

# Earnings Presentation

FY2023



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# al arabia Chairman & CEO



**ABDULELAH AL-KHEREIJI**  
CHAIRMAN

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



**MOHAMMED 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.

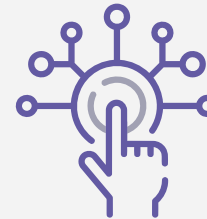


## TRANSFORMATION

**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 **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



al arabia  
Strategy



Key  
Highlights



Financial  
Performance



# 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



سنة 40 YEARS

ضمان  
GUARANTEE PROJECTS



## Key Highlights

Arabian Contracting Services Company



# Key Highlights FY2023

## Riyadh Project

Signing a Contract

## KKIA Project

Signing a Contract

## Faden Media

Completion the Acquisition

## SCAI

Signing a Consortium

## Quality of Life Program

Signing a Memorandum of Cooperation

## Jabal Omar Project

Signing a Contract

## Boulevard World Project

Signing a Contract

## Egypt

Signing Contracts

## Dubai

Signing a Contract

## +1800 Commercial Campaigns

Campaigns

## 89% Digitalization Rate

Rate

## 5,417 Billboards

KSA - Based on Contracts

## 37,282

## Faces

KSA - Based on Contracts

## 26

## Sponsored

CSR Campaigns

# Key Highlights



The number of new contracts during  
**2023**

## Kingdom of Saudi Arabia

Region (Outdoor)	Number of Contracts	Number of Billboards	Contracts Value *
Western Region	1	25	1,782
Eastern Region	3	6	51,610
Central Region	2	1,447	14,479,520
Northern Region	2	21	1,957
<b>Total</b>	<b>8</b>	<b>1,499</b>	<b>14,534,869</b>

Region (Indoor)	Number of Contracts	Number of Billboards	Contracts Value *
Western Region	5	179	16,000
Central Region	1	525	1,822,463
<b>Total</b>	<b>6</b>	<b>704</b>	<b>1,838,463</b>

\* Figures are in (Thousands) SAR

### Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	1,499
Indoor	704

### Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	2,158
Static	45

# Key Highlights



## The number of new contracts during 2023

(as of 31 Dec 2022) with some amendments on the number of billboards in the contracts and with a new indoor contract

### Egypt

Region (Outdoor)	Number of Contracts	Number of Billboards	Contracts Value*
Cairo	9	54	482,850
Giza	1	1	8,253
The North Coast (City of EL Alamein)	1	12	33,350
<b>Total</b>	<b>11</b>	<b>67</b>	<b>524,453</b>

Region (Indoor)	Number of Contracts	Number of Billboards	Contracts Value*
Cairo	1	6	2,250
Giza		578	6,000
Alexandria		11	3,750
<b>Total</b>	<b>1</b>	<b>595</b>	<b>12,000</b>

\* Figures are in (Thousands) EGP

#### Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	67
Indoor	595

#### Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	60
Static	602

# Key Highlights



The number of new contracts during  
**2023**

## United Arab Emirates

Region (Outdoor)	Number of Contracts	Number of Billboards	Contracts Value*
Dubai	1	75	5,508
<b>Total</b>	<b>1</b>	<b>75</b>	<b>5,508</b>

\* Figures are in (Thousands) UAE

### Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	75
Indoor	0

### Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards*
Digital	75
Static	75

\* The contract including 75 billboards, which billboard have two screens, one digital and the other static.

# Billboards and Faces (As Contracts)

Billboards and Faces Updated Until 31 December 2023

TYPE	Number of Billboards			Number of Faces		
	Saudi Arabia	UAE*	Egypt	Saudi Arabia	UAE*	Egypt
Digital	3,306	75	60	33,060	750	600
Static	2,111	75	602	4,222	75	1,204
<b>Total</b>	<b>5,417</b>	<b>75</b>	<b>662</b>	<b>37,282</b>	<b>825</b>	<b>1,804</b>

**89%**  
DIGITALIZATION



\* The contract including 75 billboards, which billboard have two screens, one digital and the other static.

# Current Projects

Arabian Contracting Services Company

# Signing Al-Riyadh Project Contract



The largest investment contract globally within the outdoor advertising industry.



The contract duration is **10** years.



The number of billboards is up to **3,000** fully digital billboards.



**4** Revenue Streams.



The project methodology constants net revenue sharing or the annual minimum guarantee - whichever is higher.



Deducting **5%** of the project's income to finance the initiatives that focused on improving the urban landscape, developing infrastructure, and enhancing municipal real estate in Riyadh City.

# Signing King Khaled International Airport Contract

CONTRACT  
**10**  
YEARS

The contract duration is **10** years.



The number of billboards is **525** fully digital billboards.



The project methodology constants net revenue sharing or the annual minimum guarantee - whichever is higher.



In the initial year, the project methodology involves net revenue sharing only, in subsequent years, it will be either net revenue sharing or the annual minimum guarantee - whichever is higher.



# Faden Media Acquisition



The acquisition value is SAR **1,050,000,000**.



Increasing and enhancement the market share.



Expanding the advertising network in the western region.



The completion of the full acquisition of Faden Media.

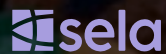
Awarded two projects offered by Ramat Al-Riyadh Company for establishing, operating, and maintaining advertising billboards on the facades of 3 buildings in various sites of Riyadh City for a duration of 10 years each, the first project is valued at SAR 430,000,000, while the second project is valued at SAR 501,500,000.

Awarded two projects offered by Ramat Al-Riyadh Company for establishing, operating, and maintaining advertising posters on a combined total of 500 public taxis or buses for a duration of 2 years each, the first project is valued at SAR 6,840,000, while the second project is valued at SAR 5,795,000.

# Signing Boulevard World Project Contract



Boulevard World is one of the entertainment areas in Riyadh City that includes various experiences from 10 countries around the world, also includes the largest artificial lake, and it is one of the areas affiliated with the Riyadh Season activities with a capacity of up to 3,000 visitors each hour.



Offered by Sela Company.



The project's duration is **3 years**.



The number of billboards is 99 fully digital billboards.



The project methodology is sharing a percentage of the value of the financial returns (net revenue and marketing).

# Signing Jabal Omar Project Contract



Jabal Omar project is considered one of the most significant integrated real estate development projects and investments in Makkah which aims to develop and manage areas overlooking the sacred precinct and contribute to their revitalization.

Offered by Jabal Omar Development Company.



The project's duration is **5 years**.



The number of billboards is 45 fully digital billboards, in addition to 5 promotional spaces.



The project methodology is sharing a percentage of the income generated from billboards and promotional spaces.

# Signing Masar Masterplan Agreement



Masar Makkah is one of the major development projects in Makkah Al-Mukarrama and it aims to create destinations with a civilized and exemplary design, considering the culture and authenticity of the Holy City of Makkah to become a main gateway route leading to the Holy Mosque in Makkah.

Offered by Umm Al Qura Development and Construction Company.



The contract duration is 15 years.



The number of billboards is 315 fully digital billboards.



In the initial 4 years, the project methodology involves sharing a percentage of the generated revenue; in subsequent years, it will be either sharing a percentage of the generated revenue or the annual minimum guarantee -whichever is higher.

The total minimum guarantee amount is SAR 252,612,655 distributed progressively over 11 years.

# Establishing of Al Arabia OOH Digital Company in UAE



Al Arabia OOH Digital Company is jointly owned by Al-Arabia Out of Home Advertising Company (a subsidiary owned 100% by Arabian Contracting Services Co.) with 60% ownership, Mawaqie Company (a Saudi Company) with 10% ownership and an Emirati partner with 30% ownership.



Signing a contract to grant the rights to install, operate, and maintain advertising billboards in Dubai City.



Offered by the Roads and Transport Authority (RTA) in Dubai City.



The contract's duration is **10 years and 5 months**.



The number of billboards is **294 billboards**.

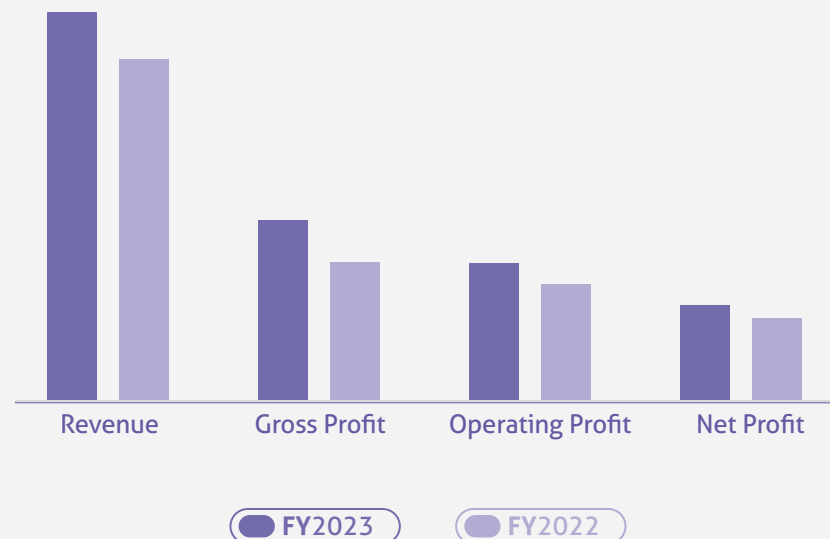
A person is walking away from the camera in a long, brightly lit hallway. The walls are covered in a dense grid of small, glowing data points and charts, creating a complex, abstract pattern. The lighting is a mix of warm and cool tones, with a strong blue glow emanating from the wall on the right. The overall atmosphere is futuristic and data-driven.

# Financial Performance

# Income Statement Highlights

Key Figures (SAR Thousand)	FY2023	FY2022	Change (%)
Revenue	1,279,860	1,126,182	14% ↑
Gross Profit	598,171	486,989	23% ↑
Operating Profit	451,767	383,960	18% ↑
Net Profit	318,237	274,700	16% ↑
*Adjusted Net Profit	320,451	308,146	4% ↑

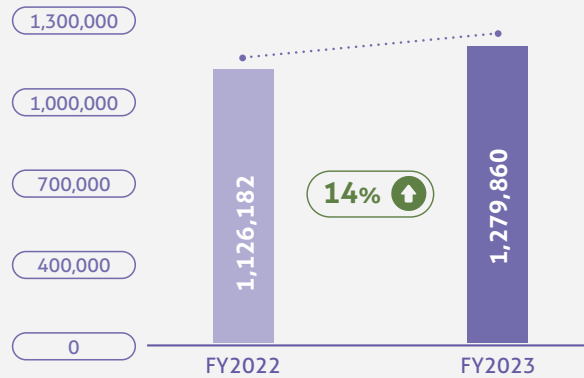
\* Profit after adding the one-offs during the period.



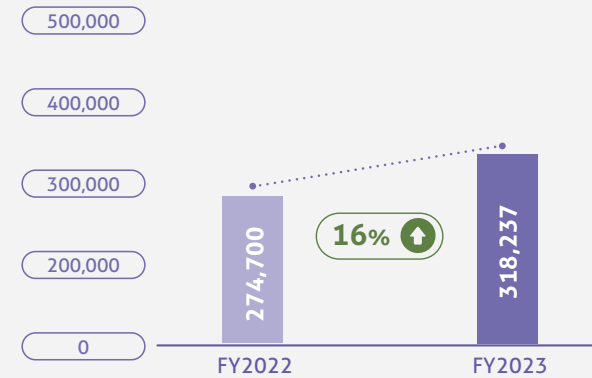
All figures are in (Thousands) SAR

# Income Statement Highlights

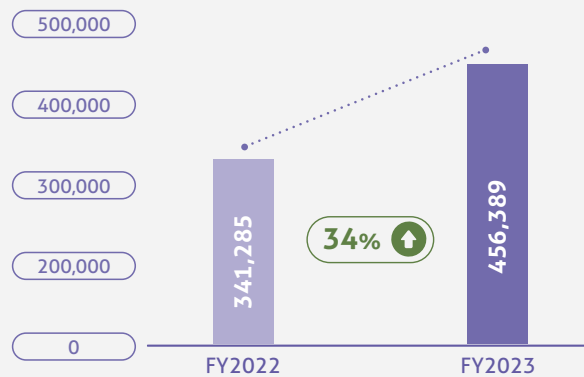
## Revenue



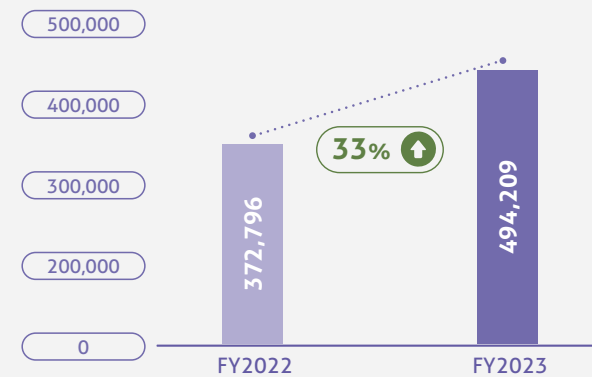
## Net Profit



## EBIT



## EBITDA\*



All figures are in (Thousands) SAR

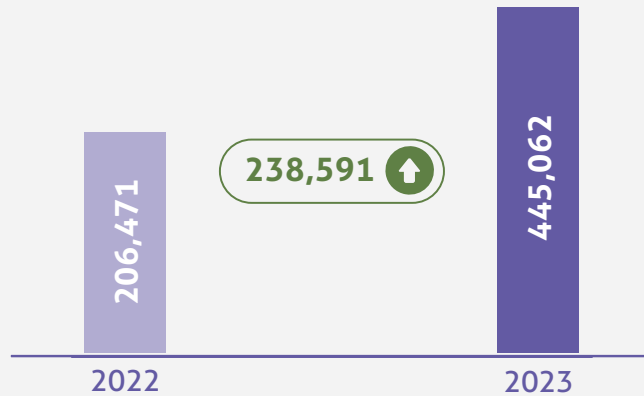
\*Not included right-of-use assets Depreciation



# Working Capital & Loans From Banks

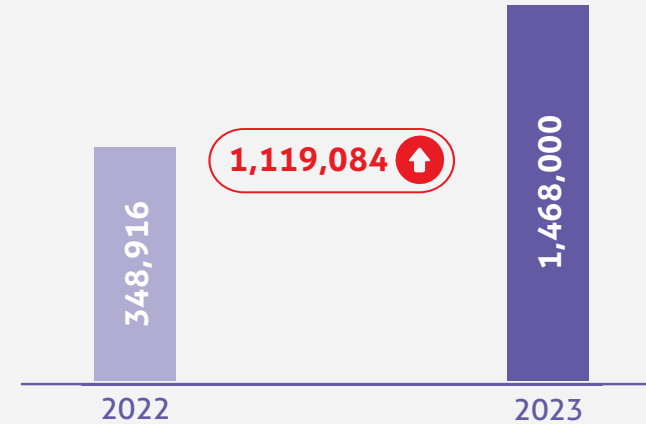
## Working Capital

as of 31 Dec



## Loans From Banks

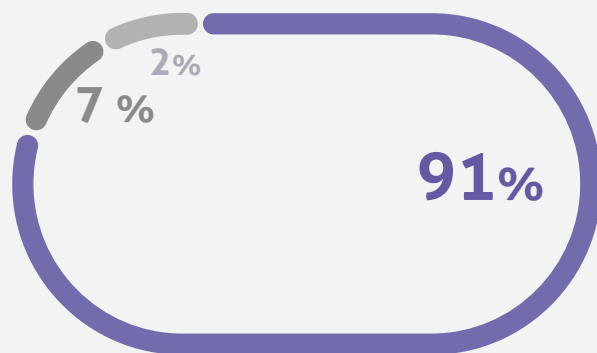
as of 31 Dec



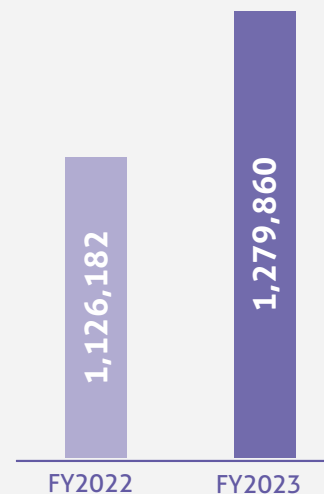
The working capital increased as of **Dec 31, 2023**, to SAR **445.1** Million compared to the previous year, this is due to the increase in trade receivables by **33%**, prepaid expenses & other current assets by **136%**, and cash and cash equivalents by **51%**.

All figures are in (Thousands) SAR

# Revenue By Segment



- Outdoor Advertising
- Indoor Advertising
- Printing



The outdoor advertising revenues for **FY2023** amounted to SAR **1.164** Billion compared to SAR **1.046** Billion for the previous year, with an increase of **11%**.

The Indoor advertising revenues for **FY2023** amounted to SAR **89.3** Million compared to SAR **59.8** Million for the previous year, with a increase of **49%**.

The printing revenues for **FY2023** amounted to SAR **26.6** Million compared to SAR **20.0** Million for the previous year, with an increase of **33%**.

All figures are in (Thousands) SAR

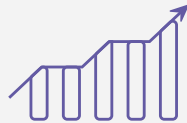
# Other Financial Highlights

## Financial Indicators as of 31 December 2023



**EBIT %**

36%



**EBITDA %**

39%



**ROAA**

8.85%



**ROAE**

33%



**EPS**

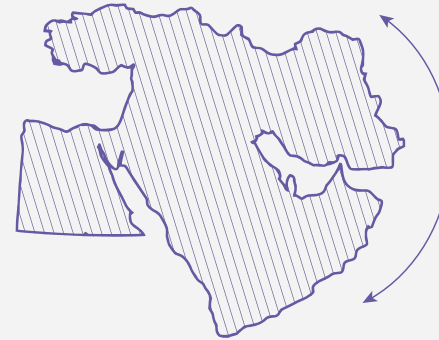
6.36 SAR



**D/E**

132%

## Market Share



More than  
**62.3%**

## Foreign investor's ownership percentage

During 2 years of listing, the company's performance were attractive to local and foreign investors. al arabia, has one of the highest percentages in QFI among the 9 other companies that were listed in 2021.

ALARABIA RANKED

**11<sup>th</sup>**

PLACE by Revenue

\* Largest Outdoor Advertising companies Worldwide in 2017 by revenue in million USD [Statista.com](#)

# Other Financial Highlights

al arabia is committed to transparency and wishes to address any inquiries relating to the effects of recently executed contracts on the company's performance and investor outlook. It is crucial to understand that these are forward-looking statements, which by their nature are uncertain and outside of the company's control. Although these forward-looking statements are based on management's current expectations and beliefs, actual results may vary in a material way.

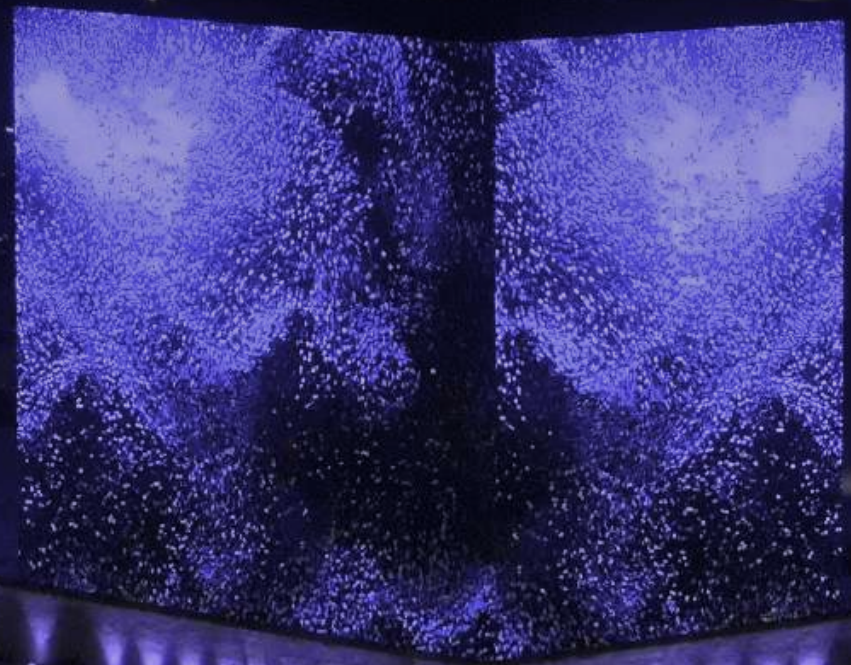
To ensure shareholders are well-informed, regular updates will be well-appointed, providing the most precise information available. al arabia maintains its dedication to disclosure and transparency to foster a fair market environment.

## Guidance

ITEM	FY2024
CAPEX	SAR 300 Million
Gross Profit Margin	28 - 34 %
Net Income Margin	14 - 17%
Revenue Growth	30 - 40%
EBITDA	22 - 25 %
Number of additional billboards	250 - 300

ITEM	FY2025	FY2026
CAPEX	SAR 300 - 500 Million	SAR 200 - 300 Million
Gross Profit Margin	30 - 35 %	30 - 35 %
Net Income Margin	15 - 20 %	15 - 20 %
Revenue Growth	15 - 20 %	10%
Number of additional billboards	100-150	100-150

# THANK YOU



Rate Card



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