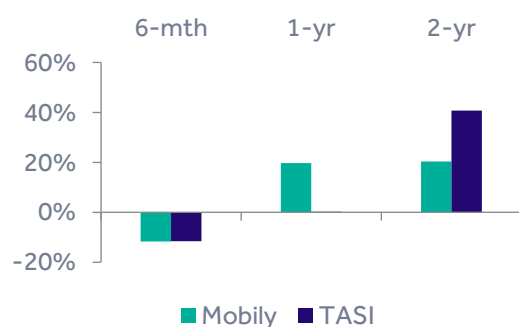


Market Data	
52-week high/low	SAR 44.70/29.20
Market Cap	SAR 28,067 mln
Shares Outstanding	770 mln
Free-float	71.97%
12-month ADTV	1,583,724
Bloomberg Code	EEC AB



Highest Quarterly Profit Since 2013

October 23, 2022

Upside to Target Price	9.7%	Rating	Neutral
Expected Dividend Yield	2.7%	Last Price	SAR 36.45
Expected Total Return	12.4%	12-mth target	SAR 40.00

Mobily	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	3,828	3,606	6%	3,899	(2%)	3,963
Gross Profit	2,300	2,186	5%	2,333	(1%)	2,390
Gross Margins	60%	61%		60%		60%
Operating Profit	534	423	26%	519	3%	548
Net Profit	373	281	33%	360	4%	368

(All figures are in SAR mln)

- On a yearly basis, Mobily's top-line grew by +6% to reach SAR 3,828 mln. This incline was mainly driven by the growth of all revenue streams along with a healthy growth in FTTH active base and the overall subscriber base. On a quarterly basis, revenues witnessed a slight decline by -2% due to the seasonality of devices sales in the consumer segment.
- Gross profit followed the same direction as revenues to increase by +5% Y/Y, but decrease by -1% Q/Q to SAR 2,300 mln.
- Operating profit continued with its growth on a yearly basis to grow by +26% and by +3% on a quarterly basis. This growth in operating profit came in-line with the growth in EBITDA, which also increased by +7% Y/Y to reach SAR 1,487 mln, reflecting the growth in the top-line and the improvement in the company's operations.
- Mobily's net profit registered its highest level since 2013, as it increased by +33% Y/Y and +4% Q/Q to SAR 373 mln (matching with our forecast). The increase in the net profit is mainly due to the improvement in EBIT and despite the higher interest rate which led to an increase in financial charges by +20% Y/Y and +5% Q/Q to reach SAR 150 mln.
- We revised our target price for Mobily from SAR 42.00 per share to SAR 40.00 per share, but maintain our 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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