

## Petrochemicals Sector

October 05, 2025

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
SABIC	36,880	35,270	(4%)	19%	18%	2,477	1,316	(47%)	1,004	701	(30%)	3%	2%	0.33	0.23
SABIC Agri	2,850	3,546	24%	38%	40%	790	1,126	43%	827	1,175	42%	29%	33%	1.74	2.47
Tasnee	1,029	780	(24%)	10%	15%	(54)	(29)	-	89	25	(72%)	9%	3%	0.13	0.04
Yansab	1,628	1,374	(16%)	18%	18%	138	116	(16%)	131	120	(8%)	8%	9%	0.23	0.21
Sipchem	1,627	1,687	4%	20%	16%	152	82	(46%)	103	55	(47%)	6%	3%	0.14	0.07
Advanced	643	733	14%	18%	23%	76	125	65%	46	102	125%	7%	14%	0.18	0.39
Saudi Kayan	2,399	2,112	(12%)	3%	(2%)	(126)	(235)	-	(296)	(394)	-	(12%)	(19%)	(0.20)	(0.26)
SIIG	-	-	-	-	-	(20)	(17)	-	98	27	(72%)	-	-	0.13	0.04
Group Total	47,056	45,502	(3%)			3,432	2,483	(28%)	2,000	1,812	(9%)				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- Petrochemical price movements in 3Q25, when compared to 2023 and 2024, moved to new lows. This is perfectly illustrated by the Argaam Index, when simply compared Y/Y, on average the Argaam Chemical Index traded roughly -2.5% lower when compared to 3Q24; however, increasing +1.5% sequentially (from 2Q25). Many end-products traded flat Q/Q, such as PP and LDPE (both down less than -1% Q/Q). Our previous cautious market commentary was based on excess supply, which is still relevant. However, this quarter our outlook, although still negative-to-uncertain, is further colored by lower feedstock prices. In summary, we maintain our uncertain stance on the sector, but acknowledge the potential of lower input costs.
- Feedstock prices moved lower in 3Q25, with Propane and Butane taking the spotlight, decreasing Q/Q by -12% and -13%, respectively. In our view, the drop in input prices like Propane, will provide significant support to most Petrochemical Producer margins. However significant, this is not the only positive highlight of 3Q25, with some chemical prices having traded flat Q/Q, ending multiple quarters of sequential decreases. For example, prices of Polymers, such as PVC, Polypropylene, and HDPE, all traded within a tight range of +/- 1% when compared sequentially. We also note, some product prices traded lower, such as PC, dropping -3% Q/Q, and VAM and BPA also fell, by -3% Q/Q and -6% Q/Q, respectively. The one previously notable trend observed in 2Q25, was the sharp fall in Methanol prices, which have since traded flat Q/Q, after having already fallen -7% Y/Y, when compared to 3Q24. Fertilizer prices yet again, have continued to move higher in 3Q25, after softening in 2Q25. Increases in Ammonia and Urea were both nearly double digits, as Urea averaged at USD 475/per ton in 3Q25 (up +21% Q/Q), while the price for Ammonia averaged around USD 331/per ton (up +9% Q/Q and down -11% Y/Y).
- For 3Q25, we expect a decrease of -3% Y/Y in revenues for companies under our coverage. However, we expect gross margins for many producers to improve Q/Q, driven by the lower cost of both Butane (-12% Y/Y) and Propane (-9% Y/Y); which we also note, are prices that we have not witnessed since early 2023. Despite this improvement, we expect lower product prices to drive net profitability to decrease Y/Y for most companies. With prices of Fertilizer related products increasing again this quarter, we expect continued strong sales volume and net profits, for DAP and Urea producers. We also note, DAP is trading higher by +14% and +35%, both Q/Q and Y/Y, respectively; giving an over-indexed lift to producers of this product. Despite the fact that Petrochemical Producers may experience better margins, we believe lower prices for chemicals, could temper topline performance overall.

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## Banking Sector

Company	Net Commission			Net Income			Net Advances			Deposits		
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y
Al Rajhi	6,397	7,523	18%	5,107	6,382	25%	649,024	756,651	17%	622,572	651,617	5%
Albilad	1,160	1,178	2%	703	773	10%	106,695	118,003	11%	122,342	126,407	3%
Alinma	2,220	2,300	4%	1,571	1,630	4%	195,895	227,340	16%	209,140	237,992	14%
ANB	2,075	2,253	9%	1,243	1,411	13%	166,330	192,070	15%	180,843	207,791	15%
BSF	1,986	2,300	16%	1,148	1,428	24%	201,008	216,108	8%	193,342	188,171	(3%)
SAB	2,761	2,893	5%	1,883	2,109	12%	252,399	291,082	15%	260,632	311,853	20%
SNB	6,864	7,283	6%	5,350	6,082	14%	655,308	725,527	11%	634,195	678,436	7%
SAIB	909	928	2%	518	524	1%	94,936	112,290	18%	98,094	105,248	7%
BJAZ	650	773	19%	333	395	19%	92,710	106,991	15%	103,349	118,721	15%
Group Total	25,022	27,432	10%	17,856	20,733	16%	2,414,306	2,746,061	14%	2,424,509	2,626,235	8%

Source: Riyadh Capital, Company Reports (SAR mln)

- The Federal Open Market Committee (FOMC) reduced the target range for the federal funds rate by 25 bps in September – its first rate cut since December 2024 – and projected an additional 50 bps of easing by year-end 2025, according to its updated Summary of Economic Projections and dot plot. Policymakers described the decision as a risk-management cut, aimed at supporting a softening labor market and mitigating the risk of an unnecessary economic slowdown, while emphasizing that inflation has moderated but continues to pose an upside risk to the Fed's 2% objective. The Saudi Central Bank (SAMA) also lowered interest rates by 25 bps. The Repurchase Agreement (Repo) rate stands at 4.75% while the Reverse Repurchase Agreement (Reverse Repo) rate is at 4.25%. During Q3 2025, the spread between the 3M average SAIBOR (5.38%) and the 90-Day average SOFR (4.35%) widened to about 103 bps which considered to be one of the highest quarters, indicating tighter liquidity and a higher local funding cost.
- Lending growth continued to moderate, with private sector loans rising +13% Y/Y and public sector loans expanding +35% Y/Y, according to SAMA's August data. The slowdown partly reflects the impact of new real estate regulations, which contributed to an 11% Y/Y decline in new residential mortgage originations during the month. Deposits grew +9% Y/Y, supported by a +5% increase in demand deposits and a robust +21% rise in time and savings deposits. The surge in interest-bearing deposits was fueled by a +23% Y/Y increase from businesses and individuals and an +18% rise in government deposits. Notably, government deposits added SAR 9.1bn during the first two months of 3Q25, reaching SAR 925bn by end of August, signaling strong liquidity injections to support lending activity. The funding mix shift continued, with time and savings deposits now representing 39% of total deposits versus 35% in August 2024, indicating that funding costs remain elevated. Banks accelerated their allocation to government bonds, increasing investment by +12% Y/Y in August 2025, capitalizing on attractive yields ahead of the more anticipated decline in rates.
- Profitability trends remain solid. The combined Profit Before Zakat & Taxes for July–August rose +10% Y/Y according to SAMA's August data. We expect sector earnings to post double-digit Y/Y growth in 3Q25, with Profit After Zakat & Taxes for banks under coverage reaching SAR 20.7 bln. Al Rajhi Bank is projected to deliver +25% Y/Y PAT growth to SAR 6.4bn, driven by solid lending and deposit repricing, while SNB is also set to achieve a solid double-digit growth for 3Q2025, reaching SAR 6.1 bln. SAIB is expected to lead in terms of Y/Y net advances growth with a notable increase of +18%.

## Cement Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
Yamama	285	393	38%	43%	39%	104	130	25%	98	118	20%	34%	30%	0.48	0.58
Saudi	387	403	4%	40%	39%	112	106	(6%)	100	96	(5%)	26%	24%	0.65	0.62
Qassim	265	274	3%	29%	20%	77	55	(29%)	72	51	(29%)	27%	19%	0.65	0.51
Southern	233	230	(1%)	31%	19%	57	25	(56%)	53	20	(62%)	23%	9%	0.38	0.14
Yanbu*	200	270	35%	27%	24%	33	25	(23%)	31	18	(41%)	16%	7%	0.20	0.12
Riyadh	203	189	(7%)	41%	34%	75	54	(27%)	95	51	(46%)	47%	27%	0.79	0.43
Group Total	1,573	1,759	12%			458	395	(14%)	449	354	(21%)				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data).

\*Yanbu Cement's 3Q2025 figures are estimated based on the new classification, while 3Q2024 figures follow the old classification, making them non comparable.

- For the group of companies under our coverage, we anticipate 3Q2025E cement volume sales to increase by +12% Y/Y versus 3Q2024, primarily driven by Yamama Co. and Saudi Cement's higher volumes. For clinker exports, we expect a +52% Y/Y increase, primarily due to higher clinker sales expectations for Yanbu Cement. The average selling prices (ASP) are expected to decline due to competition. The total revenue of the group is projected to show double-digit Y/Y growth – helped by Yanbu Co. reclassification –, but net income is projected to decline on higher costs. We would like to note that revenue & OPEX line items are non-comparable for Yanbu Co. due to new classification; however, the bottomline is considered comparable.

## Healthcare Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
HMG	2,976	3,661	23%	33%	32%	624	703	13%	596	636	7%	20%	17%	1.70	1.82
Mouwasat	711	819	15%	45%	44%	168	202	21%	150	181	21%	21%	22%	1.50	0.91
Group Total	3,687	4,480	22%			792	906	14%	745	817	10%				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- We expect decent growth in the healthcare sector for 3Q. Topline is expected to rise by +22% Y/Y for HMG and Mouwasat. Bottomline is expected to grow by +10% Y/Y for the group with Mouwasat leading the growth. We estimate HMG and Mouwasat to post a net profit of SAR 636 mln and SAR 181 mln, respectively.

## ■ Telecom Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
STC	18,643	19,354	4%	56%	49%	4,410	3,814	(14%)	4,643	3,437	(26%)	25%	18%	0.93	0.69
Mobily	4,499	4,861	8%	57%	53%	960	931	(3%)	829	842	2%	18%	17%	1.08	1.09
Zain KSA	2,583	2,678	4%	66%	61%	318	319	0%	150	136	(10%)	6%	5%	0.17	0.15
Group Total	25,725	26,893	5%			5,688	5,064	(11%)	5,622	4,415	(21%)				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- We are expecting a +5% Y/Y increase in the Telecom sector's revenues in 3Q2025E, but a -21% Y/Y decrease in net income due to large positive one-offs for the three companies last year. We note that on December 31, 2024, STC announced the completion of the Tawal Co. deal with PIF, and 3Q2024 figures for STC are not restated to reflect the deconsolidation of Tawal, making both periods non-comparable. We expect STC's net income to decrease by -26% Y/Y due to huge one-off reversal last year. Mobily's normalized net income is expected to grow +22% Y/Y, driven by higher topline. For Zain, we expect profit decline of -10% Y/Y, due to positive one-off last year, excluding this reversal last year's profits would be in red.

## ■ Software & Services Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
Solutions	2,753	2,854	4%	26%	25%	485	480	(1%)	463	469	1%	17%	16%	3.86	3.91
Elm*	1,872	2,498	33%	45%	42%	494	609	23%	498	593	19%	27%	24%	6.23	7.41
Group Total	4,625	5,351	16%			979	1,089	11%	962	1,062	10%				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data). \*Elm's 3Q2025 figures consolidate Thiqah Co.'s figures, following its acquisition in April 2025.

- The KSA IT sector revenue is expected to grow by +11% in 2025E. Solutions is targeting an average growth of 9% in 2025E, while Elm is targeting 15%. We forecast Solutions' 3Q2025E revenue to increase by +4% Y/Y and Elm's by +33% Y/Y due to consolidating Thiqah Co. With regards to net income, we expect Solutions' profits to increase by +1% Y/Y on higher revenues despite one-off reversal, while Elm's profits are expected to rise by +19% Y/Y.

## ■ Food & Beverage, Retailing, Consumer Services, and Capital Goods Sectors

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
Almarai	5,209	5,344	3%	32%	32%	742	811	9%	569	638	12%	11%	12%	0.57	0.64
Jarir	2,667	2,848	7%	16%	13%	332	307	(8%)	308	284	(8%)	12%	10%	0.26	0.24
BDH	1,361	1,460	7%	33%	34%	57	72	28%	35	39	11%	3%	3%	0.03	0.03
Fourth Milling	160	161	1%	48%	48%	53	51	(4%)	47	48	2%	29%	30%	0.09	0.09
Riyadh Cables	2,433	2,878	18%	17%	17%	280	350	25%	235	302	29%	10%	11%	1.56	2.33
Burgerizzr	77.1	90.2	17%	30%	29%	3.2	1.6	(50%)	2.9	1.3	(57%)	4%	1%	0.08	0.04
Nahdi	2,353	2,519	7%	36%	37%	176	231	31%	182	197	8%	8%	8%	1.40	1.52
Aldawaa	1,626	1,693	4%	35%	35%	110	118	7%	75	85	13%	5%	5%	0.88	1.00

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- **Almarai:** We expect single-digit growth Y/Y in revenue, to SAR 5.3 bln, driven by significant growth in Poultry and other seasonal factors. While we also project an increase in operating profits of +9% Y/Y; reaching SAR 811 mln in 3Q25. We also note, our expectations for net profits to be +12% higher Y/Y vs. SAR 569 mln in 3Q24.
- **Jarir:** We expect a +7% Y/Y increase in top-line, coupled with lower gross margins Y/Y, driven by increased marketing efforts and seasonal sales mix. However, we also expect revenues to increase by +8% Q/Q, driven by new iPhone sales and seasonal sales of books, school, and art supplies.
- **BDH:** We expect a modest increase in top-line from 3Q24, increasing by +7% Y/Y to SAR 1.5 bln, accompanied by improved margins of ~34%, and driven by strategic acquisitions; such as contributions from the logistics business. We also expect, that higher gross margins, will boost EBIT +28% Y/Y.
- **Fourth Milling:** We expect a marginal +1% Y/Y growth in revenues to SAR 161 mln, and +1% Y/Y growth in profits, reaching SAR 48 mln.
- **Riyadh Cables:** Revenues are like to rise by +18% Y/Y for Riyadh Cables with margins likely flat on a yearly basis. However, we do expect bottomline to grow by +29% Y/Y to SAR 302 mln.
- **Burgerizzr:** Topline is expected to increase by +17% Y/Y, supported by branch expansion during 3Q and a marketing campaign in partnership with "Power." Gross margin is projected at 29% versus 30% in 3Q2024, while net income is expected to reach SAR 1.3 mln.
- **NAHDI:** We expect revenues to grow steadily by +7% Y/Y, while gross margins are expected to be slightly higher to flat Y/Y, as the Company continues to experience price competition. Operating profit, is expected to increase by +31% Y/Y to SAR 231 mln, driven by higher topline performance.
- **ALDAWAA:** We expect modest growth of +4% Y/Y in top-line, driven by store-expansions, while gross margins will remain flat Y/Y.

## ■ Energy, Utilities, and Materials Sectors

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
ADES	1,573	1,619	3%	39%	39%	513	519	1%	200	205	3%	13%	13%	0.18	0.19
Arabian Drilling	863	813	(6%)	21%	13%	143	51	(65%)	85	(6)	-	10%	(1%)	0.95	(0.06)
Marafiq	1,857	1,968	6%	16%	18%	312	334	7%	186	132	(29%)	10%	7%	0.74	0.53
SEC*	28,316	33,412	18%	31%	31%	8,284	9,644	16%	6,898	8,169	18%	24%	24%	1.66	1.96
MAADEN	8,045	9,844	22%	30%	38%	1,674	2,722	63%	971	2,025	108%	12%	21%	0.26	0.52

Source: Riyadh Capital, Company Reports (SAR mln, except per share data). \* Net Income before Mudaraba Instruments.

- **ADES:** With its previously suspended rigs deployed and new onshore and offshore contracts having started at the end of 2Q25, we expect an increase of +3% Y/Y in revenues. We also expect net profits to increase +3% Y/Y, driving net margins to recover to previous levels.
- **Arabian Drilling:** We project revenues to fall -6% Y/Y and Q/Q, as management has guided lower rig activity. Net profits, given operating leverage, will also decline.
- **MARAFIQ:** We expect the company to post a decent +6% Y/Y growth in revenues to SAR 1.97 bln but net income is likely to be -29% lower Y/Y.
- **SEC:** We forecast a +18% growth in the topline for SEC to SAR 33.4 bln on the back of higher electricity consumption during peak summer months. Net income is expected to increase by +18% Y/Y.
- **MAADEN:** The Company will benefit from continued strength in commodity prices, such as Gold, which has set records, as well as DAP, which also continues to trade higher. We forecast revenues to increase +22% Y/Y, to SAR 9,844 mln, with profits following, increasing +108% Y/Y; reaching SAR 2,025 mln.

## ■ Transportation Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	Y/Y	3Q2024	3Q2025E	3Q2024	3Q2025E
Budget	506	562	11%	31%	31%	98	114	16%	71.7	85.6	19%	14%	15%	0.69	0.82
Lumi	403	429	6%	29%	30%	76	86	12%	40.1	53.3	33%	10%	12%	0.73	0.97
Theeb	337	380	13%	32%	33%	71	79	12%	46.5	49.9	7%	14%	13%	1.08	1.16
Group Total	1,246	1,371	10%			245	279	14%	158	189	19%				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- Revenues of the car rental sector are expected to grow by +10% Y/Y, with margin improvement for Lumi and Theeb, while Budget is likely to remain stable. Net profit for the group is projected to rise by +19% Y/Y, driven by long-term rental growth, fleet expansion, and better operational efficiency at budget after the merger with Auto World.



# Disclaimer

## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

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