

**A RETURN TO PROFITABILITY DRIVEN BY STRATEGY EXECUTION AND PROGRESSIVE  
PERFORMANCE OF THE KINGDOM OF SAUDI ARABIA PORTFOLIO**

**CENOMI RETAIL REPORTS SAR 1.3 BILLION IN REVENUES AND SAR 1.8 MILLION IN NET  
PROFIT IN Q1-25**

- **The Kingdom of Saudi Arabia retail revenues** climbed 10.0% YoY, reaching SAR 953 million in Q1-25.
- **International portfolio** sustained momentum with **21.8% YoY revenue growth** to SAR 301 million, led by strong performances in **Uzbekistan, Azerbaijan, Georgia, and Jordan**
- **Portfolio optimization** continued to deliver results, with **KSA revenue per store rising 88.5% YoY**, reaching **SAR 2.9 million**
- **Balance sheet deleveraging** progressed, with total debt down **11.8%** and **SAR 216.6 million** in repayments

**Riyadh, Saudi Arabia, 13 May 2025:** *Cenomi Retail*, the Kingdom's pioneering retail brand partner, today announced its financial results for the first quarter ended 31 March 2025 ('Q1-25'), reporting **revenues of SAR 1.3 billion**, an increase of **+11.2%** year-on-year ('YoY'), and a **return to profitability** with a positive **EBITDA of SAR 116.1 million** and **Net Profit of SAR 1.8 million**.

EBITDA improvement was driven by a significant turnaround in the Kingdom of Saudi Arabia ('KSA') retail segment, shifting from a **negative SAR 27.8 million in Q1-24** to a **positive SAR 98.1 million in Q1-25**. In contrast, **international EBITDA** saw a decline from **SAR 19.8 million in Q1-24** to **SAR 13.8 million in Q1-25**, reflecting **normalization** after a full quarter of end-of-season promotions. The Food & Beverage ('F&B') segment remained stable, delivering **SAR 4.3 million in EBITDA** in both Q1-24 and Q1-25, despite the temporary impact of brand optimization efforts.

**Salim Fakhouri, Chief Executive Officer at Cenomi Retail**, commented: "Cenomi Retail's return to profitability in Q1 2025 is a clear reflection of the disciplined execution of our turnaround strategy, with EBITDA reaching SAR 116.1 million, compared to a negative SAR 3.7 million in the same period last year. This performance highlights our ability to drive sustainable operational improvement by optimizing resources and focusing on value-generating initiatives.

Our results this quarter were led by a strong recovery in the Kingdom of Saudi Arabia, compared to Q1-24, which was significantly impacted by geopolitical conditions. In Q1-25, we saw the tangible impact of our portfolio optimization efforts. By implementing the right tactical retail strategy and aligning with evolving customer demand, we achieved a significant turnaround in KSA retail EBITDA, the key driver of our Group profitability.

International operations delivered normalized performance in a quarter typically characterized by end-of-season promotions and discounting. This followed last year's one-off launch effects and reaffirmed the stability and potential of our diversified geographic footprint. The F&B segment remained stable despite the temporary impact of the brand optimization program. We recognize the

need to divest additional underperforming F&B brands to further support margin enhancement, while simultaneously working to develop a more focused growth strategy around our core F&B portfolio.

Cenomi Retail remains committed to enhancing topline performance both locally and internationally through brand positioning, disciplined portfolio management, and strategic retail execution aimed at maximizing performance during high-demand periods.”

## Financial highlights

SAR million	Q1-24	Q1-25	Change
Revenues	1,200.5	1334.7	11.2%
EBITDA	-3.7	116.1	-
EBITDA Margin	-0.3%	8.7%	-
Net profit	-151.7	1.8	-
Net profit margin	-12.6%	0.1%	-
Net debt	1,586	1,502	-5.3%
Net debt/EBITDA *	3.4x	2.6x	-

\* Based on EBITDA LTM (Last 12 Month)

## Revenue Analysis

**Cenomi Retail** reported group revenues of SAR 1.3 billion in Q1-25, reflecting an 11.2% YoY increase, driven by favorable seasonal dynamics in the Kingdom of Saudi Arabia and continued focus on operational efficiency. Like-for-like (LFL) group revenue grew by 5.6% YoY, with strong brand-level performance including 15.5% LFL growth for Zara and 9.2% for other Inditex brands.

**Saudi Retail** revenues grew 10.0% YoY to SAR 953.4 million in Q1-25, with LFL revenue growth of 5.1%. Revenue per store nearly doubled YoY, reaching SAR 2.9 million – a direct result of portfolio optimization and improved operational efficiency.

The quarter began with strong sell-through from end-of-season promotions, which concluded on 22<sup>nd</sup> of February 2024. The momentum carried into March, with the full Ramadan trading period in Q1-25 – occurring ten days earlier than last year – driving a notable boost in demand, particularly in fashion.

Flagship brands including Zara, Lefties, Massimo Dutti, and Stradivarius performed strongly, with LFL revenue growth of 14.3% for Zara and 9.9 % for other Inditex brands. Despite some softness in traffic due to salary timing shifts, the retail business showed strong resilience and responsiveness.

**International Retail** generated revenues of SAR 301.3 million in Q1-25, marking a 21.8% YoY increase. This growth was driven by strong performance in Uzbekistan (+123.1%), Azerbaijan (+33.1%), Georgia (+21.6%), and Jordan (+20.3%). Revenue per store rose 38.5% YoY to SAR 1.4 million, while LFL revenue grew 11.4% reflecting improved store productivity and organic momentum across the portfolio.

The performance in **Q1-25 reflects a normalized revenue base**, following an exceptional Q1-24 that benefited from full-price sales during Uzbekistan's launch in February 2024. In contrast, Q1-25 included broad end-of-season clearance activity and promotional discounting, particularly across CIS markets, which tempered margin expansion.

Despite the promotional environment, Zara delivered a standout LFL revenue increase of 20.3%, while other Inditex brands achieved 7.0% LFL growth, demonstrating strong brand resilience and consumer demand.

**F&B** reported relatively stable revenues of SAR 80 million in Q1-25, compared to SAR 86.5 million in Q1-24. Revenue per store declined 11.0% YoY to SAR 306,585, reflecting the ongoing impact of the brand optimization program. However, LFL revenue showed signs of improvement, with the negative LFL narrowing to -7.2% in Q1-25 versus -9.1% in the same period last year.

Cinnabon is showing initial indicators of potential recovery, supported by targeted marketing campaigns and promotional offers during the holy month of Ramadan, aimed at expanding reach and engaging new customer segments. Subway continued its positive momentum, leveraging its national footprint of 61 stores and delivering a 3.9% LFL revenue increase in Q1-25, demonstrating the strength of the brand in the quick service category.

**Online sales** reached SAR 111.2 million in Q1-25, marking a 21.8% increase YoY. Online sales contribution to total revenue (including F&B) rose from 7.6% in Q1-24 to 8.3% in Q1-25, highlighting steady digital channel expansion.

In the fashion segment, Zara's online revenue grew 55.2% YoY, while other Inditex brands recorded a 59.5% YoY increase, reflecting strong demand through Cenomi's digital platforms.

In the F&B segment, Subway posted exceptional online growth of over 300%, benefiting from increased demand during Ramadan and stronger presence across delivery platforms.

## Bottom Line Analysis

**Gross Profit** reached SAR 177.8 million in Q1-25, with a gross margin of 13.3%, marking a 88.0% increase YoY. The margin improved by 5.4pp, rising from 7.9% in Q1-24, effectively offsetting the impact of geopolitical headwinds that had weighed on topline performance in Q1-24. This uplift was supported by higher sales, continued cost optimization efforts, and improved operational efficiency, and reduction in the store network which led to a reduction in Utilities and Maintenance by 51.9 % in addition to 1.1% reduction in employees' salaries & benefits, and a decline of 3.0% in rent expenses.

**Selling, General and Administrative expenses (SG&A)** amounted to SAR 83.9 million in Q1-25, a 34.1% YoY decline, driven by Cenomi Retail's commitment to cost rationalization and operational efficiencies.

**EBITDA** in Q1-25 reached SAR 116.1 million, a significant improvement compared to negative SAR 3.7 million in Q1-24. The EBITDA margin therefore expanded to 8.7%, driven by sustained operational improvements and the company's ongoing focus on cost optimization. International EBITDA however saw a decline from SAR 19.8 million in Q1-24 to SAR 13.8 million in Q1-25, reflecting normalization following a full quarter of end-of-season promotions. The F&B segment remained stable, maintaining EBITDA of SAR 4.3 million in both Q1-24 and Q1-25, despite temporary brand optimization impact. It is worth mentioning that Q1-25 incurred a capital gain of SAR 21.8 million resulting from the divestment of 3 non-core brands.

**Net Profit** was reported at SAR 1.8 million for Q1-25, compared to a net loss of SAR 151.7 million in Q1-24. The improvement was mainly driven by improved operational performance as previously noted, in addition to 34.7% reduction in Q1-25 financial charges as a result of the committed efforts to deleverage the balance sheet.

**Net Debt** declined 5.3% in comparison to FY-24, with SAR 216.6 million debt payment decreasing the total debt from SAR 1.8 billion to SAR 1.6 billion. Cenomi remains committed to fulfilling debt obligations, to reinforce its financial position through deleveraging.

## Operational highlights

**Cenomi Retail opened three stores in Q1-25, two in the F&B segment (Cinnabon) and one in KSA Retail (Massimo Dutti), consistent with its strategic trajectory of selectively expanding Tier 1 Champion brands.**

During the same period, the company closed 75 stores, resulting in a net reduction of 72 stores.

Of the closures:

- 40 were due to natural business attrition
- 21 were linked to brand divestment
- 14 stores associated with the full exit from the US market

By segment, **33 stores were closed in KSA Retail, 30 in International Retail, and 12 in F&B.** As part of its continued international footprint optimization, Cenomi exited several non-prime locations, including the complete withdrawal from **"28 Mall" in Azerbaijan**, reinforcing its strategic focus on profitability and high-quality retail locations.

Following these changes, **the company operated 808 stores at the end of Q1-25**, a reduction of 23.9% YoY, in alignment with its brand optimization program.

**In Q1-25, Mango store reopened after renovation in the Nakheel Mall**, in line the implemented strategy of renovating prime locations which included a new man's department , fitting rooms and a structural design to provide better customer experience .

### Operating metrics

Retail store count	Q1-24	Q1-25
<b>Beginning of period</b>		
Retail - Saudi Arabia	824	360
Retail - International	267	249
<b>Opened</b>		
Retail - Saudi Arabia	4	1
Retail - International	8	0
<b>Closed</b>		
Retail - Saudi Arabia	(266)	(33)
Retail - International	(26)	(30)
<b>End of period</b>		
Retail - Saudi Arabia	562	328
Retail - International	249	219
<b>Total</b>	<b>811</b>	<b>547</b>

F&B store count	Q1-24	Q1-25
<b>Beginning of period</b>	<b>254</b>	<b>271</b>
Opened	5	2
Closed	(8)	(12)
<b>End of Period</b>	<b>251</b>	<b>261</b>

### Continued Brand Optimization progress update

In Q1-25, **Cenomi Retail divested three non-core brands — Ipekyol, Twist, and Machka — generating a capital gain of SAR 22 million.** These brands were transferred to their brand partners, resulting in the transfer of ownership of 21 stores. In line with the Group's strategic focus on streamlining its international footprint, **Cenomi has also exited operations in the United States, which is no longer an active market for the company.**

## 2025 Strategy and Outlook

### Fashion Sector

Cenomi Retail will continue advancing along its strategic trajectory in the retail and fashion segment by focusing on selective store openings in prime locations, while reinforcing operational efficiency and maintaining its cost optimization program.

### Food & Beverage Sector

**The F&B strategy will remain anchored around four key pillars:**

1. **Customer-Centric Innovation** – Expanding product offerings to align with evolving consumer needs across all dayparts.
2. **Store Transformation** – Remodeling locations to deliver elevated and differentiated brand experiences.
3. **Digital and Delivery Excellence** – Enhancing digital capabilities and positioning delivery as a core channel for sustainable growth, driving traffic, operational efficiency, and customer loyalty.
4. **Brand Relevance** – Deepening emotional connections with consumers and modernizing brand perception to reflect evolving lifestyles.

## Income Statement

	Q1-24	Q1-25	Change
<b>SAR million</b>			
<b>Revenue</b>	<b>1,201</b>	<b>1,335</b>	<b>11%</b>
Cost of revenue	-1,106	-1,157	5%
<b>Gross profit/(loss)</b>	<b>95</b>	<b>178</b>	<b>88%</b>
<i>Margin</i>	<i>7.9%</i>	<i>13.3%</i>	<i>5.4pp</i>
Selling and distribution expenses	-42	-22	-47%
General and administrative expenses	-85	-61	-28%
Other operating expense	-20	-15	-25%
Other operating income	49	37	-24%
<b>EBITDA</b>	<b>-4</b>	<b>116</b>	<b>-</b>
<i>Margin</i>	<i>-0.3%</i>	<i>8.7%</i>	<i>9.0pp</i>
Depreciation, amortization	-31	-34	9%
<b>Operating profit / (loss)</b>	<b>-35</b>	<b>82</b>	<b>-337%</b>
Net finance costs	-90	-59	-35%
Share of loss of equity-accounted investees	0	0	13%
<b>Profit / (loss) before zakat and income tax</b>	<b>-125</b>	<b>24</b>	<b>-119%</b>
Zakat and Income tax expense	-12	-9	-24%
<b>Loss for the year from continuing operations</b>	<b>-136</b>	<b>15</b>	<b>-111%</b>
Gain (Loss) for the year from discontinued operations	-15	-13	-16%
<b>Profit / (loss) for the year</b>	<b>-152</b>	<b>1.8</b>	<b>-101%</b>
Non-controlling interests	0	0	-131%
<b>Net profit group share</b>	<b>-152</b>	<b>1.8</b>	<b>-101%</b>

## Balance Sheet

SAR million	31-Mar-24	31-Mar-25	Change
<b>Assets</b>			
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%
<b>Total Fixed Assets</b>	<b>3,295</b>	<b>3,310</b>	<b>0%</b>
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%
<b>Total Current Assets</b>	<b>1,291</b>	<b>1,109</b>	<b>-14%</b>
<b>Total Assets</b>	<b>4,586</b>	<b>4,419</b>	<b>-4%</b>
<b>Equity &amp; Liabilities</b>			
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%
<b>Equity Attributable to the Shareholders of the Company</b>	<b>-993</b>	<b>-991</b>	<b>0%</b>
Non-Controlling Interest	-25	-25	0%
<b>Total Equity</b>	<b>-1,018</b>	<b>-1,016</b>	<b>0%</b>
LT Loans and Borrowing	82	56	-32%
Lease Liabilities	1,189	1,291	9%
Post-Employment Benefits	74	78	5%
<b>Total Non-Current Liabilities</b>	<b>1,345</b>	<b>1,425</b>	<b>6%</b>
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%



<b>Total Current Liabilities</b>	<b>4,259</b>	<b>4,010</b>	<b>-6%</b>
<b>Total Liabilities</b>	<b>5,604</b>	<b>5,435</b>	<b>-3%</b>
<b>Total Equity &amp; Liabilities</b>	<b>4,586</b>	<b>4,419</b>	<b>-4%</b>

## **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 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 808 stores across 165 shopping malls in 8 countries, with a retail platform covering a total GLA of about 332 thousand square meters. All of this is managed by a workforce numbering more than 7,000. Cenomi Retail currently represents 47 brands, spanning womenswear, menswear, kids and baby, department stores, shoes and accessories, cosmetics in addition to operating a series of restaurants and coffee shops. For more information, please visit [www.cenomiretail.com](http://www.cenomiretail.com)

## **Contact**

### **Investor Relations Director**

**Sarah Moussa**

Email: [IR.retail@cenomi.com](mailto:IR.retail@cenomi.com)

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