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Forecasts Report
Saudi Stock Market | Q2-2024

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Forecasts Q2-24: Earnings growth of 6.0% Y/Y led by MA'ADEN, Banks and Telecom; Petrochemicals to drive Q/Q profits

We present Q2-24 forecast for our coverage of 55 companies across multiple sectors. The combined result of these companies (excluding Aramco) is estimated to increase 6.0% Y/Y to SAR 16.1bn. MAADEN (+142.6% Y/Y), our banking universe (+7.6% Y/Y) and Telecom (+9.5%) are expected to drive the Y/Y growth in earnings. Cement sector is also anticipated to see Y/Y growth (+26.6% Y/Y). On the flip side, the earnings for Petrochemicals (-30.5% Y/Y) and Retail (-19.8% Y/Y) sectors are expected to decline. For our banking universe, we expect earnings to be fueled by margin expansions and asset growth. MAADEN net profit growth would be attributable to improvement in commodity prices and higher volume. Telecom sector earnings growth is anticipated to be backed by healthy revenue growth and better operating efficiency. The Cement sector is likely to benefit from higher selling prices and better margins despite the impact of feedstock cost increase. The Y/Y drop in Petrochemicals was due to higher feedstock costs. On a sequential basis, earnings of the companies under our coverage are forecasted to rise 1.1%, mainly due to a strong growth in the Petrochemical sector with sequential decline in feedstock prices and improvement in operating rates after multiple plant maintenances in Q1-24. MAADEN's earnings are likely to slightlydecline on a Q/Q basis, as the price increase in Gold (+13% Q/Q) and Aluminum (+14%) will be offset by decline in Ammonia (-11%) and DAP (-12%).

In Q2-24, crude oil prices inched down by 1.2% from Q1-24's end. On a Y/Y basis, oil gained 15.4% Y/Y. The prices were volatile throughout the quarter, trading between the highest of USD 91.2 per barrel in April and the lowest of USD 77.5 per barrel in June. Initially in April, oil prices crossed the USD 90 per barrel mark amid supply disruption fears and geopolitical tensions. However, prices followed a downward trajectory later as demand concerns coupled with 'higher-for-longer' interest rate expectations dragged oil below USD 80 per barrel. Meanwhile, OPEC+'s announcement, to extend output cuts till September 2024 but gradually phase out the cuts in 2025, also weighed on prices. However, potential supply disruption amid heighten tension between Russia and Ukraine and adverse weather conditions in some regions, helped a partial price recovery in June before ending slightly lower at USD 86.4 per barrel compared to USD 87.5 per barrel the previous quarter.

Saudi Arabia's GDP contracted 1.7% Y/Y in Q1-24 (vs. a decrease of 4.3% Y/Y in Q4-23) with oil GDP falling by 11.2% Y/Y. However, non-oil GDP continued the growth, expanding 3.4%. Government activities also rose 2.0%. The manufacturing Purchasing Managers' Index (PMI) decreased to 56.4 in May but continued to show expansion in non-oil private businesses with the construction sector leading the expansion. The Industrial Production Index declined 6.1% in April, impacted by a slowdown in mining and quarrying. Money supply rose 1.2% M/M and 8.6% Y/Y in May 2024. Total deposits increased 8.5% Y/Y, while demand deposits grew 4.2% Y/Y in May. On a M/M basis, time and saving deposits as percentage of total deposits increased to 34.3% in May from 32.8% in April due to improvement in both government (+6.4% M/M) and private deposits (+4.9% M/M). Consumer spending increased 13.5% Y/Y, as the value of POS transactions jumped 13.4% Y/Y in May. Consumer inflation in Saudi Arabia was at 1.6% in May, unchanged from the previous month.

Saudi equity market declined in Q2-24 with TASI falling 5.8% Q/Q (as of June 30, 2024). Insurance sector topped the quarterly leaderboards with the highest gain recorded in Q2-24 at 7.9%; followed by Transportation (+5.8%). On the other hand, the Media (-18.2%) and Software & Services (-11.5%) sectors recorded the largest losses for the quarter. The Saudi market reflected effects of volatility in oil market and expectations of extended higher interest rates in the US. The US Federal Reserve kept interest rates unchanged at 5.25-5.50% in June for the sixth straight meeting. Moreover, the FOMC now expects only one rate cut in FY24 as against three earlier.

Banking: Margin expansion and asset growth to drive 6.7% Y/Y improvement in earnings in Q2-24 for banks under our coverage:

The US Federal reserve kept federal funds rate range unchanged at 5.25-5.5% in Q2-24, as it believes that current rates are sufficient to take inflation down to their 2% inflation target. SAMA, given the pegged exchange rate system, also upheld repo and reverse repo rates at 6.00% and 5.50% in Q2-24. Federal reserve has signalled that just one rate cut is expected in 2024, moreover the FOMC expects interest rates to remain higher in the long run than previous expectations.

For our banking universe (ALRAJHI, ALINMA and ALBILAD), our estimate for loan growth in Q2-24 is 6.7% Y/Y (+0.4% Q/Q) with Alinma leading at 12.8% Y/Y and 1.0% Q/Q increase in loans. We expect **AlRajhi** to post a loan growth of 5.2% Y/Y and 0.1% Q/Q respectively, due to improvement in mortgage financing business (new average mortgage issuances increased by 18.9%Y/Y in April/May-24). On a cumulative basis deposit growth for banks under our coverage is expected at 7.6% Y/Y and 0.7% Q/Q. **Albilad** will lead on the deposits front, with a 8.1% Y/Y (1.0% Q/Q) increase in deposits, followed by Alinma and AlRajhi at 7.3% Y/Y (1.0% Q/Q) and 6.4% Y/Y (0.6% Q/Q) respectively.

In terms of profitability, we expect **Albilad** to outperform its peers with a 13.0% Y/Y increase in bottom-line in Q2-24, to SAR 662mn. The increase is owed to the robust balance sheet expansion (total deposits up 8.1% Y/Y in Q2-24), improvement in NIMs and lower bad debt provisions. We forecast **Alinma** to post net income growth of 9.1% Y/Y in Q2-24 to SAR 1,336mn. For **AlRajhi** we estimate a 6.4% Y/Y growth in net profit in Q2-24 to SAR 4,414mn, as a result of deposit growth of 1.1% Y/Y and 6bps Y/Y increase in NIMs.

Saudi Petrochemical Sector: Earnings to grow by 95% post multiple plant shutdown in the previous quarter; SABIC with higher volumes to contribute the most, Tasnee and Advanced are likely to return to profits

Saudi Petrochemical sector's earnings in Q2-24 are forecasted to grow 95.2%Q/Q to SAR 1,310mn, compared to SAR 671mn in Q1-24; net income is expected to fall 31% Y/Y. The Q/Q jump in net income would be driven by an increase in product prices (+3% Q/Q on average) coupled with a decline in feedstock propane (-5% Q/Q) and butane (-7% Q/Q) prices. Moreover, the previous quarter was impacted by several plant shutdowns and one-offs. **SABIC** is expected to contribute the most to the sector's earnings growth with volumes recovering from the turnarounds in Q1-24. **TASNEE** and **Advanced** are likely to return to profits in Q2-24, adding to the sector's earnings. However, the sector continues to face headwinds such as a lack of sustainable recovery in demand due to high interest rates and weak macro fundamentals, spike in shipping cost and logistical challenges due to the Red Sea issue, and some seasonal factors weighing on demand.

China's manufacturing activity kept the positive momentum throughout the quarter, after reporting its highest figure since May 2021 in June. On the other hand, US manufacturing sector performance deteriorated in Q2-24 after showing some signs of improvement towards the end of the previous quarter. Eurozone manufacturing sector continues to be subdued. The Caixin manufacturing PMI for China rose to 51.8 in June from 51.7 in May, while US ISM manufacturing PMI decreased to 48.5 in June from 48.7 in May. Eurozone remained in a contraction zone with the manufacturing PMI at 45.8 in June vs. 47.3 in May.

Crude oil (Brent) prices fell 1.2% in Q2-24. Average prices of feedstock naphtha edged up by 0.4% Q/Q in Q2-24 to USD 688/tonne. LPG feedstock average prices declined, as propane and butane prices dropped 5.6% Q/Q and 7.3% Q/Q to USD 592/tonne and USD 590/tonne, respectively.

Average quarterly prices of Urea fell 14.1% Q/Q in Q2-24, while ammonia prices declined 11.1% Q/Q. Both Urea and ammonia prices were hit by subdued seasonal demand. However, prices showed recovery in June amid increased buying interest. The average prices of VAM decreased 7.6% Q/Q due to sluggish downstream demand and lack of recovery in the construction sector. Average prices of EVA declined by 4.2% Q/Q due to weakness in China's solar sector impacting downstream photovoltaic demand of EVA. Acetic acid (AA) prices were steady (+0.5% Q/Q) amid balanced supply-demand condition, though demand outlook continues to be bearish. Polycarbonate (PC) prices grew 5.2% Q/Q led by higher feedstock Bisphenol-A costs. MEG (Asia) was down 3.4% Q/Q as ample supply and buildup in inventories in China in April weighed on the prices, despite inventories easing later in the quarter. However, MEG **(SABIC)** inched up 0.4% Q/Q. MTBE prices were almost flat (+0.2% Q/Q) as delayed, but picking up, summer season demand was partially offset increased supply post turnarounds at some of the plants. Methanol prices gained 2.3% Q/Q driven by restocking by end-users. Among PE grades, average LDPE prices rose 5.6% Q/Q, while LLDPE and HDPE prices increased 1.4% and 1.1%, respectively. PP-Asia prices rose 5.9% Q/Q.

SABIC is forecasted to register a net profit of SAR 670.0mn in Q2-24 compared to SAR 246.2mn in Q1-24, a jump of 172% Q/Q. The net income growth is likely to be driven by an increase in topline due to recovery in volumes post turnarounds in the previous quarter. Additionally, we expect losses from discontinued operations of Hadeed to be lower, supporting the bottom line. **SABIC Agri-Nutrients'** earnings are expected to drop 21.5% Q/Q to SAR 660.0mn, despite the previous quarter being affected by a plant shutdown. The decline in Urea prices and weak seasonal demand are expected to weigh on the company's earnings in Q2-24. **YANSAB** is estimated to post net income of 115mn (+15.6% Q/Q), as sales volumes are expected to improve after witnessing shipping delays in Q1-24. Furthermore, a decrease in feedstock prices are likely to support gross margin expansion for the company. On a Y/Y basis, earnings would surge 3x due to plant shutdown in Q2-23. **KAYAN's** losses are estimated to reduce slightly to SAR 503.6mn in Q2-24 from a loss of SAR 571.9mn in Q1-24 aided by easing of feedstock prices and improvement in prices of some products. However, production is expected to be still affected in Q2-24 by the impact of the Bisphenol Plant fire incident (total impact of ~SAR 443mn – spanned from Q3-23 to H1-24). **Sipchem's** net profit is anticipated to increase 16.6% Q/Q to SAR 211.6mn as the impact of three plant shutdowns in Q2-24 is likely to be offset by resumption of operations at Al Waha plant after shutdown in Q1-24 and expected insurance claims worth ~SAR 53mn for Hail plants. **Advanced Petrochemical** is likely to swing to a net profit SAR 57.6mn in Q2-24 from a loss of SAR 58.4mn in the last quarter, recovering from the plant maintenance in Q1-24 and benefiting from improved product spreads amid a reduction in feedstock prices. **SK Advanced** is estimated to reduce losses to ~SAR 25mn from SAR 34mn in Q1-24 on account of improved operating rates after the plant shutdown in Q1-24 and some enhancement in margins. **Alujain** is forecasted to post a net profit of SAR 17.9mn vs. SAR 5.6mn in the previous quarter, supported by increase in product spreads. **Tasnee** is expected to return to profit from the loss in Q1-24 that was affected by three plant shutdowns. The net income is estimated at SAR 81.8mn in Q2-24 compared to a loss of SAR 72.1mn in Q1-24. The company's earnings are also likely to be supported by better margins and contribution from associates.

Telecom Sector: Mid-single-digit topline growth and better operating performance to lead to healthy net income expansion

The earnings for the telecom sector are estimated to grow 9.5% Y/Y in Q2-24 to SAR 4.0bn. The sector's topline is expected to increase 6.1% Y/Y, supported by momentum in B2B for Mobily and Zain KSA, expanding subsidiary business for STC and anticipated recovery in the overall Consumers segment. The GP margin for the sector is likely to contract 51.6% compared with 52.3% in Q2-23, as all three operators are forecasted to see a reduction in GP margin. **STC's** net income is estimated to increase 8.0% to SAR 3.2bn, aided by revenue growth of 5.6% Y/Y and higher operating margin partly counteracted by higher finance expenses. **Mobily** is forecasted to post a net income of SAR 653mn, an increase of 31.3% Y/Y on the back of top line growth of 8.0% Y/Y and expected lower D&A and finance expenses. **Zain KSA's** net profit is estimated to decline to SAR 72mn (-42.3% Y/Y); lower GP margin, higher OPEX and finance expenses are likely to weigh on the earnings offsetting the revenue growth of 6.5% Y/Y. On a Q/Q basis, the telecom sector is expected to register a slight decline of 0.4% in net income due to lower sequential earnings for STC, as the previous quarter's earnings were helped by lower OPEX and zakat.

Cement Sector: a broad-sector Y/Y improvement in earnings during Q2-24 despite the feedstock hike, supported by better selling prices and margins

We expect companies under our coverage to post combined revenues of SAR 2.04bn, an increase of 16% Y/Y, and a combined net profit of SAR 548mn, an increase of 26.6% Y/Y and a decrease of 16.6% Q/Q. This Y/Y expected improvement in earnings is mainly due to the higher average selling prices (ASP) and a slight increase in volume sales. Selling prices in the sector are expected to average around SAR 191.7 per tonne during Q2-24, compared to SAR 192.6 in Q1-24 and SAR 171.0 in Q2-23. We expect the impact of feedstock hikes to show in a higher production cost per tonne, and to be mitigated by the high selling prices. **Yamama Cement** is expected to post a net profit of SAR 108.3mn, an increase of 10.2% Y/Y; due to stronger margins resulting from higher ASP, despite the expected decline of 6% in volume sales. ASPs are expected to come around SAR 195 per tonne, while GP margin is expected to be as high as 49.0%. **Qassim Cement** is estimated to post a net profit of SAR 74.2mn, an increase of 94.8% Y/Y, mainly due to a higher top-line amid improved ASP and a 37.6% expected increase in volume sales. **Southern Cement** is expected to post a net profit of SAR 46.8mn, a significant increase of 145.7% Y/Y; due to better margins caused by improved pricing and the absence of high-cost export sales, despite the expected 7.4%Y/Y decline in the top-line. **City Cement** is expected to post a SAR 35.3n net income, an increase of 45.2%% Y/Y, mainly due to a stronger top-line, supported by the improvement on volume sales, despite the pressure on margins. We expect **Saudi Cement** to be the only Y/Y laggard in our coverage, posting a net income decline of 6.6% to SAR 79.5mn, as we expect production costs to pressure the margins.

Retail: Profitability trends remains encouraging with exception Americana and Jarir which are likely to see worsening of financial performance in Q2-24

The POS sales increased 13.4% Y/Y in May 2024 to SAR 56.5bn, while the POS transactions increased 18.9% Y/Y to 894.5mn. E-commerce sales using MADA cards were up 27.6% Y/Y. **Leejam** is expected to post earnings of SAR 90.7mn (+25.2% Y/Y) in Q2-24 compared to SAR 72.5mn in Q2-23. Revenue is expected to grow by 18.8% Y/Y in Q2-24, due to the opening of new facilities, however gross margins are expected to remain largely unchanged at 41.0%. **Extra** is forecasted to record a 36.7% increase in net income supported by 11.6% Y/Y growth in revenues driven by an increase in Tasheel loan book and e-commerce sales. **AlOthaim's** net profit is expected to drop by 66.6% Y/Y in Q2-24 to SAR 46.6mn, due to absence one off gains on sales of assets in Q2-23, excluding the one off impact, earnings are likely to increase 8.0% Y/Y due to higher sales on account of new store openings. **Bindawood** is estimated to see a 3.5% Y/Y decline in Q2-24 net income to SAR 66.8mn due to expected lower gross margin along with lesser number of Ramadan days as compared to Q2-23. **Americana** would continue to be impacted by the issue in the Middle East and is forecasted to report a 51.1% Y/Y drop in net profits, due to 15.7% Y/Y decline in revenues, despite lower selling, distribution and admin expenses. **SACO** is estimated to record a loss of SAR 4.7mn in Q2-24 as compared to net loss of SAR 15.9mn in same period last year, the improvement is owed to expansion in gross margins and controlled selling, marketing and administrative expenses. **Almarai** is expected to post earnings growth of 10.6% Y/Y in Q2-24, on the back of 5.4% Y/Y increase in revenues and improved operating efficiencies.

Healthcare Sector: Seasonally burdened quarter from holidays and Ramadan in effect; expansion effects still at play for healthcare providers, at different degrees

Healthcare providers are expected to have witnessed a seasonally burdened Q2 starting off with nearly 8 days of Ramadan, in addition to Eid holidays and summer breaks. **HMG** is forecasted to report a net income of SAR 513.1mn (up 5.4% Y/Y and down 6.9% Q/Q), with a slight contraction in GP margins as the provider begins to ramp up two new major facilities (Jeddah and Riyadh). **Dallah** is expected to record a net income of SAR 87.9mn (up 65.8% Y/Y and down 26.3% Q/Q), while facing seasonality effects on revenue, as well as the effect of hiring on OPEX for a 100 bed expansion in Namar as well as increased finance costs. **MEH** is expected to fare relatively better in terms of patient volume, as a result of its exposure to holy sites, while recording a bottom line of SAR 36.4mn (down 9.5% Y/Y and 29.9% Q/Q) as it faces heightened finance costs and OPEX from new operational expansions underway. **Care** expected to record a net income of SAR 62.8mn (up 31.4% Y/Y, and down 22.7% Q/Q) with some support from its Mecca facility, while also facing increased professional fees ahead of deal activities. **Hammadi** is expected to record a bottom line of SAR 55.7mn (down 32.0% Y/Y, and 13.0% Q/Q) while facing a change in its insurance classification, as well as investments into new services and departments burdening its margins. **Mouwasat** is forecasted to report a bottom line of SAR 152.5mn (up 1.3% Y/Y and down 11.1% Q/Q) while also facing margin pressures from investing into new services. **Fakeeh** is expected to record a net income for the quarter of SAR 63.9mn (up 18.5% Y/Y, and down 12.1% Q/Q) as it ramps up its Riyadh facility ahead of an expansion in Madinah to kick off during H2-24.

Software & Services, and Media: S&S sector providers' performance expected to vary on segmentation and contracts awarded. AlArabia to face the seasonality with growth in its business activities.

Elm is forecasted to reach a bottom line of SAR 389.8mn (up 4.6% Y/Y and 13.1% Q/Q) as we expect the firm's digital segment to benefit from the pilgrimage activates taking place in Q2-24. As for **Solutions** we forecast a bottom line of SAR 337.2mn (relatively flat at a 0.7% decline Y/Y, and down 4.6% Q/Q) as we expect gross margins to edge slightly on a sequential basis with a sequential increase in financing costs. **2P** is expected to record a net income of SAR 33.6mn (up 9.2% Y/Y and 13.2% Q/Q) supported by contract awarding activates. **AlArabia's** digitalization and contracts awarded are expected to fare well with the seasonality of the quarter to reach a bottom line of SAR 89.6mn (up 5.4% Y/Y and down 11.1% Q/Q) as the seasonal nature of demand on outdoor advertising is expected to be in effect on a sequential basis.

Tourism and Transportation Sectors: The Y/Y earnings growth to reflect expanding Saudi tourism sector

The Tourism and Transportation sector's combined net profit is forecasted at SAR 536mn in Q2-24, implying 21.6% Y/Y growth. The net income growth would be mainly led by the expected performance by SAL and SGS. The revenue growth is forecasted to be at 21.9% Y/Y driven by the rising number of flights and tourist activity. **Catering's** earnings are expected to grow 12.0% Y/Y to SAR 71.4mn in Q2-24 attributable to revenue growth of 14.7% Y/Y driven by an increase in the number of flights as well as growth in non-airline business. **SGS** is estimated to post 52.7% growth in net profit at SAR 76.2mn, driven by continued growth in volume of operations amid increased flights and improved gross margin. **Seera's** net income is forecasted to decline 40.9% Y/Y to SAR 40.5mn in Q2-24, despite a top line growth of 34.3% Y/Y, as Q2-23 had a higher gross margin and other operating income. **Theeb's** net profit is estimated to increase 38.4% Y/Y to SAR 41.4mn, on the back of growth at the top-line and expanded margins, which we expect to recover due to better utilization rates for its car rental segment. **Budget Saudi's** net profit is expected to post a moderate growth of 2.2% Y/Y to SAR 71.8mn, as revenue growth of 11.9% Y/Y is likely to be mitigated by lower GP margin. **Lumi** is estimated to post a decline of 13.1% Y/Y in net profit to SAR 43.1mn, despite a revenue growth of 44.3% Y/Y, as the post-IPO organizational structure is increasing operation expenses. **SAL's** net income is forecasted to surge 76.0% Y/Y to SAR 191.6mn attributable to a robust revenue growth of 29.0% and margin expansion amid anticipated cargo volume momentum. On a Q/Q basis, the sector's earnings are estimated to fall 2.8%, dragged mainly by decline in SAL and Seera's net income, due to expected lower revenues as well as gross margins compared to the previous quarter.

Code	Company Name	Forecasted-Revenue Q2-24	Forecasted-Net Profit Q2-24	Forecasted-EPS Q2-24	Forecasted- Q/Q growth	Forecasted- Y/Y growth	Forecasted-EPS FY24	Prospective PE-FY24
				Energy				
2381	Arabian Drilling	927	126	1.42	-13.7%	-10.0%	6.30	21.4
2382	ADES	1,444	190	0.17	-3.6%	83.2%	0.68	29.5
				Banks				
1120	Bank Alrajhi	5,710	4,414	1.04	0.2%	6.4%	4.77	16.8
1150	Bank Alinma	2,033	1,336	0.53	1.6%	9.1%	2.09	14.9
1140	Bank Albilad	1,088	662	0.53	2.9%	13.0%	2.18	14.8
				Telecommunication Services				
7010	STC	19,353	3,248	0.65	-1.2%	8.0%	2.68	14.2
7020	Mobily	4,588	653	0.85	2.4%	31.3%	3.33	15.7
7030	Zain	2,548	72	0.08	7.7%	-42.3%	0.29	39.1
				Consumer Staple				
4001	Al Othaim	2,573	46.6	0.06	-60.0%	-66.6%	0.53	21.4
4161	Bindawood	1,452	66.8	0.06	12.0%	-3.5%	0.26	28.4
				Consumer Discretionary				
4190	Jarir	2,341	140.1	0.12	-36.1%	-10.1%	0.75	16.9
4008	SACO	226	(4.7)	(0.13)	NM	NM	0.33	HIGH
4003	Extra	1,953	84.3	1.05	-10.2%	36.7%	5.80	16.5
6015	Americana	2,061	158.9	0.02	51.2%	-51.1%	0.10	33.1
				Materials				
2010	SABIC	33,637	670	0.22	172.2%	-43.1%	1.54	48.1
2060	TASNEE	924	81.8	0.12	NM	160.4%	0.34	33.4
2290	YANSAB	1,450	115.0	0.20	15.6%	319.0%	1.23	30.2
2020	SABIC AGRI-NUTRIENTS	2,348	660.4	1.39	-21.5%	1.4%	6.16	18.7
2310	Sipchem*	1,819	211.6	0.29	16.6%	-32.4%	1.37	21.1
2330	Advanced	598	57.6	0.22	NM	-4.4%	0.93	41.6
2350	Saudi KAYAN	2,112	(503.6)	(0.34)	NM	NM	(0.84)	NEG
2170	ALUJAIN**	432	17.9	0.26	219.0%	6.6%	1.32	31.6
1211	MA'ADEN	7,459	851.3	0.23	-13.3%	142.6%	1.00	42.5
				Cement				
3020	Yamamah Cement	266	108.3	0.53	-5.8%	10.2%	2.35	14.0
3030	Saudi Cement	385	79.5	0.52	-30.1%	-6.6%	2.53	18.0
3050	Southern Cement	209	46.8	0.33	-24.7%	145.7%	1.55	23.6
3040	Qassim Cement	205	74.2	0.82	0.0%	94.8%	3.26	17.4
3010	Arabian Cement	184	41.8	0.42	-22.8%	49.5%	1.87	15.3
3060	Yanbu Cement	206	41.4	0.26	-29.0%	17.3%	1.46	18.9
3003	City Cement	121	35.3	0.25	-15.2%	45.2%	1.16	16.9
3080	Eastern Cement	285	59.8	0.69	-11.9%	16.4%	3.04	10.6
3092	Riyadh Cement	180	61.0	0.51	-13.0%	14.4%	2.18	46.3
				Health Care				
4007	Hammadi***	257	55.7	0.35	-13.0%	-32.0%	2.15	30.0
4002	Mouwasat	674	152.5	0.76	-11.1%	1.3%	3.50	36.0
4005	Care	281	62.8	1.40	-22.7%	31.4%	5.65	36.5
4004	Dallah	738	87.9	0.90	-26.3%	65.8%	4.09	HIGH
4013	Sulaiman Al Habib	2,610	513.1	1.47	-6.9%	5.4%	6.39	HIGH
4009	Saudi German	689	36.4	0.40	-29.9%	-9.5%	2.60	40.6
4017	Fakeeh Care	652	63.9	0.28	-12.1%	18.5%	0.97	41.6
				Consumer Services				
1810	SEERA	962	40.5	0.13	-11.8%	-40.9%	0.68	38.1
1830	Leejam	359	90.7	1.73	-3.7%	25.2%	8.24	27.9
				Food & Beverage				
2280	AlMarai	5,051	616.3	0.62	-11.0%	10.6%	2.29	24.8
2284	Modern Mills	235	56.6	0.69	-12.9%	37.7%	2.71	18.0
				Transportation				
4260	Budget	381	71.8	1.01	3.0%	2.2%	4.14	21.4
4261	Theeb	314	41.4	0.96	2.3%	38.4%	3.75	18.3
4262	Lumi	336	43.1	0.78	-3.6%	-13.1%	3.10	29.9
4263	SAL	438	191.6	2.39	-8.1%	76.0%	9.78	31.4
4031	Saudi Ground Services	702	76.2	0.41	7.1%	52.7%	1.58	33.2

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				Commercial & Professional Services				
6004	**Catering**	570	71.4	0.87	0.2%	12.0%	3.89	31.6
1833	**Al Mawarid Manpower**	379	25.9	1.7	-2.0%	15.2%	7.1	16.5
				Software & Services				
7203	**Elm**	1,664	389.8	4.87	13.1%	4.6%	21.30	40.2
7202	**Solutions**	2,824	337.2	2.81	-4.6%	-0.7%	13.90	20.6
7204	**2P**	283	33.6	0.11	13.2%	9.2%	0.61	24.3
				Utilities				
2081	**Alkhorayef**	568	55.9	1.60	29.7%	57.0%	6.89	26.6
				Media and Entertainment				
4071	**ALARABIA**	463	89.6	1.79	-11.1%	5.4%	9.00	25.7

" Source: AlJazira Capiral, Tadawul. Prices as of 1st of July 2024, NM: Not meaningful, *Including insurance claims of SAR 53mn for Hail plant ,**Excluding non-opeariting profits from NATPET sale, ***Excluding any potential reversal

RESEARCH DIVISION

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RESEARCH DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

RATING TERMINOLOGY

1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

Disclaimer