Daily Bulletin

August 6, 2026

Savola Group's 2Q26 net profit up 66.8% YoY to SAR 129 mn excluding one-offs

Last Price: SAR 26.3 | Consensus Target Price: SAR 31.9 | YoY Performance: 8.1%

Savola Group reported a net profit of SAR 116.5 mn during 2Q26, up 10.3% YoY, in line with the consensus estimate of SAR 116.0 mn, up by 0.5%. The profitability growth was supported by an 8.6% YoY uptick in revenue to SAR 6,295.4 mn during the quarter. Notably, adjusted for one-off items and discontinued operations, recurring net income rose 66.8% YoY to SAR 129 mn during 2Q26. Sequentially, net profit fell 59.0% from SAR 284.5 mn in 1Q26, due to seasonal consumption patterns following the Ramadan-driven first quarter, with revenue declining 13.7% QoQ to SAR 6.3 bn. Additionally, 1Q26 included a one-off gain of SAR 41 mn related to disposal of operations in Sudan, while 2Q26 booked a non-recurring loss of SAR 13 mn on intangibles related to the retail segment.

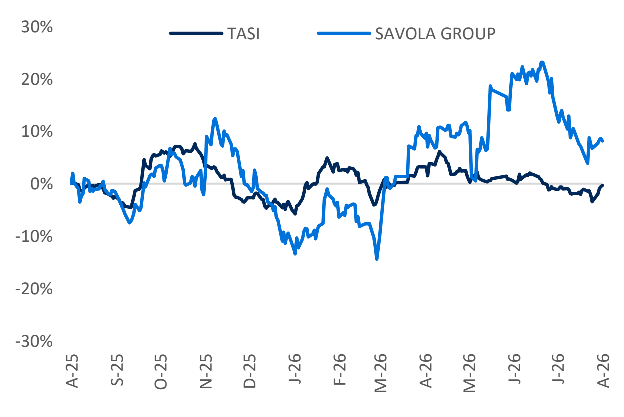
Revenue during 2Q26 amounted to SAR 6.3 bn, up 8.6% YoY, taking the 1H26 revenue to SAR 13.6 bn (+3.9% YoY). Cost of sales for 1H26 rose to SAR 11.0 bn, up 4.3% YoY, outpacing revenue growth and resulting in a 2.2% YoY increase in gross profit to SAR 2.6 bn. Gross margins fell by 31 bps to 19.3% during 1H26. However, EBITDA reported an 11.6% YoY growth to SAR 1.3 bn, resulting in EBITDA margins of 9.7% during the period, compared to 9.0% in 1H25. Net profit for 1H26 arrived at SAR 401.1 mn, up 36.0% YoY. Excluding one-offs and discontinued operations, net profit recorded a 40.0% YoY growth to SAR 372 mn during the period.

Savola Group's net debt declined 11.4% YoY to SAR 851 mn as of Jun-26, compared to SAR 960 mn a year earlier. Consequently, net financing costs on net debt fell to SAR 39 mn during the period, from SAR 56 mn in 1H25. Total capital expenditure during 1H26 rose 8.5% YoY to SAR 385 mn.

During 1H26, Savola Group completed its exit from operations in Sudan for a total consideration of SAR 52.5 mn, recognizing a gain of SAR 43 mn (Savola's share: SAR 41 mn). Additionally, subsequent to period end, Savola Group acquired a 100% interest in Al Mehbaj Al Shamiya for Trading LLC (food processing business) to build scale in the Nuts, Spices and Pulses category.

Savola Group's stock price has increased 8.1% YoY, outperforming TASI, which declined 0.3% during the same period. The stock is currently trading at a 2026e P/E of 11.9x, with a consensus target price of SAR 31.9/sh, implying a potential upside of 20.9% from last close of SAR 26.3/sh.

Relative price chart



Source: Bloomberg, anbc research

Key financials (SAR mn)

	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)	Consensus	Var. (%)
Revenue	6,295	5,799	8.6	7,292	-13.7	6,004	4.9
COGS	(5,072)	(4,608)	10.1	(5,890)	-13.9	(4,828)	5.0
Gross profit	**1,223**	**1,191**	**2.7**	**1,402**	**-12.7**	**1,176**	**4.1**
GM (%)	*19.4*	*20.5*		*19.2*		*19.6*	
Opex.	(949)	(952)	-0.3	(980)	-3.2	(972)	-2.4
Op. profit	**274**	**239**	**14.7**	**422**	**-34.9**	**203**	**34.9**
OM (%)	*4.4*	*4.1*		*5.8*		*3.4*	
Net income	**117**	**106**	**10.3**	**285**	**-59.0**	**116**	**0.5**
NM (%)	*1.9*	*1.8*		*3.9*		*1.9*	
EPS	***0.39***	***0.36***		***0.96***		***0.39***	

Source: Company financials, anbc research

Disclaimer:

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.