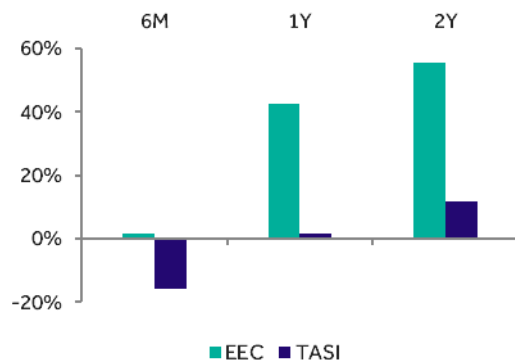


Market Data	
52-week high/low	SAR 26.95/15.68
Market Cap	SAR 18,249 mln
Shares Outstanding	770 mln
Free-float	60.5%
12-month ADTV	2,794,182
Bloomberg Code	EECAB



## Bottom-line Below Expectations

October 21, 2019

Upside to Target Price	(15.6%)	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 23.70
Expected Total Return	(15.6%)	12-mth target	SAR 20.00

Mobily	3Q2019	3Q2018	Y/Y	2Q2019	Q/Q	RC Estimate
Sales	3,404	2,976	14%	3,331	2%	3,404
Gross Margins	59%	59%		59%		58%
EBIT	262	108	143%	261	0%	298
EBITDA	1,277	1,087	17%	1,221	5%	1,338
Net Profit	51	(31)	-	38	35%	69

(All figures are in SAR mln)

- Mobily continued to grow its topline to reach SAR 3.4 bln, up by (+14% Y/Y, +2% Q/Q) on the back of growth in FTTH revenue, business unit and wholesale, in addition to the increase in subscribers base.
- The Company was able to maintain its gross margin at 59%, despite the announcement of higher costs of government fees, mainly attributed to the improvement in revenues that absorbed the impact.
- Despite the improvement in revenues, EBIT remained flat Q/Q due to higher operating expenses.
- 3Q2019 earnings of SAR 51 mln (+35% Q/Q) are below both our and market expectations due to higher operating expenses. Financial charges for 3Q2019 decreased to reach SAR 206 mln versus SAR 217 million in 2Q2019 due to the decrease in SIBOR.

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## ■ 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  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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