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CAPITAL

3Q26 Earnings Preview

11 October 2026

GIB Capital Research

Research@info.gibcapital.com

+966 11834 8372



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- We expect the combined revenue of our coverage universe to rise by 7.9% y/y (+2.9% q/q), largely driven by growth across most sectors except Petrochemicals and Utilities. However, the aggregated earnings are likely to rise slightly by 2% y/y (+6.5% q/q), due to continued margin pressure in the Transportation, Petrochemical, and Drilling sectors.
- **Petrochemical:** We expect the petrochemical sector to remain under pressure, with the aggregate top-line and bottom-line of our coverage companies expected to decline by 14.1% y/y and 13.8%, respectively, driven by lower sales volume amid supply chain concerns, higher feedstock prices and higher freight costs, offsetting improved product prices. However, we may see a rebound in earnings sequentially as sales volume recovers partially on easing feedstock supply, and margin improvement, offsetting lower product prices.
- **Energy:** Among the drilling companies, we expect ADES's top-line to remain largely flat sequentially (+1.3%) due to a delay in reactivation of suspended rigs, and earnings to decline by ~42% q/q, driven by higher interest costs, increased insurance costs and higher income taxes. Further, ADC is expected to return to profit with thin net income, driven by the activation of a few offshore rigs previously suspended and improvement in offshore margins.
- **Material:** We expect Amak's 3Q26 earnings to improve sequentially, aided by higher sales volume following the restart of AlMasane mine in May 2026, coupled with higher commodity prices. However, Luberef earnings are likely to decline on q/q basis, driven by lower export sales volume and weaker crack margins on higher fuel costs and increased freight costs.
- **Utility:** We expect Miahona's 3Q26 revenue to decline significantly y/y as construction revenue falls with Ras Tanura nearing completion, driving nearly 35% y/y decline in net profit.
- **Banks and financial services:** Saudi banks' earnings are likely to grow modestly y/y in 3Q26, supported by a gradual recovery in loan growth. However, slower deposit growth is likely to keep LDR broadly stable. Within our coverage, we expect only marginal growth in SNB's net profit, as higher costs, weak non-funding income, and higher provisions are likely to offset the benefit from loan growth. Tadawul's earnings are likely to drop 25.3% y/y, driven by weaker ADTV revenue amid subdued trading activity and elevated volatility, alongside higher operating costs.

- **Food & Beverage:** Tanmiah and Entaj are expected to post strong top-line growth of 26.8% and 38.9% y/y, respectively, supported by capacity expansion and higher ASPs. However, elevated input, insurance, and freight costs amid geopolitical disruptions are expected to weigh on profitability. Similarly, the milling sector is expected to see healthy top-line growth, supported by capacity expansion and healthy demand, though rising costs are likely to pressure margins.
- **Consumer services:** Within fitness and wellness, Leejam's earnings are expected to decline 3.0% y/y, reflecting slower club ramp-up and elevated OPEX. Meanwhile, Sports Club is projected to deliver 26.2% y/y earnings growth. However, excluding ~SAR4.2mn in one-off IPO expenses, clean earnings are broadly flat at 0.5% y/y, weighed down by higher OPEX and finance costs. Furthermore, Americana is expected to deliver 13.2% y/y revenue growth, driven by regional store expansion, supporting a 27.1% y/y increase in earnings. Similarly, Alamar is projected to post double-digit revenue growth on continued store expansion, though earnings are expected to remain broadly flat as higher COGS and operating expenses weigh on margins.
- **Capital goods:** The combined top-line for our coverage companies in the sector is likely to improve 3.5% y/y, aided by a healthy backlog and relatively resilient execution despite supply chain disruptions. Consequently, earnings are expected to grow 4.2% y/y, aided by cost controls and improved provisioning.
- **Transportation:** Flynas is likely to report a net loss of SAR18mn, weighed down by higher jet fuel costs and operating deleverage. For rental companies, we expect aggregate revenue for our coverage to remain largely flat y/y, due to weak rental market dynamics despite the relative resilience of leasing. Meanwhile, aggregate earnings are expected to decline drastically by 44% y/y amid margin contraction. Nevertheless, we expect SAL to be an exception, recording double-digit top-line and earnings growth, supported by steady volume growth, improved pricing, and a small contribution from Aviapartner.
- **IT:** Elm revenue growth is expected to normalize at ~9% y/y to ~SAR2.75bn, while a higher cost base is expected to weigh on profitability, reflected in 4.1% y/y growth in earnings to SAR582mn. On the contrary, Azm is expected to deliver a strong revenue growth of 40% y/y in 3Q, driven by rapid project execution. However, earnings are expected to grow at a slower pace of ~18% y/y due to lower margins, largely attributed to the revenue mix.

- **Healthcare:** Our healthcare coverage is expected to deliver healthy top-line growth, aided by increasing occupancy of the latest added capacity (Mouwasat and HMG) and a more favorable revenue mix (Hammadi). However, profitability is expected to be mixed; we expect HMG to report a 11.3% y/y growth amid resilient profitability, despite higher finance expenses. Meanwhile, Mouwasat is expected to post a slight decline of 3.3% y/y in earnings amid a higher cost base. Hammadi is expected to post a 5.8% y/y bottom line growth aided mainly by associates' performance despite the expected decline in core profitability.
- **Pharma:** Jamjoom is expected to be impacted by weak private demand during the quarter, reflecting a weak top-line performance (+2.5% y/y). However, the bottom line is likely to decline by ~3% y/y, impacted by subdued core operations and slightly lower other & associates' income. For Avalon, we expect 12% y/y revenue growth, mainly driven by export sales, while local market sales remain under pressure. Meanwhile, margin resilience from cost control is expected to drive ~15% y/y earnings growth.
- **Real estate:** Earnings across our coverage companies in the sector are likely to increase significantly by ~37% y/y, primarily driven by Masar on strong deal closures and Cenomi Centers on a meaningful improvement in ECL provisioning.
- **Manpower:** AlMawarid is expected to deliver robust earnings growth of ~33.6% y/y, driven primarily by the continued expansion of its workforce and the resulting increase in revenue-generating capacity. In comparison, SMASCO is projected to post a more moderate, yet healthy, 5.7% y/y increase in earnings.

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Main market: 3Q26 estimates

Company	CMP (SAR)	Mcap (SARmn)	YTD %	Revenues (SARmn)					Net profits (SARmn)					Annualized P/E	
				3Q26e	3Q25a	Y/Y	2Q26a	Q/Q	3Q26e	3Q25a	Y/Y	2Q26a	Q/Q	3Q26e	2Q26
Petrochemical															
APPC	21.62	5,621	-25.8%	1,095	1,018	7.6%	827	32.3%	6	72	-91.4%	(98)	NM	NM	NM
Alujain	26.52	1,835	-1.9%	450	542	-16.9%	364	23.7%	52	16	218.3%	92	-43.2%	8.8x	5.0x
Sipchem #	11.90	8,727	-20.7%	901	1,366	-34.0%	861	4.7%	(229)	(469)	51.1%	(592)	61.3%	NM	NM
Kayan #	4.82	7,230	1.9%	1,916	2,153	-11.0%	2,009	-4.6%	(644)	(336)	-91.7%	(675)	4.6%	NM	NM
Energy															
Arabian Drilling	98.15	8,735	-0.6%	812	835	-2.8%	765	6.2%	20	(9)	NM	(32)	NM	NM	NM
ADES #	16.35	18,460	-6.3%	2,181	1,654	31.9%	2,153	1.3%	75	215	-65.2%	129	-41.9%	61.8x	35.9x
Materials															
Luberef	129.00	21,769	34.2%	2,659	2,157	23.2%	3,419	-22.2%	437	279	56.7%	734	-40.5%	12.5x	7.4x
AMAK	68.25	6,143	-22.4%	283	271	4.3%	237	19.3%	67	81	-17.7%	35	93.3%	22.9x	44.3x
Utilities															
Miahona	9.54	1,535	-46.8%	100	175	-42.8%	116	-13.7%	3.0	4.6	-34.9%	2.8	4.5%	NM	NM
Banks and Financial Services															
SNB*	37.86	227,160	-0.1%	10,797	10,145	6.4%	10,583	2.0%	6,507	6,469	0.6%	6,606	-1.5%	8.7x	8.6x
Tadawul	118.90	14,268	-15.3%	296	318	-6.7%	323	-8.1%	62	83	-25.3%	92	-32.9%	57.7x	38.7x
Retailing															
Jarir	16.00	19,200	25.2%	3,352	2,985	12.3%	2,774	20.8%	377	325	15.9%	236	59.9%	12.7x	20.4x
SASCO #	38.74	2,712	-30.2%	3,399	3,065	10.9%	3,226	5.4%	10.4	8.4	23.2%	56.8	-81.7%	65.4x	11.9x
Food & Beverages															
Tanmiah	55.80	1,116	-2.4%	779	614	26.8%	789	-1.3%	7	(16)	NM	18	-60.1%	37.9x	15.2x
Entaj	20.95	629	-32.9%	455	327	38.9%	464	-2.0%	(12)	0	NM	(11)	-11.9%	NM	NM
First milling	50.00	2,775	2.0%	339	286	18.4%	301	12.5%	67	72	-7.1%	66	0.9%	10.4x	10.5x
Modern Mills	26.00	2,128	-9.2%	312	254	22.8%	297	5.2%	54	56	-3.8%	53	1.1%	9.8x	10.0x
Arabian Mills	38.10	1,955	-1.6%	260	246	5.3%	231	12.6%	66	61	6.9%	59	11.0%	7.5x	8.3x
Consumer Services															
Americana^	2.44	20,554	45.2%	705	623	13.2%	715	-1.3%	55	43	27.1%	84	-34.4%	93.3x	61.2x
Alamar	38.46	981	-4.4%	285	237	20.4%	279	2.2%	16	16	1.4%	16	-0.9%	15.4x	15.3x
Leejam	77.00	4,034	-22.6%	464	439	5.8%	411	13.0%	79	81	-3.0%	63	25.0%	12.8x	16.0x
Sport Clubs #	8.25	944	0.0%	124	105	17.9%	106	16.5%	21	16	26.2%	14	49.2%	11.5x	17.1x
Seera Group #	19.44	5,328	-27.5%	1,247	1,402	-11.1%	1,253	-0.5%	24	34	-28.8%	80	-69.7%	54.8x	16.6x
Capital Goods															
Riyadh Cable	106.30	15,945	-18.5%	2,848	2,732	4.2%	2,930	-2.8%	295	281	4.9%	307	-3.7%	13.5x	13.0x
Astra	123.90	9,912	-12.6%	763	730	4.5%	776	-1.7%	172	167	2.5%	192	-10.7%	14.4x	12.9x
Gas Arabian	15.70	2,481	20.0%	374	389	-3.9%	364	2.5%	41	38	7.0%	43	-4.5%	15.2x	14.5x

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Company	(SAR)	(SARmn)	%	3Q26e	3Q25a	Y/Y	2Q26a	Q/Q	3Q26e	3Q25a	Y/Y	2Q26a	Q/Q	3Q26e	2Q26
Transportation															
Theeb	19.00	1,253	-49.5%	400	404	-0.9%	425	-5.8%	12.7	50.2	-74.6%	16.4	-22.5%	24.6x	19.1x
Budget #	25.36	2,651	-45.8%	610	630	-3.2%	638	-4.4%	72	80	-10.1%	93	-22.7%	9.2x	7.1x
Lumi	23.52	1,294	-52.9%	415	414	0.0%	394	5.1%	12.0	53	-77.3%	10.8	10.8%	27.0x	29.9x
Cherry	21.66	650	-10.2%	141	133	5.9%	169	-16.9%	17.5	21	-17.3%	16.3	7.7%	9.3x	10.0x
Flynas	42.60	7,278	-34.5%	2,228	2,091	6.6%	2,213	0.7%	(18)	120	NM	(241)	92.4%	NM	NM
SAL	174.00	13,920	8.5%	541	421	28.6%	512	5.7%	210	181	15.9%	191	9.6%	16.6x	18.2x
Software & Services															
ELM	568.00	45,440	-24.1%	2,753	2,535	8.6%	2,525	9.0%	582	559	4.1%	513	13.4%	19.5x	22.2x
AZM^^	30.96	1,858	31.6%	98	70	40.4%	87	13.0%	16.6	14.1	17.8%	14.2	16.3%	28.0x	32.6x
Healthcare															
Sulaiman Al Habib	228.70	80,045	-11.0%	4,063	3,463	17.3%	4,006	1.4%	670	602	11.3%	663	1.1%	29.9x	30.2x
Mouwasat #	62.00	12,400	-7.0%	890	777	14.5%	876	1.5%	193	200	-3.3%	211	-8.7%	16.1x	14.7x
Hammadi #	22.61	3,618	-19.2%	325	295	10.2%	322	1.0%	55	52	5.8%	72	-23.6%	16.5x	12.6x
Pharma															
Jamjoom	128.00	8,960	-10.0%	351	342	2.5%	445	-21.2%	104	107	-2.9%	138	-24.7%	21.6x	16.3x
Avalon	63.25	2,214	-0.5%	121	108	12.0%	136	-11.4%	9.5	8.3	14.8%	28.8	-67.0%	58.3x	19.2x
Real Estate															
Akaria	14.99	5,621	16.3%	388	410	-5.3%	423	-8.2%	40	39	2.3%	103	-61.7%	35.6x	13.6x
Cenomi Center**	13.92	7,206	-20.1%	587	551	6.5%	569	3.2%	131	50	161.3%	130	0.9%	13.8x	13.9x
Retal	8.54	4,270	-27.1%	664	676	-1.8%	629	5.6%	40	55	-27.5%	(17)	NM	26.5x	NM
Masar	16.30	23,450	-5.2%	1,648	1,266	30.2%	916	79.9%	692	517	34.0%	216	220.4%	8.5x	27.1x
Commercial & Professional Svc															
Mawarid	93.85	1,877	-3.8%	820	679	20.8%	783	4.7%	49	37	33.6%	50	-1.2%	9.5x	9.4x
SMASCO	5.36	2,144	1.5%	583	534	9.2%	571	2.2%	43	41	5.7%	45	-3.8%	12.5x	12.0x

Source: Company data, GIB Capital. Prices as of 8 October 2026.

Note: Marafiq and Al Arabia are under preview. NM: Not meaningful.

* Total operating income. ** Net profit is adjusted for FV gain/losses and one-offs. ^ Results are in USD, ^^ 4QFY26 period (June-ended).

Sipchem: 2Q26a included impairment provision for investment in an associate worth SAR328mn. 3Q25a included SAR100mn impairment and SAR91.4mn write off. **Kayan**: 3Q25a included one-off insurance compensation worth SAR107mn. **ADES**: 2Q26a included SAR67.5mn one-off tax reversal. 3Q25a included SAR85.7mn one-off fair value gain and SAR40.4mn share-based compensation costs. **SASCO**: 3Q26e includes SAR14.5mn compensation related to expropriation of a portion of a fuel station in Riyadh. 2Q26a included SAR62.8mn fair value gain. **Sports Clubs**: 3Q25 includes ~SAR4.2mn non-recurring cost related to IPO. **Seera**: 2Q26 includes SAR48.6mn gains from Careem holdbacks. **Budget**: 2Q26 includes ~SAR25mn one-off gain. **Mouwasat**: 2Q26 includes a one-off gain of ~SAR20.4mn. **Hammadi**: 2Q26 includes a one-off gain of ~SAR7mn.

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Contact us for queries:

Sell Side Research Department,
GIB Capital,
B1, Granada Business & Residential Park,
Eastern Ring Road, PO Box 89589, Riyadh 11692
www.gibcapital.com