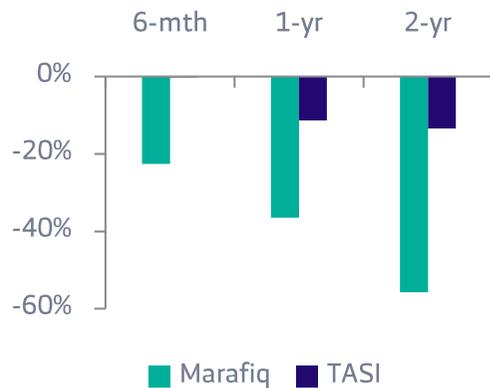


Market Data	
52-week high/low	SAR 50.9/28.7
Market Cap	SAR 7,810 mln
Shares Outstanding	250 mln
Free-float	30.0%
12-month ADTV	441,738
Bloomberg Code	MARAFIQ AB



In-line 4Q, Attractive Dividend Yield

February 26, 2026

Upside to Target Price 28.0%
 Expected Dividend Yield 5.8%
 Expected Total Return 33.8%

Rating Buy
 Last Price SAR 31.24
 12-mth target SAR 40.00

MARAFIQ	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	1,837	1,707	8%	2,002	(8%)	1,905
Gross Profit	285	330	(14%)	366	(22%)	295
Gross Margins	16%	19%		18%		16%
Operating Profit	252	(172)	-	302	(17%)	264
Net Profit	51	(370)	-	171	(70%)	54

(All figures are in SAR mln)

- Marafiq posted a 4Q revenue of SAR 1.8 bln (+8% Y/Y, -8% Q/Q), in-line with our SAR 1.9 bln forecast on the back of better volumes. Full year 2025 topline of SAR 6.95 bln (+1% Y/Y) was driven by 6.8% increase in overall demand. The power segment witnessed a demand growth of 10.5% for the year although this was offset by the High Intensity Electricity Consumption Tariff (HIECT) adjustment.
- Gross profit was down -14% Y/Y to SAR 285 mln on higher fuel costs as well as power and water purchase costs, but this was what we had expected. Gross margins contracted from 19% last year to 16% this year, in-line with expectations.
- The Company reported an operating profit of SAR 252 mln, close to our SAR 264 mln estimate, versus an operating loss of SAR (172) mln last year. Net profit of SAR 51 mln compares favorably to a loss of SAR (370) mln last year, which was impacted by recording of provisions, but is in-line with our SAR 54 mln forecast. Full year 2025 net profit of SAR 449 mln is closer to 2023 levels and a bounce back from a low of just SAR 17 mln recorded in 2024.
- Investors would be pleased with the return of dividend payments (DPS of SAR 1.80 for 2H2025 with March 10 being the record date) after the Company skipped dividends for 2H2024 and 1H2025. At current price, this implies a dividend yield of 5.8%. The stock price continues to take a beating at the Tadawul, down almost 30% from its recent high of SAR 44.5 in October 2025. We reduce our target price to SAR 40.00 but upgrade the stock to a Buy, based on the upside to target.

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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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