الراجحي المالية
Al Rajhi Capital

Research Department
ARC Research Team
Tel +966 11 836 5464, research@alrajhi-capital.com

Key themes

As Q2 ended, we present revenue and bottom-line estimates for companies under our coverage in various sectors.

Saudi Arabian Equities
Q2 2021 earnings preview

We expect the overall outlook for Q2 2021 to be mostly positive, driven by improving macro-economic conditions with a gradual uptick in local spending across most segments, and further supported by increased oil prices. For Petrochemical, higher sales volume and increased product spreads are likely to boost the earnings for the sector. As for the hospitals, revenue and profitability will be aided by improvement in utilization and lower base for the same period the previous year. Cement companies' results are also likely to be strong during the quarter, aided by growth in volumes on a y-o-y basis. However, Saudi retailers may witness a decline in retails sales, mainly due to the high base effect last year. Further, we expect that rising input cost and de population due to expat exodus may affect the overall top-line and margins for the food producers.

Petrochemicals

The petrochemical sector is expected to witness a strong earnings performance in Q2 2021, aided by higher product prices and sales volume amid the improving market dynamics. Further, oil prices (+11% q-o-q) continue to increase for the fourth consecutive quarter, driven by improving demand amid the OPEC+ production cut deal, thereby supporting the petchem product prices during the quarter. Key polymer products (LDPE, HDPE, PP, and PS) also continued their upward trend, rising 2-9% q-o-q in Q2; while VAM, Polycarbonate, and Methanol rose ~37%, 27% q-o-q, and ~7%, respectively. On the other hand, key feedstock prices (Naphtha: 7% q-o-q; Propane: 3.5%; Butane: 0.7%) increased at a relatively slower pace, ensuring better product spreads for the sector. This, along with likely improvement in efficiencies, would help the sector to expand its margins further. Consequently, all the petchem companies under coverage are likely to post a healthy earnings growth in Q2 2021.

Retail

For Saudi retailers Q2 2020 will act as a high base as pre vat buying last year led to a strong growth. Accordingly, we expect Extra to witness a drop in retail segment sales however consumer finance business to support the bottom line. For Jarir, the new store openings should support the top-line growth and accordingly we expect a growth for Jarir. For grocery retailers we expect a similar trend, high base would lead to a decline in top-line and accordingly bottom-line growth. Expat exodus is also expected to hurt the sales of grocery retailers.

Cement sector

During Q1 2021, total cement sales volume increased 4% y-o-y aided by offtake from mortgages. The total volume during the first 5 months of the year grew 16% y-o-y, while the April and May months witnessed a rise of 51% in volume, at the back of lower base, due to covid related lockdown. During the first 5 months of 2021, most of the listed cement companies, reported a y-o-y increase in sales volume led by Arabian Cement (+94% y-o-y), Riyadh Cement (+59% y-o-y), City Cement (+28% y-o-y) and Yanbu Cement (+26% y-o-y). On the other hand, Yamama Cement (-17% y-o-y), Northern Cement (-3% y-o-y), Tabuk Cement (-1% y-o-y) and Southern Cement (-1% y-o-y) reported a drop in volume.

Average realized prices during Q1 2021 declined by 7% y-o-y, but improved 1% q-o-q and we expect pressure on realization to continue in the current quarter. By the end of Q1 2021, total clinker inventory for the sector was at 32.7mn tonnes, representing c.60% of the last twelve months sales.

Going forward, we expect Q2 sales volume to be strong, though average realization will continue to come under pressure. Based on our estimates, companies under our coverage are expected to report 12% growth in revenue, y-o-y, in Q2 with strong growth in volumes more than offsetting pressure on average realization.

Telecoms

The performance in the consumer segment business is tepid and mostly similar to last quarter while the business segment, which is relatively lower margin, is seeing good growth. We believe the growth for the business segment will continue to be healthy in the medium term. Though travel restrictions are lifted, we have not seen much activity and hence no major benefit from roaming revenues. Also, there has been no material change in the number of visitors coming to the Kingdom and hence expect consumer segment to report weak results. We believe that the pricing has dropped for fiber and higher data packages which could offset a moderate increase in usage. Overall we expect moderate growth in topline for all three telecom companies.

Food sector

Food manufacturers are facing a two-fold blow from rising input cost and de population due to expat exodus. We saw some dairy producers rising prices of selected fresh dairy SKU's effective from the last week of June 2021. We expect market leaders such as Almarai to post a flattish growth in top-line while gross margins to dilute, however de-leveraging would support the net income. For SADAFCO we expect the top-line to fall, as last year would act as a high base. Savola is also expected to a post a flattish top-line growth but negative net income growth compared to last year same quarter.

Healthcare sector

The Q2 results are likely to be positive mainly due to continued improvement in utilization levels and lower base, due to covid related restrictions during Q2 2020. Overall, we expect revenue of healthcare companies under our coverage to grow by 41% y-o-y, while net profit is expected to grow by 66% y-o-y, reflecting growth in revenue and improvement in operating efficiency.

Insurance sector

Health insurance premiums are expected to increase given the pricing hike that came in effect at the start of the year. The increase in users is expected to continue due to better enforcement of insurance. On the other hand, the seasonality of low loss ratios in 2Q seen usually will not be seen in this quarter because of no material travel activity. We expect the loss ratios to be higher than the usual 2Q levels. Additionally, with the Govt hospitals coming more under the medical insurance for Saudi nationals, there would be higher claims. As for motor insurance, we expect no material change as the competition continues to high and pricing levels are expected to be lower on an annual basis. Loss ratios are likely to gradually uptick because of increased local travel activity. Overall, we believe Q2 to be a mixed quarter for the insurance sector.

Others

Bawan: We expect Bawan to report strong growth in revenue, aided by robust performance of the steel segment. Performance of other segments too are expected to be grow, with profitability being aided by improvement in operating efficiency.

SISCO: we expect a growth in overall transhipment and getaway volume y-o-y which would lead to a growth in top=line as well as bottom-line.

Saudi Ceramics is expected to continue its winning streak driven by growth in volume and prices both in our view.

Leejam: Top-line to display a strong growth on a low base. We expect Leejam to post a net income of SAR40mn.

Aldrees: The expansion of fuel stations would lead to an increase in net income during the quarter.

Al Yamamah Steel: The elevated steel prices in Q2 2021 would support margins and profitability during the quarter, despite lower volumes.

Saudi market: Q2 estimates of the companies we cover

	Revenues (SAR mn)					Net Profit (SAR mn)				
Company	**2020Q2A**	**2021Q1A**	**2021Q2E**	**YOY % chg.**	**QOQ % chg.**	**2020Q2A**	**2021Q1A**	**2021Q2E**	**YOY % chg.**	**QOQ % chg.**
Petrochemical										
SABIC*	24,619	37,531	42,484	72.6%	13.2%	(2,224)	4,862	6,633	NM	36.4%
	SABIC is likely to witness a significant improvement in earning, mainly due by higher product prices and sales volume.									
Sipchem	950	2,031	2,228	134.5%	9.7%	(99)	411	652	NM	58.5%
	Earnings are expected to rise notably in Q1, driven by improved product prices and better operating efficiency.									
SABIC Agri-Nutrients^	929	1,506	2,054	121.2%	36.4%	360	423	760	111.3%	79.9%
	Increased Urea prices to boost earnings in Q1. The contribution from Al Baytar and Al Bayroni will remain a key focus area.									
Yansab	1,021	1,723	1,847	80.9%	7.2%	45	420	469	946.9%	11.6%
	Top-line and bottom-line are likely to improve, driven by higher prices, sales volume and better efficiencies.									
APCC	519	632	769	48.1%	21.7%	155	171	269	73.6%	57.0%
	Higher spreads and increased equity income post the commercial operation at SK Advanced PP plant to drive earnings.									
Petrochemical Sector	**28,038**	**43,423**	**49,382**	**76.1%**	**13.7%**	**(1,763)**	**6,288**	**8,784**	**NM**	**39.7%**
Cement										
Arabian Cement	140	322	215	54.0%	-33.2%	8	67	37	385.1%	-44.9%
	Revenue and profitability to be aided by higher volumes									
Yamama Cement	162	180	146	-9.7%	-19.0%	48	55	50	4.6%	-8.8%
	Sales impacted by lower volumes, though improved margins to aid profitability									
Saudi Cement	297	429	324	8.8%	-24.6%	76	119	79	4.0%	-34.1%
	Revenue and profitability to be driven by volume growth									
Qassim Cement	167	223	199	18.8%	-10.9%	85	101	93	9.0%	-7.6%
	Higher volumes to drive revenue									
Yanbu Cement	157	292	210	33.9%	-28.2%	37	73	47	28.4%	-35.8%
	Revenue and profitability to be driven by volume growth									
Southern Cement	339	439	269	-20.7%	-38.7%	135	175	85	-36.9%	-51.4%
	Lower volumes to impact revenue and profitability									
Najran Cement	121	184	130	7.4%	-29.3%	33	61	37	11.4%	-39.5%
	Growth in volumes and improved operating efficiency to aid revenue and profitability growth									
Riyadh Cement^^	299	291	399	33.6%	37.1%	121	99	155	27.9%	57.3%
	Growth in volumes to drive revenue growth									
Cement Sector	**1,683**	**2,362**	**1,892**	**12.5%**	**-19.9%**	**542**	**750**	**583**	**7.4%**	**-22.3%**
Telecom										
STC	14,920	15,695	15,517	4.0%	-1.1%	2,724	2,952	2,821	3.6%	-4.4%
	We expect STC's performance to remain stable with top-line and bottom-line rising 4.0% y-o-y and 3.6%, respectively.									
Mobily	3,559	3,603	3,648	2.5%	1.3%	185	226	255	37.9%	13.0%
	Revenue is likely to grow by 2.5%, mainly helped by the business segment revenues while profits are likely to rise by ~38%.									
Zain KSA	1,889	1,938	1,984	5.0%	2.4%	59	41	43	-26.3%	5.8%
	We expect ZainKSA to remain under pressure on annual basis due to higher costs, offsetting healthy top-line growth.									
Telecom Sector	**20,368**	**21,236**	**21,148**	**3.8%**	**-0.4%**	**2,968**	**3,219**	**3,120**	**5.1%**	**-3.1%**
Food & Agriculture										
Almarai	4,081	3,465	4,111	0.7%	18.6%	619	389	621	0.3%	59.6%
	Rising input costs to impact the gross margins but deleveraging to support overall net margins.									
Savola	6,007	5,954	6,048	0.7%	1.6%	410	154	225	-45.1%	46.1%
	Top-line to remain flattish due to high base impact last year. Gross margins of food business could dilute slightly due to volatility in agro-commodity prices.									
Herfy	170	311	300	76.5%	-3.5%	(34)	25	26	NM	4.0%
	Top-line is expected to deliver strong growth on a a low base, bottom-line to remain impacted due to gross margin dilution									
Food & Agri. Sector	**10,258**	**9,730**	**10,459**	**2.0%**	**7.5%**	**995**	**568**	**872**	**-12.4%**	**53.5%**

Saudi market: Q2 estimates of the companies we cover

	Revenues (SAR mn)					Net Profit (SAR mn)				
Company	2020Q2A	2021Q1A	2021Q2E	YOY % chg.	QOQ % chg.	2020Q2A	2021Q1A	2021Q2E	YOY % chg.	QOQ % chg.
Retail										
Jarir	2,374	2,530	2,469	4.0%	-2.4%	208	268	225	8.2%	-16.0%
	New store openings last year to support the top-line and bottom line growth									
Alhokair**	565	1,132	1,801	218.8%	59.1%	(525)	(348)	80	NM	NM
	We expect top-line to grow in line with previous quarter, we expect net income to decline but to remain positive.									
AlOthaim	2,574	2,097	2,301	-10.6%	9.7%	126	58	98	-22.2%	69.0%
	2Q20 witnessed a pre-vat buying which will act as a high base for Othaim, we expect a double digit fall in top-line.									
Extra	1,551	1,364	1,365	-12.0%	0.1%	90	81	84	-6.7%	3.7%
	Top-line to decline due to high base effect last year, bottom-line to drop less due to higher consumer finance profits share.									
Bindawood Holding	1,547	1,124	1,362	-12.0%	21.2%	185	62	122	-34.1%	96.8%
	Bindawood to witness a drop in top-line due to high base last year.									
Retail Sector	**8,611**	**8,247**	**9,298**	**8.0%**	**12.7%**	**84**	**121**	**609**	**628.7%**	**403.3%**
Healthcare										
Dallah	248	495	523	111.1%	5.6%	7	53	62	789.2%	18.2%
	Improved utilization and acquisitions to drive both revenue and profitability									
Mouwasat	468	534	565	20.6%	5.8%	116	147	166	43.1%	12.5%
	Improved utilization and lower base to aid both revenue and profitability									
NMCC	186	214	221	18.8%	3.2%	26	36	37	42.9%	3.1%
	Revenue and profitability to be aided by improved utilization and lower base									
Al Hammadi	244	278	307	25.6%	10.2%	39	36	46	17.5%	29.2%
	Improved utilization and acquisitions to drive both revenue and profitability									
Healthcare Sector	**1,146**	**1,521**	**1,615**	**40.9%**	**6.2%**	**188**	**271**	**311**	**65.5%**	**14.5%**
Other										
Bupa Arabia	2,243	3,253	2,355	5.0%	-27.6%	388	140	309	-20.2%	121.2%
	Earnings are likely to remain under pressure on an annual basis due to lower NEP and higher loss ratio.									
Tawuniya	2,470	2,921	2,810	13.8%	-3.8%	188	59	145	-23.0%	145.0%
	GWP is likely to increase, mainly due to new clients additions. However, net income is likely to be impacted on higher claims.									
Leejam Sports	24	149	234	875.0%	57.0%	(91)	(7)	40	NM	NM
	Top-line to display a strong growth on a low base. We expect Leejam to post a net income of SAR40mn.									
Saudi Ceramics	382	440	418	9.3%	-5.1%	7	71	60	812.5%	-15.3%
	Improvement in both volume and prices to aid in revenue and profitability growth									
Aramco*	123,231	272,072	306,002	148.3%	12.5%	25,370	78,590	90,556	256.9%	15.2%
	Top-line and bottom-line are likely to improve sequentially, driven by increased oil prices and sales volume.									
SISCO***	215	254	245	14.0%	-3.5%	28	32	30	7.1%	-6.3%
	SISCO to report a growth in top-line and bottom line led by rising transhipment volume in JIP									
Aldrees	719	1,760	1,900	164.3%	8.0%	14	39	43	207.1%	10.3%
	Aldrees bottom line to grow as the company opened significant number of stations over the last year									
Bawan Company	520	862	680	30.9%	-21.1%	15	42	23	45.8%	-45.9%
	Revenue and profitability to be driven by strong performance across segments, especially steel									
SADAFCO**	561	522	527	-6.1%	1.0%	75	56	62	-16.8%	10.7%
	Expat exodus leading to over supply of milk and intense competition along with rising agro commodity prices to hurt margins									
Al Yamamah Steel	395	453	374	-5.4%	-17.5%	1	60	36	NM	-40.6%
	Improving margins to aid in improvement in profitability, despite fall is sales volume									

** Data is not comparable due to Aramco-SABIC deal ** SADAFCO and Fawaz Alhokair follow April-Mar financial year. *** Net income adjusted for one offs for Q2 2020. ^ Data is not comparable due to SANIC acquisition. ^^ Financials are for half yearly.*

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Al Rajhi Capital (Al Rajhi), a company authorized to engage in securities activities in Saudi Arabia. Al Rajhi is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Rosenblatt Securities Inc, 40 Wall Street 59th Floor, New York NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Al Rajhi. Rosenblatt Securities Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Rosenblatt Securities Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Ownership and Material Conflicts of Interest

Rosenblatt Securities Inc. or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. Rosenblatt Securities Inc, its affiliates and/or their respective officers, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Rosenblatt Securities Inc. is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

Rosenblatt Securities Inc. or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither Al Rajhi nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

Al Rajhi may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of Al Rajhi.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by Al Rajhi with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of Al Rajhi and Al Rajhi accepts no liability whatsoever for the actions of third parties in this respect. This research document has been prepared by Al Rajhi Capital Company ("Al Rajhi Capital") of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital's clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Disclaimer and additional disclosures for Equity Research

Disclaimer

This research document has been prepared by Al Rajhi Capital Company ("Al Rajhi Capital") of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital's clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Explanation of Al Rajhi Capital's rating system

Al Rajhi Capital uses a three-tier rating system based on absolute upside or downside potential for all stocks under its coverage except financial stocks and those few other companies not compliant with Islamic Shariah law:

"Overweight": Our target price is more than 10% above the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Neutral": We expect the share price to settle at a level between 10% below the current share price and 10% above the current share price on a 12 month time horizon.

"Underweight": Our target price is more than 10% below the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Target price": We estimate target value per share for every stock we cover. This is normally based on widely accepted methods appropriate to the stock or sector under consideration, e.g. DCF (discounted cash flow) or SoTP (sum of the parts) analysis.

Please note that the achievement of any price target may be impeded by general market and economic trends and other external factors, or if a company's profits or operating performance exceed or fall short of our expectations.

Contact us

Mazen AlSudairi
Head of Research
Tel : +966 11 836 5468
Email: alsudairim@alrajhi-capital.com

Al Rajhi Capital
Research Department
Head Office, King Fahad Road
P.O. Box 5561, Riyadh 11432
Kingdom of Saudi Arabia
Email: research@alrajhi-capital.com

Al Rajhi Capital is licensed by the Saudi Arabian Capital Market Authority, License No. 07068/37.