempinski Nile Hotel, Cairo
[191 keys, opened 2010]

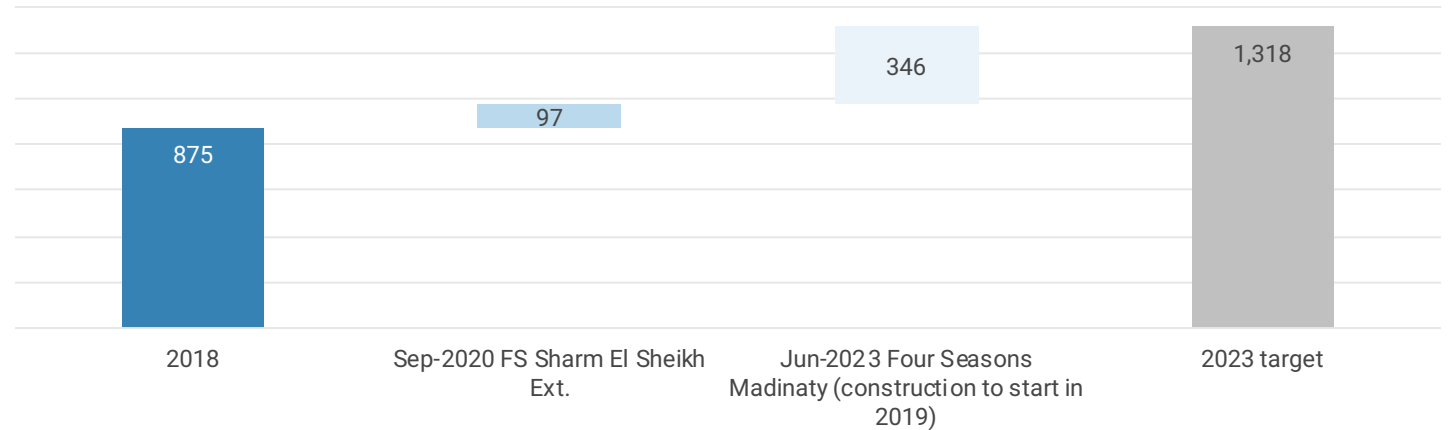


Note (*): Adjusted for one-offs

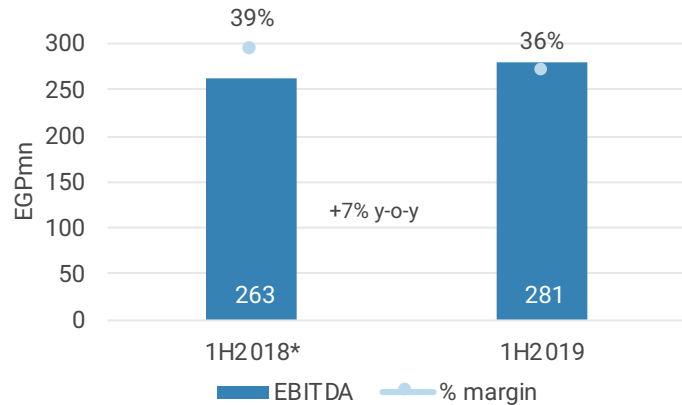
Revenue and occupancy rate



Hotel rooms evolution



EBITDA and EBITDA margin*



Short-term initiatives - ongoing



Four Seasons Sharm El Shaikh

- 97 hotel keys
- 69 residential Units
- Licenses/permits Issued



Four Seasons Nile Plaza

- Renovation plan ongoing
- Execution started in 2018
- Self-funded from existing cash resources



Four Seasons Madinaty

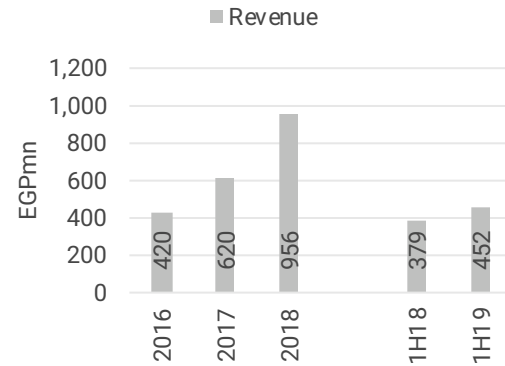
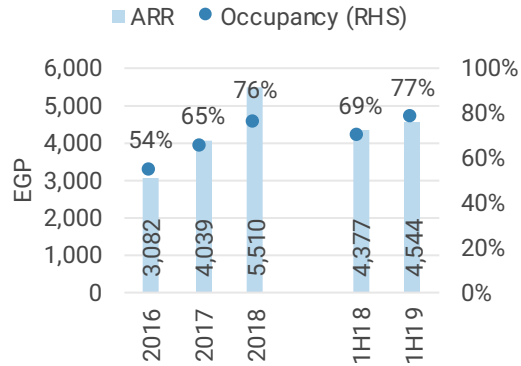
- 346 Hotel Keys
- 191 residential units (111 villas and 80 apartments)
- Design ongoing

Note (*): 1H2018 KPIs adjusted for one-offs. Slight EBITDA margin compression attributable to strengthening of EGP over 1H2019.

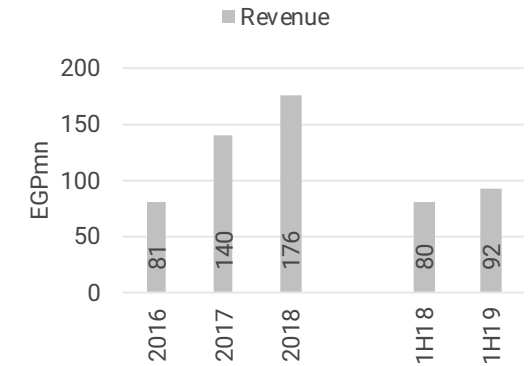
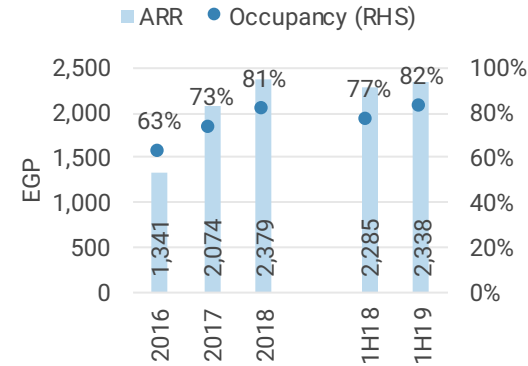
Significant improvement across hotel KPIs



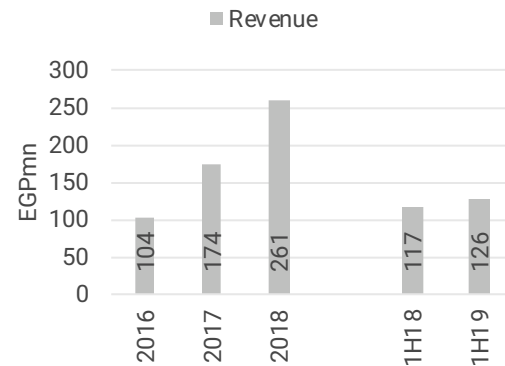
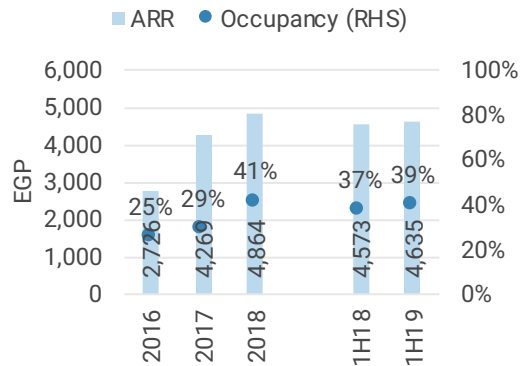
Four Seasons Nile Plaza KPIs*



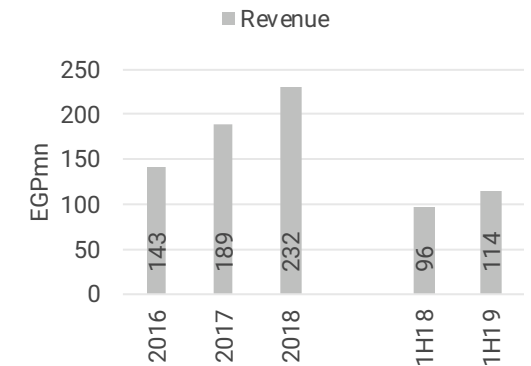
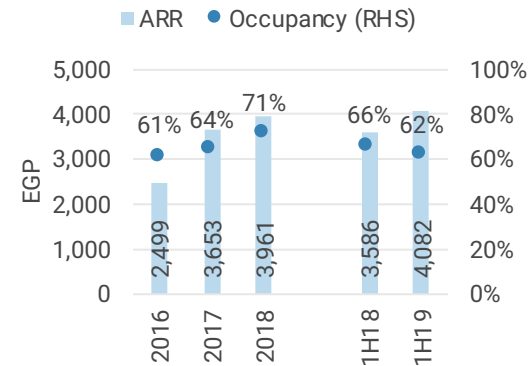
Kempinski Nile Hotel KPIs



Four Seasons Sharm El Sheikh KPIs

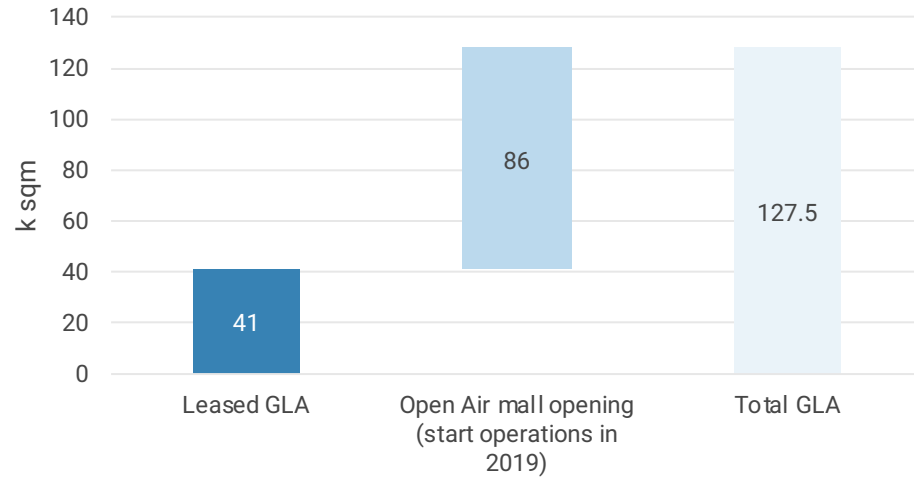


Four Seasons San Stefano KPIs



Note (*): 1H18 KPIs adjusted for one-offs

Retail GLA



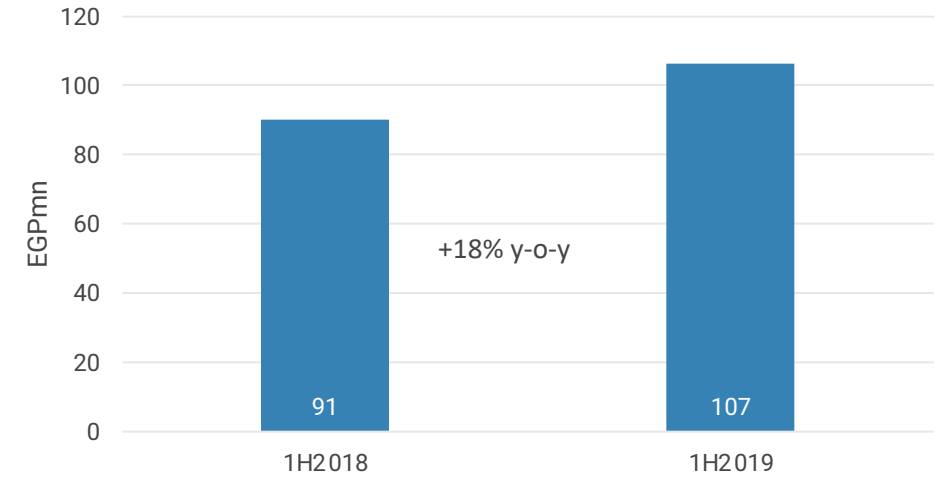
Remaining CAPEX EGP1.3bn

Target 2020e revenue cEGP0.5bn

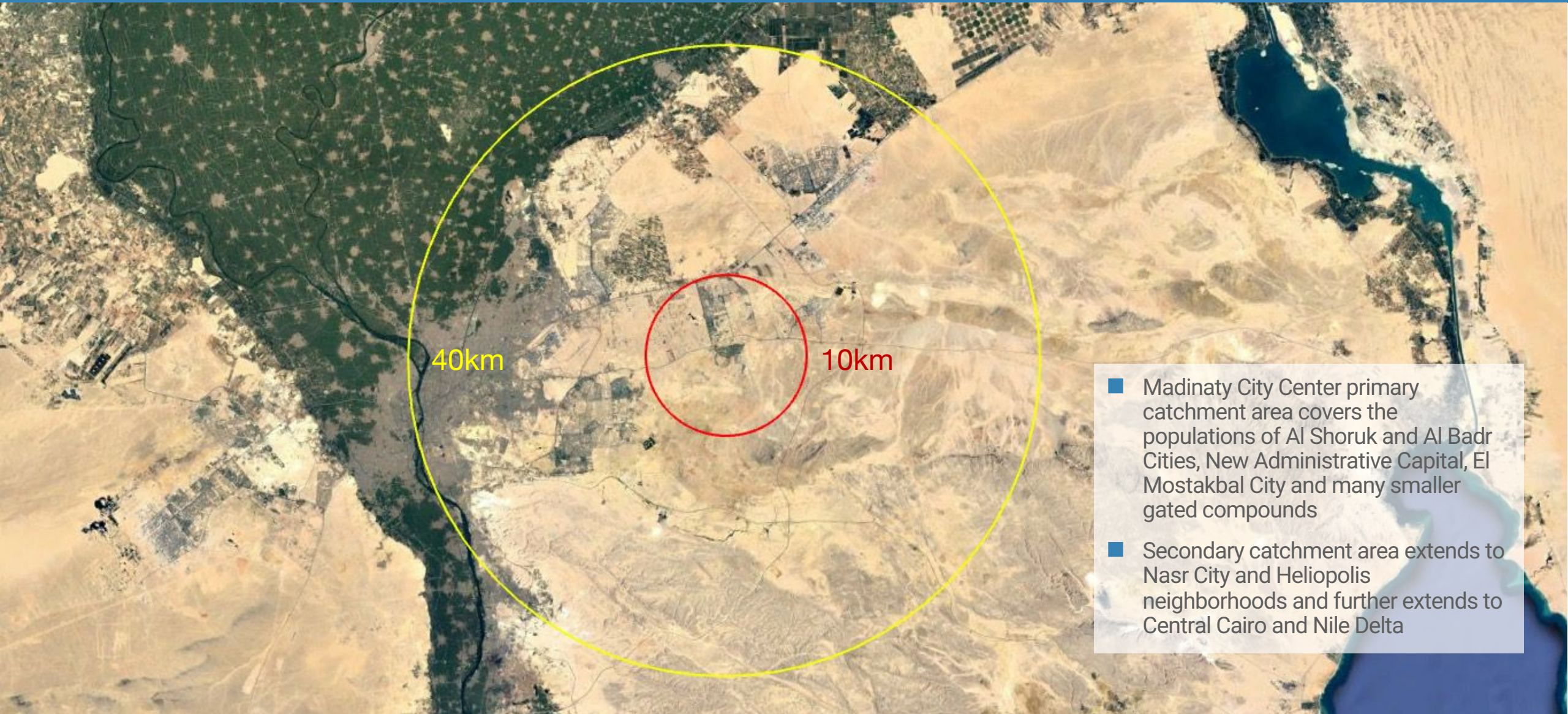
Target EBITDA margin c85-90%

Target 2020e EBITDA EGP0.45bn

Retail revenue grows in significance

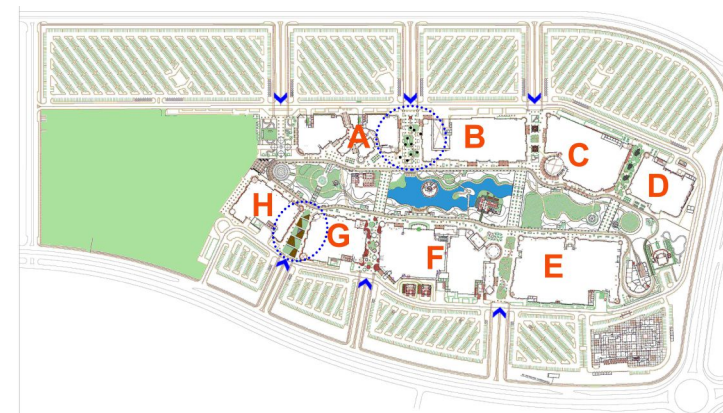


- Retail revenues benefit from continuous population build-up in TMG Holding projects
- Over 16k sqm of GLA in Open Air mall already signed or under negotiation as of September
- Carrefour hypermarket, opened in October 2018, achieves the highest sales per sqm in Egypt

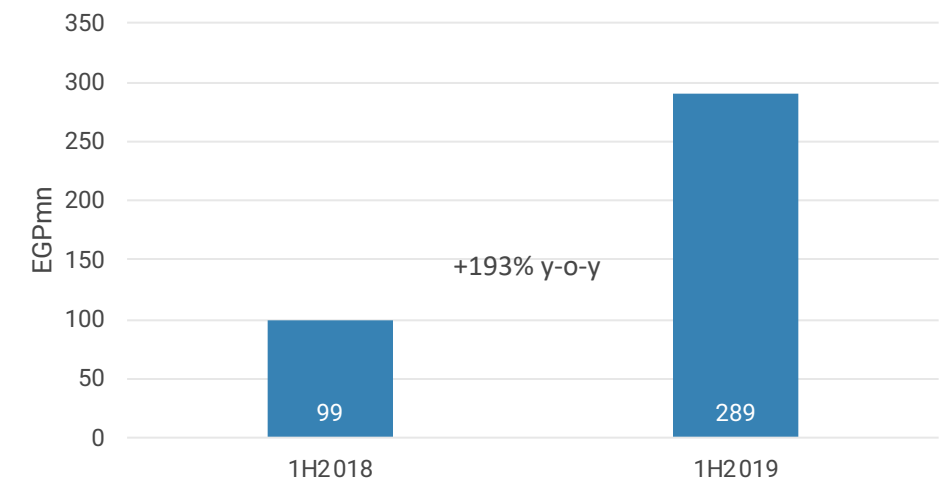


- Madinaty City Center primary catchment area covers the populations of Al Shoruk and Al Badr Cities, New Administrative Capital, El Mostakbal City and many smaller gated compounds
- Secondary catchment area extends to Nasr City and Heliopolis neighborhoods and further extends to Central Cairo and Nile Delta

- A new regional mall in Madinaty built on 406k sqm of land on Northern edges, immediately surrounded by residential communities within the project and with easy access from the outside
- GLA of 92k sqm + some 6,000 parking spots
- Modular designed consisting of 8 buildings connected by alleys and a tram network
- All GLA fully owned by TMG
- Inaugurated in 2018 with opening of Carrefour hypermarket, to be fully completed over 2019
 - **The highest selling Carrefour outlet per sqm in all of Egypt**
- Footfall bound to increase exponentially with new residential deliveries in Madinaty and neighboring projects by other developers, bring total population in the area to over 10mn individual in the coming 10 years, from current estimate of 4.5mn
- Catchment: at least 3.5mn people, of which 1.9mn within primary catchment area
- Driving times:
 - El Shourok City: ~10 min
 - New Cairo: ~20-30 min
 - Cairo Intl. Airport: ~30 min
 - New Admin. Capital: ~ 35 min

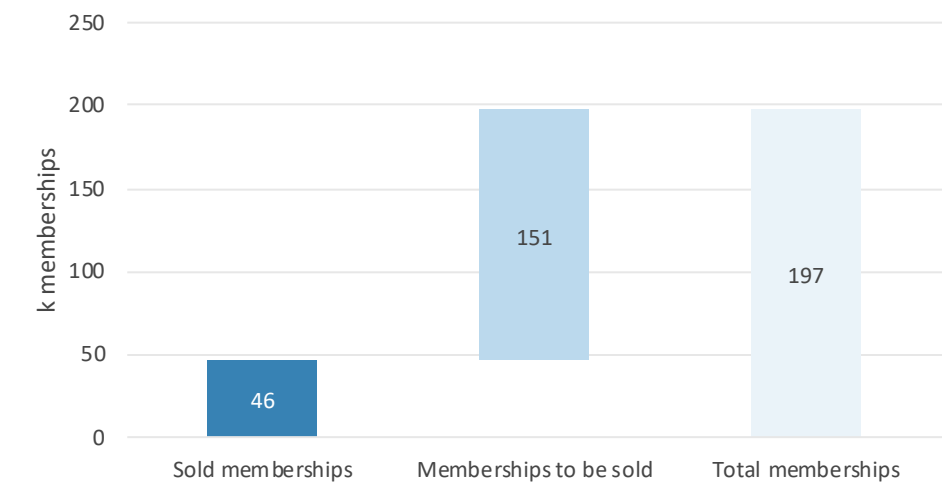


Club revenue grows in significance



- Emerging player on Cairo sporting club scene – revenue up +193 y-o-y to EGP289mn in 1H2019, unrecognized revenue backlog of cEGP1bn as at 1H2019
- One time life membership sold for cEGP120-250k, below market rates as memberships are not yet availed to non-residents
- Maintenance and operation covered by annual renewal fees
- Additional sales reached EGP178mn in 1H2019 (1H2018: nil)

Club memberships – sold and remaining



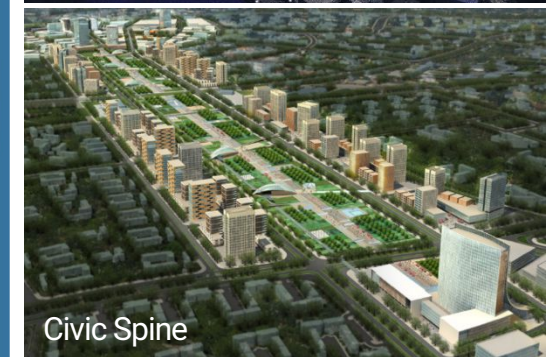
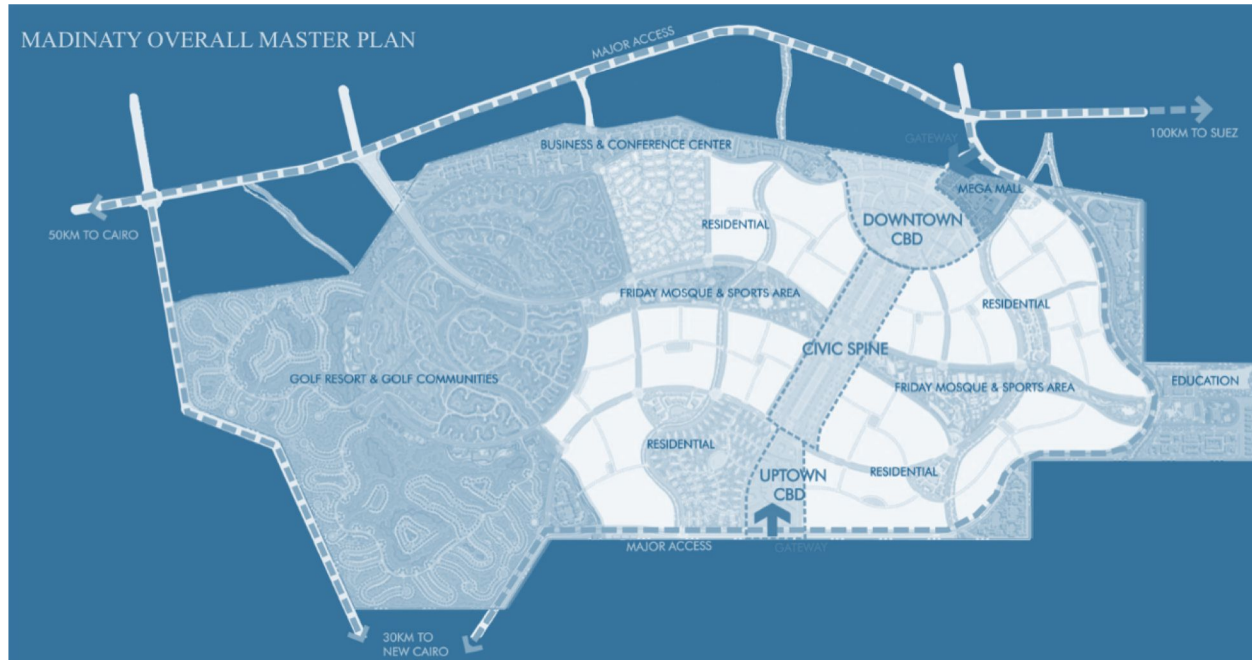
- Remaining CAPEX cEGP0.8bn for extension, main club is already completed and operational
- Avg. membership EGP130-200k
- Target aggregate cash inflows from memberships sold EGP22-25bn in the next 10 years
- EBITDA margin 85%
- Target 2020e EBITDA EGP500mn

The Spine⁽¹⁾

Fully integrated residential complex including retail, leisure, hospitality, and offices designed to international standards

2.7mn sqm land area
4.5mn sqm total BuA⁽²⁾
13 years of development

2.3mn sqm of residential
BuA



Strategic location

Unique accessibility

Quality infrastructure

Superior quality standards

Note (1): Areas subject to change as per the final master plan and utilization

Note (2): Including c1.2mn sqm of garage BuA

The Spine⁽¹⁾



400k sqm of retail portfolio
35:65% / BTS:BTL

635k sqm of office GLA
25:75% / BTS:BTL

600+ hotel keys
to be managed by operators

Note (1): Areas subject to change as per the final master plan and utilization



Downtown

- Each district is tailored for a specific target audience:
 - Downtown: seniors, families and youth
 - Parkside: families and youth
 - Uptown: professionals

<p>Historical sales</p>	<ul style="list-style-type: none"> ■ EGP14.4bn of net cash flow from backlog and delivered units 	<ul style="list-style-type: none"> ■ EGP48.0bn of backlog ■ Avg. gross profit margin 30%-35%
<p>Unlaunched residential BuA</p>	<ul style="list-style-type: none"> ■ 11.5mn sqm ■ Target gross profit margin 30% - 35% 	<ul style="list-style-type: none"> ■ Land bank sufficient for the next 16 years ■ Sell all remaining units in Al Rehab and Al Rabwa in the short term ■ Target 3,500 residential units to be launched each year
<p>Non-residential BuA/land</p>	<ul style="list-style-type: none"> ■ 6.3mn sqm of land (of which 237k sqm in Al Rehab) translating into BUA of 3.5mn sqm ■ This area will be split between BTS and BTL assets ■ Average gross profit margin for BTS 75% 	<ul style="list-style-type: none"> ■ BTS strategy preferred over land sales to unlock additional value ■ Plan to sell over the next 10 years, assets that are non core to our recurring income hold / BTL strategy

Significant cash flows expected from the sale of residential and BTS commercial units to fund:

Dividends

Building recurring income portfolio

Acquisitions of land

Potential monetization plan

In that regard we have successfully monetized EGP1bn from the schools that we have built in our projects to GEMS / EFG as operators, which had very minimal contribution to our profits and used the proceeds to invest in the hospitality business in what we believe is a value accretive transaction

- We believe that today the market does not ascribe value to most of our recurring income portfolio (namely hotels, retail, clubs, and non-residential land bank) which offers a significant long-term upside for equity investors
- We will keep monitoring the performance of such businesses and invest to grow them over the coming period provided such new investments meet our target returns criteria
- Once these assets reach a stage of maturity to run on their own and continue the current growth trend independently we will start exploring our monetization options
- Such monetization options will include either IPOs or M&As that would create value to the Group
- For smaller non-core assets, we will aim to fully divest to an Operator that would create further value to our communities
- Proceeds from such monetization plan will finance dividends and business growth

Strategic acquisition criteria

- Large plots that allow for the development of urban communities targeting the middle to upper middle classes
- Focus on Greater Cairo primarily, and the North Coast can also be selectively considered

Financial acquisition criteria

- Preference towards cash acquisitions to manage financial risk
- Opportunistically consider JVs or revenue / profit sharing while maintaining control
- Target minimum gross profit margin of 30%-35%

Current land bank sufficient for 16 years

In line with development timeframe allowed by land contracts

Net cash from contracted sales

Net cash from future residential launches

Cash profits from BTS commercial sales

Cash inflows from club memberships sold

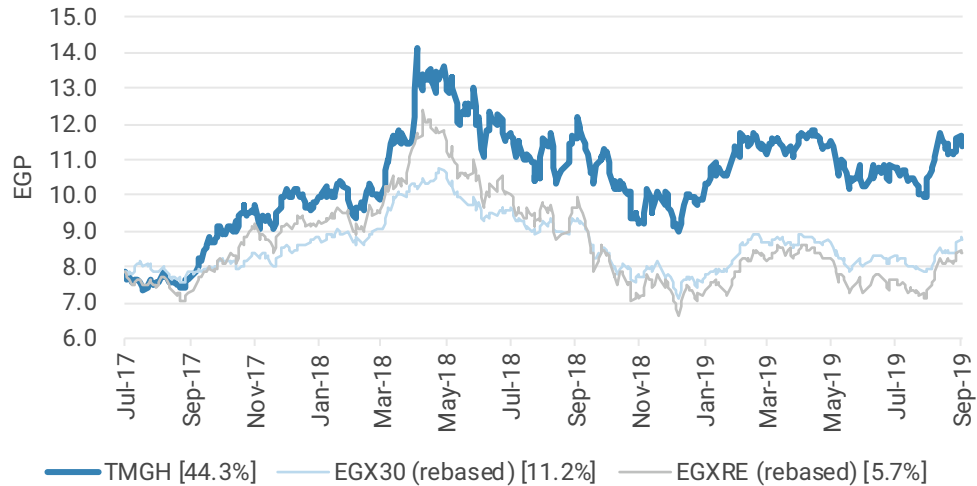
Value realization from recurring income portfolio

- cEGP14.4bn net cash flow pre-tax from backlog sales
- 11.5 mn sqm (BuA) of BTS residential assets to be launched and sold in the next 10 – 15 years
- Average GP margin of 30-35%
- 2.0 mn sqm (BuA) (1.4 mn sqm of net sellable area) of BTS commercial assets to be launched and sold in the next 10 years
- Average GP margin of 75%
- EGP22-25bn of aggregated cash inflows in the next 10 years
- Based on target to sell 151k additional memberships in Al Rehab Club and Madinaty Club (only EGP0.8bn CAPEX remaining)
- 2020e EBITDA cEGP0.45bn for retail (existing & under-construction)
- 2020e EBITDA of cEGP0.7bn for operational hotels
- 2020e total recurring income of at least cEGP1.6bn with significant upside risks
- Market does not assign value to these assets in management's views. We will plan to realize value from these once they reach a state of maturity

Avg. sales price of at least EGP20k/sqm at current market prices

Avg. sales price of at least EGP130k/sqm at current market prices

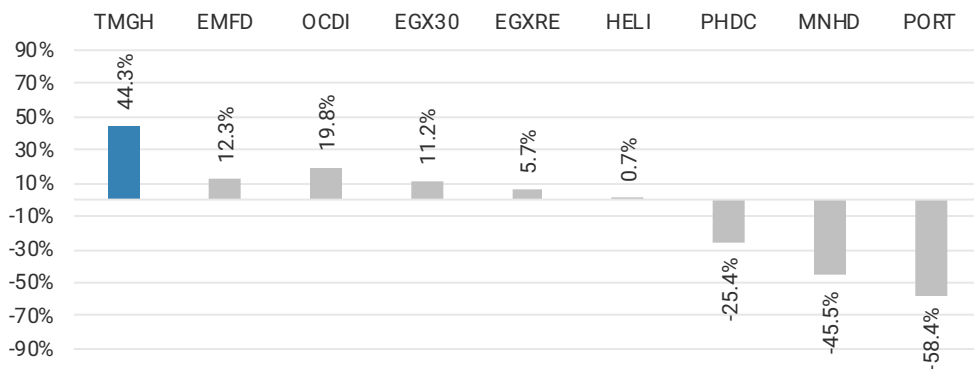
TMG share price performance compared to EGX indices



Key facts

- Listed on EGX since 2007
- c2,063mn shares outstanding
- No foreign ownership limits
- Shariah observant
- Reuters/BBG: TMGH.CA/TMGH EY
- Member of EGX30 index and MSCI Small Cap Egypt index
- The only active primary real estate developer listed on EGX capable of sustainable dividend distribution since 2014

Share price returns of select real estate companies listed on the EGX since July 2017



FY2018 dividend
+4% y-o-y
EGP0.176/share



Thank you