

Cenomi Retail Reports Q1-2026 Revenue of SAR 1.36 billion, Supported by a More Diversified Revenue Base Across International Markets, E-Commerce, Beauty, Sports, Lifestyle and Electronics

- Q1-26 revenue increased by 2.4% YoY to SAR 1.36 billion, supported by a broader and more diversified revenue base, despite softer domestic trading conditions and the impact of regional geopolitical tensions.
- Electronics, Beauty, Sports, Lifestyle and other Fashion categories delivered a strong performance, achieving 20.8% like-for-like (LFL) growth YoY.
- International revenues grew by 15.4% YoY to SAR 347.8 million, with LFL sales up 18.4%.
- Online revenue increased by 3.7% YoY to SAR 117.0 million, with revenue contribution at 8.6% (+0.1pp YoY), reflecting continued digital momentum.
- ZARA and other Inditex brands like-for-like revenues declined 7.1% in the Kingdom of Saudi Arabia, reflecting the impact of regional geopolitical tensions, but grew 19.8% internationally
- Gross profit declined by 14.6% YoY to SAR 128.6 million, with margin at 9.4% (vs. 11.3% in Q1 2025), reflecting promotional intensity and the regional geopolitical environment.
- The Group reported a net loss of SAR 47.3 million, reflecting lower operating profitability, higher finance costs, and the absence of the prior-year non-recurring divestment gain.

Riyadh, Saudi Arabia, 06 May 2026: Cenomi Retail (Tadawul: 4240, the Group" or "the Company"), the Kingdom of Saudi Arabia's leading franchise retailer, today announced its financial results for the first quarter ended 31 March 2026 ("Q1-26"). The Group reported revenue growth of 2.4% YoY in Q1-26, to SAR 1.36 billion, underpinned by double-digit expansion in international markets, continued momentum in the online channel, and a stronger contribution from Electronics , Beauty, Sports and Lifestyle categories. These segments, which have long formed part of the Group's portfolio, are now delivering meaningfully stronger performance following focused investment and commercial prioritization. Collectively, they achieved 20.8% LFL growth during the quarter, reflecting the tangible impact of the Group's activation strategy on revenue quality and mix.

Trading conditions in the Kingdom of Saudi Arabia were shaped by a softer-than-usual Ramadan season and logistics-related supply chain pressures arising from regional geopolitical developments during the quarter. End-of-season promotional activity helped mitigate part of the pressure on domestic trading. Despite these dynamics, store productivity improved materially year-on-year, while a broader set of brands contributed more meaningfully to domestic revenue, reflecting stronger brand activation and wider consumer reach across the portfolio. Management remains focused on disciplined execution and the progressive improvement of operating and financial performance across all markets and channels.

Salim Fakhouri, Chief Executive Officer at Cenomi Retail, commented: " Q1 2026 reflects a resilient start to the year. In a quarter shaped by a softer Ramadan season and regional geopolitical pressures, we delivered growth supported by a more diversified revenue base, with strong momentum in international markets, continued progress in e-commerce, and a broader contribution from Electronics , Beauty, Sports, Lifestyle and Fashion across the Kingdom. ZARA and other Inditex brands delivered strong international growth of 19.8% LFL, even as KSA performance was temporarily impacted by regional geopolitical conditions. We also saw meaningful improvement in store productivity year-on-year, reflecting the benefits of better execution, stronger brand activation and more focused capital allocation. We remain firmly focused on operational discipline, stronger store economics and the progressive improvement of profitability across the business."

Financial KPIs

SAR million	Q1-25	Q1-26	Δ
Revenues	1,332.0	1,364.6	2.4%
Gross Profit	150.5	128.6	-14.6%
<i>Margin</i>	11.3%	9.4%	-1.9pp
Operating Profit	83.4	45.8	-45.1%
<i>Margin</i>	6.3%	3.4%	-2.9pp
Net profit	1.8	(47.3)	n.a
<i>Margin</i>	0.1%	-3.5%	-3.6pp

Operational highlights

- **Store network** decreased by 9.8% YoY to 730 stores, reflecting targeted closures aimed at enhancing operational efficiency and portfolio quality.
- **Gross Leased Area (GLA)** declined by 8.4% YoY to 304k sqm, driven by continued closures in non-prime locations across KSA and international markets.
- **Revenue per store** increased by 13.5% YoY to SAR 1.87 million, reflecting improved store productivity, with KSA up 9.3% YoY and international markets up 28.3% YoY.

	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26
<i>Gross Leased Area (SQM)</i>	332k	315k	308k	306k	304k
Revenue per Store (SAR 000's)	1,647	1,422	1,548	1,934	1,869
<i>Number of Stores</i>	809	792	780	742	730
<i>Stores Opened</i>	3	11	2	0	0
<i>Stores Closed</i>	76	28	14	38	12

Financial highlights

Revenue Analysis

- **Group revenue** increased by 2.4% YoY to SAR 1.36 billion, with LFL growth of 3.5%, supported by strong international and online performance as well as seasonal promotions in KSA despite softer Ramadan trading.
 - **KSA revenues** declined marginally by 0.4% YoY, reflecting the earlier timing of Ramadan, which followed seasonal promotions and included only one payroll cycle. Despite the relative impact of geopolitical tensions in the region which impacted ZARA and Inditex performance, the Company delivered stronger growth across electronics, sports, beauty, lifestyle and other fashion categories, reflecting the benefits of focused investment and commercial prioritization aimed at further strengthening the Group's domestic position.
 - **International revenues** increased by 15.4% YoY, with LFL sales up 18.4%, driven by strong demand for Tier 1 Champion brands across key CIS markets.
 - **F&B revenues declined** by 12.9% YoY in the quarter, reflecting softer trading conditions, a temporary shift in Ramadan demand toward Arabic desserts, temporary geopolitical-related trading pressures that affected the availability of raw material shipments, and the planned exit of five brands in Q4-25. Subway continued to perform well, delivering 9.1% like-for-like growth.
 - **Online sales increased** by 3.7% YoY to SAR 117.0 million, with revenue contribution stable at 8.6%, reflecting continued structural growth in the channel, with strong momentum across KSA retail and international segments, which increased by 6.1% and 36.5%, respectively.

Profitability

- **Gross profit** declined by 14.6% YoY to SAR 128.6 million, with margin at 9.4% versus 11.3% in Q1-25, primarily due to seasonal promotions, tighter logistics conditions that affected shipment volumes and fulfilment flexibility during the period of geopolitical tension, and a delayed spring that weighed on the spring/summer collection as customers shifted toward discounted winter items.
- **Operating profit** declined by 45.1% YoY to SAR 45.8 million, primarily due to lower gross profitability, higher SG&A expenses driven mainly by increased marketing spending on the Ramadan campaign, slight increase in shipping and logistics costs, and lower other operating income.
- The Group reported a **net loss** of SAR 47.3 million, compared to a net profit of SAR 1.8 million in Q1-25, reflecting temporary lower profitability, higher finance costs, and the absence of the SAR 21.8 million divestment gain recorded in the prior-year.

Balance Sheet

Capital structure remained unchanged during Q1-26. The Al-Futtaim shareholder loan and the Emirates NBD (KSA) term loan facility remained in place under their existing terms, as set out in the interim financial statements.

SAR million	Q4-25	Q1-26	Δ
Cash & Cash Equivalents	244.0	207.3	-15.0%
Inventories	594.2	625.7	5.3%
Short-Term Bank Loans	34.7	10.9	-68.5%
Shareholders' Loan (Al-Futtaim)	1,378.5	1,407.8	2.1%
Loans and borrowings non-current	1,574.0	1,574.3	-
Total Equity	(1,466.2)	(1,531.6)	4.5%
Net Debt	2,743.2	2,785.7	1.5%

Strategy & Outlook

Cenomi Retail remains focused on disciplined execution, with selective expansion in high-potential locations, including Westfield Riyadh and Westfield Jeddah, subject to project delivery timelines. Management continues to expect **profitability to improve progressively through 2026**, supported by stronger store productivity, operational efficiencies, and continued growth across the kingdom of Saudi Arabia, international and digital channels.

About Cenomi Retail:

Cenomi Retail, formed in 1990. 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 730 stores across 134 shopping malls in 8 countries, with a retail platform covering a total GLA of about 304 thousand square meters. All of this is managed by a workforce numbering more than 5,000. Cenomi Retail currently represents 41 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

Contact

Investor Relations Director

Sarah Moussa

Email: IR.retail@cenomi.com

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Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Saudi Arabia, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.