3Q25 Earnings Preview

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3Q25 Earnings Preview

- We expect the aggregate revenue for our covered universe to rise by 11.5% y/y (+4.6% q/q), largely driven by non-oil sectors such as Real Estate (mainly led by Masar), IT, and Consumer Services, Banks, among others. On the other hand, earnings are expected to increase by 9.8% y/y (+2.6% q/q), aided by likely margin expansion across most sectors, except for Petrochemical, Energy, and Utilities.
- **Banks:** The outlook for Saudi banks is positive, led by healthy sector fundamentals, including healthy loan growth and stable asset quality. Banks are currently focusing on increasing their non-yield income and improving cost efficiency. SNB's strategic focus on beating sector loan growth and growing its non-yield component on topline will enable the bank to post healthy 3Q25e earnings growth annually.
- **Real estate:** We expect the sector to witness robust earnings growth, driven by Masar (on increased land sales), Cenomi Center (due to likely ECL reversals), and Retal (on improved execution rate). On the other hand, Akaria is likely to report a low single-digit increase in earnings due to weaker Binyah activity.
- **IT:** We expect Elm's results to reflect the full impact of Thiqah acquisition in the top line (+47% y/y) while the short-term margin dilution is expected to partially offset the positive impact of the acquisition in the bottom line (+19% y/y). Meanwhile, Azm is expected to post a ~20% y/y earnings growth, driven mainly by revenue growth and other income.
- **Consumer services:** Leejam is expected to deliver high single-digit top-line growth, supported by club expansion and an improved product mix. Further, Americana is anticipated to post robust profitability growth annually, due to a weaker base, despite higher financing and tax expenses, while Alamar is expected to witness earnings contractions, affected mostly by higher Opex.
- **Capital goods:** The sector is expected to post a double-digit earnings growth annually in 3Q25, with Riyadh Cable likely to witness robust annual growth, backed by a strong order book and healthy demand. Meanwhile, we expect Gas's earnings to remain mostly flat annually as the top-line growth would be mostly offset by lower margin attributed mainly to the project life cycle.

- **Food & Beverage:** Tanmiah is likely to report a top-line growth of 2.1% y/y, but earnings are likely to be red, due to weaker margins. However, Entaj is projected to deliver stronger top -line growth of 12.8% y/y, supported by higher sales volumes. resulting in 39% y/y earnings growth. Further, all the milling companies are likely to witness strong earnings growth, driven by healthy demand.
- **Transportation:** flynas is anticipated to post solid 17% y/y earnings growth on strong growth in ASK and some normalization in operating expenses. Further, Budget's earnings are set to grow at ~23% y/y, reflecting the full impact of AW acquisition. Moreover, we expect Lumi to post an earnings growth of ~21% y/y, mainly due to likely lower finance costs. Lastly, SAL's earnings are likely to be supported by higher cargo volume and better pricing.
- **Pharma:** Favorable market dynamics are expected to be reflected in healthy earnings growth for Jamjoom (+13.5% y/y), while Avalon is expected to more than double its bottom line (+125% y/y), reflecting capacity expansion and margin improvement.
- **Manpower:** We anticipate solid earnings growth for SMASCO (+13.5% y/y) and Mawarid (+7.6%), driven by continued workforce expansion.
- **Material:** We expect Amak's earnings to improve sequentially on higher commodity metal prices amid a stable fixed cost structure. Meanwhile, Luberef earnings are also expected to improve sequentially on the back of better crack margin driven by lower fuel prices, offsetting weak sales volumes.
- **Petrochemical:** Despite a healthy top-line annually, we expect continuous pressure on the petrochemical sector's earnings performance (except for APPC due to capacity expansion), weighed down by weak product spread amid lower prices for most products, and higher other costs.
- **Energy:** Among the drilling companies, we expect ADES to post top-line sequential growth of 5.8%, driven by the deployment of additional rigs outside KSA, resulting in an earnings growth of 9.7% q/q. On the other hand, ADC's earnings are likely to come under pressure due to the suspension of rigs.
- **Utility:** Miahona's Ras Tanura project is progressing well, thereby driving its top-line on an annual basis in 3Q, while earnings are expected to decline due to weak margins and lower other income.

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Main market: 3Q25 estimates

Company	CMP (SAR)	Mcap (SARmn)	YTD %	Revenues (SARmn) 3Q25e	3Q24a	Y/Y	2Q25a	Q/Q	Net profits (SARmn) 3Q25e	3Q24a	Y/Y	2Q25a	Q/Q	Annualized P/E 3Q25e	2Q25
Petrochemical															
APPC	35.98	9,355	12.1%	1,206	643	87.5%	698	72.6%	59	46	30.2%	82	-27.4%	39.5x	28.7x
Alujain	34.98	2,421	-8.7%	348	338	3.0%	343	1.6%	16	46	-64.8%	12	29.8%	37.5x	48.7x
Sipchem ***	19.93	14,615	-19.9%	1,761	1,627	8.2%	1,906	-7.6%	(40)	103	NM	(169)	76.2%	NM	NM
Kayan	5.92	8,880	-15.7%	2,266	2,399	-5.5%	2,231	1.6%	(383)	(296)	-29.3%	(496)	22.9%	NM	NM
Energy															
Arabian Drilling	76.40	6,800	-31.5%	808	863	-6.4%	862	-6.3%	(20)	85	NM	7	NM	NM	NM
ADES*	15.69	17,715	-9.6%	1,671	1,573	6.2%	1,579	5.8%	210	203	3.4%	192	9.7%	21.1x	23.1x
Materials															
Luberef	92.60	15,626	-17.2%	2,169	2,495	-13.1%	2,249	-3.6%	255	226	13.1%	245	4.2%	15.3x	15.9x
AMAK	76.40	6,876	13.2%	276	216	27.7%	259	6.6%	83	60	38.1%	73	13.0%	20.8x	23.5x
Utilities															
Miahona	24.80	3,991	-10.6%	184	88	107.4%	187	-1.6%	6	17	-62.2%	8	-24.3%	157.7x	119.3x
Banks and Financial Services															
SNB**	38.94	233,640	16.6%	9,675	9,195	5.2%	9,507	1.8%	5,853	5,366	9.1%	6,165	-5.1%	10.0x	9.5x
Tadawul	207.70	24,924	-4.2%	310	359	-13.8%	319	-2.9%	84	141	-40.2%	96	-12.6%	74.1x	64.7x
Retailing															
Jarir***	13.69	16,428	8.1%	2,729	2,667	2.3%	2,648	3.0%	313	308	1.4%	197	58.5%	13.1x	20.8x
SASCO***	59.25	4,148	-6.7%	2,979	2,642	12.8%	2,875	3.6%	6	11	-42.9%	30	-78.5%	162.0x	34.9x
Food & Beverages															
Tanmiah	83.00	1,660	-31.4%	672	657	2.1%	650	3.4%	(1)	24	NM	0	NM	NM	NM
Entaj	40.58	1,217	-18.8%	336	298	12.8%	332	1.4%	6	4	39.2%	19	-67.2%	49.8x	16.4x
First milling	53.00	2,942	-12.4%	279	261	7.0%	238	17.5%	68	61	11.4%	51	32.8%	10.8x	14.3x
Modern Mills	33.70	2,758	-18.1%	263	252	4.0%	241	9.1%	58	48	19.6%	50	16.6%	11.9x	13.9x
Arabian Mills	41.90	2,150	-14.6%	254	244	3.8%	230	10.1%	64	55	16.7%	54	19.5%	8.4x	10.0x
Consumer Services															
Americana^	2.03	17,100	-11.0%	661	555	19.0%	644	2.6%	63	37	72.2%	60	5.6%	18.1x	19.1x
Alamar*	51.45	1,312	-31.3%	239	229	4.2%	237	0.9%	15	19	-22.7%	15	-0.6%	22.1x	22.0x
Leejam***	144.00	7,543	-22.3%	443	406	9.1%	376	17.9%	104	187	-44.5%	72	43.8%	18.2x	26.1x
Sports Clubs	10.81	1,237	44.1%	98	98	0.1%	84	16.1%	5	16	-71.6%	7	-32.7%	66.9x	45.0x
Seera Group*	30.34	9,102	35.1%	1,147	995	15.3%	1,208	-5.0%	70	43	60.4%	19	261.0%	32.7x	118.0x

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Capital Goods															
Riyadh Cable	129.50	19,425	-6.0%	2,791	2,433	14.7%	2,715	2.8%	289	235	23.0%	279	3.4%	16.8x	17.4x
Astra	146.00	11,680	-18.9%	704	689	2.3%	715	-1.5%	150	138	9.1%	175	-14.0%	19.4x	16.7x
Gas Arabian	16.92	2,673	-1.9%	328	288	14.0%	320	2.5%	35	35	-0.3%	39	-9.2%	19.0x	17.2x
Transportation															
Theeb	65.75	2,827	-14.2%	375	337	11.0%	365	2.6%	50	46	7.0%	48	4.1%	14.2x	14.8x
Budget	76.45	5,976	-6.7%	560	506	10.7%	545	2.8%	88	72	23.0%	86	3.0%	16.9x	17.4x
Lumi	64.65	3,556	-9.2%	410	403	1.8%	416	-1.4%	49	40	21.1%	54	-10.4%	18.3x	16.4x
Flynas***	79.50	13,583	-0.6%	2,138	1,969	8.6%	2,144	-0.3%	122	105	17.0%	220	-44.5%	27.7x	15.4x
SAL	183.30	14,664	-27.4%	422	367	15.0%	394	7.2%	163	156	4.6%	162	0.3%	22.5x	22.6x
Software & Services															
ELM^^^	928.00	74,240	-16.8%	2,749	1,872	46.9%	2,245	22.5%	595	498	19.4%	590	0.9%	31.2x	31.5x
AZM^^	27.26	1,636	-22.1%	66	61	9.4%	64	3.7%	12	10	20.1%	12	1.1%	33.6x	33.9x
Pharma															
Jamjoom	158.50	11,095	4.1%	346	328	5.5%	396	-12.7%	108	95	13.5%	132	-18.3%	25.7x	21.0x
Avalon	134.00	2,680	10.0%	108	81	33.1%	118	-8.3%	9	4	125.4%	25	-64.9%	76.8x	27.0x
Real Estate															
Akaria	15.57	5,839	-38.5%	435	434	0.3%	489	-11.0%	39	38	2.8%	94	-58.5%	37.2x	15.5x
Cenomi Center#	22.67	10,768	4.5%	584	587	-0.5%	583	0.2%	312	222	40.5%	214	45.4%	8.6x	12.6x
Retal***	11.96	5,980	-26.1%	564	510	10.5%	488	15.5%	55	40	37.1%	66	-17.0%	27.2x	22.6x
Masar	24.37	35,060	62.5%	1,267	267	375.0%	669	89.3%	480	117	310.5%	237	102.8%	18.3x	37.0x
Commercial & Professional Svc															
Mawarid	128.00	1,920	21.4%	635	468	35.6%	624	1.7%	33	31	7.6%	32	2.3%	14.5x	14.8x
SMASCO	5.94	2,376	-22.5%	513	463	10.7%	514	-0.1%	33	29	13.5%	30	11.4%	18.1x	20.1x

Source: Company data, GIB Capital. Prices as of 8 October 2025.
Note: Marafiq and Al Arabia are under preview. NM: Not meaningful.
** Earnings before minority. ** Total operating income. ^ Results are in USD, ^^1QFY26 earnings before minority (Sep-ended).*
**** Sipchem: 2Q25 earnings include one-off SAR171mn impairment in associate. Jarir: 2Q25 includes one-off item of ~SAR12mn. SASCO: 2Q25 includes one-off gain of ~SAR25mn in financial assets. Leejam: 3Q24 includes SAR92.4mn land sale, 2Q25 SAR4.6mn includes non-recurring items. Flynas: ^2Q25 net profit is adjusted for one-time expenses worth SAR1083mn. Retal: 2Q25 net profit includes one-time gain from the disposal of an investment in an associate*
 # Net profit is adjusted for FV gain/loss) and one-time net positive impact from insurance compensation in 3Q25.
^^^ Including the effect of Thiqah acquisition.

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