# Al Babtain Power and Telecommunication Co.

**August 6, 2026**

## Margin expansion powers a standout quarter, result in line with our estimate.

**Last Price: SAR 59.45 | YoY Performance: +4.1%**

2Q26 RESULTS REVIEW

## KEY TAKEAWAYS

- Al Babtain delivered SAR 151.6 mn in 2Q26 net profit, up 55.2% YoY and 5.8% QoQ, essentially in line with our estimates with only 2.7% variance, as strong demand across the Towers and Steel Structures segment drove broad-based growth through the P&L. Alongside the result, the company announced a cash dividend of SAR 0.5/share for 2Q26.
- Revenue rose 17.8% YoY to SAR 809.9 mn, 5.7% above our estimate, driven by higher sales in the Towers and Steel Structures segment and the Design, Supply and Installation segment; revenue also grew 8.3% QoQ on continued strength in Towers and Steel Structures.
- Gross margin expanded to 25.7% in 2Q26 from 22.8% in 2Q25 (+286 bps YoY) and 25.0% in 1Q26 (+64 bps QoQ), also 48 bps above our estimate, as improved productivity and cost reduction lifted profitability; gross profit rose 32.6% YoY to SAR 208 mn.
- Operating profit rose 42.3% YoY and 13.4% QoQ to SAR 186 mn, 10.3% above our estimate, as operating expenses of SAR 22 mn came in below our SAR 24.4 mn estimate, reflecting continued cost discipline and productivity gains across the platform.
- Net profit rose 55.2% YoY and 5.8% QoQ to SAR 151.6 mn, 2.7% above our SAR 147.6 mn estimate, as sales growth combined with productivity gains, cost reduction, and margin improvement flowed through to the bottom line. First-half net profit rose 58.6% YoY to SAR 294.8 mn.
- Based on our last review, we have an Overweight rating with a target price of SAR 88.2/share. The stock trades at 2026e P/E and P/BV multiples of 7.8x and 2.3x, respectively.

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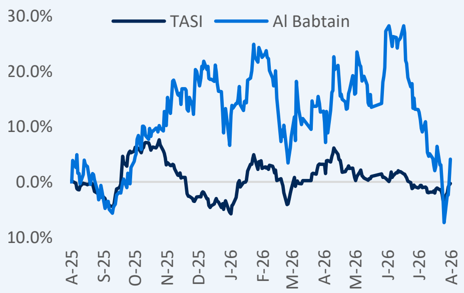
**Issuer Information**

| | |
|---|---|
| Bloomberg Code | **ALBABTAI AB** |
| Last Price (SAR) | **59.45** |
| No of Shares (mn) | **64** |
| Market Cap bn (SAR/USD) | **3.8 / 1.0** |
| 52-week High / Low (SAR) | **74.6 / 52.5** |
| 12-month ADTV (mn) (SAR/USD) | **25.3 / 6.7** |
| Free Float (%) | **94.2** |
| Foreign Holdings (%) | **30.5** |

*Last price as of August 5th, 2026*

**Relative Price Performance**




*Source: Bloomberg, anbc research*

| Financials (SAR mn) | 2Q26A | 2Q26E | Var (%) | 2Q25A | YoY (%) | 1Q26A | QoQ (%) |
|---|---|---|---|---|---|---|---|
| Revenue | 809.9 | 766.0 | 5.7 | 687.5 | 17.8 | 747.9 | 8.3 |
| Cost of Revenues (COGS) | 601.9 | 572.9 | 5.1 | 530.6 | 13.4 | 560.6 | 7.4 |
| Gross Profit | 208.0 | 193.0 | 7.8 | 156.9 | 32.6 | 187.3 | 11.1 |
| ***Gross Margin (%)*** | ***26*** | ***25*** | | ***23*** | | ***25*** | |
| Operating Expenses | 22.0 | 24.4 | -9.8 | 26.2 | -16.0 | 23.3 | -5.6 |
| Operating Profit | 186.0 | 168.6 | 10.3 | 130.7 | 42.3 | 164.0 | 13.4 |
| ***Operating Margin (%)*** | ***23*** | ***22*** | | ***19*** | | ***22*** | |
| Net Income | 151.6 | 147.6 | 2.7 | 97.7 | 55.2 | 143.3 | 5.8 |
| ***Net Margin (%)*** | ***19*** | ***19*** | | ***14*** | | ***19*** | |
| EPS (SAR) | 2.37 | 2.31 | | 1.53 | | 2.24 | |
| DPS (SAR) | 0.5 | 0.5 | | 1.0 | | 0.5 | |

**anbc estimate*
*Source: Company Financials, anbc research*

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| OVERWEIGHT | NEUTRAL | UNDERWEIGHT |
|---|---|---|
| Expected return is more than +15% | Expected return is between +15% & -10% | Expected return is lower than -10% |

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