

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

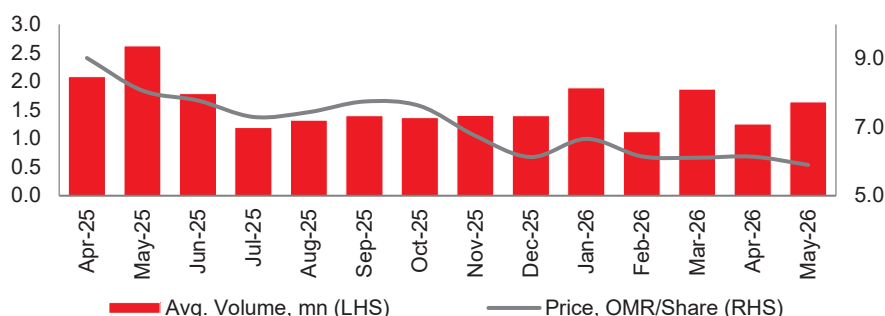
Total Return -

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

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**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

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Recommendation

BUY

Greater than 10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

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