Saudi Tadawul Group (STG)

9M-2026 Update | Sector- Exchanges

Saudi Tadawul Group (STG) reported 9M 2026 net profit to shareholders of SAR 195.8 Mn (-35% y-o-y); Q3 profit fell 42% y-o-y to SAR 48.1 Mn and 48% q-o-q. Q3 operating revenue declined 8% to SAR 292.2 Mn as trading-linked revenue fell 15%. Costs excluding depreciation and amortisation (D&A) fell 4%, but D&A rose 51%, lifting total operating expenses 3% and the cost-to-income ratio to 89.9%. Average daily traded value (ADTV) was SAR 4.3 Bn in Q3 (-21% q-o-q) and SAR 4.9 Bn in 9M (-11% y-o-y).

Our Take

Trading remains the main weakness, but most of the group's revenue does not depend on it. ADTV-linked revenue fell 15% y-o-y to SAR 108.5 Mn in Q3, while non-ADTV revenue fell 4% to SAR 183.7 Mn and made up 63% of revenue. In 9M, trading services revenue fell 14%, listing revenue fell 14% and treasury income from clearing fell 17%. Growth came from data and technology (+6%, led by co-location and Liqaa services +29% and market information +5%) and membership fees (+24%). DirectFN revenue fell 26% in Q3.

Profit fell much faster than revenue because of higher depreciation. In 9M, D&A rose 54% to SAR 123.9 Mn and costs excluding D&A rose only 1.6%, so EBITDA fell 20% while net profit fell 35%. D&A stepped up in Q3 to SAR 48.0 Mn, from about SAR 38 Mn in each of the first two quarters (our calculation). Below the operating line, investment income fell 13% to SAR 115.1 Mn (Q3: down by more than a quarter) and finance costs rose 20% to SAR 38.2 Mn, with lease-related costs rising to SAR 14.8 Mn from SAR 5.3 Mn.

Key developments to monitor going forward

Trading Activity – Q3 ADTV of SAR 4.3 Bn was 21% below Q2 (SAR 5.5 Bn) but was in line with Q4 2025. This makes Q4 y-o-y comparisons easier if trading stays at this level. ADTV-linked revenue was SAR 108.5 Mn in Q3, down from SAR 127.3 Mn in Q2.

Derivatives – Market changes (revised market-making rules, lower fees, new product terms and better use of margins) helped traded value exceed SAR 1 Bn in the first month, according to management. However, derivatives revenue remains very small (under SAR 1 Mn in 9M across both segments), and lower fees limit the earnings benefit.

Costs – Costs excluding D&A fell 4% y-o-y in Q3, but D&A remains the key factor. Capital expenditure commitments fell to SAR 72 Mn from SAR 119 Mn at end-2025, while operating expenditure commitments rose to SAR 88 Mn from SAR 60 Mn. Whether D&A stays near SAR 48 Mn per quarter will determine the Q4 cost-to-income ratio.

Capital & Dividend – The FY2025 dividend was SAR 2.30 per share (SAR 276 Mn), down 31% from SAR 3.35 in FY2024. 9M EPS of SAR 1.63 remains below the previous year's dividend per share, making Q4 earnings important for dividend coverage.

Key factors to watch include the extent to which lower trading activity affects revenue, and whether derivatives can become a meaningful source of income.

Key Financials – SAR Mn	Q3 2026	Q3 2025	Y-o-Y%	9M 2026	Y-o-Y%
Operating revenue	292.2	317.8	*-8%*	909.3	*-6%*
Capital markets	79.6	90.9	*-12%*	249.7	*-13%*
Post-trade services	145.4	156.6	*-7%*	459.0	*-6%*
Data & technology	67.2	70.3	*-4%*	200.6	*6%*
Operating expenses	262.6	254.8	*3%*	770.0	*8%*
EBITDA	77.5	94.7	*-18%*	263.2	*-20%*
Net profit (parent)	48.1	82.7	*-42%*	195.8	*-35%*
EPS (SAR)	0.40	0.69	*-42%*	1.63	*-35%*

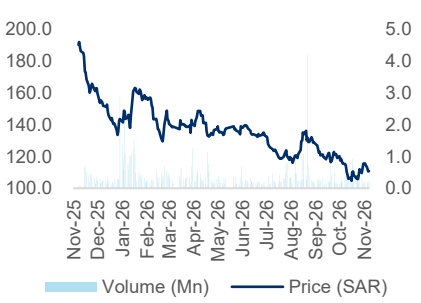
Source: Kamco Invest Research, Saudi Tadawul Exchange

Outperform

CMP 17-Nov-2026: SAR 110.8

Target Price: SAR 137.8

Upside: 24.3%



Price Perf:	1M	3M	12M
Absolute	-3.8%	-6.9%	-40.5%
Relative	-4.6%	-0.8%	-33.7%

Source: Kamco Invest Research, Refinitiv

Stock Data	
Bloomberg Ticker	TADAWULG AB
Last Price (SAR)	110.8
MCap (SAR Mn)	13,300
MCap (USD Mn)	3,547
Stock Performance - YTD	-21.4%
P/B - 2026E (x)	3.8
P/E - 2026E (x)	31.5
Dividend Yield - 2025 (%)	1.6
52-Week Range (SAR)	101.1/194.1

Source: Kamco Invest Research, Refinitiv

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