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CAPITAL

# 4Q25 Earnings Preview

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## 4Q25 Earnings Preview

- We expect the combined revenue for our covered universe to rise by 5.4% y/y (-1.2% q/q), largely driven by non-oil sectors such as IT, Banks, Retail, and Consumer Services, among others. On the other hand, earnings are likely to increase by 9.7% y/y; however, sequentially, earnings are forecasted to decline by 10.1%, due to margin pressure across most sectors.
- **Banks and financial services:** Saudi banks are expected to see stronger credit demand following rate cuts in 2H25. Efforts to expand non-core income will support margins in declining rates. SNB's higher share of fixed-rate loans and investment portfolio is likely to support NIMs growth. Additionally, ongoing cost optimization initiatives are expected to boost bottom-line growth. On the contrary, Tadawul is expected to report a 39% y/y decline in 4Q25 earnings, driven mainly by lower ADTV.
- **IT:** We expect Elm to post a strong set of results with top-line rising by ~53% y/y and bottom-line increasing by ~43%, driven by the Thiqah acquisition and favorable seasonality for both Elm and Thiqah in the last quarter of the year. Further, Azm is forecast to post 13.4% y/y earnings growth, driven mainly by continuing contract winnings.
- **Consumer services:** Leejam is expected to record a 25% decline in earnings in 4Q25, reflecting margin pressure stemming from rising costs associated with new club openings. In contrast, Sports Club is projected to deliver strong double-digit earnings growth in 4Q25, supported by an anticipated ~21% y/y revenue growth and the absence of IPO-related listing expenses. Moreover, Americana is anticipated to post robust profitability growth annually (+43% y/y), primarily driven by the absence of non-financial asset impairment losses recorded in 4Q24. Furthermore, Alamar is projected to report a 12.6% y/y decline in earnings (+17.4% q/q), reflecting margin pressure and tightened competition.
- **Capital goods:** The sector continues to see healthy topline and earnings growth, supported by sustained expansion in non-oil activities. We expect aggregate revenues to rise by ~8% y/y, led by Riyadh Cables, Astra and GAS Arabian, with earnings growing at a low double-digit, primarily driven by Astra on margin expansion and finance income.
- **Manpower:** SMASCO and AlMawarid are projected to deliver a double-digit revenue growth due to workforce expansion amid a strong demand outlook. However, bottom-line growth is expected to be stronger in SMASCO (+68% y/y) compared to AlMawarid (+8.2% y/y) due to margin expansion.

- **Food & Beverages:** We expect both Tanmiah and Entaj to report net losses in 4Q, due to intensified competition on pricing, rising OPEX, and higher financing costs. On the other hand, milling companies are expected to report moderate earnings growth, supported by healthy demand.
- **Pharma:** We forecast a 43% y/y growth in Jamjoom's earnings due to expected volumetric growth and cost efficiencies. Meanwhile, we expect seasonality to limit Avalon's earnings, with a modest 3% y/y growth in 4Q25.
- **Transportation:** flynas's top line is expected to grow at a healthy 5.8% y/y, driven by strong ASK growth. However, net losses are projected to widen, reflecting pressure on RASK due to network expansion with longer stage lengths and competitive pricing. Among car rental companies, we anticipate ~16% y/y contraction (+30% y/y gain on an adjusted basis) in Budget's earnings in 4Q25, due to a high base of revenues and a one-off OPEX benefit in 4Q24. Further, Lumi's earnings is likely to fall ~7% y/y amid subdued top-line growth and margin pressure. For Theeb, higher financing and provisioning costs, along with normalized other income and zakat, are likely to offset fleet expansion, resulting in a modest ~3% y/y earnings decline. Lastly, for SAL, we anticipate strong earnings growth, likely driven by higher top-line on better air cargo handling pricing and margin expansion.
- **Real estate:** The real estate sector is expected to remain under pressure in 4Q25 due to industry-wide and company-specific factors. We estimate aggregate revenues to decline by ~12% y/y, led by Akaria, while net income is projected to fall by ~63% due to i) minimal contribution from Akaria Park, ii) weaker revenues and higher ECL at Cenomi Centers, iii) margin dilution at Retal, and iv) higher operating costs and interest expenses at Masar.
- **Material:** We expect Amak's earnings to come under pressure as higher commodity prices and operating leverage advantage are likely to be offset by lower gold volume. Meanwhile, Luberef earnings are also expected to decline sequentially, due to a 45-day shutdown at the Yanbu facility in 4Q, coupled with lower crack margin.
- **Petrochemical:** We expect continuous pressure on the petrochemical sector's earnings, weighed down by weak prices, product spreads, and other costs, offsetting lower feedstock prices.
- **Energy:** Among the drilling companies, we expect ADES to witness 18% q/q top-line growth, driven by the 1-month impact from Shelf Drilling's acquisition. However, we expect earnings to come under pressure due to likely one-off acquisition-related costs and diluted margin. Meanwhile, ADC is likely to report losses in 4Q due to lower margins.
- **Utility:** Miahona's steady progress on the Ras Tanura project is expected to maintain revenue growth in 4Q, while earnings are expected to decline due to weak margins and higher operating costs.

## Main market: 4Q25 estimates

	CMP	Mcap	YTD	Revenues (SARmn)					Net profits (SARmn)					Annualized P/E	
Company	(SAR)	(SARmn)	%	4Q25e	4Q24a	Y/Y	3Q25a	Q/Q	4Q25e	4Q24a	Y/Y	3Q25a	Q/Q	4Q25e	3Q25
Petrochemical															
APPC #	27.80	7,228	-4.6%	1,101	579	90.0%	1,018	8.1%	15	(288)	NM	72	-79.6%	123.5x	25.2x
Alujain #	24.90	1,723	-7.8%	332	358	-7.3%	364	-8.8%	8	(117)	NM	16	-48.9%	51.4x	26.3x
Sipchem #	15.10	11,073	0.7%	1,365	1,739	-21.5%	1,366	-0.1%	(248)	20	NM	(469)	47.0%	NM	NM
Kayan #	4.86	7,290	2.7%	1,999	2,245	-11.0%	2,153	-7.2%	(439)	(686)	35.9%	(336)	-30.7%	NM	NM
Energy															
Arabian Drilling	101.50	9,034	2.8%	834	850	-1.8%	835	-0.1%	(13)	70	NM	(9)	-41.6%	NM	NM
ADES**	16.98	19,171	-2.6%	1,951	1,569	24.4%	1,654	18.0%	172	210	-18.1%	219	-21.5%	27.9x	21.9x
Materials															
Luberef	98.60	16,639	2.5%	1,563	2,627	-40.5%	2,157	-27.6%	128	208	-38.5%	279	-54.1%	32.5x	14.9x
AMAK	96.50	8,685	9.7%	272	227	20.1%	271	0.5%	79	41	92.6%	81	-2.5%	27.4x	26.7x
Utilities															
Miahona	18.67	3,004	4.1%	176	145	21.8%	175	0.6%	4	(3)	NM	5	-11.5%	186.1x	164.6x
Banks and Financial Services															
SNB**	40.90	245,400	8.0%	9,998	9,277	7.8%	10,145	-1.5%	6,169	5,843	5.6%	6,469	-4.6%	9.9x	9.5x
Tadawul	141.30	16,956	0.7%	298	346	-14.0%	318	-6.3%	74	120	-38.7%	83	-11.1%	57.6x	51.3x
Retailing															
Jarir	13.42	16,104	5.0%	2,892	2,864	1.0%	2,985	-3.1%	266	275	-3.2%	325	-18.0%	15.1x	12.4x
SASCO***	52.50	3,675	-5.4%	3,081	2,605	18.3%	3,065	0.5%	8	10	-12.7%	8	-1.1%	110.4x	109.2x
Food & Beverages															
Tanmiah	58.80	1,176	2.9%	644	685	-6.0%	614	4.8%	(27)	27	NM	(16)	-72.8%	NM	NM
Entaj	31.60	948	1.3%	335	316	5.8%	327	2.3%	(5)	(6)	12.9%	0	NM	NM	NM
First milling	50.10	2,781	2.2%	301	269	12.1%	286	5.3%	70	68	4.2%	73	-3.5%	9.9x	9.5x
Modern Mills	27.38	2,241	-4.3%	273	267	2.1%	254	7.2%	56	51	10.2%	56	-0.3%	10.0x	10.0x
Arabian Mills	37.90	1,945	-2.1%	267	263	1.3%	246	8.2%	60	57	5.1%	63	-3.9%	8.1x	7.8x
Consumer Services															
Americana^	1.69	14,236	0.6%	639	623	2.6%	589	8.5%	53	37	43.0%	43	22.6%	17.9x	21.9x
Alamar*	42.70	1,089	6.2%	261	229	13.8%	237	10.2%	18	21	-12.6%	15	17.4%	15.1x	17.7x
Leejam	98.95	5,183	-0.6%	439	420	4.5%	439	0.1%	80	107	-25.1%	81	-1.5%	16.2x	15.9x
Sports Clubs #	8.45	967	12.7%	108	89	20.8%	105	2.3%	17	12	36.0%	16	3.6%	14.3x	14.8x
Seera Group*	26.34	7,902	-1.7%	1,190	1,005	18.4%	1,402	-15.1%	60	(312)	NM	50	19.7%	33.1x	39.6x

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	CMP	Mcap	YTD	Revenues (SARmn)					Net profits (SARmn)					Annualized P/E	
Company	(SAR)	(SARmn)	%	4Q25e	4Q24a	Y/Y	3Q25a	Q/Q	4Q25e	4Q24a	Y/Y	3Q25a	Q/Q	4Q25e	3Q25
Capital Goods															
Riyadh Cable	128.90	19,335	-1.2%	2,644	2,497	5.9%	2,732	-3.2%	257	252	1.8%	281	-8.7%	18.8x	17.2x
Astra	150.00	12,000	5.9%	787	712	10.6%	730	7.9%	175	133	31.7%	167	4.5%	17.1x	17.9x
Gas Arabian	12.93	2,043	-1.1%	374	324	15.5%	389	-3.9%	35	34	4.0%	38	-8.1%	14.6x	13.4x
Transportation															
Theeb	37.02	2,442	-1.5%	380	337	12.8%	404	-5.8%	50	51	-2.7%	50	-0.7%	12.3x	12.2x
Budget	61.90	4,839	-0.8%	580	623	-6.9%	630	-7.9%	86	102	-15.7%	80	7.2%	14.1x	15.1x
Lumi	49.18	2,705	-1.5%	414	402	2.9%	414	-0.2%	46	49	-6.6%	53	-12.4%	14.6x	12.8x
Cherry	26.74	802	10.9%	218	131	66.9%	133	64.0%	14	17	-16.0%	21	-31.8%	13.9x	9.5x
Flynas	62.80	10,729	-21.5%	1,761	1,665	5.8%	2,091	-15.8%	(70)	(59)	-17.7%	120	NM	NM	22.3x
SAL	164.20	13,136	2.4%	461	409	12.8%	421	9.4%	180	142	26.7%	181	-0.5%	18.3x	18.2x
Software & Services															
ELM^^^	771.50	61,720	3.1%	3,259	2,129	53.1%	2,535	28.6%	710	498	42.7%	559	27.0%	21.7x	27.6x
AZM^^	23.12	1,387	-1.7%	74	64	15.4%	70	5.5%	9	8	13.4%	13	-35.3%	39.9x	25.8x
Pharma															
Jamjoom	142.70	9,989	0.3%	320	260	23.3%	342	-6.5%	74	52	43.0%	107	-30.8%	33.8x	23.4x
Avalon	113.80	2,276	2.3%	144	136	6.0%	108	33.5%	46	45	2.6%	8	455.1%	12.4x	68.7x
Real Estate															
Akaria	13.20	4,950	2.4%	395	744	-47.0%	410	-3.7%	42	188	-77.8%	39	7.2%	29.7x	31.8x
Cenomi Center***	19.17	9,106	1.5%	542	585	-7.3%	551	-1.7%	77	211	-63.5%	50	53.4%	29.7x	45.5x
Retal #	11.34	5,670	-3.2%	730	588	24.0%	676	7.8%	53	92	-42.2%	55	-4.6%	26.8x	25.5x
Masar	17.23	24,788	0.2%	728	796	-8.6%	1,266	-42.5%	83	190	-56.1%	517	-83.9%	74.4x	12.0x
Commercial & Professional Svc															
Mawarid	128.20	1,923	-1.5%	716	559	28.1%	679	5.5%	32	30	8.2%	37	-13.5%	15.0x	13.0x
SMASCO	5.42	2,168	2.7%	548	476	15.1%	534	2.5%	39	23	67.7%	41	-3.6%	13.8x	13.3x

Source: Company data, GIB Capital. Prices as of 12 January 2026.

Note: Marafiq and Al Arabia are under preview. NM: Not meaningful.

\* Earnings before minority. \*\* Total operating income. ^ Results are in USD, ^^ 2QFY26 earnings before minority (Dec-ended). ^^ Including the effect of Thiqah acquisition. \*\*\* Net profit is adjusted for FV gains/(losses) and one-offs

# APPC: 4Q24 earnings included one-off SAR212mn impairment. Alujain: 4Q24 earnings included one-off ~SAR130mn costs. Sipchem: 3Q25 earnings included one-off SAR191mn impairment and provision; 4Q24 earnings included one-off zakat reversal worth SAR81mn. Kayan: Including insurance proceeds of SAR107mn in 3Q25 and SAR71mn in 4Q24. ADES: 4Q25 earnings includes 1-month impact of Shelf Drilling and one-off costs. 3Q25 earnings included SAR45mn fair value gain. Sports Clubs: 3Q25 excluded one-off profit of SAR4.2mn. Retal: 4Q24 includes one-time gain of SAR45mn from liquidation of Remal Fund.

REITs: 2H25 estimates

Company	CMP (SAR)	Mcap (SARmn)	YTD %	Revenues (SARmn)					Net profits (SARmn)					Annualized P/E	
				2H25e	2H24a	Y/Y	1H25a	Sequential	2H25e	2H24a	Y/Y	1H25a	Sequential	2H25e	1H25
Taleem REIT	10.03	512	-1.3%	32	32	0.2%	31	3.6%	18	17	4.6%	17	4.1%	14.4x	14.9x
Rajhi REIT "	7.84	2,161	-0.5%	57	58	-2.2%	56	0.5%	74	98	-24.5%	71	4.0%	14.6x	15.2x
AlAhli REIT	6.48	891	2.9%	97	96	0.6%	90	7.1%	12	12	2.2%	9	32.5%	36.7x	48.7x

Source: Company data, GIB Capital. Prices as of 12 January 2026.



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