Arabian Centres Co. (Cenomi Centers Co.)

August 6, 2026

Higher finance costs drive an 18% YoY profit decline but still comes ahead of consensus estimates

Last Price: SAR 16.1 | YoY Performance: -21.5%

2Q26 FIRST TAKE

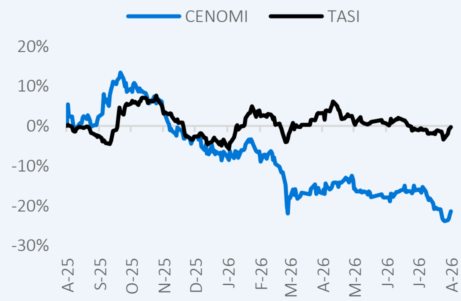
KEY TAKEAWAYS

- Arabian Centres Co. (Cenomi) reported a 2Q26 net profit of SAR 385.7 mn, down 18.4% YoY, mainly due to higher finance cost of SAR 221.2 mn, up 49.6% YoY and 10.4% lower gains on investment properties of around SAR 251.2 mn.
- The result came ahead of our estimate - due to a record low SAR 7.7mn impairment charge and higher than anticipated fair value gains on investment properties relative to our model assumptions.
- Revenue came in at SAR 569.4 mn, down 2.3% YoY, broadly in line with our SAR 590.9 mn estimate. The decline in revenue is attributed to portfolio changes in the comparable period. However, on a like-for-like basis, revenue increased 0.5%, supported by leasing activity (693 leases signed and 59 new brands onboarded in 2Q26) and a 11.6% increase in footfall to 35.3 mn visitors. Gross margin clocked in at 83.2%, compared to 84.0% in 2Q25.
- Operating profit came in at SAR 615.4 mn, down 3.1% YoY but 36.6% above our SAR 450.5 mn estimate. The beat was driven by a sharp drop in impairment losses on accounts receivable, down 89.5% YoY to SAR 7.7 mn (the lowest since 2Q23) from SAR 73.9 mn a year ago, alongside higher than anticipated fair value gains on investment properties relative to our model assumptions.
- Finance cost for the 2Q26 came in at SAR 221.2 mn compared to SAR 147.8 mn in 2Q25 driven by capex requirements. Resultantly, net profit for the quarter declined to SAR 385.7 mn, down 18.4% YoY.
- On development front, Westfield Jeddah construction has been completed, with the occupancy certificate issued and transitioned to operational stage as of 30 July 2026. Pre-leasing is close to ~96%, with the majority of units handed over to tenants for fit-out phase. Westfield Riyadh structural works have been completed, with pre-leasing reaching 94%. The project remains on track to transition into the operational phase in 4Q26.
- Based on our last update, we have an 'Overweight' rating on the stock with a target price of SAR 23.2/share, implying upside of 44.0%. The stock is trading at a 2026e P/E of 6.9x.

Analyst Contact:
Muhammad Adnan Afzal
Head of Sell-Side Research
muhammad.afzal@anbcapital.com.sa
+966 11 4062500 Ext. 4364

Bloomberg Code	**CENOMICE AB**
Last Price (SAR)	**16.1**
No of Shares (mn)	**475.0**
Market Cap bn (SAR/USD)	**7.6 / 2.0**
52-week High / Low (SAR)	**23.5 / 15.5**
12-month ADTV (mn) (SAR/USD)	**17.4 / 4.7**
Free Float (%)	**66.8**
Foreign Holdings (%)	**9.7**

Relative Price Performance



Source: Bloomberg, anbc research
Last price as of July 05th, 2026

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	569.4	591	-3.6	583	-2.3	582.5	-2.2
Cost of Revenues (COGS)	95.4	95	0.2	93	2.4	94	1.9
Gross Profit	474	496	-4.4	489	-3.1	488.9	-3.0
Gross Margin (%)	***83.2***	***83.9***		***84.0***		***83.9***	
Operating Expenses	-141	45	nm	-146	-3.0	53	nm
Operating Profit	615	451	36.6	635	-3.1	436.1	41.1
Operating Margin (%)	***108.1***	***76.3***		***109.0***		***74.9***	
Net Profit**	386	215	79.5	473	-18.4	202.5	90.5
Net Margin (%)	***67.7***	***36.4***		***81.2***		***34.8***	
EPS (SAR)	0.8	0.5		1.0		0.4	

**anbc estimate **Adjusted for NCI*
Source: Company Financials, anbc research

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.
This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa