

We have estimated Q42017 earnings for eighteen below exhibited companies under our coverage:

Company	Estimated Earnings (SAR mn)	% Change YoY	% Change QoQ	Target Price (SAR/ share)	Recommendation
Al Hammadi HAMMAD AB	26.2	144.6%	11.5%	43.0	Overweight
Availability of more bed capacity with the commencement of commercial operations of Nuzha Hospital to stimulate earnings.					
Care CARE AB	22.0	--	-18.7%	48.0	Overweight
Revised terms of service to adversely impact earnings. Going forward, earnings to be supported by new contract and potential merger with Al Hammadi.					
Mouwasat MOUWASAT AB	79.0	9.5%	3.0%	160.0	Neutral
We see Mouwasat as one of the stable companies and expect earnings continue to grow at a decent rate.					
MEAHCO MEH AB	74.4	-15.1%	24.0%	74.0	Overweight
Revised terms of service to adversely impact earnings of the company. However, going forward earnings to get aid from Hail hospital and other projects in the pipeline.					
Dallah DALLAH AB	77.4	48.5%	0.8%	120	Overweight
Namar hospital to boost patient inflow, however initially the hospital related operational expenses to ramp up.					
Healthcare Equipment and Services					
Nadec NADEC AB	14.4	85.9%	16.8%	38.0	Overweight
We estimate earnings growth on the back of reduction in operational expenses.					
Savola SAVOLA AB	147.3	--	-82.7%	45.0	Overweight
Operational expenses expected to squeeze, consequently aiding earnings.					
Almarai ALMARAI AB	515.0	5.4%	-22.8%	56.0	Neutral
Topline to decline while earnings expected to expand mainly due to curtailed operational expenses.					
SADAFCO SADAFCO AB*	73.0	6.5%	-2.8%	140.0	Neutral
Low skimmed milk pricing environment to support margins.					
Food and Beverages					
Catering CATERING AB	103.8	-1.0%	-20.4%	90.0	Neutral
We believe revenue from catering segment to stabilize around the current levels. Whilst profitability to be driven by growth in business lounges segment.					
Commercial and Professional Services					
Aldreess ALDREES AB	19.4	26.0%	-0.8%	34.5	Overweight
Petroleum sales volume to mainly support earnings. We expect sales volume to escalate post June 2018.					
Energy					

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Farm Superstores SMARKETI AB	15.0	-10.5%	108.5%	31.0	Neutral
We estimate ramping operational expenses to weigh on the earnings. However, decent performance is expected going forward on the back of store addition.					
Food and Staples Retailing					
Yamamah Steel YAMAMAH AB**	11.0	-45.7%	-0.3%	30.0	Overweight
Weak set of result is expected due to: lower product pricing and muted construction activity. In addition to that, we believe the stock is trading at a considerable discount.					
Materials					
SGS SGS AB	106.0	5.1%	-33.9%	46.0	Neutral
Earnings expected to improve YoY for Q42017, with the support from other income.					
Transportation					
Herfy HERFYI AB	51.4	-7.2%	-8.3%	54.0	Neutral
LFL sales growth expected to decline. However, expansion outside KSA can be a game changer for the restaurant segment. We expect bakery segment to show decent performance.					
Hokair Group AATD AB	12.2	-39.8%	-35.2%	30.0	Overweight
We estimate weak results mainly due to under performance of the hotel segment.					
Consumer Services					
SACO SCH AB	42.0	1.4%	84.1%	110.0	Neutral
We estimate earnings to get support from promotions.					
Fawaz Al Hokair ALHOKAIR AB*	41.1	1.0%	--	42.5	Overweight
Awarding of allowances and other financial subsistence to support the sector. Further, company's expansion within the Kingdom to improve overall gross margins.					
Retailing					

*Year end March 31st

**Year end September 30th

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Rating Methodology

Upside/ Downside Potential

Greater than or equal to +15%

Between +15% and -14%

Less than or equal to -15%

Recommendation

Overweight

Neutral

Underweight

Analyst at discretion may deviate from the above mentioned recommendation methodology and revise the Fair Value in exceptional circumstances.

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