

Daily Bulletin

October 21, 2026

Aldrees 3Q26 profit rises 22% on network expansion; exceeded consensus

Last Price: SAR 112.0 | Consensus Target Price: SAR 127.2 | YoY Performance: -19.9%

Aldrees Petroleum and Transport Services (ALDREES) reported a net profit of SAR 137.6 mn in 3Q26, increased 22.3% YoY. The result exceeded the consensus net profit of SAR 130.8 mn, up 5.2%. Profitability growth was driven by higher sales in the Petrol and Transport divisions and higher income from Sukuk. However, lower income from bank deposits and other income, a smaller contribution from the joint venture, along with higher operating expenses, finance cost, and zakat partly offset performance.

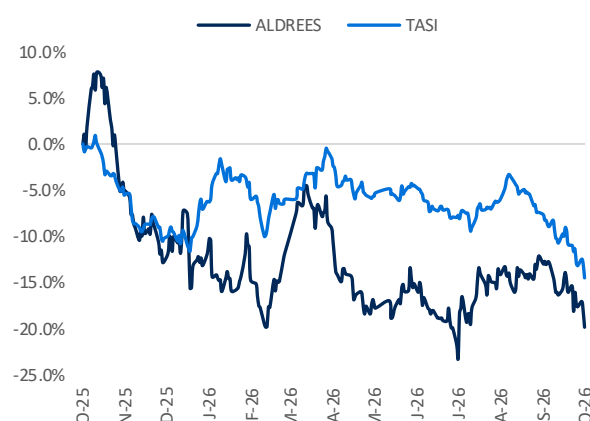
Revenue reached SAR 7,976.0 mn in 3Q26, up 16.4% YoY. The topline came broadly in line with the consensus estimate of SAR 8,019.0 mn, down 0.5%. The expansion in the number of operating service stations and trucks translated into growth on both YoY and QoQ basis. Gross profit rose 19.6% YoY to report at SAR 282.3 mn in 3Q26, with gross margin inched up slightly to 3.5% in 3Q26 from 3.4% in same period last year. Similarly, operating profit increased 19.6% YoY to SAR 180.6 mn in 3Q26, in line with the consensus estimate of SAR 180.7 mn, taking the operating margin to 2.3% from 2.2% in same period last year.

On a sequential basis, revenue rose 8.8% QoQ from SAR 7,329.3 mn in 2Q26, while gross profit increased 4.9% QoQ from SAR 269.1 mn in 2Q26. Gross margin narrowed to 3.5% from 3.7% in 2Q26. Net income rose 11.1% QoQ from SAR 123.9 mn, supported by higher Petrol and Transport sales, higher income from bank deposits, the joint venture and Sukuk, and lower finance costs, partly offset by lower other income and higher SG&A expenses.

For 9M26, revenue grew 17.2% YoY to SAR 22,134.8 mn, and net profit rose 19.8% YoY to SAR 371.6 mn. Total shareholders' equity reached SAR 1,862.7 mn, up 17.7% YoY.

Aldrees' stock has declined 19.9% YoY, underperforming TASI, which fell 14.5% during the same period. The stock is currently trading at a 2027e P/E of 21.6x, with a consensus target price of SAR 127.2/share, implying an upside of 13.6% from its last close of SAR 112.0/share.

Relative price chart



Source: Tadawul, anbc research

Aldrees financials (SAR mn)

	3Q26	3Q25	YoY (%)	2Q26	QoQ (%)	Consensus	Var (%)
Revenue	7,976	6,851	16	7,329	9	8,019	(1)
COGS	7,694	6,615	16	7,060	9	7,745	(1)
Gross profit	282	236	20	269	5	274	3
GM %	3.5	3.4		3.7		3.4	
Operating exp.	102	85	20	98	4	93	9
Operating profit	181	151	20	172	5	181	0
OM %	2.3	2.2		2.3		2.3	
Net income	138	113	22	124	11	131	5
Net margin (%)	1.7	1.6		1.7		1.6	
EPS	1.38	1.13		1.24		1.31	

Source: Company financials, anbc research

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