Daily Bulletin

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Saudi Energy 3Q26 revenue up 12.9% YoY; net profit flat as costs rise

Last Price: SAR 15.13 | Consensus Target Price: SAR 16.87 | YoY Performance: 6.1%

Saudi Energy Co. reported 3Q26 net profit of SAR 5,354 mn, up 0.4% YoY and 9.5% QoQ, 12.7% above consensus of SAR 4,749 mn. Higher revenue, lower expected credit loss provisions and higher profit from equity-accounted investees were largely offset by higher O&M and net finance costs and lower other income. In 9M26, net profit rose 4.3% YoY to SAR 12.1 bn.

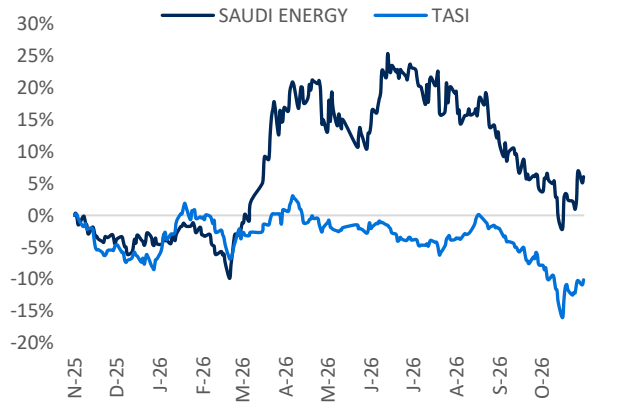
Revenue rose 12.9% YoY (+13.5% QoQ) to SAR 35,044 mn, 3.1% above consensus, supported by regulated asset base expansion (+16.6% YoY to SAR 278.8 bn), higher project revenue and customer growth. This included SAR 6,235 mn for the gap between required and actual regulated revenue. Gross margin narrowed to 22.2% from 24.0% in 3Q25, partly reflecting higher purchased power costs. Operating profit rose 0.9% YoY to SAR 7,081 mn, 7.1% below consensus. EBITDA grew 4.0% YoY to SAR 13,259 mn, while its margin declined to 37.8% from 41.1%, mainly reflecting higher pass-through cost revenue.

In 9M26, normalized capex remained stable YoY at SAR 59.6 bn, mainly allocated to transmission expansion, including BESS. Energized BESS capacity reached 22 GWh, meeting the 2026 target. Taiba 1 and Qassim 1 began initial commercial operations, ahead of full operation in 2Q27. After quarter-end, the 2.3 GW Rabigh 2 expansion reached financial close of SAR 9.7 bn, with full operation expected in 2029. In 3Q26, Saudi Energy also signed SAR 3.25 bn of 15-year service agreements for three BESS projects (6 GWh; 35.1% effective stake).

Management expects no material financial impact from the electricity tariff adjustment effective January 1, 2027, as customers will cover a larger share of required revenue, reducing reliance on government settlements under the unchanged regulatory framework.

The stock gained 6.1% YoY versus a 10.1% decline in TASI. It trades at a 2027f P/E of 6.3x, with a consensus target price of SAR 16.87/share.

Relative price chart



Source: Bloomberg, anbc research

Key financials (SAR bn)

	3Q26	3Q25	YoY (%)	2Q26	QoQ (%)	Consensus	Var (%)
Revenue	35.0	31.0	12.9	30.9	13.5	34.0	3.1
Cost of revenue	27.3	23.6	15.5	23.6	15.6	-	-
Gross profit	**7.8**	**7.5**	**4.4**	**7.3**	**6.8**	**-**	**-**
GM (%)	*22.2*	*24.0*		*23.6*		*24.9*	
Operating exp.*	0.7	0.4	59.9	0.7	6.6	-	-
Operating profit	**7.1**	**7.0**	**0.9**	**6.6**	**6.8**	**7.6**	**(7.1)**
OM (%)	*20.2*	*22.6*		*21.5*		*22.4*	
Net income	**5.4**	**5.3**	**0.4**	**4.9**	**9.5**	**4.7**	**12.7**
Net margin (%)	*15.3*	*17.2*		*15.8*		*14.0*	
EPS (SAR)	**1.29**	**1.28**	**0.8**	**1.17**	**9.5**	**1.14**	**12.7**

Source: Company financials, Bloomberg, anbc research

**Net of other income; includes G&A, R&D and impairment losses on financial assets*

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