

Forecasts Report

Saudi Stock Market | Q3-2026



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We present the Q3-26 forecast for our coverage of **66 companies** across multiple sectors. **The combined results of these companies are estimated to decrease 2.7% Y/Y to SAR 21.9bn**, impacted mainly by decline in Telecom, Transportation and Maaden partially offset by growth in Banking and Healthcare. **Adjusted earnings** (adjusted for major one-offs: SAR 631mn in STC in Q3-25 and SAR 350mn expected one-off gain in Dallah in Q3-26) are expected to decrease **-1.5% Y/Y**. Ma'aden's earnings (-14.2% Y/Y) are expected to be hit by lower product prices, margin pressure and disruption in volumes. Our banking universe is forecasted to post 7.1% Y/Y growth supported by balance sheet expansion and solid profitability. The earnings for the Telecom sector are expected to decrease 11.8% Y/Y in Q3-26 to SAR 4.6bn, as Q3-25 results included SAR 157mn net tax reversal and SAR 474mn one-off gains for STC, and SAR 50mn reversal for Mobily. Adjusted earnings for Telecom are expected to grow 1.6% Y/Y. Meanwhile, Transportation sector is likely to witness sharp drop of 54% Y/Y in Q3-26 earnings led by losses in Flynas and a notable reduction in SGS earnings. **On a Q/Q basis, the earnings of the companies under our coverage are forecasted to grow 10.7%**, mainly due to reduction in losses of Petrochemicals and expected one-off gain in Health care. **Adjusted earnings** (adjusted for major one-offs: SAR 1.3bn in Petrochemicals in Q2-26 and SAR 350mn expected one-off gain in Dallah in Q3-26) are anticipated to post a **2% growth**. The petrochemicals sector is forecasted to post net profit of SAR 353mn compared to a net loss of SAR 2.0bn in Q2-26, supported by lower losses from discontinued operations in SABIC, and the absence of one-off impairments in Tasnee and Sipchem. Additionally, expect margin improvement and better volume are also likely to support the sector's earnings.

In Q3-26, **crude oil prices** surged with Brent crude ending the quarter at USD 103.5 per barrel, up 42% from Q2-26-end level. Whereas average prices were lower by 6.4% Q/Q. On a Y/Y basis, oil jumped 88.4%, as geopolitical pressures persisted. Oil prices traded in the range of ~USD 71-107 per barrel during the quarter. Prices were initially pressured amid diplomatic hopes but rebounded as US-Iran negotiations stalled and geopolitical tensions re-escalated. However, Attacks on some oil terminals in late September, coupled with supply uncertainty, supported prices toward quarter-end.

Saudi Arabia's GDP contracted 4.7% Y/Y in Q2-26 (vs. 3.0% growth in Q1-26), driven by sharp decline in oil GDP by 24.8% Y/Y, while non-oil GDP and government activities inched up 0.9% Y/Y. The manufacturing PMI increased to 53.8 in August from 53.1 in July, reflecting a notable increase in output amid stronger demand and a continued recovery in market activity. The Industrial Production Index fell 8.1% Y/Y in July, driven by lower activity in mining, quarrying and manufacturing. Money supply decreased by 1.0% M/M but rose 5.6% Y/Y in August 2026. Total deposits increased by 5.7% Y/Y driven by 24.4% Y/Y growth in time and saving deposits in August 2026. On a Y/Y basis, time and saving deposits as percentage of total deposits increased by 680bps to 45.4% in August 2026. Consumer spending increased by 6.4% Y/Y with the value of POS transactions growing by 5.0% Y/Y in August. Consumer inflation in Saudi Arabia remained steady at 1.8% in August.

TASI fell 3.3% Q/Q in Q3-26, ending the quarter at 10,441. Saudi equity markets remained under pressure for most of the quarter, as a brief August recovery was wiped out by renewed concerns over interest rate hikes and geopolitical tensions. Equity market activity weakened with ADTV of 4.3bn in Q3-26 vs. SAR 5.4bn in Q2-26. As per September's YTD performance, Insurance (+11.1%) and Energy (+6.7%) topped the sector's leaderboards. Out of 21 sectors, 5 sectors registered a positive performance. At the other end of September's leaderboards were Media and Transportation sectors, which declined by 54.2%, and 22.9% YTD respectively.

Q3-2026: Saudi Market Sector Earnings Performance

Sectors Amount in SARmn, unless otherwise specified	Forecasted Net Profit				
	Q3-2026	Q3-2025	Y/Y	Q2-2026	Q/Q
Energy	95	205	-53.6%	97	-1.9%
Banks	9,336	8,719	7.1%	9,399	-0.7%
Telecommunication Services	4,567	5,176	-11.8%	4,728	-3.4%
Consumer Staple	88	91	-3.5%	27	224%
Consumer Discretionary	771	668	15.4%	651	18.4%
Petrochemicals	353	524	-32.6%	(2,014)	NM
Cement	220	286	-23.0%	495	-55.5%
HealthCare	1,563	1,242	25.9%	1,271	23.0%
Consumer Services	88	116	-24.3%	144	-39.0%
Food & Beverages	692	654	5.8%	708	-2.3%
Transportation	268	586	-54.3%	15	1703.7%
Commercial & Professional Services	123	134	-8.4%	98	25.7%
Software & Services	1,013	1,008	0.5%	1,003	1.1%
Utilities	65	70	-6.0%	64	2.8%
Capital Goods	452	449	0.8%	499	-9.3%
Household & Personal Products	37	30	22.8%	27	38.2%
Financial Services	96	164	-41.4%	140	-31.4%
Pharma, Biotech & Life Science	145	157	-7.7%	235	-38.3%

Source: Tadawul, Aljazeera Capital Research

Energy: Earnings to remain under pressure amid delay in reactivation of recalled rigs and comparatively higher costs

The combined net income of Energy sector companies under our coverage is estimated to fall to SAR 95mn (-1.9% Q/Q) in Q3-26 from SAR 97mn in Q2-26, mainly due to delay in reactivation some of the rigs, which were suspended earlier due to regional conflict and some rigs preparing for upcoming contracts. Additionally, higher costs, particularly for ADES, compared to previous quarter will weigh on earnings. **ADES'** ADES' net income is estimated to plummet 45.0% Q/Q to SAR 71mn, as topline is expected to remain flat (+0.1% Q/Q). Revenue will be supported by the resumption of operations for suspended rigs in Qatar and partial impact of consolidation of newly acquired Saipem's KSA business (16 days). However, we anticipate this will be compensated by delay in reactivation of some of the rigs, which received resumption notices, as escalation of regional conflict during the period might have pushed the resumption forward. Also, a few rigs are likely to have gone out of operation for the preparation of upcoming contracts in Q4. We also expect higher costs including elevated insurance cost and finance cost related to Saipem to weigh on net profit. In Q2-26, non recurring gains helped the company reduce impact of high insurance costs. **Arabian Drilling** is likely to return to profit with net earnings of SAR 25mn in Q3-26 as against a net loss of SAR 32mn in Q2-26 due to 4.3% Q/Q increase in revenue primarily on account of offshore rig reactivation and expected continuation of improved efficiency in land segment.

Banking: Earnings for AJBC banking universe are expected to grow by 7.1% Y/Y in Q3-26; Albilad to Lead balance sheet growth, Alinma on profitability

The US Federal Reserve raised the federal funds rate by 25bps to a range of 3.75-4.00% at its September 2026 meeting, its first hike since 2023, as elevated energy prices kept inflation above target and prompted a further tightening of policy. Given the pegged exchange rate system, SAMA followed suit, raising the repo and reverse repo rates by 25bps each to 4.50% and 4.00%, respectively, in Q3-26. The Fed's September dot plot points to one more 25bps hike by year-end, taking the policy range to 4.00-4.25%. CME FedWatch shows a 67% probability of another 25bps hike in December 2026, while markets are pricing in one to two further 25bps hikes by year-end.

Latest SAMA data shows pre-zakat & tax profit of commercial banks grew by 3.6% Y/Y in July-August 2026, deposits were up 5.7% Y/Y in Aug-26 (5.3% YTD), while total private credit increased by 6.1% Y/Y and 4.9% since Dec-25; new mortgage issuances declined by 4.4% Y/Y in July-August 2026. For our banking universe (ALRAJHI, ALINMA and ALBILAD), the combined net income is estimated to rise 7.1% Y/Y to SAR 9.3bn in Q3-26. Loan growth for the banks under our coverage in Q3-26 is projected at 5.4% Y/Y (+1.8% Q/Q). **Albilad Bank** is expected to lead this growth; we forecast a 17.1% Y/Y and 4.6% Q/Q increase in its loan portfolio. We expect **Alinma bank** to post a loan growth of 10.8% Y/Y and 2.5% Q/Q. On a cumulative basis deposit growth for banks under our coverage is expected at 6.4% Y/Y and 1.8% Q/Q. **Albilad** will lead on the deposits front, with a 19.3% Y/Y (4.6% Q/Q) increase in deposits (due low base effect), followed by **Alinma** and **Alrajhi** at 6.6% Y/Y (2.0% Q/Q) and 3.8% Y/Y (1.1% Q/Q) respectively.

In terms of profitability, we expect **Alinma** to outperform its peers with a 7.4% Y/Y increase in bottom-line in Q3-26, to SAR 1,710mn (on Q/Q basis earnings are expected to see a 7.2% increase). We forecast **Alrajhi** to see net income growth of 7.3% Y/Y in Q3-26 to SAR 6,826mn (-2.7% Q/Q). For **Albilad** we estimate a 4.5% Y/Y increase in net profit in Q3-26 to SAR 801mn (up 1.1% Q/Q).

Saudi Petrochemical Sector: Expected to return to profit on margin improvement, partial volume recovery and absence of one-off impairments/losses

Saudi Petrochemical sector is forecasted to post net profit of SAR 353mn in Q3-26 vs. net loss of SAR 2.0bn in the previous quarter. The earnings of the sector are expected to be supported by the absence of one-offs, and margin improvement as decline in feedstock prices was higher than the decline in product prices. Sales volumes are expected to rebound partially incremental progress in securing shipment transit through the Strait of Hormuz and more streamlined feedstock supply though a limited feedstock supply disruptions following attacks on the East-West pipeline is anticipated. On the other hand, elevated shipping costs and high insurance premium persisted during the quarter.

Major economies demonstrated manufacturing resilience by remaining in expansionary territory during September, even as regional growth trends began to diverge. China's Caixin manufacturing PMI rose to 51.7 in September from August's 51.5, driven by continued expansion in output and new orders alongside steady export demand. Likewise, the Eurozone HCOB manufacturing PMI advanced to 52.9 from 52.7, reaching its highest level since May 2022 fueled by accelerating factory output and a renewed increase in new export orders despite accelerating input cost inflation. Meanwhile, the US ISM manufacturing PMI edged slightly lower to 54.5 in September from 54.6, as faster growth in new orders and expanding order backlogs helped cushion a moderation in factory output and intensifying price pressures.

Crude oil (Brent) prices gained 42% in Q3-26 from Q2-26 end, while average oil prices fell 6.4% Q/Q. Average prices of feedstock **Naphtha** decreased 6.4% Q/Q in Q3-26 to USD 834/tonne. Among LPG feedstocks, average prices of **propane** fell 19.2% Q/Q to USD 608/tonne and average **butane** prices declined 21.5% Q/Q to USD 633/tonne.

Average quarterly prices of **Urea** plunged 40.2% Q/Q in Q3-26, due to lower-than-expected seasonal demand and increase exports from China amid weak local demand. **Ammonia** prices decreased 15.3% Q/Q, amid persistent weak downstream demand, while supply remained sufficient. The average prices of **VAM** dropped 35.1% Q/Q, as demand remained subdued with weakness in end-use industries, whereas market supply was ample despite some logistics constraints. The average prices of **EVA** fell 20.2% Q/Q amid limited spot activity, lack of demand and inability to pass through higher upstream costs. **Acetic acid (AA)** prices rose by 3.6% Q/Q due to tight supply in Asia driven by strong Chinese exports, low inventories

in India, outages and logistics constraints. **Polycarbonate (PC)** prices slipped 14.9% Q/Q as prolonged weakness in demand from construction, automotive, and electricals persisted. **MEG (Asia)** prices gained 10.9% Q/Q led by supply tightness due to Middle East export disruptions and inventory drawdown in China. **MTBE** prices were up 11.1% Q/Q due to strong gasoline blending demand in peak driving season, higher feedstock prices and lower operating rates in China. **Methanol** prices eased by 8.7% Q/Q. Among the PE grades, average **LDPE** prices declined 10.5% Q/Q, **LLDPE** fell 11.5% Q/Q, and **HDPE** decreased 12.6%. **PP-Asia** prices edged down 8.4% Q/Q.

SABIC is forecasted to register a net profit of SAR 342mn in Q3-26, a significant improvement compared to a net loss of SAR 833mn in Q2-26, backed by a reduction in losses from discontinued operations (loss of SAR 608mn in Q2-26), partial recovery in volumes and better margins. **SABIC Agri-Nutrients'** earnings are expected to jump 93.7% Q/Q to SAR 734mn, as sale volumes are expected to increase from the previous quarter, impacted by shipping delays. We expect volume to reach 70% of capacity in Q3-26. However, a sharp decline in urea prices (-40.2% Q/Q) will restrict the magnitude of the growth. **YANSAB** is forecasted to post a net income of SAR 223mn in Q3-26 (-13.9% Q/Q), as we expect some disruption in volumes due to feedstock supply during outage of East-West pipeline though volumes will be higher than Q1 after the turnaround. Conversely, margins are likely to be better despite decline in product prices as feedstock prices also eased. **Sipchem** is expected to reduce net losses to SAR 245mn in Q3-26 compared to a net loss of SAR 592mn in Q2-26 which included SAR 328mn provisions. Further, we expect volumes to improve compared to the previous quarter with passage of some shipments through Strait of Hormuz. **KAYAN** is likely to post slightly lower losses of SAR 600mn from a loss of SAR 673mn in the previous quarter with volume disruption to be offset by margin expansion. **Tasnee's** losses are likely to reduce to SAR 204mn vs. a loss of SAR 548mn in the previous quarter, benefiting from completion of SEPC maintenance and absence non-cash impairment charges on SAMCO/ASIC assets (~SAR 393mn). **Advanced Co.** is expected to register net profit of SAR 40mn vs. SAR 98mn losses in the previous quarter, mainly led by higher sales volumes as disruption level is expected to be much lower than Q2. Higher volumes are likely to support margins despite decline in PP prices. Moreover, last quarter was affected by SAR 20mn accelerated amortization of catalyst. **Alujain** is forecasted to post a net profit of SAR 64.5mn vs. a net profit of SAR 92mn in Q2-26, impacted by lower PP prices and some disruption in volumes.

Telecom Sector: Normalized earnings to see modest growth of 1.6% driven by steady increase in revenue but curtailed by rise in finance costs

The earnings for the telecom sector are expected to decline by 11.8% Y/Y in Q3-26 to SAR 4.6bn, as Q3-25 results included tax reversal and one-off gains for STC (total SAR 631mn) and reversal of provisions for Mobily (SAR 50mn). Adjusted for these amounts telecom sector's earnings are expected to grow 1.6% Y/Y, supported by 3.4% Y/Y growth in topline along with GP margin expansion partly offset by higher non-operating expenses. The GP margin for the sector is forecasted to expand from 50.6% in Q3-25 to 50.8% in Q3-26. **STC's** net income is expected to decrease 13.7% Y/Y to SAR 3.5bn, as Q3-25 earnings were aided by SAR 157mn net tax reversals and SAR 474mn one-off gain on investment. Adjusted earnings are expected to grow 2.0% Y/Y. A 4.0% Y/Y revenue growth and better operating margins are likely to be offset by higher finance costs. **Mobily's** net income is forecasted at SAR 916mn (-0.1% Y/Y), as 4.8% revenue growth and GP margin expansion is likely to be offset by higher D&A and absence of SAR 50mn reversal of provisions. Normalized (for the reversal in Q3-25) earnings are expected to grow 5.7% Y/Y. Gross margin is forecasted to widen from 55.5% in Q3-25 to 56.3% in Q3-26. **Zain KSA** is expected to post a net profit of SAR 107mn (-30% Y/Y), mainly impacted by weaker topline (-2.5% Y/Y) and elevated OPEX. On a Q/Q basis, the telecom sector's earnings are expected to decrease 3.4% Y/Y with revenue falling 0.4%.

Cement sector: Bottom line expected to drop 56% Q/Q and 23% Y/Y, mirroring a 20% Q/Q price discount, slower volume sales, and export restrictions

The Aug-YTD dispatches have shown a noticeable 5% Y/Y decline, primarily driven by a 21% Y/Y contraction in export activity amid regional disruptions. Consequently, we forecast volumetric sales to decline to 11.9MT in 3Q-26, representing a 5.2% Y/Y decrease. However, this is expected to mark a 2.8% sequential recovery, reflecting the gradual easing in export activity observed during July-August. We expect that increase in volumetric sales was stimulated by a price discount as we expect the average selling price (ASP) during Q3-26 will range in 155-160SAR/Tonne down from the 184 SAR/Tonne Q2-26, as we expect the central region to recorded the highest discount up to 18% Q/Q however still above the price war prices in 3Q-25 by 9%. Correspondingly, we forecast sector revenue to decline by 4.5% Y/Y and decline 8.2% Q/Q to SAR 2.17bn, while net income is expected to reach SAR 219.9mn, down 23% Y/Y and down 56% Q/Q. We expect **Yamama Cement** to report net income of SAR 60.1mn in 3Q-26, up 68% Y/Y but down 51% Q/Q. The strong Y/Y growth is primarily attributable to the intense price war in 3Q-25, however, despite an expected 30% Q/Q increase in volumetric sales, we forecast cement prices to decline by 20% Q/Q to SAR 146/tonne. As a result, we expect gross profit margin to contract to 25.4% vs 42.3% Q2-26, serving as a key drag on earnings. **Saudi Cement** is forecast to post net income of SAR 40.2mn (-24.4% Y/Y, -60.6% Q/Q), reflecting a 12% Q/Q decline in ASPs, alongside the 10% decline in volumetric sales. Meanwhile, **Riyadh Cement** is expected to report net income

of SAR 18.8mn (+27.3% Y/Y, -62.2% Q/Q), with the growth on yearly basis largely reflecting the low base from last year amid the intense price war. However, we expect pricing to remain under pressure, with ASPs forecast to decline by 20% Q/Q.

Retail: July-Aug POS data signals healthy demand; mixed Q3-26 outlook across consumer coverage

POS sales rose 5.8% Y/Y to SAR 128.5bn in July-August 2026, while the number of POS transactions increased 10.8% Y/Y to 2.2bn, implying a lower average ticket size. E-commerce sales via mada cards grew 26.0% Y/Y to SAR 74.6bn. At the sector level, POS sales of electronic and electrical devices rose 13.5% Y/Y, apparel, clothing and accessories surged 29.1% Y/Y, and food & beverages advanced 16.9% Y/Y. Turning to our Q3-26 expectations, we forecast **Almarai's** revenue to grow 9.7% Y/Y, reflecting the full-quarter impact of recent price increases, with net income up 1.1% Y/Y (-2.5% Q/Q) to SAR 619.8mn. We expect **Jarir's** earnings to rise 9.0% Y/Y (+50.3% Q/Q) to SAR 354.1mn, supported by momentum from the new iPhone launch. **Almajed Oud** is likely to report net income growth of 22.8% Y/Y (+38.2% Q/Q) to SAR 37.0mn, driven by the successful rollout of new branches, efficient raw material procurement, controlled selling & distribution spending and launch of new products. **Tanmiah** should remain profitable with net income of SAR 8.2mn, although this represents a 56.5% Q/Q decline owing to softer pricing and cost pressures from higher freight and input costs. We forecast **BinDawood's** earnings to decline 8.0% Y/Y to SAR 38.7mn, while **Americana's** net income is expected to rise 99.4% Y/Y to SAR 320.9mn on gross margin expansion from reduced discounting. **Leejam's** earnings are likely to decline 4.2% Y/Y to SAR 78.6mn, weighed down by higher fixed costs at newly opened gyms that have yet to ramp up. We expect **Extra's** earnings to fall 29.4% Y/Y to SAR 100.8mn, reflecting weakness at its financing arm, **Tasheel**, where we forecast net income to decline 63.3% Y/Y (-37.9% Q/Q) to SAR 29.9mn, as loan book growth is partly offset by higher provisioning.

Healthcare Sector: Dallah's one-off gain drives Y/Y and Q/Q headline growth; underlying earnings soften on margin pressure and a high Q2 base

We expect the healthcare sector to report a net income of SAR 1.56bn in Q3-26, up 25.9% Y/Y and 23.0% Q/Q. The sharp rise in headline profitability is largely due to a likely non-recurring gain of c.SAR 360mn that Dallah Healthcare is expected to book during the quarter. Excluding this gain, sector earnings would decline 3.1% Y/Y and 5.3% Q/Q. On a Y/Y basis, underlying profitability is expected to fall despite c.11.5% topline growth, as elevated hiring costs, the gradual ramp-up of newly commissioned facilities, recent acquisitions and continued pressure on gross margins weigh on earnings. The 5.3% sequential decline in underlying earnings largely reflects the high base of Q2-26, when patient volumes rebounded sharply from a subdued Q1-26. The summer school holidays are also expected to weigh on revenue growth for healthcare providers during the quarter. **Dallah** is forecast to report a net income of SAR 452.9mn (+352.9%/+219.2% Q/Q/Y/Y), mainly driven by an expected one-off gain of SAR 360mn from the sale of its entire 31.20% stake in Dr. Mohammed Bin Rashed Al Fagih Hospital to Fakeeh Care Group. Adjusting for this gain and the SAR 29.5mn one-off gain recorded in Q3-25, normalized profit is expected to decline 17.4% Y/Y, reflecting continued weakness in the Central region, where revenue growth remains muted. **HMG** is expected to report a net income of SAR 659.5mn (-0.5%/+9.5% Q/Q/Y/Y), supported by c.14.3% Y/Y revenue growth as hospitals opened over the last two years continue to ramp up. **Mouwasat** is forecast to post SAR 191.4mn (-9.4%/-4.1% Q/Q/Y/Y) net profitability. Revenues are expected to grow c.11.8% Y/Y on the ramp-up of the Yanbu Hospital and recent price adjustments undertaken with major insurance providers. Despite this, earnings are expected to decline Y/Y as operating expenses rise 21.6% Y/Y with the opening of the Jeddah hospital in Q3-26. **Care** is expected to report SAR 93.3mn (-0.7%/+13.5% Q/Q/Y/Y), supported by the continued recovery in GOSI patient volumes and higher patient throughput at its legacy hospitals. **Hammadi** is forecast to post SAR 55.6mn (-22.7%/+7.1% Q/Q/Y/Y). The Y/Y growth is mainly driven by a higher share of profit from Sudair Pharma, expected at c.SAR 15mn in Q3-26 against SAR 6.6mn in Q3-25. Excluding this, core operating profit is expected to decline c.3.0% Y/Y. **AlMoosa Health** is expected to report SAR 38.2mn (-0.9%/-26.0% Q/Q/Y/Y). On a Y/Y basis, profits are likely to decline due to a 240bps contraction in gross margins and elevated operating expenses (+25.1% Y/Y), associated with the opening of the Sulaymaniyah Medical Center in Q3-26 and the upcoming Jubail Medical Center in Q4-26. **MEH (Saudi German)** is expected to post SAR 29.6mn (-14.0%/-26.6% Q/Q/Y/Y). On a Y/Y basis, earnings are expected to decline on a c.500bps contraction in gross margins. Newly added sub-specialties continue to weigh margins as their revenues scale up, while the share of margin-accretive MoH business declines. **Fakeeh Care** is forecast to report SAR 42.7mn (-26.2%/-40.4% Q/Q/Y/Y). Revenues are expected to rise c.11% Y/Y, with most of the growth coming from the newly consolidated Dr. Mohammed Bin Rashed Al Fagih Hospital, which carries 400-500bps gross margins above Fakeeh's core. However, the opening of the DSFMC AlAwali Medical Center in Makkah is expected to drive a 109bps contraction in the overall consolidated gross margins. Also, the higher finance costs on c.SAR 1.0bn of fresh borrowings raised to fund the acquisition are also expected to weigh on net profitability during the quarter.

Software & Services: Earnings growth stays modest as maturing products and geopolitical headwinds weigh on momentum

Our Software & Services coverage is expected to report a net income of SAR 1,013.2mn in Q3-26, up 1.1% Q/Q and 0.5% Y/Y. **Elm** is

forecast to report a net income of SAR 561.7mn (+9.5%/+0.5% Q/Q/Y/Y). On a Y/Y basis, revenue growth is expected to slow to single digits (c.5.0%), reflecting a notable deceleration in the company's top six products as they reach maturity. Geopolitical disruptions are also expected to weigh on some of these products. Fasah is likely to be affected by lower import and export volumes, while Tamm is expected to face pressure from the ongoing slowdown in the car rental sector. **Solutions** is forecast to report a net income of SAR 420.0mn (-7.3%/+0.8% Q/Q/Y/Y). Revenue growth is expected to decelerate to 3.8% Y/Y, following strong growth of 11.7% in Q2-26 on the accelerated delivery of projects and contracts secured during 2025. With operating expenses rising c.9.4% Y/Y, earnings are expected to remain broadly flat Y/Y. **2P** is expected to report a net income of SAR 31.3mn (-14.3%/-4.5% Q/Q/Y/Y). We estimate single-digit revenue growth during the quarter, as government spending priorities amid the current geopolitical environment continue to weigh on the company's growth prospects. We also flag the risk of higher impairment charges during the quarter, given the deterioration in the company's liquidity position.

Pharmaceutical Sector: Retail market slowdown extends into Q3; SPIMACO weighs on sector earnings while Avalon stands out

We expect our pharmaceutical coverage (excluding Astra) to report a net income of SAR 145.0mn in Q3-26, down 38.3% Q/Q and 7.7% Y/Y. The weakness in the broader KSA pharma retail market is likely to extend into the third quarter, with YTD retail sales through July-26 showing almost flat growth. The slowdown reflects normalization following two years of strong growth driven by weight-loss drugs, prescription restrictions imposed by health insurance providers and a rising influx of low-cost imported products. **SPIMACO** is expected to be the main drag on sector earnings, accounting for the largest share of both the sequential and Y/Y decline. The company is forecast to report a net income of SAR 32.6mn (-52.3%/-22.6% Q/Q/Y/Y), as revenues decline c.3.7% Y/Y and operating expenses rise 9.0% Y/Y. The decline in revenues reflects the broader retail market slowdown and phasing out of Govt and exports sales booked in the previous quarter. However, a higher share of retail sales is expected to support a c.100bps expansion in gross margins to 49.9%. **Jamjoom Pharma** is forecast to report a net income of SAR 100.9mn (-26.7%/-5.4% Q/Q/Y/Y), as revenue growth decelerates notably to c.4.2% Y/Y from 12.4% Y/Y in the previous quarter. The local KSA market is expected to remain the primary growth driver, with sales up 5.0% Y/Y, while export growth fades following high double-digit Y/Y growth in Q2-26. A 22.0% Y/Y increase in operating expenses is expected to weigh further on earnings. **Avalon Pharma** is expected to report a net income of SAR 11.5mn (-60.0%/+38.4% Q/Q/Y/Y), the strongest Y/Y earnings growth in our coverage. Earnings are supported by 10.4% Y/Y revenue growth and contained operating expenses.

Tourism and Transportation Sectors: A slight recovery in demand is expected to be offset by higher operating costs

The Tourism and Transportation sector's combined net profit is forecasted at SAR 310mn in Q3-26 (-56.8% Y/Y), compared to SAR 142.7mn in Q2-26. Air traffic activity is expected to recover by 7% Q/Q in Q3-26, supported by summer vacation demand and easing geopolitical tensions, although it should remain approx. 10% below FY25 normalized levels. **Flynas** is expected to narrow its net loss to SAR 30.5mn from SAR 240.6mn in 2Q-26, driven by a 380bps improvement in load factor to 75%. However, elevated jet fuel prices at ~\$135/bbl vs. \$88/bbl in 3Q-25 are likely to remain a key earnings headwind, primarily due to margin pressure resulting capacity cuts and significantly higher CASK. **Catrion's** earnings are expected to decline 30% Y/Y to SAR 67.9mn in 3Q-26, reflecting slower IFC revenue growth and higher OPEX pressure. **SGS** is expected to narrow its net loss to SAR 14.6mn in 3Q-26 from SAR 56.6mn in 2Q-26, supported by a 5% Q/Q recovery in flights served. However, GPM is likely to remain under pressure due to high operating leverage and a higher contribution from narrow-body flights, which typically generate lower revenue per flight served. **Seera's** net income is forecasted at be SAR 9.4mn in Q3-26, compared to SAR 34.1mn in Q3-25, because Q3-25 benefited from Lion Rugby Tour and exceptionally high income from equity investments. **Theeb's** net profit is estimated to decrease by 69% Y/Y to SAR 15.6mn, as revenue growth of 7.3% Y/Y is expected to be offset by lower gross profit margins due to higher contribution from UCS segment. **Budget Saudi's** net profit is projected to decline 2.7% Y/Y to SAR 78.1mn. While new lease contracts are expected to support 3% Y/Y revenue growth, higher UCS and insurance expenses are likely to pressure margins, contracting the net margin by 106bps Y/Y. **Lumi** earnings are expected to decline 76.6% Y/Y to SAR 12.3mn, driven by lower utilization in the Northern region. Despite this, revenue is expected to grow 14.8% Y/Y, supported by higher revenue from the UCS segment, which is expected to weigh on GPM given its lower margins. **SAL's** net income is forecasted to increase by 14.4% Y/Y to SAR 207mn in Q3-26, supported by revenue growth of 31.1% Y/Y partly offsetting lower margins, higher finance cost and reversal of impairments recorded in Q3-25.

Amount in SARmn, unless otherwise specified

Code	Company Name in SAR million	Forecasted- Revenue Q3-26	Forecasted-Net Profit Q3-26	Forecasted-EPS Q3-26	Forecasted- Q/Q growth	Forecasted- Y/Y growth	Forecasted-EPS FY26	Prospective PE-FY26
Energy								
2381	Arabian Drilling	798	24.5	0.28	NM	NM	1.14	HIGH
2382	ADES	2,155	70.6	0.06	-45.0%	-67.0%	0.55	31.4
Banks								
1120	Bank Alrajhi	10,795	6,825.9	1.10	-2.7%	7.3%	4.46	16.1
1150	Bank Alinma	3,175	1,709.7	0.55	7.2%	7.4%	2.35	10.3
1140	Bank Albilad	1,635	800.7	0.54	1.1%	4.5%	2.11	11.1
Telecommunication Services								
7010	STC	20,034	3,543.9	0.71	-2.2%	-13.7%	2.82	15.3
7020	Mobily	5,081	916.0	1.19	1.6%	-0.1%	4.91	13.1
7030	Zain	2,660	107.0	0.12	-47.6%	-30.1%	0.80	12.4
Consumer Staple								
4001	Al Othaim	2,733	(2.7)	(0.00)	NM	NM	0.08	HIGH
4161	Bindawood	1,684	38.7	0.03	-21.9%	-8.0%	0.25	18.2
4162	ALMUNAJEM	829	52.1	0.87	-38.5%	64.3%	Under Review	HIGH
Consumer Discretionary								
4190	Jarir	3,136	354.1	0.30	50.3%	9.0%	0.95	17.3
4008	SACO	236	(4.7)	(0.13)	NM	NM	(0.24)	HIGH
4003	Extra	1,835	100.8	1.26	-1.7%	-29.4%	5.80	10.0
6015	Americana	2,689	320.9	0.04	1.9%	99.4%	0.13	18.7
Materials								
2010	SABIC	25,246	342	0.11	NM	NM	0.12	HIGH
2060	TASNEE	682	(204)	(0.31)	NM	NM	(1.62)	NEG
2290	YANSAB	1,647	223	0.40	-13.9%	200.0%	1.28	25.1
2020	SABIC AGRI-NUTRIENTS	2,766	734	1.54	93.7%	-43.1%	6.92	17.1
2310	SIPCHEM	1,003	(245)	(0.33)	NM	NM	(1.48)	NEG
2330	Advanced Petro	1,051	40	0.15	NM	-44.0%	0.22	HIGH
2350	Saudi KAYAN	1,751	(600)	(0.40)	NM	NM	(1.54)	NEG
2170	ALUJAIN	427	65	0.93	-29.8%	293.0%	3.45	7.8
1211	MA'ADEN	10,763	1,893	0.49	-13.0%	-14.2%	2.04	31.2
Cement								
3020	Yamamah Cement	368	60.1	0.30	-50.6%	67.5%	2.00	10.6
3030	Saudi Cement	344	40.2	0.29	-60.6%	-24.4%	1.89	14.1
3050	Southern Cement	255	9.1	0.02	-62.6%	318.5%	0.29	HIGH
3040	Qassim Cement	221	23.1	0.29	-55.3%	-44.1%	1.59	27.9
3010	Arabian Cement	246	24.3	0.27	-20.0%	-62.9%	1.49	13.5
3060	Yanbu Cement	176	5.5	0.11	-82.4%	-80.6%	0.59	24.4
3003	City Cement	87	2.9	0.04	-80.0%	-66.6%	0.41	24.5
3080	Eastern Cement	303	35.8	0.42	-48.1%	0.5%	2.39	9.6
3092	Riyadh Cement	174	18.8	0.31	-62.2%	27.3%	1.36	14.7
Health Care								
4007	Hammadi	315	55.6	0.35	-22.7%	7.2%	1.40	16.2
4002	Mouwasat	869	191.4	0.96	-9.4%	-4.1%	4.00	15.4
4005	Care	460	93.3	2.09	-0.7%	13.5%	7.70	13.9
4004	Dallah	1,087	452.9	3.68	352.9%	219.2%	6.40	12.1
4013	Sulaiman Al Habib	3,957	659.5	1.88	-0.5%	9.5%	8.20	27.6
4009	Saudi German	822	29.6	0.32	-14.0%	-26.6%	1.30	22.0
4018	AlMoosa	402	38.2	0.87	-0.9%	-26.0%	5.50	20.9
4017	FAKEEH CARE	886	42.7	0.25	-26.2%	-40.4%	1.10	32.0
Consumer Services								
1810	SEERA	1,094	9.4	0.03	-88.3%	-72.6%	0.49	41.3
1830	Leejam	459	78.6	1.50	22.9%	-4.2%	5.54	13.5
Food & Beverage								
2280	AlMarai	6,088	619.8	0.64	-2.5%	1.7%	2.52	17.4
2284	Modern Mills	308	63.5	0.62	18.9%	13.2%	2.72	9.6
2281	Tanmiah	804	8.2	0.41	-56.5%	NM	1.25	45.6

Amount in SARmn, unless otherwise specified

Code	Company Name in SAR million	Forecasted- Revenue Q3-26	Forecasted-Net Profit Q3-26	Forecasted-EPS Q3-26	Forecasted- Q/Q growth	Forecasted- Y/Y growth	Forecasted-EPS FY26	Prospective PE-FY26
Transportation								
4260	Budget	647	78.1	0.74	-16.4%	-2.7%	2.56	10.6
4261	Theeb	433	15.6	0.24	-5.0%	-68.9%	1.41	13.8
4262	Lumi	476	12.3	0.22	13.5%	-76.7%	2.58	9.6
4263	SAL	552	206.9	2.59	8.1%	14.4%	9.81	17.6
4264	Flynas	2,236	(30.5)	(0.18)	NM	NM	(2.26)	NEG
4031	Saudi Ground Services	663	(14.6)	(0.08)	-74.2%	NM	0.16	HIGH
Commercial & Professional Services								
6004	Catrion	701	67.9	0.83	42.7%	-30.0%	3.27	19.1
1833	Al Mawarid Manpower	841	54.8	2.74	9.6%	48.2%	10.44	9.1
Software & Services								
7203	Elm	2,640	561.7	7.42	9.5%	0.5%	29.33	19.6
7202	Solutions	3,215	420.3	3.50	-7.3%	0.8%	13.80	15.6
7204	2P	311	31.3	0.10	-14.3%	-4.5%	0.47	11.2
Utilities								
2081	Alkhorayef	550	65.4	1.87	2.8%	-6.0%	7.54	12.0
Capital Goods								
4142	Riyadh Cables	2,797	280.9	1.88	-8.5%	-0.2%	7.93	13.5
1212	Astra Industrial	734	171.4	2.14	-10.7%	2.4%	7.37	16.9
Household & Personal Products								
4165	AlMajed Oud	246	37.0	1.48	38.2%	22.8%	8.96	12.8
Financial Services								
1111	Saudi Tadawul	297	66.3	0.55	-28.0%	-19.8%	2.57	47.1
4083	UIHC	179	29.9	0.40	-37.2%	-63.3%	2.70	9.9
Pharma, Biotech & Life Science								
4015	Jamjoom Pharma	357	100.9	1.53	-26.7%	-5.4%	7.17	18.1
4016	AVALON Pharma	119	11.5	0.33	-60.2%	38.5%	3.10	20.5
2070	SPIMACO	400	32.6	0.27	-52.3%	-22.6%	1.64	18.9

Source: AlJazeera Capital, Tadawul. Prices as of 6th of October 2026, NM: Not meaningful, NA: Not Available

* STC included SAR 474mn one-off for revaluation of fund and SAR 157mn zakat reversal in Q3-25

*Zain KSA included one-off government grant income of SAR 15mn and SAR 52mn from sale of Tamam's written off receivables in Q2-26

*ADES included one-off gain of SAR 86mn on equity instruments in Q3-25

*Mobily included SAR 50mn reversal of provisions in Q3-25

* Seera included SAR 49mn gains from Careem in Q2-26.

*Dallah's Q3-26 Estimates include one-off gain of SAR 360mn on the sale of 31% stake in Dr. Rashid Al Fagih Hospital. In reported Q3-25, Dallah has booked a one-off gain of SAR 29.5mn

*Mouwasat's Q2-26 results include a one-off gain of SAR 20.4mn on the sale of land.

*Hammadi Q2-26 results include a one-off gain of SAR 7.0mn on the sale of land.

*Solutions Q2-26 results include one-off gain of SAR 7.60mn.

*AlOthaim had a SAR 111.7mn one off inventory provision in Q2-26

*UIHC is expected to book large debt provisions in Q3-26.

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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.

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