

Earnings Presentation

Q3, 2023

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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.

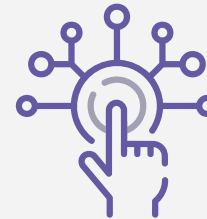


TRANSFORMATION

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
DHAMAN PROJECTS



Key Highlights

Arabian Contracting Services Company

Key Highlights Q3,2023

Egypt

Signing a Contract

Dubai

Signing a Contract

+325

Commercial

Campaigns

70%

Digitalization

Rate

5,157

Billboards

Based on contracts

23,930

Faces

Based on contracts

10

Sponsored

CSR Campaigns

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 greater.

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.



Key Highlights



The number of new contracts during
Nine Months of 2023

Kingdom of Saudi Arabia

Region	Number of Contracts	Number of Billboards	Contracts Value *
Western Region	1	25	1,782
Eastern Region	3	6	51,494
Central Region (Qassim)	1	12	20,520
Northern Region	2	21	1,957
Total	7	64	75,753

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	64
Indoor	123

Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	178
Static	9

Key Highlights



The number of new contracts during
Nine Months of 2023
 (as of 31 Dec 2022) with some amendments on the contract

Egypt

Region	Number of Contracts	Number of Billboards	Contracts Value* (Egyptian Currency)
Cairo	9	54	482,850
Giza	1	1	8,253
The North Coast (City of El Alamein)	1	12	33,350
Total	11	67	524,453

* Figures are in (Thousands)

Distribution of billboards to the place of advertisement

Place of Advertisement	Number of Billboards
Outdoor	67
Indoor	0

Distribution of billboards according to the method of operation

Method of Operation	Number of Billboards
Digital	32
Static	35

Key Highlights



The number of new contracts during
Nine Months of 2023

United Arab Emirates

Region	Number of Contracts	Number of Billboards	Contracts Value* (UAE Currency)
Dubai	1	75	5,508
Total	1	75	5,508

* Figures are in (Thousands)

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 30 September 2023

TYPE	Number of Billboards			Number of Faces		
	Saudi Arabia	UAE*	Egypt	Saudi Arabia	UAE*	Egypt
Digital	1,722	75	32	16,805	750	320
Static	3,435	75	35	7,125	75	70
Total	5,157	75	67	23,930	825	390

70%
DIGITALIZATION



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

A person is walking away from the camera in a long, narrow hallway. The walls are covered in a grid of small, square perforations, creating a textured, metallic appearance. The lighting is dim, with a soft glow emanating from the left side, possibly from a light fixture or a window. The overall atmosphere is modern and architectural.

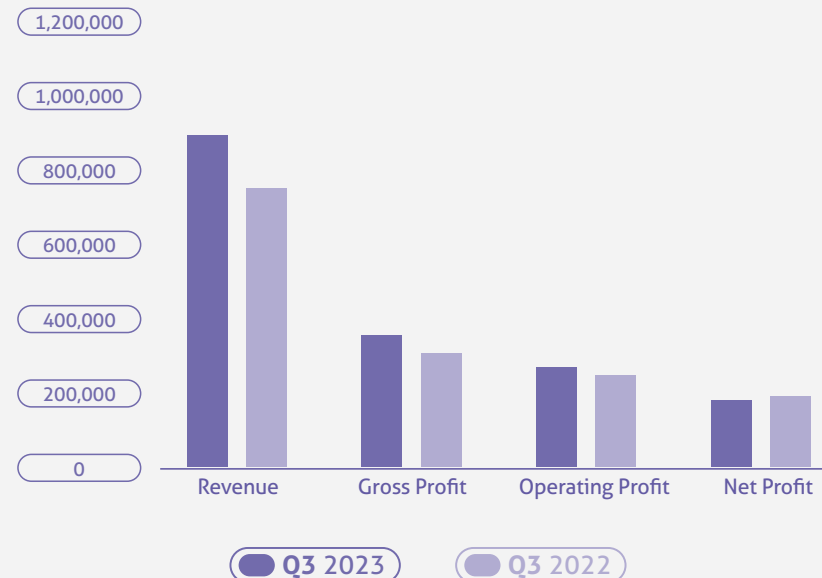
Financial Performance

Arabian Contracting Services Company

Income Statement Highlights

Key Figures (SAR Thousand)	Q3 2023	Q3 2022	Change (%)
Revenue	303,993	257,719	18% ↑
Gross Profit	123,140	106,052	16% ↑
Operating Profit	92,964	85,490	9% ↑
Net Profit	62,934	65,889	-4% ↓
*Adjusted Net Profit	63,050	67,313	-6% ↓

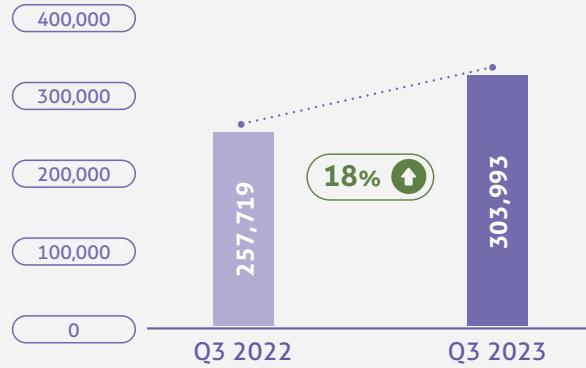
* Profit after adding the one-offs during the period.



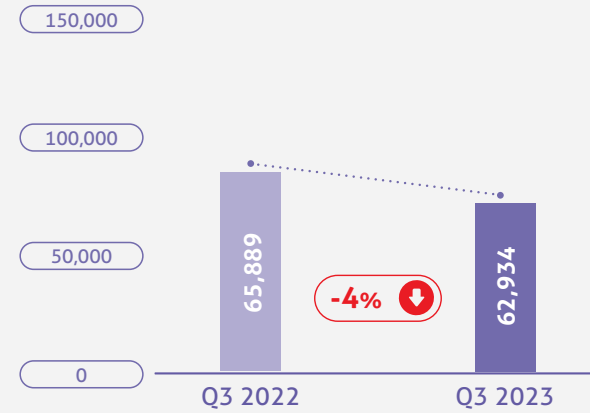
All figures are in (Thousands) SAR

Income Statement Highlights

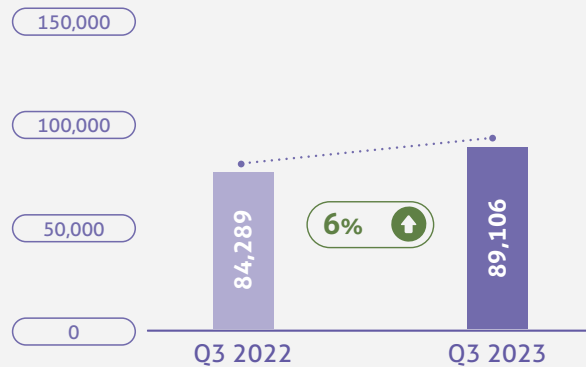
Revenue



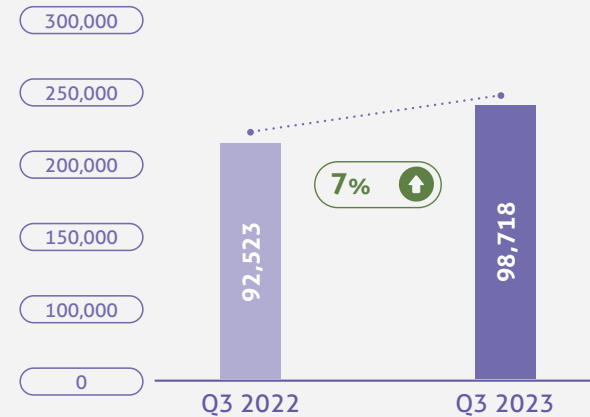
Net Profit



EBIT



*EBITDA

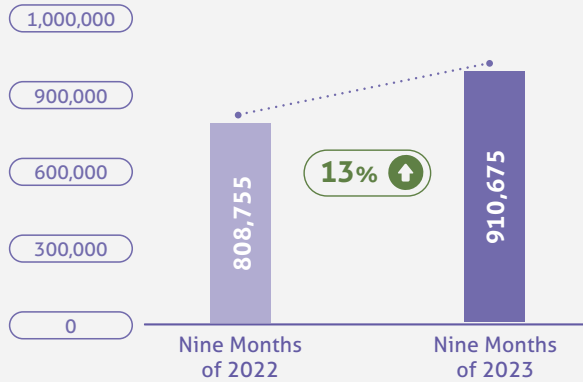


All figures are in (Thousands) SAR

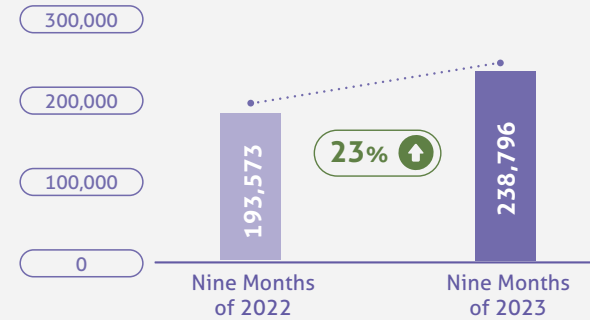
*Not included right-of-use assets Depreciation

Income Statement Highlights

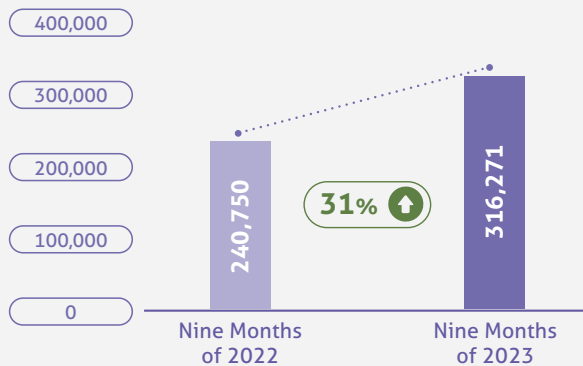
Revenue



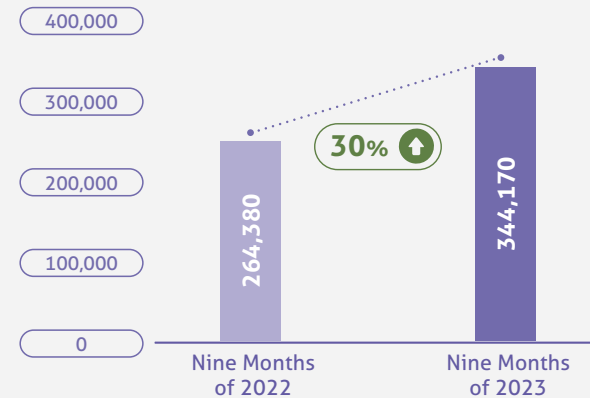
Net Profit



EBIT



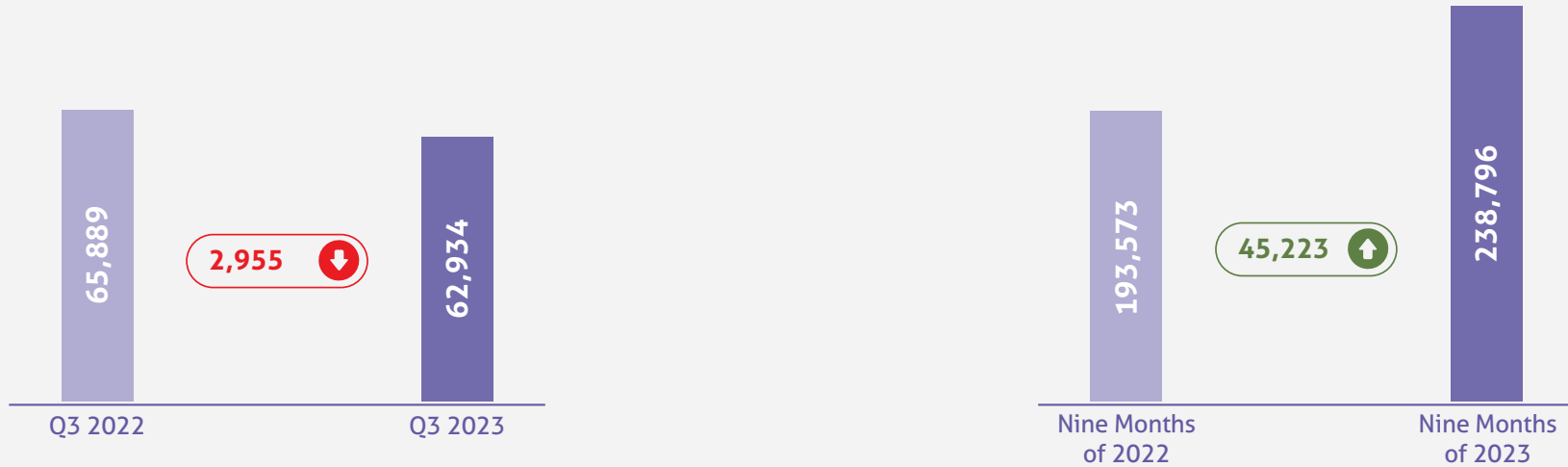
*EBITDA



All figures are in (Thousands) SAR

*Not included right-of-use assets Depreciation

Net Profit



Arabian Contracting Services Co. recorded a net profit after zakat and tax amounting to SAR **62.9** Million during the third quarter of the year **2023**, with a decrease of **4%** (YoY) compared to the same quarter of the previous year.

The reason behind the decrease in net profit is due to the increase in operating expenses by **47%** (YoY) compared to the same quarter of the previous year. This is mainly due to the increase in professional fees related to completing the full acquisition of Faden Media, in addition to the increase in financing costs (YoY) compared to the same quarter of the previous year, as a result of an increase in both financing interest expenses from short-term loans and right-of-use by **52%** and **51%**, respectively, and this is due to the increase in interest rates.

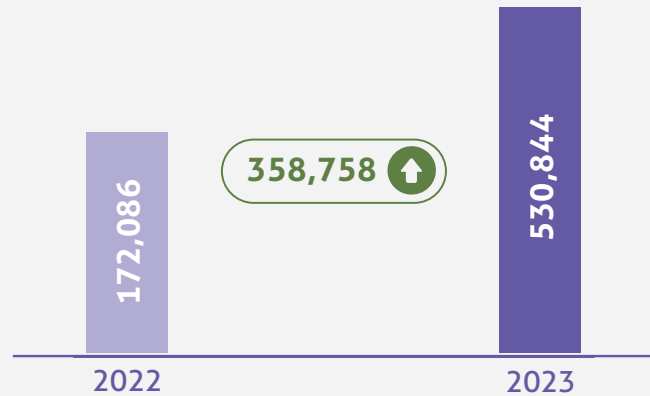
Arabian Contracting Services Co. achieved a net profit of SAR **238.8** Million during the first nine months of the year **2023**, with an increase of **23%** (YoY) compared to the same period of the previous year.

Additionally, the revenues of the outdoor and indoor advertising sectors recorded a growth of **12%** and **5%**, respectively compared to the same period of the previous year, this reflects al arabia's continuity in the digital transformation of advertising assets, which in turn contributed to an increase the capacity to accommodate more advertisers.

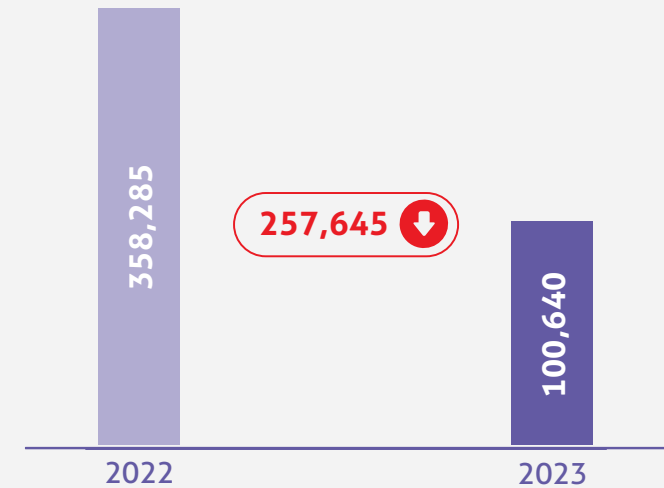
All figures are in (Thousands) SAR

Working Capital & Loans From Banks

Working Capital as of 30 Sep



Loans From Banks as of 30 Sep

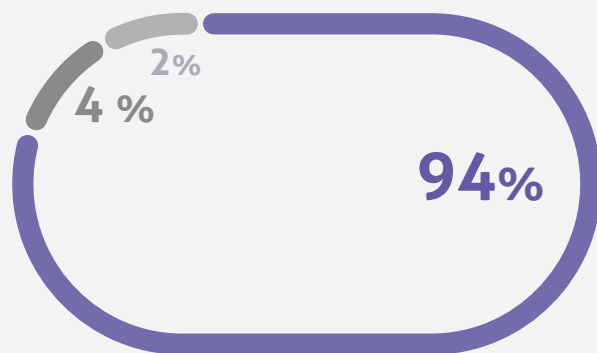


The working capital increased as of Sep 30, 2023, to SAR 530.8 Million compared to the same period of the previous year, this is due to the increase in trade receivables by 39%. Also, the decrease in short-term loans by 72% had an impact on this increase in working capital at the end of the period.

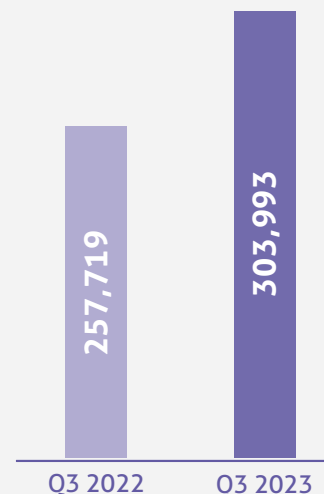
*Comparative figures for the period ended 30 Sep 2022, have been reclassified to conform to the current period's presentation and classification

All figures are in (Thousands) SAR

Revenue By Segment



- Outdoor Advertising
- Indoor Advertising
- Printing



The outdoor advertising revenues for **Q3 2023** amounted to SAR **286.5** Million compared to SAR **240.8** Million for the similar quarter of the previous year, with an increase of **19%**.

The Indoor advertising revenues for **Q3 2023** amounted to SAR **11.2** Million compared to SAR **13.0** Million for the similar quarter of the previous year, with a decrease of **14%**.

The printing revenues for **Q3 2023** amounted to SAR **6.4** Million compared to SAR **3.8** Million for the similar quarter of the previous year, with an increase of **66%**.

All figures are in (Thousands) SAR

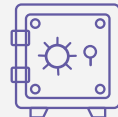
Other Financial Highlights

Financial Indicators as of 30 September 2023



CAGR - 2 Years

35.4%



ROAA

9%



ROAE

26%



ROR

26%



EPS

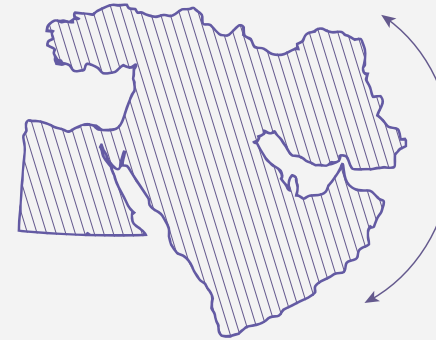
4.78 SAR



D/E

10%

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. al arabia, has one of the highest percentages in QFI among the **9** other companies that were listed in **2021**.

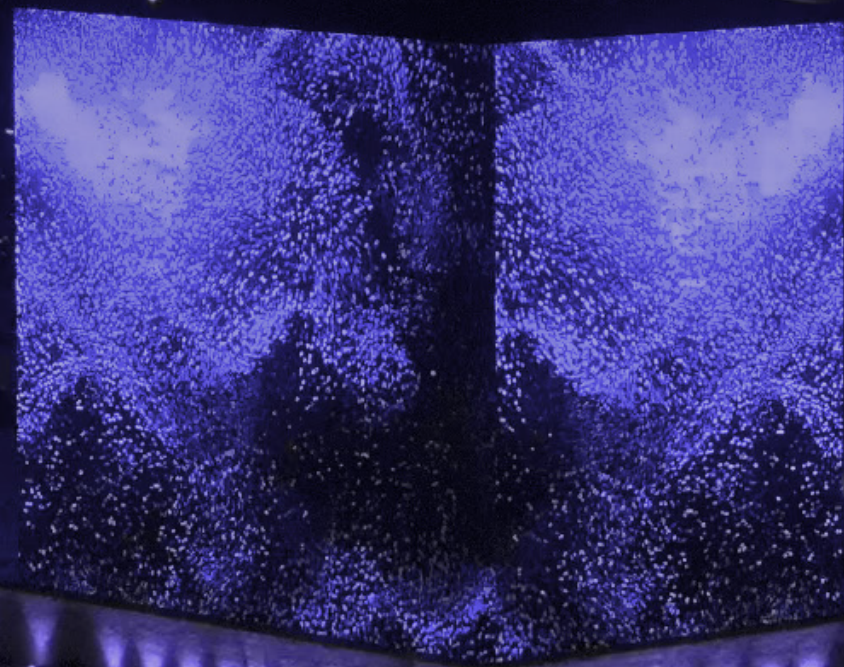
ALARABIA RANKED

11th

PLACE by Revenue

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

THANK YOU



Rate Card

