

Cenomi Retail Reports H1-25 Revenue of SAR 2.5 billion, Supported by International Momentum, Enhanced Operational Efficiency, and Continued Strategic Transformation

- H1-25 revenue increased by 2.0% year-on-year (YoY) to SAR 2.5 billion, driven by 17.9% growth in international retail operations and the full impact of Ramadan in the first quarter
- Tier 1 Champion brands continued to perform strongly, with ZARA and Inditex posting a 3.7% YoY increase in like-for-like (LFL) sales at the group level
- Online performance continued to improve significantly, supported by enhancements in the digital customer experience, with online sales growing 8.5% YoY in Q2-25 and 15.7% YoY in H1-25
- F&B delivered relatively stable performance with notable growth in online sales for Cinnabon and Subway, up 50.6% YoY in Q2-25 and 33.2% YoY in H1-25
- Gross profit margin reached 14.9% in H1-25, up 2.4 percentage points (pp) from H1-24, supported by cost optimization and improved operational performance; Q2-25 gross profit margin remained stable at 16.8%
- Net Loss of SAR 83.2 million in H1-25, mainly due to foreign exchange losses and tax liability settlement incurred in Q2-25.

Riyadh, Saudi Arabia, 05 August 2025: Cenomi Retail, ("The Group" or "The Company"), the Kingdom's pioneering retail brand partner, today announced its financial results for the first half ("H1-25") and three months ("Q2-25") ended 30 June 2025. The company continues to build on its transformation journey, aimed at fortifying its financial foundation through operational efficiency, brand optimization, portfolio rationalization, and strategic cost management. Cenomi Retail maintained a solid performance, achieving a 21.5% YoY increase in gross profit in H1-25. However, Q2-25 gross profit declined by 8.8% YoY, primarily due to the shift of the holy month of Ramadan to Q1-25, which captured the full benefit of the seasonally high demand during this period. Group EBITDA reached SAR 139.2 million in H1-25, representing a 34.4% YoY decrease, largely driven by Q2-25 EBITDA, which totaled SAR 23.1 million, an 89.3% YoY decline, mainly attributed to foreign exchange losses and tax liability settlement. EBITDA in H1-24 was positively impacted by a SAR 165 million capital gain as part of the Group's brand divestment program. This initiative, implemented in 2024 under the first phase of the Company's transformation strategy "Fix the house", involved the sale of non-core brands in the Kingdom of Saudi Arabia.

Salim Fakhouri, Chief Executive Officer at Cenomi Retail, commented: "Our first-half performance demonstrates the ongoing execution of our transformation strategy and disciplined focus on operational excellence. Our Tier 1 Champion brands, led by ZARA and Inditex, delivered strong like-for-like growth. Online sales gained further momentum, while our F&B segment delivered robust online growth across brands such as Cinnabon and Subway. While our bottom line was impacted by FX loss and tax liability settlement, we remain steadfast in our commitment to deleveraging the balance sheet, driving sustainable long-term value creation for shareholders, and deepening engagement with all stakeholders. "

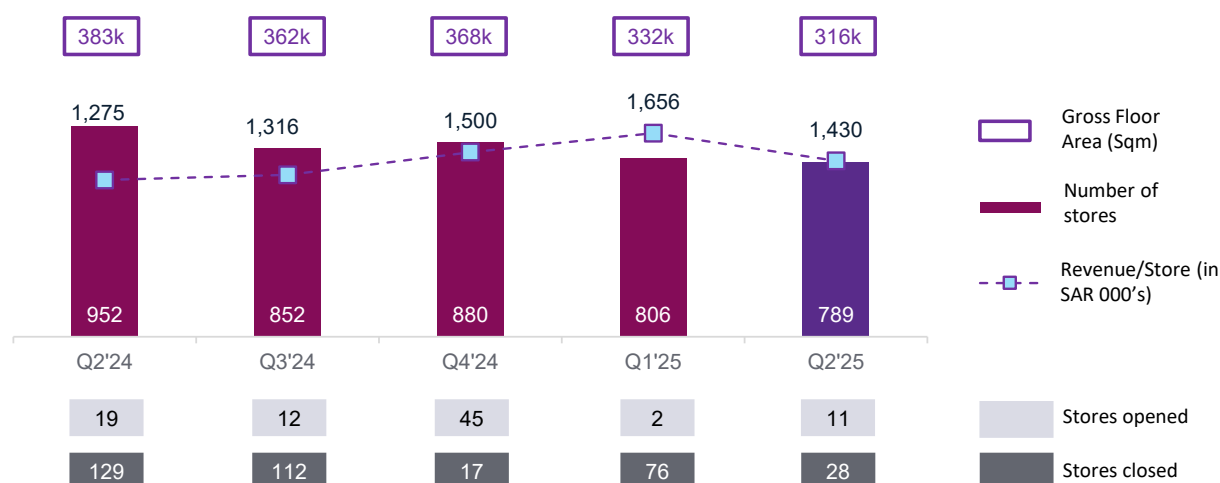
Financial KPIs

SAR million	Q2-24	Q2-25	Δ%	H1-24	H1-25	Δ%
Revenues	1,213.4	1,128.3	-7.0%	2,413.9	2,463.1	+2.0%
Gross Profit	207.3	189.1	-8.8%	301.9	367.0	+21.5%
Margin	17.1%	16.8%	-0.3pp	12.5%	14.9%	+2.4pp
EBITDA	216.0	23.1	-89.3%	212.3*	139.2	-34.4%
Margin	17.8%*	2.0%	-15.8pp	8.8%*	5.7%	-3.1pp
Net profit	84.1	(85.3)	-203.8%	(67.6)	(83.2)	-23.1%
Margin	6.9%	-7.6%	-14.5pp	-2.8%	-3.4%	-0.6pp

* included capital gains

Operational highlights

Operational Streamlining and Store Rationalization



Cenomi Retail ended H1-25 with a total of **789 stores**, marking a 17.1% year-over-year decline as part of its portfolio optimization strategy and normal business activity. This reduction reflects strategic net closures across select retail and F&B brands aimed at enhancing operational efficiency and focusing on high-performing assets.

Gross floor area declined by 17.7% in H1-25, largely due to targeted store closures in non-prime locations across both the Kingdom of Saudi Arabia and International markets. Additional reductions were linked to brand exit-related closures, consistent with Cenomi Retail's efforts to refine its portfolio around high-performing assets.

In H1-25, selected stores were launched in prime locations, reflecting the ongoing execution of Cenomi Retail's strategic priorities. This included the opening of one Massimo Dutti store in the Kingdom of Saudi Arabia whilst in Q2-25, 11 new F&B outlets were opened, distributed between Cinnabon and Subway.

Revenue per store increased by 12.2% year-on-year at the Group level in Q2-25 and 23.1% in H1-25 year-on-year, with KSA and International markets posting strong gains of 21.0% and 40.2% year-on-year in Q2-2025, respectively. And in H1-25 KSA revenue per store reported gains of 40.5 % year-on-year and International markets 37.3% year-on-year.

These improvements reflect the successful execution of Cenomi Retail's strategy to streamline its store network, focusing on core markets and high-performing locations. By aligning its physical footprint with evolving consumer demand and brand performance, the company is enhancing its operational efficiency while reinforcing the long-term sustainability of its retail platform.

Cenomi's store network continues to be anchored by leading global brands such as Zara, Massimo Dutti, Bershka, and Cinnabon, reinforcing the group's strong omnichannel and geographic presence.

Looking ahead, Cenomi remains committed to disciplined expansion, with new store openings focused exclusively on high-traffic, premium locations.

Financial highlights

Revenue Analysis

Group revenues grew 2.0% year-on-year to SAR 2.5 billion in H1-25. Despite robust seasonal demand, Group revenues declined by 7.0% year-on-year to SAR 1.1 billion in Q2-25, mainly due to the earlier timing of Ramadan:

- **KSA retail** revenues totaled SAR 1.6 billion in H1-25, representing a 2.7% year-on-year decline. The second quarter saw revenues down 16.2% year-on-year, primarily due to the calendar shift of Ramadan into Q1-25, which affected the seasonal comparability of sales.
- **International retail** revenues increased by 17.9% year-on-year to SAR 663.1 million in H1-25, supported by a strong second-quarter performance, which saw 14.9% year-on-year growth. This positive momentum was driven by strong growth in key markets, including Uzbekistan (+24.6%), Georgia (+29.6%), and Azerbaijan (+11.5%) in Q2-25, underscoring the success of Cenomi Retail's international strategy.
- **F&B segment** revenues totaled SAR 163.4 million in H1-25, reflecting a modest year-on-year decline of 3.9%. However, revenue remained stable in Q2-25 at SAR 83.4 million, supported by targeted promotional activity, marketing campaigns, including new product launches for Subway and Cinnabon.
- **Online revenues** reached SAR 195.6 million in H1-25, reflecting a 15.7% year-on-year increase, with Q2-25 online sales rising by 8.5% year-on-year to SAR 84.4 million. Growth was

supported by strong performance from Zara and Inditex across both KSA and international markets, up 34.0% YoY in H1-25 and 9.8% YoY in Q2-25. In the F&B segment, Cinnabon's online sales increased by 8.3% year-over-year in H1-25, with a stronger growth of 26.0% in Q2-25. Meanwhile, Subway experienced significant growth, with online sales surging by 313.7% YoY in H1-25 and 275.9% YoY in Q2-25. Online sales continued to gain momentum, underpinned by promotional activity and shifting consumer preferences.

This performance underscores the Company's ongoing commitment to delivering a seamless omnichannel experience by further integrating its online and offline retail channels. These efforts are actively enhancing like-for-like performance and driving continued growth in online sales, as Cenomi Retail advances its integrated digital and physical retail strategy.

Profitability

Gross profit reached SAR 367.0 million in H1-25, a 21.5% YoY increase compared to SAR 301.9 million in H1-24. In Q2-25, gross profit totaled SAR 189.1 million, an 8.8% decline year-on-year from SAR 207.3 million in Q2-24, mainly due to the timing shift of the holy month of Ramadan, which fell entirely within Q1-25 this year, concentrating the seasonal uplift in that earlier period.

Gross profit margin reached 14.9% in H1-25, marking a robust 2.4pp improvement from 12.5% in H1-24. In Q2-25, gross profit margin remained broadly stable at 16.8%, compared to 17.1% in Q2-24, despite the seasonality shift due to Ramadan.

Group EBITDA for the H1-25 period reached SAR 139.2 million, reflecting a 34.4% YoY decline from SAR 212.3 million in H1-24, despite a 21.3% reduction in SG&A expenses. The reduction in SG&A expenses is a direct result of Cenomi Retail's ongoing brand rationalization and cost optimization programs. SG&A now accounts for approximately 7.4% of sales, compared to 9.6% in the prior year.

The decline in EBITDA was driven by foreign exchange losses due to the appreciation of the euro (EUR) against the Saudi riyal (SAR), alongside tax settlements paid to ZATCA, both of which weighed on profitability during the period. Q2-25 EBITDA stood at SAR 23.1 million, an 89.3% YoY decline from SAR 216.0 million in Q2-24. It is also important to highlight that EBITDA in **H1-24** had benefited from a group-level capital gain of SAR 165 million, which contributed to a higher comparative base. The capital gain related to the brand divestment program executed as part of the phase 1 "Fix the House" strategy, which involved the sale of non-core brands in the Kingdom of Saudi Arabia

- **KSA retail EBITDA** totaled SAR 66.3 million in **H1-25**, down 45.8% YoY compared to SAR 122.4 million in H1-24. This decline was driven primarily by a sharp drop in Q2-25 EBITDA, which fell to SAR (31.8) million, representing a 121.1% YoY decrease, largely due to foreign currency losses and tax liability settlement incurred during the quarter whilst last year's period benefited from a capital gain. As a result, the EBITDA margin for H1-25 stood at 4.1%, down 3.2 percentage points from 7.3% in H1-24. In Q2-25, the margin declined to -4.6%, a 23.1pp contraction from 10.3% in Q2-24.

- **International retail EBITDA** reached SAR 69.3 million in **H1-25**, down 13.7% YoY compared to SAR 80.3 million in H1-24, reflecting the normalization of EBITDA in Q1-25 following a full quarter of end-of-season sales. EBITDA in Q2-25 stood at SAR 55.6 million, representing an 8.3% YoY decrease, yet delivering a remarkable quarter-on-quarter improvement of 303.1%. Thus sequential recovery was driven by high-performing CIS markets and improved store productivity. The EBITDA margin for H1-25 was 10.5%, compared to 14.3% in H1-24, while the Q2-25 margin reached 15.4%, down from 19.2% in Q2-24.
- **F&B segment EBITDA** totaled SAR 3.6 million in **H1-25**, down 62.6% from SAR 9.6 million in H1-24. The EBITDA margin narrowed to 2.2%, down from 5.6% in the same period last year. EBITDA in Q2-25 reached SAR -0.7 million compared to SAR 5.2 million in Q2-24, with the margin contracting to -0.8% from 5.3% previously. The performance was impacted by increased marketing and promotional activity during the quarter. Cenomi Retail remains focused on portfolio rationalization within the F&B division, including the strategic divestment of underperforming assets to enhance overall profitability.

Net loss for H1-25 totaled SAR 83.2 million, compared to SAR 67.6 million in H1-24, reflecting a 23.1% YoY increase, primarily driven by foreign currency-related losses and tax liability settlement despite significant efforts in cost reduction and operational optimization in Q2-25. In addition, capital gain reported in H1-24 as result of the brands divestment program for non-core brands.

Balance Sheet

Net debt stood at SAR 1.5 billion at the end of H1 2025, down 4.3% from FY 2024 levels. The Net Debt to LTM EBITDA ratio was 3.9x. Cenomi Retail maintained disciplined cash management throughout its transformation phase. The Group continues to uphold a prudent capital structure as it enters a strategic transition period.

SAR million	FY-24	Q1-25	H1-25
Total Debt	1,842.6	1,626.0	1,616.7
Net Debt	1,586.4	1,502.3	1,518.0
EBITDA LTM (Last 12 Month)	460.9	580.7	387.8
Net Debt / EBITDA	3.4x	2.6x	3.9x

Strategy & Outlook

Cenomi Retail is progressing along a clearly defined strategic roadmap. Within Phase 2 "Embark on Growth", the Company is focused on scaling its key Fashion and F&B brands, expanding into high-potential white-space markets, and accelerating top-line growth across core geographies.

Throughout this transformation, Cenomi Retail remains committed to advancing operational efficiencies, and selectively expanding its footprint in high-potential locations across the retail and fashion landscape.

A major strategic milestone was achieved post-period end in July 2025, when Cenomi Retail announced the signing of a Share Purchase Agreement ("SPA") between its founding shareholders and Al-Futtaim for the acquisition of a 49.95% stake in the company, valued at over SAR 2.5 billion. As part of the transaction, Al-Futtaim is expected to provide a shareholder loan of no less than SAR 1.3 billion upon completion, which will further strengthen Cenomi Retail's balance sheet and accelerate its growth agenda. This landmark deal represents a strong vote of confidence in Cenomi Retail's transformation strategy and long-term prospects.

The transaction is currently subject to customary regulatory approvals. For full details, please refer to the official press release [[Tadawul Announcement](#)].

Financial Statements

Income Statement

SAR million	Q2-24	Q2-25	Δ%	H1 -24	H1-25	Δ%
Revenue	1,213.4	1,128.3	-7.0%	2,413.9	2,463.1	2.0%
Cost of revenue	-1,006.0	-939.2	-6.6%	-2,112.0	-2,096.1	-0.8%
Gross profit/(loss)	207.3	189.1	-8.8%	301.9	367.0	21.5%
<i>Margin</i>	17.1%	16.8%	-16.9pp	12.5%	14.9%	-12.4pp
Selling and distribution expenses	-29.0	-33.2	14.3%	-71.1	-55.6	-21.7%
General and administrative expenses	-74.5	-64.6	-13.3%	-159.8	-126.0	-21.2%
Other operating expense	-24.9	-94.7	279.7%	-45.0	-109.8	143.9%
Other operating income	137.1	26.4	-80.8%	186.3	63.7	-65.8%
EBITDA	216.0	23.1	-89.3%	212.3	139.2	-34.4%
<i>Margin</i>	17.8%	2.0%	-17.8pp	8.8%	5.7%	-8.7pp
Depreciation, amortization	-30.9	-34.3	10.9%	-61.9	-68.0	9.8%
Operating profit / (loss)	185.1	-11.2	n.a.	150.3	71.2	-52.6%
Net finance costs	-73.9	-62.8	-15.0%	-163.6	-121.4	-25.8%
Share of loss of equity-accounted investees	-2.4	-0.3	-88.3%	-2.6	-0.5	-80.7%
Profit / (loss) before zakat and income tax	108.9	-74.3	n.a.	-15.8	-50.7	220.6%
Zakat and Income tax expense	-12.7	-5.4	-57.4%	-24.4	-14.3	-41.4%
Loss for the year from continuing operations	96.2	-79.7	n.a.	-40.2	-65.0	61.5%
Gain (Loss) for the year from discontinued operations	-12.1	-5.4	-55.5%	-27.4	-18.3	-33.3%
Profit / (loss) for the year	84.1	-85.0	n.a.	-67.6	-83.2	23.1%
Non-controlling interests	3.2	2.3	-26.9%	3.3	2.3	-29.4%
Net profit group share	80.9	-87.4	n.a.	-70.9	-85.6	20.7%

Balance Sheet

SAR million	FY-24	H1-25	Δ%
Assets			
Property, Plant and Equipment	1,081.0	1,066.4	-1.4%
Right-of-Use Assets	1,455.2	1,460.9	0.4%
Goodwill and Intangible Assets	627.5	622.4	-0.8%
Investment Property	1.1	1.1	-5.4%
Equity-accounted investees	46.0	47.4	3.0%
Other investments	84.4	86.3	2.3%
Receivable from disposal of subsidiaries	18.7	16.1	-13.6%
Total Non-Current Assets	3,313.8	3,300.6	-0.4%
Inventories	632.3	552.8	-12.6%
Advances, Deposits and Other Receivables	150.5	191.7	27.4%
Prepayments, Rentals and Insurance	35.0	71.3	103.8%
Cash & Cash Equivalents	256.2	98.7	-61.5%
Assets included in disposal group classified as held for sale	197.8	38.2	-80.7%
Total Current Assets	1,271.9	952.8	-25.1%
Total Assets	4,585.7	4,253.4	-7.2%
Equity & Liabilities			
Share Capital	1,147.7	1,147.7	0.0%
Reserves (Statutory, Foreign Currency and Fair Value)	-617.2	-606.8	-1.7%
Fair value reserve	83.3	83.3	0.0%
Accumulated Losses	-1,606.9	-1,692.5	5.3%
Equity Attributable to the Shareholders of the Company	-993.2	-1,068.3	7.6%
Non-Controlling Interest	-24.9	-22.5	-9.7%
Total Equity	-1,018.1	-1,090.8	7.1%
LT Loans and Borrowing	82.4	66.4	-19.5%
Lease Liabilities	1,188.8	1,336.7	12.4%
Post-Employment Benefits	73.9	81.9	10.8%
Total Non-Current Liabilities	1,345.1	1,485.0	10.4%
Trade and other payables	1,799.5	1,899.5	5.6%
Zakat & Tax Liabilities	99.2	99.1	-0.2%
Lease Liability – current portion	358.3	239.7	-33.1%
ST Loans and Borrowings	1,760.2	1,550.3	-11.9%
Liabilities included in disposal group classified as held for sale	241.5	70.6	-70.7%
Total Current Liabilities	4,258.7	3,859.2	-9.4%
Total Liabilities	5,603.8	5,344.3	-4.6%
Total Equity & Liabilities	4,585.7	4,253.4	-7.2%

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 789 stores across 142 shopping malls in 8 countries, with a retail platform covering a total GLA of about 315 thousand square meters. All of this is managed by a workforce numbering more than 6,000. Cenomi Retail currently represents 47 brands, spanning womenswear, 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

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