# AL TAISEER GROUP TALCO INDUSTRIAL CO.

MATERIALS | INITIATION OF COVERAGE

30 JULY 2026

## Buy TALCO: Acquisition-led capacity expansion and structural demand support re-rating

**Proposed Eastern acquisition adds significant earnings upside:** We initiate coverage on Talco with a Buy rating and a SAR 41.8 target price, offering 33% upside. The proposed acquisition of Eastern Aluminum Extrusion Factory has the potential to significantly strengthen Talco's market position and production footprint. Eastern adds 40,000 tons of annual aluminum extrusion capacity, increasing Talco's total extrusion capacity from 60,000 tons to 100,000 tons, while also expanding its downstream capabilities through powder coating and anodizing facilities. We estimate this acquisition to increase Talco's share in Saudi aluminum extrusion market from 23% to ~30%, reinforcing its position as one of the country's largest aluminum extrusion manufacturers. In our model, we assume the transaction to be completed by the end of FY26, with Eastern's financials consolidated from FY27 onwards. Based on our assumptions, the acquisition contributes ~SAR 0.7 to FY27e EPS, taking the consolidated EPS to ~SAR 3.6. We believe the resulting earnings uplift, together with favorable industry tailwinds and company initiatives is not fully reflected in the company's current valuation. The stock is currently trading at ~13.6x TTM P/E which we expect to compress to ~8.7x in FY27 given the strong growth potential.

**Solar infrastructure emerges as a key growth vertical:** The renewable energy sector is emerging as a key long-term end market for Talco's aluminum extrusion business, as the company recently announced its plan to target the solar energy sector by supplying high-precision aluminum profiles. Saudi Arabia had approximately 12.7 GW of renewable capacity integrated with the national grid by the end of 2025, of which we estimate around 11 GW comprised solar PV. Grid-connected renewable capacity is targeted to increase to 20 GW by the end of 2026, while the development pipeline remains significantly larger, with 64 GW of renewable projects tendered and 43 GW already under signed power purchase agreements. Over the longer term, the Kingdom aims to integrate 100–130 GW of renewable capacity by 2030, depending on electricity demand, as part of its objective of generating 50% of electricity from renewable sources. Achieving this target from the current installed base implies annual renewable capacity additions of roughly 17–23 GW per year, equivalent to a 51–59% CAGR in installed renewable capacity over 2025–2030. This underscores the substantial build-out still required across both generation and supporting infrastructure, creating a sizeable addressable market for aluminum extrusion products used in solar energy applications.

**Strategic push into the automotive sector:** Automotive manufacturing is emerging as another potential long-term growth avenue. Saudi Arabia is developing an integrated automotive manufacturing ecosystem under the King Salman Automotive Cluster, with Lucid already operational, Hyundai expected to commence production by 4Q26 with capacity of 50,000 vehicles annually, and Ceer targeting 45% local sourcing by 2034. As OEMs progressively localize their supply chains, demand for aluminum extrusion products used in vehicle structures, battery enclosures and accessories are expected to increase. One example of such collaboration is the JV, announced September last year, between Chery and Tadweeer to establish automotive-grade aluminum recycling/smelting facility. Chery has sourced recycled automotive-grade aluminum from Tadweeer for the past three years and this collaboration further strengthens the trend of growing localization of the automotive supply chain and increasing demand for automotive-grade aluminum in Saudi Arabia. Talco has already announced plans to collaborate with automotive manufacturers, supporting its strategy to diversify beyond its traditional construction end market.

**Higher aluminum represents a net positive despite temporary margin pressure:** Aluminum accounts for ~85% of total COGS, making raw material prices the single largest driver of reported gross margins. Our analysis of the company's core Forming and Selling Aluminum segment, indicates an inverse relationship between LME aluminum prices and reported gross margins. We believe this reflects the timing mismatch in passing through raw material cost increases rather than structural margin deterioration. Talco appears to price its products using a percentage markup over LME aluminum prices; therefore, higher aluminum prices increase the absolute value of the markup and, consequently, absolute gross profit. However, pass-through to customers is not immediate, with pricing adjustments typically occurring after a one to two quarter lag, resulting in temporary gross margin compression during periods of rising LME prices and temporary margin expansion when aluminum prices decline. We estimate, over the medium term, higher aluminum prices should support both revenue growth and absolute profitability, even if reported gross margins exhibit short-term volatility. We acknowledge that GCC accounts for ~10% of global aluminum supply and as such prices could normalize post war, however the impact on gross margin is likely to be offset by increased extrusion premium (which Talco could command owing to larger market share post acquisition), end market diversification adding to demand, consequent higher utilization improving the operating leverage and improvement in margin profile on account of portfolio premiumization

**Key risks:** Our investment thesis is subject to several risks, including customer concentration and deterioration in receivable quality, as evidenced by higher impairment provisions in recent quarters. Margin volatility could arise from fluctuations in aluminum prices due to the lag in passing through raw material cost increases. In addition, any delay in completing the proposed acquisition of Eastern, or the transaction not materializing, could materially impact our earnings estimates. A slowdown in construction and infrastructure spending, along with intensifying competition in domestic and export markets, could also weigh on demand, margins and market share.

| Key financial metrics<br>*In SARmn, unless otherwise stated* | 2024a | 2025a | 2026e | 2027e | 2028e |
|---|---|---|---|---|---|
| Revenue | 707 | 780 | 907 | 1,259 | 1,379 |
| Revenue growth | 4.2% | 10.4% | 16.2% | 38.9% | 9.5% |
| Operating Profit | 98 | 89 | 120 | 187 | 204 |
| Operating margin | 13.9% | 11.4% | 13.2% | 14.8% | 14.8% |
| Net Profit | 83 | 84 | 103 | 144 | 163 |
| Net profit margin | 11.7% | 10.8% | 11.3% | 12.9% | 13.4% |
| EPS (SAR) | 2.07 | 2.11 | 2.57 | 3.60 | 4.07 |
| DPS (SAR) | 1.60 | 1.80 | 0.77 | 3.06 | 3.46 |
| P/E | 15.2x | 14.9x | 12.3x | 8.7x | 7.7x |

*Source: Company data, Derayah Financial*

| | | |
|---|---|---|
| Rating | | **BUY** |
| Target price | SAR | 41.80 |
| Last price* | SAR | 31.46 |
| Upside potential | | **33%** |

**As on 29th July 2026*

### Stock info

| | |
|---|---|
| Saudi Exchange / Bloomberg sym. | 4143/TALCO AB |
| MCap (SARmn / USDmn) | 1,258 / 336 |
| Daily traded value 3M avg. (SARmn / USDmn) | 2.56 / 0.68 |
| Free float % | 74.7% |
| Foreign ownership* / limit | 1.4% / 49.0% |

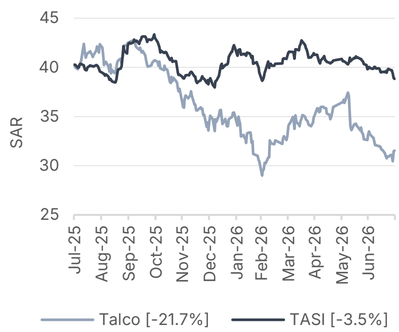
** As on 29th July 2026*

### Key shareholders

| | |
|---|---|
| Mansour Kamel Ibrahim Al-Futouh | 13.5% |
| Nasser Kamel Ibrahim Al-Futuh Al-Balawi | 11.8% |
| Olow Arabia Invest co | 11.8% |

*Source: Argaam*

### Share performance (1-yr return)




*Source: Bloomberg, TASI rebased to Talco share price*



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# Investment thesis

## Eastern Aluminum acquisition could materially expand Talco's footprint and earnings potential

Talco is in the process of acquiring a 60% stake in Eastern Aluminum Extrusion Factory, a Dammam-based aluminum extrusion manufacturer with an installed 40,000 MT annual extrusion capacity. Upon completion, the transaction would increase Talco's installed extrusion capacity from 60,000 MT to 100,000 MT, representing a ~67% increase in capacity. The acquisition also provides Talco with a manufacturing presence in the Eastern Province, complementing its existing Riyadh operations. Saudi total aluminum sector demand was 180k MT in 2022 as per IPO prospectus and as such the market share of Talco was 23% i.e 40k MT volumes sold by Talco of the 180k MT total demand. Assuming the market grew at 5% CAGR through 2025, the market share increases to 30% after including 20k MT Eastern volumes.

While Eastern's financials have not been disclosed, the company recently announced that it achieved 20,000 MT of sales volume during 2025, implying ~50% utilization. Applying Talco's implied realization of ~SAR 16,000 per ton for its aluminum extrusion business suggests Eastern generated extrusion revenue of ~SAR 320mn in 2025. In addition, Eastern operates three powder coating lines, implying total annual revenue could reasonably be in the ballpark of SAR 350-380mn, depending on the contribution from value-added coating operations. This would make the acquisition equivalent to adding a business representing roughly 45-50% of Talco's FY25 consolidated revenue, highlighting its strategic significance.

Assuming Eastern operates at margins broadly in line with Talco's average profitability, the business could generate ~SAR 40mn of net profit annually. Based on Talco's 60% ownership, this translates into profit attributable to Talco shareholders of ~SAR 24mn, implying potential incremental EPS of ~SAR 0.60 (based on 40mn Talco's outstanding shares). The implied TTM P/E for Talco, after incorporating our estimated earnings contribution from the proposed Eastern acquisition, is ~11.4x, while the current TTM PE of Talco is 13.6x reflecting the premium market could be currently paying for the proposed acquisition. It should be noted that these estimates are purely illustrative, as Eastern has not publicly disclosed its revenue or profitability and the earnings do not factor in acquisition financing costs (in case Talco raises debt for this acquisition), integration costs and purchase price amortization (if any).

From a financing perspective, Talco appears well positioned to execute the acquisition. The company ended 1Q26 in a net cash position (SAR 137mn) with negligible financial leverage, providing meaningful debt capacity. In our model we have assumed a SAR 200mn debt which takes the leverage (D/E incl. lease) ratio to 0.3x from near zero currently. The below illustration (refer fig.1) however doesn't factor in the interest cost related to this debt.

The transaction has progressed beyond the preliminary stage and as per the latest update a financial advisor is appointed to conduct the feasibility study and determine a fair value. Talco is currently completing the remaining due diligence and other supplementary procedures before executing the final purchase agreement. Our model assumes the acquisition to be completed by the end of FY26, with the financial impact fully reflected from FY27 onwards.

**Figure 1: Illustrative FY25 run-rate incremental EPS from Eastern**

| | |
|---|---|
| FY22 Talco realization for aluminum extrusion (SAR/T) * | 16,236 |
| FY22 Avg. Aluminum LME Price (USD) | 2,711 |
| Eastern Volume Sold in 2025 (MT) | 20,000 |
| FY25 Avg. Aluminum LME Price (USD) | 2,640 |
| Assumed realization (SAR/T) | 15,813 |
| **Eastern Extrusion FY25 revenue (SARmn)** | **316** |
| Eastern powder coating revenue (assumed) | 50 |
| **Total Eastern Revenue (FY25)** | **366** |
| Net Margin% (assumed same as Talco FY25 Net margin) | 11% |
| Total Eastern Net Income (SARmn) | 40 |
| Attributable to Talco shareholders (60% stake) | 24 |
| Incremental EPS from Eastern | 0.60 |
| Talco TTM EPS | 2.16 |
| Talco EPS (including acquisition) | 2.76 |
| CMP | 31.5 |
| **PE (including Eastern EPS)** | **11.4x** |

*Source: Company data, Eastern Extrusion, Derayah Financial, *FY22 Talco realization is used as the average LME aluminum prices for 2022 are closest to average LME aluminum prices in 2025*

**Figure 2: Key developments in the proposed Eastern acquisition**

| Date | Milestone | Key Development |
|---|---|---|
| 23 Nov 2025 | Signing of non-binding MoU | TALCO signed a preliminary, non-binding Memorandum of Understanding (MoU) with Eastern Aluminum Extrusion Factory to establish the framework for the proposed acquisition. The MoU provides for the completion of financial, legal and feasibility due diligence and sets out the initial rights and obligations of both parties. The MoU is valid for 9 months, extendable by mutual agreement. |
| 12 Feb 2026 | Board approval to proceed with the acquisition | TALCO announced that it had reached a preliminary agreement with Eastern and that the Board of Directors approved moving forward with the acquisition of a 60% stake. The approval also covered completing all studies and procedures necessary to finalize the transaction before signing the Share Purchase Agreement. However, the transaction remained conditional upon confirmation of the feasibility studies and determination of Eastern's fair value by a financial advisor to be appointed. |
| 30 Mar 2026 | Appointment of financial advisor | TALCO appointed the financial advisor to complete the acquisition process, finalize all studies and procedures, conduct the feasibility assessment, determine the fair value of Eastern, and proceed with the remaining due diligence prior to signing the purchase agreement for the acquisition of a 60% stake. The company noted that supplementary procedures remain outstanding and further updates will be announced upon completion. |

*Source: Tadawul, Derayah Financial*

## Outlook for core end market (Construction and Industrial)

**Local residential demand likely to remain weak in near term:** Residential demand has weakened, with the number of mortgage contracts declining 27% y/y during Jan–May 2026, according to SAMA. Cement volumes also confirm the trend which are down 2.4% y/y in 1H26. The decline occurred despite a lower policy rate environment compared with the corresponding period of 2025, indicating that affordability and other demand side constraints remain material. However, we attribute much of the recent decline to a wait and watch sentiment among prospective buyers, given the current geo-political scenario. The government initiatives such as rental freeze, penalty on vacant homes and white land tax though lowered the demand are starting to improve affordability as reflected in the Real Estate Price Index (refer fig. 2) which recorded its first annual decline in five years in 4Q25, and has continued the cooling trend into 1Q26, with the residential sector accounting for the bulk of the downturn. As consumer sentiment and affordability improves, we expect a turnaround in residential sales. Nevertheless, for the near term (2026-27) we have factored weaker residential demand from locals.

**Demand from foreigners to offset local weakness:** Foreign demand is coming into the picture, now that the framework for foreign ownership is available which should help offset the near terms headwinds. We expect this demand to be substantial (government targets USD 85bn annual foreign property inflows by 2030) and do not expect it to drive prices higher for local zones i.e., everything outside the zoned market earmarked for foreigners.

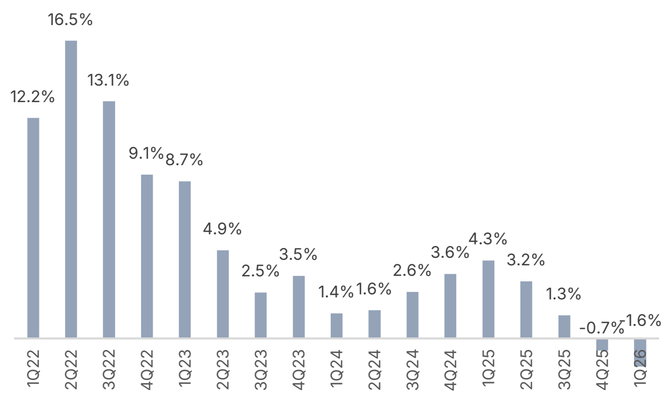
**Commercial demand to remain robust:** On the commercial property front there is a considerable shortage as office occupancy rate continue to be north of 90%, especially for Prime and Grade A properties (refer fig. 5). The Regional Headquarters (RHQ) program remains a primary driver for this sustained demand, as over 780 international firms are now reportedly licensed and actively maintaining a physical presence in the capital. The demand is particularly strong from technology companies (accounted for 53% of all office requirements in 1Q26) followed by professional and financial services, with a collective 33%. A significant supply is expected to be added here, 0.56mn sqm in 2026 and another 0.90 sqm in 2027-28, which shall continue to drive demand for Talco's aluminum profiles.

**Non-Oil manufacturing continues to show resilience:** Industrial sector showed some weakness owing to the war as reflected in the headline IPI numbers but much of that was oil driven as the oil activity index plummeted to 75 in May dragging the overall index down to 88. The non-oil activity however (which is predominantly manufacturing) showed resilience (refer fig. 3) and this is also reflected in the PMI number (refer fig. 4) which has bounced back in the expansion zone (53 in June) after a brief contraction to below 50 in February. For

Talco our key concerns here include the near-term logistical headwinds impacting exports (~30% of revenue) and elevated input costs (2Q26 strongest quarter for input costs in 15 years) which could result in some push back from customers delaying the pass-through and thus impacting margins.

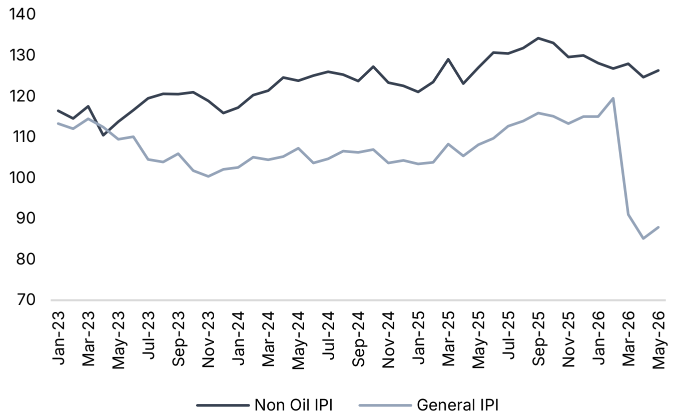
It is also noteworthy that while the demand from residential sector has been subdued lately, Talco has been able to deliver volume growth. The company does not provide volume information, however based on its Tadawul announcement, we can conclude that volume growth did drive the revenue.

**Figure 3: Real estate prices starting to cool (y/y% change)**



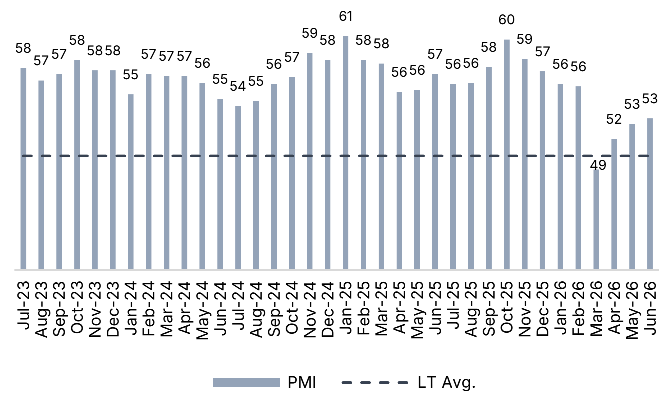

*Source: GASTAT, Derayah Financial*

**Figure 4: Industrial production index decline driven mostly by oil**



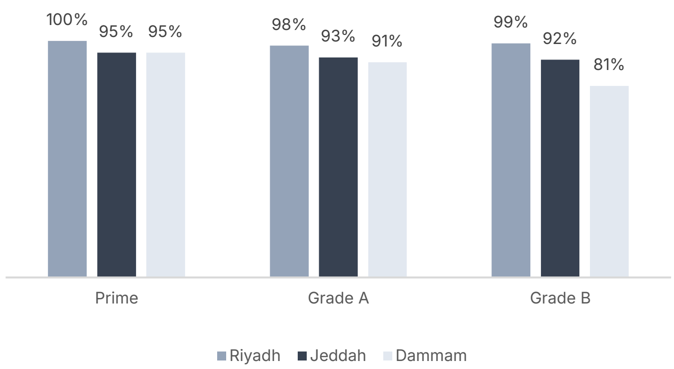

*Source: GASTAT, Derayah Financial*

**Figure 5: Purchase manager index gets back into the expansion zone**




*Source: Riyadh Bank, S&P Global*

**Figure 6: Saudi Arabia, Office Occupancy remains strong (as on 1Q26)**

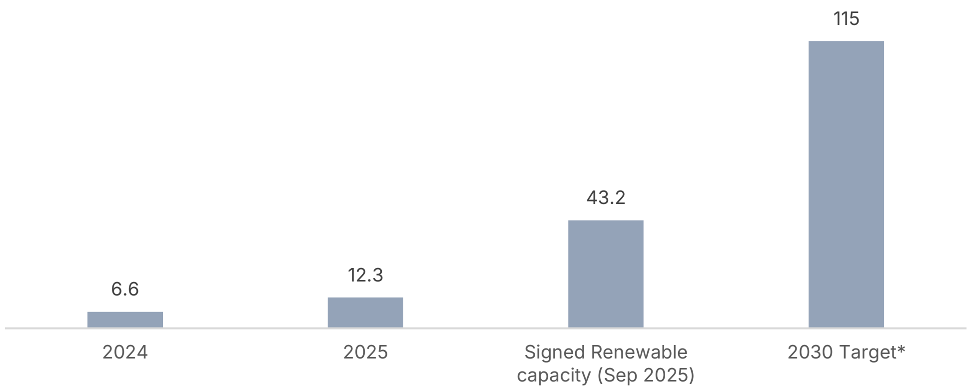



*Source: CBRE Research, Derayah Financial*

## Diversification to new end markets

**Solar:** Aluminum is a critical material in utility-scale solar projects due to its high strength-to-weight ratio, corrosion resistance and durability, making it the preferred choice for module frames, mounting structures, tracker systems and other structural components. Talco has recently announced its strategic intention to supply high-precision aluminum profiles for the solar sector, positioning the company to participate in one of Saudi Arabia's fastest-growing industrial value chains. The company's integrated manufacturing capabilities, including extrusion, powder coating, anodizing and thermal treatment, enable it to offer value-added products tailored to solar applications, while its existing relationships with contractors and industrial customers provide a platform to expand into renewable energy projects. As Saudi Arabia accelerates renewable deployment over the coming years, we believe solar infrastructure can gradually evolve into a meaningful incremental demand driver, supporting both product diversification and long-term volume growth.

**Figure 7: Installed, signed and target renewable capacity (GW)**




*Source: SEC presentation, Derayah Financial, *2030 target is average of 100GW to 130GW government target*

**Automotive:** The increasing use of aluminum in modern vehicles, driven by the need for lightweight structures, improved fuel efficiency and enhanced battery range in electric vehicles, is expanding demand for aluminum extrusion products across the automotive value chain. Aluminum extrusions are widely used in battery enclosures, crash management systems, structural members, roof rails, heat sinks, body structures and various interior and exterior components. Talco's integrated manufacturing capabilities, including extrusion, powder coating and surface finishing, position the company to manufacture many of these value-added aluminum profiles. The company's recent announcement outlining its intention to collaborate with automotive manufacturers reflects its strategy to establish itself within Saudi Arabia's emerging automotive supply chain. As domestic vehicle production scales through investments by Lucid, Hyundai and Ceer, alongside the Kingdom's broader localization agenda, we believe Talco is well positioned to participate in the development of a local supplier ecosystem while reducing its dependence on the Building & Construction sector over the long term.

**Figure 8: Saudi's Automotive ecosystem creates new growth opportunities for Talco**

| Company | Saudi Initiative | Key Quantitative Details | Implication for Talco |
|---|---|---|---|
| Lucid Motors | Operational EV manufacturing facility at King Abdullah Economic City (KAEC) | Manufacturing commenced in 2023. Initial assembly capacity of 5,000 EVs/year, expandable to 150,000 EVs/year. Saudi government committed to purchase up to 100,000 vehicles over 10 years. | Supports long-term demand for aluminum extrusions used in vehicle structures, battery enclosures and lightweight components. |
| Hyundai Motor | Vehicle manufacturing plant under King Salman Automotive Cluster through JV with PIF | Production expected to commence in 4Q26 with planned capacity of 50,000 vehicles annually, manufacturing both EVs and ICE vehicles. PIF holds 70% while Hyundai owns 30%. | Expands domestic OEM ecosystem and creates opportunities for localized aluminum component suppliers. |
| Ceer Motors | Saudi Arabia's first domestic EV brand | Production targeted to begin in 2026. Targeting 45% local sourcing by 2034. Expected contribution of ~SAR 30bn to GDP by 2034 and creation of ~30,000 direct and indirect jobs. | Local sourcing strategy could create demand for domestically manufactured aluminum profiles and automotive components. |
| Chery Automobile | JV with Tadweeer to establish automotive-grade aluminum recycling/smelting facility | Proposed 50,000 MT/year automotive aluminum plant with investment of USD 10–15mn. Chery has sourced recycled automotive-grade aluminum from Tadweeer for the past three years. | Indicates growing localization of the automotive supply chain and increasing demand for automotive-grade aluminum in Saudi Arabia. |

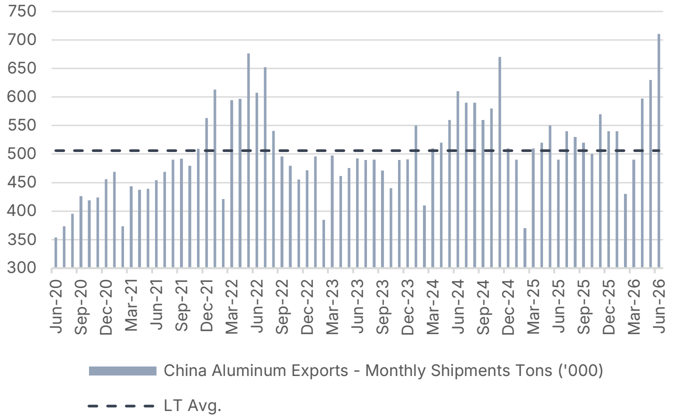
*Source: Derayah Financial*

## Aluminum price outlook and margin dynamics

**Sensitivity to raw material:** Aluminum billet is Talco's largest raw material, accounting for ~85% of total COGS, and is primarily sourced from Ma'aden (Saudi Arabia) and Alba (Bahrain). Although Talco sources aluminum billets primarily from regional producers our analysis indicates that movements in LME aluminum prices remain a useful benchmark for tracking the company's raw material costs. The observed relationship between LME prices and the company's reported gross margins suggests that changes in global aluminum prices are reflected in procurement costs, however the pass through to revenue is likely to have one to two quarter lags. Consequently, periods of rising aluminum prices typically result in temporary gross margin compression, while declining prices support margin expansion. Importantly, higher aluminum prices increase the absolute value of the company's sales and gross profit through higher realizations, even though reported margins temporarily compress.

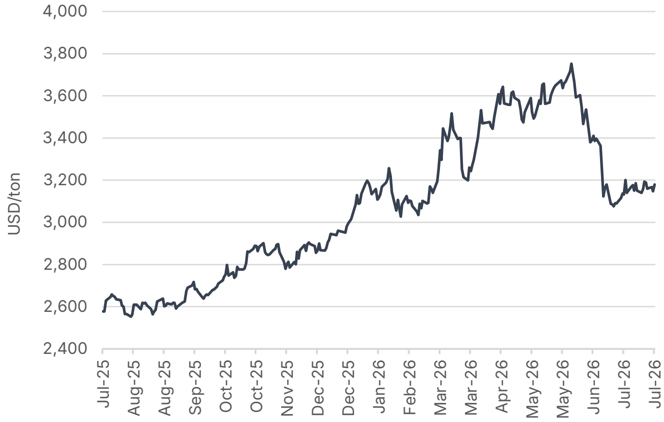
**Aluminum Outlook:** Aluminum prices are likely to remain structurally elevated despite near-term normalization. The medium-term outlook for aluminum remains constructive, underpinned by resilient demand from electrification, renewable energy, grid infrastructure, data centers, packaging and transportation, while supply growth continues to face structural constraints from China's production cap, limited Western smelting capacity and rising data center led competition for power (thereby restricting power supply for smelting). The recent rally in LME aluminum prices was further amplified by geopolitical disruptions in the Middle East, which threatened a region accounting for ~10% of global primary aluminum production and ~18% of ex-China exports, pushing prices to a peak of around USD 3,750/t. Although Chinese exports increased to partially offset the supply disruption (refer fig.8), the response is constrained by domestic production limits and is unlikely to fully close the global supply gap. That said, we believe a meaningful portion of the recent price spike reflected geopolitical risk premia rather than changes in underlying fundamentals. This view is supported by the sharp ~18% correction (refer fig. 9) in LME aluminum prices from ~USD 3,750/t to ~USD 3,080/t as progress in the US-Iran peace negotiations led markets to price in easing geopolitical tensions and a normalization of Gulf shipping and supply chains. Given the GCC's importance in global aluminum exports, a sustained normalization in regional supply chains should help moderate prices from recent peaks, even as the broader supply-demand balance remains supportive. Accordingly, in our model we have factored in LME aluminum prices to average around USD 3,000/t during 2H26 (following elevated levels of ~USD 3,350/t average in 1H26), before moderating further to ~USD 2,800/t in 2027, which remains above long-term historical averages and continues to reflect a fundamentally tight global market. Key upside risk here is that Aluminum could stay elevated if geopolitical situation doesn't improve and that in our estimate should continue to support Talco's profitability on an absolute basis.

**Figure 9: China can increase aluminum exports when overseas prices are attractive, but its ability to expand total supply is constrained by the ~45mn-ton domestic capacity. Moreover, China cancelled export tax rebates on aluminum products from December 2024, making exports less attractive**




*Source: Bloomberg, Derayah Financial*

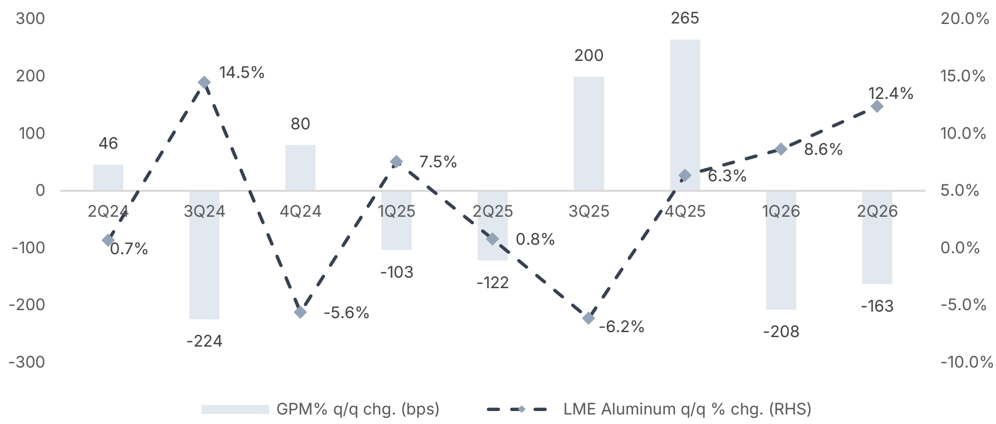
**Figure 10: Aluminum prices decline as market factored better Gulf logistics due to improved geopolitical sentiment, however it inched up again as US and Iran could not reach a resolution**




*Source: Bloomberg, Derayah Financial*

**Outlook on gross margin and overall profitability:** For 2Q26, we expect gross margin to contract by approximately 100 bps q/q, reflecting the continued increase in aluminum prices during the quarter. However, we expect the impact of margin compression to be largely offset by higher sequential volumes and improved realizations resulting from the partial pass-through of elevated input costs, keeping absolute gross profit broadly flat q/q. Looking into 2H26, we forecast gross margin to recover as aluminum prices moderate in line with our LME assumptions. Combined with continued volume growth, this should support healthy absolute gross profit despite lower aluminum realizations. For FY27, we estimate gross margin for the Forming and Selling Aluminum segment (~90% of revenue) to improve gradually to ~19%, supported by further moderation in aluminum prices and for volumes we expect them to grow mid to high single digit%, driven by stronger demand and improved affordability at lower metal prices. Our FY27 estimates also incorporate the proposed acquisition of Eastern Aluminum Extrusion Factory, which may introduce some volatility to reported margins following consolidation. For modelling purposes, we assume Eastern operates at gross margins broadly in line with Talco's existing business. Beyond FY27, we expect demand to strengthen further as Vision 2030 mega and giga projects move into more execution-intensive phases, driving increased demand and supporting sustained earnings growth. Diversification initiatives (Solar and Automotive) are likely to be margin accretive in our estimate, especially Automotive volumes given the complexity involved, which should further strengthen the margin profile for Talco in the long run.

**Figure 11: Forming and Selling Aluminum gross margin reacts to aluminum prices with a lag**




*Source: Company data, Derayah Financial, * The quarterly change in gross margin (bps) is compared with the preceding quarter's change in LME aluminum prices to account for the typical one-quarter lag in raw material cost pass-through. For example, the 224-bps q/q decline in gross margin in 3Q24 is compared with the 14.5% q/q increase in LME aluminum prices during 2Q24.*

## Domestic raw material sourcing mitigates supply chain risks

Talco is relatively insulated from the recent geopolitical disruptions affecting global supply chains, as it sources the majority of its key raw materials domestically. The company primarily procures aluminum billets, the principal raw material used in the extrusion process from local suppliers, most notably Ma'aden, which benefits from a fully integrated aluminum value chain within Saudi Arabia. This local sourcing strategy reduces Talco's reliance on imported raw materials and minimizes exposure to shipping disruptions, elevated freight costs, and extended transit times arising from geopolitical tensions in key maritime routes. While global aluminum prices remain linked to the LME and therefore continue to influence raw material costs, the physical availability of inputs is less susceptible to international logistics bottlenecks. As a result, Talco is better positioned than import dependent materials and industrial companies to maintain production continuity and meet delivery schedules during periods of supply chain disruption.

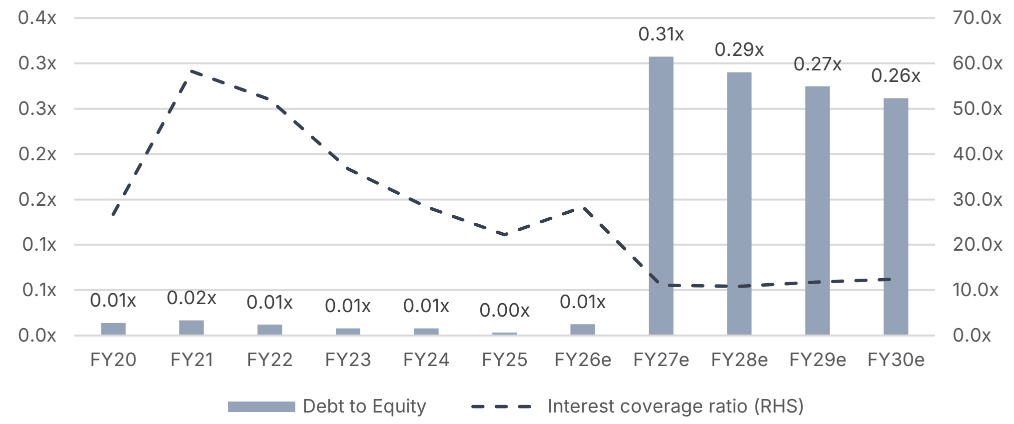
## Captive solar initiative could lower operating costs

Captive solar initiative could provide a modest structural cost benefit. Talco has signed an agreement with Tarshid to study the development of a 4.5 MW captive solar power system across its Riyadh manufacturing facilities. If implemented, the project is expected to reduce the company's dependence on electricity, lowering energy-related operating costs. We expect the primary benefit to accrue through the Utilities line, which accounted for ~1% of FY25 COGS, while Manufacturing expenses (~2% of FY25 COGS) could also benefit to the extent they include power-related operating costs. However, any reduction in operating expenses is likely to be partly offset by higher depreciation charges associated with the solar assets, resulting in a more moderate net earnings benefit. While the financial impact is unlikely to be transformational given the relatively small share of energy costs in the overall cost structure, the initiative should improve operating efficiency, enhance energy sustainability and provide a partial hedge against future increases in electricity costs.

## Strong cash flows and conservative leverage support shareholder returns

**Debt servicing capacity estimated to remain healthy:** The proposed acquisition of Eastern Aluminum Extrusion Factory is expected to increase Talco's leverage as we assume the transaction is partly financed through new debt. However, we believe the resulting balance sheet will remain conservative, with gross debt-to-equity (including lease liabilities) peaking at 0.31x in FY27 before gradually declining to 0.27x by FY30 through earnings accretion. More importantly, Talco's debt servicing capacity remains robust, with our forecasts indicating an interest coverage ratio of ~11.0x on an average through FY2030, despite incorporating the additional borrowing. Supported by strong operating cash flow generation and the incremental earnings contribution from the acquired business, we expect the company to comfortably meet its financing obligations while maintaining sufficient financial flexibility to fund future growth and sustain shareholder distributions.

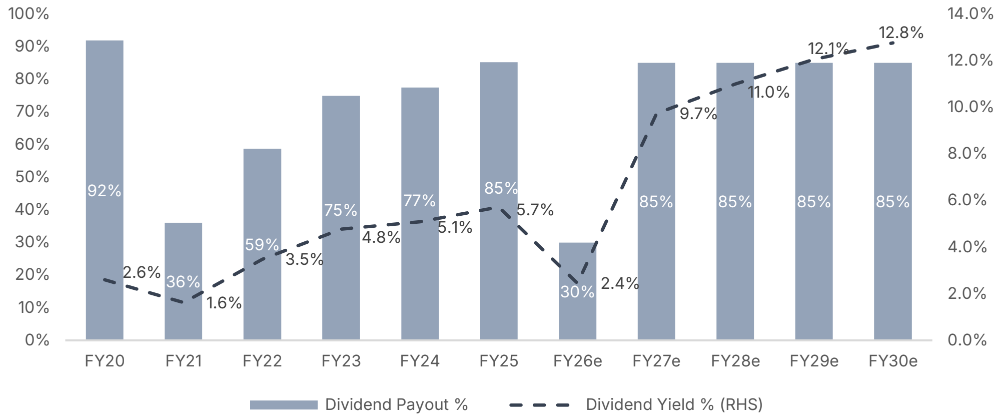
**Figure 12: Leverage post acquisition still at comfortable level and so is interest coverage**




*Source: Company Data, Derayah Financial*

**Dividend payout to normalize following acquisition:** Talco has maintained a strong shareholder return profile since listing, with a dividend payout ratio averaging around 80% over FY23–FY25 and a current dividend yield of ~5.7%. We expect this policy to be temporarily interrupted in FY26, as the proposed acquisition of Eastern Aluminum Extrusion Factory is likely to require a meaningful cash outflow. Accordingly, our model assumes the payout ratio moderates to 30% in FY26 to preserve liquidity and support integration of the acquired business. However, we view this as a one-off adjustment rather than a structural change in capital allocation. As earnings begin to reflect the acquisition from FY27 onwards and cash generation improves, we expect the company to revert to its historical payout ratio from FY27. Consequently, while the dividend yield is projected to decline to 2.4% in FY26, we expect it to recover sharply to 9.7% in FY2027, supported by higher earnings, stronger operating cash flows and the absence of major acquisition-related cash requirements. We therefore continue to view Talco as an attractive long-term dividend story despite the expected near-term moderation in distributions.

**Figure 13: Leverage post acquisition still at comfortable level and so is interest coverage**




*Source: Company Data, Derayah Financial*

## Valuation

We value Talco using an equal blend of DCF and relative PE multiple approaches.

**DCF:** Under the DCF methodology, assuming a WACC of 11% and a terminal growth rate of 2.0%, and a target capital mix of 20% debt and 80% equity, we derive at target price of SAR 40.4 per share.

**Relative valuation:** Talco has no directly listed peers within the GCC, and therefore we benchmark the company against a selected group of the closest listed international aluminum extrusion and downstream aluminum manufacturers. The stock currently trades at ~13.6x TTM P/E, which declines sharply to ~8.7x based on our FY27 EPS estimate. In comparison, the peer group trades at an average of 13.5x TTM P/E and 11.6x FY27E P/E, based on Bloomberg consensus estimates. Also, given the strong projected earnings growth within the peer group, Talco trades at a FY27E PEG ratio of 0.19x, below all peers except Norsk Hydro (0.18x). We believe the current valuation does not fully reflect the company's earnings growth potential, supported by the proposed Eastern acquisition, continued expansion in the construction market, increasing exposure to solar and automotive end markets, and higher absolute profitability as aluminum price pass-through normalizes. Based on target multiple of 12x and our 2027 EPS estimate of SAR 3.6 we arrive at a target price of SAR 43.2 per share.

By giving equal weight to both approaches, we arrive at a blended target price of SAR 41.8 per share (33% upside from CMP), and accordingly, we initiate coverage on the company with a BUY rating.

**Figure 14: Summary of DCF valuation**
*In SARmn, unless otherwise stated*

| DCF Model | FY 2023 | FY 2024 | FY 2025 | FY 2026E | FY 2027E | FY 2028E | FY 2029E | FY 2030E |
|---|---|---|---|---|---|---|---|---|
| Net Income | 80.1 | 82.6 | 84.5 | 102.7 | 162.9 | 184.1 | 202.0 | 213.7 |
| Add: D&A | 22.5 | 22.6 | 23.8 | 26.9 | 37.8 | 41.4 | 44.9 | 46.6 |
| Add: Interest | 2.6 | 3.5 | 4.0 | 4.2 | 16.9 | 18.9 | 18.9 | 18.9 |
| Less: Capex | -13.9 | -15.5 | -18.3 | -28.2 | -265.2 | -27.6 | -29.9 | -31.0 |
| Add/Less: Changes in Working Capital | -37.1 | -34.0 | 34.5 | -76.3 | -106.1 | -34.4 | -44.4 | -21.2 |
| **Free Cash Flow to Firm (FCFF)** | 54.1 | 59.2 | 128.5 | 29.2 | -153.7 | 182.3 | 191.4 | 226.9 |
| PV of FCFF* | | | | 27.7 | -131.4 | 140.5 | 132.9 | 141.9 |

| Sum of present values of FCFs | 315.0 | Less: | | Add: | |
|---|---|---|---|---|---|
| Free cash flow (t+1) | 231.4 | Debt | -200.0 | Cash and cash equivalents | 72.6 |
| Terminal value | 2,573.5 | Lease liabilities | -7.0 | Investments | 20.0 |
| Present value of terminal value | 1,609.5 | Employees' defined benefits obligations | -28.8 | Equity value | 1,616.6 |
| **Enterprise Value (EV)** | **1,924.5** | NCI | -164.7 | **Value per share as per DCF** | **40.4** |

*Source: Company Data, Bloomberg, Derayah Financial, *Only 9m26 estimated numbers are discounted as 1Q26 numbers are reported; Debt, lease, NCI, employee obligations are as on 1Q27*

**Figure 15: Valuation Inputs**

| | |
|---|---|
| Cost of Equity (ke) | 12.0% |
| After tax cost of debt (kd) | 7.0% |
| Debt To Capital | 20.7% |
| WACC | 11.0% |

*Source: Company Data, Bloomberg, Derayah Financial*

**Figure 16: Peer valuation**

| Company Name | Country | Cur. Adj Mkt Cap (USDmn) | Net Sales T12M (USDmn) | OPM T12M | P/E* | P/B | Curr EV/ EBITDA | ROE | ROA | Dvd Yld | FCF Yld | D/E | PE 2027e | EPS 2027e | EPS Abs Growth % | EPS Annualized Growth % | FwD PEG |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Hindalco Industries Ltd | INDIA | 22,688 | 31,139 | 9.7% | 16.0x | 1.6x | 8.3x | 10.3% | 4.4% | 0.5% | -10.9% | 0.7x | 9.8x | 1.0 | 50.8% | 33.5% | 0.29x |
| Norsk Hydro ASA | NORWAY | 22,688 | 20,816 | 7.2% | 17.4x | 1.6x | 7.5x | 9.6% | 4.7% | 3.5% | 4.3% | 0.3x | 9.8x | 0.9 | 88.1% | 55.9% | 0.18x |
| Constellium SE | FRANCE | 3,745 | 9,576 | 9.2% | 5.8x | 3.0x | 4.5x | 53.8% | 9.5% | 0.0% | 5.8% | 1.5x | 10.3x | 2.7 | 40.3% | 26.9% | 0.38x |
| Kaiser Aluminum Corp | US | 2,476 | 4,136 | 8.2% | 12.0x | 2.6x | 7.5x | 26.4% | 8.4% | 2.0% | 3.5% | 1.1x | 13.4x | 11.3 | 87.2% | 55.4% | 0.24x |
| Grupa Kety SA | POLAND | 3,432 | 1,574 | 14.7% | 19.6x | 6.0x | 13.5x | 28.0% | 13.5% | 4.2% | 4.9% | 0.6x | 16.9x | 20.4 | 33.5% | 22.5% | 0.75x |
| UACJ Corp | JAPAN | 2,526 | 7,851 | 6.3% | 10.4x | 1.2x | 6.9x | 12.2% | 3.7% | 2.5% | 0.0% | 1.0x | 9.4x | 1.5 | 1.7% | 1.2% | 7.91x |
| **Average** | | | | **9.2%** | **13.5x** | **2.7x** | **8.0x** | **23.4%** | **7.4%** | **2.1%** | **1.3%** | **0.9x** | **11.6x** | | | | |
| **Median** | | | | **8.7%** | **14.0x** | **2.1x** | **7.5x** | **19.3%** | **6.6%** | **2.2%** | **3.9%** | **0.9x** | **10.0x** | | | | |
| TALCO | KSA | 336 | 228 | 11.4% | 13.6x | 2.3x | 9.1x | 16.0% | 11.2% | 5.7% | 12.0% | 0.0x | | | | | |
| TALCO (FY27e) | KSA | - | - | 14.8% | 8.7x | 1.9x | 8.6x | 23.4% | 12.6% | 9.7% | -12.2% | 0.3x | 8.7x | 3.6 | 70.6% | 45.6% | 0.19x |

*Source: Company Data, Bloomberg, Derayah Financial, *PE is on trailing 12m basis*

## Key Risks

**Acquisition Risk:** Our valuation incorporates the successful acquisition of a 60% stake in Eastern Aluminum Extrusion Factory, with the transaction assumed to be completed by the end of 2026 and earnings consolidated from FY27 onwards. As the acquisition contributes meaningfully to our earnings forecasts and target price, any failure to complete the transaction, delays in closing, or acquisition on materially different terms than assumed would represent a key downside risk to our valuation. In such a scenario, Talco would lose the expected benefits from incremental capacity, higher market share, and earnings accretion, which could result in a lower fair value than our current target price.

**Customer concentration and receivable quality:** Talco derives a meaningful proportion of its revenue from a limited number of customers. Based on data from IPO prospectus, the largest customer accounted for 23.1% of total sales in 1H23, while the top five customers represented 44.5% of aluminum segment sales, the company's largest business. Any loss of a major customer, slowdown in project execution or deterioration in customer credit quality could adversely affect earnings and cash flows. This risk has become more pronounced following the sharp increase in impairment provisions on trade and notes receivables to SAR 17.9mn in FY25 from SAR 5.2mn in FY24, with elevated provisioning continuing into 1Q26.

**Volatility in aluminum prices and spread risk:** Aluminum accounts for the largest component of Talco's production cost. While the company generally passes through changes in LME aluminum prices to customers, there is typically a lag between raw material procurement and selling price adjustments. Sharp movements in aluminum prices or an inability to fully recover higher input costs could pressure gross margins, particularly in periods of elevated price volatility.

**Execution risk on capacity expansion and acquisitions:** Talco's long-term growth strategy relies on expanding manufacturing capacity, increasing exports and pursuing acquisitions, including the proposed acquisition of a 60% stake in Eastern Aluminum Extrusion Factory. Delays in completing acquisitions, integration challenges, or lower-than-expected utilization of new capacity could affect earnings growth and return on invested capital.

**Dependence on construction and infrastructure spending:** A significant portion of Talco's aluminum extrusion business is linked to construction, infrastructure and real estate activity in Saudi Arabia. Any slowdown in government infrastructure spending, delays in Vision 2030 projects or weakness in private sector construction could reduce demand for aluminum profiles and negatively impact revenue growth.

**Increasing competition in domestic and export markets:** Talco operates in a competitive aluminum extrusion market alongside local and regional manufacturers. The company is also targeting higher export sales and new end-markets such as automotive and solar. Increased pricing competition, new capacity additions, weaker export demand or challenging logistics could limit Talco's ability to sustain margins and market share.

## Company Profile

Al Taiseer Group Talco Industrial Company (TALCO) was founded in 1976 as an aluminum extrusion manufacturer. In 2021, the company merged Gulf Polyester Powder Production Co. (Alwan) and Al-Fattouh Aluminum Accessories & Isolation Lines Co. (AIFA) into TALCO, expanding its operations beyond aluminum extrusion to include thermoset powder coating and aluminum accessories. Today, the company operates across three business segments: Aluminum, Thermoset Powder Coating, and Accessories.

**Talco's manufacturing operations are organized across three core production segments:**

**Aluminum:** The company has an installed aluminum extrusion capacity of 60,000 MT per annum, producing mill-finish aluminum profiles and value-added products including anodized, powder-coated, PVDF-coated, wood-finish and thermal break profiles.

**Thermoset Powder Coating (Alwan):** The company has an installed thermoset powder coating capacity of 7,400 MT per annum, manufacturing polyester, epoxy, super durable and metallic powder coatings for architectural and industrial applications.

**Accessories (AIFA):** The company manufactures a broad range of aluminum system accessories, including weatherstrips, rubber gaskets, polypropylene yarn, strip brushes, plastic injection-molded components, plastic bags and printed wrapping films. These products complement the aluminum extrusion business by providing sealing, insulation and finishing solutions for architectural aluminum systems.

Saudi Arabia is the company's largest market, while exports account for ~35% of total production, with sales spanning the GCC, Middle East, Africa and other international markets. Talco serves customers across the construction, infrastructure, industrial, commercial and residential sectors through an integrated manufacturing model that combines aluminum extrusion, surface finishing, powder coating and accessories.

Beyond its traditional construction-focused business, Talco is also expanding into higher growth applications. The company is considering aluminum profiles for solar mounting systems and is also increasing its focus on automotive market as part of its product diversification strategy.

## Product segments

The Company’s three principal business segments consist of the following:

**Aluminum (~88% of revenue):** The Company designs, manufactures and markets a diverse range of aluminum products to a broad range of clients. The aluminum products segment consists of sub-segments, such as aluminum extrusions (various aluminum alloys) mill finish, anodized aluminum, powder coated aluminum, anodic treatment - powder coated aluminum (seaside), PVDF coating (liquid coating), wood finished aluminum (real wood), wood finished aluminum (Effecta), wood finished aluminum (film sublimation) and thermal break products.

**Thermoset Powder Coating (~7% of revenue):** The Company manufactures and markets an extensive range of thermoset powder coating products catering to a broad range of clients. The thermoset powder coating products segment consists of sub-segments, such as polyester powder, epoxy powder, super durable powder and metallic powder products.

**Accessories (~5% of revenue):** The Company designs, manufactures and markets a wide variety of accessories to a broad range of clients. The accessories segment consists of sub-segments, such as weatherstrip, polypropylene yarn, strip brush/rubber, rubber gaskets from PVC and TPV, plastic injection molded components, plastic bags and sheets and printing wrapping films products.

## Production capacity details

The tables below present Talco's installed production capacities across its three operating segments. The Aluminum segment's 60,000 MT aluminum extrusion capacity represents the company's primary extrusion capacity. The remaining capacities within the Aluminum segment relate to downstream finishing and value-added processing (e.g., anodizing, powder coating, PVDF coating and thermal break) applied to extruded aluminum profiles and should not be interpreted as incremental extrusion capacity. The Thermoset Powder Coating (Alwan) and Accessories (AIFA) segments represent separate manufacturing businesses with their own dedicated production facilities and product lines, and their capacities are therefore presented independently.

### Aluminum Segment

| Product | Description | Annual Installed Capacity (MT) |
|---|---|---|
| Aluminum Extrusions (Mill Finish) | Base extruded aluminum profiles | 60,000 |
| Anodized Aluminum | Surface-treated aluminum profiles | 6,000 |
| Powder Coated Aluminum | Powder-coated aluminum profiles | 33,000 |
| Seaside (Anodic Treatment + Powder Coating) | Marine-grade corrosion-resistant finish | 4,800 |
| PVDF Coating | Liquid PVDF-coated aluminum profiles | 350 |
| Real Wood Finish | Aluminum profiles with real wood finish | 1,300 |
| Effecta Wood Finish | Decorative wood-effect aluminum finish | 2,500 |
| Film Sublimation | Film-transfer wood finish | 600 |
| Thermal Break | Thermally insulated aluminum profiles | 1,500 |

*Source: Company Data, Derayah Financial*

### Thermoset Powder Coating Segment (Alwan)

| Product | Description | Annual Installed Capacity (MT) |
|---|---|---|
| Polyester Powder | Standard polyester powder coatings | 5,360 |
| Epoxy Powder | Epoxy-based powder coatings | 360 |
| Super Durable Powder | High-durability architectural powder coatings | 1,544 |
| Metallic Powder Coating | Metallic finish powder coatings | 636 |

*Source: Company Data, Derayah Financial*

### Accessories Segment (AIFA)

| Product | Description | Annual Installed Capacity (MT) |
|---|---|---|
| Weatherstrip | Sealing strips for aluminum systems | 10,000 |
| Polypropylene Yarn | Polypropylene yarn products | 2,000 |
| Strip Brush / Rubber (in piece) | Brush and rubber sealing products | 2,000 |
| Rubber Gaskets (PVC & TPV) | PVC and TPV gasket products | 5,000 |
| Plastic Injection Molded Components | Injection-molded plastic components | 2,000 |
| Plastic Bags & Sheets | Plastic packaging products | 1,000 |
| Printed Wrapping Films | Printed packaging films | 880 |

*Source: Company Data, Derayah Financial*

## Summarized financial statements projections and key financial ratios

**Income statement**
In SARmn, unless otherwise stated

| | FY 2023 | FY 2024 | FY 2025 | FY 2026E | FY 2027E | FY 2028E |
|---|---|---|---|---|---|---|
| Revenue | 678 | 707 | 780 | 907 | 1,259 | 1,379 |
| Revenue growth | -9.6% | 4.2% | 10.4% | 16.2% | 38.9% | 9.5% |
| COGS | -531 | -548 | -611 | -712 | -972 | -1,064 |
| **Gross Profit** | **147** | **159** | **169** | **195** | **287** | **315** |
| Gross Profit margin | 21.7% | 22.5% | 21.7% | 21.5% | 22.8% | 22.8% |
| Total operating expenses | -53 | -61 | -80 | -74 | -101 | -110 |
| **Operating profit** | **94** | **98** | **89** | **120** | **187** | **204** |
| Operating margin | 13.9% | 13.9% | 11.4% | 13.2% | 14.8% | 14.8% |
| Finance costs | -3 | -3 | -4 | -4 | -17 | -19 |
| **EBITDA** | **117** | **121** | **113** | **147** | **224** | **246** |
| EBITDA margin | 17.2% | 17.1% | 14.5% | 16.2% | 17.8% | 17.8% |
| **PBT** | **92** | **95** | **85** | **116** | **170** | **186** |
| Zakat/tax | -11 | -12 | -1 | -13 | -7 | -2 |
| **Net income for the period** | **80** | **83** | **84** | **103** | **163** | **184** |
| Net margin | 11.8% | 11.7% | 10.8% | 11.3% | 12.9% | 13.4% |
| y/y | 7.3% | 3.1% | 2.2% | 21.5% | 58.7% | 13.0% |
| **Net income att. To Talco sh. Holders** | **80** | **83** | **84** | **103** | **144** | **163** |
| Net margin | 11.8% | 11.7% | 10.8% | 11.3% | 11.4% | 11.8% |
| EPS | 2.0 | 2.1 | 2.1 | 2.6 | 3.6 | 4.1 |
| DPS | 1.5 | 1.6 | 1.8 | 0.8 | 3.1 | 3.5 |
| Payout | 74.9% | 77.4% | 85.2% | 30.0% | 85.0% | 85.0% |
| Net Debt/(cash) - excl. lease | -77 | -81 | -142 | -101 | 100 | 59 |
| Net Debt/(cash) - incl. lease | -74 | -77 | -140 | -94 | 107 | 66 |

*Source: Company data, Derayah Financial*

**Balance sheet**
In SARmn, unless otherwise stated

| | FY 2023 | FY 2024 | FY 2025 | FY 2026E | FY 2027E | FY 2028E |
|---|---|---|---|---|---|---|
| Inventories | 141 | 116 | 139 | 156 | 263 | 233 |
| Trade receivables and other balances | 328 | 378 | 357 | 427 | 593 | 648 |
| Cash and cash equivalents | 77 | 81 | 142 | 101 | 100 | 141 |
| **Total Current Assets** | **547** | **575** | **657** | **704** | **976** | **1,042** |
| Property and equipment | 109 | 104 | 101 | 103 | 90 | 76 |
| Intangible assets | 1 | 1 | 1 | 1 | 1 | 1 |
| Right of use assets | 4 | 4 | 2 | 8 | 8 | 8 |
| **Total Non-Current Assets** | **113** | **108** | **103** | **112** | **499** | **485** |
| **Total Assets** | **660** | **683** | **760** | **816** | **1,475** | **1,528** |
| Short-term loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Long term loans - current portion | 0 | 0 | 0 | 0 | 0 | 0 |
| Trade payables and other balances | 139 | 135 | 190 | 205 | 372 | 363 |
| Current Liabilities | 152 | 150 | 202 | 222 | 389 | 380 |
| Non-current portion of long-term loans | 0 | 0 | 0 | 0 | 200 | 200 |
| Lease liability - non-current portion | 2 | 2 | 1 | 5 | 5 | 5 |
| **Non-current Liabilities** | **24** | **28** | **31** | **34** | **234** | **234** |
| Equity | 483 | 506 | 527 | 560 | 673 | 714 |
| **Total Equity and Liabilities** | **660** | **683** | **760** | **816** | **1,475** | **1,528** |
| BVPS (att. to Talco sh. holders) | 12.1 | 12.6 | 13.2 | 14.0 | 16.8 | 17.8 |

*Source: Company data, Derayah Financial*

**Abridged cash flow statement**
*In SARmn, unless otherwise stated*

| | FY 2023 | FY 2024 | FY 2025 | FY 2026E | FY 2027E | FY 2028E |
|---|---|---|---|---|---|---|
| Cashflow from Operations | 72 | 81 | 165 | 62 | 95 | 191 |
| Cashflow from Investing | -15 | -15 | -38 | -28 | -265 | -28 |
| Cashflow from Financing | -46 | -62 | -66 | -74 | 169 | -123 |
| **Total Cashflow** | **12** | **4** | **61** | **-40** | **-1** | **41** |

*Source: Company data, Derayah Financial*

**Key financial ratios and indicators**

| | FY 2023 | FY 2024 | FY 2025 | FY 2026E | FY 2027E | FY 2028E |
|---|---|---|---|---|---|---|
| **Profitability ratios** | | | | | | |
| RoA | 12.4% | 12.3% | 11.7% | 13.0% | 12.6% | 10.8% |
| RoE | 17.3% | 16.7% | 16.4% | 18.9% | 23.4% | 23.5% |
| RoIC | 23.0% | 22.9% | 23.0% | 25.8% | 23.9% | 26.2% |
| EBITDA margin | 17.2% | 17.1% | 14.5% | 16.2% | 17.8% | 17.8% |
| Net margin | 11.8% | 11.7% | 10.8% | 11.3% | 12.9% | 13.4% |
| | | | | | | |
| **Liquidity ratios** | | | | | | |
| Current Assets/ Current Liabilities | 3.6x | 3.8x | 3.3x | 3.2x | 2.5x | 2.7x |
| Net Debt to Total Equity (incl lease liab.) | -0.2x | -0.2x | -0.3x | -0.2x | 0.2x | 0.1x |
| Receivable Days | 170 | 176 | 161 | 145 | 138 | 160 |
| Inventory Days | 97 | 86 | 76 | 76 | 79 | 80 |
| Payable days | 84 | 77 | 82 | 95 | 106 | 110 |
| Cash conversion cycle | 184 | 185 | 155 | 126 | 110 | 130 |
| | | | | | | |
| **Debt ratios** | | | | | | |
| Net Debt/EBITDA (incl. lease liab.) | -0.6x | -0.6x | -1.2x | -0.6x | 0.5x | 0.3x |
| Net Debt/EBITDA (excl. lease liab.) | -0.7x | -0.7x | -1.3x | -0.7x | 0.4x | 0.2x |
| Debt/Equity (incl. lease liab.) | 0.0x | 0.0x | 0.0x | 0.0x | 0.3x | 0.3x |
| Net Debt/Equity (incl lease liab.) | -0.2x | -0.2x | -0.3x | -0.2x | 0.2x | 0.1x |
| | | | | | | |
| **Valuation ratios** | | | | | | |
| P/E | 15.7x | 15.2x | 14.9x | 12.3x | 8.7x | 7.7x |
| P/B | 2.6x | 2.5x | 2.4x | 2.2x | 1.9x | 1.8x |
| P/S | 1.9x | 1.8x | 1.6x | 1.4x | 1.0x | 0.9x |
| EV/EBITDA | 16.5x | 15.9x | 17.1x | 13.1x | 8.6x | 7.8x |
| FCF Yield | 4.3% | 4.7% | 10.2% | 2.3% | -12.2% | 14.5% |
| Dividend Yield | 4.8% | 5.1% | 5.7% | 2.4% | 9.7% | 11.0% |

*Source: Company data, Derayah Financial*

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