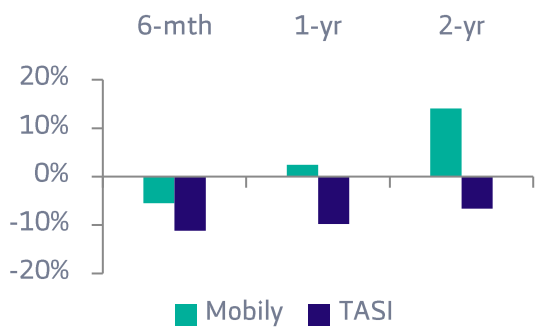


Market Data	
52-week high/low	SAR 64.50/48.65
Market Cap	SAR 42,504 mln
Shares Outstanding	770 mln
Free-float	71.97%
12-month ADTV	1,063,069
Bloomberg Code	EEC AB



■ Bottomline Beat, Up +26% Y/Y

July 22, 2025

Upside to Target Price	15.9%	Rating			Buy	
Expected Dividend Yield	4.7%	Last Price			SAR 55.20	
Expected Total Return	20.7%	12-mth target			SAR 64.00	
Mobily	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	4,828	4,465	8%	4,777	1%	4,711
Gross Profit	2,623	2,378	10%	2,554	3%	2,497
Gross Margins	54%	53%		53%		53%
Operating Profit	891	759	17%	850	5%	796
Net Profit	830	661	26%	767	8%	712

(All figures are in SAR mln)

- Mobily’s 2Q2025 revenues continue to grow, up +8% Y/Y and +1% Q/Q, reaching SAR 4.8 bln, marginally above estimates. Annual growth was driven by expansion across all segments, while sequential growth was led by Business and Wholesale segments. The mobile subscriber base grew +5.8% Y/Y but declined -1.5% Q/Q to 12.8 mln (10.8 mln in prepaid and 2.0 mln in postpaid subscribers), driven by seasonality. FTTH subscribers declined -3.0% Y/Y and -0.3% Q/Q to 0.289 mln.
- Gross profit grew +10% Y/Y and +3% Q/Q to SAR 2.6 bln, with a 54.3% gross margin compared to 53% in both comparable periods, exceeding estimates. OPEX for the quarter stood at SAR 1.7 bln, increasing +7% Y/Y and +2% Q/Q, in line with estimates. The operating margin of 18.5% this quarter was higher than 17.0% last year and 17.8% last quarter, driven by operational efficiency.
- EBITDA margin of 37.8% came in better than 37.0% last year and 37.1% last quarter, also above our 36.6% estimates. Net debt/EBITDA ratio was flat Y/Y at 1.00x, compared to 1.01x last year. CAPEX for the quarter came in at SAR 566 mln, compared to SAR 386 mln last year and SAR 2,130 mln last quarter, and was allocated to investments in infrastructure, frequency spectrums, and 5G network. CAPEX/Revenue ratio of 11.7% for the quarter declined from 44.6% last quarter, and is expected to decline further in the second half.
- Net profit surged to SAR 830 mln (+26% Y/Y, +8% Q/Q), beating market consensus of SAR 734 mln and our SAR 712 mln estimate. The deviation from estimates was driven by better-than-expected revenues, margins, and share of income from JV. The company announced a SAR 1.20 DPS for the first half. We maintain our SAR 64.00 target price and upgrade our rating to Buy.

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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

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