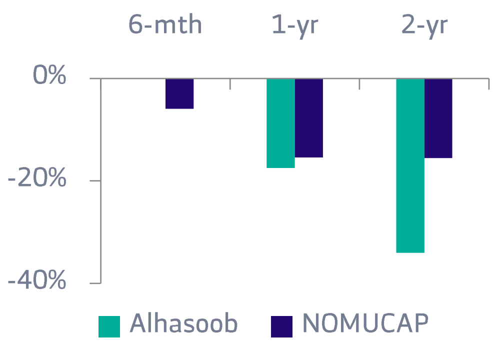
Net Profit Meets Expectations

September 20, 2026

Upside to Target Price	13.6%	Rating	Neutral
Expected Dividend Yield	0%	Last Price	SAR 33.00
Expected Total Return	13.6%	12-mth target	SAR 37.50

Market Data	
52-week high/low	SAR 46.5/30.0
Market Cap	SAR 92.40 mln
Shares Outstanding	2.80 mln
Free-float	%22.6
12-month ADTV	1,409
Bloomberg Code	ALHASOOB AB



Alhasoob Co.	1H2026	1H2025	Y/Y	2H2025	H/H	RC Estimate
Sales	153.4	127.1	21%	175.9	(13%)	168.8
Gross Profit	12.1	8.5	42%	12.4	(2%)	11.8
Gross Margins	8%	7%		7%		7%
Operating Profit	4.5	2.6	73%	4.0	12%	3.7
Net Profit	2.9	1.9	50%	5.6	(49%)	2.9

(All figures are in SAR mln)

- Alhasoob reported 1H26 revenue of SAR 153 mln, slightly below our estimates, up +21% Y/Y, driven by a +118% increase in sales outside Saudi Arabia. Revenue declined by -13% H/H, mainly due to seasonality in the sector.
- Gross profit reached SAR 12 mln, increasing by +42% Y/Y and remaining broadly stable H/H. Gross margin expanded by 120 bps Y/Y and 85 bps H/H to 8%, exceeding both our expectations and the levels recorded over the past three years.
- Operating profit reached SAR 4.5 mln, up +73% Y/Y and +12% H/H, exceeding our estimate of SAR 3.7 mln, supported by revenue growth and improved gross margins. Operating expenses increased by +29% Y/Y to SAR 8 mln but declined by -9% H/H, in line with our estimate of SAR 8 mln. Operating margin expanded by 89 bps Y/Y and 65 bps H/H to 3%.
- Net profit came in at SAR 2.9 mln in 1H26, matching our estimate. Net profit increased by +50% Y/Y but declined by -49% H/H, partly due to the reversal of SAR 2.3 mln in provisions recorded in 2H25.
- In April 2026, Alhasoob announced the signing of a three-year framework agreement with Tatweer company for Educational Technologies to supply spare parts to Ministry of education locations across the Kingdom, the contract is valued at SAR 15 mln, with the financial impact expected to begin in 2H26. We lower our target price from SAR 44.00 to SAR 37.50, as we see limited near-term catalysts supporting further upside. Accordingly, we maintain our Neutral recommendation.

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Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

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