

**Company**

Abdullah Al Othaim  
Markets  
1Q25 Result Review

**Rating**

Under Review (UR)

**Bloomberg Ticker**

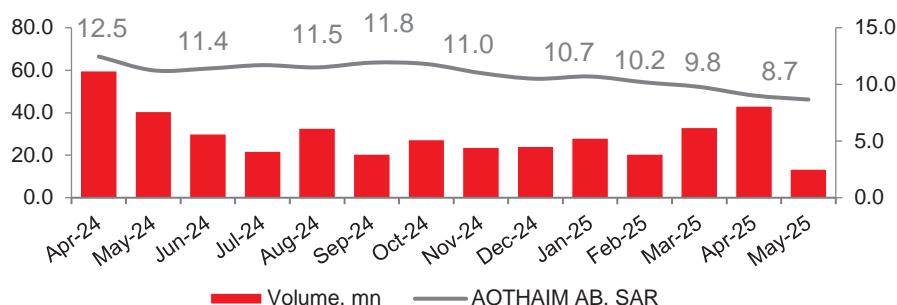
AOTHAIM AB

**Date**

12 May 2025

**Results**

Target Price SAR	UR
Upside/ Downside	—

**Revenue matches Bloomberg estimate but misses our forecast**

Abdullah Al Othaim's revenue in 1Q25 edged higher ~3% YoY, coming in line with Bloomberg's consensus (-1.8% variance), but below our estimate (-5.8% variance). Increased sales at both the existing and new stores drove the overall revenue higher.

**Net profit declines, missing Bloomberg's and our estimate**

Gross profit rose slightly by 0.8% YoY, but operating profit fell 16.7% YoY, indicating a significant increase in indirect costs. Strong marketing campaigns launched by the company during Ramadan to fulfill customer needs and enhance market shares likely lifted operating costs. Apart from a weak operating profit, an increase in both finance lease costs and borrowing costs by SAR 13.3mn collectively dragged down net profit, which missed Bloomberg's consensus and our estimate.

**Place on Under Review**

We place Al Othaim's stock under review, awaiting detailed financials to revisit our investment case. The company's BoD recommended a SAR 0.11 dividend per share for 1Q25, below our estimate of SAR 0.15. Currently, the stock trades at 18.4x FY25e EPS, below its 3-year daily average forward P/E of 24.1x.

Current Market Price (SAR)	8.66
52wk High / Low (SAR)	12.78/8.65
12m Average Vol. (000)	1,363.1
Mkt. Cap. (USD/SAR bn)	2,078/7,794
Shares Outstanding (mn)	900.0
Free Float (%)	66%
3m Av. Daily Turnover (000)	16,348.0
6m Av. Daily Turnover (000)	14,330.6
P/E'25e (x)	18.4
EV/EBITDA'25e (x)	8.0
Dividend Yield '25e (%)	3.5%
Price Perf. (1m/3m) (%)	-7.4/-18

**Research Department**

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For our  
last report

**Financial Statements**

SAR mn	1Q24	2Q24	3Q24	4Q24	1Q25	1Q25e	YoY	QoQ	Var.
<b>P&amp;L</b>									
Revenue	3,039	2,464	2,563	2,650	3,133	3,326	3.1%	18.2%	-5.8%
Gross profit	627	542	565	679	632	687	0.8%	-6.9%	-8.0%
Operating profit	127	74	87	171	106	142	-16.7%	-38.0%	-25.6%
Net profit	116	43	75	284	76	147	-33.9%	-73.1%	-48.1%
<b>BS</b>									
Sh. Equity	1,251	1,103	1,039	1,331	1,352	1,343	8.1%	1.6%	0.7%
<b>Ratios</b>									
NPM	3.8%	1.8%	2.9%	10.7%	2.4%	4.4%			
ROE	36.9%	15.7%	29.0%	85.5%	22.6%	43.8%			
EPS, SAR	0.13	0.05	0.08	0.32	0.08	0.16			
TTM P/E (x)					16.3				
Current P/B (x)					5.8				

Source: Financials, Tadawul, Bloomberg, U Capital Research; NA - Not available, NM - Not meaningful



# Investment Research

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## Disclaimer

### Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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