

Earnings Presentation

Q2 2023

YEARS **40** سنة

X
SPORTS FOR ALL
الرياضة للجميع

#حراكك
#عالملك

بالحركة
تعود البهجة

VISION 2030
رؤية 2030

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al arabia Chairman & CEO



ABDELELAH AL-KHEREIJI
CHAIRMAN

"al arabia Outdoor Advertising has always strived to be a leader in the outdoor advertising sector."



MOHAMED AL-KHEREIJI
CHIEF EXECUTIVE OFFICER

"We are keen to maintain the development of international technology in field of Advertisement."

al arabia Historical Structure

ESTABLISHMENT

Started as a Saudi limited liability company in Riyadh on **3 March 1983**, with a share capital of one million Saudi Riyals **SAR 1,000,000**

1983

Arabian Contracting Services Co.



TRANSFORMATION

al arabia Initiated the digital transformation strategy and started to install and operate digital billboards with special designs

2018

Digitalization Strategy



2006

Closed Joint-Stock Co.



GROWTH

Converted into a (closed) joint stock company on **30 May 2006**. Capital increased to sixty million Saudi Riyals **(SAR 60,000,000)**



2021

Listed in the Saudi Exchange

PUBLIC LISTED COMPANY

Public listing in the Saudi Exchange (Tadawul) on **15 November 2021**, with a share capital of five hundred million Saudi Riyals (SAR 500,000,000) divided into fifty million **(50,000,000)** ordinary shares. **IPO Price SAR 100**

Content

Financial
Performance

Al Arabia
Strategy



Key
Highlights

40
سنوات
YEARS

Al arabia

عربك

40
سنوات
YEARS

AL ARABIA STRATEGY

Arabian Contracting Services Company

al arabia Strategy



Continue to adopt latest technology
and data-driven solutions



Maintain Market
Leadership



Expand to new markets
through strategic partnerships



Strategy Overview

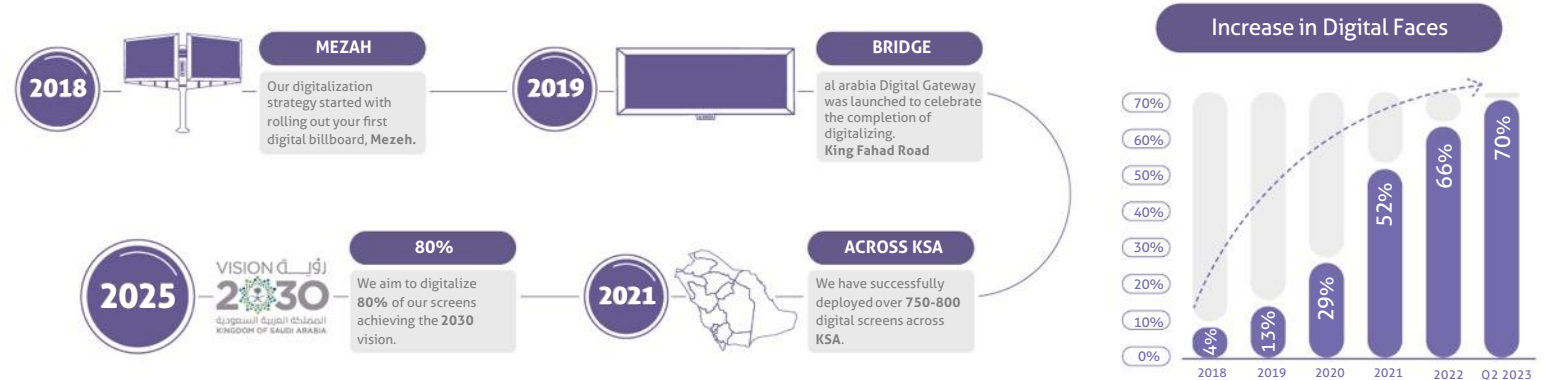
01

Kingdom of Saudi Arabia

- Continue the digital transformation
- Increase revenue from indoor and private sector
- Increase billboards utilization rates
- Increase revenue from direct sales to clients
- Excellent operational efficiency

02

Continue Adopting Latest Technology And Data-Driven Solutions



03

Expand To New Markets Through Strategic Partnerships



KEY HIGHLIGHTS

Arabian Contracting Services Company

Q2,2023 Key Highlights



Riyadh Airport
Winning the bid



Eastern Province
Winning the bid



برنامج جودة الحياة
Quality of Life Program
Signing a memorandum of cooperation

SCAI

SCAI
Signing a consortium



Billboards
Based on contracts

5,398



Faces
Based on contracts

25,004



Commercial
Campaigns

+545



Digitalization
Rate

70%



Sponsored
CSR Campaigns

14



Current Projects

Kind Khaled International Airport



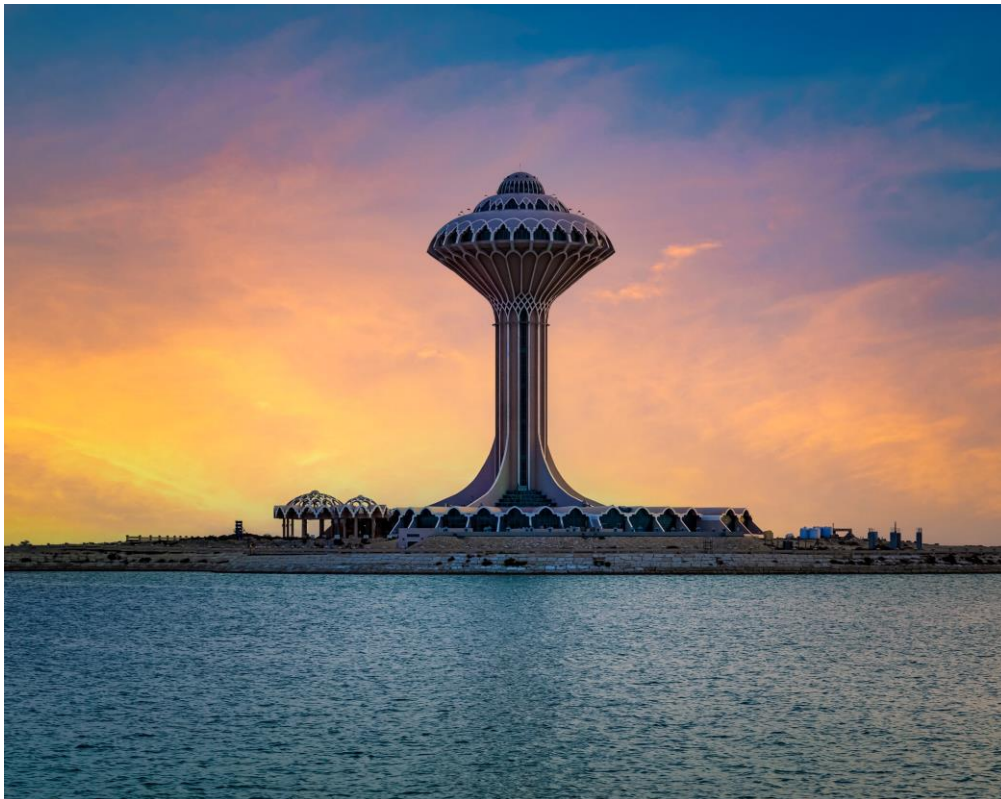
King Khalid International Airport

Winning the bid for the construction and operation of billboards at King Khalid International Airport in Riyadh City for a period of 10 years.

al arabia is dedicated to expanding its presence in the advertising industry and embracing cutting-edge outdoor advertising technologies. This commitment is in line with the goals and vision of King Khalid International Airport, as well as the ambitious objectives outlined in Vision 2030 and the National Transformation Program. With this project, the company aims to establish a new benchmark for airport designs, boost advertising sales, and elevate travelers' experiences by offering exceptional services and innovative advertising solutions.

King Khalid International Airport is a highly bustling and one of the most active airports in the region and ranks among the largest airports globally in terms of land area, as it covers approximately 370 square kilometers, the airport accommodates over 50 international and domestic airlines operating through the airport and serving about 24 million travelers annually.

Eastern Province



Eastern Province

Winning the bid for "the establish, operate, maintain and install billboards in Dammam Metropolitan (Dammam, Khobar and Dhahran) in the Eastern Province" for a period of 10 years.

The contract includes billboards of different types and sizes, within the cities of Dammam, Khobar, and Dhahran. Additionally, it includes two digital advertising areas in Dammam and Khobar, advertising screens on building facades, and 20 billboards on idle lands and buildings currently under construction and undergoing restoration. Furthermore, the contract also involved 1,000 advertising spaces on buses and taxis for a period of 3 years.

This step by al arabia is aimed at enhancing and developing the outdoor advertising sector in the Eastern Province. The goal is to align the advertising infrastructure with the unique identity and economic characteristics of each city, in line with the objectives set forth in the Kingdom's Vision 2030. Additionally, al arabia is committed to incorporating the latest billboard technologies to support the Eastern Province Municipality's efforts in developing the investment structure and driving revenue growth.

Riyadh Project



Riyadh

Rimat Al-Riyadh Company, which is the developmental arm of the Riyadh Municipality, has launched the largest investment opportunity of its kind in the outdoor advertising sector in partnership with the private sector, through the municipal investment portal "Furas".

This opportunity is considered a unique and qualitative investment model in terms of the size of the opportunity, the innovative business model, and the economic and developmental impact and it comes as part of the advertising plan for the city of Riyadh, in light of the strategy to develop outdoor advertisements within Saudi cities, within the initiatives of the Ministry of Municipal, Rural Affairs, and Housing, to achieve the goals of the Kingdom's Vision 2030.

The contract duration is 10 years and encompasses areas and sites that exceed 25,500 square meters in total. Additionally, it will involve billboards of up to 3,000 and from 3 to 4 digital areas.

The competition was submitted through forming a consortium with SCAI, SCAI is one of the Public Investment Fund companies (PIF) specializing in the field of artificial intelligence and modern technology.

Faden Media



Faden Media

Signing a purchase with Faden Media for the full acquisition of the company in the value of (1,050,000,000) Saudi Riyals, al arabia has received conditional approval from the General Authority for Competition regarding the completion of the economic concentration transaction involving full acquisition of Faden Media.

Faden specializes and has expertise in advertising on huge building screens and within retail stores, by focusing on these areas, Faden provides effective and influential advertising solutions to clients, ensuring that their messages reach the target audience.

This partnership signifies a strategic move by al arabia to expand its operations and strengthen its market position. By forming profitable alliances and partnerships at both local and regional levels, the company aims to capitalize on its competitive advantages and leverage its expertise in the outdoor advertising sector. The objective is to enhance its market share and solidify its leading position by venturing into lucrative segments such as digital advertising media on buildings and retail stores. This strategic approach aligns with the company's goal of advancing its position and staying ahead in the market.

Key Highlights

1st Half of 2023



The number of contracts during
1st Half of 2023

Kingdom of Saudi Arabia

A Outdoor Advertising

Region	Number of Contracts	Number of Billboards	* Contracts Value
Eastern Region	1	2	49,000
Qassim Region	1	12	20,520
Total	2	14	69,520

B Indoor Advertising

Region	Number of Contracts	Number of Billboards	* Contracts Value
Western Region	4	123	22,250
Total	4	123	22,250

* figures are in (Thousands) SAR

Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	14
Indoor	123

Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	128
Static	9

Key Highlights

1st Half of 2023



The number of contracts during
1st Half of 2023
(as of 31 Dec 2022)

Egypt

Region	Number of Contracts	Number of Billboards	* Contracts Value
Cairo	9	34	59,157
Giza	1	1	1,013
The North Coast (City of EL Alamein)	1	12	4,092
Total	11	47	64,262

* figures are in (Thousands) SAR

Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	47
Indoor	0

Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	38
Static	9

Billboards and Faces (Updated)

Billboards and Faces Updated Until 30 June 2023

TYPE	Number of Billboards		Number of Faces	
	Saudi Arabia	Egypt	Saudi Arabia	Egypt
Digital	1,791	38	17,545	380
Static	3,607	9	7,459	18
Total	5,398	47	25,004	398

70%
DIGITALIZATION



FINANCIAL PERFORMANCE

Arabian Contracting Services Company

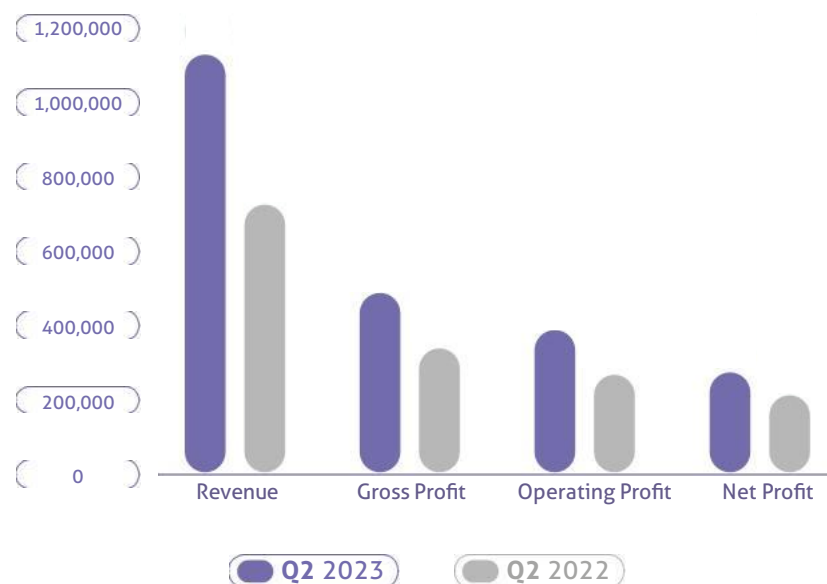
إيرادات من 145 مليار شيفرنج مع بائعات الصفوة

الحصول على الأرباح - تحسين المردود على رأس المال المستثمر

Income Statement Highlights

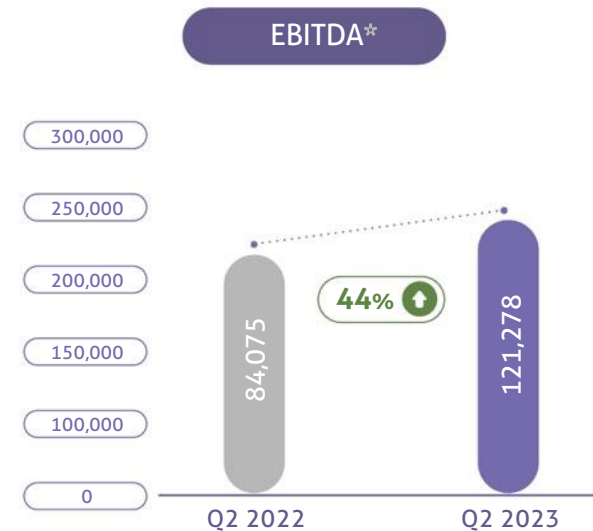
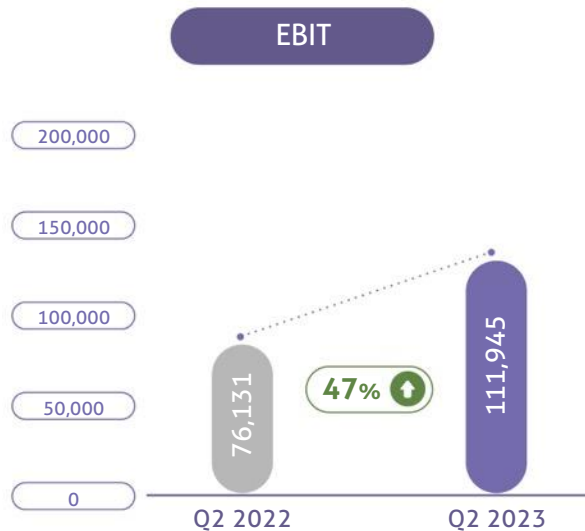
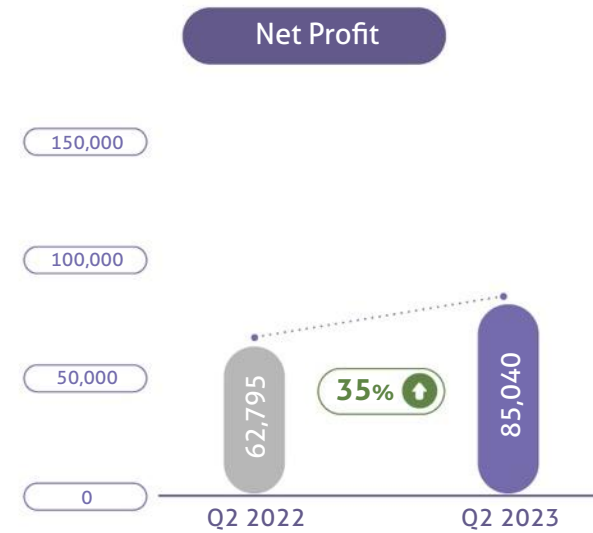
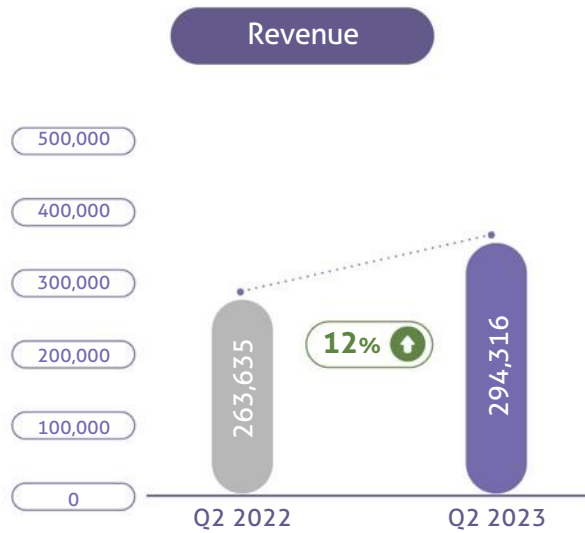
Key Figures	Q2 2023	Q2 2022	Change (%)
Revenue	294,316	263,635	12% ↑
Gross Profit	142,228	106,259	34% ↑
Operating Profit	111,875	79,688	40% ↑
Net Profit	85,040	62,795	35% ↑
*Adjusted Net Profit	85,478	64,926	32% ↑

* Profit after adding the loss from discontinued operations



All figures are in (Thousands) SAR

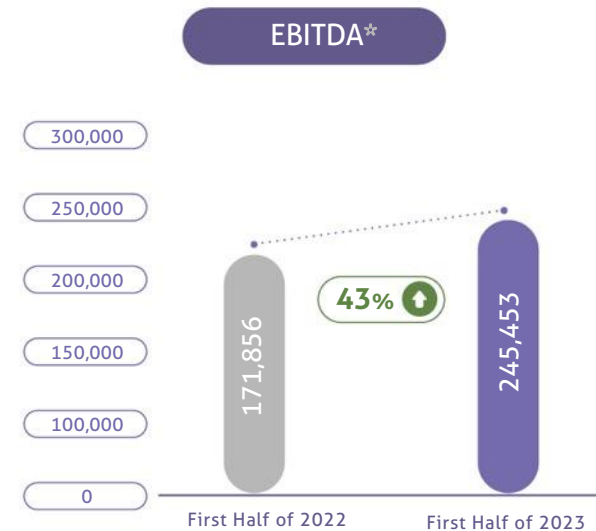
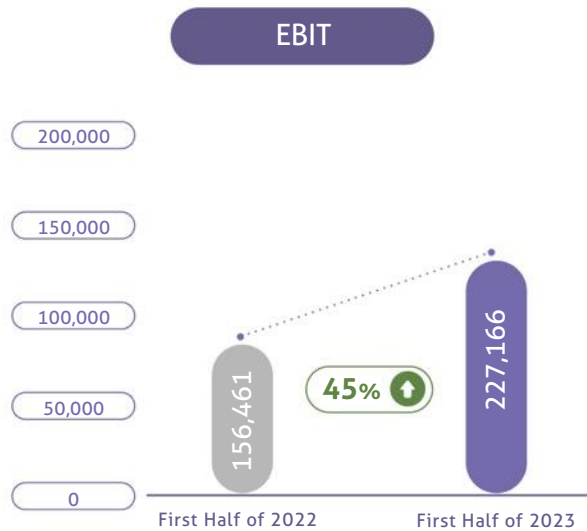
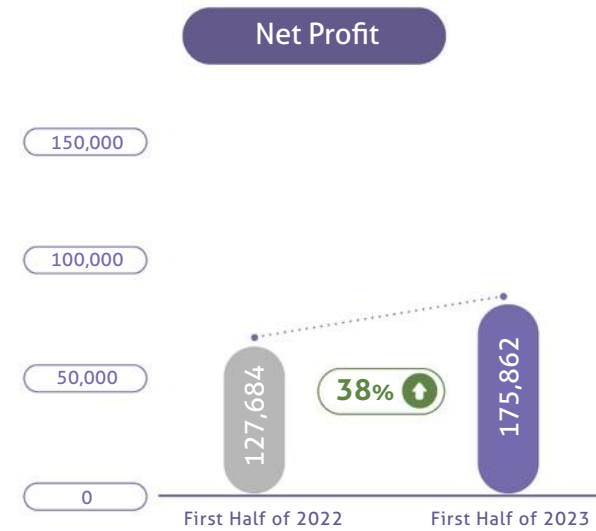
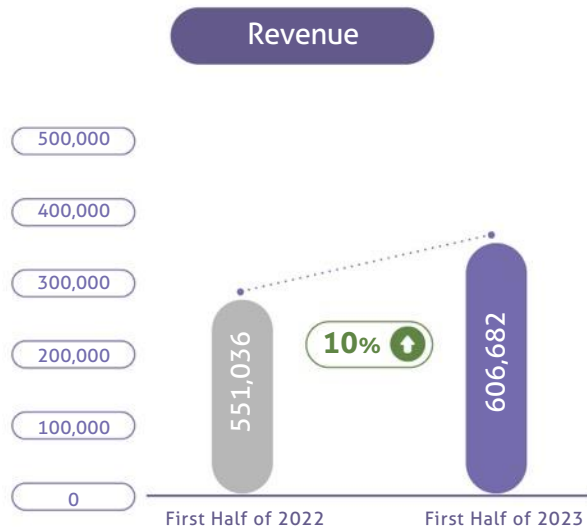
Income Statement Highlights



All figures are in (Thousands) SAR

*Not included right-of-use assets Depreciation

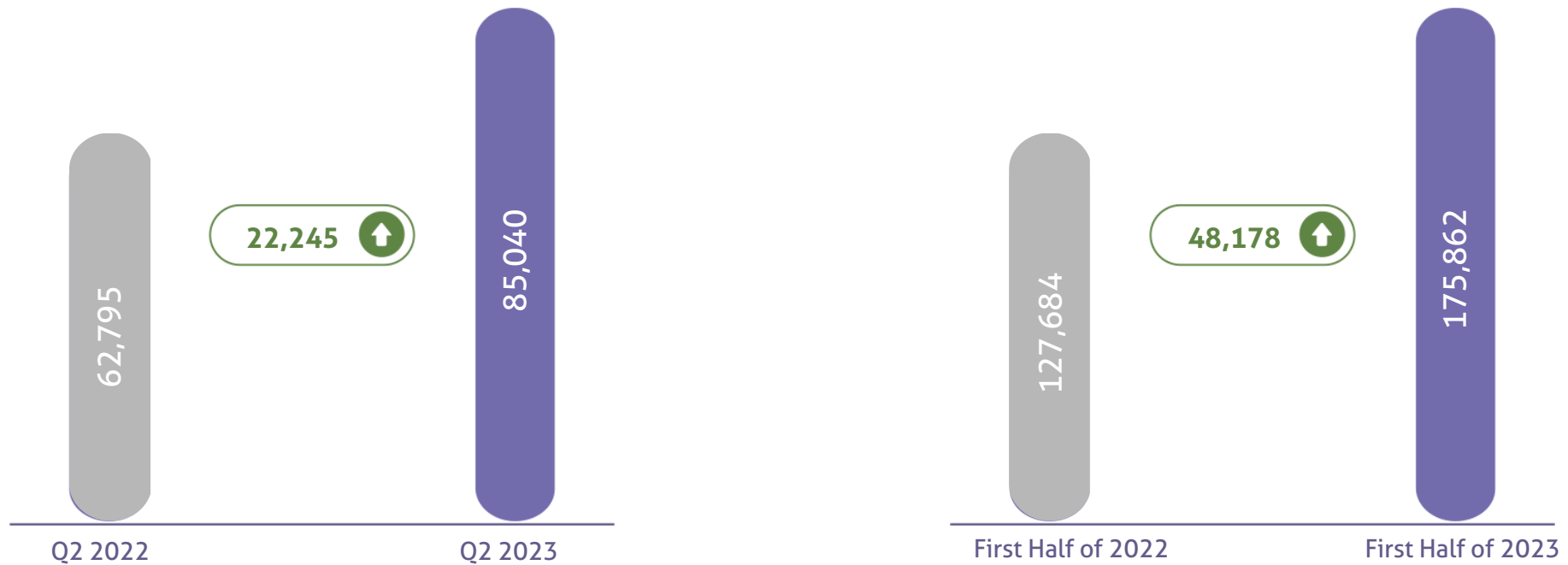
Income Statement Highlights – SEMIANNUAL2023



All figures are in (Thousands) SAR

*Not included right-of-use assets Depreciation

Net Profit



al arabia achieved a net profit of SAR **85.0** Million during the second quarter of the year 2023, with an increase rate of **35%** year on year (YOY). This increase is attributed to the growth in revenues from continuing operations by **12%**.

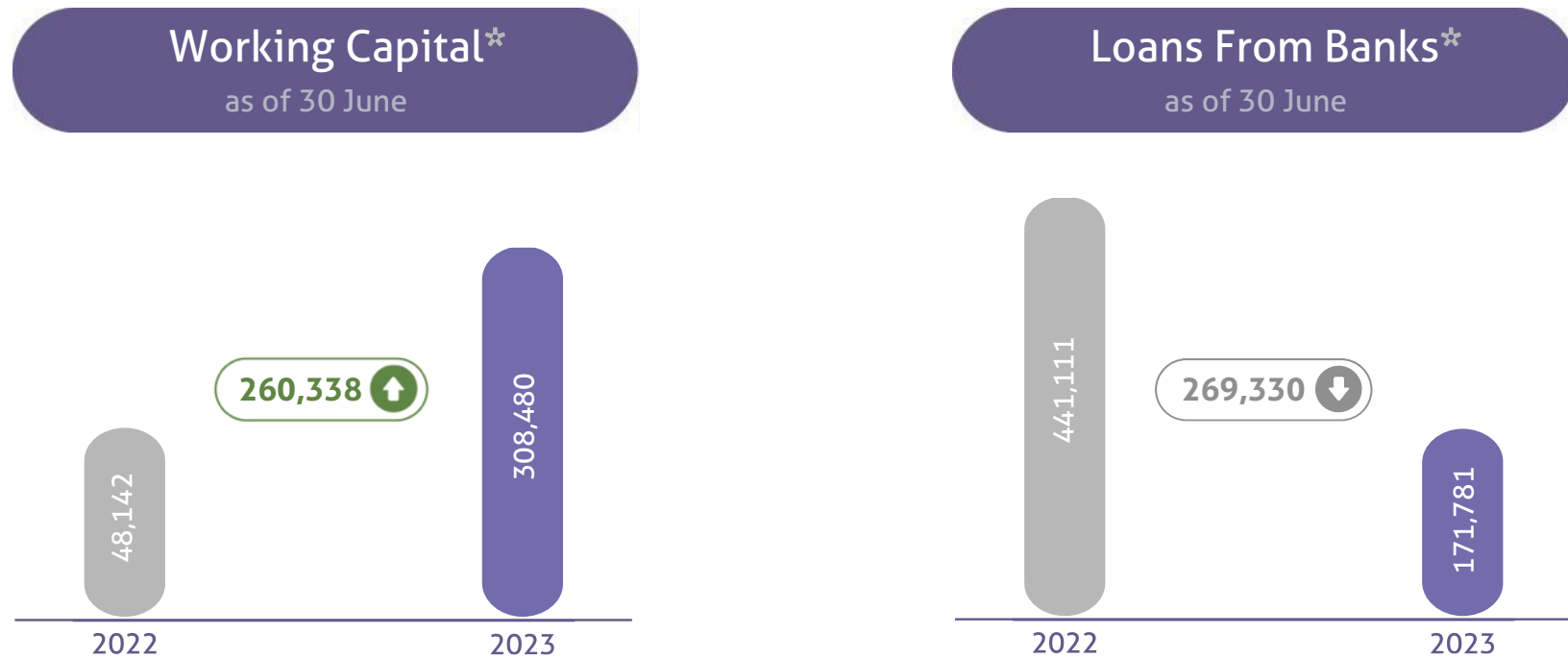
The reason behind the increase in revenues is due to the growth in revenues of the outdoor advertising segment by **12%**. This resulted from al arabia's continuity and its leadership in digital transformation operations. As this mainly contributed to the increase in the capacity of a larger segment of clients and advertisers. Furthermore, the entry of each of the Jeddah Season, Hajj, and Eid al-Adha had an impact on the increase in demand for advertising campaigns.

al arabia achieved a net profit of SAR **175.9** Million during the first half of the year 2023, with an increased rate of **38%** year on year (YOY), and this is due to the growth in revenues of the outdoor and indoor advertising segments by **9%** and **12%**, respectively, al arabia's continuity and its leadership in digital transformation operations also contributed to the increase in the capacity of a larger segment of clients and advertisers.

Despite the increase in the company's operating expenses by **19%** year on year (YOY), al arabia maintained an increase in the profit margin levels compared to the same period of the previous year, in alignment with what was mentioned in the guide upon IPO.

All figures are in (Thousands) SAR

Working Capital & Loans From Banks

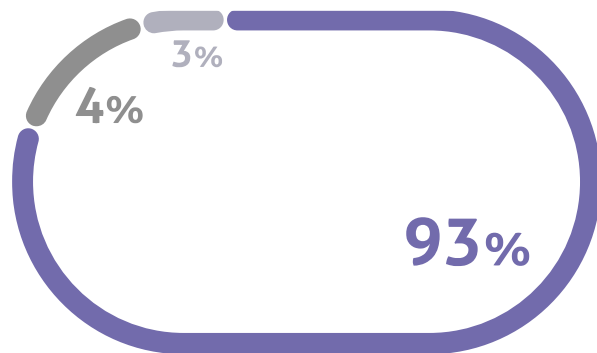


The working capital increased as of **June 30, 2023**, to **SAR 308.5 Million** compared to the same period of the previous year, this is due to the increase in trade receivables by 37% and the increase in cash and cash equivalents by 7%. Also, the decrease in short-term loans by 61% had an impact on this increase in working capital at the end of the period.

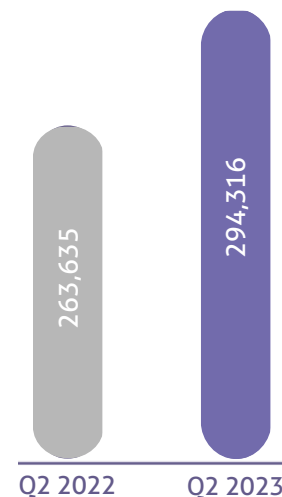
*Comparative figures for the period ended 30 June 2022, have been reclassified to conform to the current period's presentation and classification

All figures are in (Thousands) SAR

Revenue By Segment



- Outdoor Advertising
- Indoor Advertising
- Printing



The outdoor advertising revenues for **Q2 2023** amounted to **SAR 274.8 Million** compared to **SAR 244.8 Million** for the similar quarter of the previous year, with an increase of **12%**.

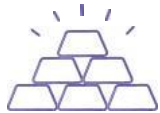
The Indoor advertising revenues for **Q2 2023** amounted to **SAR 12.2 Million** compared to **SAR 14.9 Million** for the similar quarter of the previous year, with a decrease of **18%**.

The printing revenues for **Q2 2023** amounted to **SAR 7.3 Million** compared to **SAR 3.9 Million** for the similar quarter of the previous year, with an increase of **88%**.

All figures are in (Thousands) SAR

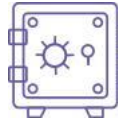
Other Financial Highlights

Financial Indicators as of 30 June 2023



CAGR– 2 Years

41.6%



ROAA

6%



ROAE

20%



ROR

29%



EPS

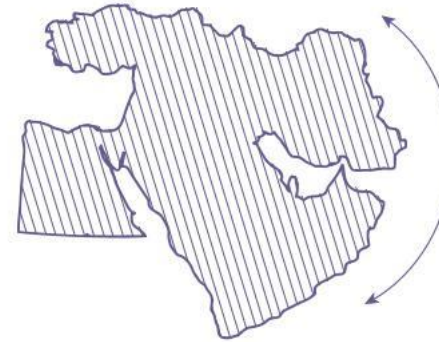
3.52 SAR



D/E

18%

Market Share



More than

62.3%

Foreign investor's ownership percentage

In less than **2** years of listing, the company's performance were attractive to local and foreign investors. Alarabia, has one of the highest percentages in QFI among the **9** other companies that were listed in **2021**.

ALARABIA RANKED

11th

PLACE by Revenue

* Largest Outdoor Advertising companies Worldwide in **2017** by revenue in million USD 'Statista.com'

THANK YOU

Investor Relations

Rate Card

