

## Revenues & Operational Efficiency Boost Profits

April 23, 2025

Upside to Target Price	1.6%	Rating	Neutral
Expected Dividend Yield	4.1%	Last Price	SAR 63.00
Expected Total Return	5.7%	12-mth target	SAR 64.00

Market Data	
52-week high/low	SAR 64.50/46.75
Market Cap	SAR 48,510 mln
Shares Outstanding	770 mln
Free-float	71.99%
12-month ADTV	1,089,089
Bloomberg Code	EEC AB

Mobily	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	4,777	4,545	5%	4,697	2%	4,656
Gross Profit	2,554	2,445	4%	2,505	2%	2,491
Gross Margins	53%	54%		53%		54%
Operating Profit	850	753	13%	1,058	(20%)	789
Net Profit	767	638	20%	979	(22%)	718

(All figures are in SAR mln)



- Mobily 1Q2025 revenues continue to grow, up +5% Y/Y and +2% Q/Q, reaching SAR 4.8 bln, in line with our estimates. This was driven by expansion across all segments. The mobile subscribers' base grew by +5.7% from 12.3 mln in both comparable periods, driven by Ramadan season, to 13.0 mln in 1Q2025 (11.0 mln in prepaid and 2.0 mln in postpaid subscribers), with a -2.7% Y/Y decline and +1.8% Q/Q increase in FTTH subscribers to 0.290 mln.
- Gross profits grew by +4% Y/Y and +2% Q/Q to SAR 2.6 bln, with a 53.5% gross margin, matching our estimate. OPEX for the quarter stood at SAR 1.7 bln, increasing by +1% Y/Y and +18% Q/Q, also matching estimates. In 4Q2024, a withholding tax reversal of SAR 144 mln, and lower OPEX caused the -20% Q/Q decline in operating profit. Operating margin of 17.8% in this quarter was higher than our 17.0% estimate and last year's margin of 16.6%, driven by operational efficiency.
- Net debt/EBITDA ratio improved on Y/Y basis to 0.95x from 1.01x last year. CAPEX for the quarter grew significantly to SAR 2,130 mln from SAR 223 mln last year, due to investments frequency spectrum, with CAPEX/Revenue ratio rising to 44.6% from 4.9% last year.
- Net profit increased by +20% Y/Y but declined -22% Q/Q to SAR 767 mln, above SAR 734 mln market consensus and our SAR 718 mln estimate. Sequential decline was due to the withholding tax reversal coupled with lower OPEX last quarter. We increase our target price from SAR 62.00 to SAR 64.00 and maintain our Neutral stance.

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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  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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