

## CENOMI RETAIL AFFIRMS COMMITMENT TO TRANSFORM ITS SAUDI ARABIA BUSINESS

- *Rationalization of brand portfolio will see divestment of 26 non-strategic brands with expected positive impact on profitability*
- *Cenomi Retail will align with Champion Brands occupying the number one or two positions in their sectors*
- *The first phase of the program sees the completion of the sale of three brands under Azal restaurants and Shawarma Almuhalhl for SAR 25 million*
- *In continued focus on growing winning brands, the company has completed the acquisition of 30 Subway restaurants across the kingdom*

**Riyadh, Saudi Arabia. 25 January 2023:** Cenomi Retail, Saudi Arabia's pioneering retail brand partner, has furthered its growth and transformation journey through the completion of a number of strategic transactions, that will support the company's commitment to be the leading retailer in the Kingdom of Saudi Arabia.

Building on the strategic imperative of leading the categories in which it operates, with Cenomi Retail's stated objective of focusing on Champion Brands occupying the number one or two positions in their respective segments, Cenomi Retail has identified 26 non-strategic brands that will form part of the Board of Directors approved sale program. Advisors have already been appointed to lead the divestment process. This program will support the evolution of the brand portfolio and facilitate the continued focus on bringing the most coveted winning brands to the Kingdom to meet consumer needs and support the growth of retail across the country. The brands earmarked for disposal will have an expected revenue impact of circa SAR 288 million, with an uplift in profitability of circa SAR 25 million accruing as the divestment program is completed.

With increasing focus on its food and beverage business, the company has furthered its commitment in this area through the divestment of the non-strategic Azal restaurant chain as well as the sale of Shawarma Almuhalhl, all for SAR 25 million, while growing the Subway brand with the completion of the acquisition of 30 Subway stores across the Kingdom, adding directly operated stores to its sub franchisor store footprint. This strategic growth in the F&B sector will be furthered by 17 additional Subway locations opening in 2023 as well as 15 Cinnabon openings.

**Mohamad Mourad, interim CEO, Cenomi Retail,** said: "We have made a number of well-considered transactions that fully support the ambitious transformation journey that we are taking Cenomi Retail on. This includes a stronger focus on key areas of growth, such as F&B, and our partnership to bring Subway to the Kingdom is a clear example of this in action.

"We are firmly focused on being the retail brand partner of choice as well as the number one retailer for consumers in the Kingdom. We will continue to identify and work with brands that align with our strategic goals, represent a diversified mix of sectors and support the country's own ongoing transformation."

**ENDS**

### **About Cenomi Retail**

Cenomi Retail, formed as Fawaz A. Alhokair & Co in 1990 by Fawaz, Salman and Abdulmajeed Alhokair. The company has since become the leading franchise retailer in the KSA and the only listed business of its type in the Middle East. Since the opening of its first store in 1991, Cenomi Retail has grown considerably and now trades in circa 1,684 stores across 100 shopping malls in 11 countries, with a retail platform operating on a total GLA of more than 470,000m<sup>2</sup>. All of this is managed by a workforce numbering more than 10,500. Cenomi Retail currently represents around 85 brands, spanning womenswear, menswear, kids and baby, department stores, shoes and accessories, cosmetics in addition to operating a series of restaurants and coffee shops.