

# Result update

## National Agricultural Development Company

Sector : FMCG

**BUY**

1 December 2025

- Revenue grew 6.6% YoY, driven by protein and agri segment and in line with our forecast.**
- Gross and net margin declined YoY, while the EBIT margin remained stable.**
- Profit down by 2.4% YoY and broadly in line with our forecast.**
- Retain our revenue, while slightly increase our profit estimates and reduce our target price to SAR 21.30 per share with a BUY rating.**

National Agricultural Development Company (NADEC) reported 3Q25 revenue of SAR 844mn, up 6.6% YoY, and broadly in line with our estimate. For 9M25, revenue grew 10% YoY to SAR 2.7bn. Quarterly growth was driven by stronger sales in agriculture and protein segments, partially offset by muted performance in the dairy and food segment. The protein segment, accounting 7% of revenue, rose 66% YoY in 3Q25, supported by the establishment of local slaughterhouses, and improved distribution networks. Agricultural revenue grew 55% YoY due to higher sales volume and improved realizations. In contrast, the dairy and food segment, which represents 90% of revenue declined 0.5% YoY, reflecting lower fresh-milk demand and a shift toward lower-priced processed milk.

Gross margin in 3Q25 contracted 220bps YoY to 34.5% as direct costs rose 10% YoY, outpacing revenue growth, mainly due to changes in product mix and higher production costs. Net operating expenses fell 3% YoY due to lower general and administrative spending, reduced other expenses, and an import duty incentive. Consequently, the EBIT margin remained stable YoY at 12.6%, while the EBITDA margin expanded 130bps YoY to 21.8%. Treasury income grew 10% YoY on higher deposit rates, while joint ventures posted a SAR 256k loss versus a SAR 6.7mn profit in 3Q24. Finance costs rose a modest 4% YoY, primarily due to higher lease-related interest expenses. Overall, net income declined 2.4% YoY to SAR 111mn, with the net margin contracting 120bps YoY to 13.1%. Profit was broadly in line with our forecast and except for the gross margin, all other margins slightly exceeded expectations. For 9M25, profit remained flattish with a meagre 0.8% YoY growth at SAR 329mn.

**Valuation and outlook:** NADEC, a leader in the KSA food industry, continues to benefit from value-added beef products within the protein segment and expects additional traction once its new slaughterhouse becomes operational in 4Q25. The agriculture segment is also expected to sustain its growth momentum, supported by the delivery of 65k tons of wheat in 2H25. Revenue and profit were in line with expectations, with margins slightly ahead of forecast (excluding the gross margin). Based on the current results we retain our 2025e revenue estimate at SAR 3.52bn (vs SAR 3.51bn) and slightly raise our net profit forecast to SAR 433mn (vs SAR 428mn). However, we remain cautious as the core dairy and food segment continues to face pressure. Accordingly, we lower our target price to SAR 21.3/share from SAR 22.50/share (which was achieved), implying a 15.3% upside from current levels. We therefore change our rating to BUY from HOLD. The stock is currently trading at 12.9x its 2025e EPS.

<b>Target price (SAR)</b>	<b>21.30</b>
<b>Current price (SAR)</b>	<b>18.47</b>
<b>Return</b>	<b>15.3%</b>



Exchange  
Index weight (%)

Saudi Arabia  
0.2%

(mn)	SAR	USD
Market Cap	5,571	1,485
Enterprise value	5,700	1,519

Major shareholders	
Saudi Agricultural a	39%
Vanguard Group Inc/T	2.0%
Blackrock Inc	1.0%
Others	58.4%

Valuation Summary	
PER TTM (x)	7.2
P/Book (x)	1.2
EV/EBITDA (x)	7.7
Dividend Yield (%)	NA
Free Float (%)	58%
Shares O/S (mn)	302
YTD Return (%)	-25%
Beta	0.9

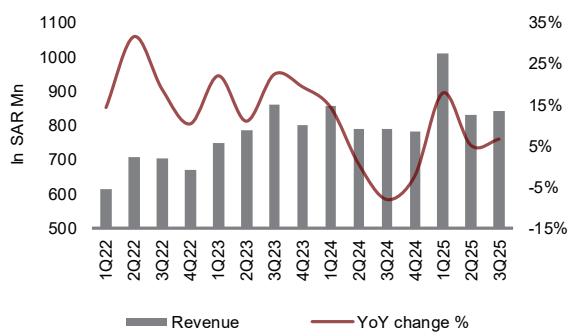
Key ratios	2022	2023	2024
EPS (SAR)	0.45	1.77	2.57
BVPS (SAR)	6.08	11.91	14.25
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
National Agriculture Dev	-11%	-12%	-23%
Tadawul All Share Index	-9%	-1%	-10%

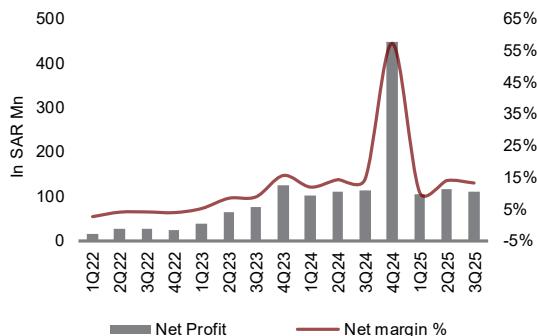
52 week	High	Low	CTL*
Price (SAR)	28.00	18.20	1.5

\* CTL is % change in CMP to 52wk low

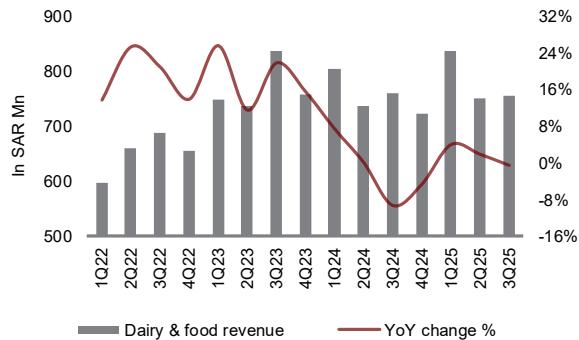
**Revenue driven by agri & protein segments**



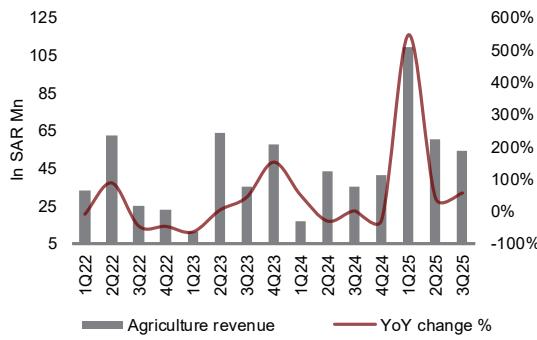
**Net margin declines on lower gross margin**



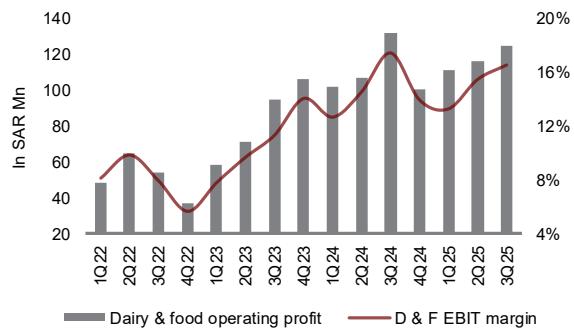
**Dairy & food segment under pressure**



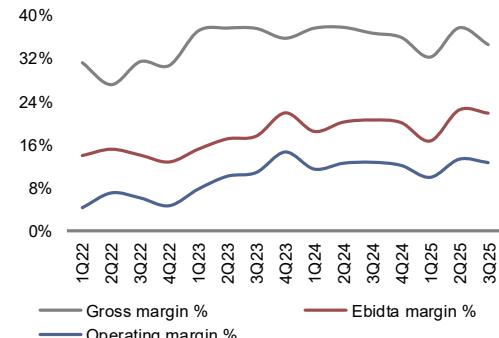
**Agriculture revenue spikes on strong wheat delivery**



**Dairy and food margins decline by 90bps YoY**



**Gross margin down on higher production costs**



Income statement (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	2,272	2,694	3,197	3,220	3,527	3,712	3,904	3,948
Direct Costs	-1,641	-1,886	-2,013	-2,028	-2,294	-2,338	-2,459	-2,487
<b>Gross Profit</b>	<b>631</b>	<b>808</b>	<b>1,184</b>	<b>1,192</b>	<b>1,233</b>	<b>1,373</b>	<b>1,444</b>	<b>1,461</b>
Selling and marketing expenses	-484	-488	-560	-532	-566	-612	-644	-671
General and administrative expenses	-148	-139	-213	-235	-230	-260	-273	-276
Provisions on receivables/other	-152	-21	-73	-4	-12	-19	-20	-20
Other Income / (expenses) - net	-58	-13	6	-32	-15	-37	-39	-39
<b>EBIT</b>	<b>-213</b>	<b>147</b>	<b>345</b>	<b>389</b>	<b>411</b>	<b>445</b>	<b>468</b>	<b>454</b>
<b>EBITDA</b>	<b>-1</b>	<b>375</b>	<b>572</b>	<b>636</b>	<b>712</b>	<b>754</b>	<b>782</b>	<b>761</b>
Share of results of joint venture	-	3	22	24	-1	30	30	30
Finance costs	-32	-49	-76	-34	-36	-35	-33	-32
<b>PBT</b>	<b>-245</b>	<b>101</b>	<b>290</b>	<b>827</b>	<b>475</b>	<b>491</b>	<b>515</b>	<b>522</b>
Zakat	-40	-6	-14	-53	-46	-44	-46	-47
<b>Net Profit</b>	<b>-285</b>	<b>95</b>	<b>302</b>	<b>775</b>	<b>433</b>	<b>447</b>	<b>469</b>	<b>475</b>
Balance Sheet (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Property, plant and equipment	1,810	1,713	1,761	1,775	1,958	2,013	2,073	2,128
Right-of-use assets	71	56	58	46	323	261	202	156
Biological assets	686	735	728	696	678	678	678	678
Other non current assets	178	203	149	312	428	428	428	428
<b>Total non-current assets</b>	<b>2,745</b>	<b>2,707</b>	<b>2,695</b>	<b>2,829</b>	<b>3,387</b>	<b>3,380</b>	<b>3,380</b>	<b>3,390</b>
Current inventories	452	516	560	662	596	608	639	647
Trade and other current receivables	288	371	464	372	423	445	468	474
Cash and bank balances	82	113	835	1,365	1,421	1,738	1,939	2,141
Other current assets	323	115	57	175	263	263	263	263
<b>Total current assets</b>	<b>1,145</b>	<b>1,115</b>	<b>2,415</b>	<b>2,875</b>	<b>2,704</b>	<b>3,054</b>	<b>3,310</b>	<b>3,524</b>
<b>TOTAL ASSETS</b>	<b>3,890</b>	<b>3,822</b>	<b>5,110</b>	<b>5,704</b>	<b>6,091</b>	<b>6,435</b>	<b>6,690</b>	<b>6,914</b>
Share capital	1,016	1,016	3,016	3,016	3,016	3,016	3,016	3,016
Reserves	210	223	233	164	-72	-72	-72	-72
Retained earnings	-30	56	344	1,116	1,549	1,996	2,242	2,482
<b>Total Equity attributable to shareholders</b>	<b>1,196</b>	<b>1,295</b>	<b>3,593</b>	<b>4,297</b>	<b>4,473</b>	<b>4,919</b>	<b>5,165</b>	<b>5,405</b>
Total equity	1,196	1,295	3,593	4,297	4,473	4,919	5,165	5,405
Murabaha loans and borrowings	1,150	893	98	2	1	1	1	1
Lease liabilities	45	39	35	26	175	117	91	71
Employee benefit obligation	163	153	148	131	138	156	164	166
Other non current liabilities	5	5	4	3	3	3	3	3
<b>Total non-current liabilities</b>	<b>1,364</b>	<b>1,090</b>	<b>284</b>	<b>162</b>	<b>395</b>	<b>277</b>	<b>258</b>	<b>241</b>
Trade and other current payables	714	678	775	823	757	772	812	821
Murabaha loans and borrowings	486	633	279	206	276	276	276	276
Lease liabilities	25	16	18	14	44	50	39	31
Other current liabilities	105	110	78	119	58	58	58	58
<b>Total current liabilities</b>	<b>1,330</b>	<b>1,437</b>	<b>1,232</b>	<b>1,245</b>	<b>1,223</b>	<b>1,238</b>	<b>1,267</b>	<b>1,268</b>
<b>Total liabilities</b>	<b>2,694</b>	<b>2,526</b>	<b>1,517</b>	<b>1,407</b>	<b>1,618</b>	<b>1,515</b>	<b>1,526</b>	<b>1,509</b>
<b>Total equity and liabilities</b>	<b>3,890</b>	<b>3,822</b>	<b>5,110</b>	<b>5,704</b>	<b>6,091</b>	<b>6,435</b>	<b>6,690</b>	<b>6,914</b>
Cash Flow (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	256	452	655	670	773	824	859	869
Investing cash flow	-325	-243	-757	82	-353	-223	-234	-237
Financing cash flow	82	-178	825	-221	-364	-285	-423	-431
Change in cash	13	31	722	531	56	316	201	202
Beginning cash	69	82	113	835	1,365	1,421	1,738	1,939
<b>Ending cash</b>	<b>82</b>	<b>113</b>	<b>835</b>	<b>1,365</b>	<b>1,421</b>	<b>1,738</b>	<b>1,939</b>	<b>2,141</b>

Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<b>Per Share</b>								
EPS (SAR)	-2.8	0.9	1.0	2.6	1.4	1.5	1.6	1.6
BVPS (SAR)	11.8	12.7	11.9	14.2	14.8	16.3	17.1	17.9
DPS (SAR)	-	-	-	-	-	0.7	0.8	0.8
FCF per share (SAR)	-0.7	2.1	-0.3	2.5	1.4	2.0	2.1	2.1
<b>Valuation</b>								
Market Cap (SAR Mn)	3,085	2,075	8,401	7,444	5,571	5,571	5,571	5,571
EV (SAR Mn)	4,710	3,544	7,995	6,326	4,646	4,278	4,039	3,810
EBITDA	-1	375	572	636	712	754	782	761
P/E (x)	-10.8	21.7	27.8	9.6	12.9	12.5	11.9	11.7
EV/EBITDA (x)	-	9.4	14.0	9.9	6.5	5.7	5.2	5.0
Price/Book (x)	2.6	1.6	2.3	1.7	1.2	1.1	1.1	1.0
Dividend Yield (%)			0.0%	0.0%	0.0%	4.0%	4.2%	4.3%
Price to sales (x)	1.4	0.8	2.6	2.3	1.6	1.5	1.4	1.4
EV to sales (x)	2.1	1.3	2.5	2.0	1.3	1.2	1.0	1.0
<b>Liquidity</b>								
Cash Ratio (x)	0.1	0.1	0.7	1.1	1.2	1.4	1.5	1.7
Current Ratio (x)	0.9	0.8	2.0	2.3	2.2	2.5	2.6	2.8
Quick Ratio (x)	0.5	0.4	1.5	1.8	1.7	2.0	2.1	2.3
<b>Returns Ratio</b>								
ROA (%)	-7.3%	2.5%	5.9%	13.6%	7.1%	6.9%	7.0%	6.9%
ROE (%)	-23.8%	7.4%	8.4%	18.0%	9.7%	9.1%	9.1%	8.8%
ROCE (%)	-11.1%	4.0%	7.8%	17.4%	8.9%	8.6%	8.6%	8.4%
<b>Cash Cycle</b>								
Inventory turnover (x)	3.6	3.7	3.6	3.1	3.8	3.8	3.8	3.8
Accounts Payable turnover (x)	2.3	2.8	2.6	2.5	3.0	3.0	3.0	3.0
Receivables turnover (x)	7.9	7.3	6.9	8.7	8.3	8.3	8.3	8.3
Inventory days	101	100	101	119	95	95	95	95
Payable Days	159	131	140	148	120	120	120	120
Receivables days	46	50	53	42	44	44	44	44
Cash Cycle	-12	19	14	13	18	18	18	18
<b>Profitability Ratio</b>								
Net Margins (%)	-12.5%	3.5%	9.4%	24.1%	12.3%	12.0%	12.0%	12.0%
EBITDA Margins (%)	0.0%	13.9%	17.9%	19.7%	20.2%	20.3%	20.0%	19.3%
PBT Margins (%)	-10.8%	3.8%	9.1%	25.7%	13.5%	13.2%	13.2%	13.2%
EBIT Margins (%)	-9.4%	5.5%	10.8%	12.1%	11.6%	12.0%	12.0%	11.5%
Effective Tax Rate (%)	-16.2%	5.9%	4.9%	6.3%	9.7%	9.0%	9.0%	9.0%
<b>Leverage</b>								
Total Debt (SAR Mn)	1,707	1,581	429	247	496	444	406	379
Net Debt (SAR Mn)	1,625	1,468	-406	-1,118	-925	-1,293	-1,532	-1,762
Debt/Equity (x)	1.4	1.2	0.1	0.1	0.1	0.1	0.08	0.07
Net Debt/Equity (x)	1.4	1.1	-0.1	-0.3	-0.2	-0.3	-0.3	-0.3

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### Rating Criteria and Definitions

Rating	Rating Definitions
>20%	<b>Strong Buy</b> This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
10-20%	<b>Buy</b> This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
0%-10%	<b>Hold</b> This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
-10% to 0%	<b>Neutral</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside potential between 0% to -10%
-10 to -20%	<b>Sell</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside potential between -10% to -20%
>-20%	<b>Strong Sell</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside potential in excess of 20%
	<b>Not rated</b> This recommendation used for stocks which does not form part of Coverage Universe

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