Company

Abdullah Al Othaim Markets Co.

1Q26 Result Review

Rating

Under Review

Bloomberg Ticker

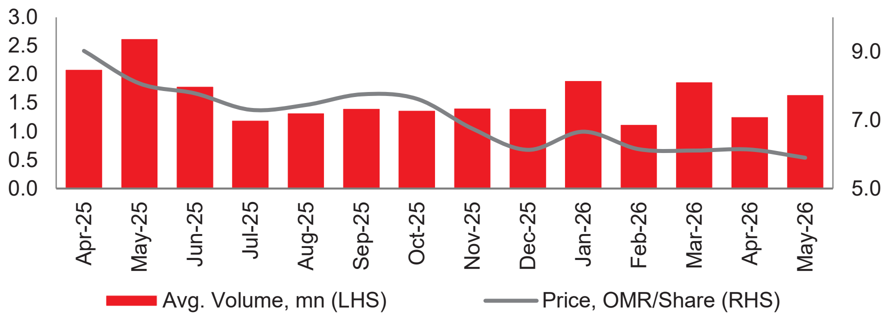
AOTHAIM AB

Date

17 May 2026

Results

Target Price (SAR)	Under Review
Total Return	-



Current Market Price (SAR)	5.9
52wk High / Low (SAR)	8.38/5.75
12m Average Vol. (m)	1,457.2
Mkt. Cap. (USD/SAR bn)	1,415/5,310
Shares Outstanding (mn)	900.0
Free Float (%)	64.2%
3M ADTV (SAR mn)	8.6
6M ADTV (SAR mn)	9.2
P/E'26e (x)	19.9
P/B'26e (x)	4.9
Dividend Yield '26e (%)	7.8%
Price Perf. (1m/3m) (%)	-5.1/-7.4

Research Department

Email: ubhar-research@u-capital.net

For our last report click HERE

Revenue impacted by channel shift and ERP-related disruption

The company reported revenue of SAR 2,965mn, down 6% YoY in 1Q26, primarily driven by a decline in direct branch sales amid shifting consumer behavior patterns. The decline was further impacted by the absence of prior-year promotional activity, particularly deferred cashback campaigns that had supported the base period. In addition, operational disruptions related to the ERP implementation in late 2025 continued to weigh on supply chain efficiency, although some recovery was observed during the quarter.

Net profit declined on higher operating costs and lower sales

Net profit dropped 30% YoY to SAR 54mn in 1Q26, mainly reflecting lower revenue and higher operating costs across sales channels. Despite this, profitability was partially supported by improved gross margins and higher contributions from associates, as well as finance lease income.

U-Capital View

Abdullah Al Othaim reported weaker-than-expected 1Q26 results, with both revenue and net profit declining YoY. We are placing the stock under review, and we will update our investment case shortly.

Financial Summary

SAR mn	1Q25	2Q25	3Q25	4Q25	1Q26	1Q26e	YoY	QoQ	Var.
P&L									
Revenue	3,147	2,535	2,711	2,672	2,965	3,220	-6%	11%	-8%
Gross profit	632	579	565	689	645	645	2%	-6%	0%
Operating profit	106	77	47	132	74	100	-30%	-44%	-26%
Net profit	76	41	17	115	54	63	-30%	-53%	-15%
BS									
Shareholders' Equity	1,352	1,294	1,203	1,227	1,228		-11%	0%	
Ratios									
Gross profit margin	20.1%	22.8%	20.8%	25.8%	21.8%	20.0%			
Operating profit margin	3.4%	3.0%	1.7%	4.9%	2.5%	3.1%			
Net profit margin	2.4%	1.6%	0.6%	4.3%	1.8%	2.0%			
RoE (TTM)					18.4%				
P/E (TTM)					23.7				
Current P/B					4.4				

Source: Financials, TASI, Bloomberg, U Capital Research

Investment Research

Ubhar-Research@u-capital.net

Head of Research

Tahir Abbas
+968 2494 9036 | tahir@u-capital.net

Research Team

Rao Aamir Ali
+968 2494 9066 | rao@u-capital.net

Sandesh Shetty
+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi
+968 2494 9012 | amira.alalawi@u-capital.net

Head of Brokerage

Talal Al Balushi
+968 2494 9051 | talal@u-capital.net

Visit us at **www.u-capital.net**

Disclaimer

Recommendation

BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	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