

■ 4Q Adjusted Profits Up +16% Y/Y

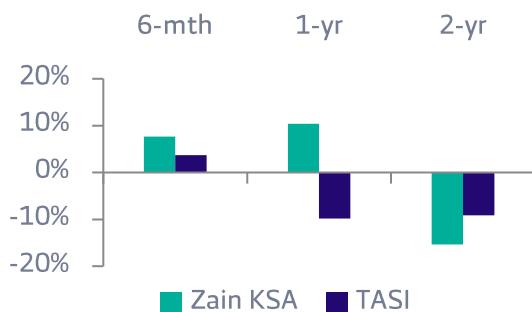
February 12, 2026

Upside to Target Price	4.5%	Rating	Neutral
Expected Dividend Yield	4.4%	Last Price	SAR 11.48
Expected Total Return	8.9%	12-mth target	SAR 12.00

Market Data	
52-week high/low	SAR 13.36/10.02
Market Cap	SAR 10,317 mln
Shares Outstanding	899 mln
Free-float	62.95%
12-month ADTV	3,311,641
Bloomberg Code	ZAINKSA AB

Zain KSA	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	2,888	2,695	7%	2,751	5%	2,776
Gross Profit	1,724	1,672	3%	1,639	5%	1,668
Gross Margins	60%	62%		60%		60%
Operating Profit	416	389	7%	318	31%	368
Net Profit	231	274	(16%)	153	51%	192

(All figures are in SAR mln)



- Zain KSA reported record 4Q2025 revenues of SAR 2.89 bln (+7% Y/Y, +5% Q/Q), close to our SAR 2.78 bln estimate. The company also posted record annual revenues for the fourth consecutive year reaching SAR 10.98 bln (up +6%), driven by the growth in consumer segment (primarily 5G), wholesale revenues, and Tamam (Zain's fintech arm).
- Annual gross margin stood at 60%, compared to 62% (61% normalized, excluding the SAR 157 mln withholding tax release in 2024), likely on higher competition. 4Q gross margin was 60%, compared to 62% last year and 60% last quarter, in line with estimates. As a result, gross profit increased +3% Y/Y and +5% Q/Q to a new record of SAR 1.72 bln. EBITDA for the quarter grew by +4% Y/Y to SAR 952 mln, bringing full-year EBITDA to SAR 3.47 bln (+5%).
- 4Q2025 OPEX remained stable at SAR 1.31 bln (+2.0% Y/Y, -0.9% Q/Q), in line with estimates. 4Q ECL declined to SAR 91 mln, resulting in annual ECL of SAR 378 mln, down -12% from SAR 429 mln in 2024. Operating margin improved to 14.4%, compared to 14.4% last year and 11.6% last quarter, above our estimates.
- Net income for the quarter reached SAR 231 mln, implying adjusted growth of +16% Y/Y and +51% Q/Q after excluding the SAR 76 mln Zakat reversal in 4Q2024. Earnings beat both market consensus (SAR 165 mln) and our estimate (SAR 192 mln). Full-year profits totaled SAR 604 mln (+66% adjusted), after normalizing for 2024 one-offs (SAR 157 mln withholding tax release and SAR 76 mln Zakat reversal). The company announced a SAR 0.5 DPS for the year, yielding 4.4%. We maintain our SAR 12.00 target price and Neutral rating.

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Disclaimer

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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