Arabian Centres Co. (Cenomi Centers Co.)

November 10, 2026

Lower finance costs and higher valuation gain uplift profitability

Last Price: SAR 12.5 | YoY Performance: -35.7%

3Q26 FIRST TAKE

KEY TAKEAWAYS

- Arabian Centres Co. (Cenomi) reported a net profit of SAR 404.9 mn in 3Q26, declining 19.1% YoY, primarily due to the high base effect from insurance claim proceeds recognized in 3Q25. The decline was partially mitigated by a 22.4% YoY reduction in finance costs to SAR 138.6 mn and a 19.6% YoY increase in gains from investment properties to SAR 215.1 mn.
- Revenue for 3Q26 came in at SAR 606.2 mn, up 10.0% YoY, broadly in line with our estimate of SAR 588.3 mn, exceeding it by 3.0%. Growth was mainly driven by SAR 35.6 mn of new development revenue and a SAR 20.4 mn initial contribution from Westfield Jeddah, alongside higher media sales up 19.0% YoY.
- Gross profit reached SAR 460.2 mn, up 1.9% YoY as higher revenue offset higher costs, but 5.9% below our SAR 489.3 mn estimate. Cost of revenue rose 46.8% YoY to SAR 145.9 mn, mainly due to SAR 32.7 mn of development costs and higher operating expenses at Westfield Jeddah after it began operations. Gross margin clocked in at 75.9%, compared to 82.0% in 3Q25.
- Operating profit came in at SAR 563.7 mn, down 18.7% YoY on lower other operating income, as 3Q25 included the insurance claim proceeds. However, it came 6.6% above our SAR 528.7 mn estimate on higher fair value gains on investment properties of SAR 215.1 mn (our estimate: SAR 187.4 mn) and a lower impairment charge of SAR 17.8 mn (our estimate: SAR 58.6 mn).
- Net finance cost fell 22.4% YoY to SAR 138.6 mn, 37.7% below our SAR 222.4 mn estimate, mainly due to a positive fair value on interest rate swaps following the 25 bps repo rate hike in September 2026. This non-cash gain was the main driver of the beat. However, the underlying trend remains upward, with 9M26 net finance cost up 17.1% YoY on higher net debt of SAR 14.9 bn. Overall, net profit for the quarter came in at SAR 404.9 mn, down 19.1% YoY.
- On development front, Westfield Jeddah has been operational since 30 July 2026, with pre-leasing close to 97%. Westfield Riyadh structural works have been completed, with pre-leasing close to 95%, and the transition to the operational phase is guided for 4Q26.
- Based on our last update, we have an 'Overweight' rating on the stock. The stock is trading at a 2027e P/E of 5.1x.

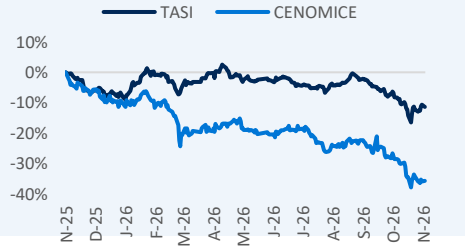
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Issuer Information

Bloomberg Code	**CENOMICE AB**
Last Price (SAR)	**12.5**
No of Shares (mn)	**517.7**
Market Cap bn (SAR/USD)	**6.5 / 1.7**
52-week High / Low (SAR)	**19.4 / 11.8**
12-month ADTV (mn) (SAR/USD)	**12.2 / 3.3**
Free Float (%)	**67.0**
Foreign Holdings (%)	**9.6**

Last price as of November 8th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	606	588	3.0	551	10.0	569	6.5
Cost of Revenues (COGS)	146	99	47.3	99	46.8	95	52.9
Gross Profit	460	489	-5.9	452	1.9	474	-2.9
Gross Margin (%)	***75.9***	***83.2***		***82.0***		***83.2***	
Operating Expenses / Income	104	39	162.4	242	-57.2	141	-26.8
Operating Profit	564	529	6.6	694	-18.7	615	-8.4
Operating Margin (%)	***93.0***	***89.9***		***125.8***		***108.1***	
Net Income**	405	295	37.4	501	-19.1	386	5.0
Net Margin (%)	***66.8***	***50.1***		***90.8***		***67.7***	
EPS (SAR)	0.78	0.57		0.97		0.75	

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

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