

**Company**

Abdullah Al Othaim  
Markets Co.  
2Q25 Result Review

**Rating**

Under Review (UR)

**Bloomberg Ticker**

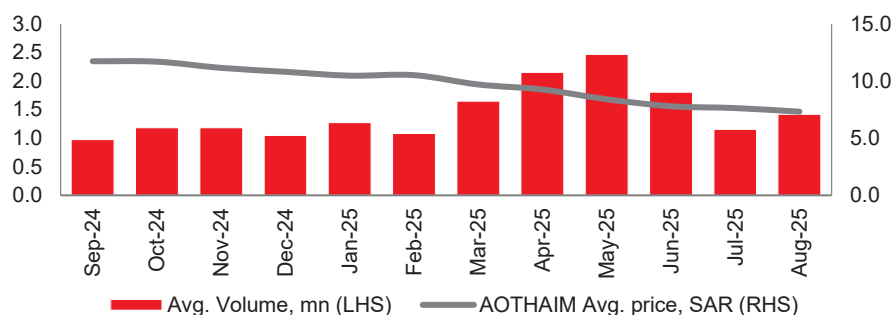
AOTHAIM AB

**Date**

11 August 2025

**Results**

Target Price SAR	UR
Upside/ Downside	—

**Revenue rose 3% YoY in 2Q25, closely aligned with our estimate**

Abdullah Al Othaim's revenue increased by 3% YoY in 2Q25, driven by higher sales, in line with our expectations.

**Expenses related to new stores weighed on net profit growth**

Gross profit outpaced revenue growth, indicating efficient direct cost management while operating profit rose at a superior rate of 9% YoY. Financing income expanded on the renewal of the lease contract of the shopping mall in Dammam, while the company also witnessed growth in the share of profits from associates. However, net profit grew marginally as an increase in the expenses related to new stores, particularly lease finance expense, largely offset the growth.

**U-Capital view**

We intend to revisit our investment case for Al Othaim upon the availability of detailed financials and keep it under review as of now. Recently, the company's BoD recommended a dividend of SAR 0.12/share for 2Q25, resulting in a total dividend of SAR 108mn. Currently, the stock trades at 19.3x FY25e EPS, below its 3-year daily average forward P/E of 23.7x.

Current Market Price (SAR)	7.5
52wk High / Low (SAR)	12.5/7.2
12m Average Vol. (mn)	1.4
Mkt. Cap. (USD/SAR mn)	1,794/6,732
Shares Outstanding (mn)	900.0
Free Float (%)	64.2%
3M ADTV (SAR mn)	13.7
6M ADTV (SAR mn)	15.0
P/E'25e (x)	19.3
EV/EBITDA'25e (x)	9.7
Dividend Yield '25e (%)	4.9%
Price Perf. (1m/3m) (%)	-3.7/-13.6

**Research Department**

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For our  
last report

**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
<b>P&amp;L</b>												
Revenue	2,464	2,563	2,650	3,138	2,535	2,525	3%	-19%	0%	5,503	5,673	3%
Gross profit	541	565	677	632	579	551	7%	-8%	5%	1,168	1,211	4%
Operating profit	71	87	183	106	77	76	9%	-28%	1%	198	183	-8%
Net profit	41	75	289	76	41	45	1%	-46%	-8%	156	118	-25%
<b>BS</b>												
Sh. Equity	1,152	1,039	1,331	1,352	1,294		12%	-4%		1,152	1,294	12%
<b>Ratios</b>												
Gross margin	22.0%	22.0%	25.5%	20.1%	22.8%	21.8%				21.2%	21.3%	
Operating margin	2.9%	3.4%	6.9%	3.4%	3.0%	3.0%				3.6%	3.2%	
Net profit margin	1.7%	2.9%	10.9%	2.4%	1.6%	1.8%				2.8%	2.1%	
EPS, SAR	0.05	0.08	0.32	0.08	0.05	0.05				0.17	0.13	
RoE (TTM)					38.4%							
TTM P/E (x)					14.0							

Source: Financials, Tadawul, Bloomberg, U Capital Research



# 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%

### Ubhar Capital SAOC (U Capital)

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