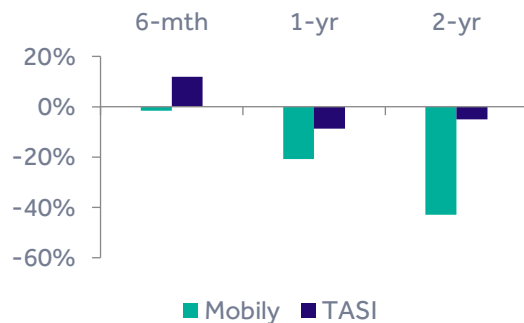


Market Data	
52-week high/low	SAR50.00/31.45
Market Cap	SAR 35,035 mln
Shares Outstanding	770 mln
Free-float	71.97%
12-month ADTV	953,152
Bloomberg Code	EEC AB



## Net Profit Rises 40% Y/Y

October 22, 2023

Upside to Target Price (1.1%)  
 Expected Dividend Yield 2.7%  
 Expected Total Return 1.6%

Rating Neutral  
 Last Price SAR 45.50  
 12-mth target SAR 45.00

Mobily	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Sales	4,100	3,828	7%	4,248	(3%)	4,290
Gross Profit	2,362	2,300	3%	2,435	(3%)	2,488
Gross Margins	58%	60%		57%		58%
Operating Profit	689	525	31%	656	5%	755
Net Profit	524	373	40%	497	5%	584

(All figures are in SAR mln)

- Top-line continued to grow on a yearly basis, rising by +7% Y/Y to SAR 4.1 bln but was down -3% Q/Q due to seasonal factors. The expansion in the business segment coupled with higher subscriber base resulted in the yearly revenue growth, although it fell shy of our optimistic estimates.
- Operating profit went up +31% Y/Y to SAR 689 mln primarily due to revenue growth as gross margins contracted by 200bps Y/Y. EBITDA registered a +8% Y/Y increase to SAR 1.6 bln on the back of topline growth as well as better efficiencies. EBITDA margin expanded by 300bps to 38.9% in 3Q2023.
- Net Profit missed our estimates, rising by +40% Y/Y and +5% Q/Q to SAR 524 mln while we estimated SAR 584 mln. Financial charges were up by +8% Y/Y to SAR 162 mln due to higher interest rates.
- We expect Mobily to continue its steady business growth led by the B2B segments and increase in overall subscribers. We maintain our target price of SAR 45.00 per share and 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](mailto:research@riyadcapital.com)

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