We have estimated Q12018 earnings for twenty below exhibited companies under our coverage:

Company	Estimated Earnings (SAR mn)	% Change YoY	% Change QoQ	Target Price (SAR/ share)	Recommendation
Al Hammadi HAMMAD AB	28.0	0.2%	-8.9%	40.0	Neutral
Availability of more bed capacity with the commencement of commercial operations of Nuzha Hospital to stimulate earnings.					
Care CARE AB	27.3	75.7%	-11.7%	65.0	Overweight
Profitability expected to improve on the basis of reduction in operational expenses. Going forward, earnings to be supported by new contract and potential merger with Al Hammadi.					
Mouwasat MOUWASAT AB	86.7	1.8%	-12.1%	180.0	Neutral
We see Mouwasat as one of the stable companies and expect earnings continue to grow at a decent rate.					
MEAHCO MEH AB	82.3	-21.7%	5.8%	74.0	Overweight
Revised terms of service and salaries of caregivers to adversely impact earnings of the company. While revenue growth to get aid from Hail hospital and other projects in the pipeline.					
Dallah DALLAH AB	58.6	-31.0%	-7.1%	120	Overweight
Namar hospital to boost patient inflow, however initially the hospital related operational expenses to ramp up.					
Healthcare Equipment and Services					
Nadec NADEC AB	4.7	7.4%	--	38.0	Neutral
We estimate earnings growth on the back of reduction in operational expenses.					
Savola SAVOLA AB	128.3	--	--	45.0	Neutral
Operational expenses expected to squeeze, consequently aiding earnings.					
Almarai ALMARAI AB	313.3	-4.5%	-38.9%	56.0	Neutral
Topline expected to decline, effect of which partly to be offset by turning of poultry segment to profit.					
SADAFCO SADAFCO AB*	57.3	-21.7%	-2.0%	130.0	Neutral
High competition and recent recovery in skimmed milk prices expected to put pressure on the earnings.					
Food and Beverages					
Catering CATERING AB	92.3	-24.1%	-6.8%	90.0	Neutral
We believe revenue from catering segment to stabilize around the current levels. Whilst profitability to be driven by growth in business lounges segment.					
Commercial and Professional Services					
Aldrees ALDREES AB	12.0	-17.9%	-11.9%	32.0	Overweight
Lower margins to weigh on the earnings. Post H12018 can turnout to be relatively better period for the company.					
Energy					

Company	Estimated Earnings (SAR mn)	% Change YoY	% Change QoQ	Target Price (SAR/ share)	Recommendation
Farm Superstores SMARKETI AB	6.9	-69.3%	-23.5%	28.0	Neutral
We estimate ramping operational expenses to weigh on the earnings. However, decent performance is expected going forward on the back of store addition.					
Food and Staples Retailing					
MEPCO MEPC AB	20.1	517.9%	-17.9%	29.0	Overweight
Gross profit margins are expected to remain largely within the current range as the major portion of raw material is collected through internal sources.					
Yamamah Steel YAMAMAH AB**	11.0	-45.7%	-0.3%	28.0	Overweight
Weak set of result is expected due to: lower product pricing and muted construction activity. In addition to that, we believe the stock is trading at a considerable discount.					
Materials					
SGS SGS AB	95.5	-38.4	49.0%	42.0	Neutral
Earnings are expected to shrink resulting from declining margins, however other income expected to reduce the impact to a limited extent.					
Transportation					
Herfy HERFYI AB	44.0	-16.4%	-8.0%	54.0	Neutral
LFL sales expected to decline. However, expansion outside KSA can be a game changer for the restaurant segment. We expect bakery segment to show decent performance.					
Hokair Group AATD AB	5.2	-122.5%	-34.9%	26.0	Overweight
We estimate weak results mainly due to under performance of the hotel segment.					
Consumer Services					
SACO SCH AB	31.0	0.8%	-24.4%	110.0	Neutral
LFL sales and footfall are expected to decline while the margins are expected to remain sustainable.					
Fawaz Al Hokair ALHOKAIR AB*	58.6	-26.1%	20.3%	35.0	Overweight
High gearing ratio is further denting the earnings. However, company's expansion plan within the Kingdom may revitalize the earnings in the long run.					
Retailing					
EIC EIC AB	11.6	8.5%	-44.0%	27.0	Neutral
Turning of a subsidiary to profits and lower borrowings are expected to result in higher earnings.					
Capital Goods					

****Year end March 31st***
*****Year end September 30th***

Arbah Capital

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Rating Methodology

Upside/ Downside Potential	Recommendation
Greater than or equal to +15%	Overweight
Between +15% and -14%	Neutral
Less than or equal to -15%	Underweight

Analyst at discretion may deviate from the above mentioned recommendation methodology and revise the Fair Value in exceptional circumstances.

Disclaimer