

Company

Saudia Dairy and Foodstuff Co.

3Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

SADAFCO AB

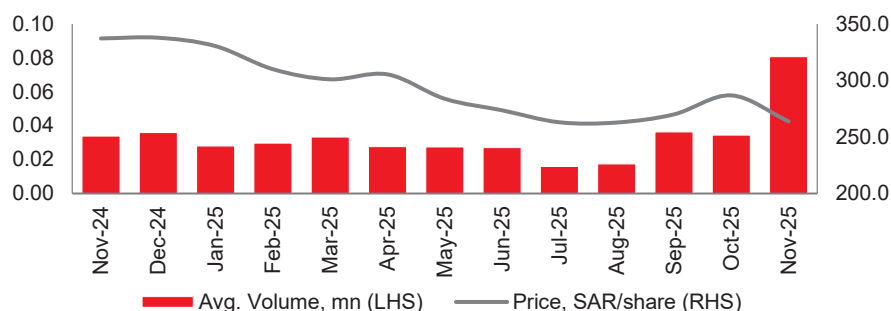
Date

4 November 2025

Results

Target Price SAR 309.5

Upside/ Downside 17.3%

**Revenue slightly up 2% YoY in 3Q25, meeting our estimate**

SADAFCO's revenue rose 2% YoY in 3Q25, coming in line with our estimate. The company witnessed strong traction in emerging sales channels, including exports (+28% YoY), out-of-home (+41% YoY), and e-commerce (+153% YoY), while also registering growth in legacy retail channels, particularly modern trade.

Net profit surges 35% YoY on strong operating profit growth

Gross profit fell 18% YoY owing to an increase in raw material and other costs, and lower ice cream sales. Yet, operating profit surged 42% YoY as the company booked SAR 107.4mn one-off gain on the sale of a property in other operating income. Thus, driven by strong operating profit growth, net profit climbed by 35% YoY in 3Q25.

U Capital View

The company weathered weak operating conditions well by maintaining its market share in key product categories — UHT milk (57.7%), tomato paste (53.9%), and ice cream (30.2%). We have an Accumulate rating on SADAFCO with a target price of SAR 309.50/share.

Current Market Price (SAR)	263.8
52wk High / Low (SAR)	365.8/254.0
12m Average Vol. (mn)	0.03
Mkt. Cap. (USD/SAR mn)	2,286/8,574
Shares Outstanding (mn)	32.5
Free Float (%)	59.8%
3m ADTV (SAR mn)	8.2
6m ADTV (SAR mn)	7.4
P/E'26e (x)	16.9
EV/EBITDA'26e (x)	12.7
Dividend Yield '26e (%)	5.9%
Price Perf. (1m/3m) (%)	-1.6/-1.3

Research DepartmentEmail: ubhar-research@u-capital.net

For our last report

**Financial Summary**

SAR mn	3Q24	4Q24	1Q25	2Q25	3Q25	3Q25e	YoY	QoQ	Var.	9M24	9M25	YoY
P&L												
Revenue	790	733	779	785	807	834	2%	3%	-3%	2,230	2,370	6%
Gross profit	276	258	280	271	225	292	-18%	-17%	-23%	801	776	-3%
Operating profit	129	86	123	118	184	133	42%	56%	38%	382	425	11%
Net profit	137	92	126	118	185	231	35%	57%	-20%	391	428	10%
BS												
Sh. Equity	1,718	1,807	1,650	1,773	1,698		-1%	-4%		1,718	1,698	-1%
Ratios												
GPM	34.9%	35.2%	35.9%	34.6%	27.9%	35.0%				35.9%	32.8%	
OPM	16.4%	11.8%	15.8%	15.0%	22.8%	16.0%				17.1%	17.9%	
NPM	17.4%	12.6%	16.2%	15.0%	22.9%	27.7%				17.5%	18.1%	
EPS, SAR	4.22	2.83	3.94	3.68	5.77	7.12				12.24	13.38	
RoE (TTM)					30.0%							
TTM P/E (x)					16.5							
Current P/B (x)					5.0							

Source: Financials, Tadawul, Bloomberg, U Capital Research



Investment Research

Ubhar-Research@u-capital.net

Head of Research

Tahir Abbas

+968 2494 9036 | tahir@u-capital.net

Research Team

Ahlam Al Harthi

+968 2494 9024 | ahlam.harthi@u-capital.net

Sandesh Shetty

+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi

+968 2494 9012 | amira.alalawi@u-capital.net

Rao Aamir Ali

+968 2494 9066 | Rao@u-capital.net

Head of Brokerage

Talal Al Balushi

+968 2494 9051 | talal@u-capital.net

Visit us at

www.u-capital.net

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)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.