

Company

Saudia Dairy and Foodstuff Co.
1Q26 Result Review

Rating

Buy

Bloomberg Ticker

SADAFCO AB

Date

30 April 2026

Results

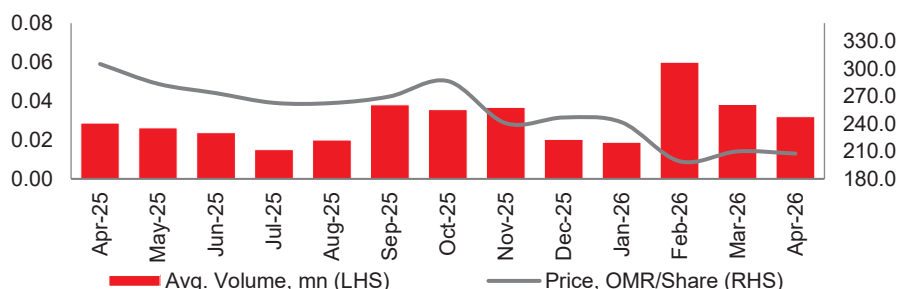
Target Price (SAR)	230.0
Total Return	18.5%

Current Market Price (SAR)	207.6
52wk High / Low (SAR)	309.6/187
12m Average Vol. (m)	29.1
Mkt. Cap. (USD/SAR bn)	1,799/6,747
Shares Outstanding (mn)	32.5
Free Float (%)	59.8%
3M ADTV (SAR mn)	8.5
6M ADTV (SAR mn)	7.4
P/E'26e (x)	16.0
P/B'26e (x)	4.1
Dividend Yield '26e (%)	7.7%
Price Perf. (1m/3m) (%)	-1.1/-14.1

Research Department

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For our last report



Revenue declined YoY amid Mlekoma price correction

In 1Q26, SADAFCO reported revenue of SAR 738mn, down 3% YoY, mainly impacted by lower Mlekoma sales following price corrections. Excluding Mlekoma, core sales grew 3% YoY, supported by strong expansion in emerging channels, particularly OOH and E-Commerce. Company maintained its position as a market leader with market shares of UHT milk 51%, tomato Paste 52% and ice cream 31%.

Profitability pressured by cost inflation despite healthy margins

Net profit declined 35% YoY, driven by higher raw material costs, inflationary pressures, unfavorable channel mix, and fuel price increases. Despite earnings pressure, underlying operations remained healthy, with gross margin (ex-Mlekoma) at 34% and net profit margin at 11%. Cost discipline helped reduce selling & distribution expenses to 15% of net sales, down from 17% last year.

U-Capital view

SADAFCO retained its market share across key categories while maintaining a solid financial position, supported by disciplined working capital management and a strong cash balance of SAR 371mn after dividend distribution. We maintain Buy rating on stock with a Dec-2026 target price of SAR 230/share.

Financial Summary

SAR mn	1Q25	2Q25	3Q25	4Q25	1Q26	1Q26e	YoY	QoQ	Var.
P&L									
Revenue	758	785	807	681	738	822	-3%	8%	-10%
Gross profit	277	271	225	164	225	292	-19%	37%	-23%
Operating profit	124	118	184	54	84	117	-32%	56%	-28%
Net profit	126	118	185	49	82	118	-35%	67%	-31%
BS									
Shareholders' Equity	1,650	1,773	1,698	1,743	1,567	1,861	-5%	-10%	-16%
Ratios									
Gross profit margin	36.5%	34.6%	27.9%	24.1%	30.5%	35.5%			
Operating profit margin	16.4%	15.0%	22.8%	7.9%	11.4%	14.2%			
Net profit margin	16.6%	15.0%	22.9%	7.2%	11.1%	14.4%			
RoE (TTM)					25.6%				
P/E (TTM)					15.9				
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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