Shatirah House Restaurant Co. (BURGERIZZR) 3Q2026 First Look

Results Below Expectations

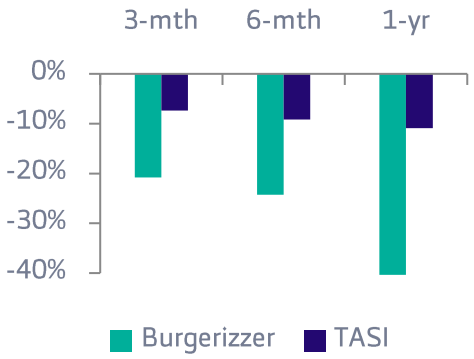
November 09, 2026

Upside to Target Price	14.3%	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 5.95
Expected Total Return	14.3%	12-mth target	SAR 6.80

Market Data	
52-week high/low	SAR 10.74/4.91
Market Cap	SAR 333 mln
Shares Outstanding	56 mln
Free-float	35.6%
12-month ADTV	526,344
Bloomberg Code	BURGERIZ AB

Burgerizzr	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	113	98	15%	114	(1%)	128
Gross Profit	36	34	5%	39	(8%)	44
Gross Margins	32%	35%		34%		34%
Operating Profit	6.6	4.2	59%	8.5	(22%)	9.3
Net Profit	3.3	3.4	(4%)	5.5	(39%)	6.8

(All figures are in SAR mln)



- Burgerizzr's revenue increased +15% Y/Y, supported by a higher number of branches and the consolidation of Shovel's revenue following the completion of its acquisition in 4Q25, while revenue declined -1% Q/Q to SAR 113 mln, below our SAR 128 mln estimate. The Company operated 149 branches as of 3Q26 (including Shovel), compared to 117 branches in 3Q25.
- Gross profit reached SAR 36 mln, increasing +5% Y/Y and declining -8% Q/Q, below our SAR 44 mln estimate. Cost of sales increased +20% Y/Y and +2% Q/Q due to higher food costs, reaching SAR 77 mln, below our SAR 84 mln estimate. Gross margin contracted by -293 bps Y/Y and -242 bps Q/Q, attributed to lower average sales per branch, reaching 31.6% versus our 34.0% estimate.
- Operating profit recorded strong growth Y/Y, reaching SAR 6.6 mln in 3Q26 from SAR 4.2 mln in 3Q25, while declining from SAR 8.5 mln in 2Q26. Operating expenses decreased -2% Y/Y and -4% Q/Q to SAR 29 mln, below our SAR 34 mln estimate. The operating margin expanded by +163 bps Y/Y, while contracting by -158 bps Q/Q.
- Burgerizzr recorded net profit of SAR 3.3 mln, down Y/Y and Q/Q, below our SAR 6.8 mln estimate. The Y/Y decline came despite revenue growth, due to higher fixed costs and the inclusion of Shovel's financing costs during the current quarter, which were not included in the same quarter last year.
- The Company expects the electricity tariff adjustment, scheduled to take effect on January 1, 2027, to increase annual cost of revenue by approximately 1%, based on its preliminary estimates, while the water tariff adjustment is not expected to have a material financial impact. We lower our target price to SAR 6.80/share while maintaining our Neutral rating.

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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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