

# Cenomi Centers Earnings Presentation

For the quarter ended 30 September 2023

## Disclaimer

The information, statements and opinions contained in this Presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. Information in this Presentation relating to the price at which investments have been bought or sold in the past, or the yield on such investments, cannot be relied upon as a guide to the future performance of such investments.








This Presentation contains forward-looking statements. Such forward-looking statements contain known and unknown risks, uncertainties and other important factors, which may cause actual results, performance or achievements of Arabian Centres (Cenomi Centers) (the "Company") to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

None of the future projections, expectations, estimates or prospects in this Presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the Presentation. These forward-looking statements speak only as of the date they are made and, subject to compliance with applicable law and regulation, the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in the Presentation to reflect actual results, changes in assumptions or changes in factors affecting those statements.

The information and opinions contained in this Presentation are provided as of the date of the Presentation, are based on general information gathered at such date and are subject to changes without notice. The Company relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. Subject to compliance with applicable law and regulation, neither the Company, nor any of its respective agents, employees or advisers intends or has any duty or obligation to provide the recipient with access to any additional information, to amend, update or revise this Presentation or any information contained in the Presentation.

Certain financial information contained in this presentation has been extracted from the Company's unaudited management accounts and financial statements. The areas in which management accounts might differ from International Financial Reporting Standards and/or U.S. generally accepted accounting principles could be significant and you should consult your own professional advisors and/or conduct your own due diligence for complete and detailed understanding of such differences and any implications they might have on the relevant financial information contained in this presentation. Some numerical figures included in this Presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables might not be an arithmetic aggregation of the figures that preceded them.

## Table of Contents

	TOPICS	Page No.
	Q3 2023 Key Highlights	4
	KSA Macroeconomic Outlook	6
	Cenomi Centers Overview	8
	Operational Overview	18
	Financial Overview	24
	Summary	32
	Appendix	34



01



# Q3 2023 Key Highlights

# Robust Performance in 9M 2023



SAR **1,709.8** MN

Revenues

SAR 567.7 MN (Q3)

- ▲ 3.3% YOY 9M 2023
- ▼ 1.1% YOY Q3 2023



SAR **1,244.1** MN

EBITDA

SAR 341.2 MN (Q3)

- ▲ 10.0% YOY 9M 2023
- ▼ 8.9% YOY Q3 2023



SAR **1,018.7** MN

Net Profit

SAR 293.6 MN (Q3)

- ▲ 64% YOY 9M 2023
- ▲ 11.1% YOY Q3 2023



**95.2** MN

Footfall

- ▲ 23.5% YOY 9M 2023



**90.3%**

LFL<sup>1</sup> Occupancy

- ▼ 3.9pp YOY 9M 2023



SAR **2** BN

Non-core Landbank Asset Value

SAR 937.5 MN sold as of Sep 2023



02



# Saudi Arabia Macroeconomic Outlook

## Demographic Profile and Sustained Growth in Non-Oil Activity continue to provide Favourable Operating Environment



**10<sup>th</sup>**

Globally in terms of FDI<sup>1</sup>

**100M**

Tourists by end of 2023<sup>2</sup>

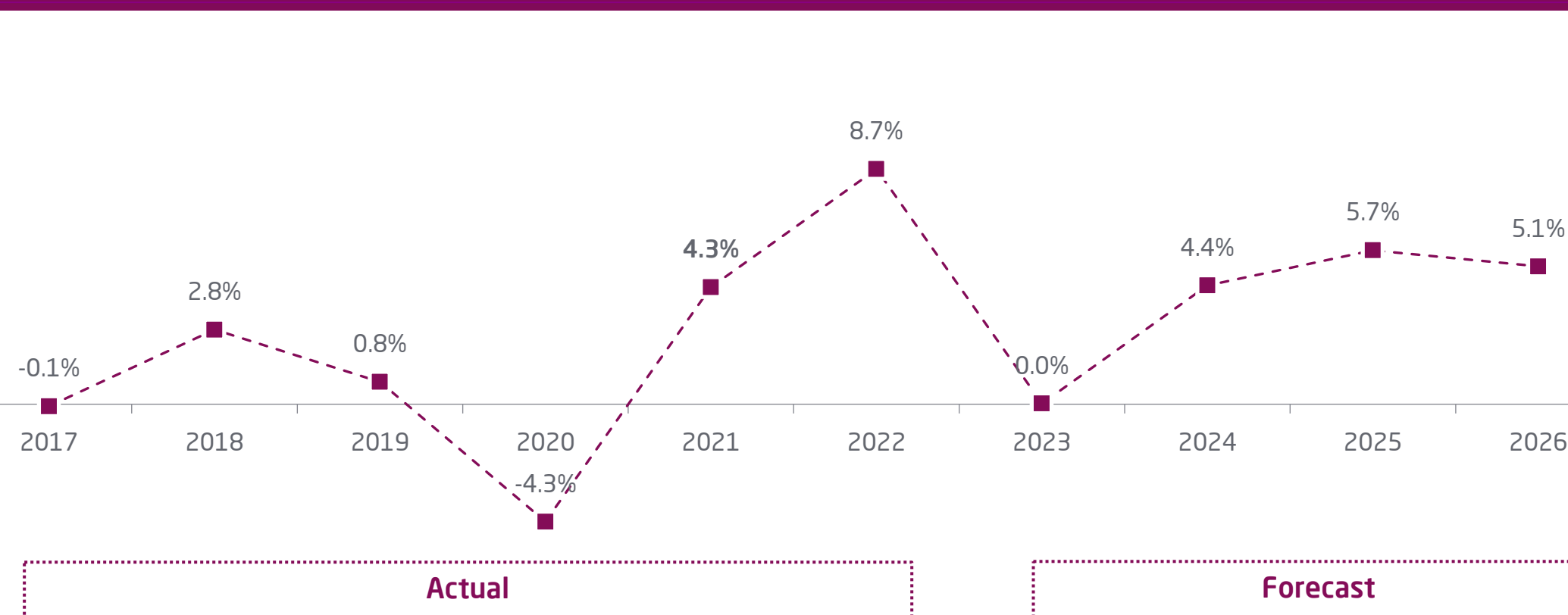
**+3.6%**

Y-o-Y Growth in non-oil activity in Q3<sup>3</sup>

**A+ / A1**

Fitch/ Moody's Ratings<sup>4</sup>

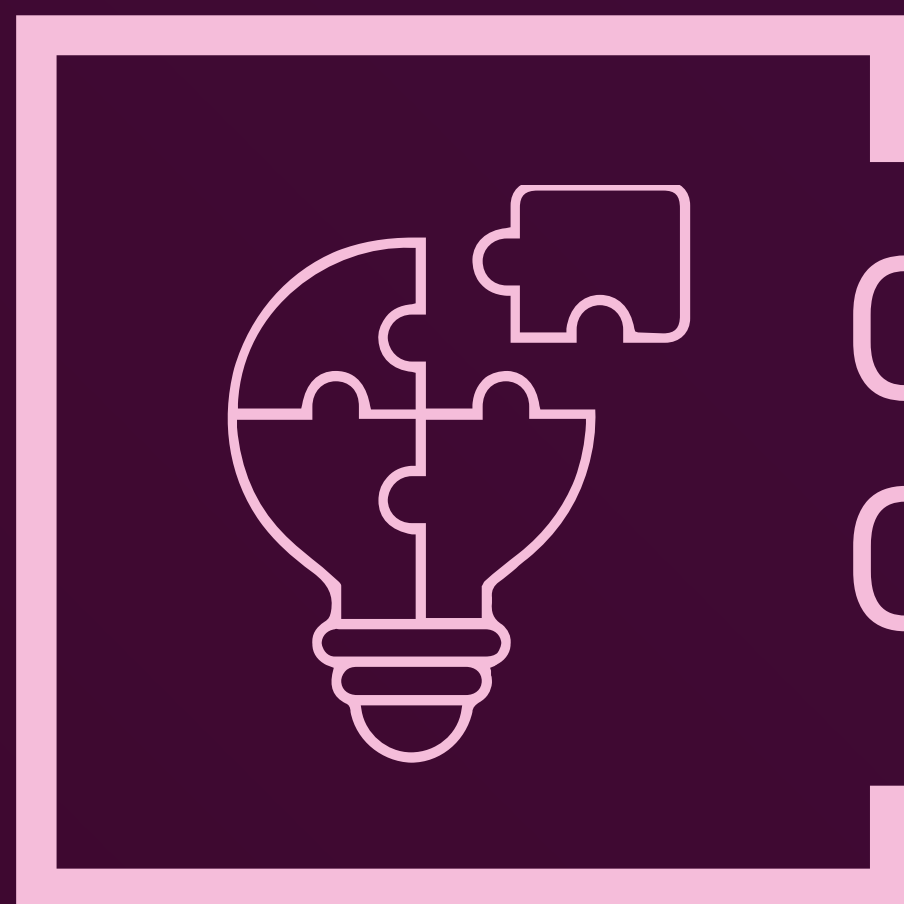
### Real GDP Growth Rate (%) <sup>7</sup>



- Strong growth in non-oil revenue with SAR 349bn recorded for the 9M 23 - up 22% y-o-y and representing c40.8% of KSA's total revenue.<sup>5</sup>
- Saudi Arabia's economy is expected to grow by 3.2% on average between 2023 and 2026. The non-oil sector will likely contribute 3.5% on average to the Kingdom's growth in the same period.<sup>6</sup>
- Saudis under 30 years old account for 63% of 32.2 million population of the Kingdom; a youthful demographic with continually evolving preferences.



03



# Cenomi Centers Overview



## Cenomi Centers is the Leading Provider of Organized Retail Space in Saudi Arabia



### Unmatched Geographic Scale

Cenomi Centers' portfolio of 21 locations offers more than 1.3 million sqm of prime GLA, covering 10 major cities.



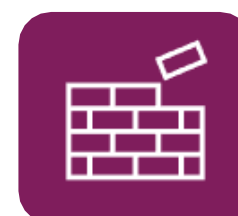
### Pipeline of Innovative Concepts

The Company enjoys a first-mover advantage in introducing innovative center designs and features.



### Track Record of Commitment & Execution

Since 2002, Cenomi Centers has launched an average of 1+ new centers per annum.



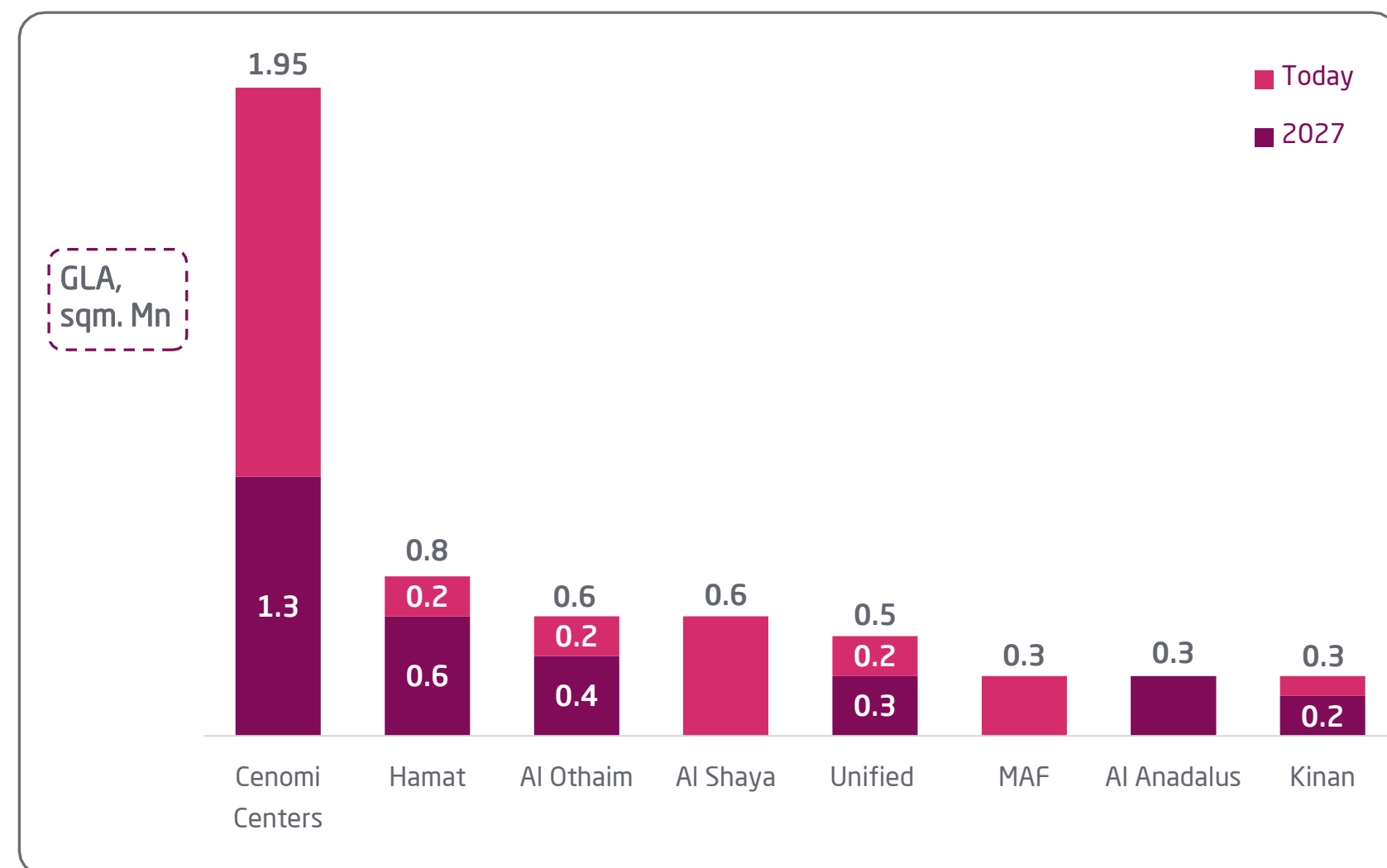
### Projected GLA Growth of >50%

Seven pipeline locations scheduled for launch by 2026 to durably broaden Cenomi Centers' commercial reach.

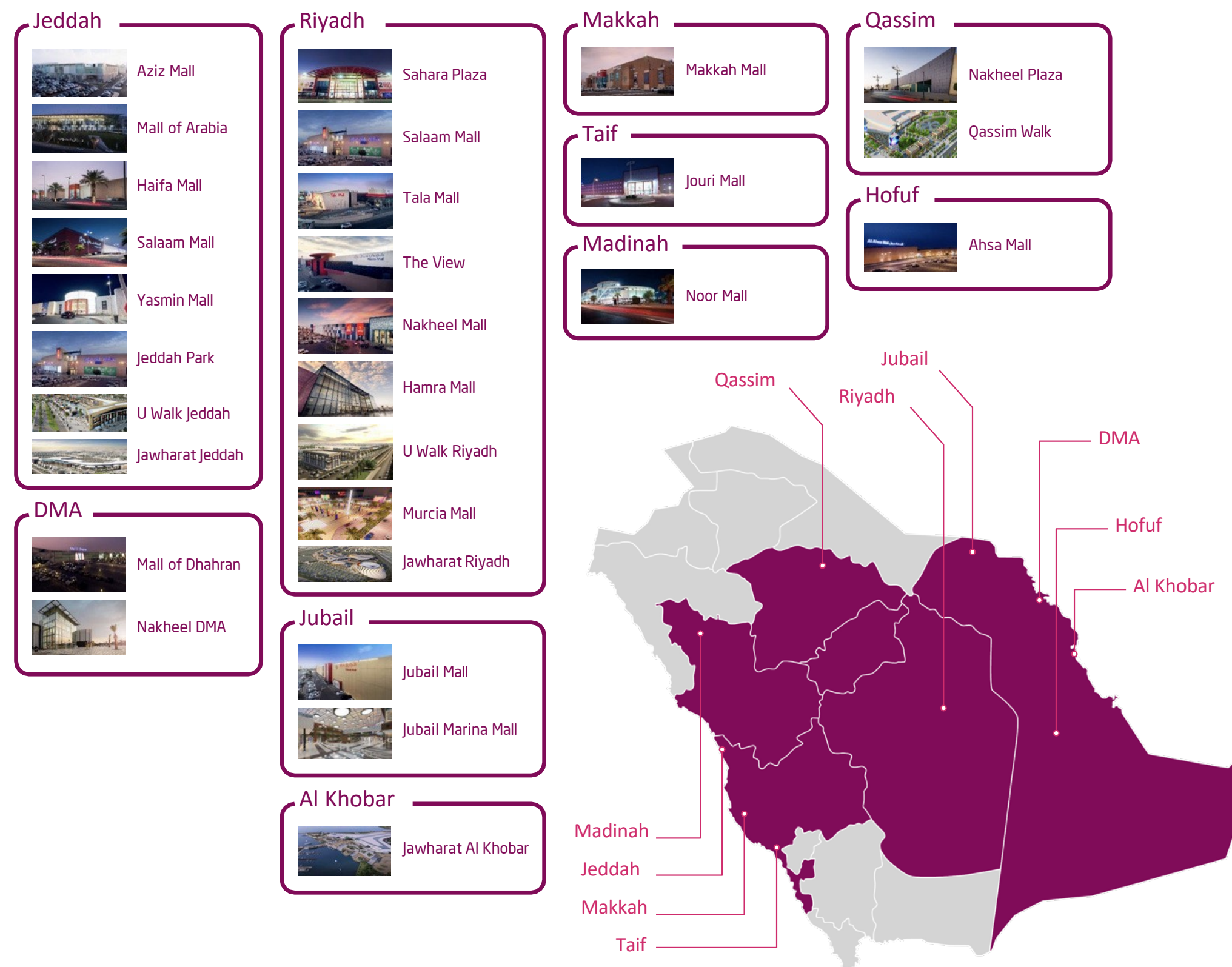
# A Market Leader Operating Across KSA and Servicing c. 80% of the Population

## No. of assets

In 2027 <sup>1</sup>	28*	13	14	2	N/A	1	5	10
Today	21	11	13	0	43	0	5	9



\* Based on publicly announced projects; Cenomi Centers with full pipeline (announced)



Existing malls cover c.80% of the KSA population with an YTD footfall of over 95 Mn

## Driving Growth through Five Clearly Defined Strategic Priorities



**Our AMBITION** is to become the largest and most admired developer and operator of lifestyle destinations in Saudi.

### 5 Strategic Priorities

### High-Level Objectives



#### Portfolio Growth

- Strengthen KSA leadership through new formats and cities
- Become Vision 2030's Consumer 'Partner of Choice'
- Optimize standing portfolio



#### Product Excellence

- Drive shift towards a higher quality & more differentiated formats, in line with changing consumer trends
- Deliver highest customer experience via customer-centric design & services



#### Operational Excellence

- Enhance, modernize and automate mall operations to achieve higher productivity and enable outstanding customer experience.
- Leverage digitalization & data analytics to drive both customer & shareholder value.



#### Organization Enhancement

- Drive organizational change to promote and master performance excellence, accountability and collaboration for impact.
- Build world-class team & capabilities to enable growth & quality ambition



#### Sustainability Leadership

- Establish ambitious sustainability agenda and roadmap to drive significant impact across all dimensions of the ESG pillars for all relevant stakeholders and unlock more shareholder value



Tangible Progress across new Flagship and Lifestyle destinations to deliver an additional 50% to GLA, corresponding to 2 Million sqm, by 2026

3 Flagship  
Destinations

Jawharat Jeddah



GLA ..... 109K sqm  
Outlets ..... 190+  
Opening Q1 2025

Jawharat Riyadh



GLA ..... 183K sqm  
Outlets ..... 370+  
Opening Q2 2025

Jawharat Al Khobar



GLA ..... 160K sqm  
Outlets ..... 380+  
Opening H2 2026

4 Lifestyle  
Destinations

U Walk Jeddah



GLA ..... 61K sqm  
Outlets ..... 180+  
Opening 15 December 2023

U Walk Qassim



GLA ..... 70K sqm  
Outlets ..... 135+  
Opening H2 2024

Murcia Mall



GLA ..... 45K sqm  
Outlets ..... 150+  
Opening 2025

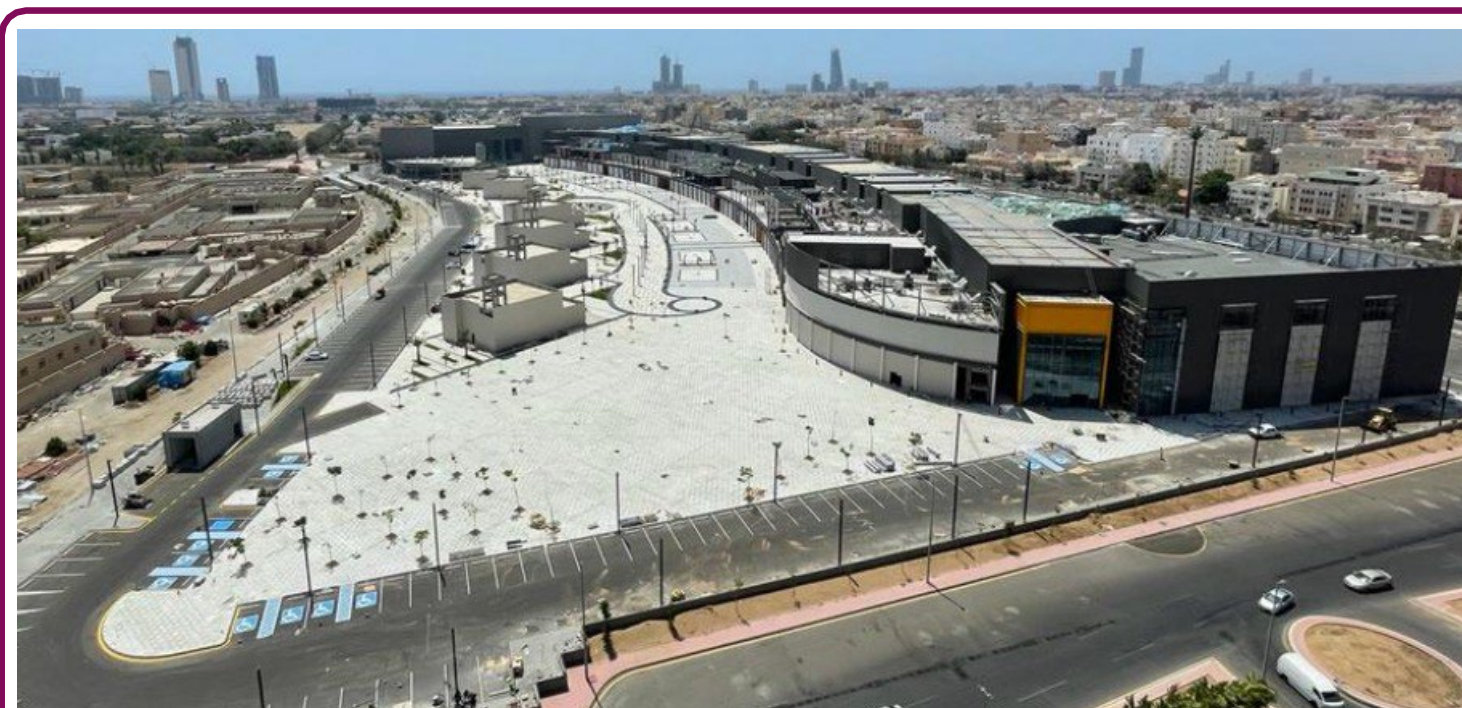
Jubail Marina Mall



GLA ..... 30K sqm  
Outlets ..... 70+  
Opening H1 2024



## U Walk Jeddah Complete and set to Open mid-December 2023 - with 80% Pre-leased



### U Walk Jeddah



61K sqm

SAR 455 MN

c. 180+ stores

#### Progress details

Opening date: 15 December 2023

Completion status: 100%

Pre-lease levels: c.80%



26% Progress on Premier Flagship; Jawharat Jeddah due to Open in Q1 25



Jawharat Jeddah

GLA ..... 109K sqm  
Outlets ..... 190+  
Opening Q1 2025

Completion status: 26%



Accelerated Construction on Jawharat Riyadh with 35% Completed and a Q2 25 Target Opening Date



## Jawharat Riyadh

GLA ..... 183K sqm

Outlets ..... 370+

Opening Q2 2025

Completion status: 35%



## Product Excellence in Practice: New Tenants, New Venues, New Features

### UNIQUE TENANT ACQUISITIONS



**1** FIRST QUALITY IN-MALL LUXURY WING WITH THE TOP WORLDWIDE LUXURY BRANDS



**2** NEW WORLD-CLASS ANCHOR BRANDS UNIQUE TO THE CITY AND TO KSA



**3** HYBRID INDOOR/OUTDOOR UNIQUE IP-BASED ENT'T IN CITY

### NEW VENUES

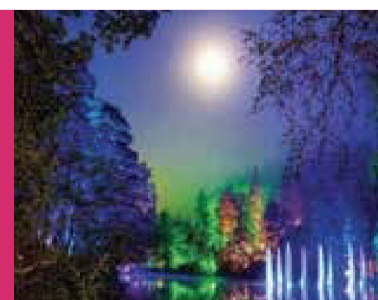


**4** DIGITALLY ENABLED MULTIPURPOSE ARENA WITH LARGEST E-GAMING CENTER

### ATTRACTION / DESTINATION FEATURES



**5** THE NEXT-GEN DIGITAL MEDIA AND EXPERIENCE OFFERING



**6** KSA'S FIRST THEATRICAL FEATURES AND WATER SHOWS



**7** LARGEST MALL ROOF GARDEN IN CITY

### SUSTAINABLE DESIGN BUILD



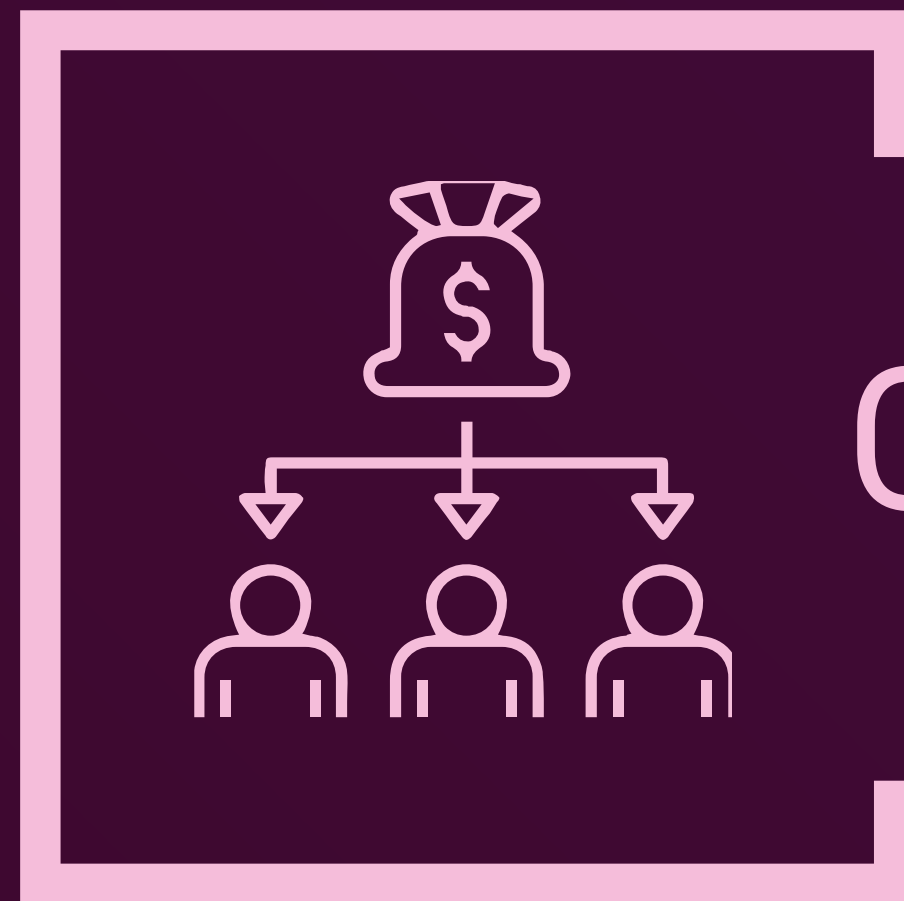
**8** THE FIRST MALL TO BE LEED GOLD CERTIFIED



## Driving Operational Excellence through Strategic Efficiency Initiatives

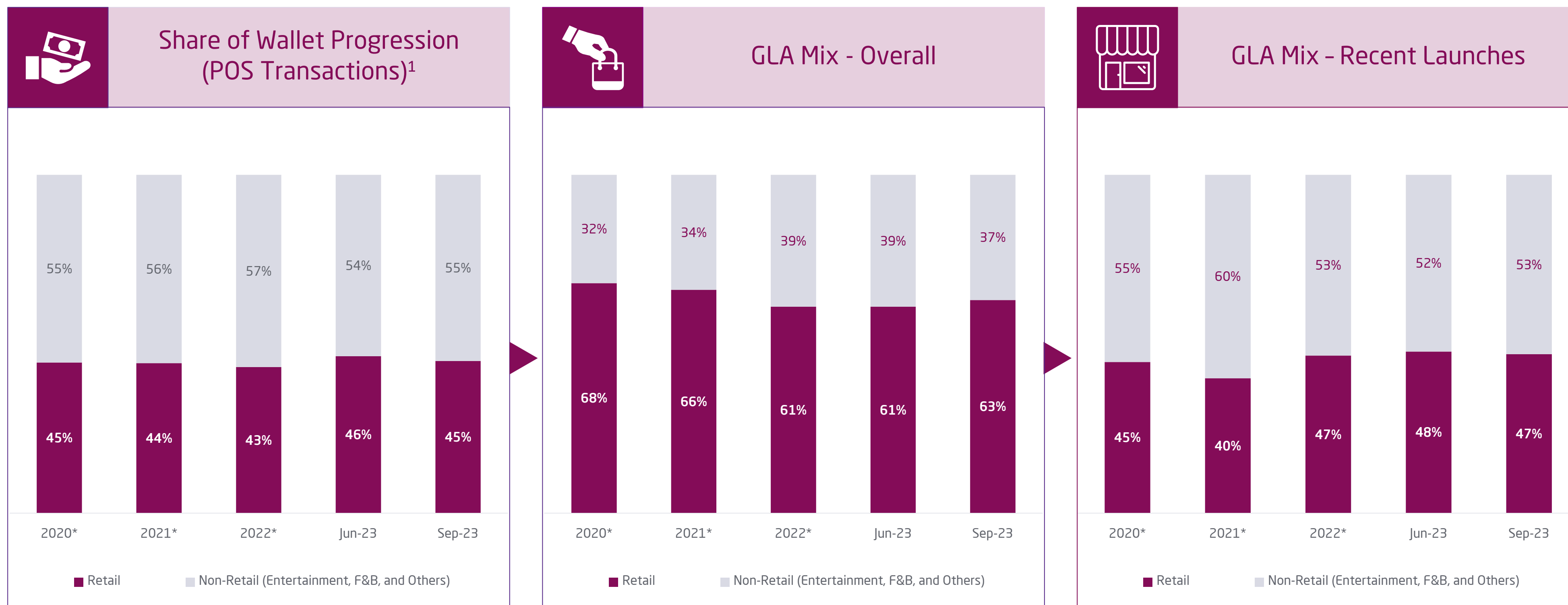


04



# Operational Overview

# Revolutionizing GLA Mix: Leveraging Evolving Consumer Behaviour Across Centers



<sup>1</sup>Source: [SAMA Monthly Bulletin September 2023](#)

\*Fiscal years ended March 31<sup>st</sup>

## Curating a Portfolio of Premium Tenants to Diversify GLA mix and cater to evolving trends and consumer preferences

### Strong Onboarding Performance

49 brands were onboarded at Cenomi Centers' malls during Q3 2023, including:

24

Fashion & Accessories



8

Food & Beverage Brands



7

Perfumes & Cosmetics



10

Entertainment, department stores and others



### Preferred International Partner

24% of brands onboarded in Q3 2023 were classified as international  
Notable International Brands Onboarded - Q3 2023



ZADIG & VOLTAIRE

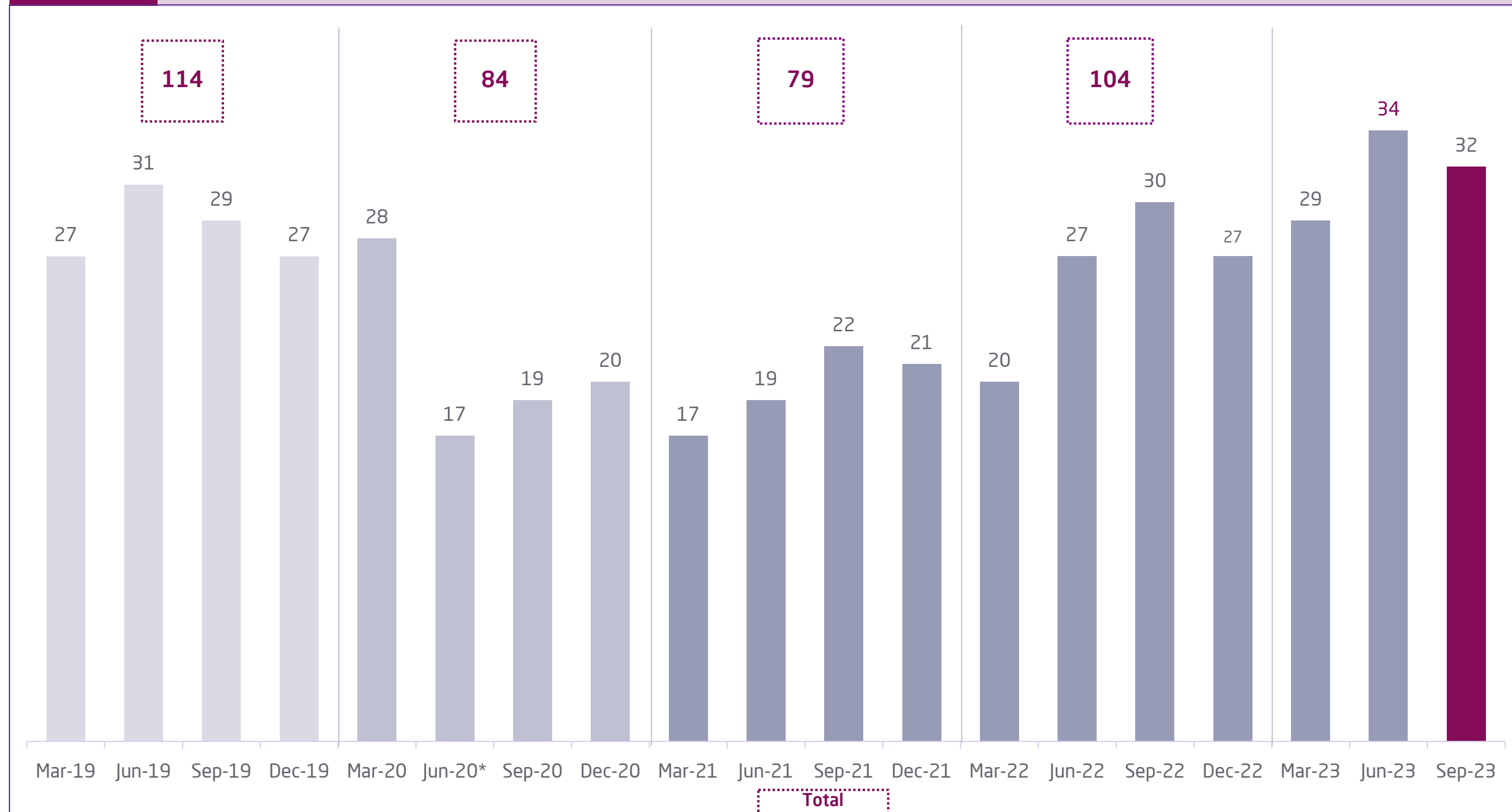




# Robust Year to Date 95 million footfall sets 2023 on path to deliver record-levels for full year



## Quarterly Footfall Progression (MN)

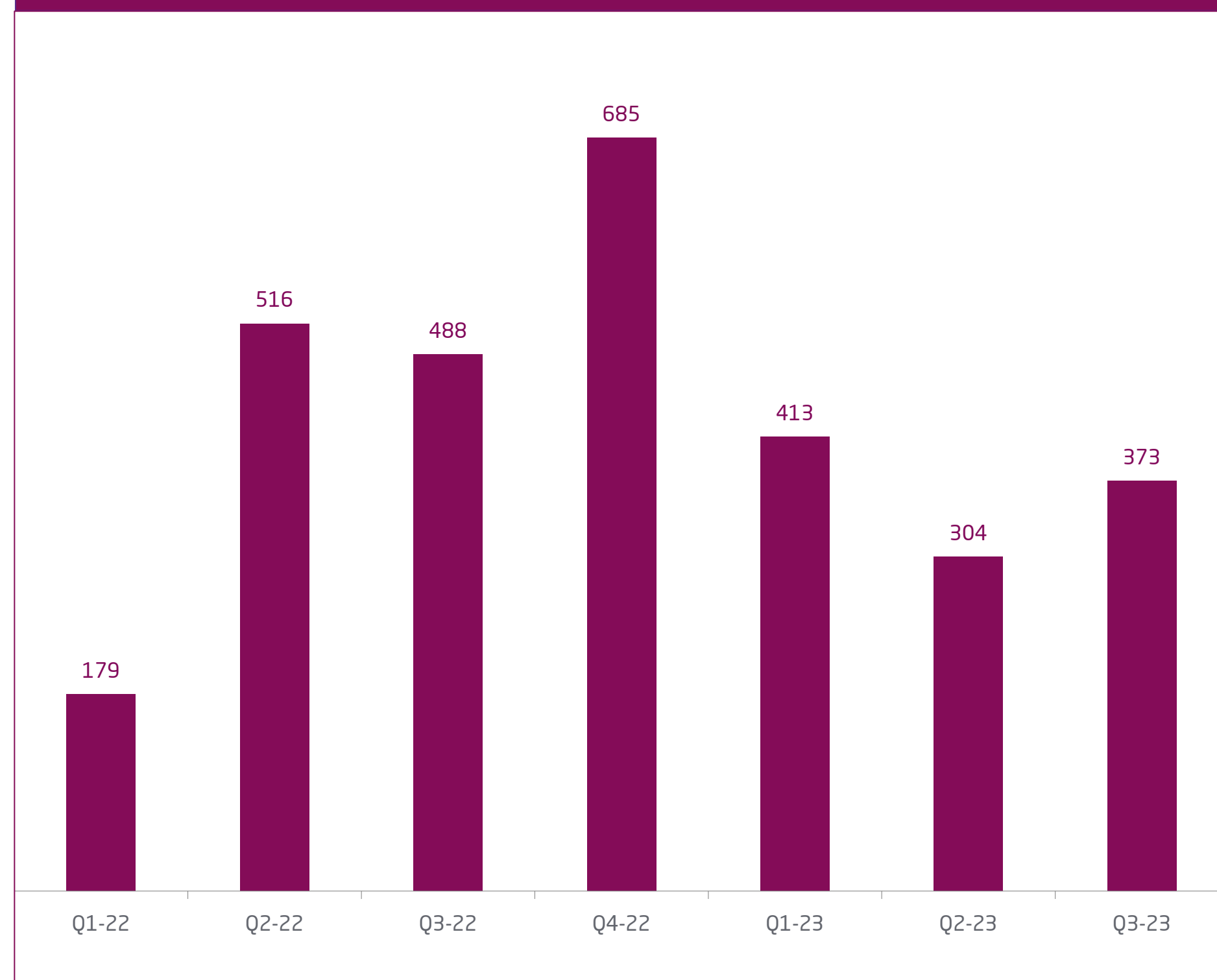


\* June 2020 footfall is annualized to normalize for the impact of COVID-19-related center closures during this period. This is additionally reflected in figures for FY2021.

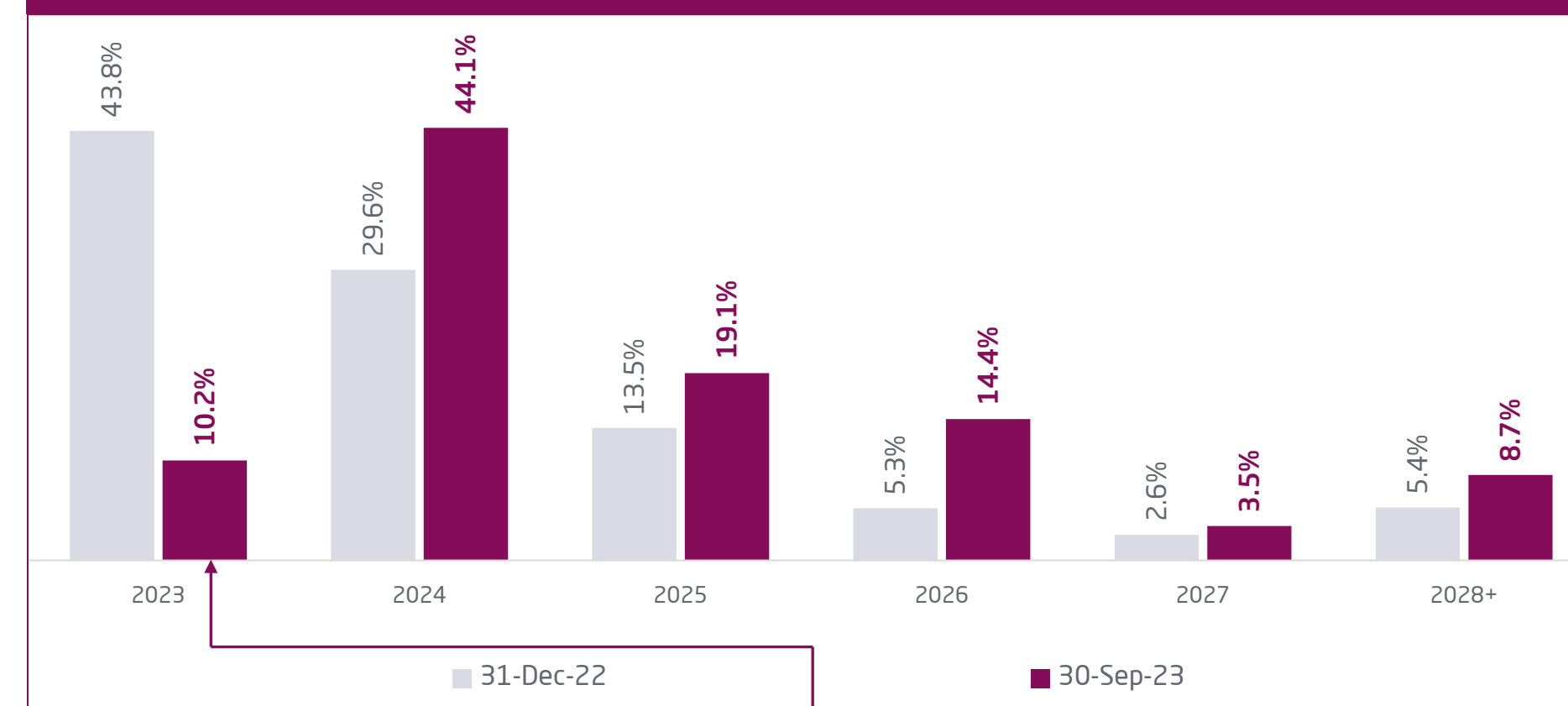


## Steady Progress on the 2023 Renewal Program with 373 leases renewed during Q3

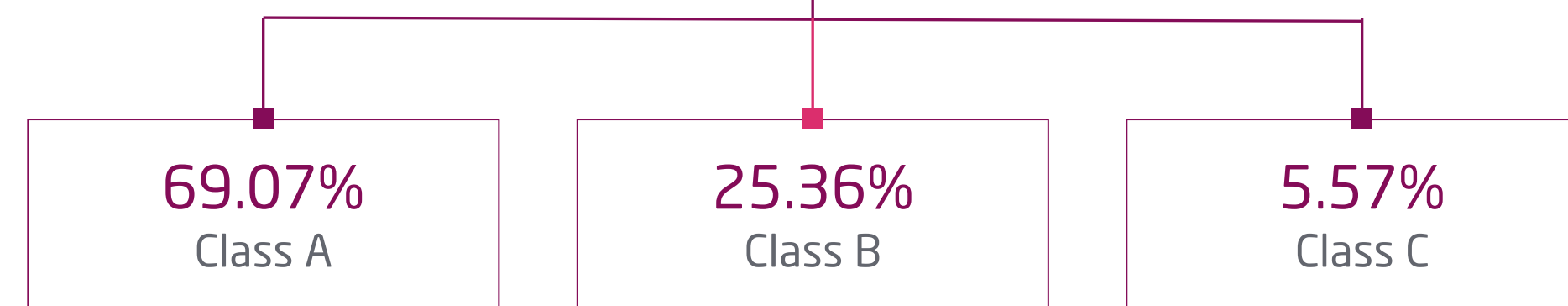
Number of Leases Renewed



Year of Expiration - % of Total Rental Revenues

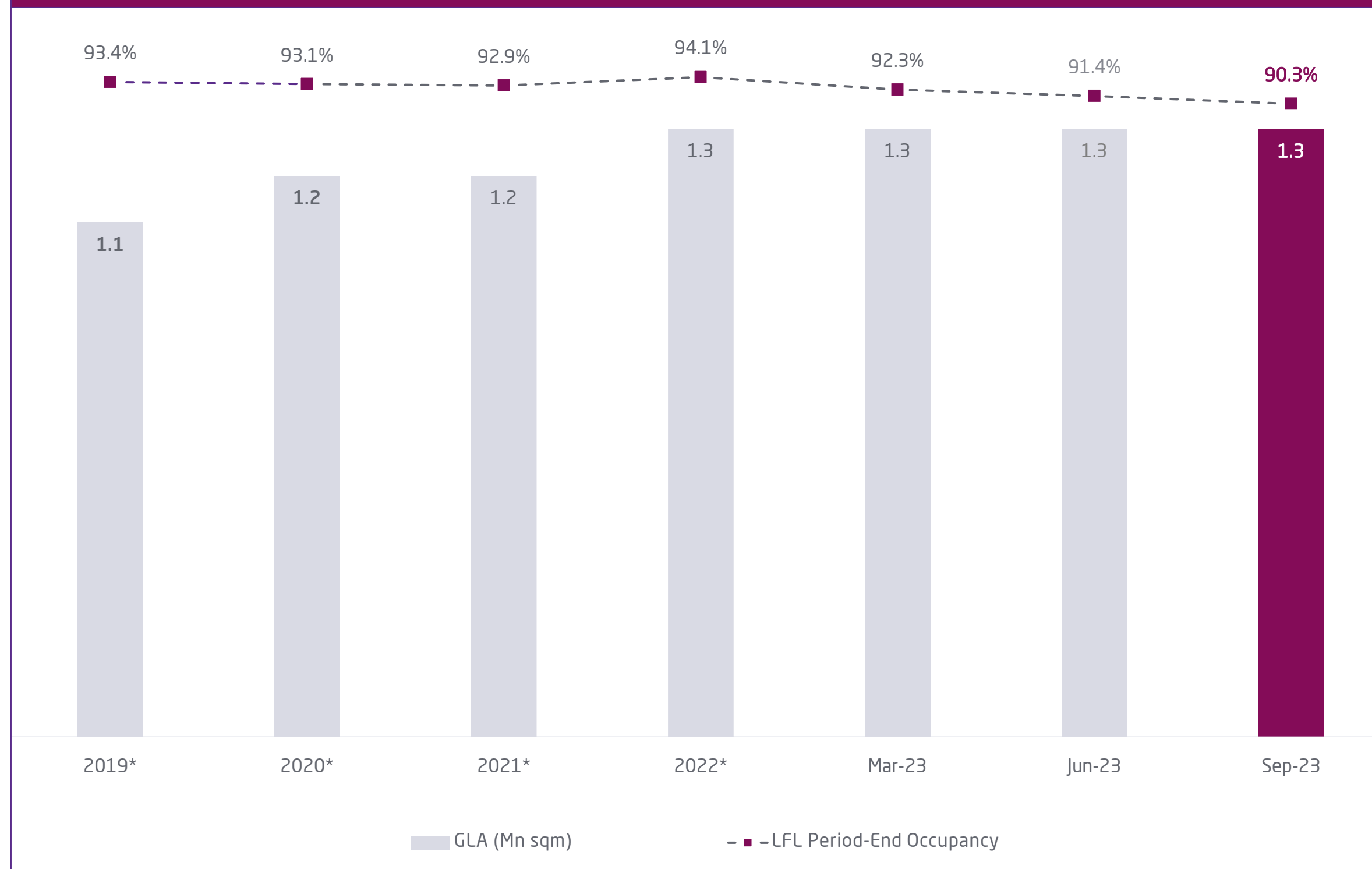


Lease Expiry by Mall Type - 2023 as of 30-Sept-23



## Occupancy Rate Moderated on the back of premeditated tenant rotation program

### GLA Progression vs. Occupancy Rates



\*Fiscal year April – March. Starting 2022; fiscal year changed January to December



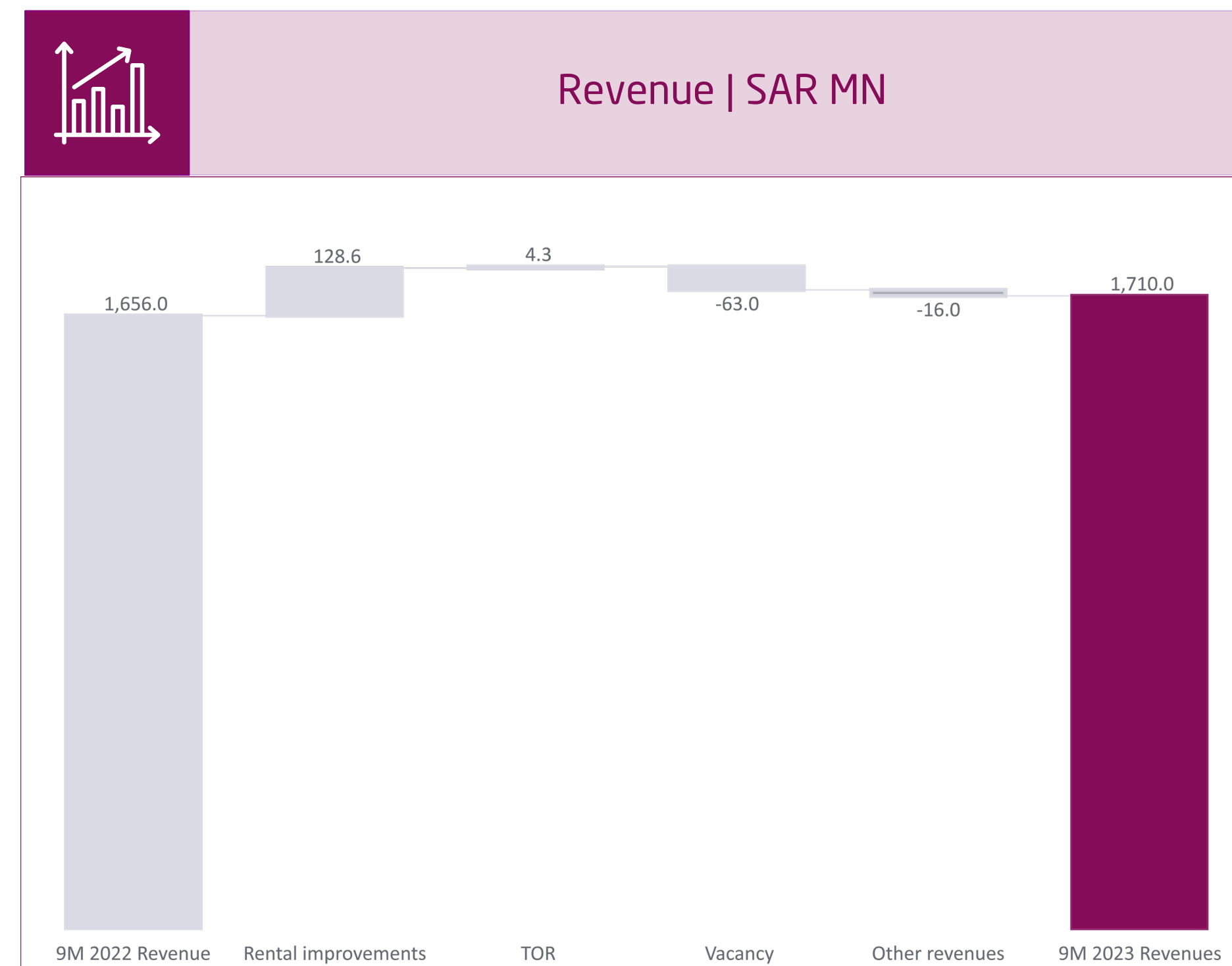
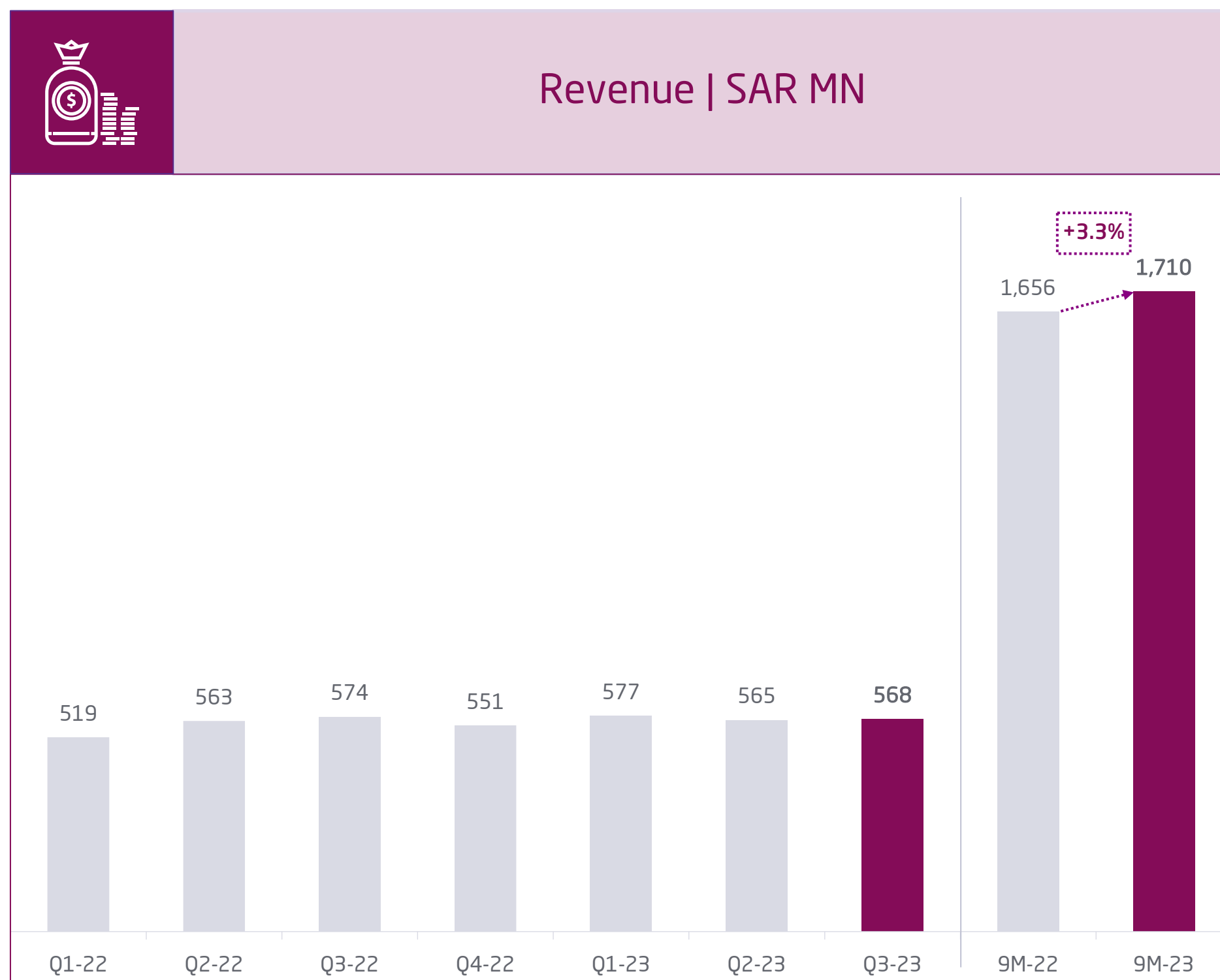
05



# Financial Overview



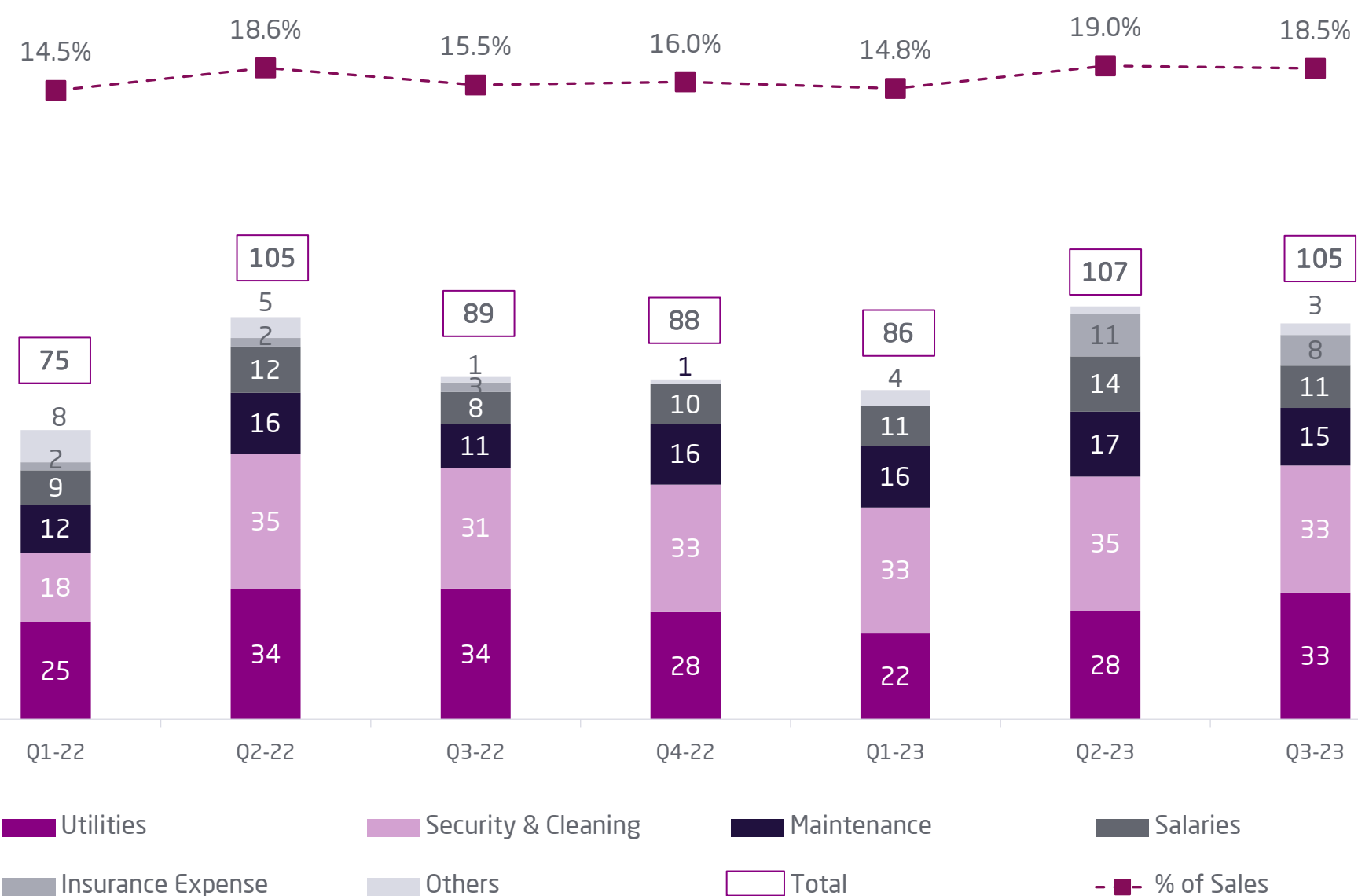
# Attractive Portfolio and Positive Supply/ Demand Market Dynamics Continue to Support Revenue Growth



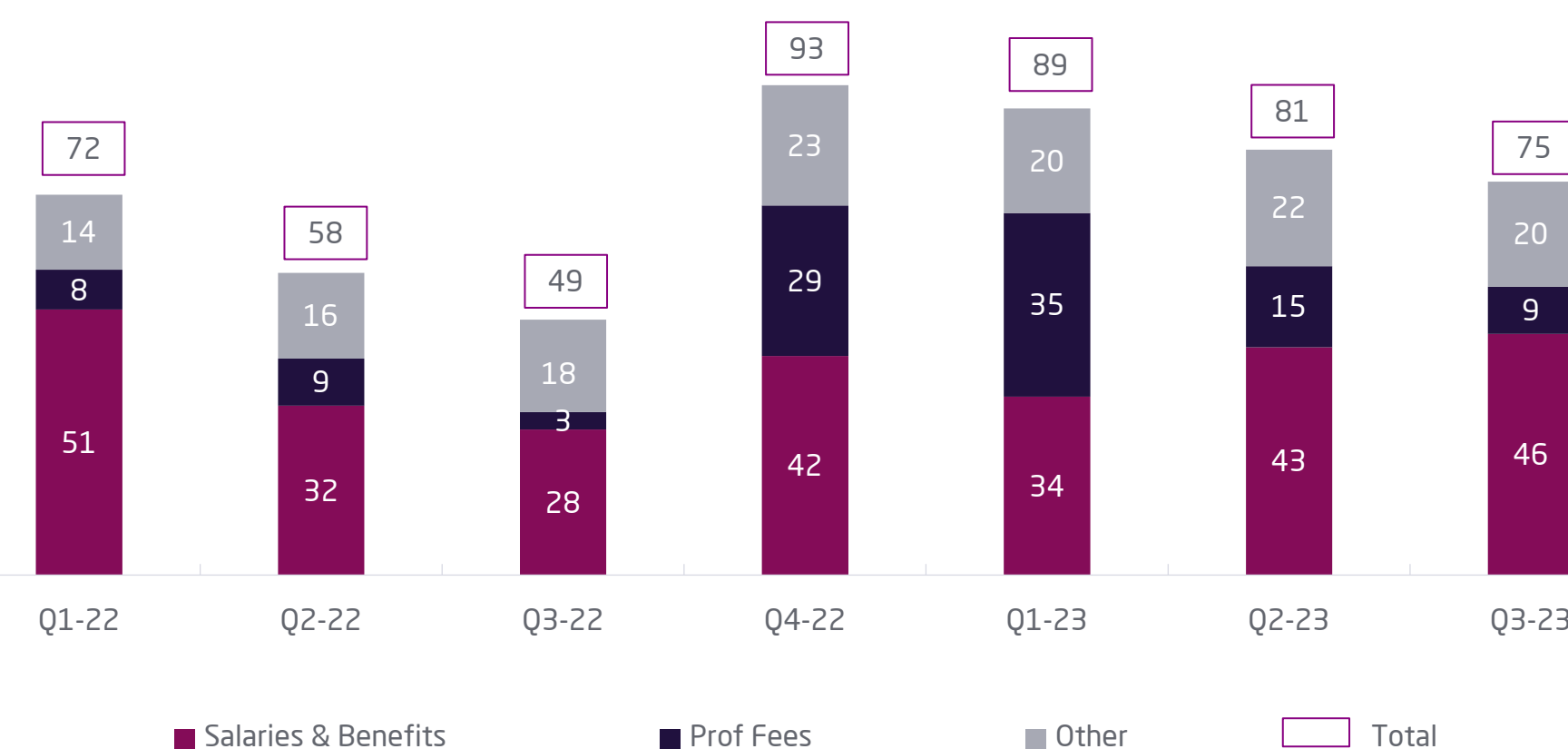
# Mitigating Marginal Year to Date Cost Increases through Proactive Efficiency Programs



## Cost of Revenue Breakdown



## G&A | SAR MN

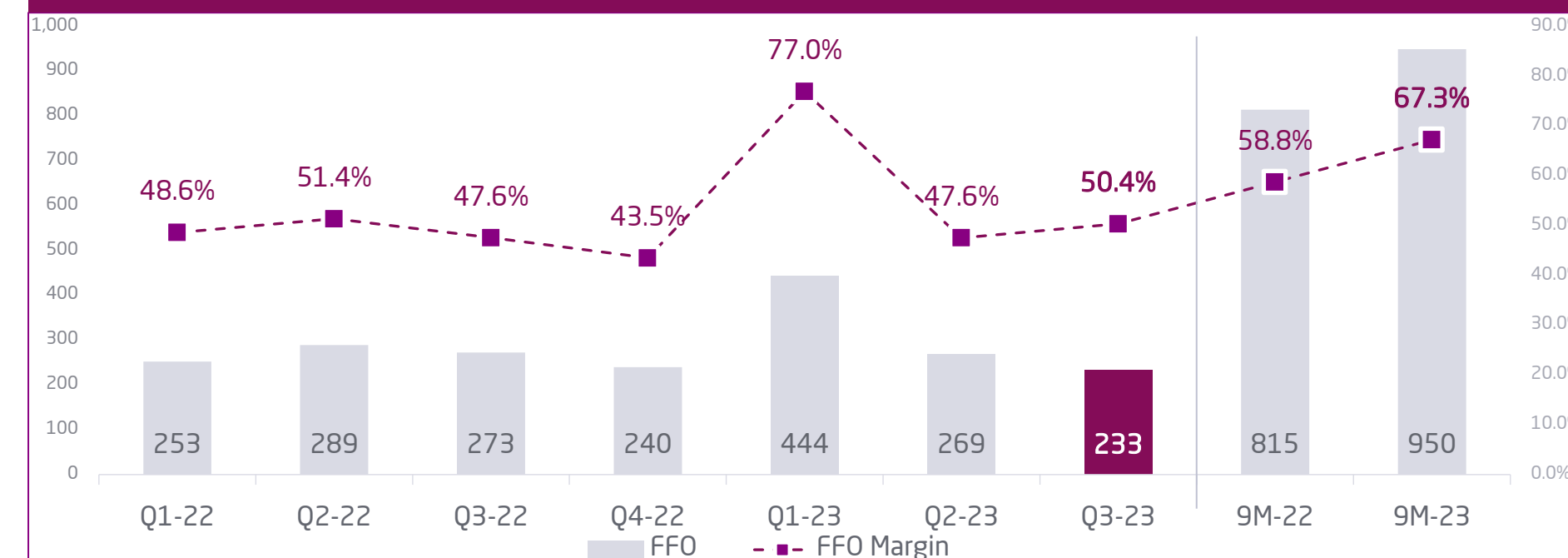


## Improving Fundamentals Deliver Solid Core Profitability Growth

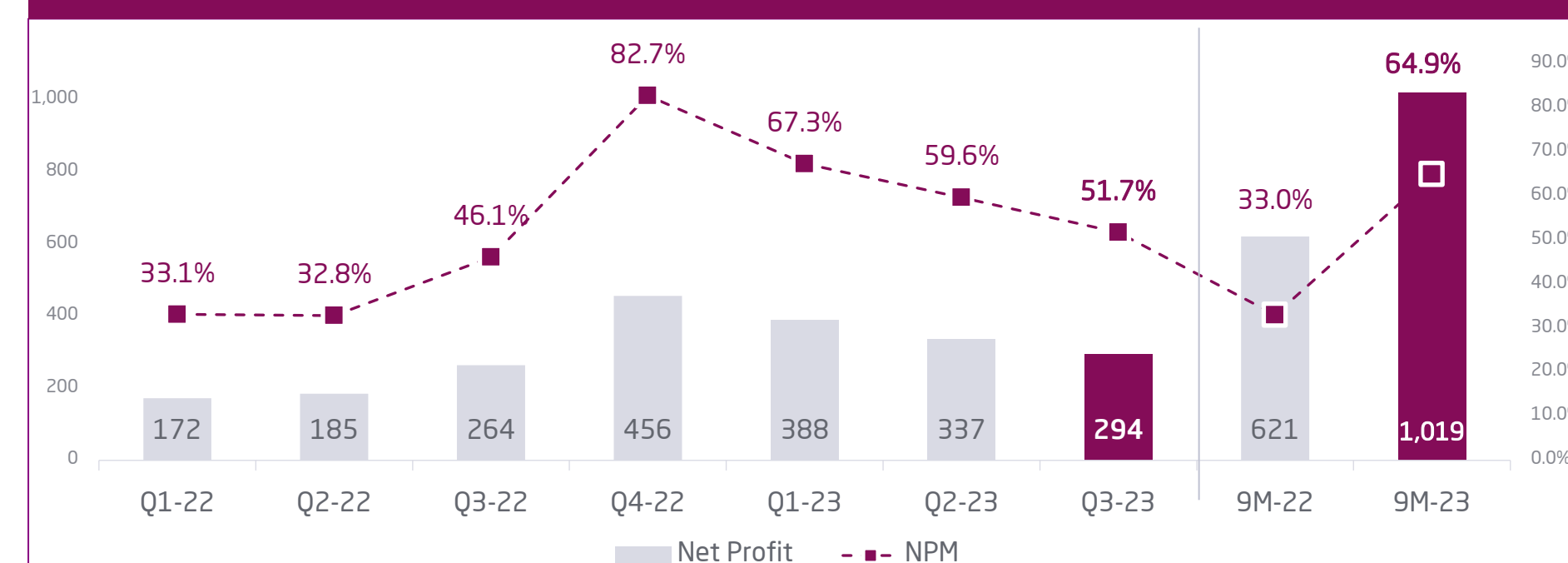
\*EBITDA | SAR MN



\*FFO<sup>(1)</sup> | SAR MN



\*Net Profit | SAR MN

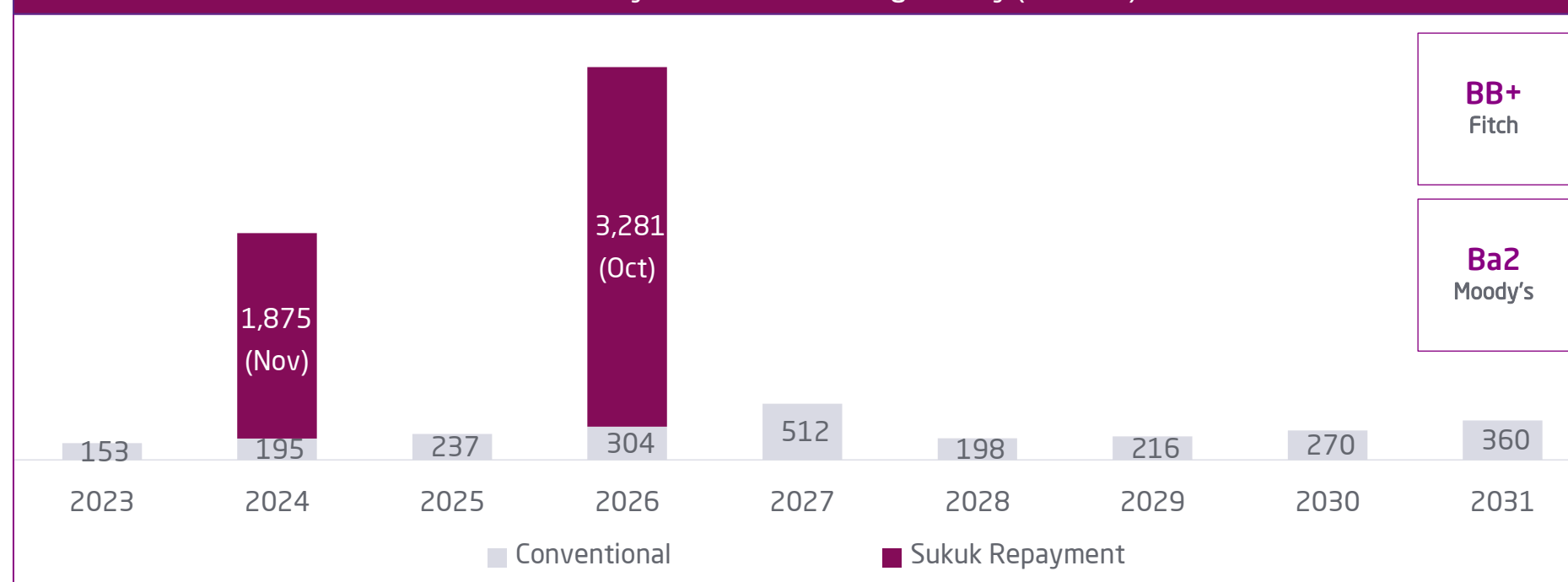




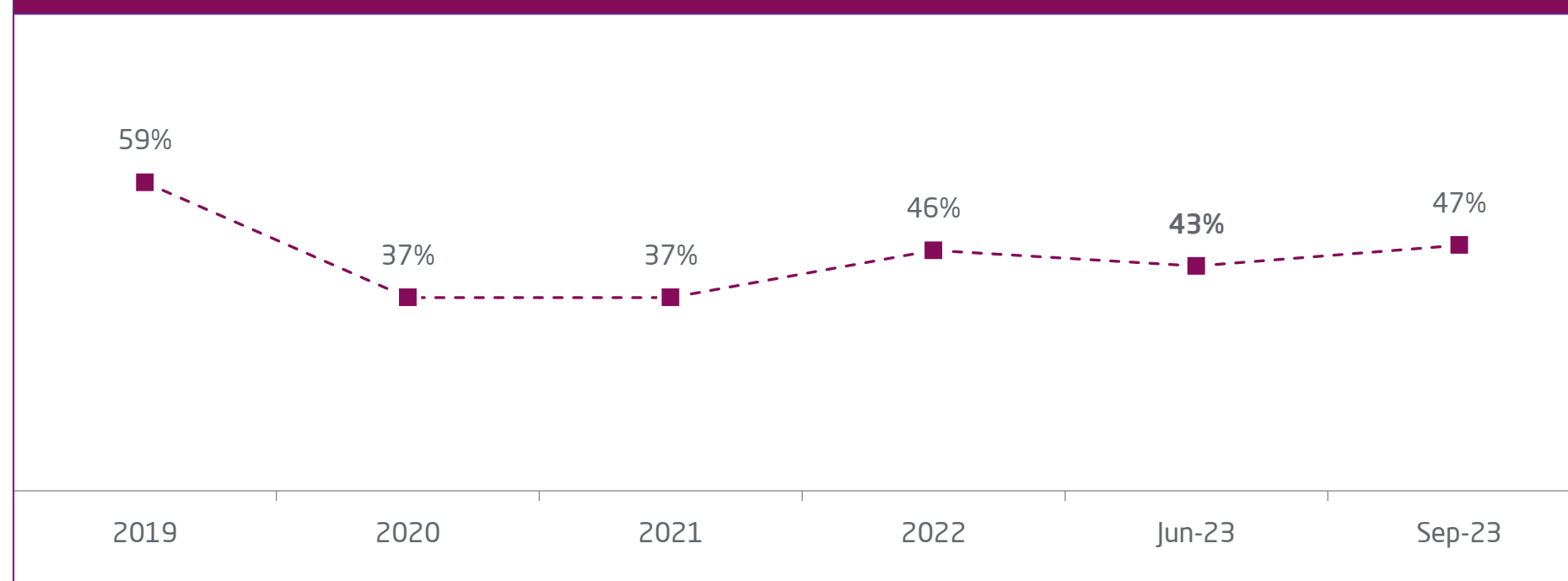
# Stable Debt Profile and Calibrated Financing Policy dampening the impact of Macroeconomic fluctuations

## Sukuk Issuance Ensures a Smooth Debt Maturity Profile

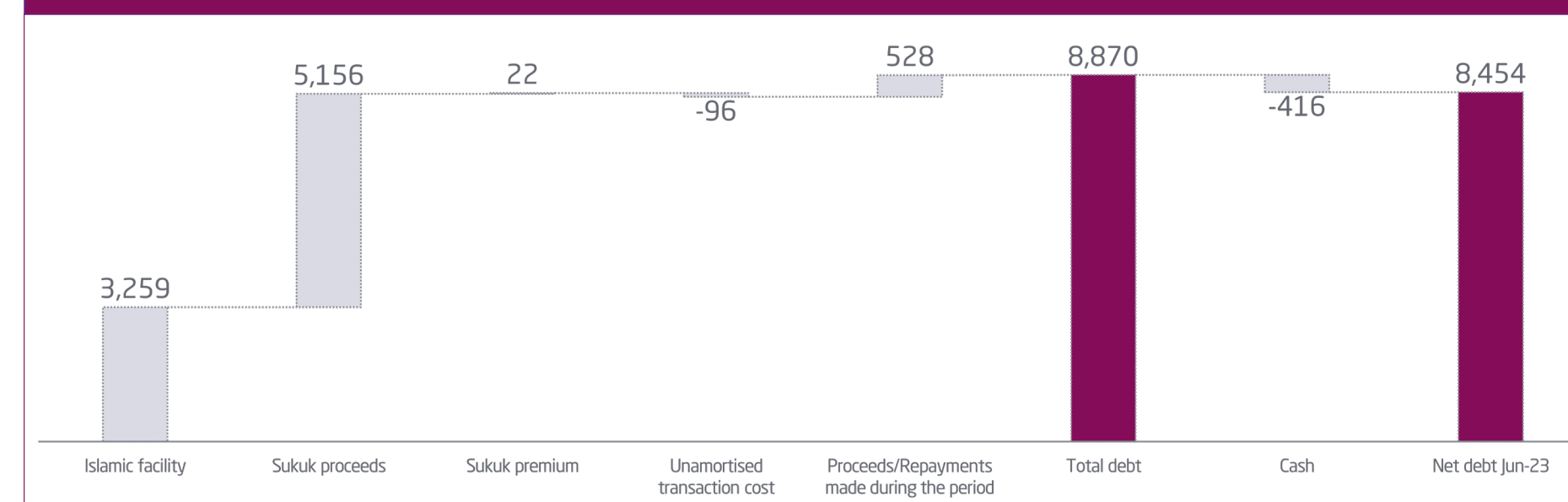
Debt Maturity Profile - Amortizing Facility (SAR MN)



## Net Debt/Enterprise Value

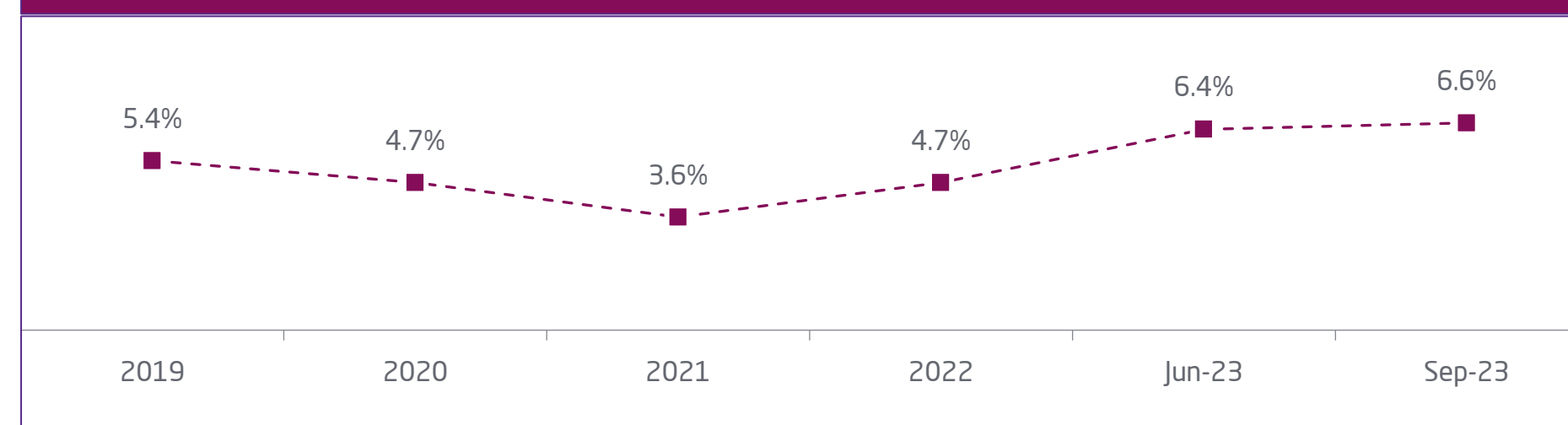


## Net Debt Breakdown as of 30 Sep '23 | SAR MN

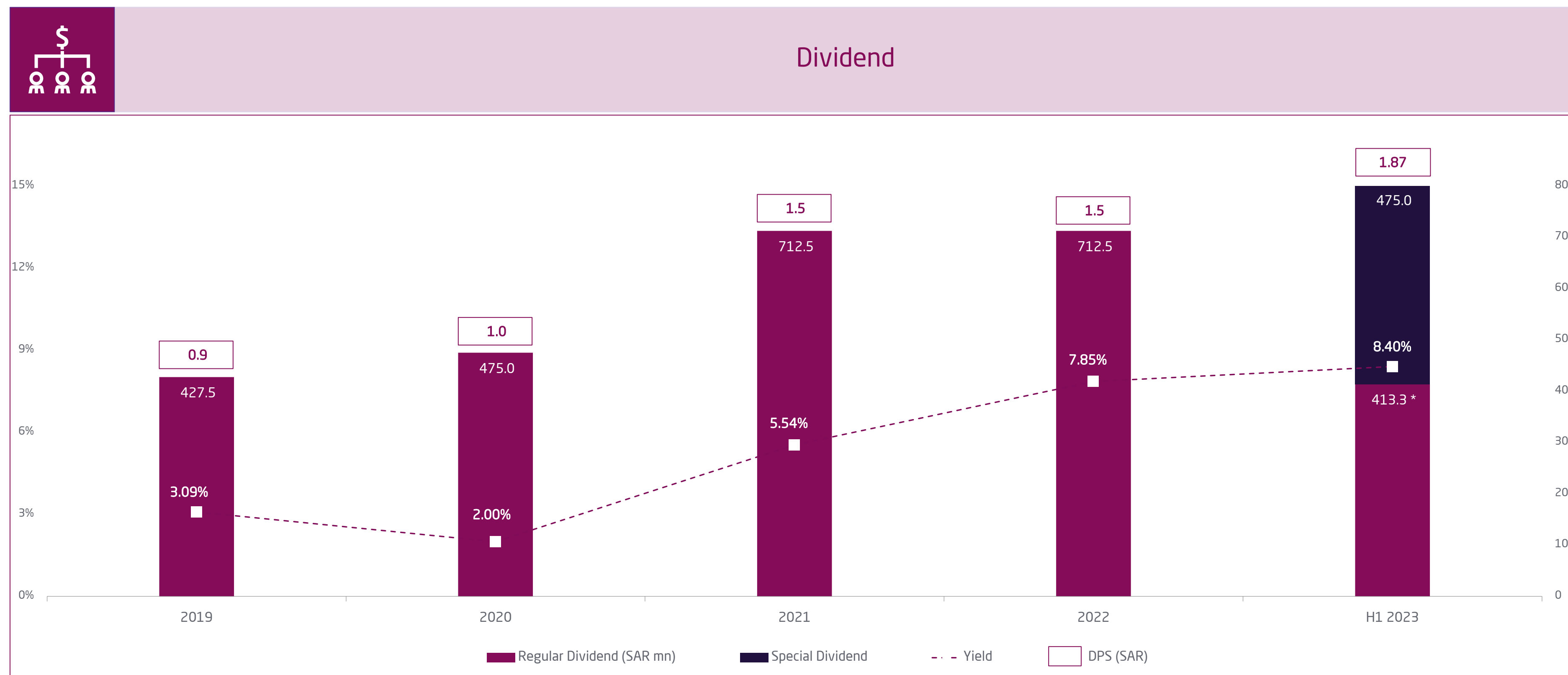


	2019	2020	2021	2022	Jun-23	Sep-23
Secured debt	100%	74.0%	74.0%	39%	41%	42%
Unsecured debt	0%	26.0%	26.0%	61%	59%	58%

## Weighted Average Cost of Debt



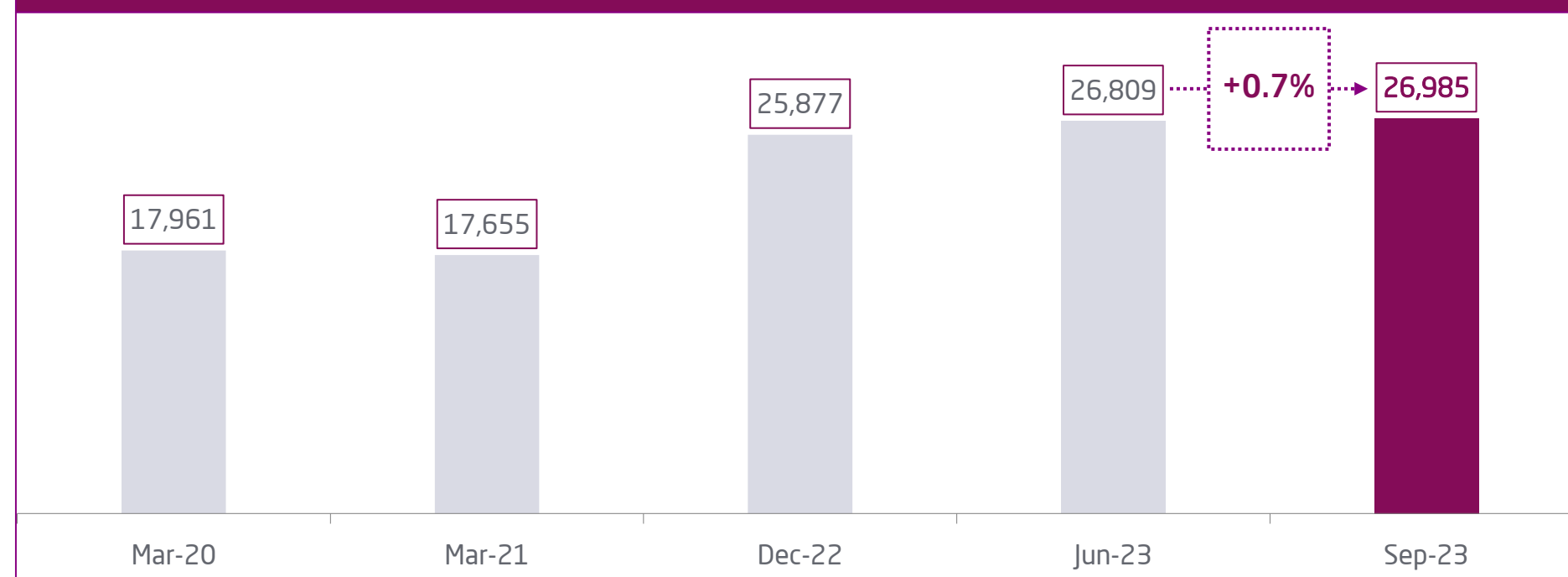
## SAR 413.3mn distributed Cash Dividend for HY 2023 reinforcing Commitment to Rewarding Shareholders



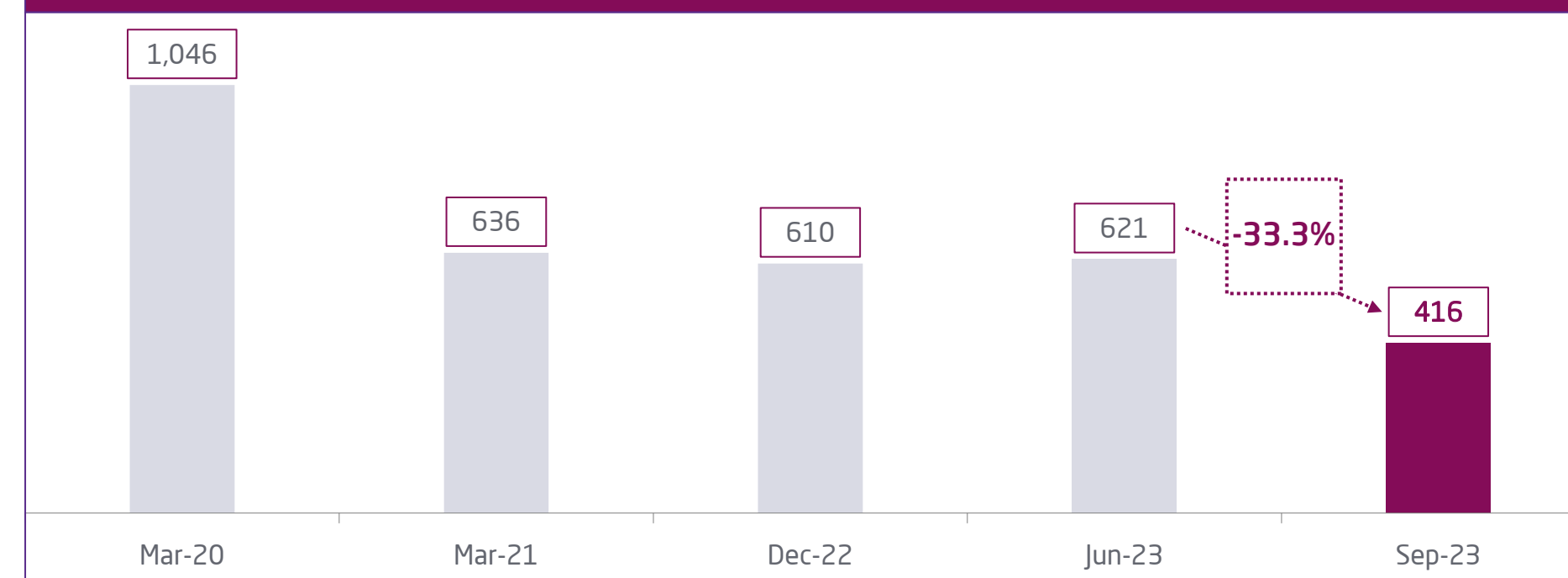


## Strong and Liquid Balance Sheet

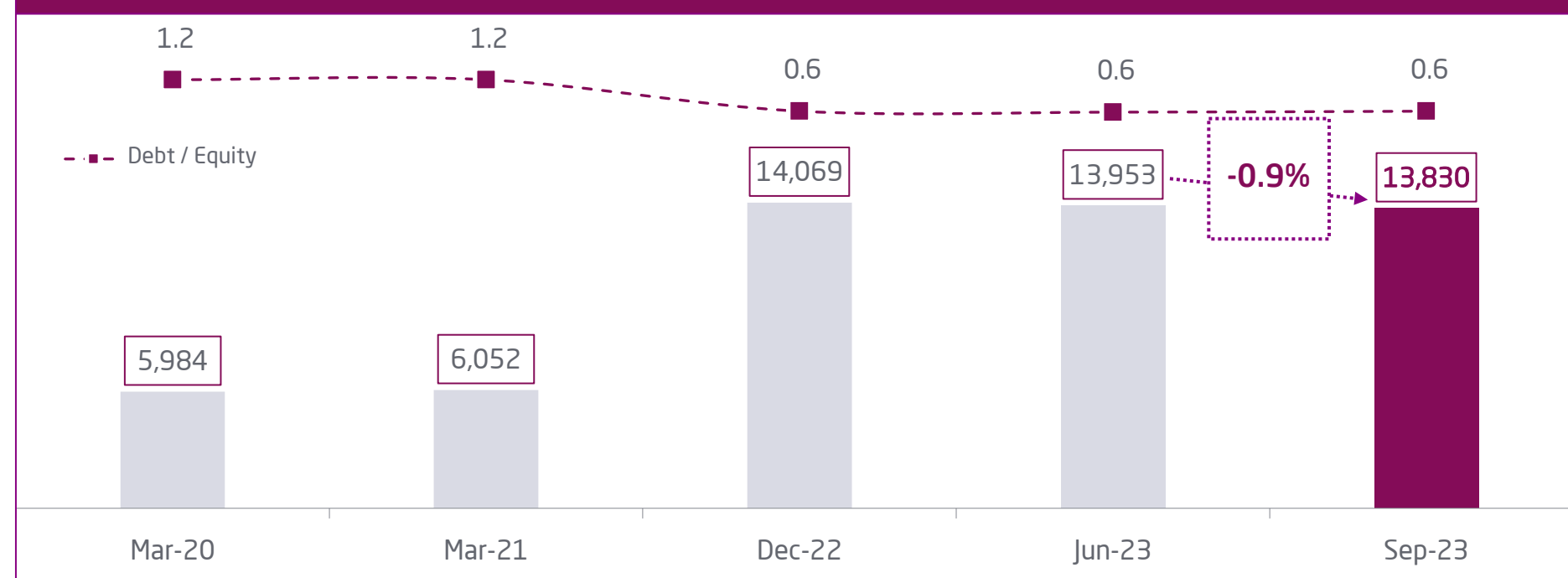
\*Total Assets | SAR MN



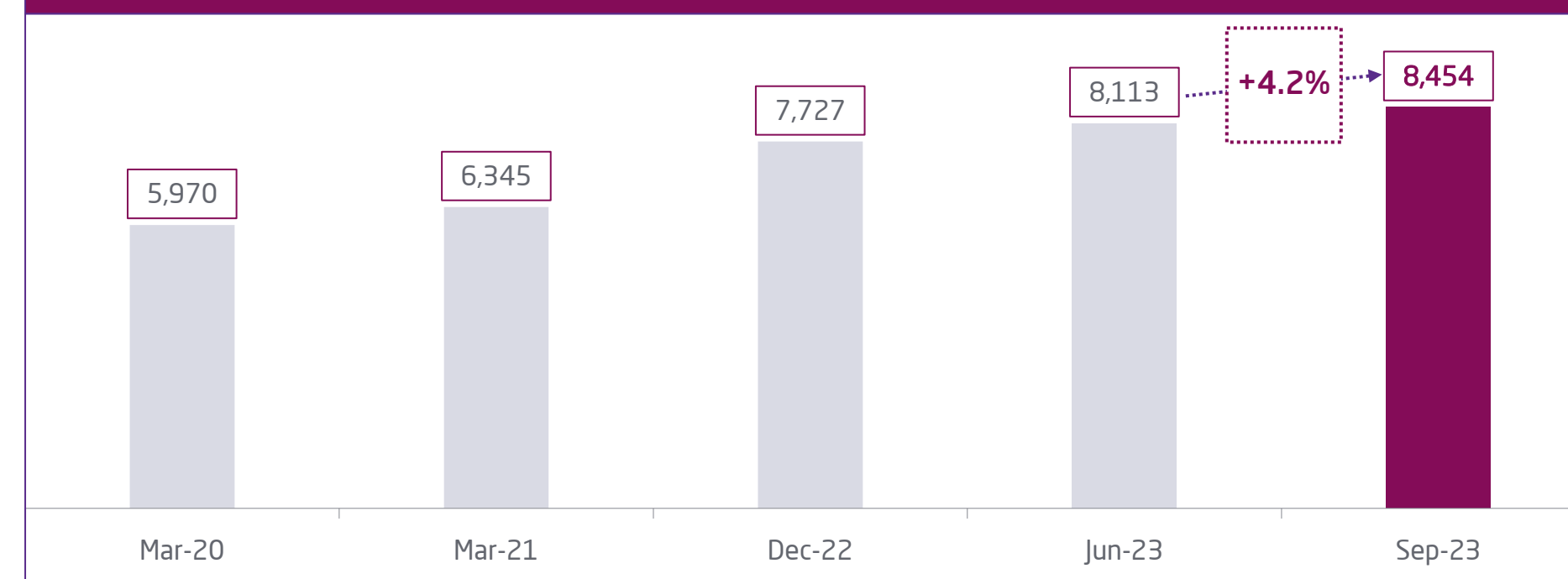
\*Cash | SAR MN



\*Equity | SAR MN



\*Net Debt | SAR MN



## Substantial Progress on Non-Core Asset Sale Program with c. SAR 937.5M unlocked

City	Location	Land Size (SQM)	Market Value (SAR)
Riyadh	King Fahad Road - Olaya	18,000	Sold at <b>230 MN</b>
Riyadh	Adjacent to Jawharat Riyadh	118,000	Sold at <b>645 MN</b>
Al Ahsa	Granada District	29,384.90	Sold at <b>62.5 MN</b>
Qassim	Adjacent to U-Walk Qassim	1,216,000	<b>1 BN</b>
Riyadh	Sahara Plaza	13,000	
Others	-	603,000	





06



Summary

## Cenomi Centers: A leading player unlocking further growth and development



Strong Macro  
Growth Tailwinds

**10<sup>th</sup>** Globally in  
terms of FDI

**+3.6%** Y-o-Y  
Growth in non-oil  
activity in Q3



Saudi Arabia's top  
provider of  
organized retail  
space

**10** cities  
**21** malls  
**1.3mn** sqm  
**4900+** stores



Offering a unique  
blend of curated  
brands and  
engaging physical  
experiences for a  
competitive edge

**49** brands  
onboarded in Q3  
2023



A Legacy of  
Consistent  
Delivery in the  
KSA Market Since  
2002 (project  
pipeline)

Average of **1+**  
new centers per  
annum



Redefining The  
Lifestyles Centers  
Experience

**SAR 5.0** billion  
CAPEX Program

Launching **3**  
flagships and **4**  
lifestyle  
destinations



Unlocking Value  
for Shareholders  
with Attractive  
Dividend Pay-out

**SAR 413.25 million**  
cash dividend  
distributed to  
shareholders for HY  
2023



07



# Appendix 1 - Financials

## Income Statement

*Income statement (SAR Million)	Q3 '23	Q3 '22	% Change y-o-y	9M '23	9M '22	% Change y-o-y
Revenue	567.7	573.7	-1.1%	1,709.8	1,655.9	3.3%
Gross Profit	462.8	484.6	-4.5%	1,411.9	1,386.8	1.8%
Gross Profit Margin	81.5%	84.5%	-2.9pp	82.6%	83.8%	-1.2pp
Operating Profit	398.2	368.2	8.2%	1,320.4	943.9	39.9%
Finance Income	-	-	-	7.1	-	100%
Finance Costs Over Loans and Borrowings	(64.4)	(51.0)	26.5%	(184.4)	(136.2)	35.4%
Finance Costs Over Lease Liabilities	(26.9)	(35.4)	-24.0%	(79.3)	(115.8)	-31.5%
Net Finance Costs	(91.3)	(86.3)	5.8%	(256.5)	(252.0)	1.8%
Share Of Profit (Loss) From Equity-accounted Investee	(1.0)	(2.4)	-59.7%	(8.1)	(15.0)	-46.4%
Profit Before Zakat	306.0	279.5	9.5%	1,055.8	676.9	56.0%
Zakat	(12.4)	(15.1)	-18.3%	(37.1)	(55.8)	-33.5%
Net Profit	293.6	264.3	11.1%	1,018.7	621.0	64.0%
Net Profit Margin	51.7%	46.1%	-5.6pp	64.9%	33.0%	31.9pp
EBITDA	341.2	374.5	-8.9%	1,244.1	1,131.0	10.0%
EBITDA Margin	60.1%	65.3%	-5.2pp	72.8%	68.3%	4.5pp
FFO	233.3	273.0	-14.5%	950.4	815.0	16.6%
FFO Margin	50.4%	47.6%	2.8pp	67.3%	58.8%	8.6pp

## Balance Sheet

*Balance Sheet (SAR Million)	Sep-23	Dec-22
<b>ASSETS</b>		
Current Assets	1,901.5	2,465.6
Investment properties	24,756.3	23,075.7
Other non-current assets	327.0	335.5
<b>TOTAL ASSETS</b>	<b>26,984.8</b>	<b>25,876.8</b>
<b>LIABILITIES</b>		
Current Liabilities	2,543.9	1,914.8
Non-Current Liabilities	10,611.0	9,893.4
Total Equity	13,829.9	14,068.6
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>26,984.8</b>	<b>25,876.8</b>



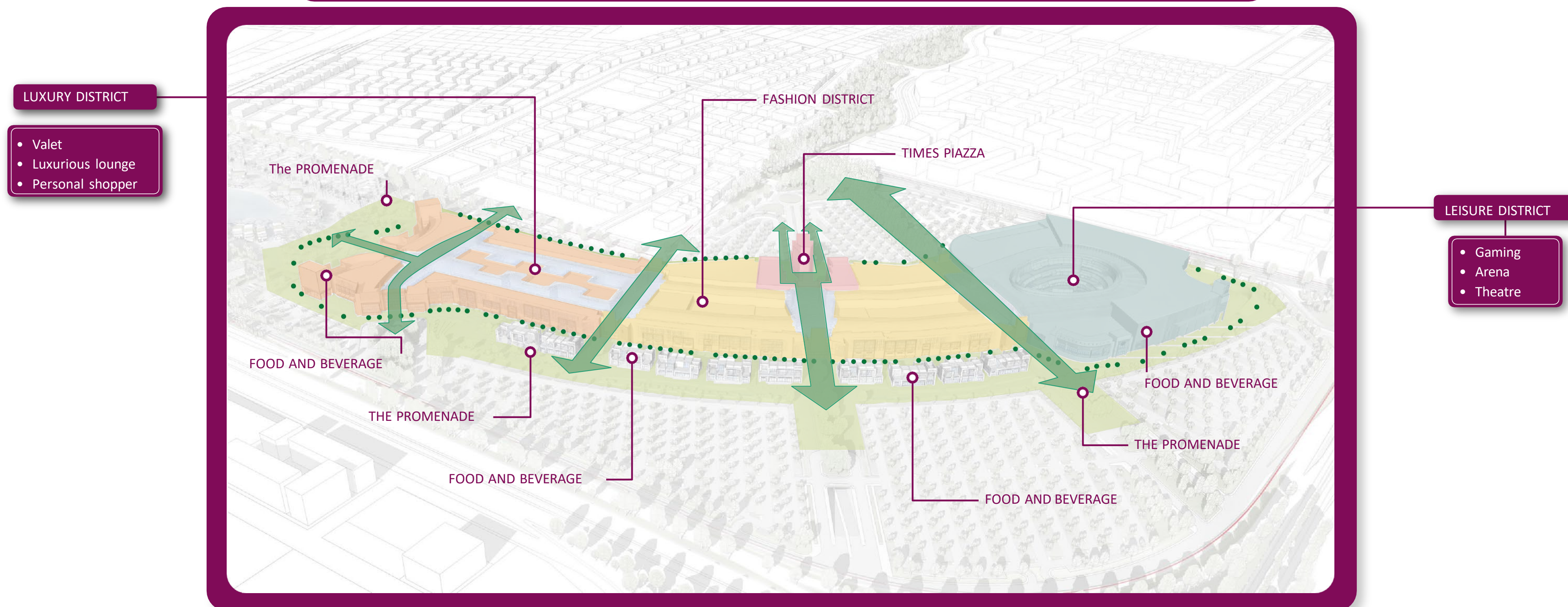
07



## Appendix 2 – Flagship Developments

## Jawharat Riyadh: a Distinctive Asset with Unique Features

Jawharat Riyadh is designed keeping its consumer needs at its forefront offering a seamless and integrated experience with state of the art, first of their kind features such as Times Plaza & Leisure district and unique luxury offerings through partnerships with global leading brands





## Jawharat Riyadh: One of a Kind Lifestyle Destination for the New Kingdom





07



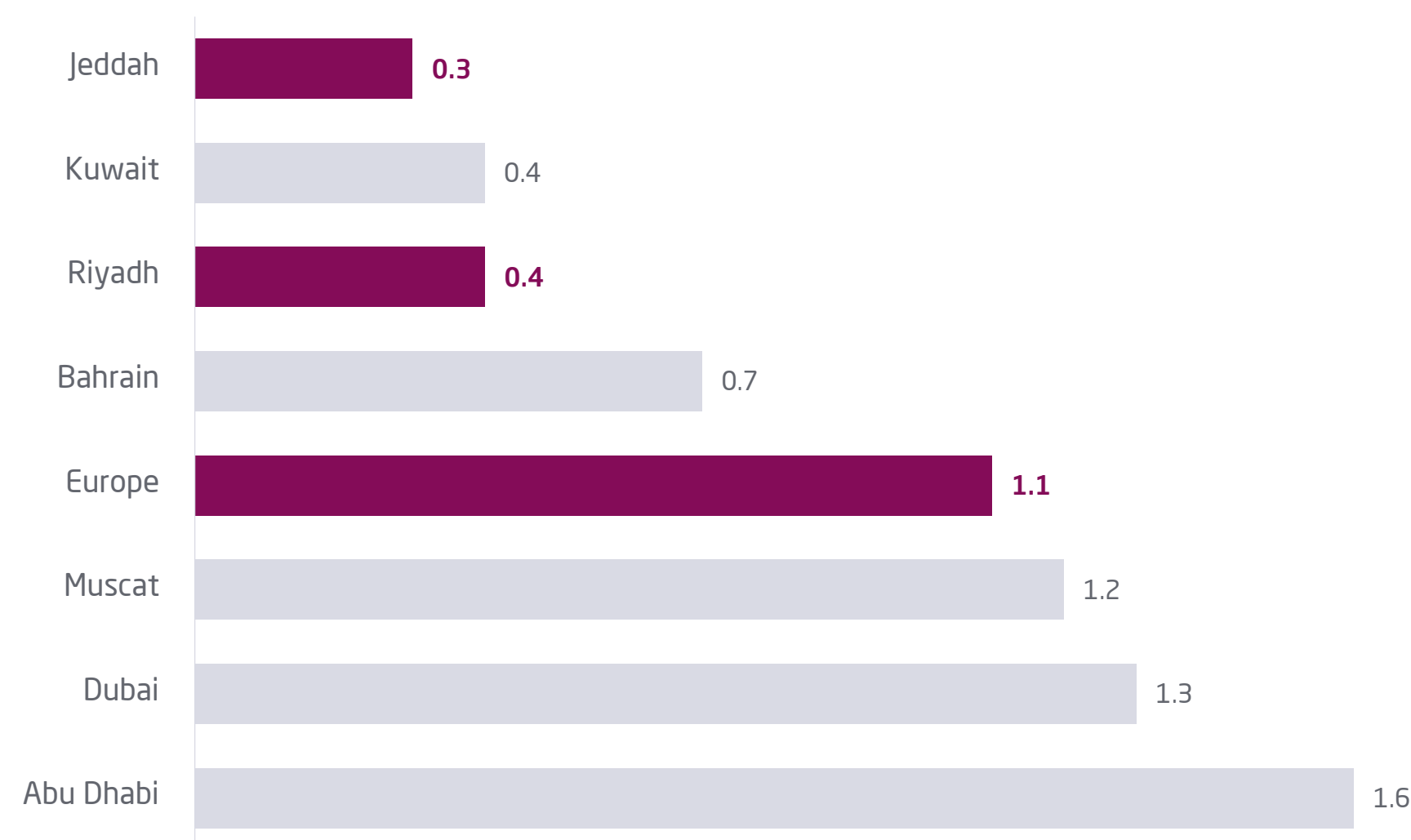
## Appendix 3 – Market Position

## Saudi Arabia's Modern Retail Market Retains Large Room for Continued Growth Compared to Peer Countries in the GCC

01

**Retail Mall GLA per capita in Riyadh and Jeddah is significantly lower than other major markets**

2021 Retail Mall GLA per Capita (sqm)<sup>(1,2)</sup>



1) Retail mall GLA includes shopping centers / malls and quality strip malls but excludes independent standalone stores;

2) As identified by the International Council of Shopping Centers;

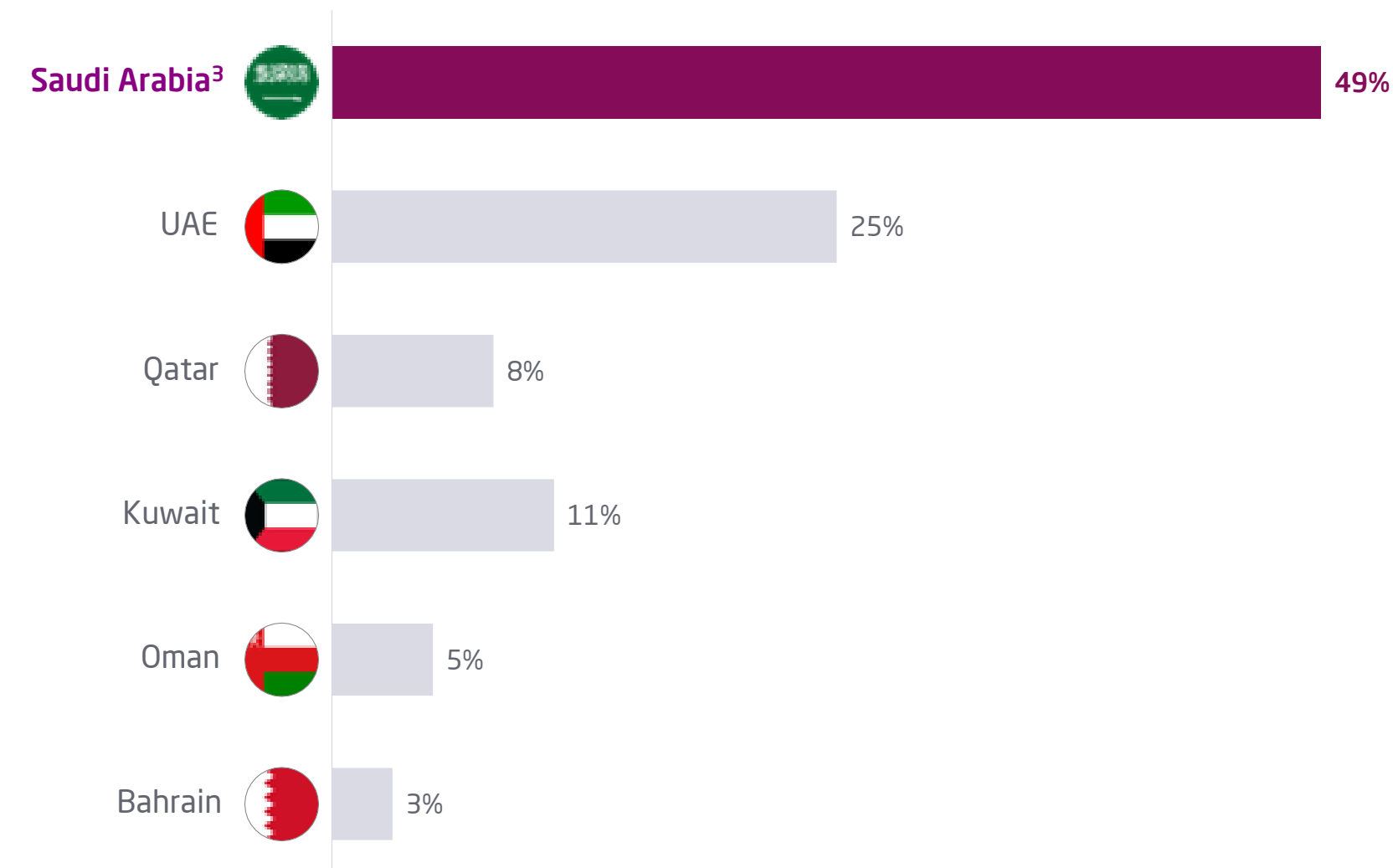
3) For only the four major cities i.e. Riyadh, Makkah, Jeddah and DMA.

Source: JLL, GASTAT, Savills

02

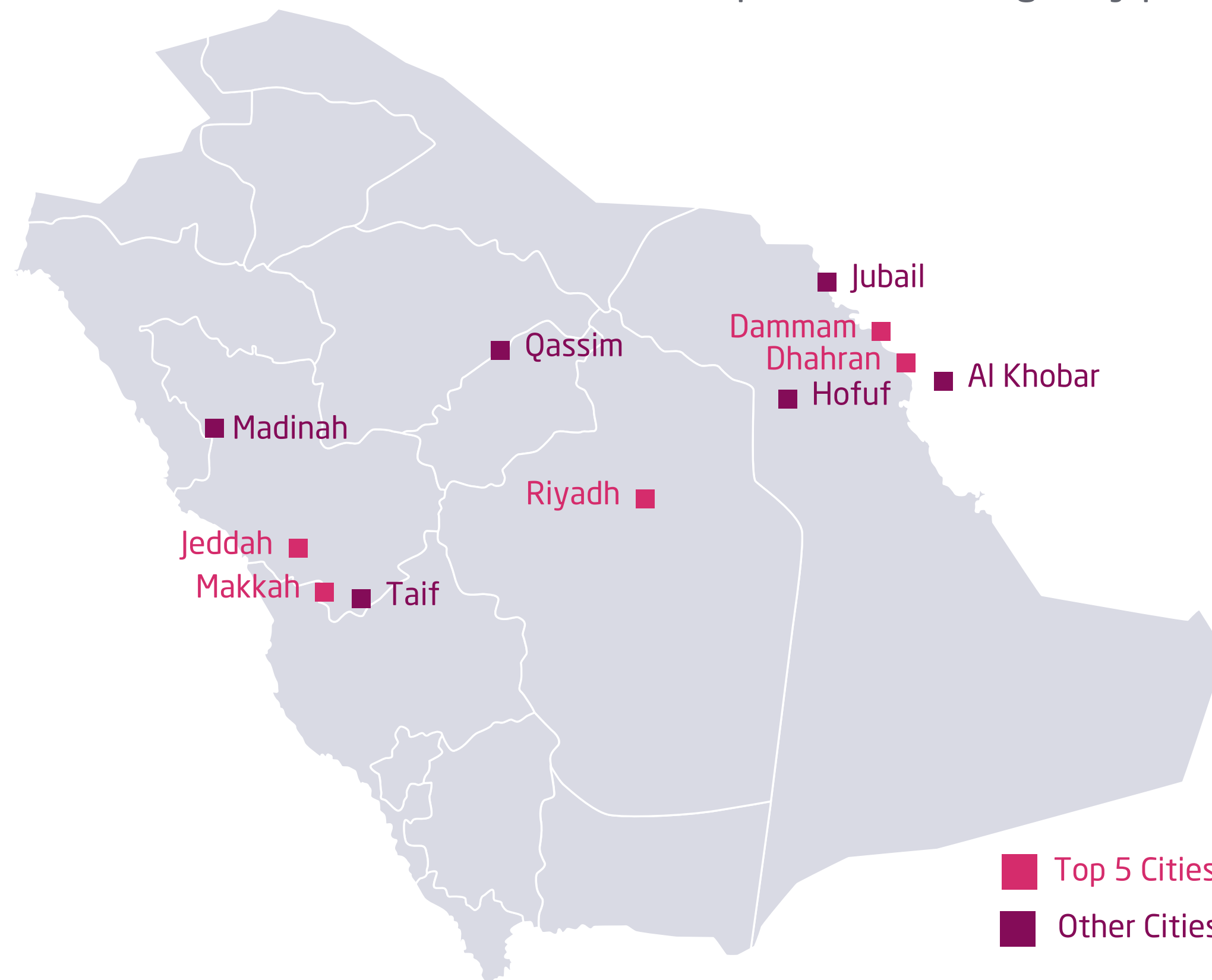
**Yet Saudi Arabia accounts for almost half of total GCC Retail Sales**

2022 Market Share of GCC Retail Sales



## Largest Retail Platform in Saudi Arabia, with 28 Existing and Pipeline Assets Across Key Metropolitan Areas

Diversified portfolio strategically positioned in large catchment areas



### Makkah

- Makkah Mall

### Jeddah

- Aziz Mall
- Mall of Arabia
- Haifa Mall
- Salaam Mall
- Yasmin Mall
- Jeddah Park
- U Walk Jeddah
- Jawharat Jeddah

### DMA

- Nakheel Mall - DMM
- Mall of Dhahran

### Riyadh

- Sahara Plaza
- Salaam Mall
- Tala Mall
- The View
- Nakheel Mall - RUH
- Hamra Mall
- U Walk Riyadh
- Jawharat Riyadh
- Murcia Mall

### Madinah

- Noor Mall

### Hofuf

- Al Ihsa Mall

### Qassim

- Nakheel Plaza
- U Walk Qassim

### Jubail

- Jubail Mall
- Jubail Marina Mall

### Taif

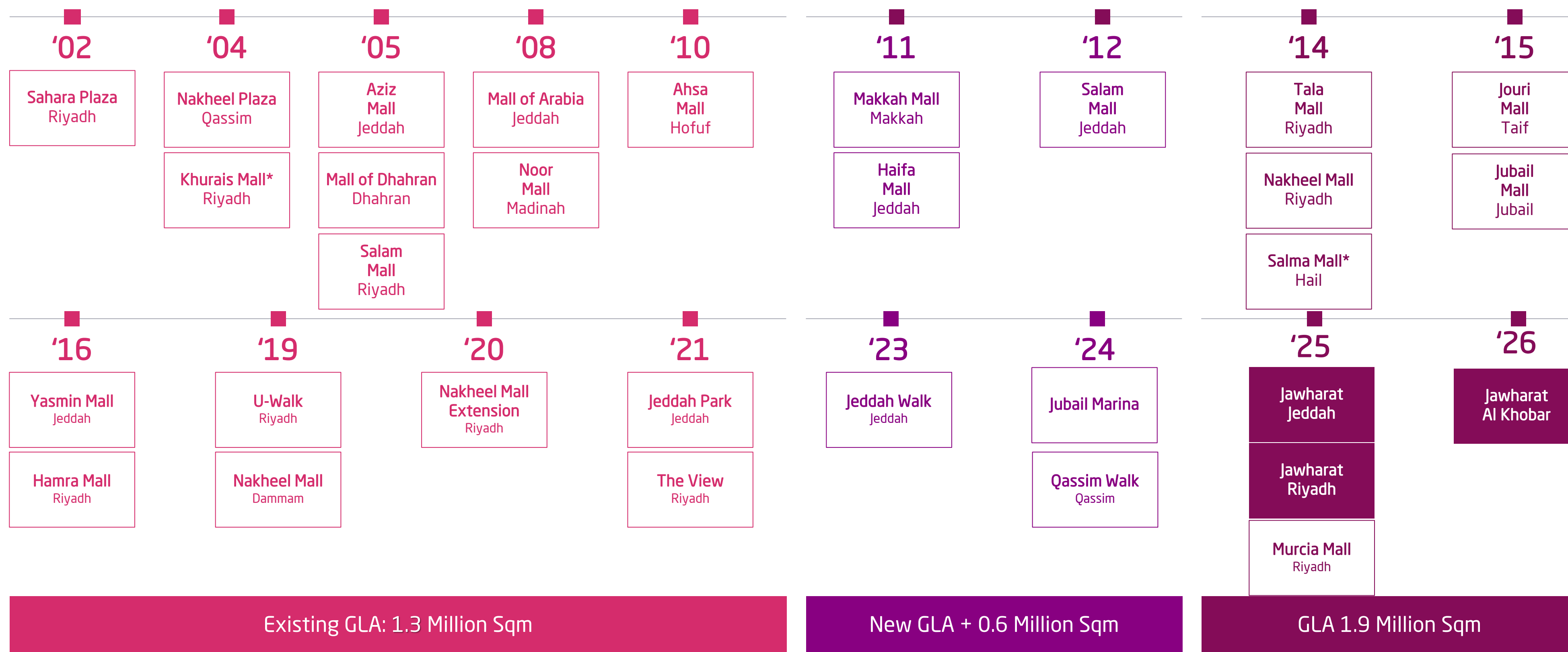
- Jouri Mall

### Al Khobar

- Jawharat Al Khobar



## More Than Two Decades of Excellence: Cenomi Centers' Unwavering Commitment to Delivery Since 2002



## Our Malls

	Mall	City	Performance Category	Lease Expiry	Year Opened	GLA	Occupancy	Contribution	Cineplex Presence
1.	Mall of Dhahran	Dhahran	A	'26	'05	150,777	86.9%	13.1%	✓
2.	Salaam Mall	Jeddah	B	'32	'12	123,361	83.6%	5.9%	2023
3.	Mall of Arabia	Jeddah	A	Freehold	'08	109,742	97.5%	11.3%	✓
4.	Nakheel Mall	Riyadh	A	'34	'14	74,939	95.9%	12.1%	✓
5.	Aziz	Jeddah	B	'46	'05	67,717	76.4%	4.6%	✓
6.	Noor	Madinah	A	Freehold	'08	67,863	93.0%	5.3%	2023
7.	Yasmeen Mall	Jeddah	B	'34	'16	59,657	93.8%	5.6%	✓
8.	Hamra	Riyadh	A	Freehold	'16	55,391	95.7%	5.0%	✓
9.	Ahsa	Ahsa	C	Freehold	'10	45,811	79.1%	1.8%	✓
10.	Salaam Mall	Riyadh	B	Freehold	'05	47,394	93.9%	3.0%	✓
11.	Jouri	Taif	B	'35	'15	48,076	95.4%	4.8%	-
12.	Makkah Mall	Makkah	A	Freehold	'11	37,431	96.2%	6.1%	-
13.	Nakheel	Dammam	A	Freehold	'19	58,513	96.8%	6.9%	✓
14.	U-Walk	Riyadh	A	'46	'19	52,096	90.7%	3.7%	✓
15.	Nakheel Plaza	Qassim	C	'29	'04	42,271	90.6%	2.0%	✓
16.	Haifa	Jeddah	C	'32	'11	33,617	77.6%	1.4%	✓
17.	Tala	Riyadh	C	'29	'14	20,880	86.1%	1.3%	✓
18.	Jubail	Jubail	C	Freehold	'15	21,231	56.0%	0.7%	✓
19.	Sahara Plaza	Riyadh	C	Freehold	'02	14,722	100.0%	0.2%	-
					LFL	1,131,489	90.3%	94.9%	
20.	Jeddah Park	Jeddah	A	Operational Agreement	21	120,680	69.9%	0.8%	2023
21.	The View	Riyadh	A	Freehold	21	54,511	92.4%	4.3%	✓
					Total	1,306,680	87.8%	100%	

## Update on Key ESG KPIs - FY'22

We are committed to our sustainability journey through a course of continuous improvements to operate in a conscious and responsible way.

**CEO Alison Rehill-Erguven**



### Caring for Nature

32%



Increase on a yearly basis of electricity acquired from the grid in purchased electricity mix

90%



Energy consumption data coverage throughout all malls, including tenants. This allows Cenomi Centers to understand where major energy savings can be implemented

100%



Green IT by adopting Cloud Computing for all IT hardware and software solutions, reducing electricity consumption, and replacing high-carbon physical products by their virtual equivalents

### Enriching our People

100%



Of employees received career development reviews

15%



Growth in total employees

42%



Of workforce are youth aged 18-30 years

0



Fatalities or injuries for employees or contractors

### Creating Vibrant Environments our People

+12.5%



Footfall (FY2022 over FY2021)

84%



Visitors' satisfaction

+14%



No. of followers & subscribers (twitter, Instagram, facebook)

92%



Employee satisfaction

22%



Increase in female staff

76.5%



Nationalization rate

2,800



Hours of health and safety training

SAR 10.1 MN



Donated to sponsorships and community projects

96.1%



Of spending on local suppliers

SAR 10.1 MN



Spend with local suppliers




# Thank you

## Contacts

Investor Relations Department

 [ir.centers@cenomi.com](mailto:ir.centers@cenomi.com)

 +966 (11) 825 2080

For more information, visit  
[ir.cenomicenters.com](http://ir.cenomicenters.com)