

Cenomi Retail

Earnings Presentation

For the quarter ended 31 March 2025



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Presenters



Salim Fakhouri
Chief Executive Officer



Ahmed Abdelkareem
Deputy Chief Financial Officer

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cENomi

At a Glance



Cenomi Retail at a glance

The leading franchise retailer in Saudi Arabia, and the only listed business of its type in the Middle East



808 stores



328 Saudi retail stores



c. 332K sqm



261 F&B outlets



8 countries



219 International stores

Financial highlights



**SAR 1.3 BN
Revenues**

▲ 11.2% YOY



**SAR 953 MN
KSA Retail Revenues**

▲ 10.0% YOY



**SAR 116 MN
EBITDA**

▲ vs loss of SAR 4 MN



**SAR 301 MN
International Retail Revenues**

▲ 21.8% YOY



**SAR 1.8 MN
Net Profit**

▲ vs loss of SAR 152 MN



**SAR 111 MN
Online Sales**

▲ 21.8% YOY



Continued focus on optimizing market, brand & store footprint



Retail

Q1'24

- 12 stores opened
- 292 stores closed
- 280 net closures

Q1'25

- 1 stores opened
- 63 stores closed
- 62 net closures



F&B

Q1'24

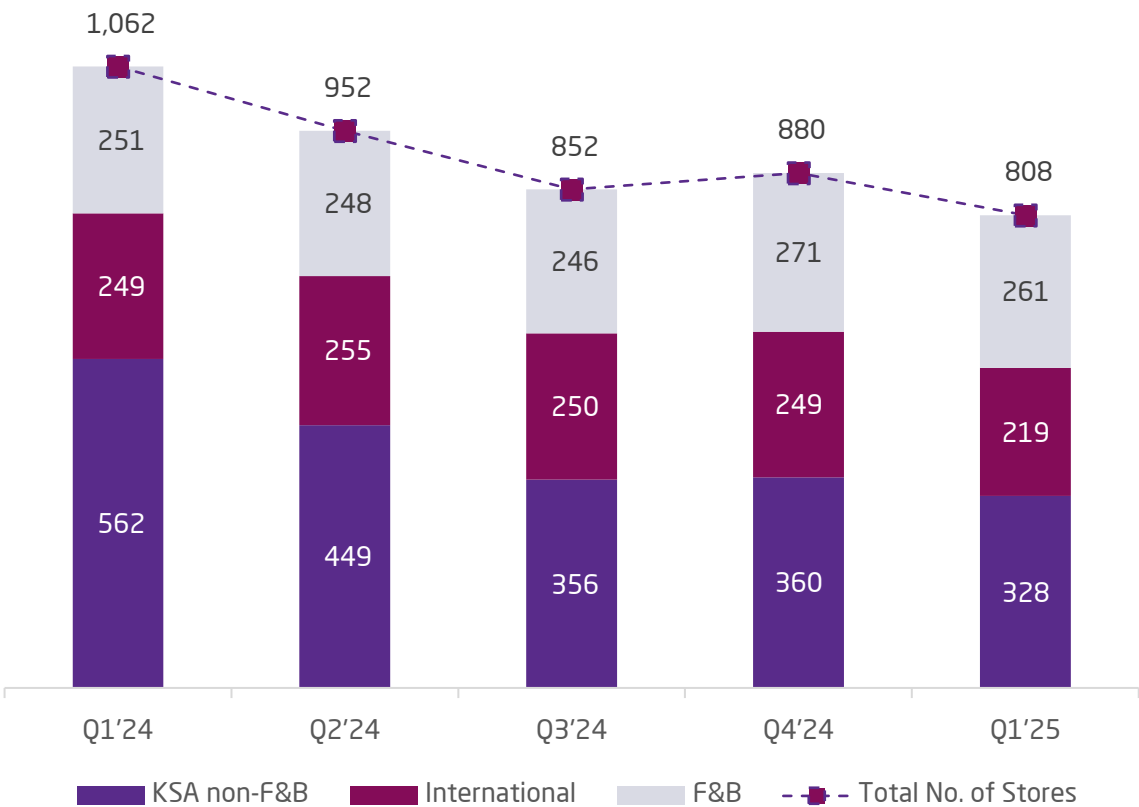
- 5 stores opened
- 8 stores closed
- 3 net closures

Q1'25

- 2 stores opened
- 12 stores closed
- 10 net closures



Store network evolution



Strategic and Operational Review



Continuing our path to enhanced potential and profitability

Phase 1: Fix The House

- Rationalize brand and store portfolio
- Exit/stabilize non-strategic markets
- Revamp processes and systems to ensure efficiency
- Onboard new Brand Champions in core markets
- Deleverage company and secure cash for growth

2023-2024



2024-2026

Phase 2: Embark on Growth

- Invest to scale existing brands across markets
- Identify white space opportunities and secure new franchise in key markets

Phase 3: Achieving Optimal Potential

- Scale existing brands to maximum potential ensuring comprehensive coverage of key cities in target markets
- Invest in scaling new brands

2026+



Where we stand and where we are headed

Phase 1: Fix The House

2023-2024

Rationalize brand and store portfolio

- Continuous progress on store network optimization (c.1500 in 2023 reduced to almost half in Q1-25)
- Closing underperforming stores to streamline operations and uplift standards (24% YoY store count reduction in Q1-25)

Exit/stabilize non-strategic markets

- Exited Morocco, Egypt and USA in the last 2 years

Revamp processes and systems to ensure efficiency

- Cost optimization program (34% SG&A reduction in Q1-25)
- Inventory efficiency and planning focus (Q1-25 Inventory turnover levels doubled vs. 2023)

Deleverage company and secure cash for growth

- Ongoing committed efforts to deleverage balance sheet (Reduced debt by SAR 217 million in Q1-25; debt almost halved since 2023 levels)



Phase 2: Embark on Growth

2024-2026

Invest to scale existing brands across markets

- 2 new Cinnabon stores and 1 Massimo Dutti store opened in Q1-25
- Mango Nakheel Mall renovation completed in Q1-25, delivering a ~50% revenue uplift YoY

Identify white space opportunities and secure new franchise in key markets

- On going selective expansion of Tier 1 Champion brand portfolio across high-quality locations
- Cinnabon opened in major cities in Saudi Arabia : Riyadh and Jeddah

Translating strategy into operational results



Brand Rationalization

- Divestment of **non-core brands** Ipekyol, Twist, and Machka released 21 stores and generated SAR 22M in **capital gains**



Store Rationalization

- **75 closed stores** in Q1'25 and **3 store openings**, for a net reduction of 72 stores
- Closures included 21 stores linked to brand divestment, **14 tied to the full exit from the U.S. market**, and **40 due to natural attrition**
- 33 stores closed in KSA retail, 30 in International retail, and 12 in F&B
- **Full exit from 28 Mall in Azerbaijan** as part of international footprint optimization



Operational Enhancement

- **KSA revenue per store increased 89% YoY** in Q1'25, reaching SAR 3 million
- **Gross Floor Area reduced** to 332K sqm. in Q1'25 with the progress of store rationalization
- **34% SG&A reduction** in Q1-25 with ongoing cost optimization initiatives



Market Focus

- **Strategic retreat from non-core markets** to consolidate resources around high-growth, high-margin geographies
- **Exited USA**



Brand Focus

- Strategic expansion of select Tier 1 champion brands **elevating the F&B and Fashion experience** (Cinnabon and Massimo Dutti brand in KSA)

2025 fashion strategic focus



Elevating In-Store Experience

- Renovations focused on layout, fitting rooms, and category mix
- Stores redesign to enhance **brand feel** and **customer perception**.

Selective Store Expansion

- Opening in **high-traffic, premium locations** to strengthen brand presence.

Operational Discipline and Execution

- Coordinating brand, store, and location-level execution to **unlock performance**.
- **Tactical campaigns** timed around Ramadan and key retail periods.

Images of Mango Nakheel Mall reopened post-renovation on February 15, 2025, reflecting the completed upgrades.

2025 F&B strategic focus

Ramadan promotions that contributed to implementation of F&B 2025 strategy



Customer-Centric Innovation

- Tailored **product launches** (e.g. Cinna Warmer, Bon Topping) to local tastes.
- **Packaging and bakery upgrades** helping **lift ticket sizes** without relying on aggressive discounting.

Brand Relevance

- **Campaigns around Saudi events** (e.g. Ramadan, Founding Day) strengthen local connection and **Broader engagement**, amplified by paid **media, influencers**, and broader brand activations.

Digital and Delivery Excellence

- **Enhancing digital capabilities** and positioning delivery as a core channel for **sustainable growth**, driving traffic, operational efficiency, and customer loyalty.





Store Transformation

- Continue to **streamline operations** and **uplift standards**.

Financial Overview



Financial performance overview

	Q1'24	Q1'25	YoY
 Revenues	SAR 1.2 BN	SAR 1.3 BN	▲ 11%
 Gross Profit	SAR 95 MN	SAR 178 MN	▲ 88%
 EBITDA	SAR -4 MN	SAR 116 MN	▲ vs loss of SAR 4 MN
 Net Profit	SAR -152 MN	SAR 1.8 MN	▲ vs SAR -152 MN



Highlights

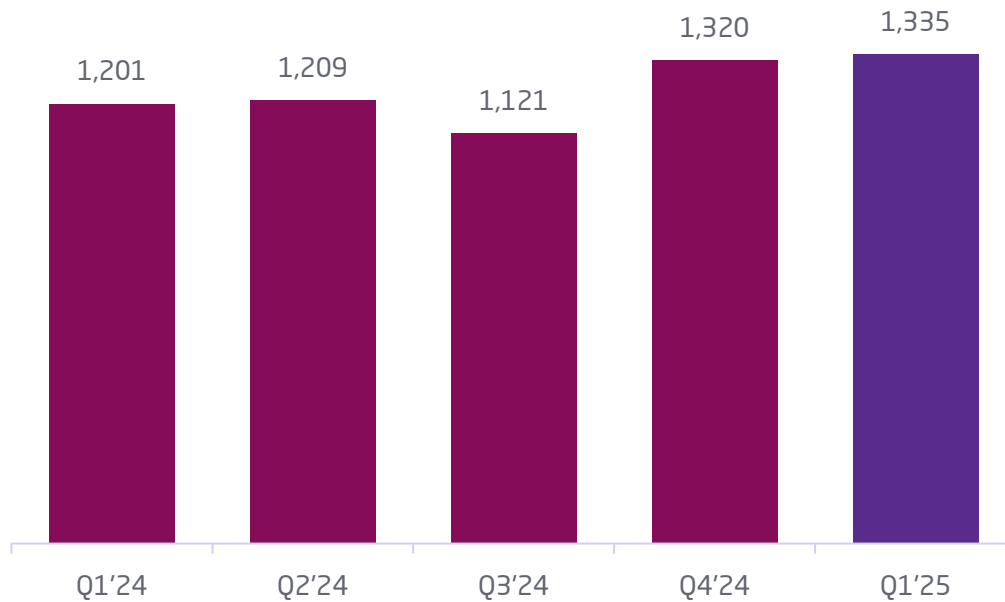
- Revenues growth on the back of **KSA retail** and **international growth**, driven by portfolio optimization and strong performance across key markets
- Gross Profit** nearly doubled to SAR 178 million, with margin improving to 13.3% on the back of **efficiency gains** and **operational efficiency**
- EBITDA** turned **positive** to SAR 116 million, reflecting disciplined execution of **cost optimization** and a **strong recovery** in KSA retail
- Net profit** reached **SAR 1.8 million**, compared to a loss of SAR 152 million in Q1-24, supported by **higher operating income** and **reduced finance costs**
- Deleveraging** continued with SAR 216 million in repayments, bringing net debt down 5.3% QoQ

Domestic retail and international portfolio drive revenue growth



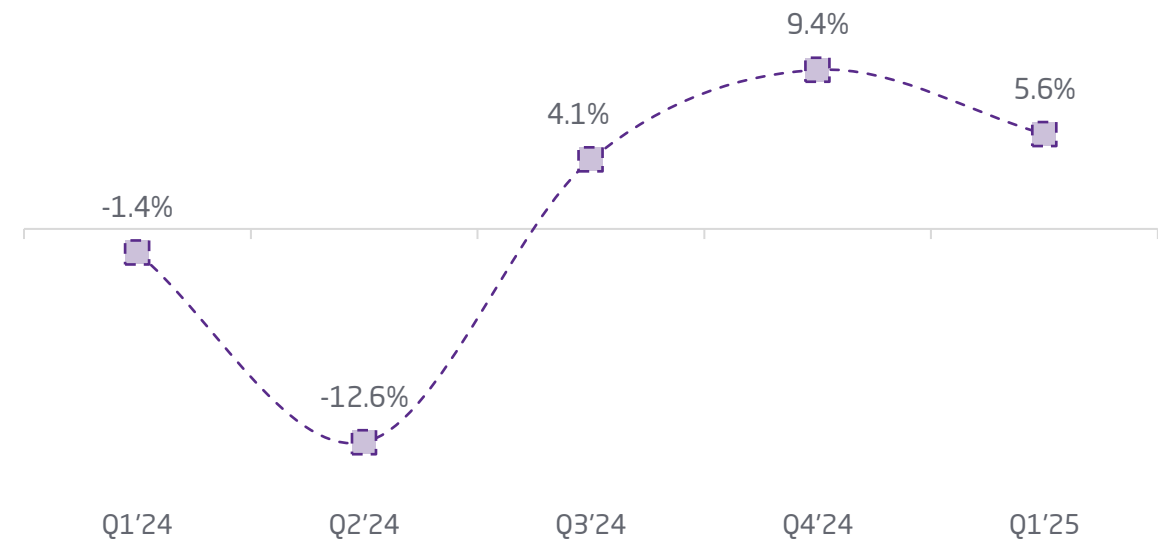
Revenue, SAR MN

- Retail revenues rose 10.0% in Saudi Arabia and 21.8% internationally, supported by portfolio optimization and strong performance across key markets; revenue per store in KSA nearly doubled YoY to SAR 3 million



LFL consolidated sales growth, %

- Group LFL sales grew 5.6% in Q1 2025, reflecting sustained momentum driven by improved store productivity and targeted retail execution

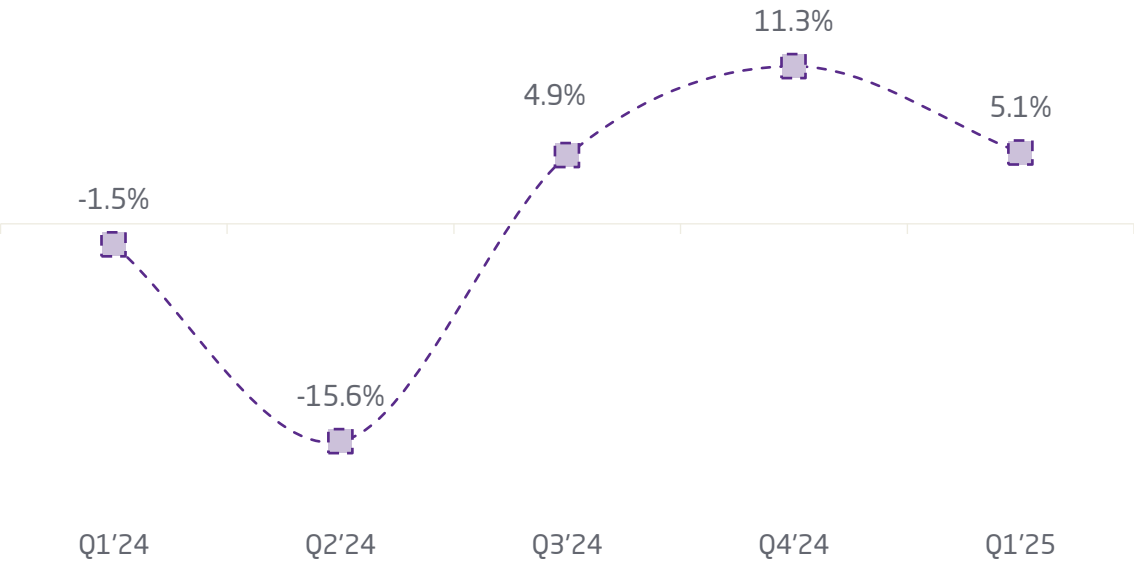


Strategic sales measures drive revenue growth and profitability



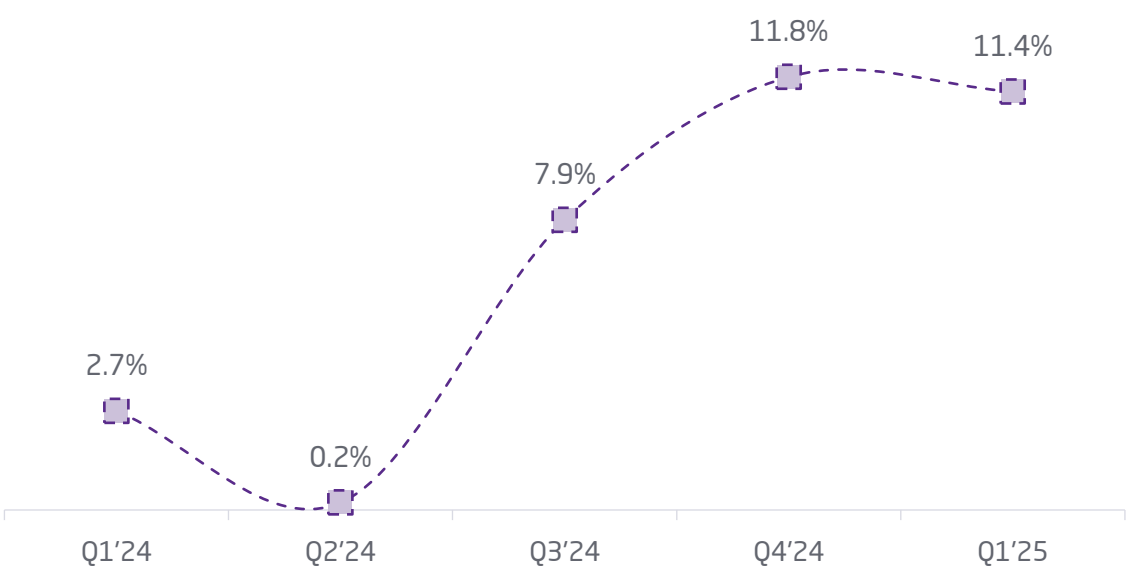
LFL Saudi retail sales growth %

- Saudi retail LFL grew 5.1% in Q1 2025, supported by **store-level initiatives, portfolio optimization, and seasonal trading activity**



LFL International retail sales growth %

- International LFL was supported by **continued organic momentum, broad-based end-of-season activity, and consistent performance across CIS markets**



Zara & Inditex witnessing growth during the period

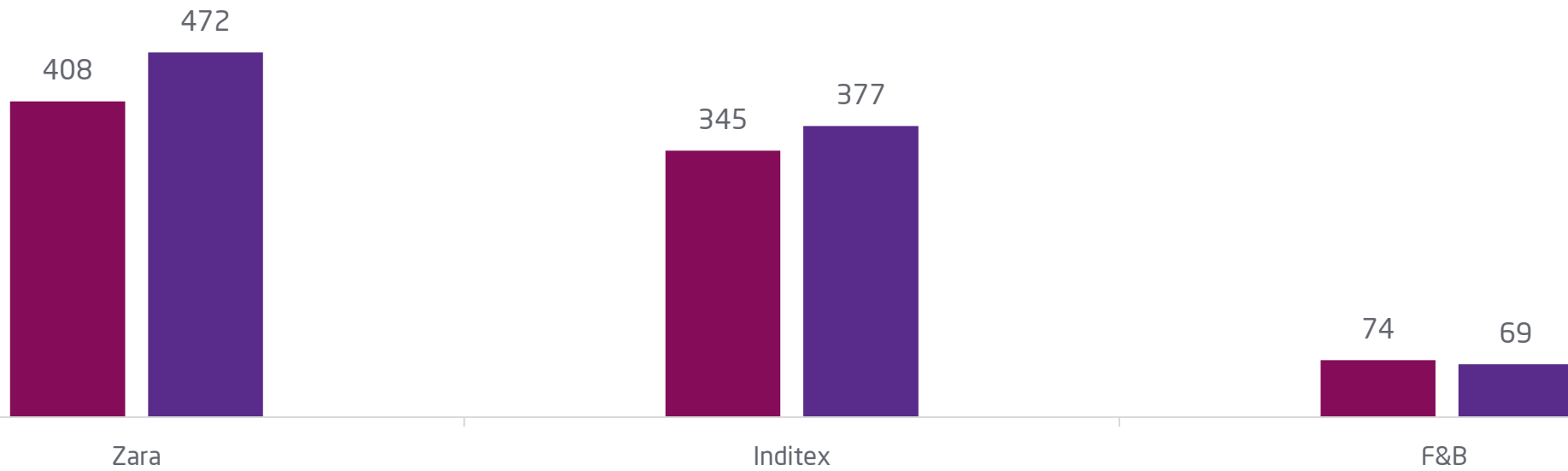


Fashion & F&B Revenues (SAR Million)

+15.5% LFL

+9.2% LFL

-7.2% LFL



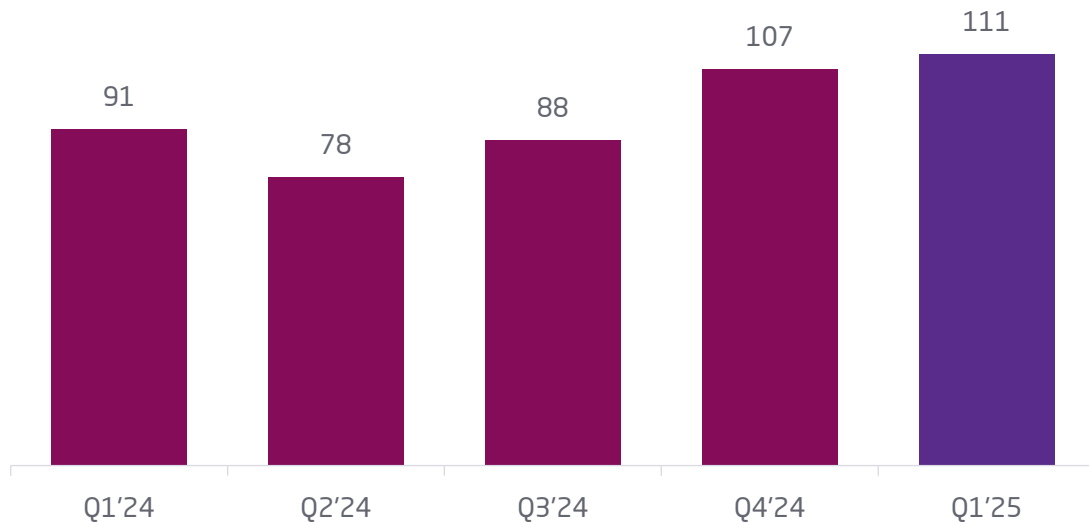
■ Q1'24 ■ Q1'25

Online sales maintaining strong contribution to consolidated revenues



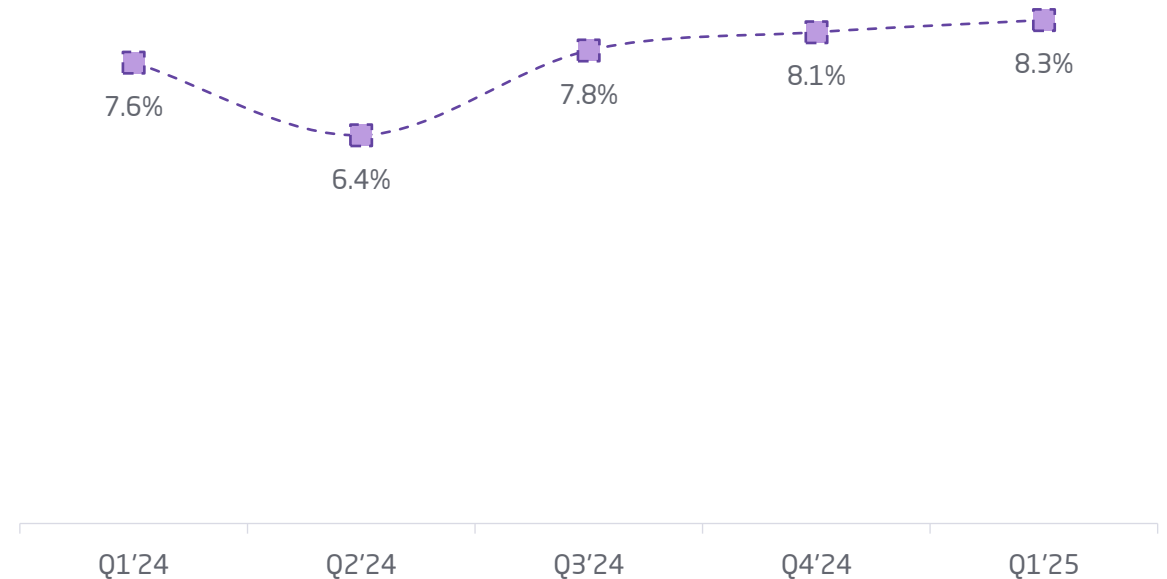
Online revenues, SAR MN

- Online revenues rose 21.8% YoY to **SAR 111 million**, driven by strong growth across fashion brands, with Zara and other Inditex brands posting online sales growth of over 55%



E-commerce, % of total revenues

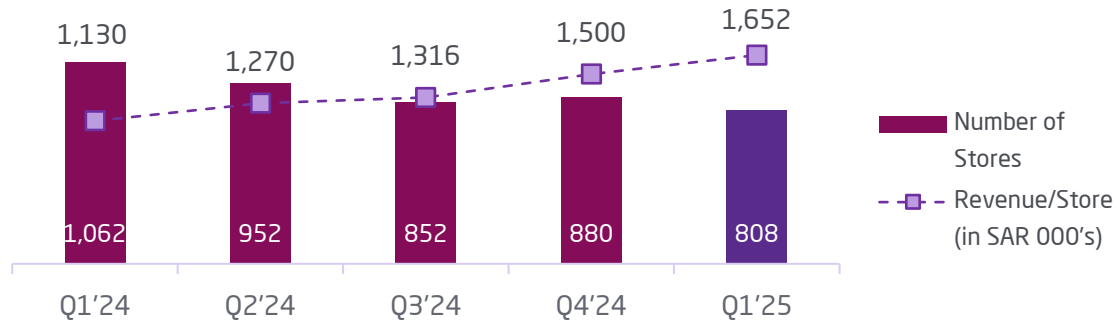
- Online contribution to total revenue continued to increase, reflecting steady expansion of digital channels and greater customer adoption



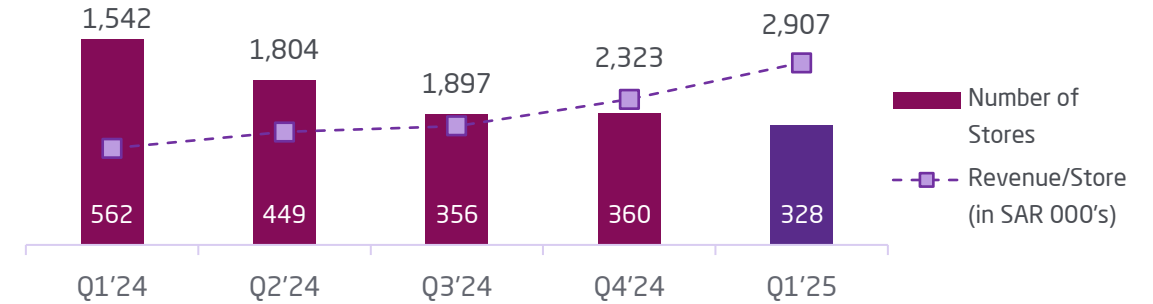
Portfolio optimization enabling solid revenue per store



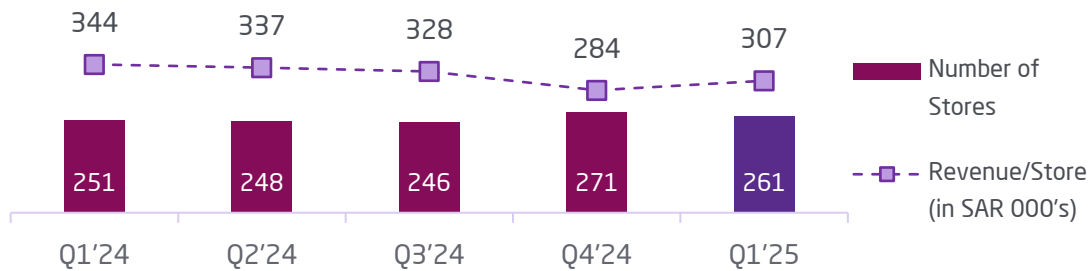
Revenue Per Store (Group)



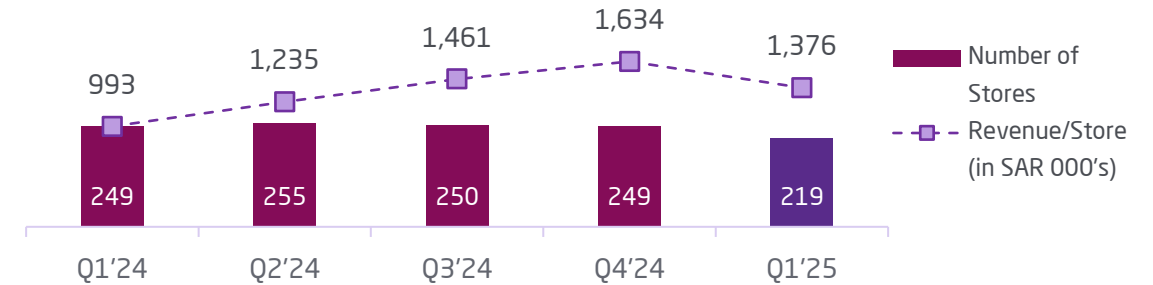
Revenue Per Store (KSA)



Revenue Per Store (F&B)



Revenue Per Store (International)



*Annualized figures are based on the period run rates

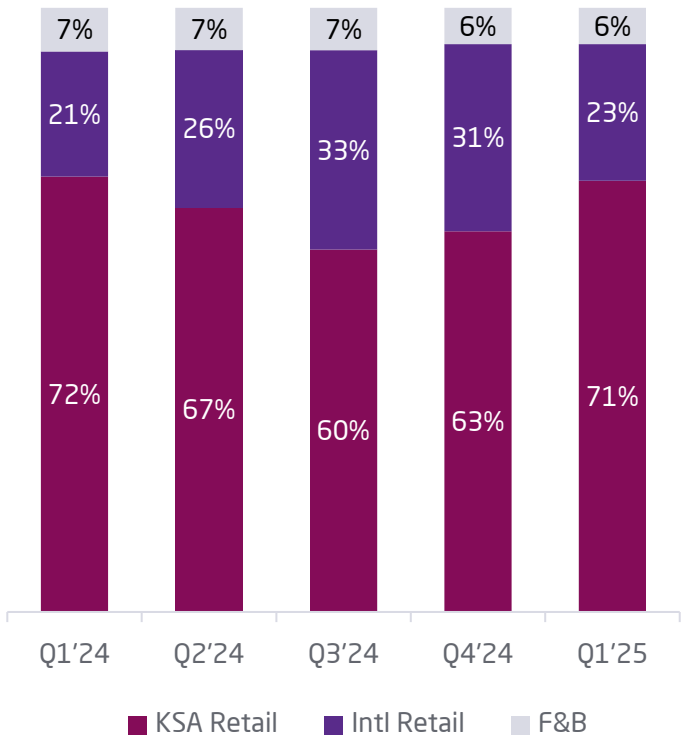
**Quarterly figures have been re-classified due to prior business assumptions



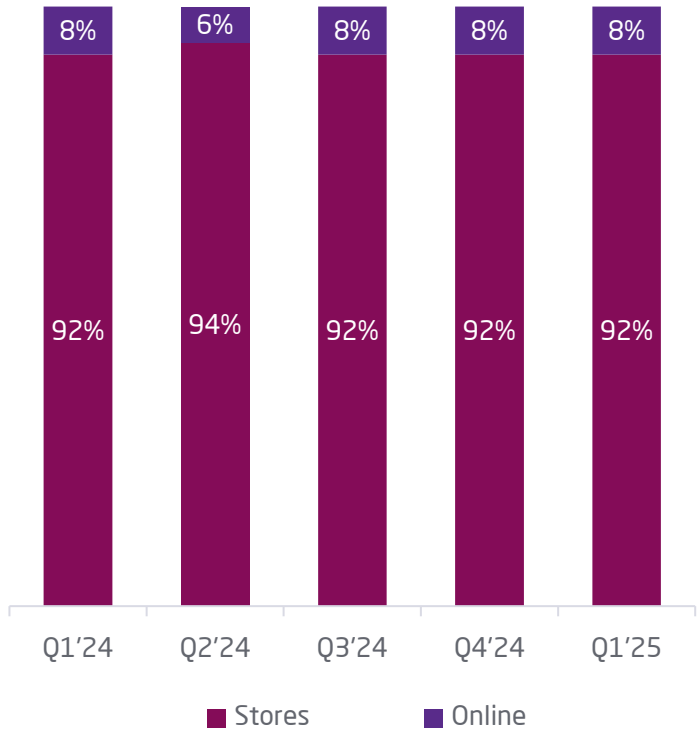
Revenue diversification



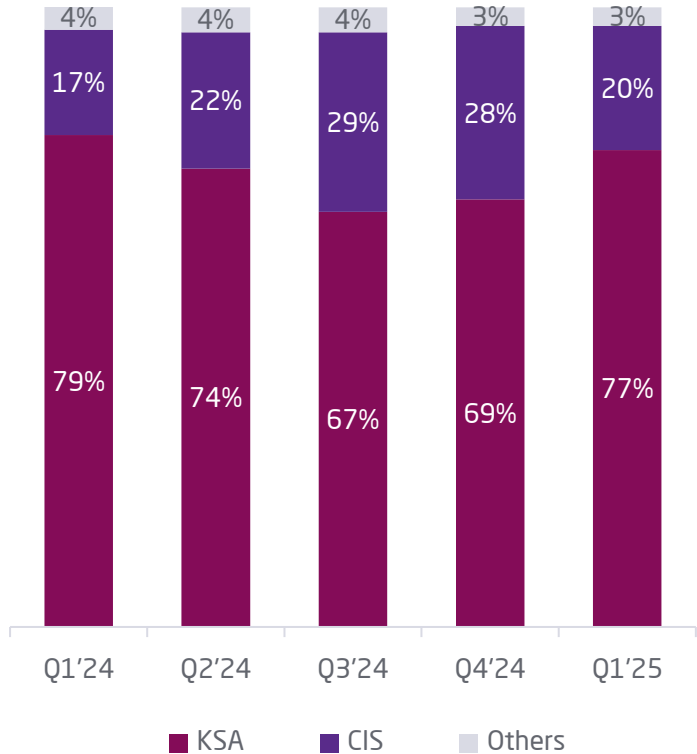
Revenue by division



Revenue by channel



Revenue by geography

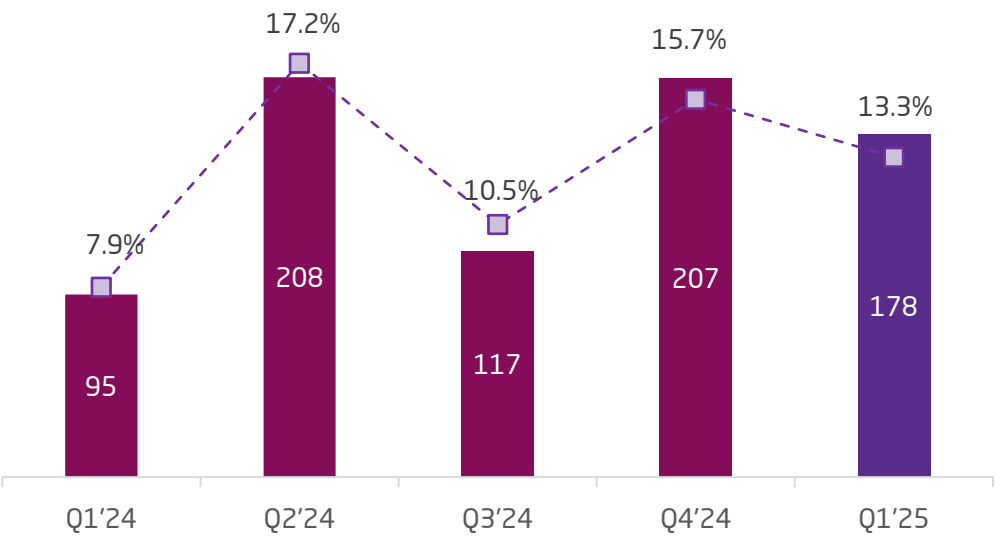


Strategic retail price positioning and cost optimization help sustain margins



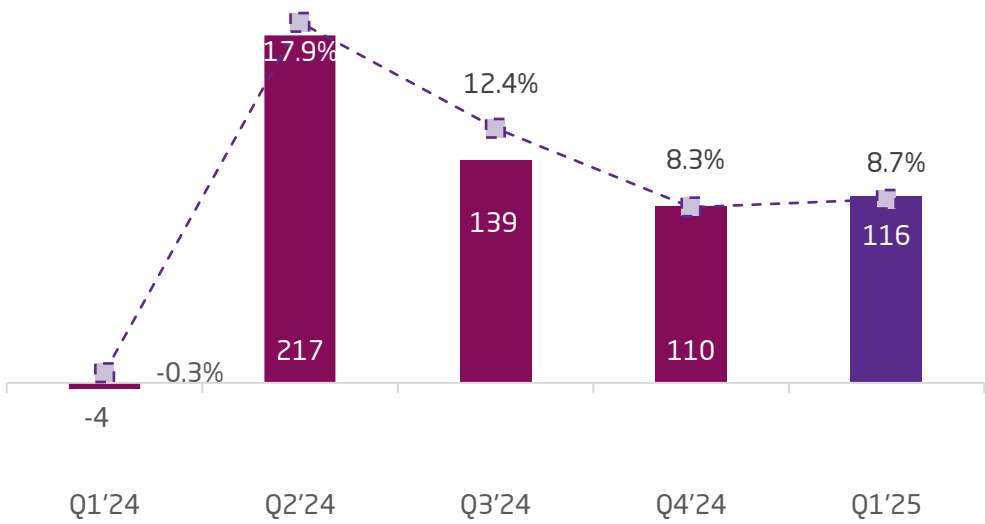
Gross Profit, SAR MN - GPM, %

- Gross profit nearly doubled YoY to SAR 178 million, with margin expanding from 7.9% to 13.3%, supported by higher sales, and sustained cost efficiencies



EBITDA, SAR MN - EBITDA Margin, %

- EBITDA turned positive at SAR 116 million, with margin improving to 8.7%, reflecting ongoing operational improvements and disciplined cost optimization

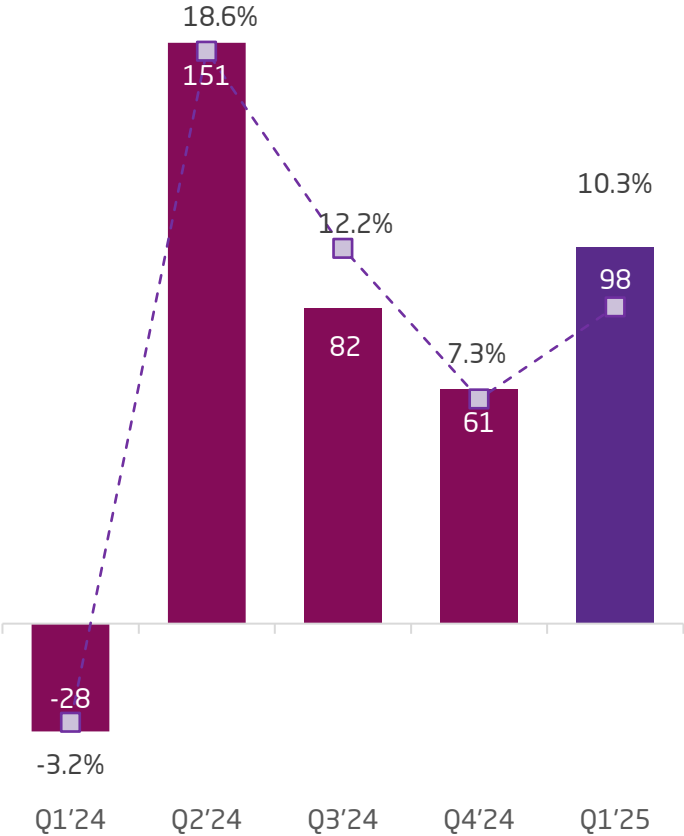




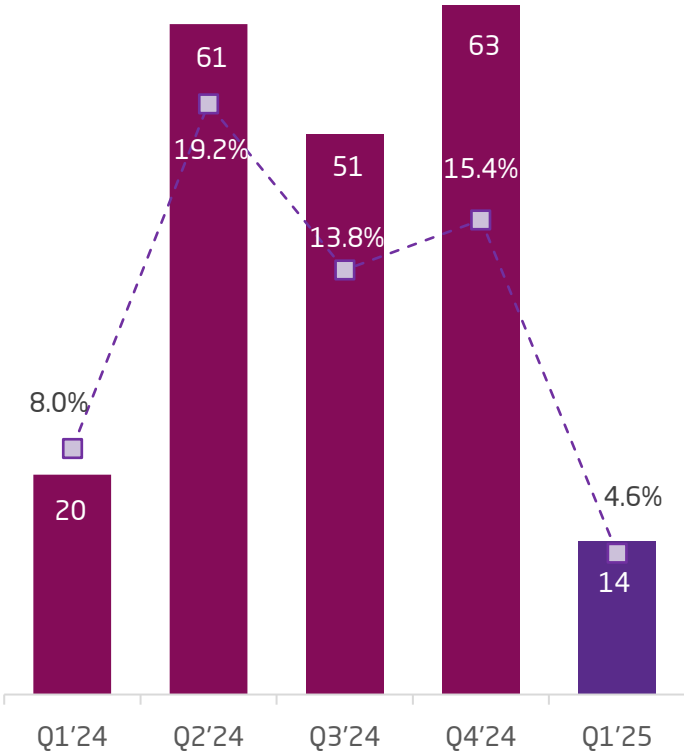
EBITDA performance across segments



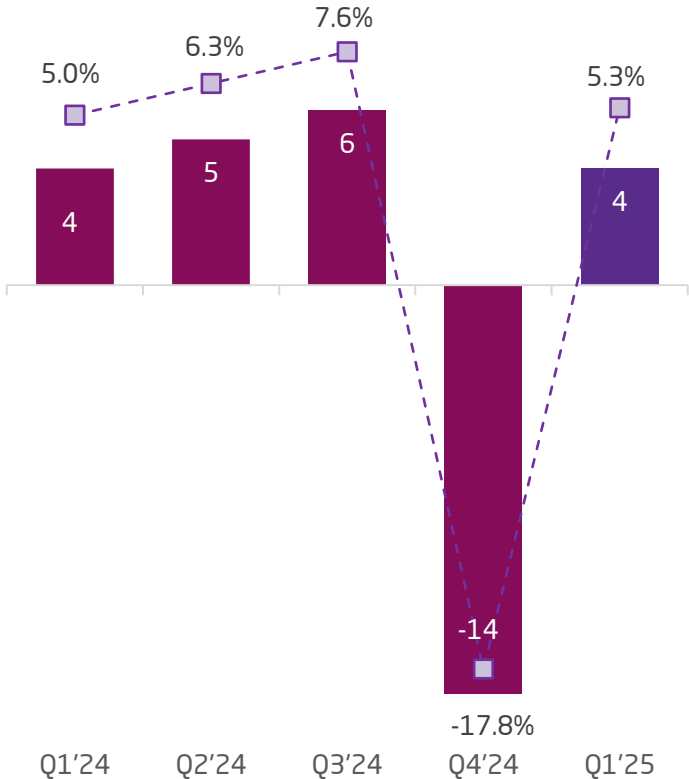
 **EBITDA KSA Retail, SAR MN**
EBITDA Margin, %



 **EBITDA Intl, SAR MN**
EBITDA Margin, %



 **EBITDA F&B, SAR MN**
EBITDA Margin, %



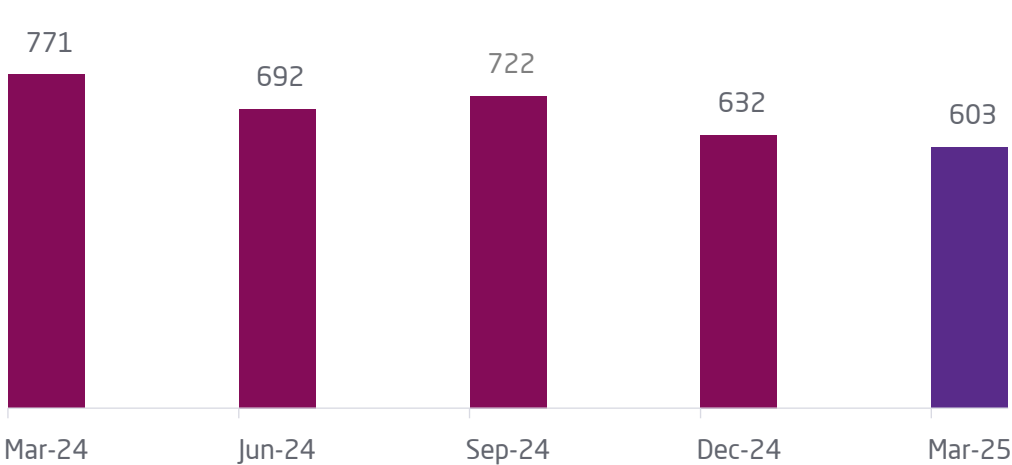


Inventory optimization leading to enhanced efficiency



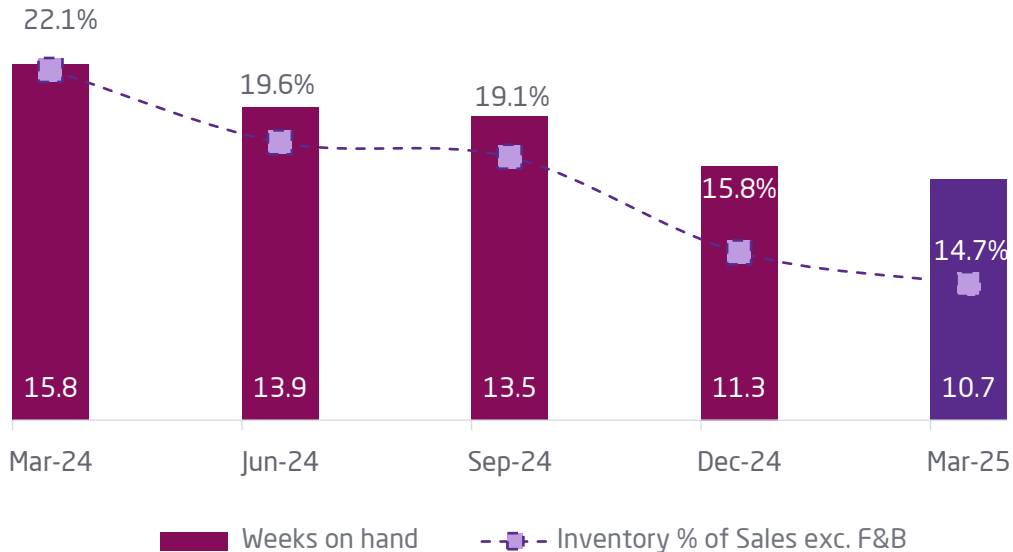
Inventory balance (SAR MN)

- Inventory levels remained **well-managed** at SAR 603 million, reflecting continued focus on optimization



Inventory efficiency ratios

- Efficiency ratios improved YoY, supported by streamlined procurement, lower terminal stock, and **disciplined inventory planning**



** Financials for 2021 and 2023 were on a fiscal year basis however has been adjusted to reflect calendar year figures. 2023 financials have been recorded on a calendar year basis.*

Concluding Remarks



Key takeaways



Topline

Revenue grew 11.2% YoY to SAR 1.3 billion, supported by strong growth in Saudi retail (+10.0%) and solid international momentum (+21.8%)



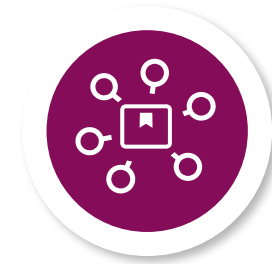
Profitability

Returned to profitability with SAR 1.8 million net profit in Q1 2025, reversing a SAR 152 million loss in Q1 2024, driven by margin improvement and cost optimization



Financial position

SAR 216 million in debt repayments during the quarter reduced net debt by 5.3% QoQ, reinforcing balance sheet strength and liquidity discipline.



Strategy Execution

With Phase 1 nearly complete, the focus shifts to **Embarking on Growth**, prioritizing core brand expansion. Tier 1 Champion brands continue to lead performance across key markets.

Appendix



Income Statement

SAR million	Q1-24	Q1-25	Change (+/-)	3M-24	3M-25	Change (+/-)
Revenue	1,201	1,335	11%	1,201	1,335	11%
Cost of revenue	-1,106	-1,157	5%	-1,106	-1,157	5%
Gross profit/(loss)	95	178	88%	95	178	88%
<i>Margin</i>	<i>7.9%</i>	<i>13.3%</i>	<i>5.4pp</i>	<i>7.9%</i>	<i>13.3%</i>	<i>5.4pp</i>
Selling and distribution expenses	-42	-22	-47%	-42	-22	-47%
General and administrative expenses	-85	-61	-28%	-85	-61	-28%
Other operating expense	-20	-15	-25%	-20	-15	-25%
Other operating income	49	37	-24%	49	37	-24%
EBITDA	-4	116	-3198%	-4	116	-3198%
<i>Margin</i>	<i>-0.3%</i>	<i>8.7%</i>	<i>9.0pp</i>	<i>-0.3%</i>	<i>8.7%</i>	<i>9.0pp</i>
Goodwill Impairments	0	0	0%	0	0	0%
Depreciation, amortization	-31	-34	9%	-31	-34	9%
Operating profit / (loss)	-35	82	-337%	-35	82	-337%
Net finance costs	-90	-59	-35%	-90	-59	-35%
Change in fair value of other investment	0	0	0%	0	0	0%
Share of loss of equity-accounted investees	0	0	13%	0	0	13%
Profit / (loss) before zakat and income tax	-125	24	-119%	-125	24	-119%
Zakat and Income tax expense	-12	-9	-24%	-12	-9	-24%
Loss for the year from continuing operations	-136	15	-111%	-136	15	-111%
Gain (Loss) for the year from discontinued operations	-15	-13	-16%	-15	-13	-16%
Profit / (loss) for the year	-152	2	-101%	-152	2	-101%
Non-controlling interests	0	0	-131%	0	0	-131%
Net profit group share	-152	2	-101%	-152	2	-101%

Balance Sheet

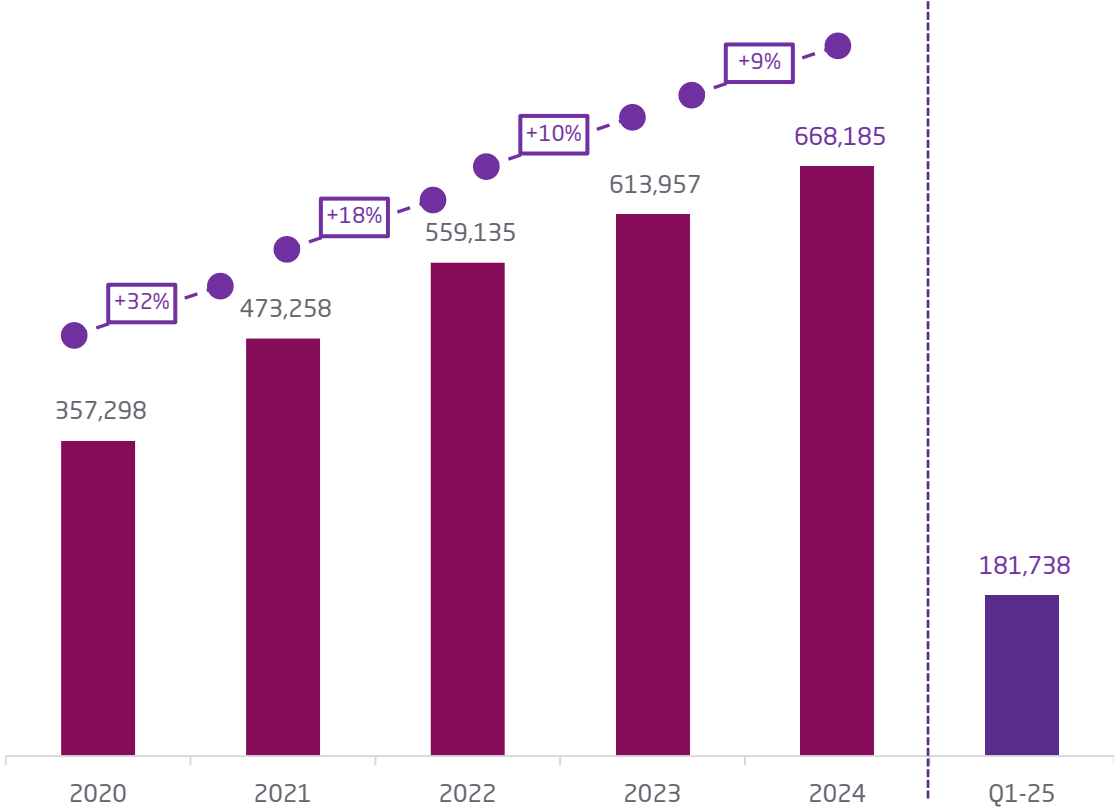
SAR million	31-Mar-24	31-Mar-25	Change (+/-)
Assets			
Property, Plant and Equipment	1,081	1,084	0%
Right-of-Use Assets	1,455	1,468	1%
Goodwill and Intangible Assets	627	624	0%
Investment Property	1	1	-3%
Equity-accounted investees	46	48	4%
Other investments	84	85	0%
Total Fixed Assets	3,295	3,310	0%
Inventories	632	603	-5%
Advances, Deposits and Other Receivables	169	235	39%
Prepayments, Rentals and Insurance	35	47	34%
Cash & Cash Equivalents	256	124	-52%
Assets included in disposal group classified as held for sale	198	101	-49%
Total Current Assets	1,291	1,109	-14%
Total Assets	4,586	4,419	-4%

SAR million	31-Mar-24	31-Mar-25	Change (+/-)
Equity & Liabilities			
Share Capital	1,148	1,148	0%
Reserves (Statutory, Foreign Currency and Fair Value)	-617	-617	0%
Fair value reserve	83	83	0%
Accumulated Losses	-1,607	-1,605	0%
Equity Attributable to the Shareholders of the Company	-993	-991	0%
Non-Controlling Interest	-25	-25	0%
Total Equity	-1,018	-1,016	0%
LT Loans and Borrowing	82	56	-32%
Lease Liabilities	1,189	1,291	9%
Post-Employment Benefits	74	78	5%
Total Non-Current Liabilities	1,345	1,425	6%
Trade and other payables	1,800	1,947	8%
Zakat & Tax Liabilities	99	83	-16%
Lease Liability – current portion	358	300	-16%
ST Loans and Borrowings	1,760	1,570	-11%
Liabilities included in disposal group classified as held for sale	241	110	-55%
Total Current Liabilities	4,259	4,010	-6%
Total Liabilities	5,604	5,435	-3%
Total Equity & Liabilities	4,586	4,419	-4%

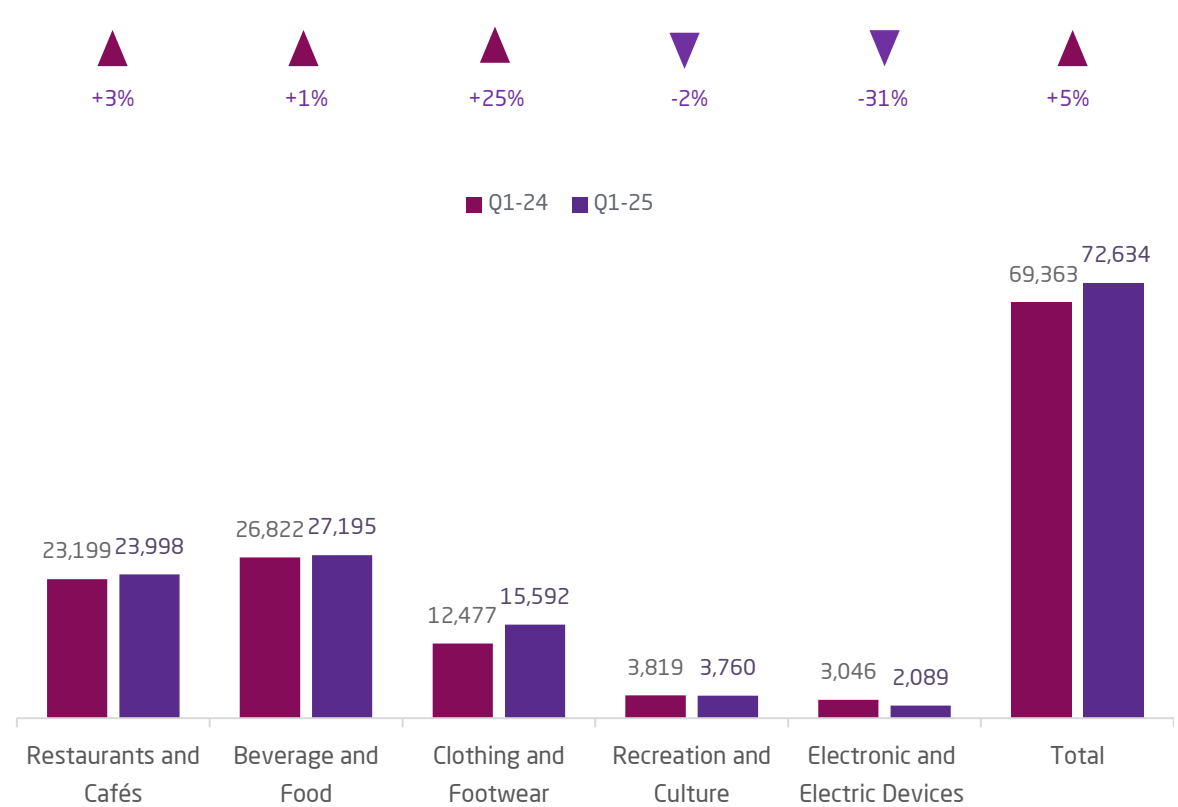


KSA consumer spending on rising trend

 POS Transactions* - KSA Market (SAR Million)



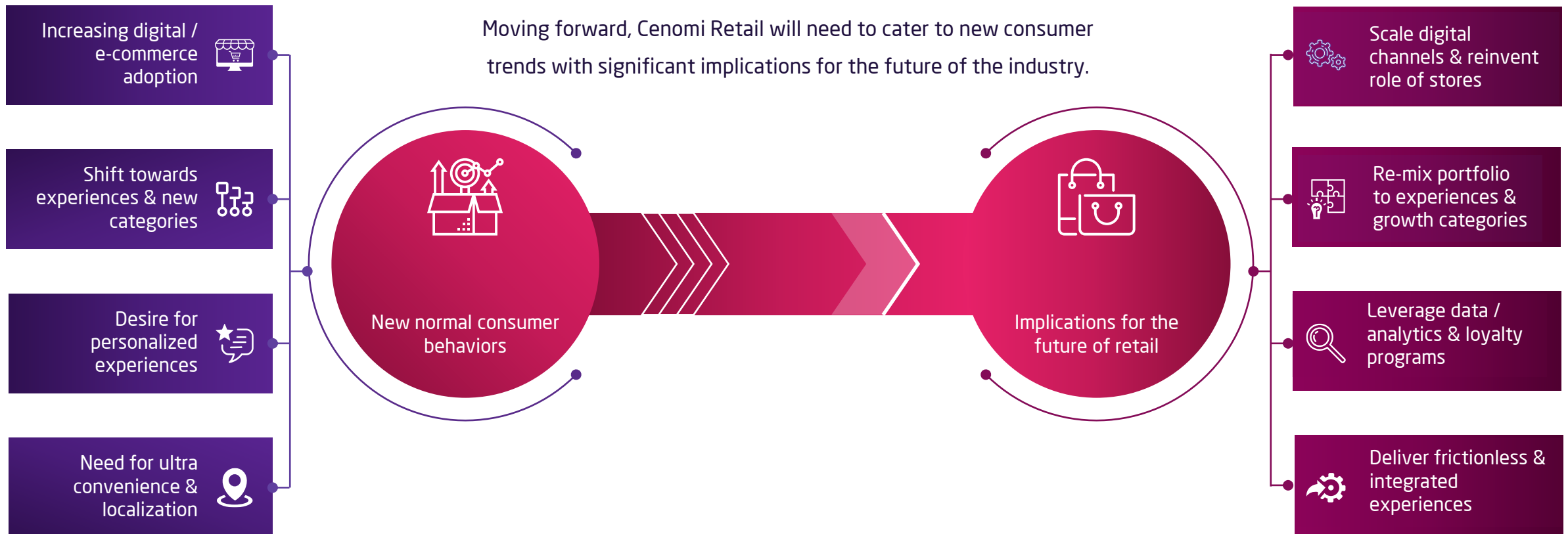
 POS Transactions* - KSA Market (SAR Million)



* Source: SAMA

Consumer trends

Moving forward, Cenomi Retail will need to cater to new consumer trends with significant implications for the future of the industry.



Presenters



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THANK YOU

