

Daily Bulletin

April 27, 2026

TADAWUL 1Q26 profit declined 54% YoY, amid weak trading volumes and rising expenses

Last Price: SAR 141.2 | Consensus Target Price: SAR 163.7 | YoY Performance: -26.7%

Saudi Tadawul Group Holding Company (TADAWUL) reported a net income of SAR 55.6 mn in 1Q26, down 53.9% YoY. The result fell short of the consensus estimate of SAR 102.9 mn by 46%. The decline in profitability resulted from a 10.2% YoY decrease in revenues, and 15.8% YoY increase in operating expenses and higher Zakat expense for the period.

Revenue for the quarter came at SAR 294.6 mn, down 10.2% YoY, due to lower revenue from capital markets segment and post-trade segment. Revenues from capital markets segment decreased to SAR 80.4 mn, down 20.9% YoY, due to a 16.7% YoY decrease in the average daily trading values to SAR 5.0 bn. Additionally, listing services revenues also decreased 18.6% YoY. Revenues from the post-trade segment for the quarter decreased to SAR 150.3 mn, down 10.7% YoY, owing to lower average daily trading values. However, revenues from data and technology services segment increased to SAR 63.9 mn, up 9.8% YoY owing to an increase in co-location services revenues, and uptick in direct financial network company's sales.

Revenue by segment – SAR (mn)

	1Q26	1Q25	YoY	4Q25	QoQ
Capital markets segment	80.4	101.6	-20.9%	85.3	-5.7%
Post trade segment	150.3	168.4	-10.7%	151.8	-1.0%
Data and technology services segment	63.9	58.2	9.8%	59.3	7.8%
Total	294.6	328.2	-10.2%	296.4	-0.6%

Capital markets segment: Trading services + listing services+ derivatives market + membership fees

Post trade segment: Post trade services + derivatives market + membership fees + treasury income from clearing business, net

Data and technology services segment: market Information + direct FN + Co-Locations and Liqaa Services

Source: Company financials, anbc research

Operating expenses for 1Q26 increased to SAR 101.5 mn, up 22.2% YoY, due to an increase in depreciation and amortization expense by 68% YoY and increase in allowance for accounts receivables to SAR 4.9 mn during the quarter compared to SAR 1.9 mn in 1Q25. Consequently, operating profit for the quarter came at SAR 39.1 mn, down 63% YoY. Higher operating expenses compressed operating margins to 13% in 1Q26 compared to the operating margins of 33% in 1Q25. However, non-operating profit came in at SAR 32.7 mn in 1Q26, up 6.1% YoY, due to a gain of SAR 2.1 mn in share of profits from equity investments during the period compared to a loss of SAR 4.2 mn in 1Q25.

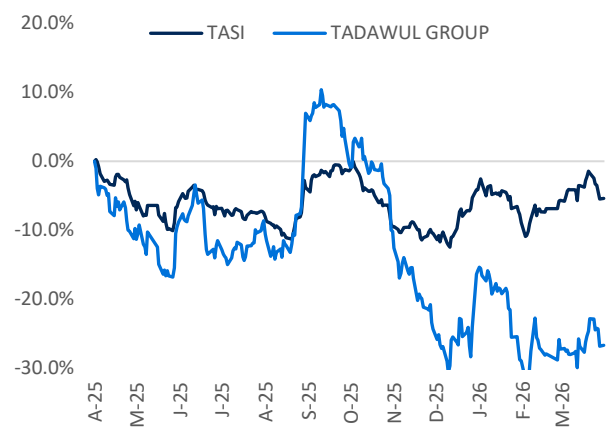
The profit for the period declined to SAR 55.6 mn, down 53.9% YoY due to lower operating profits and higher effective zakat rate. The zakat rate for the quarter came in at 22% compared to 13% in 1Q25.

During 1Q26, the concept of the qualified foreign investor (QFI) was eliminated in the main market, and all categories of foreign investors were allowed to access market effective from 1 February, 2026. The foreign investor holding value reached SAR 462 bn at the end of 1Q26 compared to holding value of SAR 431 bn at end of 1Q25.

The group's performance continues to be largely driven by trading activity (ADTV-linked revenues), while efforts to diversify into non-trading revenue streams such as data services, listings, and post-trade services remain ongoing.

Saudi Tadawul Group Holding Company declined 26.7% YoY, underperforming TASI which declined 5.4% over the same period. The stock is trading at a 2026e P/E of 37.4 and has a Bloomberg consensus target price of SAR 163.7/sh, implying an upside of 15.9% from last close of SAR 141.2.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR mn)

	1Q26	1Q25	YoY (%)	4Q25	QoQ (%)	Consensus	Var (%)
Revenue	295	328	(10)	296	(1)	330	(11)
COGS	154	138	12	111	39		
Gross profit	141	191	(26)	186	(24)		
GM %	48	58		63			
Operating exp.	102	83	22	112	(9)		
Operating profit	39	108	(64)	74	(47)	96	(59)
OM %	13	33		25		29	
Net income	56	121	(54)	96	(42)	103	(46)
Net margin (%)	19	37		32		31	
EPS	0.0	0.1		0.1		0.1	

Source: Company financials, Bloomberg, anbc research

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