Company

Saudia Dairy and Foodstuff Company

3Q26 Result Review

Rating

Buy

Bloomberg Ticker

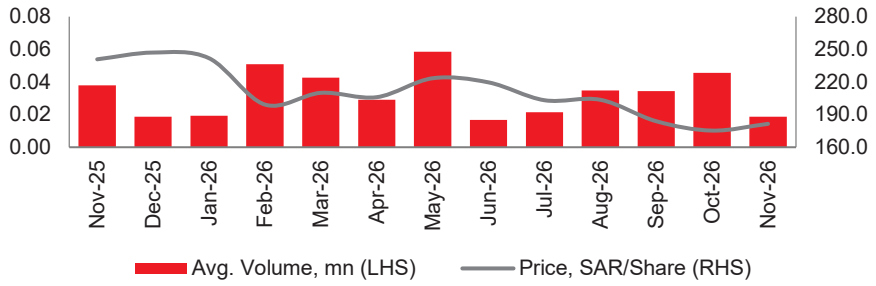
SADAFCO AB

Date

11 November 2026

Results

Target Price SAR	207.6
Total Return	21.1%



Current Market Price (SAR)	182.2
52-week High | Low	257.6 | 158.8
Price Perf. (1m | 3m)	-0.5% | -11.2%
Mkt. Cap. (USD/SAR mn)	1,573 | 5,899
Free Float	59.8%
3m ADTO (000 shares)	36.4
6m ADTO (000 shares)	29.9
3m ADTV (SAR 000)	7,247.3
6m ADTV (SAR 000)	6,790.1
P/E 27e	14.6x
P/B 27e	3.2x
DY 27e	7.2%

U Capital Research

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Weaker Mlekoma sales and ERP disruption weigh on revenue

SADAFCO reported 3Q26 revenue of SAR 679mn (-14% YoY and -10% QoQ). The decline was driven by lower Mlekoma revenue on softer market prices. Excluding Mlekoma, revenue fell 7.8% YoY to SAR 615mn. The decline includes a temporary sales disruption in September 2026 following the ERP system migration, not a change in underlying demand.

Net profit declined 64% YoY in 3Q26

The company reported 3Q26 net profit of SAR 67mn (-64% YoY and -24% QoQ). The decline mainly reflects a SAR 107mn one-off land sale gain in 3Q25, while higher raw material costs and maritime surcharges weighed on gross profit. For 9M26, net profit fell 45% YoY to SAR 237mn.

U-Capital view

SADAFCO's market leadership remains intact, supported by the ongoing shift from fresh to long-life milk. With ERP-related operations now stabilized and a strong cash position of SAR 502mn, we expect revenue to recover in the near term and accordingly maintain a Buy rating on the stock with a target price of SAR 207.6/share.

Financial Statements

SAR mn	3Q25	4Q25	1Q26	2Q26	3Q26	3Q26e	YoY	QoQ	Var.	9M25	9M26	YoY
P&L												
Revenue	790	681	738	750	679	861	-14%	-10%	-21%	2,318	2,166	-7%
Gross profit	223	164	225	239	208	263	-7%	-13%	-21%	770	671	-13%
Operating profit	185	54	84	91	65	117	-65%	-28%	-44%	430	240	-44%
Net profit	185	49	82	88	67	117	-64%	-24%	-43%	428	237	-45%
BS												
Shareholders' Equity	1,698	1,743	1,567	1,654	1,559		-8%	-6%		1,698	1,559	-8%
Ratios												
Gross Margin	28.3%	24.1%	30.5%	31.8%	30.6%	30.5%				33.2%	31.0%	
Operating Margin	23.5%	7.9%	11.4%	12.1%	9.6%	13.6%				18.5%	11.1%	
Net Profit Margin	23.3%	7.2%	11.1%	11.8%	9.8%	13.6%				18.5%	10.9%	
TTM RoE (%)					17.6%							
TTM P/E (x)					20.7							
Current P/Bv					3.8							

Source: Financials, Tadawul, Bloomberg, U Capital Research



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BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

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