

Company

Ataa Educational Company

2Q25-26 Result Review

Rating

Buy

Bloomberg Ticker

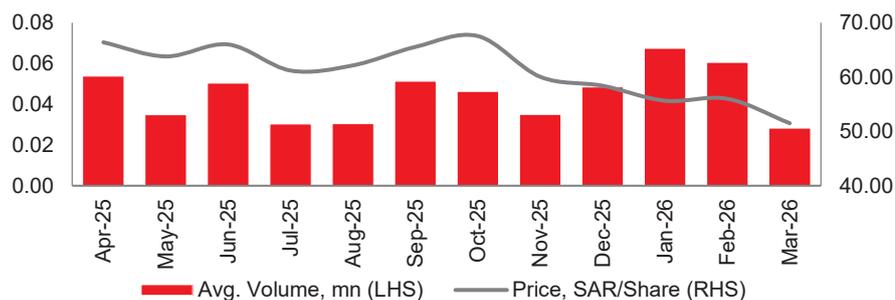
ATAA AB

Date

18 March 2026

Results

Target Price SAR	68.5
Total Return	35.9%

**Education segment drives revenue higher in January quarter**

Ataa Education's revenue edged up 3% YoY in 2QFY25-26 (ended Jan 2026). Revenue growth was led by a 7% increase in the Education segment's revenue, driven by fee increases at certain establishments, despite the suspension of activities in the Training and Recruitment segments.

Net profit slips YoY despite strong operating profit growth

Operating profit jumped 17% YoY, outpacing revenue growth and indicating improved operational efficiency. Yet, net profit slipped 1% YoY, mainly owing to a 66% YoY slump in other income, though it was partially offset by a one-off income received from the settlement of overdue liabilities in a subsidiary.

U Capital View

Considering Ataa's strong operating performance last quarter and that earnings weakness mainly resulted from one-offs, we maintain our SAR 68.5 target price and Buy rating on its stock, awaiting detailed financials.

Current Market Price (SAR)	51.5
52wk High / Low (SAR)	75.8/49.6
12m Average Vol. (mn)	0.04
Mkt. Cap. (USD/SAR mn)	577/2,167
Shares Outstanding (mn)	42.1
Free Float (%)	47.5%
3m ADTV (SAR mn)	3.0
6m ADTV (SAR mn)	3.0
P/E'26e (x)	22.7
EV/EBITDA'26e (x)	14.8
Dividend Yield '26e (%)	2.9%
Price Perf. (1m/3m) (%)	-10.4/-13.4

Research DepartmentEmail: ubhar-research@u-capital.net

For our last report

**Financial Summary**

SAR mn	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	2QFY26e	YoY	QoQ	Var.	1H24-25	1H25-26	YoY
P&L												
Revenue	189	170	139	165	195	161	3%	18%	21%	360	360	0%
Gross profit	59	49	57	55	71	41	21%	30%	75%	111	126	13%
Operating profit	42	27	44	33	49	25	17%	47%	99%	75	82	10%
Net profit	38	14	28	22	37	18	-1%	70%	104%	58	59	2%
BS												
Sh. Equity	807	803	828	849	824		2%	-3%		807	824	2%
Ratios												
GPM	31.1%	28.8%	41.3%	33.2%	36.5%	25.3%				30.9%	35.0%	
OPM	22.1%	16.1%	31.4%	20.2%	25.0%	15.3%				20.8%	22.8%	
NPM	20.0%	8.2%	20.0%	13.3%	19.1%	11.4%				16.2%	16.5%	
EPS, SAR	0.90	0.33	0.66	0.52	0.89	0.43				1.38	1.41	
RoE (TTM)					12.2%							
TTM P/E (x)					21.5							
Current P/B (x)					2.6							

Source: Financials, Tadawul, Bloomberg, U Capital Research

Disclaimer

Recommendation

BUY

Greater than +10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

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