

Investors Presentation

FY2023 (Key Highlights)



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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.

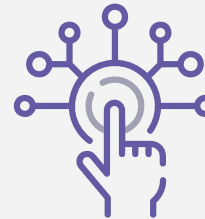


TRANSFORMATION

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.

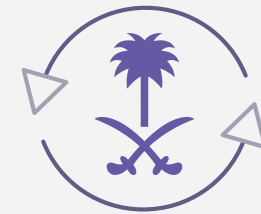


GROWTH

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
DAMIAN PROJECTS

ديور

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

Based on Contracts

37,282

Faces

Based on Contracts

53

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



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 a project 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, the project is valued at SAR 430,000,000.

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.

شركة ريمات
الرياض للتنمية
Remat Al-Riyadh



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.

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 for advertising company (a Saudi Company) with 10% ownership and an Emirati partner with 30% ownership.



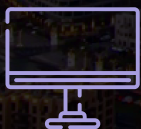
Signing a contract to grant the rights to install, operate, and maintain advertising billboards in Dubai City.



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**.

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
Total	8	1,499	14,534,869

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

* 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* (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

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

* Figures are in (Thousands)

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* (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 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
Total	5,417	75	662	37,282	825	1,804

89%
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 down a long, dimly lit hallway. The walls are covered in a grid of small, glowing digital screens or panels, creating a futuristic, data-driven atmosphere. The floor is dark and reflective. The overall color palette is dark blue and purple.

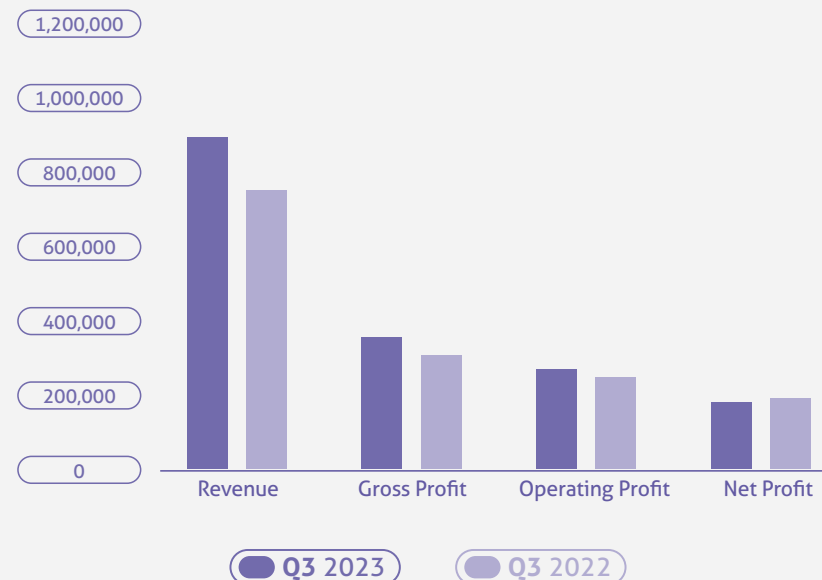
Financial Performance

as of 30 September 2023

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% ↓

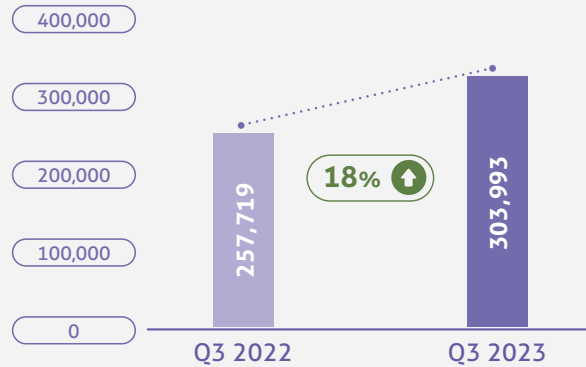
* Profit after adding the one-offs during the period.



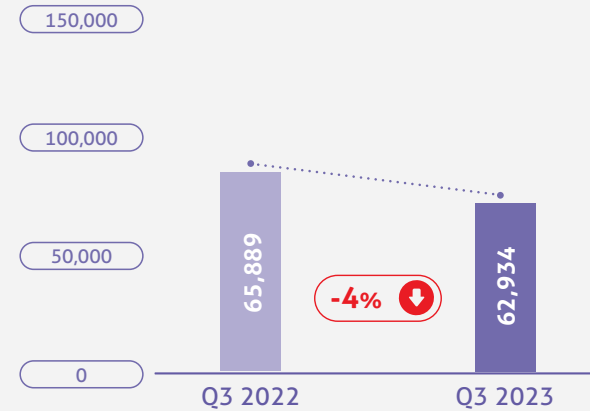
All figures are in (Thousands) SAR

Income Statement Highlights

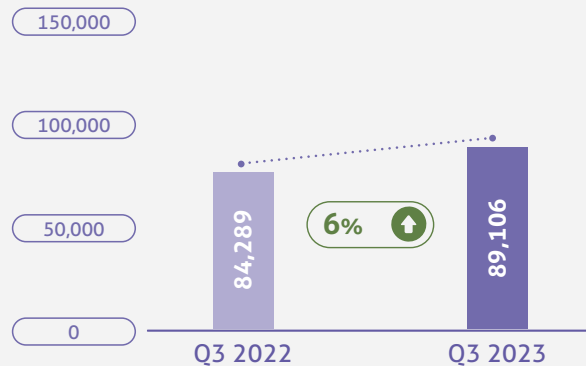
Revenue



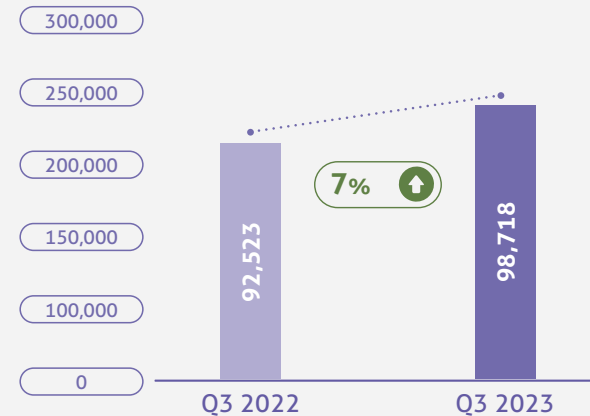
Net Profit



EBIT



*EBITDA

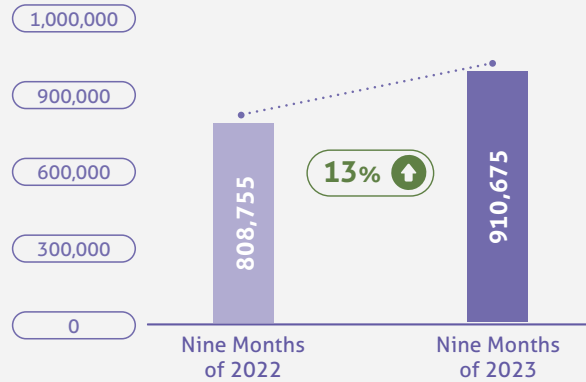


All figures are in (Thousands) SAR

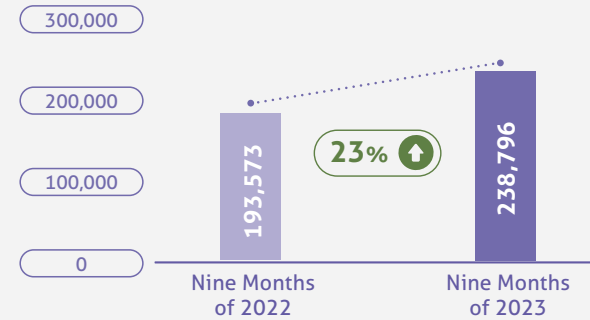
*Not included right-of-use assets Depreciation

Income Statement Highlights

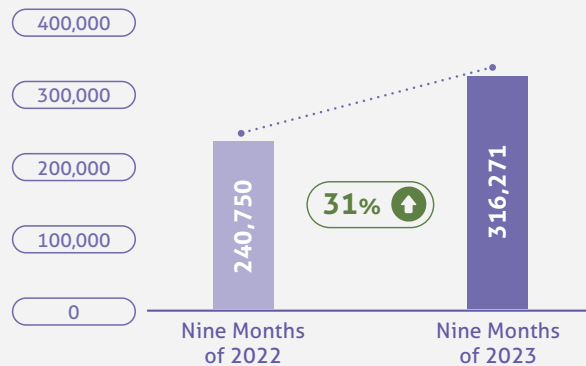
Revenue



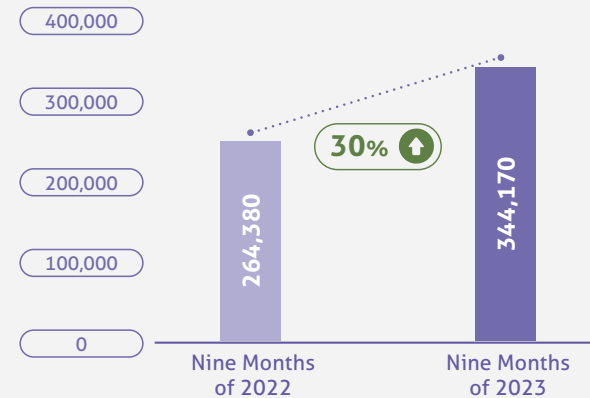
Net Profit



EBIT



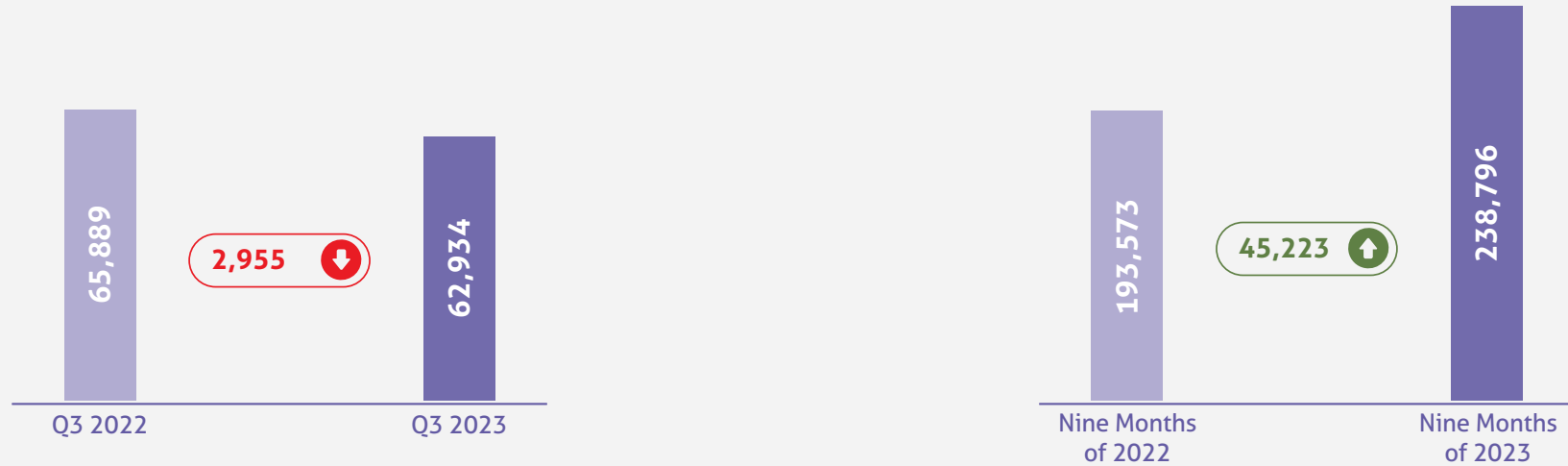
*EBITDA



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.

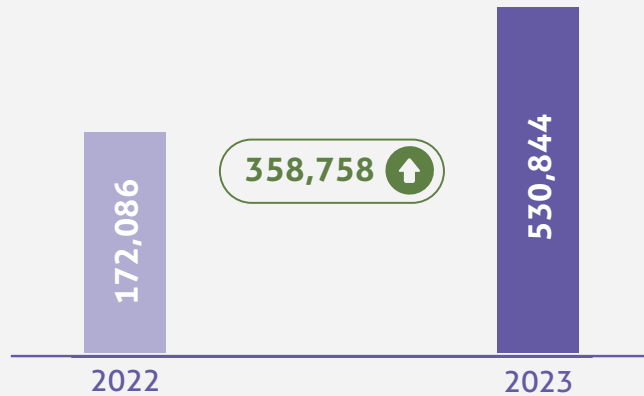
Additionally, the revenues of the outdoor and indoor advertising sectors recorded a growth of **12%** and **5%**, respectively compared to the same period of the previous year, this reflects al arabia's continuity in the digital transformation of advertising assets, which in turn contributed to an increase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

All figures are in (Thousands) SAR

Working Capital & Loans From Banks

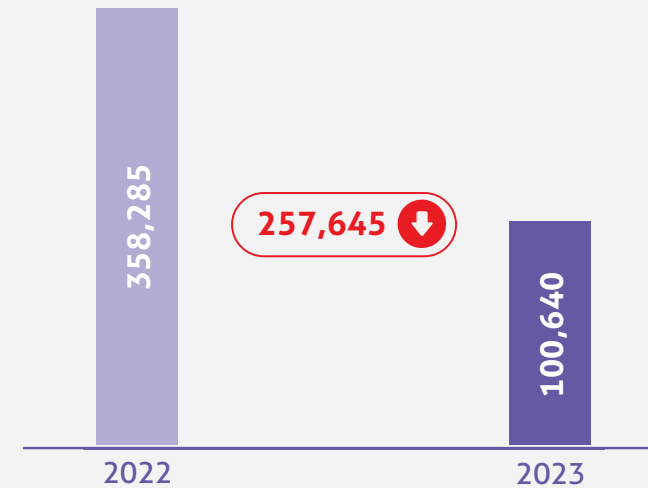
Working Capital

as of 30 Sep



Loans From Banks

as of 30 Sep

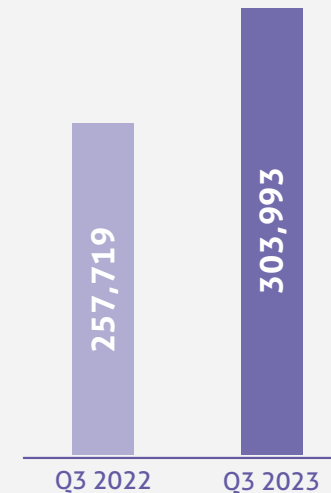
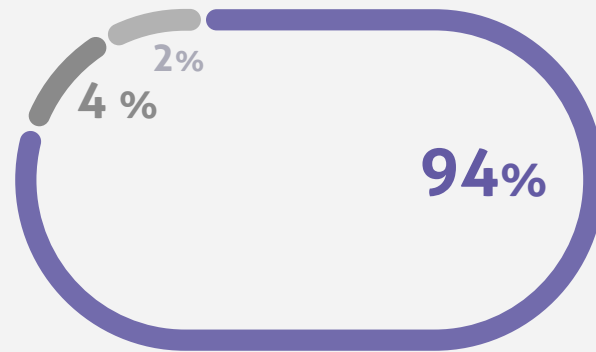


The working capital increased as of Sep **30, 2023**, to SAR **530.8** Million compared to the same period of the previous year, this is due to the increase in trade receivables by **39%**. Also, the decrease in short-term loans by **72%** had an impact on this increase in working capital at the end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



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

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

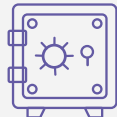
FY2024	2024	
CAPEX	300 Million SAR	
Gross Profit Margin (FY2024)	28 - 34 %	
Net Income Margin (FY2024)	14 - 17%	
Revenue Growth	30 - 40%	
EBITDA (FY2024)	22 - 25 %	
Number of additional billboards (FY2024)	250 - 300	
FY2025 - FY2026	2025	2026
CAPEX	SAR 300 - 500 Million	SAR 200 - 300 Million
Gross Profit Margin	30 - 35 %	30 - 35 %
Net Income Margin (FY)	15 - 20 %	15 - 20 %
Revenue Growth (FY)	15 - 20 %	10%
Number of additional billboards (FY)	100-150	100-150

Other Financial Highlights

Financial Indicators as of 30 September 2023



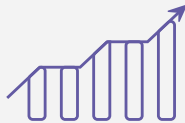
CAGR - 2 Years
35.4%



ROAA
9%



ROAE
26%



ROR
26%

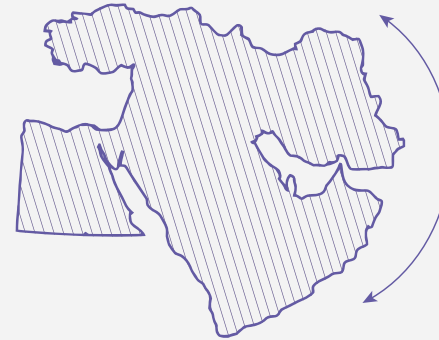


EPS
4.78 SAR



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

