

We have estimated Q22017 earnings for twelve below exhibited companies under our coverage:

| Company | Estimated Earnings (SAR mn) | % Change QoQ | % Change YoY | Target Price (SAR/ share) | Recommendation |
|---|-----------------------------|--------------|--------------|---------------------------|----------------|
| Al Hammadi HAMMAD AB | 27.4 | -2.1 | 30.9 | 45.5 | Overweight |
| Availability of more bed capacity compare to same quarter last year to stimulate earnings. | | | | | |
| Care CARE AB | 22.8 | 46.4 | -60.6 | 58.0 | Overweight |
| We expect doubts about receivables and provisions for extraordinary items to shed. | | | | | |
| Mouwasat MOUWASAT AB | 75.0 | -- | -- | 145.0 | Neutral |
| We see Mouwasat as one of the stable companies and expect earnings continue to grow at a decent rate. | | | | | |
| MEAHCO MEH AB | 89.0 | -- | -- | 84.0 | Overweight |
| Declining trend of receivables to continue in the foreseeable future. Further, earnings to get support from Hail hospital. | | | | | |
| Dallah DALLAH AB | 66.0 | -22.4 | 21.3 | 110.0 | Neutral |
| Dallah has relatively better receivable position amongst the local peers. | | | | | |
| Healthcare Equipment and Services | | | | | |
| Nadec NADEC AB | 38.0 | -- | 2.3 | 28.0 | Neutral |
| Seasonality factor and adapted business strategy to generate reasonable earnings. | | | | | |
| Savola SAVOLA AB | 181.5 | -- | -26.4 | 47.0 | Neutral |
| Operational expenses expected to squeeze, consequently aiding earnings. | | | | | |
| Almarai ALMARAI AB | 689.0 | 109.9 | 9.6 | 78.0 | Neutral |
| Earnings to get support from entire Ramadan month falling in Q2 this year and curtailed operational expenses. | | | | | |
| Food and Beverages | | | | | |
| Catering CATERING AB | 142.2 | 17.1 | -2.0 | 107.0 | Overweight |
| We believe revenue from catering segment to stabilize around the current levels. Whilst profitability to be driven by growth in business lounges segment. | | | | | |
| Commercial and Professional Services | | | | | |
| Herfy HERFY AB | 50.5 | 4.2 | 1.6 | 60.0 | Neutral |
| Although company continues to expand restaurant chain, LFL growth to remain muted. However, bakery segment expected to continue to perform well. | | | | | |
| Consumer Services | | | | | |

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|--|--------------------------------|-----------------|-----------------|------------------------------|----------------|
| Hokair Group AATD AB | 38.1 | -- | 102.6 | 41.0 | Overweight |
| Company earnings expected to get aid from revitalization of travel and tourism spending. | | | | | |
| Consumer Services | | | | | |
| Fawaz Al* Hokair ALHOKAIR AB | 212.0 | 167.2 | 0.3 | 45.5 | Neutral |
| Restoration of bonuses and allowances, restructuring and expansion within the Kingdom are positives for the company. | | | | | |
| Retailing | | | | | |

*Year end March 31st

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Rating Methodology

Upside/ Downside Potential

Greater than or equal to +15%

Between +15% and -14%

Less than or equal to -15%

Recommendation

Overweight

Neutral

Underweight

Analyst at discretion may deviate from the above mentioned recommendation methodology and revise the Fair Value in exceptional circumstances.

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