

Earnings Release

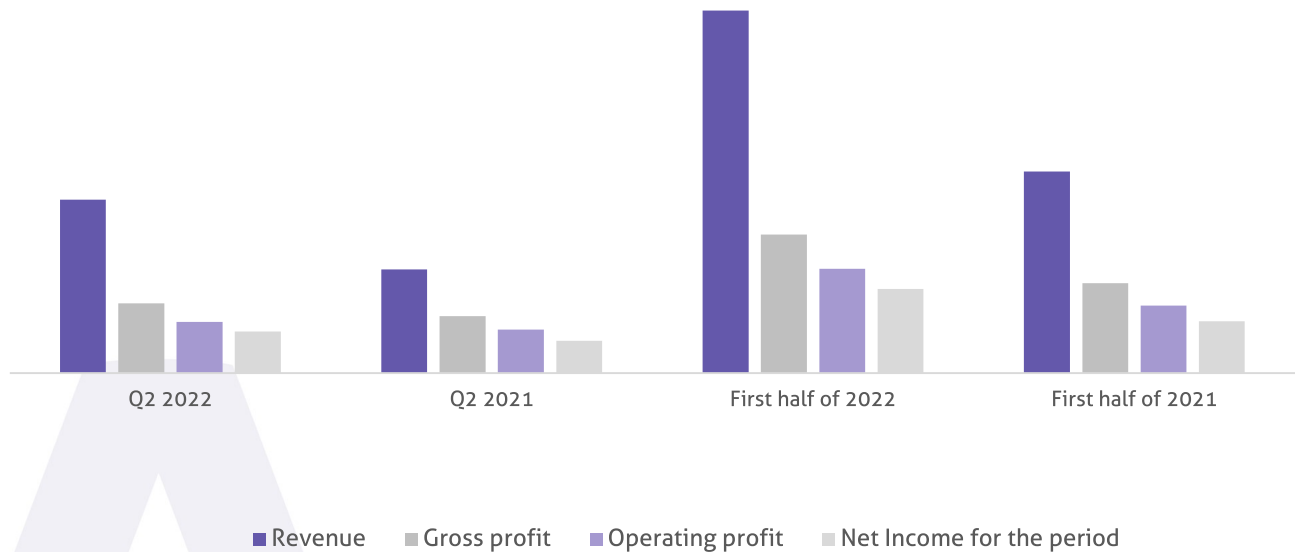
For the period ended 30 June 2022



Arabian Contracting Services Co. achieved a net profit of SAR 127.7 million during the first half of 2022, with a growth of 63% compared to the same period of the last year.

Condensed Interim Consolidated Financial Result Summary for The Period Ended on 30 June:

Item All figures are in (Thousands) SAR	For the three months			For the six months		
	2022	2021	Change%	2022	2021	Change%
Revenue	263,635	157,528	%67	551,036	306,109	%80
Gross Profit	105,956	86,075	%23	210,415	136,198	%54
Operating profit	77,557	65,945	%18	158,272	102,595	%54
Net Income for the period ¹	62,795	48,943	%28	127,684	78,568	%63
Earnings per share ²	1.26	0.98	%29	2.55	1.57	%62



¹ The net profit for the shareholders of Arabian Contracting Services Co. excluding the subsidiaries.

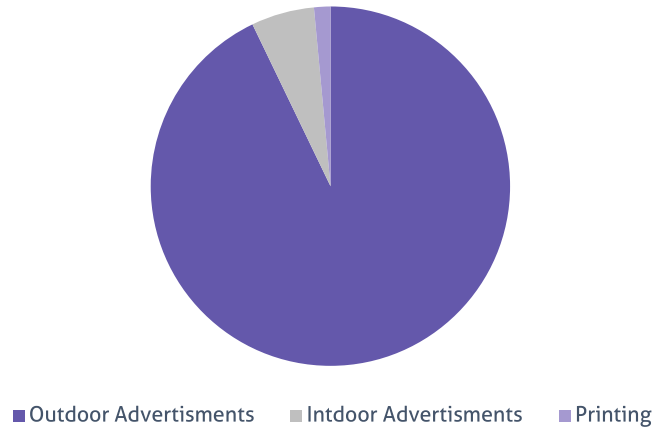
² EPS is calculated by dividing the profit attributable to the shareholders of the Arabian Contracting Services Co. excluding the subsidiaries by the average number of shares of 50 million shares.

Financial Results Analysis for The Period Ended on June 30 2022:

Revenues:

Arabian Contracting Services Co. achieved during the current quarter a positive growth in revenues, as it increased from SAR 157.5 million to SAR 263.6 million by 67% compared to the same quarter of the last year, in addition to the continuing revenues growth of the outdoor advertising sector by 65%, Indoor advertising sector by 141% and printing sector by 27% for the same period.

Operational Sectors



- Outdoor Advertisements:

The outdoor advertising revenues for the second quarter of 2022 amounted to SAR 244.8 million compared to SAR 148.3 million for the same quarter of the last year, an increase of 65%. It also amounted to SAR 511.6 million during the first half of 2022 compared to SAR 290.0 million for the same period, with an increase of 76%, and the outdoor advertisements had the largest percentage of the company's revenues, since outdoor advertisements represents the main activity of the company, as they constituted 93% of the total revenues for the period.

- Indoor Advertisements:

The Indoor advertising revenues for the second quarter of 2022 amounted to SAR 14.9 million compared to SAR 6.2 million for the same quarter of the last year, with an increase of 141%. It also amounted to SAR 31.6 million during the first half of 2022 compared to SAR 10.4 million for the same period of the last year, with an increase of 205%.

- Printing:

The printing revenues for the second quarter of 2022 amounted to SAR 3.9 million compared to SAR 3.0 million for the same quarter of the last year, with an increase of 27%. It also amounted to SAR 7.8 million during the first half of 2022 compared to SAR 5.7 million for the same period of the last year, with an increase of 36%.

Selling and Marketing Expenses:

The selling and marketing expenses for the second quarter of 2022 increased by 17% compared to the same quarter of the last year, the increase in the selling and marketing expenses comes with the growth in revenues of the second quarter of 2022.

General and Administrative Expenses:

The general and administrative expenses for the second quarter of 2022 increased by 57% compared to the same quarter of the last year, this is due to the increase in the company's expenses resulting from the consolidation of the financial statements with the new subsidiaries, in addition to the new appointments after the listing on the Saudi Stock Exchange (Tadawul).

Finance Cost:

The increase rate in financing costs for the first half of 2022 was 167% compared to the same period of the last year, this is due to the increase in lease liabilities by 179% as a result of the expansion of the company's activity to include an increase in advertising spaces and sites, in addition to an increase in interest rate, loans and bank facilities. Whereas loans and bank facilities grew by 49%, as financing to pay the rents for the billboards sites.

Net Profit:

Arabian Contracting Services Co. achieved an increase in its net profits for the current quarter by 28% compared to the same quarter of the last year, this is due to the increase in advertising and marketing spending by customers, reflecting this spending as a result of the recovery from the global pandemic (Covid-19) and the lifting of restrictions related to it. In addition, the decrease in Zakat expenses by 4% and other expenses by 94% in the same quarter had a positive impact on this increase.

Working Capital:

The working capital for the first half of 2022 has decreased from SAR 129.7 million to SAR 50.5 million compared to the same period of the last year at a rate of 61%. This is due to an increase in the loans and bank facilities by 86% and an increase in the lease liabilities – Current portion by 19%, the reasons for this raise in current liabilities are attributed to financing the expansion of Arabian Contracting Services Co. in its activities and increasing its advertising space and sites, as revenues during the first half of 2022 increased by 80% compared to the same period of the last year.

The Statement of Cash Flows for The Period Ended on June 30, 2022 (Six Months):

-The net cash flow available from operational activities increased from SAR 110.5 million to SAR 135.7 million, with a value of SAR 25.2 million, with an increase of 23% compared to the same period in the last year.

-The net cash flow used in investing activities decreased from negative cash flows amounted to SAR 38.2 million to negative cash flows amounted to SAR 17.6 million, with a value of SAR 20.6 million, with a decrease percentage of 54% compared to the same period in the last year, this is due to the decrease in the company's purchase rate for property, plants and equipment, as well as the high rate of proceeds from the sale of property and equipment, in addition to the company's spending on tangible assets during the period.

-The net cash flow used in financing activities increased from negative cash flows amounted to SAR 53.5 million to negative cash flows amounted to SAR 197.3 million, with a value of SAR 143.8 million, with an increase of 269% compared to the same period in the last year, this is due the increase in the rate of repayment of short-term loans at a rate of 114%, in addition to the distribution of cash dividends to shareholders during the second quarter of 2022, amounted to SAR 93 million. At a rate of 1.86 riyals/shares.

Important Events:

- Signing of an agreement with Elan Media Advertising LLC. For Arabian Contracting Services Co. to become the exclusive agent for advertisements in the FIFA World Cup 2022, which is held in Qatar.
- Signing of an agreement with Elevision Media for Arabian Contracting Services Co. to become the exclusive agent for advertisements in DIFC and its affiliated areas and roads for 7 years.

The CEO, Mr. Mohamed AlKhereiji, stated: the achieved figures met our expectations that were mentioned in the guideline at the time of the initial public offering, which demonstrates the company's commitment to the direction set by its management and the Board of Directors. We still expect our Saudi market to grow further, where it is the main market for us, and beyond a doubt, many factors will help the company and contribute to the growth and expansion of this market. Mr. Mohamed AlKhereiji added that Arabian Contracting Services Co. seeks to invest in different industries and businesses that will benefit from our advertising spaces, with the availability of sufficient stock we already have, as part of it used in the social responsibility advertisements.

About Al-Arabia:

Arabian Contracting Services Company (the "Company") is a Saudi Joint Stock company, registered in Riyadh, Kingdom of Saudi Arabia on 18 Jumada Alula 1403H (corresponding to March 3, 1983) under Commercial Registration number 1010048419. Its shares were listed in the Saudi Stock Exchange on November 15, 2021.

The main activities of the Group are the general construction of residential buildings, casting bases and foundations, installing electrical wires, constructing bridges, tunnels, railway lines, roads, sidewalks and roads' supplies, installing communication wires, printing commercial correspondences and invoices, printing advertisements, posters and flyers, Photo engraving on metal or plastic plates (zinc graph), printing using copiers, wholesale of gifts and luxuries, advertising organizations and agencies and organizing / managing exhibitions and conferences.

Arabian Contracting Services Co. has led the outdoor advertising sector in the Kingdom of Saudi Arabia for the past 40 years, as it introduced the latest technologies and advertising means to the local market. Arabian Contracting Services Co. is also considered one of the main influential parties in the Saudi advertising sector through its strategy to continue modernizing its products and providing its services. Taking into consideration, Arabian Contracting Services Co. controls 62% of the market size in outdoor advertising and more than 23% of the market share in the advertising sector as a whole. This is not only locally, but even globally, Arabian Contracting Services Co. is the 12th largest in the world in terms of revenues, the company's capital is 500 million Saudi riyals, divided into 50 million shares, and the value of each share is 10 Saudi riyals

Interim Condensed Consolidated Financial Statements
All figures are in (Thousands) Saudi Arabia, Riyals

Financial Position	As of 30 June 2022	As of 30 June 2021
Non-Current Assets	1,774,837	800,585
Current Assets	953,462	706,416
Total Assets	2,728,299	1,507,001
Shareholders' Equity	765,963	604,985
Non-Controlling interests	1,459	-
Non-Current Liabilities	1,057,962	325,291
Current Liabilities	902,915	576,725
Total Shareholders' Equity and Liabilities	2,728,299	1,507,001

Profit or Loss and Other Comprehensive Income (For the six months ended)	On 30 June 2022	On 30 June 2021
Revenue	551,036	306,109
Cost Of Revenue	(340,621)	(169,911)
Gross Profit	210,415	136,198
Selling and marketing expenses	(21,388)	(13,435)
General and administrative expenses	(30,755)	(20,168)
Operating Profit	158,272	102,595
Other expenses	(1,101)	(11,297)
Finance cost	(23,459)	(8,800)
Net profit for the period before zakat	133,712	82,498
Zakat	(5,318)	(3,930)
Net Income for the period	128,394	78,568
Profit for the period attributable to:		
Equity holders of the parent	127,684	78,568
Non-Controlling interests	710	-

Cash Flow (For the six months ended)	On 30 June 2022	On 30 June 2021
Net cash flows from operating activities	135,727	110,484
Net cash used in investing activities	(17,600)	(38,205)
Net cash used in financing activities	(197,294)	(53,540)
Net change in cash and cash equivalents during the period	(79,167)	18,739
Cash and cash equivalents at the beginning of the year	189,909	26,585
Cash and cash equivalents at the end of the period	110,742	45,324

Rate Card



Investor Relations



www.al-arabia.com



[alarabia_oooh](https://twitter.com/alarabia_oooh)



[alarabia_oooh](https://www.instagram.com/alarabia_oooh)



IR@al-arabia.com



[Alarabia OOH](https://www.linkedin.com/company/Alarabia-OOH)



0112716916