Company

Abdullah Al Othaim Markets Co.

3Q25 Result Review

Rating

Under Review

Bloomberg Ticker

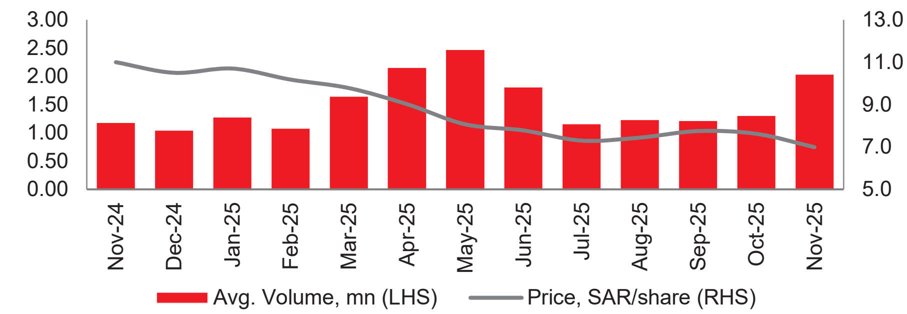
AOTHAIM AB

Date

9 November 2025

Results

Target Price SAR	UR
Upside/ Downside	—



Current Market Price (SAR)	7.0
52wk High / Low (SAR)	11.4/6.9
12m Average Vol. (mn)	1.5
Mkt. Cap. (USD/SAR mn)	1,677/6,291
Shares Outstanding (mn)	900.0
Free Float (%)	64.2%
3m ADTV (SAR mn)	9.9
6m ADTV (SAR mn)	11.8
P/E'26e (x)	15.1
EV/EBITDA'26e (x)	8.5
Dividend Yield '26e (%)	5.7%
Price Perf. (1m/3m) (%)	-9.5/-6.6

Research Department

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Revenue growth in 3Q25 comes in line with our estimate

Abdullah Al Othaim's revenue grew by 6% YoY in 3Q25, led by a diversification of the sales channel, coming in line with our expectations.

Net profit falls sharply on higher operating and other costs

Net profit declined significantly by 75% YoY in 3Q25, as costs outpaced revenue. Promotional discounts, spending on campaigns to boost market share, a rise in operating costs across various sales channels, and an increase in expenses related to new stores opened over the last two years, particularly lease finance costs, weighed on the bottom line. Net profit was also adversely affected by a decrease in the share of profit from associates. Notably, Al Othaim had also recorded a reversal of zakat provision amounting to SAR 17.7mn in 3Q24.

U Capital View

Al Othaim's 9M25 earnings performance suggests that the company is facing increasing competitive pressure. Thus, we place it Under Review (UR), awaiting detailed financials, to revisit our investment case. Moreover, the company proposed a SAR 0.12 dividend per share for 3Q25, resulting in a total dividend of SAR 108mn.

Financial Summary

SAR mn	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Revenue	2,563	2,650	3,138	2,535	2,711	2,638	6%	7%	3%	8,066	8,385	4%
Gross profit	564	678	632	579	565	604	0%	-2%	-6%	1,732	1,776	3%
Operating profit	82	187	106	77	47	93	-43%	-39%	-49%	280	230	-18%
Net profit	69	291	76	41	17	62	-75%	-58%	-72%	226	135	-40%
BS												
Sh. Equity	1,082	1,331	1,352	1,294	1,203		11%	-7%		1,082	1,203	11%
Ratios												
GPM	22.0%	25.6%	20.1%	22.8%	20.8%	22.9%				21.5%	21.2%	
OPM	3.2%	7.0%	3.4%	3.0%	1.7%	3.5%				3.5%	2.7%	
NPM	2.7%	11.0%	2.4%	1.6%	0.6%	2.3%				2.8%	1.6%	
EPS, SAR	0.08	0.32	0.08	0.05	0.02	0.07				0.25	0.15	
RoE (TTM)					32.9%							
TTM P/E (x)					14.8							
Current P/B (x)					5.2							

Source: Financials, Tadawul, Bloomberg, U Capital Research

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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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