

Arabian Centres Co. (Cenomi Centers)

4 June 2026

We initiate coverage on Arabian Centres Co. (Cenomi Centers) with an Overweight rating and a target price of SAR 23.2/share, implying 38.3% upside and a 4.2% dividend yield. Our investment thesis is underpinned by the rollout of three flagship destinations, Westfield Jeddah, Westfield Riyadh, and SDC Al Khobar, scheduled to become operational in 3Q26, 4Q26, and 2028, respectively. These projects will collectively add over 400k sqm to net GLA, driving a 33.3% expansion from 1.3 mn sqm in 2025 to 1.7 mn sqm by 2028. This development pipeline, supported by additional lifestyle-oriented destinations, underlies our forecast revenue CAGR of 11.4% and net profit CAGR of 12.5% over 2025–31f. Despite regional-conflict headwinds that may soften regional tourism and discretionary spending, Cenomi remains anchored by a resilient domestic customer base, one that may even redirect spending locally rather than travelling abroad. At the same time, the rollout of new entertainment destinations such as Diriyah and Qiddiyah is set to draw additional footfall in Riyadh, while religious tourism continues to provide a steady demand base for assets in the Western region. Land-lease expiries, an industry-wide structural risk, remain a key consideration for Cenomi, alongside the Mall of Dhahran lawsuit claiming SAR 788.3 mn (SAR 1.7/share).

33% GLA expansion across 3 assets to drive growth: We expect GLA to increase by 33.3% by 2028 versus 2025 level, primarily driven by the opening of three flagship destinations, Westfield Jeddah (3Q26), Westfield Riyadh (4Q26), and SDC Al Khobar (2028). These three projects are expected to add more than 400k sqm to total GLA, increasing from 1.3 mn sqm in 2025 to 1.7 mn sqm by 2028. This expansion, together with the remaining lifestyle destination projects, U-Walk Qassim (2027), as well as Murcia Mall and Barakah Mall, both expected to open in 2029, is projected to support a revenue CAGR of 11.4% during 2025–31f and a net profit CAGR of 12.5% over the same period.

Consumer spending tailwind. Saudi consumer spending has increased at a CAGR of 8.9% since 2020, reaching SAR 1.6 tn in 2025, with momentum extending into 2026 despite regional developments. This sustainable growth in consumer spending is a direct tailwind for Cenomi as higher spending drives footfall, tenant sales, and leasing demand across its portfolio, with Cenomi's own footfall growing at a broadly equivalent CAGR of 8.6% over the same period. Looking ahead, rising incomes, favorable demographics, and tourism growth are expected to sustain consumer spending. Westfield Riyadh and Westfield Jeddah are targeted to collectively attract 42 mn annual visitors and generate SAR 8.0 bn in tenant sales potential, positioning Cenomi to capture an outsized share of the Kingdom's expanding retail opportunity.

Balance sheet recalibrated ahead of CAPEX outlay. Following Al-Futtaim's investment in Cenomi Retail (renamed AFG Intl Co), the company settled SAR 434 mn in receivables owed to Cenomi Centers, thereby strengthening its working-capital position and reducing related-party exposure. Additionally, in 2025, Cenomi successfully issued SAR-denominated sukuk worth SAR 2.05 bn and USD-denominated sukuk of USD 500 mn (SAR 1.88 bn). The issuance was primarily aimed at funding the planned capex in 2026.

Mall of Dhahran: Handover complete but lawsuit pending. Cenomi's phased handover of Mall of Dhahran was completed in April-2026, in line with the expiry of the lease term. However, the owner has filed a lawsuit seeking claims including fair rental compensation of SAR 161.9 mn, property rent of SAR 103.4 mn, and revenue recovery of SAR 523.0 mn related to the asset (total SAR 788.3 mn). As per management, the financial impact cannot be estimated at this early stage of the lawsuit; however, the company has appointed legal counsel to defend its position while reserving its right to file counterclaims. If Cenomi loses the case and is required to pay the claimed amount, we estimate the valuation of the company could drop to SAR 21.5/sh.

Valuation: We issue an 'Overweight' stance on Cenomi, based on target price of SAR 23.2/share. Our valuation is based on DCF (FCFF) extending to 2036f to normalize cashflow from upcoming projects, assuming WACC of 9.2% and terminal growth rate of 3.0%.

Risk: The key risks are project execution delays, rising competition risk - new high end mall openings coinciding with Cenomi pipeline, industry specific lease non-renewal risk and the SAR 788.3 mn lawsuit over Mall of Dhahran.

RATING SUMMARY

OVERWEIGHT

Target Price (SAR)	23.2
Upside/Downside	38.3%
Div. Yield (%)	4.2%
Total Exp. Return	42.4%

Source: Company financials, anb research

ISSUER INFORMATION

Bloomberg Code	CENOMICE AB
Last Price (SAR)	16.8
No of Shares (mn)	475
Market Cap bn (SAR/USD)	8.0 / 2.1
52-week High / Low (SAR)	23.5 / 15.9
12-month ADTV (mn) (SAR/USD)	23.7 / 6.3
Free Float (%)	50.2%
Foreign Holdings (%)	10.2%

Last price as of June 3rd, 2026

VALUATIONS

	2025	2026e	2027f	2028f
EPS (SAR)	2.7	2.6	3.8	4.3
PER (x)	6.2	6.5	4.4	3.9
PBV (x)	0.5	0.5	0.5	0.4
DPS (SAR)	0.8	0.7	1.1	1.2
Div. Yield (%)	4.5	4.2	6.6	7.1
RoAE (%)	8.4	7.7	10.6	11.1
RoAA (%)	3.7	3.4	4.9	5.3

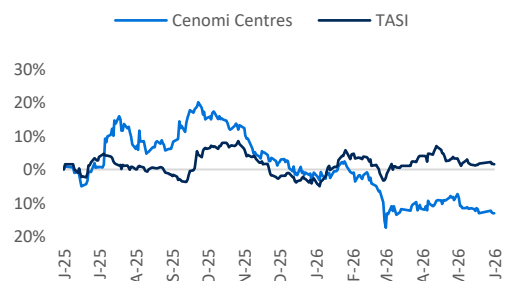
Source: Company financials, anb research

FINANCIALS (SAR mn)

	2025	2026e	2027f	2028f
Revenue	2,288	2,435	3,153	3,542
Gross Profit	1,935	2,001	2,668	3,014
EBITDA	1,552	1,282	1,742	1,932
Net Income	1,276	1,234	1,799	2,040

Source: Company financials, anb research

RELATIVE PRICE PERFORMANCE



Source: Bloomberg, anb research

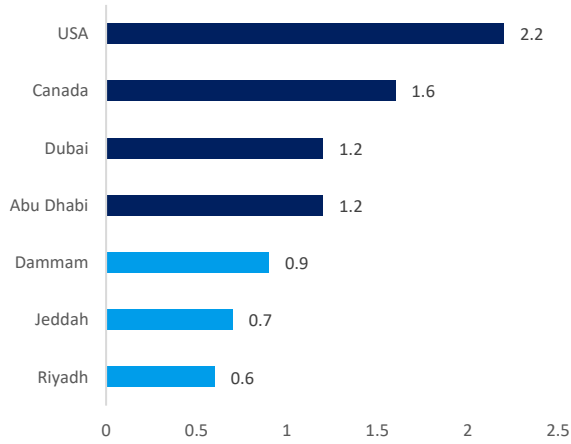
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INITIATION OF COVERAGE

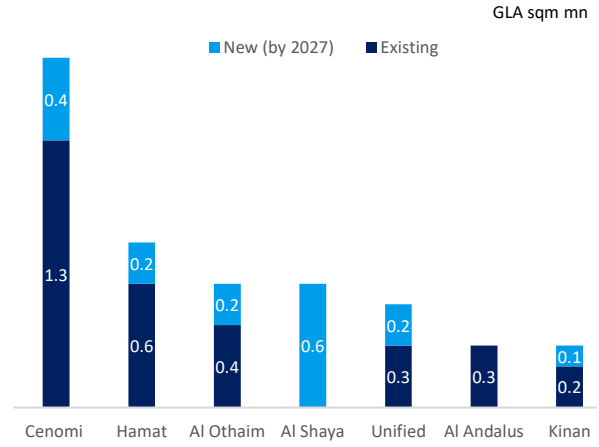
Investment Thesis in Charts

Chart 1: KSA under supplied on GLA/capita basis



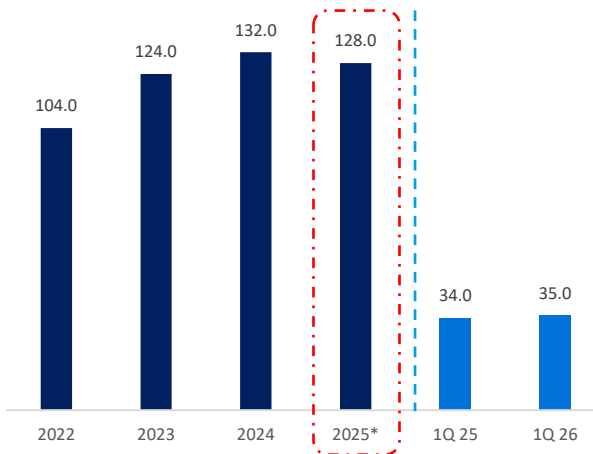
Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Chart 2: GLA lead: 2.2x times next competitor



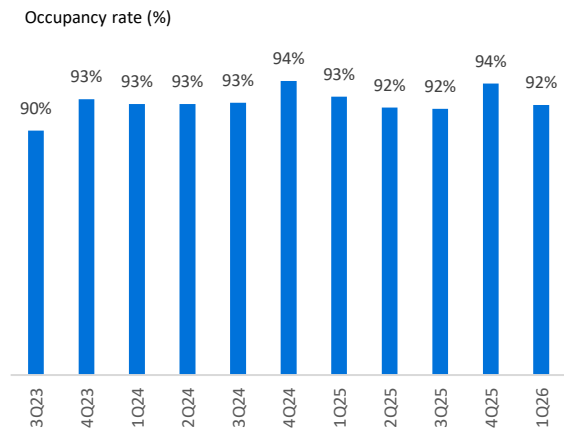
Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Chart 3: Positive footfall (mn) progression



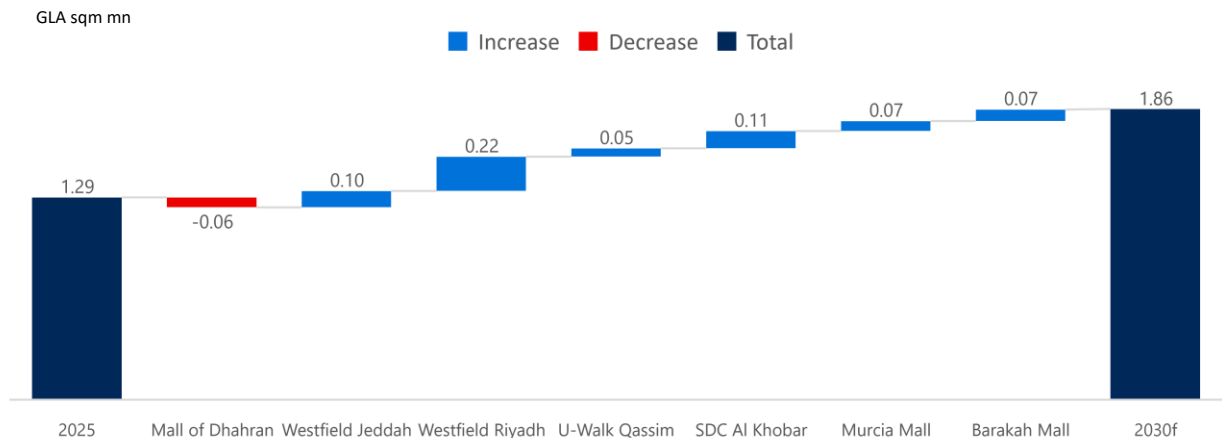
Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research
 * The drop in 2025 attributed to handover of Mall of Dhahran. On LFL basis footfall rose to 127mn in 2025 vs 121mn in 2024.

Chart 4: 90%+ occupancy signals expansion headroom



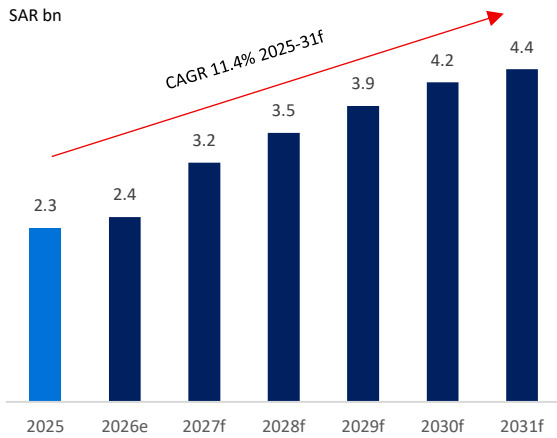
Source: Company financials, anbc research

Chart 5: GLA set to reach 1.9mn by 2030 as 6 new locations are added



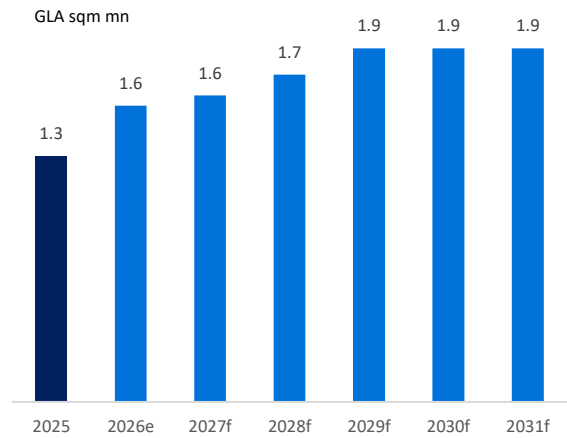
Source: Company financials, anbc research

Chart 6: Revenue set to rise post 2026/27 ramp up



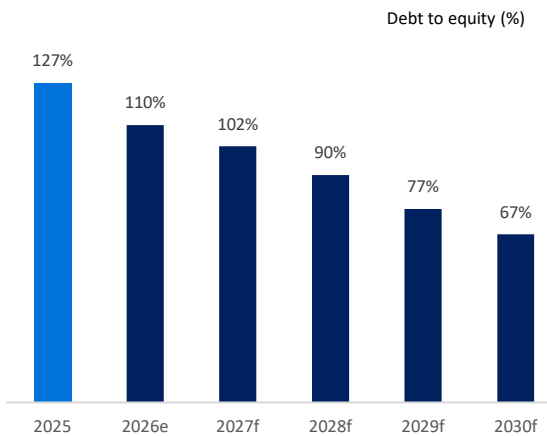
Source: Company financials, anbc research

Chart 7: GLA +33% to 1.7 mn sqm by 2028



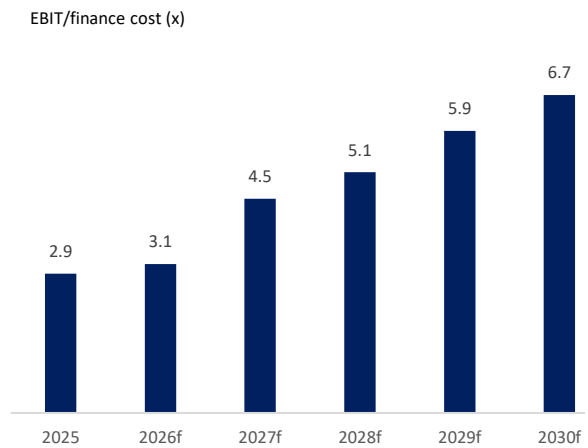
Source: Company financials, anbc research

Chart 8: Debt/equity normalize post expansion



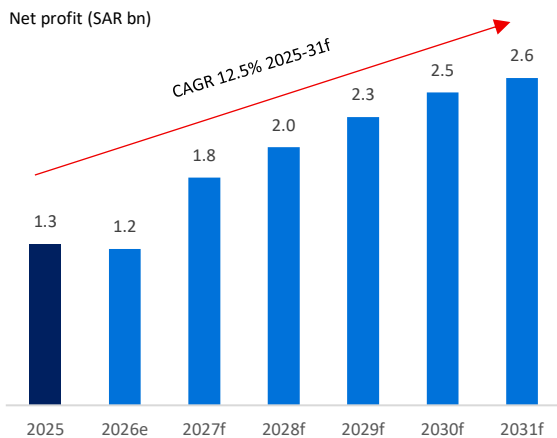
Source: Company financials, anbc research

Chart 9: Interest coverage to improve



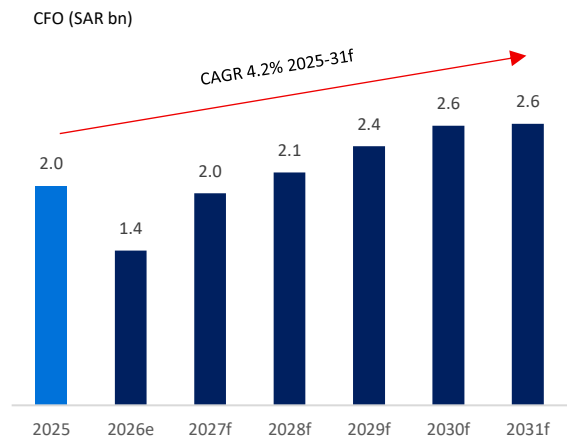
Source: Company financials, anbc research

Chart 10: Net profit to grow at CAGR of 12.5%



Source: Company financials, anbc research

Chart 11: CFO to grow at CAGR of 4.2%



Source: Company financials, anbc research

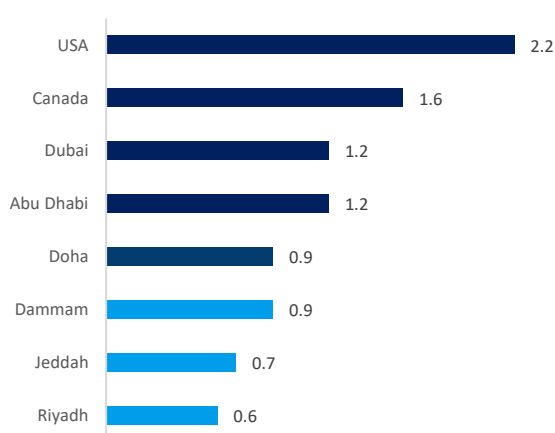
Investment Thesis

Supportive sector dynamics: Lowest GLA/capita compared to regional and international markets

KSA’s mall market is undersupplied in terms of retail GLA/capita compared to regional and international peer market. Riyadh at 0.6 sqm per capita and Jeddah at 0.7 sqm sit well below regional peers – Dubai and Abu Dhabi at 1.2 sqm and Doha at 0.9 sqm outperform the two largest Saudi cities.

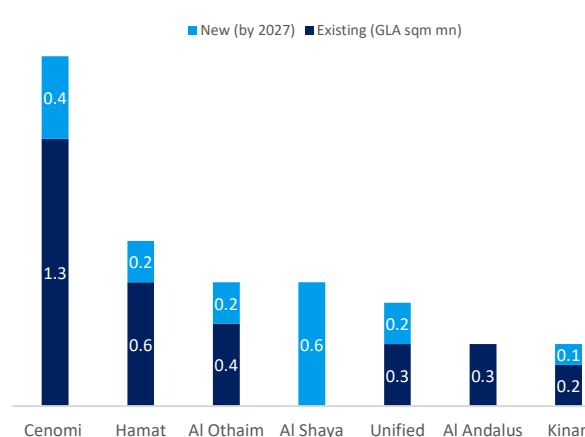
Against Western benchmarks, the gap is more considerable: Canada at 1.6 sqm and US at 2.2 sqm suggest that the two anchor cities of Riyadh and Jeddah have considerable runway before reaching mature market saturation levels.

Chart 12: KSA under supplied on GLA/capita basis



Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Chart 13: GLA lead: 2.2x times next competitor



Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Leaving behind the Western region comparison and focusing on regional cities with a) same climate conditions, reinforcing mall culture over outdoor retail and b) broadly same comparable incomes, we believe that there is still room for growth in Saudi. The key distinction is Dubai’s much higher share of transient tourist shoppers, whereas Saudi Arabia remains predominantly a domestically driven retail market.

Cenomi has consistently been the leading mall operator in Saudi Arabia, maintaining an industry-leading 18%¹ market share with a nationwide portfolio of 20 malls. It has a strong footprint in the less penetrated and high-potential markets, particularly Riyadh and Jeddah, where 13 of its 20 malls are located. Expansion in these core cities is already well underway, supported by the planned 2026 launch of two flagship A-category projects, one in each city, aimed at capturing the premium end of the retail market. This expansion will further cement its lead over its competitors (GLA 2.2x vs next competitor).

Given the supportive market backdrop, Cenomi’s like for like (LFL) GLA has remained broadly stable while occupancy performance has been resilient - LFL occupancy held within a tight 90.3-94.4% band throughout the entire period (3Q23-1Q26) with no single quarter falling below 90% and reaching a record 94.4% at December 2024.

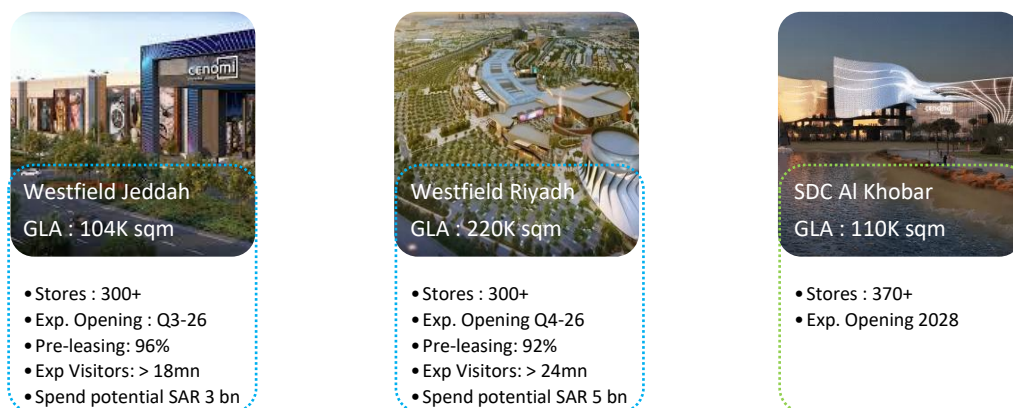
This dynamic has a direct implication for Cenomi’s pipeline - the Westfield Jeddah and Westfield Riyadh openings in H2 2026, both pre-leased at 96% and 92%, respectively, ahead of opening are set to be met by a market that is well positioned to absorb new capacity, in our view.

¹ As of Jan 2023. Source: Cenomi Centers 1Q26 earnings presentation

Cenomi's expansion pipeline set to drive the bottom line

Cenomi is entering a multi-phase growth cycle, with total GLA projected to increase 33.3% between 2025 and 2028. The initial phase is anchored by three flagship destinations, Westfield Jeddah, Westfield Riyadh, and SDC Al Khobar, representing the most significant additions to the portfolio since listing. Upon completion, these assets will expand net GLA from 1.3 mn sqm in 2025 to 1.7 mn sqm by 2028, adding over 400k sqm of leasable space to the company's existing base of 20 malls.

Flagship malls set to open in 2026-2028



Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

The three flagship developments form the backbone of Cenomi's near-term expansion. Westfield Jeddah (104k sqm, 300+ stores, 18 mn visitor with spending potential of SAR 3.0 bn) and Westfield Riyadh (220k sqm, 300+ stores, 24 mn visitor with spending potential of SAR 5.0 bn) are on track to open in 3Q26 and 4Q26, respectively, with structural completion already at 100% and 99% as 1Q26. Pre-leasing is close to 96% for Westfield Jeddah and close to 92% for Westfield Riyadh, providing strong early visibility on occupancy ramp-up. Both developments carry a combined CAPEX of SAR 9.6 bn (SAR 3.9 bn for Westfield Jeddah and SAR 5.7 bn for Westfield Riyadh).

SDC¹ Al Khobar (110k sqm, 370+ stores) rounds out the flagship pipeline, with an expected opening in 2028. SDC Al Khobar features a unique light-capex model, under which Cenomi will not invest in the construction or development of the mall. Instead, the company will earn development fees for overseeing and managing the construction activities. Upon completion, the project is expected to be leased to Cenomi under a 25-year agreement for the management and operation of the mall.

Alongside the flagship pipeline, the company is also developing three lifestyle destinations, U-Walk Qassim, Murcia Mall, and Barakah Mall, scheduled to commence operations in 2027, 2029, and 2029, respectively. Incorporating these assets into our projections, we estimate that net GLA will rise 43.9%, increasing from 1.3 mn sqm in 2025 to 1.9 mn sqm by 2031, adding approximately 570k sqm (excluding GLA of Mall of Dhahran) of net leasable space to the existing portfolio.

Lifestyle destinations extend Cenomi's footprint into underserved markets. U-Walk Qassim (54k sqm, 180+ stores) is expected to open in 2027. Murcia Mall (65k sqm, 190+ stores) and Barakah Mall (73k sqm, 200+ stores) are both lined up for 2029. Together, these three projects add a further 192k sqm of GLA, deepening Cenomi's presence beyond its core Riyadh and Jeddah markets.

The increase in Cenomi's GLA is projected to drive revenue growth at a CAGR of 11.4% during 2025–31f, while net profit is expected to grow at a CAGR of 12.5% over the same period. Bottom-line growth is projected to outpace top-line growth, primarily due to a decline in finance costs amid reducing debt levels starting from 2029. Additionally, our estimates are in line with Cenomi's guidance, as we expect the company to deliver its projects within the anticipated timelines.

¹ Saudi Downtown Company: Master & lead developer owned by the Public Investment Fund (PIF)

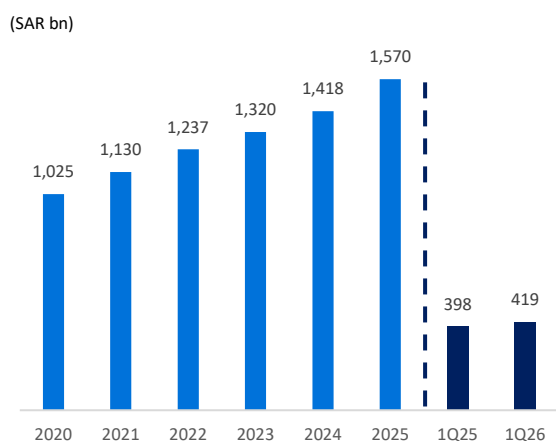
Resilient consumer spending supports Cenomi’s expansion outlook

Consumer spending remains the key demand driver for the retail real estate sector and a critical determinant of operating performance for Cenomi Centers. Consumer expenditure directly influences mall footfall, tenant sales, leasing demand, and rental reversion rates, ultimately driving occupancy and revenue growth for Cenomi Centers. Given company’s exposure to discretionary retail segments, including fashion, F&B, entertainment, and lifestyle, the company is well positioned to benefit from strengthening consumer spending environment.

Saudi consumer spending has demonstrated strong growth since 2020, supported by economic expansion, rising disposable income, and the ongoing expansion in retail destinations. Total spending, including cash withdrawals, POS transactions, and e-commerce payments through Mada cards, increased from SAR 1.0 tn in 2020 to SAR 1.6 tn in 2025, reflecting a CAGR of 8.9% during 2020-25. POS transactions, which provide a more accurate representation of retail spending activity, grew at a higher CAGR of 14.6% during the same period. This growth trend continued into 2026, with total consumer spending reaching SAR 419 bn in 1Q26, up 5.3% YoY despite regional geopolitical uncertainty and a softer external macroeconomic backdrop, indicating continued resilience in the retail market.

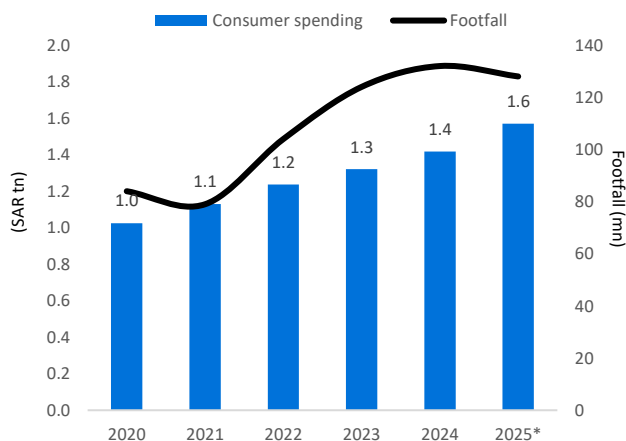
The increase in consumer spending has also translated into higher footfall across Cenomi’s malls, which increased from 84 mn visitors in 2020 to 127 mn visitors in 2025, reflecting a CAGR of 8.6% during 2020-25, broadly in line with the consumer spending’s CAGR of 8.9%.

Chart 14: Strong growth in consumer spending



Source: SAMA, anbc research

Chart 15: Footfall mirrors consumer spending



Source: SAMA, Cenomi Centers 1Q 26 Investor Presentation, anbc research
 * The drop in 2025 attributed to handover of Mall of Dhahran. On LFL basis footfall rose to 127mn in 2025 vs 121mn in 2024.

Looking ahead, we expect Saudi consumer spending to remain supported by primary drivers, including rising household income, favorable demographics, and increasing female workforce participation. In addition, tourism growth and the continued expansion of retail destinations are expected to support spending across destination malls and urban retail centers.

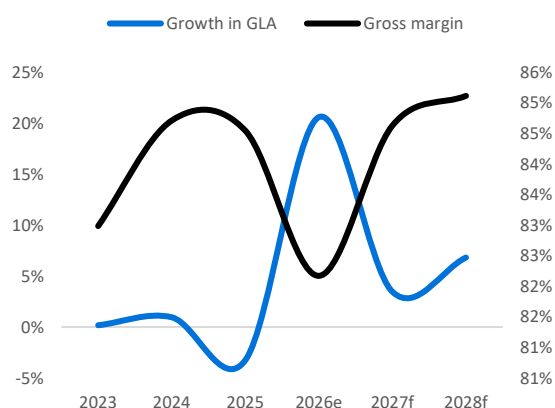
These demand drivers coincide with the launch of Cenomi’s flagship developments, Westfield Riyadh and Westfield Jeddah, scheduled to open in 2H26. Westfield Riyadh is expected to attract approximately 24 mn annual visitors with estimated tenant sales potential of SAR 5.0 bn, while Westfield Jeddah is expected to attract 18 mn visitors with sales potential of SAR 3.0 bn. We believe the increasing consumer spending environment should support leasing demand, tenant sales growth, and footfall across all assets.

Margins to soften through 2026-2027, then improve as the significant GLA expansion stabilizes

We expect net income to decline by 3.3% YoY to SAR 1.23 bn in 2026, compared to SAR 1.28 bn in 2025, mainly due to lower gross margins following the commencement of two flagship destinations, Westfield Jeddah and Westfield Riyadh, in 3Q26 and 4Q26, respectively. The launch of these projects will require upfront investment in human capital to manage and operate a combined GLA of 324k sqm (25% of existing capacity). We forecast the gross margin to decline to 82.2% in 2026 before normalizing to 85.1% by 2028. However, we expect operating margins to remain below historical levels due to the absence of one-off operating gains and the normalization of net fair value gains on investment properties.

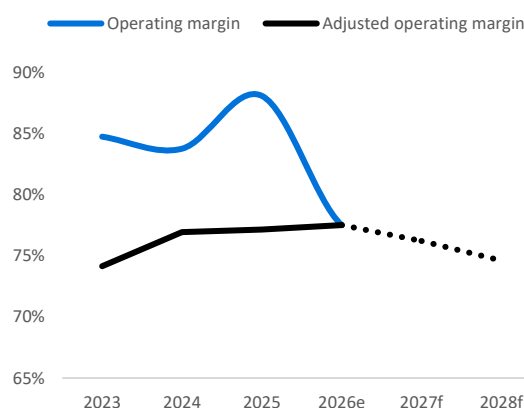
We expect the operating margin to decline to 77.5% in 2026, compared to 88.1% in 2025. We believe the elevated historical operating margins were primarily driven by one-off gains, including gains from the sale of investment properties in 2023 and insurance claims in 2025, which pushed operating margins above gross margins, along with higher net fair value gains on investment properties in 2024. After adjusting for one-off items and unusually high fair value gains, normalized operating margins stood at 77.1% in 2025, broadly in line with our projected range of 75–78% during 2026-28f.

Chart 16: Growth in GLA vs gross margin



Source: Company financials, anbc research

Chart 17: Operating margin vs adj. Op. margin



Source: Company financials, anbc research

Valuation

We value Cenomi Centers using the FCFF approach, with forecasts extending through 2036f to normalize cash flows from upcoming projects. Applying a terminal growth rate of 3.0% and a WACC of 9.2%, we arrive at a target price of SAR 23.2/share, implying an upside potential of 38.3% from current levels. Accordingly, we assign an 'Overweight' rating to the stock.

Table 1: Valuations

SAR MN	2027f	2028f	2029f	2030f	2031f	2032f	2033f	2034f	2035f	2036f
FCFF	1,297	1,830	1,999	2,146	2,128	2,154	2,169	2,255	2,262	2,270
Terminal Value										37,459
FCFF + Terminal	1,297	1,830	1,999	2,146	2,128	2,154	2,169	2,255	2,262	39,729
Discounted FCFF	1,187	1,534	1,533	1,507	1,368	1,267	1,168	1,112	1,021	16,414
Enterprise Value	28,111									
Less debt	18,112									
Add cash	789									
Add equity accounted investee	200									
Add investment at FVTPL	40									
Equity Value	11,028									
Target Price	23.2									

Table 2: TP sensitivity analysis

		Growth rate				
		2.0%	2.5%	3.0%	3.5%	4.0%
W	7.2%	39.5	44.7	51.0	59.0	69.5
A	8.2%	27.3	30.6	34.5	39.2	45.0
C	9.2%	18.4	20.7	23.2	26.2	29.8
C	10.2%	11.7	13.3	15.1	17.1	19.5
	11.2%	6.5	7.6	8.9	10.3	11.9

Lease renewal sensitivity: solid renewal track record underpins base case

Land lease expiry represents a monitored risk within our investment thesis, though historical renewal track record supports our base case outlook. Seven malls within Cenomi's portfolio face land lease expiry over our 2026-2036f forecast horizon, and to stress-test our assumptions we conducted a sensitivity analysis assuming non-renewal of all seven, which yields a worst-case valuation of SAR 15.7/share against our base-case of SAR 23.2/share, a downside of SAR 7.5/share.

Importantly, however, Cenomi has demonstrated a consistent ability to secure lease renewals, having successfully renewed land leases for Aziz Mall Jeddah and Nakheel Plaza Qassim. The one notable exception, Mall of Dhahran remains an isolated case rather than indicative of a broader pattern, and our base case does not assume a repeat of this outcome across the portfolio.

Table 3: New valuation post lease expiry

Malls	Impact of lease expiry	New valuation	Upside/(downside)
Nakheel Mall-Riyadh	-2.6	20.6	23%
Jouri Mall	-1.2	22.0	31%
Yasmeen Mall	-1.2	22.0	31%
Salaam Mall - Jeddah	-1.4	21.8	30%
Haifa Mall	-0.3	22.9	36%
Nakheel Plaza-Qassim	-0.6	22.6	35%
Tala Mall	-0.2	23.0	37%
Lease expiry of all above malls	-7.5	15.7	-7%

Source: Company financials, anbc research *All figures are in SAR/share otherwise stated

Among the seven assets at risk, sensitivity is heavily concentrated in a small number of properties. Nakheel Mall Riyadh is by far the most consequential, with potential non-renewal reducing our valuation by SAR 2.6/share, a reflection of its outsized revenue contribution of 14.6%, near-full occupancy of 97.7%, and a GLA of 79k sqm. Salaam Mall Jeddah is the second highest exposed at SAR 1.4/share, while Yasmeen Mall and Juri Mall each carry a moderate downside of SAR 1.2/share. The remaining three assets (Nakheel Plaza, Tala Mall, and Haifa Mall) present comparatively limited valuation risk. Taken together, the worst-case scenario of simultaneous non-renewal across all seven leases is, in our view, a tail risk rather than a probable outcome, particularly given the company's demonstrated track record of securing renewals. Nonetheless, Nakheel Mall Riyadh's lease status remains the single most important variable to monitor within this risk framework, and any adverse news on this front could serve as a material negative catalyst for the stock.

Table 4: Lease expiry sensitivity

Particular	Best case GLA (000)			Leases expire case GLA (000)				
Nakheel Mall-Riyadh	79	0	79	79	79	79	79	79
Jouri Mall	49	49	0	49	49	49	49	49
Yasmeen Mall	62	62	62	0	62	62	62	62
Salaam Mall - Jeddah	130	130	130	130	0	130	130	130
Haifa Mall	34	34	34	34	34	0	34	34
Nakheel Plaza-Qassim	42	42	42	42	42	42	0	42
Tala Mall	23	23	23	23	23	23	23	0
Valuation	23.2	20.6	22.0	22.0	21.8	22.9	22.6	23.0
Impact of lease expiry	-	-2.6	-1.2	-1.2	-1.4	-0.3	-0.6	-0.2

Source: Company financials, anbc research

Key risks

Project execution risk: Timely delivery of Cenomi's flagship and lifestyle destinations remains the central catalyst for its investment story, making execution speed essential. Any slippage in project timelines would push back the expected uplift in revenues.

Rising competition: Given the planned pipeline of new malls in the country, especially in the premium category such as The Avenues Riyadh, longer term concerns over oversupply may appear and may attract footfall away from existing malls.

Lease Non-Renewal Risk: Cenomi is exposed to lease-renewal risk on both sides of its business, as a lessor and as a lessee. On the lessor side, 41.6% of its leases were scheduled for renewal in 2026, though the company has historically maintained a strong renewal track record, limiting the downside. On the lessee side, seven malls operating on leased land have agreements expiring within the investment horizon through 2036. Even so, management has repeatedly demonstrated its ability to secure extensions, most recently renewing the land leases for Aziz Mall in Jeddah and Nakheel Plaza in Qassim, reinforcing confidence in future renewals.

Mall of Dhahran lawsuit risk: Cenomi faces a SAR 788.3 mn lawsuit pertaining to Mall of Dhahran, which adds a layer of contingent liability risk to the investment case. An adverse ruling could have a meaningful impact on the company's balance sheet and liquidity. If Cenomi loses the case and is required to pay the claimed amount, we estimate the valuation of the company could drop to SAR 21.5/sh.

CMA action on Cenomi Retail: On May 20, the Capital Market Authority (CMA) announced that 17 persons, including former and current board members, senior executives, and individuals from the former auditors of Cenomi Retail (now renamed AFG Intl. Co.), previously owned by the same parent owners of Cenomi Centers, have been referred to the Public Prosecution for alleged breaches of the Capital Market Law, Market Conduct Regulations, and the Company Law.

On May 21, Cenomi Centers clarified via a statement on X that the CMA's announcement is not related to its operations and emphasized that it operates as a separate listed company with its own management team and governance structure.

Company Overview

Largest retail mall operator in KSA with multi-decade track record

Established in 2002 as Arabian Centers, the company grew to become the Kingdom's leading mall operator. In 2019, it became the largest listed player in the sector following its public listing on the Saudi stock exchange. In late 2022, the company rebranded to Cenomi Centers and launched a focused five-year strategy aimed at accelerating growth, reinforcing its market leadership, creating long-term shareholder value, and supporting the objectives of Saudi Arabia's Vision 2030.

Today Cenomi is the largest developer, owner, and operator of lifestyle shopping malls in Saudi Arabia, managing a portfolio of 20 shopping destinations (excluding Mall of Dhahran) with 1.3 mn sqm of GLA across 9 major cities and serving nearly 80% of the Kingdom's population. The portfolio comprises more than 4,500 retail stores spanning shopping malls, community centers, and lifestyle destinations.

Table 5: Cenomi's portfolio

City	Mall	Mall Category	GLA (sqm)	Percentage of Total GLA	Revenue contribution	Lease expiry
Jeddah	Mall of Arabia	A	111,606	9.0%	12.4%	Freehold
	Aziz Mall	B	67,825	5.5%	4.2%	2046
	Yasmeen Mall	B	61,746	5.0%	5.6%	2034
	Al Salaam Mall	B	129,578	10.5%	5.0%	2032
	Haifa Mall	C	33,757	2.7%	1.2%	2032
	U-Walk Jeddah	N/A	63,066	5.1%	5.6%	2052
	Jeddah Park	N/A	128,003	10.3%	1.0%	N/A
Total	7	-	595,581	48.2%	35%	-
Riyadh	Al Nakheel Mall	A	78,836	6.4%	14.6%	2034
	U-Walk	A	52,347	4.2%	3.1%	2046
	Al Hamra Mall	A	55,789	4.5%	5.2%	Freehold
	The View Mall	A	56,625	4.6%	4.7%	Freehold
	Salaam Mall	B	47,604	3.8%	3.2%	Freehold
	Tala Mall	C	22,973	1.9%	1.1%	2029
Total	6	-	314,174	25.4%	32%	-
Makkah	Makkah Mall	A	37,444	3.0%	7.4%	Freehold
Total	1	-	37,444	3.0%	7%	-
Madinah	Al Noor Mall	A	69,160	5.6%	6.9%	Freehold
Total	1	-	69,160	5.6%	7%	-
Dammam	Al Nakheel Mall	A	61,842	5.0%	8.4%	Freehold
Total	1	-	61,842	5.0%	8%	-
Taif	Jouri Mall	B	49,320	4.0%	5.2%	2035
Total	1	-	49,320	4.0%	5%	-
Jubail	Al Jubail Mall	C	21,544	1.7%	0.8%	Freehold
Total	1	-	21,544	1.7%	1%	-
Qassim	Al Nakheel Plaza	C	42,425	3.4%	2.4%	2029
Total	1	-	42,425	3.4%	2%	-
Al Hofuf	Al Ahsa Mall	C	45,407	3.7%	1.8%	Freehold
Total	1	-	45,407	3.7%	2%	-

Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

2.2x in terms of GLA size to its next competitor but competition is set to increase

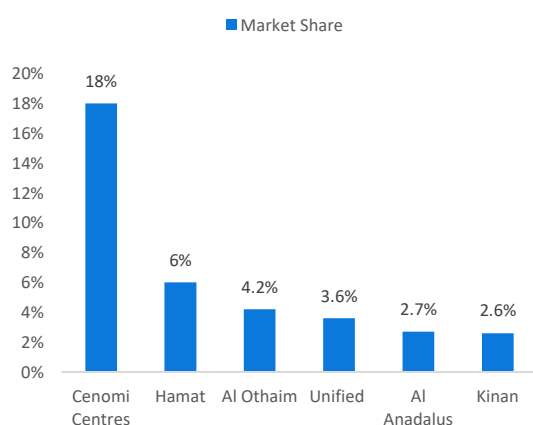
Based on industry data as of December 2023, Cenomi is the market leader in Saudi Arabia’s retail real estate sector, holding an 18.0% market share, three times larger than its nearest competitor, Hamat Holding, which holds a 6.0% market share. The company also leads other major players, including Abdullah Al Othaim Markets Company (4.2%), Unified Real Estate Development Company (3.6%), Alandalus Property Company (2.7%), and Kinan International Real Estate Development Company (2.6%). This leadership is supported by the largest gross leasable area (GLA) portfolio of 1.3 mn sqm, compared to 0.6 mn sqm for Hamat and 0.4 mn sqm for Al Othaim.

Its nearest competitor, Hamat Holding is a Saudi commercial real estate company founded in 2012, focused on the development, management, and ownership of shopping centers across the Kingdom. The company currently operates 0.6 mn sqm of GLA across major Saudi cities, including Riyadh, Jeddah, Madinah, Abha, Taif, Dammam, and Makkah, and is expected to add a further 0.2 mn sqm by 2027. Hamat Holding’s asset portfolio includes Riyadh Park and Panorama Mall in Riyadh, as well as Manar Mall in Makkah and Madinah.

Abdullah Al Othaim Markets Company is a Saudi retail and consumer goods company whose core activities include the wholesale and retail trade of food and household products. The company also operates supermarkets, commercial complexes, bakeries, and catering services. Currently, Al Othaim operates across all five regions of Saudi Arabia with a GLA portfolio of 0.4 mn sqm and is expected to add a further 0.2 mn sqm by 2027.

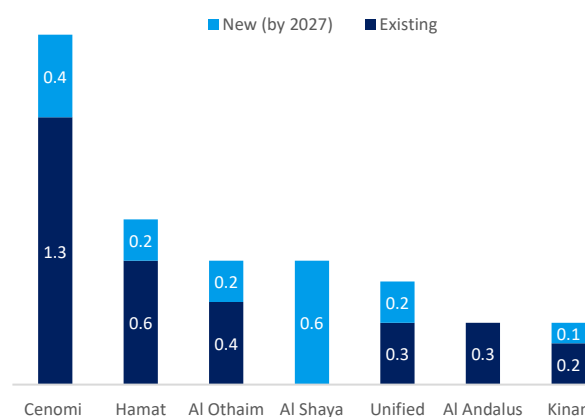
Additionally, a new competitor, The Avenues, is expected to enter the Saudi retail real estate market with 0.6 mn sqm of GLA coming online between 2026- 2027 through projects in Riyadh and Khobar. The Avenues Riyadh is expected to become the largest single mall in Saudi Arabia, with approximately 0.4 mn sqm of GLA and around 1,300 retail units. It will be a mixed-use destination built in phases and will include retail, hotel brands plus offices and residences and appears to be targeting the same premium destination segment of the market.

Chart 18: Cenomi Centers-Market leader



Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Chart 19: Existing and upcoming GLA (mn)

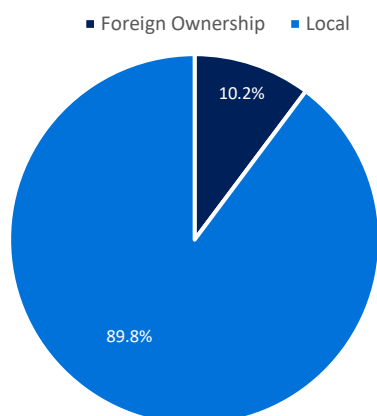


Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Ownership structure

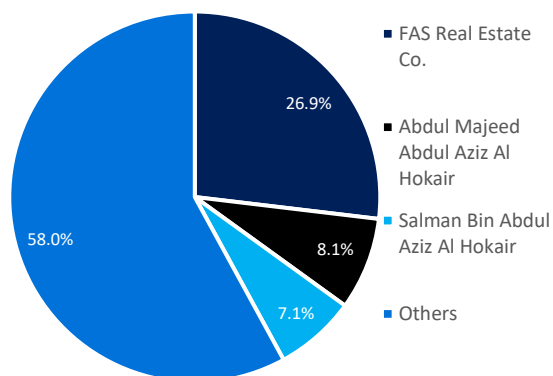
The shareholding structure of Cenomi Centers shows FAS Real Estate Co. as the largest shareholder with a 26.9% stake, followed by Abdul Majeed Abdul Aziz Al Hokair at 8.1% and Salman Bin Abdul Aziz Al Hokair at 7.1%. The remaining 58.0% is held by other investors. In terms of foreign ownership, 89.8% of shares are held locally while 10.2% are under foreign ownership.

Chart 20: Foreign Ownership (%)



Source: Tadawul, anbc research

Chart 21: Ownership structure (%)



Source: Tadawul, anbc research

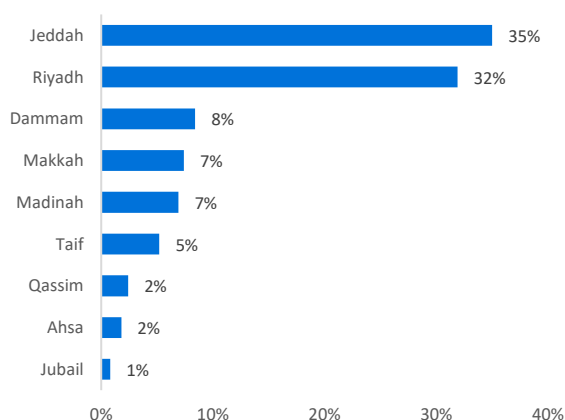
Financial Overview: Riyadh & Jeddah dominate revenue contribution with 67% share

Cenomi derives the majority of its revenue from Jeddah and Riyadh, which together contribute 67% of total revenue, despite accounting for 73% of the company’s total GLA. Jeddah is the largest contributor, generating 35% of revenue while representing 48% of GLA, reflecting the city’s sizeable retail footprint within the portfolio. Riyadh contributes 32% of revenue from 25% of GLA, indicating stronger revenue productivity per sqm compared to other regions.

In contrast, Dammam contributes 8% of revenue from only 5% of GLA, highlighting relatively higher efficiency and tenant productivity in the region. Other regions, including Makkah, Madinah, Taif, Qassim, Ahsa, and Jubail, collectively contribute 25% of revenue and 22% of GLA, reflecting a relatively balanced performance across secondary markets.

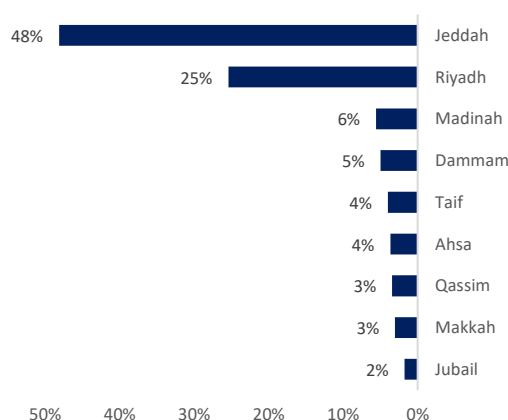
Notably, Makkah contributes 7% of revenue from only 3% of GLA, suggesting strong sales density driven by religious tourism and high consumer traffic. Overall, the charts highlight the company’s concentration in key urban centers, particularly Jeddah and Riyadh, while also demonstrating strong revenue generation efficiency in selected smaller markets.

Chart 22: Revenue contribution (%)



Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Chart 23: Gross leasable area (%)

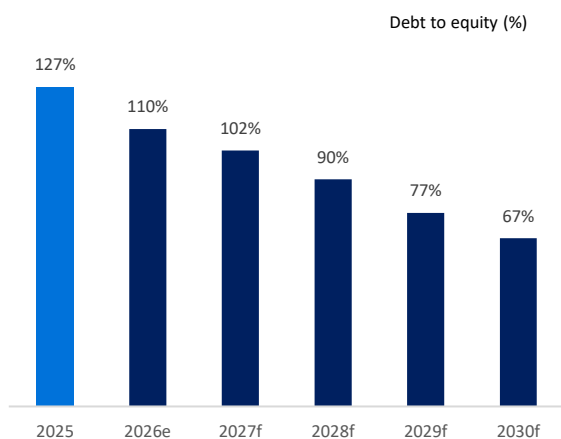


Source: Cenomi Centers 1Q 26 Investor Presentation, anbc research

Disciplined leverage through peak capex

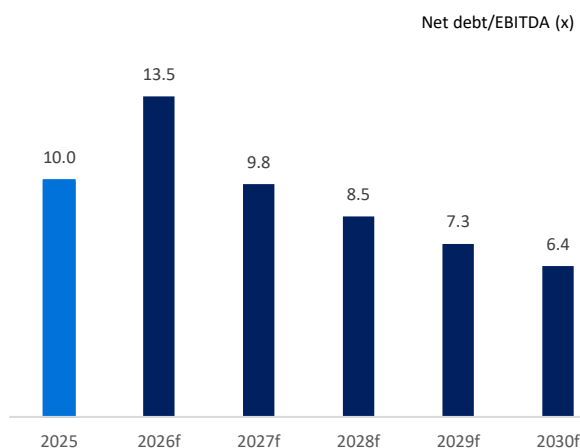
Cenomi successfully executed two sukuk issuances in 2025 to fund its ongoing capital expenditure program, raising SAR 2.05 bn through a SAR-denominated sukuk and USD 500 mn (SAR 1.88 bn) through a USD-denominated sukuk, bringing total proceeds to SAR 3.93 bn. The issuances were primarily aimed at financing the development of Westfield Riyadh and Westfield Jeddah. The company has already incurred SAR 0.5 bn in 1Q26, a further SAR 2.4 bn is expected to be deployed during the remainder of the year as both projects approach completion and opening. Despite the significant debt raised and elevated capital deployment, Cenomi’s balance sheet leverage remains manageable. The debt-to-equity ratio stood at 110% in 1Q26 increasing from 103% in 1Q25 following the sukuk issuances. We expect leverage to peak at 110% by end of 2026 as capex reaches its highest level ahead of the project openings. Thereafter, leverage is forecast to gradually normalize, declining to 102% in 2027f and 90% in 2028f, supported by incremental free cash flow contributions from the newly commissioned assets. In our view, the temporary increase in leverage reflects the timing of the development cycle rather than any structural deterioration in the company’s balance sheet profile.

Chart 24: Debt/equity to normalize post expansion



Source: Company financials, anbc research

Chart 25: Net debt/EBITDA to improve



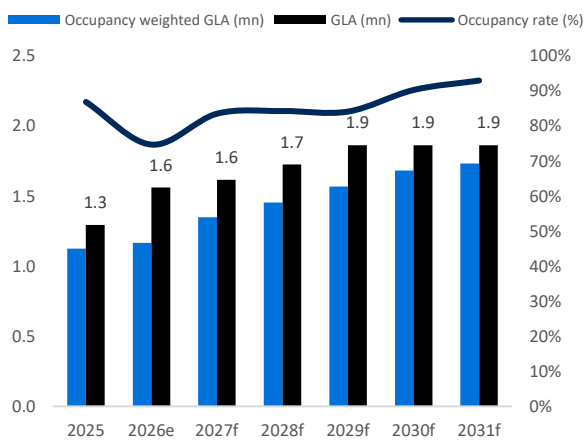
Source: Company financials, anbc research

Occupancy levels to dip as new malls ramp up during 2026-2027

As Westfield Jeddah and Westfield Riyadh commence operations, portfolio occupancy is forecast to decline in 2026, as significant new GLA is added ahead of lease-up. Newly opened assets also incur upfront operating costs, including staffing, utilities, and maintenance, before reaching stabilized occupancy levels, which further weighs on gross margins, expected to compress to 82.2% in 2026. This near-term pressure is a characteristic feature of large-scale mall openings and is not reflective of any deterioration in the underlying portfolio.

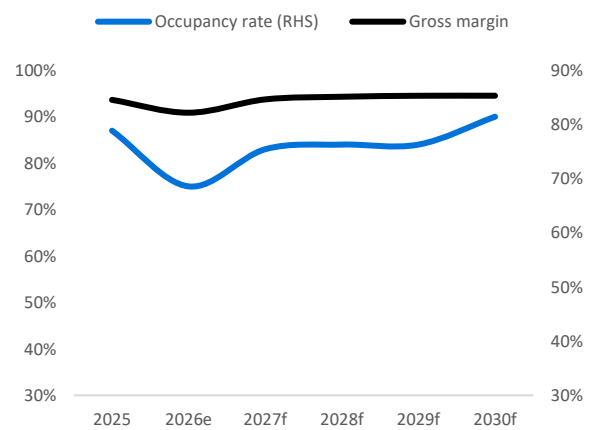
As both assets progress through their ramp-up phase, occupancy is forecast to recover to 83.5% in 2027 and 84.2% in 2028, before reaching 90.2% by 2030 as the developments approach stabilization. Gross margins are projected to follow the same trajectory, expanding to 84.6% in 2027, 85.1% in 2028, and stabilizing at approximately 85.3% by 2029 and 2030. The close correlation between occupancy recovery and margin expansion reflects the progressive absorption of fixed operating costs as rental income scales with lease-up, making occupancy stabilization at the flagship assets the primary driver of structural margin improvement over the forecast period.

Chart 26: Occupancy rate to improve



Source: Company financials, anbc research

Chart 27: Gross margin to follow occupancy rate



Source: Company financials, anbc research

Financial Summary

Income statement (SAR mn)	2024a	2025a	2026e	2027f	2028f	2029f	2030f	CAGR 2025-2030f
Revenue	2,344	2,288	2,435	3,153	3,542	3,897	4,208	13%
Cost of Revenue	-358	-354	-434	-485	-527	-573	-618	12%
Gross Profit	1,986	1,935	2,001	2,668	3,014	3,324	3,590	13%
Operating Income/(Exp)	-23	81	-115	-266	-374	-478	-571	-
Operating Profit	1,963	2,015	1,886	2,402	2,640	2,846	3,019	8%
EBITDA	1,409	1,552	1,282	1,742	1,932	2,118	2,275	8%
Finance Cost	-690	-687	-602	-532	-521	-479	-451	-8%
Other Income/(Exp)	-7	-5	-5	-5	-5	-5	-5	0%
Profit Before Tax	1,266	1,323	1,280	1,866	2,115	2,362	2,564	14%
Zakat Tax	-40	-44	-47	-45	-66	-75	-84	14%
PAT	1,222	1,276	1,234	1,799	2,040	2,278	2,473	14%
Number of Share	475	475	475	475	475	475	475	
EPS	2.57	2.69	2.60	3.79	4.29	4.80	5.21	
Balance Sheet	2024a	2025a	2026e	2027f	2028f	2029f	2030f	CAGR 2025-2030f
Investment Properties	28,019	29,974	33,295	34,390	35,169	35,982	36,812	4%
Property and Equipment	49	52	45	43	41	39	37	-7%
Accrued Revenue - NCP	137	127	135	175	196	216	233	13%
Other	335	710	249	286	306	324	340	-14%
Non-current assets	28,541	30,863	33,724	34,894	35,713	36,561	37,422	4%
Trade receivables	483	609	648	839	942	1,037	1,120	13%
Cash and cash equivalents	670	4,294	789	939	980	591	650	-31%
Due from related parties	408	196	209	270	304	334	361	13%
Others	77	85	92	103	116	129	148	12%
Current Asset	2,912	6,029	2,559	2,890	3,045	2,765	2,924	-13%
Total Assets	31,453	36,892	36,283	37,783	38,757	39,326	40,347	2%
Share capital	4750	4750	4750	4750	4750	4750	4750	0%
Retained earnings	8,739	9,471	10,373	11,650	13,120	14,780	16,541	12%
Other reserves	1,339	1,344	1,292	1,292	1,292	1,292	1,292	-1%
Total Equity	14,828	15,565	16,415	17,692	19,162	20,823	22,583	8%
Loan and borrowings	12,138	13,668	12,458	12,397	11,851	10,829	10,102	-6%
Lease liabilities	2,791	2,431	2,286	2,271	2,257	2,244	2,231	-2%
Other non-current liabilities	57	49	49	49	49	49	49	0%
Non-current liabilities	14,985	16,148	14,793	14,717	14,157	13,122	12,381	-5%
Trade payables	671	724	889	992	1,079	1,173	1,266	12%
Lease liabilities - CP	340	376	254	252	251	249	248	-8%
Loans and borrowings - CP	35	3,305	3,115	3,099	2,963	2,707	2,525	-5%
Other current liabilities	594	774	817	1,030	1,146	1,251	1,344	12%
Current Liabilities	1,639	5,178	5,074	5,374	5,439	5,381	5,383	1%
Total liabilities & equity	31,453	36,892	36,283	37,783	38,757	39,326	40,347	2%

Source: Company financials, anbc research

Valuation Ratios	2024	2025	2026e	2027f	2028f	2029f	2030f
EPS (SAR)	2.6	2.7	2.6	3.8	4.3	4.8	5.2
DPS (SAR)	1.5	0.8	0.7	1.1	1.2	1.3	1.5
BVPS (SAR)	31.1	32.7	34.6	37.2	40.3	43.8	47.5
PER (x)	6.5	6.2	6.5	4.4	3.9	3.5	3.2
DY (%)	8.9%	4.5%	4.2%	6.6%	7.1%	7.7%	8.9%
PBV (x)	0.5	0.5	0.5	0.5	0.4	0.4	0.4
EV/Sales (x)	9.6	10.3	10.4	7.9	6.9	6.0	5.3
Price/Sales (x)	3.4	3.5	3.3	2.5	2.3	2.0	1.9
EV/EBITDA (x)	16.0	15.1	19.7	14.4	12.6	11.1	9.9
Price/CF (x)	7.6	3.9	5.6	4.1	3.7	3.3	3.1
EV/Gross Profit (x)	11.4	12.1	12.6	9.4	8.1	7.0	6.2
Margins (%)	2024	2025	2026e	2027f	2028f	2029f	2030f
Gross Margins	84.7%	84.5%	82.2%	84.6%	85.1%	85.3%	85.3%
EBITDA Margins	60.1%	67.8%	52.7%	55.2%	54.6%	54.4%	54.1%
Operating Margins	83.7%	88.1%	77.5%	76.2%	74.6%	73.0%	71.7%
Pretax Margins	54.0%	57.8%	52.6%	59.2%	59.7%	60.6%	60.9%
Net Margins	52.1%	55.8%	50.7%	57.1%	57.6%	58.5%	58.8%
Returns (%)	2024	2025	2026e	2027f	2028f	2029f	2030f
ROA	4.1%	3.7%	3.4%	4.9%	5.3%	5.8%	6.2%
ROTA	3.9%	3.5%	3.4%	4.8%	5.3%	5.8%	6.1%
ROE	8.4%	8.4%	7.7%	10.6%	11.1%	11.4%	11.4%
Health Ratios	2024	2025	2026e	2027f	2028f	2029f	2030f
Cash/share	1.4	9.0	1.7	2.0	2.1	1.2	1.4
Cash as a % of Market Cap	8.3%	53.0%	9.7%	11.6%	12.1%	7.3%	8.0%
Debt to Asset	48.7%	53.6%	49.9%	47.7%	44.7%	40.8%	37.4%
Debt to Equity	103.2%	127.1%	110.3%	101.9%	90.4%	77.0%	66.9%
Debt to Capital	50.9%	56.0%	52.5%	50.5%	47.5%	43.5%	40.1%
EBIT/ Interest (x)	2.8	2.9	3.1	4.5	5.1	5.9	6.7
Activity Ratio	2024	2025	2026e	2027f	2028f	2029f	2030f
Current Ratio	1.6	1.2	0.5	0.5	0.5	0.5	0.5
Days Sales Outstanding	75	97	97	97	97	97	97
Days Sales in Inventory	-	-	-	-	-	-	-
Days Payable Outstanding	683	747	747	747	747	747	747
Cash Conversion Cycle	-608	-650	-650	-650	-650	-650	-650
Growth Ratios (%)	2024	2025	2026e	2027f	2028f	2029f	2030f
Revenue Growth	4.0%	-2.4%	6.4%	29.5%	12.3%	10.0%	8.0%
Gross Profit Growth	6.2%	-2.6%	3.4%	33.3%	13.0%	10.3%	8.0%
EBITDA Growth	-8.8%	10.1%	-17.4%	35.8%	11.0%	9.6%	7.4%
Operating Profit Growth	2.8%	2.7%	-6.4%	27.4%	9.9%	7.8%	6.1%
Pretax Profit Growth	-17.9%	4.5%	-3.3%	45.8%	13.4%	11.7%	8.5%
Net Profit Growth	-18.6%	4.5%	-3.3%	45.8%	13.4%	11.7%	8.5%

Source: Company financials, anbc research

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