

**Company**

Arabian Centres Co.  
2Q25 Result Review

**Rating**

Buy

**Bloomberg Ticker**

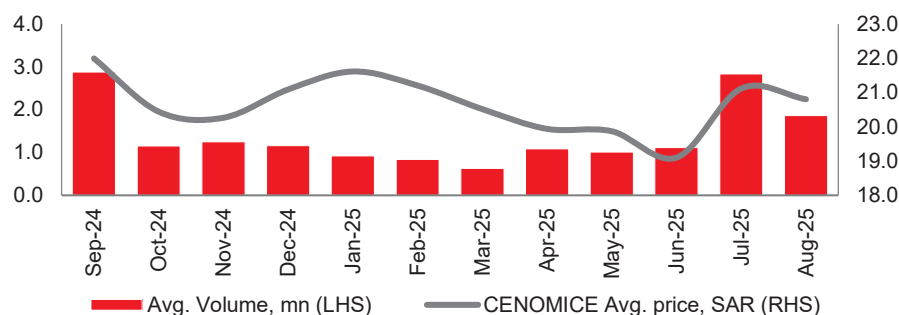
CENOMICE AB

**Date**

11 August 2025

**Results**

Target Price SAR	26.0
Upside/ Downside	24.2%

**Revenue falls slightly in 2Q25, coming in line with our estimate**

Arabian Centers Co. (Cenomi)'s revenue fell 1% YoY in 2Q25, meeting our expectations. The slight decrease in revenue is mainly attributed to lower net rental and media revenues from the Dhahran Mall as its first phase was handed over in February 2025. However, excluding Dhahran Mall, revenue grew ~7% YoY, driven by a nearly 65% surge in utilities and other revenue.

**Net profit benefits from cost optimization and fair value gains**

Despite a slight dip in revenue, operating profit surged 23% YoY in 2Q25, driven by Cenomi's cost optimization efforts, reducing the cost of revenue (-8%). Separately, the gain on the sale of Al Kharj land supported the other operating income. Subsequently, net fair value gain on investment properties aided net profit, which grew 34% YoY during the quarter.

**U-Capital view**

We expect Cenomi to launch at least three new malls during 2H25 and FY26, which are likely to compensate for the revenue loss from the Dhahran Mall, whose phase 2 lease is set to expire in 1H26. We maintain our target price of SAR 26.0 on the stock and revise our recommendation to a Buy, considering upside from the current levels.

Current Market Price (SAR)	20.9
52wk High / Low (SAR)	23.1/18.3
12m Average Vol. (mn)	1.5
Mkt. Cap. (USD/SAR mn)	2,650/9,947
Shares Outstanding (mn)	475.0
Free Float (%)	51.4%
3M ADTV (SAR mn)	37.4
6M ADTV (SAR mn)	27.4
P/E'25e (x)	10.3
EV/EBITDA'25e (x)	14.7
Dividend Yield '25e (%)	7.2%
Price Perf. (1m/3m) (%)	0.2/4.4

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For our  
last report

**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
<b>P&amp;L</b>												
Revenue	587	587	585	591	583	589	-1%	-1%	-1%	1,172	1,173	0%
Gross profit	485	486	527	512	489	498	1%	-4%	-2%	973	1,001	3%
Operating profit	519	547	529	398	638	449	23%	60%	42%	889	1,036	17%
Net profit	354	328	357	223	475	252	34%	113%	88%	540	697	29%
<b>BS</b>												
Sh. Equity	14,269	14,608	14,785	14,824	15,116		6%	2%		14,269	15,116	6%
<b>Ratios</b>												
Gross margin	82.8%	82.9%	90.1%	86.6%	84.0%	84.5%				83.0%	85.3%	
Operating margin	88.4%	93.2%	90.5%	67.4%	109.5%	76.2%				75.9%	88.3%	
Net profit margin	60.3%	55.9%	61.0%	37.7%	81.5%	42.8%				46.0%	59.4%	
EPS, SAR	0.7	0.7	0.7	0.5	1.0	0.5				1.1	1.5	
RoE (TTM)					9.3%							
TTM P/E (x)					7.4							

Source: Financials, Tadawul, Bloomberg, U Capital Research



# Investment Research

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## Disclaimer

### Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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