

Main Market (TASI): Quarterly Results

Petrochemicals Sector

July 06, 2025

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
SABIC	35,719	32,705	(8%)	20%	14%	2,101	(383)	-	2,184	(659)	-	6%	(2%)	0.73	(0.22)
SABIC Agri	2,676	2,978	11%	34%	37%	678	858	26%	705	937	33%	26%	31%	1.48	1.97
Tasnee	1,007	784	(22%)	9%	8%	99	(51)	-	53	(263)	-	5%	(34%)	0.08	(0.39)
Yansab	1,657	1,401	(15%)	20%	5%	207	(57)	-	225	(45)	-	14%	(3%)	0.40	(0.08)
Sipchem	1,770	1,694	(4%)	18%	16%	137	97	(29%)	121	11	(91%)	7%	1%	0.17	-
Advanced	649	711	10%	19%	16%	75	70	(7%)	40	64	59%	6%	9%	0.16	0.25
Saudi Kayan	2,106	1,915	(9%)	(2%)	(25%)	(91)	(669)	-	(250)	(796)	-	(12%)	(42%)	(0.17)	(0.53)
SIIG	-	-	-	-	-	62	(26)	-	64	(10)	-	-	-	0.09	(0.01)
Group Total	45,584	42,189	(7%)			3,267	(162)	-	3,143	(761)	-				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- Petrochemical price movements in 2Q25, when compared to 2022, 2023, and 2024, moved to new lows, when simply compared Y/Y, on average the Argaam Chemical Index traded roughly -6.4% lower when compared to 2Q24; also dropping -3.7% sequentially (from 1Q25). Many end-products, again, trended lower Q/Q, such as PP and HDPE (both down -3% Q/Q). Our previous cautious market commentary was based on excess supply or price increases from Aramco (1Q25). However, this quarter our uncertain-to-negative outlook is supported by the further decrease in end-product prices, sequentially. In summary, we still hold deep conviction in our uncertain-neutral stance on the sector.
- Feedstock prices moved lower in 2Q25, with Benzene, Naphtha, Propane, and Butane correcting, decreasing Q/Q by -17%, -13%, -3%, -4%, respectively. In our view, the drop in input prices, especially Propane, will provide some relief for most Petrochemical Producers. However, this is the only positive highlight of 2Q25, with almost all chemical prices moving lower sequentially. Prices for Polystyrene, Polypropylene, and HDPE, were all trading higher in 1Q25 vs. average prices in 2Q25. We also note, other product prices which traded lower, such as PC, dropping -6% Q/Q, and MEG and BPA also fell, by -2% Q/Q and -4% Q/Q, respectively. One notable trend reversal we have observed in 2Q25, was Methanol prices, down -11% Y/Y and -12% Q/Q, after nearly two years of trending steadily higher. Fertilizer prices moved slightly lower in 2Q25, after trending high for several quarters. Decreases in Ammonia and Urea were observed, as Urea averaged at USD 385/per ton in 2Q25 (down -4% Q/Q), while the price for Ammonia averaged around USD 304/per ton (down -19% Q/Q). These fertilizers, although coming off of a seasonal high, have been further supported by supply disruptions in both Egypt and Iran.
- For 2Q25, we expect a decrease of -7% Y/Y in revenues for companies under our coverage. Additionally, margins paradoxically, may experience some relief, given the lower trend in feedstock prices, with Ethane and Methane price increases already being absorbed. Regardless, we expect this environment will drive profitability to decrease Y/Y, for most companies, given lower product pricing. With prices of Fertilizers also cooling sequentially, this quarter we expect continued strong sales volume and net profits, for DAP and Urea producers. We also note, DAP is trading higher by +11% and +34%, both Q/Q and Y/Y, respectively; giving an over-indexed lift to producers of this product. Despite the fact that Petrochemical Producers may experience better margins, we believe lower prices for chemicals, especially Methanol, will drive performance downward overall.

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■ Banking Sector

Company	Net Commission			Net Income			Net Advances			Deposits		
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y
Al Rajhi	5,857	7,358	26%	4,698	6,267	33%	621,891	751,697	21%	622,572	635,521	2%
Albilad	1,085	1,199	11%	671	731	9%	104,310	115,463	11%	114,530	126,498	10%
Alinma	2,151	2,296	7%	1,417	1,508	6%	189,912	217,812	15%	205,357	227,155	11%
ANB	1,942	1,936	(0%)	1,231	1,284	4%	161,612	186,198	15%	175,586	203,444	16%
BSF	1,940	2,181	12%	1,129	1,371	21%	197,160	215,213	9%	196,248	196,449	0%
SAB	2,733	2,879	5%	2,018	2,189	8%	241,552	295,566	22%	264,427	304,962	15%
SNB	7,051	7,347	4%	5,168	6,224	20%	637,235	735,089	15%	632,693	651,450	3%
SAIB	875	877	0%	486	489	0%	90,644	108,799	20%	95,363	106,749	12%
BJAZ	629	800	27%	318	429	35%	87,208	104,697	20%	98,553	111,837	13%
Group Total	24,263	26,873	11%	17,136	20,491	20%	2,331,524	2,730,533	17%	2,405,328	2,564,066	7%

Source: Riyadh Capital, Company Reports (SAR mln)

- The Federal Reserve maintained the funds rate in the range of 4.25% to 4.50% during its June 2025 meeting, marking the fourth consecutive pause in interest rate adjustments. Despite holding rates steady, the FOMC's updated projections reflects a cautious stance, with the majority of the members still expecting two 25 bps cuts before year-end, contingent on further evidence of easing inflation. The Saudi Central Bank (SAMA) also maintained interest rates unchanged for 2Q 2025. The Repurchase Agreement (Repo) rate stands at 5.00% while the Reverse Repurchase Agreement (Reverse Repo) rate is at 4.50%. 3M SAIBOR declined to 5.43% by end of June 2025, down from 6.21% in June 2024. The current 43 bps spread over the repo rate reflects a relative tight liquidity environment, with limited signs for narrowing in the near term.
- The banking sector showcased strong lending momentum with private and public sector loans growing by +15% and +37% Y/Y respectively, according to SAMA's monthly data report for May 2025. Total deposits increased by +10% Y/Y, supported by +8% Y/Y rise in demand deposits and a +22% Y/Y growth in time and saving deposits. The growth in time and saving deposits is largely driven by a +26% Y/Y growth in deposits from businesses and individuals and a +18% increase in government deposits. Notably, government deposits with banks rose nearly SAR 74.6 bln during the first two months of 2Q, reaching SAR 913 bln, indicating a strong injection of liquidity into the banking system to support the robust demand for loans. The shift towards interest-bearing deposits continued; however, the funding costs have eased during the first quarter due to the banks' active efforts to diversify their funding mix, leading to growth in combined Profit before Zakat and Taxes for April and May by nearly +13%, compared to the same period last year. Banks accelerated their allocation to government bonds, increasing investment by +12% Y/Y in May 2025, capitalizing on attractive yields ahead of the more anticipated decline in rates.
- We forecast a double-digit Y/Y Profit after Zakat and Taxes growth to SAR 20.4 bln for banks under our coverage. Al Rajhi is expected to show strong performance, with a projected +33% Y/Y rise in Profit after Zakat to SAR 6.2 bln, while SNB is also set to achieve a solid double-digit growth for 2Q2025, reaching SAR 6.2 bln. SAB is expected to lead in terms of Y/Y net advances growth with a notable increase of +22%.

Cement Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
Yamama	244	419	72%	45%	46%	87	171	97%	85	167	97%	35%	40%	0.42	0.82
Saudi	378	447	18%	38%	41%	84	123	46%	87	118	35%	23%	26%	0.57	0.77
Qassim*	203	284	40%	39%	30%	75	82	10%	73	81	12%	36%	29%	0.66	0.81
Southern	214	200	(7%)	25%	25%	33	31	(6%)	30	27	(12%)	14%	13%	0.21	0.19
Yanbu**	194	341	76%	33%	29%	47	52	11%	40	45	14%	20%	13%	0.25	0.29
Riyadh	164	198	21%	48%	37%	69	64	(8%)	64	62	(3%)	39%	31%	0.54	0.52
Group Total	1,397	1,889	35%			395	522	32%	379	500	32%				

Source: Riyad Capital, Company Reports (SAR mln, except per share data). *Qassim Cement's 2Q2024 figures do not include Hail Cement's results for the same period.

**Yanbu Cement's 2Q2025 figures are estimated based on the new classification, while 2Q2024 figures follow the old classification, making them non comparable.

- For the group of companies under our coverage, we anticipate 2Q2025E cement volume sales to increase by +23% Y/Y from 2Q2024, likely driven by higher demand due to accelerated construction activity. For clinker exports, we expect a +39% Y/Y increase, primarily due to higher clinker sales expectations for Yanbu Cement. The average selling prices (ASP) are expected to remain healthy. The group's total revenue and net income are projected to show double-digit Y/Y growth. We note that Qassim Cement's 2Q2025E figures are not comparable to 2Q2024 figures, as they were not consolidated last year. Additionally, new revenue/OPEX classification for Yanbu Cement makes both periods non-comparable for these two line items; however, the bottomline is considered comparable.

Healthcare Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
HMG	2,574	3,221	25%	34%	32%	552	639	16%	555	580	4%	22%	18%	1.59	1.66
Mouwasat	690	749	9%	45%	43%	176	185	5%	153	171	12%	22%	23%	1.53	1.71
Group Total	3,264	3,970	22%			728	824	13%	708	750	6%				

Source: Riyad Capital, Company Reports (SAR mln, except per share data)

- We expect decent growth in the healthcare sector for 2Q. Topline is expected to rise by 22% Y/Y for the two companies under our coverage with Jeddah hospital coming online at HMG. We forecast bottomline growth of 6% Y/Y for the group with Mouwasat leading the growth. We expect HMG and Mouwasat to post a net income of SAR 580 mln and SAR 171mln, respectively.

■ Telecom Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
STC	19,155	19,248	0%	50%	49%	3,885	3,778	(3%)	3,511	3,550	1%	18%	18%	0.70	0.71
Mobily	4,465	4,711	5%	53%	53%	759	796	5%	661	712	8%	15%	15%	0.86	0.92
Zain KSA	2,552	2,691	5%	60%	60%	242	292	21%	105	107	2%	4%	4%	0.12	0.12
Group Total	26,172	26,650	2%			4,886	4,867	(0%)	4,278	4,369	2%				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- We are expecting a +2% Y/Y increase in the Telecom sector's revenues in 2Q2025E, and a similar +2% Y/Y increase in net income, primarily supported by Mobily's expected growth. We note that on December 31, 2024, STC announced the completion of the Tawal Co. deal with PIF, and 2Q2024 figures for STC are not restated to reflect the deconsolidation of Tawal, making both periods non-comparable. We expect STC's profits to marginally increase by +1% Y/Y. Mobily's net income is expected to grow +8% Y/Y, driven by higher topline and lower non-operating expenses. For Zain, we expect marginal profit growth of +2% Y/Y, supported by higher revenues, despite one-off gains of SAR 52 mln from Saudi government related to a project closure last year.

■ Software & Services Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
Solutions	2,771	2,879	4%	25%	25%	400	463	16%	453	438	(3%)	16%	15%	3.77	3.65
Elm*	1,767	2,284	29%	42%	42%	464	547	18%	486	551	13%	28%	24%	6.08	6.89
Group Total	4,538	5,163	14%			863	1,009	17%	939	990	5%				

Source: Riyadh Capital, Company Reports (SAR mln, except per share data). *Elm's 2Q2025 figures consolidate Thiqah Co.'s figures, following its acquisition in April 2025.

- The KSA IT sector revenue is expected to grow by +11% in 2025E. Solutions is targeting an average growth of 9% in 2025E, while Elm is targeting 15%. We note that on April 21, 2025, Elm announced the completion of the Thiqah Co. deal with PIF. Elm's 2Q2025E estimates consolidates Thiqah's figures, boosting Elm's overall projections. We forecast Solutions' 2Q2025E revenue to grow by +4% Y/Y, and Elm's by +29% Y/Y. For 2Q2025E net income, we expect Solutions' profits to decline by -3% Y/Y due to elevated profits last year from a non-core product disposal and lower Zakat expense, while Elm's are expected to increase by +13% Y/Y.

■ Food & Beverage, Retailing, Consumer Services, Car Rentals, and Capital Goods Sectors

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
Almarai	5,155	5,341	4%	33%	31%	793	805	1%	621	653	5%	12%	12%	0.62	0.65
Jarir	2,650	2,628	(1%)	10%	10%	189	190	1%	171	173	1%	6%	7%	0.14	0.14
Budget	425	553	30%	28%	30%	83	108	31%	70	82	17%	17%	15%	0.90	1.05
BDH	1,418	1,475	4%	34%	33%	102	76	(25%)	75	44	(41%)	5%	3%	0.07	0.04
Fourth Milling	138	157	14%	42%	43%	37	42	11%	33	39	19%	24%	25%	0.06	0.07
Riyadh Cables	2,046	2,501	22%	13%	16%	201	304	51%	159	263	65%	8%	11%	1.34	2.02
Burgerizzr	70.3	80.3	14%	30%	31%	2.0	3.2	60%	1.4	2.8	95%	2%	3%	0.04	0.08
Nahdi	2,473	2,584	5%	38%	36%	273	264	(4%)	248	233	(6%)	10%	9%	1.91	1.79
Aldawaa	1,586	1,648	4%	36%	36%	134	130	(3%)	96	96	0%	6%	6%	1.13	1.13

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- **Almarai:** We expect single-digit growth Y/Y in revenue to SAR 5.3 bln, driven by significant investments in production, while we simultaneously expect a -7% drop in top-line revenues Q/Q; driven by seasonal factors (Ramadan). We also forecast a +5% Y/Y increase in net income to SAR 653 mln, up from SAR 621 mln in 2Q24.
- **Jarir:** We expect single digit drop in top-line, coupled with flat gross margins, driven by greater marketing expenditures, as well as continued price competition. Moreover, we also expect flat to single digit Y/Y increase in net profits to SAR 173 mln, versus SAR 171 mln in 2Q2024; due to seasonal spending habits and product mix.
- **Budget Saudi:** We expect Budget Saudi to report a topline of SAR 553 mln, an increase of +30% Y/Y, supported by long-term rental revenue. We estimate gross margin at 29.5%, and net profit to reach SAR 82.2 mln, up +17% Y/Y.
- **BDH:** We expect a solid decrease in top-line of -12% Q/Q, while also expecting revenue growth by +4% Y/Y to SAR 1.48 bln, driven by strategic acquisitions. While there has also been a less profitable Hajj season, slightly offsetting growth. We also believe lower margins will impact net income, driving it -41% lower Y/Y, to SAR 44 mln.
- **Fourth Milling:** We expect a +14% Y/Y growth in revenues driven by increased business activity, and a +19% Y/Y growth in net income, reaching SAR 39 mln.
- **Riyadh Cables:** We forecast a +22% Y/Y growth in revenues while margins are expected to remain elevated in line with last quarter. Our net income estimate is at SAR 263 mln, +65% higher Y/Y on better margins.
- **Burgerizzr:** We expect revenues to rise by +14% Y/Y, driven by the expansion in branch count and the launch of new menu items. Gross margin is expected to reach 31.1%, compared to 30.1% in the same period last year. We forecast Burgerizzr to post a net profit of SAR 2.8 mln.
- **Nahdi:** We expect revenues to drop sequentially, by -2% Q/Q and grow by +5% Y/Y. Gross margins, which were higher in 2Q24, are expected to be lower Y/Y. Moreover, we project net profits to fall -6% Y/Y, driven by these lower margins. We forecast net profits to reach SAR 233 mln in 2Q25 vs. SAR 248 mln in 2Q24.
- **Aldawaa:** We expect topline to be flat Q/Q, only based on seasonal factors (Ramadan), while store-expansions still support a strong top-line growth Y/Y of +4%. The margin contraction experienced in 2H24, based on performance in 1Q25, has since improved, we believe, this will continue into 2Q2025, coming in at 36%.

■ Energy, Utilities, and Materials Sectors

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	Y/Y	2Q2024	2Q2025E	2Q2024	2Q2025E
ADES	1,525	1,631	7%	38%	39%	425	474	12%	198	193	(3%)	13%	12%	0.18	0.18
Arabian Drilling	939	821	(13%)	14%	19%	75	110	47%	20	35	73%	2%	4%	0.23	0.39
Marafiq	1,720	1,840	7%	14%	19%	192	319	67%	65	88	34%	4%	5%	0.26	0.35
SEC*	22,379	26,408	18%	23%	24%	5,589	6,393	14%	4,345	4,783	10%	19%	18%	1.04	1.15
MAADEN	7,184	8,536	19%	30%	36%	1,774	2,186	23%	1,024	1,456	42%	14%	17%	0.28	0.38

Source: Riyadh Capital, Company Reports (SAR mln, except per share data). * Net Income before Mudaraba Instruments.

- **ADES:** ADES has been successfully pivoting after rig suspensions in early 2024, we expect that further rig deployment will support higher revenues Y/Y (+7%).
- **Arabian Drilling:** We expect the Company to generate lower revenues by -13% Y/Y, driven by rig suspensions. We also expect revenues to move lower Q/Q by -10%.
- **Marafiq:** We expect a +7% rise in revenues to SAR 1.8 bln while net profit is likely to grow by +34% Y/Y to SAR 88 mln
- **SEC:** We forecast SEC revenues to rise by +18% Y/Y to SAR 26.4 bln due to increase in consumption Y/Y. We expect demand to start rising from 2Q as summer months commence. Net income is likely to rise by +10% Y/Y.
- **MAADEN:** Will benefit from higher product prices, particularly Gold and DAP, which have both increased Y/Y, by +42% and +34%, respectively. We expect commodity price growth to push higher revenues +19% Y/Y, operating profits +23% Y/Y, and net profits +42% Y/Y. We also project production to reach upper guidance ranges.

Nomu Market: Semi-Annual Results

■ Distribution & Retail Sector

Company	Revenue			Gross Margins		EBIT			Net Income			Net Margins		EPS (SAR)	
	1H2024	1H2025E	Y/Y	1H2024	1H2025E	1H2024	1H2025E	Y/Y	1H2024	1H2025E	Y/Y	1H2024	1H2025E	1H2024	1H2025E
Alhasoob	123.2	129.3	5%	6.9%	6.7%	2.25	2.20	(2%)	1.57	1.64	4%	1.3%	1.3%	0.56	0.59

Source: Riyadh Capital, Company Reports (SAR mln, except per share data)

- **Alhasoob:** We expect revenues for the first half to increase by +5% Y/Y but to decline by -5% compared to the second half of 2024. Gross margin is expected to reach 6.7%, and net profit of SAR 1.6 mln higher by 4% Y/Y.

■ 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

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