

Daily Bulletin

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NADEC 3Q26 net profit fell 72.5% YoY

Last Price: SAR 12.7 | Consensus Target Price: SAR 14.9 | YoY Performance: -42.6%

National Agricultural Development Co. (NADEC) reported 3Q26 net profit attributable to shareholders of SAR 30.4 mn, down 72.5% YoY from SAR 110.7 mn in 3Q25. The result came 47.1% below the consensus estimate of SAR 57.5 mn. The decline was mainly due to higher feed costs, shipping costs and surcharges linked to regional maritime disruptions, which had a financial impact of SAR 56 mn in the quarter. Selling and marketing expenses also rose 12.9% YoY on higher distribution costs, and treasury income fell SAR 10.9 mn YoY. A SAR 9.2 mn reversal of zakat provisions for 2021 to 2023 partly offset the decline.

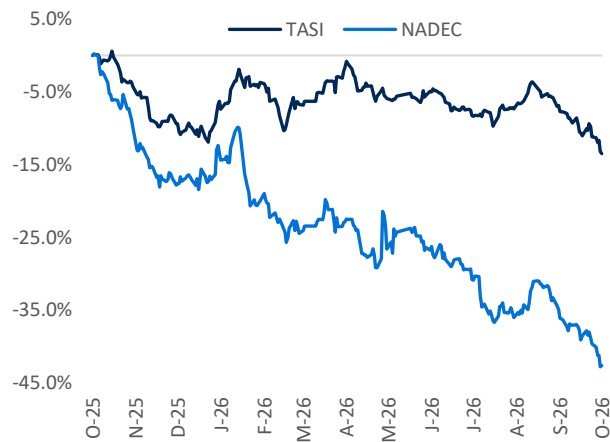
On a segment basis, Protein revenue more than doubled (+100.2% YoY), as NADEC continued to invest in strategic food segments. Dairy and Food Processing revenue grew 1.2% YoY, while Agriculture revenue declined 12.3% YoY. The Haradh slaughterhouse is now operational, and NADEC-branded packaged red meat remains targeted for launch across major retail channels by year-end 2026.

Revenue rose 7.8% YoY to SAR 909.7 mn, 2.2% above the consensus estimate of SAR 890.5 mn. However, gross margin contracted by 790 bps YoY to 26.7%, as higher feed and freight costs raised the cost of sales. Operating profit fell 77.5% YoY to SAR 23.8 mn, taking the operating margin to 2.6% from 12.6% in 3Q25.

Sequentially, revenue increased 3.8% QoQ on higher Dairy and Food Processing and Protein sales, while net profit declined 52.9% QoQ. The QoQ decline also reflected a SAR 33.4 mn non-recurring reversal of receivable impairments in 2Q26.

National Agricultural Development Co.'s stock price has declined 42.6% YoY, underperforming TASI, which declined 13.5% during the same period. The stock is currently trading at a 2027e P/E of 8.8x and P/B of 0.8x. The consensus target price stands at SAR 14.9/share, implying a potential upside of 16.7% from its last close of SAR 12.7/share.

Relative price chart



Source: Tadawul, anbc research

NADEC key financials (SAR mn)

	3Q26	3Q25	YoY (%)	2Q26	QoQ (%)	Consensus	Var (%)
Revenue	910	844	8	876	4	891	2
COGS	667	552	21	627	6	-	-
Gross profit	243	292	(17)	250	(3)	-	-
GM %	27	35		28		-	
Operating exp.	219	186	18	171	28	-	-
Operating profit	24	106	(78)	79	(70)	54	(56)
OM %	3	13		9		6	
Net income	30	111	(73)	65	(53)	58	(47)
Net margin (%)	3	13		7		6	
EPS	0.10	0.37		0.22		0.19	

Source: Company financials, anbc research

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