Electrical Industries Co.

Rating: Neutral | 12M Target Price: SAR 17.5

April 29, 2026

Net profit grew significantly by 55% YoY, supported by higher sales and gross margins expansion

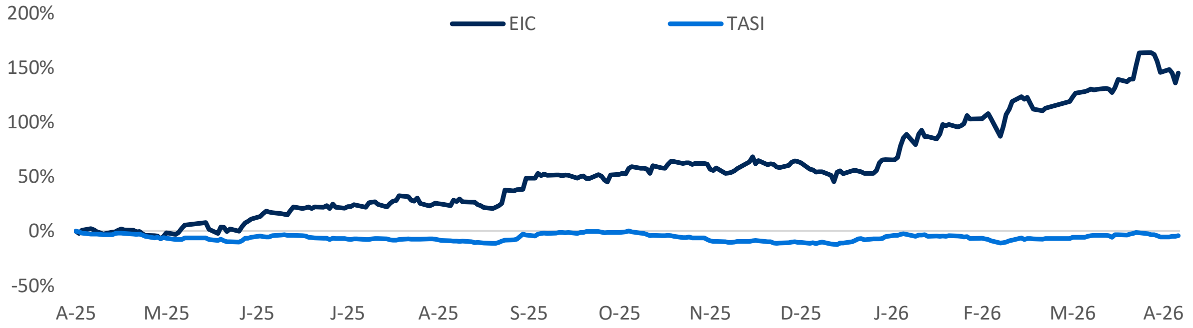
Market Data	
Last Price (SAR)*	17.8
Target Price (SAR)	17.5
Upside / Downside	-1.3%
Market Cap (bn) (SAR/USD)	20/5
52 week High / Low (SAR)	19.9/6.7
12-month ADTV (mn) (SAR/USD)	50.4/13.4
YTD Return (%)	59
Bloomberg Code	EIC AB

**last price as of 29th April 2026*

Valuations	2025A	2026E	2027E	2028E
Net Income (SAR mn)	629.9	718.8	987.8	1034.1
EPS (SAR)	0.6	0.6	0.9	0.9
PER (x)	20.0	27.8	20.2	19.3
P/BV (x)	9.7	13.2	11.0	9.4
DPS (SAR)	0.5	0.5	0.6	0.7
Div. Yield (%)	4.5	2.5	3.4	3.7
RoAE (%)	56.1	51.1	59.4	52.6
RoAA (%)	27.7	26.9	32.4	29.0

Financials (SAR mn)	1Q26A	1Q26E	Var (%)	1Q25A	YoY (%)	4Q25A	QoQ (%)
Revenue	**661.4**	**587.5**	**12.6**	**506.7**	**30.5**	**698.2**	**(5.3)**
COGS	411.6	358.4	14.8	321.1	28.2	438.3	(6.1)
Gross profit	**249.9**	**229.1**	**9.1**	**185.6**	**34.6**	**259.9**	**(3.9)**
Gross margin (%)	37.8	39.0		36.6		37.2	
Operating expense	47.2	46.4	1.7	47.7	(1.1)	46.3	1.9
Operating profit	**202.7**	**182.7**	**10.9**	**137.9**	**47.0**	**213.6**	
Operating margin (%)	30.6	31.1		27.2		30.6	
Net income	**190.8**	**173.0**	**10.3**	**123.4**	**54.6**	**208.7**	**(8.6)**
Net margin (%)	28.8	29.4		24.4		29.9	
EPS	***0.17***	***0.15***		***0.11***		***0.19***	
DPS	-	-	-	-	-	0.4	-

Price Performance



Source: Tadawul, Bloomberg and anbc research

Electrical Industries Co. (EIC) reported a net profit of SAR 191 mn in 1Q26, up 55% YoY and down 9% QoQ. The growth was primarily supported by an increase in sales and product mix diversification, including higher-margin products, which improved gross profitability to 38% in 1Q26 from 37% in 1Q25. Operating expenses remained well-controlled, declining 1.1% YoY to SAR 47.2 mn, reflecting operational efficiency gains. We maintain our Neutral rating on the stock with a target price of SAR 17.5.

- EIC reported 31% YoY revenue growth in 1Q26, exceeding our estimates by 12.6%, and down 5% QoQ. The performance was mainly driven by rising demand across all sectors within KSA. This increase was particularly notable in high-voltage substation projects, infrastructure projects, and a series of new industrial projects, including the oil and gas sector.

- Gross margin expanded to 37.8% in 1Q26 from 36.6% in 1Q25, reflecting an increase in gross profit of SAR 64 mn, driven by higher sales and diversification, including higher-margin products. On a QoQ basis, gross margins improved from 37.2% in 4Q25 to 37.8% in 1Q26.

- Operating profit grew 47.0% YoY to SAR 203 mn in 1Q26, with operating margin expanding 340 bps to 30.6% from 27.2% in 1Q25. The improvement was supported not only by gross margin gains but also by cost discipline, operating expenses declined 1.1% YoY to SAR 47.2 mn despite a significant increase in business activity.

- Net profit increased 55% YoY to SAR 191 mn, exceeding our net profit estimate of SAR 173 mn by 10.3%, mainly due to higher sales and product mix diversification, including higher-profitability products and stronger gross margins. However, on a QoQ basis, net profit declined by 9%, mainly due to lower sales volumes driven by the seasonal nature of the utilities and industrial sectors, where the 4Q typically witnesses accelerated delivery requests from customers to finalize the delivery of projects at year end.

- *EIC has risen 145% YoY, significantly outperforming the TASI index's 4% decline during the same period, and now trades at 2026e P/E and P/BV multiples of 28x and 13x. We reiterate our Neutral rating and maintain our target price of SAR 17.5.*

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