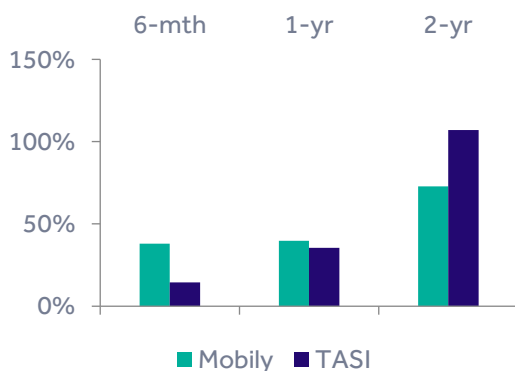


Market Data	
52-week high/low	SAR 44.70/29.20
Market Cap	SAR 32,340 mln
Shares Outstanding	770 mln
Free-float	71.97%
12-month ADTV	2,005,442
Bloomberg Code	EEC AB



Revenue Grows +6% Y/Y

April 21, 2022

Upside to Target Price	(9.5%)	Rating	Neutral
Expected Dividend Yield	2.4%	Last Price	SAR 42.00
Expected Total Return	(7.1%)	12-mth target	SAR 38.00

Mobily	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	3,811	3,603	6%	3,897	(2%)	3,917
Gross Profit	2,238	2,072	8%	2,267	(1%)	2,290
Gross Margins	59%	58%		58%		58%
Operating Profit	468	369	27%	492	(5%)	504
Net Profit	319	226	41%	321	(1%)	343

(All figures are in SAR mln)

- Mobily continued to expand its revenues on a yearly basis, increasing by +6% Y/Y to SAR 3.8 bln, driven by growth in Business, Consumer and Wholesale segments along with a growth in the number of subscribers. On a quarterly basis, revenues decreased by -2% Q/Q. As per the announcement, the slight decrease was mainly attributed to the seasonal nature of some services and projects.
- Gross profit followed the revenue trend to increase by +8% Y/Y but declined by -1% Q/Q to reach SAR 2.2 bln. On a quarterly basis, gross margin witnessed a slight improvement, rising from 58.2% in 4Q2021 to 58.7% this quarter. At the same time, operating margin contracted from 12.6% in 4Q2021 to 12.3% this quarter due to an increase in operating expenses.
- Mobily reported a net profit of SAR 319 mln (+41% Y/Y, -1% Q/Q) and below our forecast of SAR 343 mln due to lower than expected top-line. Net margin expanded from 8.2% to 8.4% on a quarterly basis, despite the decrease in operating margin, as a result of a -5.3% decrease in finance charges this quarter.
- We maintain our target price at SAR 38.00 and Neutral recommendation.

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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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