

Market Data	
52-week high/low	SAR 71.60/57.55
Market Cap	SAR 44,930 mln
Shares Outstanding	770 mln
Free-float	72.00%
12-month ADTV	871,165
Bloomberg Code	EEC AB



Earnings Hold Firm Despite Higher OPEX

October 21, 2026

Upside to Target Price16.5%

Expected Dividend Yield5.0%

Expected Total Return21.5%

RatingLast Price12-mth target

BuySAR 58.35SAR 68.00

Mobily	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	5,068	4,849	5%	5,080	(0%)	5,022
Gross Profit	2,824	2,691	5%	2,845	(1%)	2,792
Gross Margins	56%	55%		56%		56%
Operating Profit	1,004	1,038	(3%)	978	3%	982
Net Profit	925	916	1%	901	3%	890

(All figures are in SAR mln)

- Mobily's 3Q2026 topline grew to SAR 5.07 bln (+5% Y/Y, -0.2% Q/Q), in line with our SAR 5.02 bln estimate. Y/Y growth was supported by the Consumer (+5%) and Wholesale (+10%) segments, alongside an expanding subscriber base, while the marginal Q/Q decline reflected weaker Business segment revenue (-3%). Mobile subscriber base continued to expand to 15.1 mln (+13% Y/Y, +1% Q/Q), primarily driven by prepaid subscribers (12.9 mln; +13% Y/Y, +1% Q/Q). Postpaid subscribers increased to 2.2 mln (+10% Y/Y, +5% Q/Q), while FTTH subscribers reached 0.316 mln (+6% Y/Y, +0.3% Q/Q). 9M2026 topline grew +5% Y/Y to 15.2 bln, driven by all revenue streams.
- Gross margin came in at 55.7%, compared to 55.5% last year and 56.0% last quarter, in line with our 55.6% estimate. As a result, gross profit increased to SAR 2.8 bln (+5% Y/Y, -1% Q/Q), in line with estimates. OPEX rose to SAR 1.82 bln (+10% Y/Y, -3% Q/Q), in line with our SAR 1.81 bln estimate. Consequently, operating margin narrowed to 19.8% from 21.4% last year, mainly due to higher depreciation expenses, but improved slightly from 19.3% last quarter.
- Net debt/EBITDA improved to 0.90x from 1.01x last year. CAPEX for the quarter declined -21% Y/Y to SAR 734 mln, reflecting the investments in fiber, data centers, and 5G infrastructure, with the CAPEX/Revenue ratio declining to 14% from 19% in 3Q2025.
- Net profit inched up to SAR 925 mln (+1% Y/Y, +3% Q/Q), in line with both market consensus of SAR 917 mln and our SAR 890 mln estimate. Normalized earnings grew +7% Y/Y, excluding the impact of a SAR 50 mln debt settlement agreement reversal recorded in 3Q2025. Y/Y earnings growth was driven by higher revenue and gross margin expansion, alongside higher other income and lower financing costs, which offset higher OPEX. Meanwhile, Q/Q earnings growth was supported by lower OPEX. 9M2026 normalized earnings increased +10% Y/Y to SAR 2.7 bln, driven by revenue growth and margin expansion. We maintain our target price of SAR 68.00 per share and our Buy rating.

Abdulrahman M Barghouth
abdulrahman.barghouth@riyadcapital.com
+966-11-203-6815

■ 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

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.