Daily Bulletin

August 10, 2025

> *Al-Babtain delivers strong 2Q25, profit up 79.9% YoY*
> *MAADEN announces 2Q25 results*

Al-Babtain delivers strong 2Q25, profit up 79.9% YoY

Al-Babtain reported a net profit of SAR 97.7 mn in 2Q25, marking a sharp 79.9% YoY increase from SAR 54.3 mn in 2Q24. The improvement was driven by higher productivity, effective cost control, and stronger profit margins. The company's net margin expanded to 14.2% from 8.4% in the same quarter last year.

Revenue for the quarter rose 5.8% YoY to SAR 687.5 mn, primarily supported by stronger sales in the Towers and Steel Structures segment. Gross profit surged 38.2% YoY to SAR 156.9 mn, aided by a 536bps expansion in gross margin which reached 22.8%. Operational profit rose 47.2% YoY to SAR 130.7 mn, as increase in gross profit was more than enough to cover for a 6.1% YoY increase in operating expenses.

On a sequential basis, Al-Babtain's performance also strengthened, with revenue increasing 8.9% and net profit up 10.8% compared to 1Q25.

For 1H25, revenue declined slightly by 2% YoY due to the completion of certain projects in the Poles & Lighting and Renewable Energy segments. However, profitability rose significantly owing to operational efficiency gains and cost reductions resulting in margin improvements. Notably, 1H24 financials included SAR 47.7 mn one-off gains from the sale of investment properties; adjusting for that, net profit rose 108.4% YoY.

Al-Babtain continues to benefit from healthy demand in its core infrastructure-related segments and ongoing cost discipline. The company recently won 3 major contracts, with a cumulative value of SAR 1,789 mn, representing 63.6% of 2024 full year topline. The combined positive financial impact from these contracts is expected to materialize in 2H25.

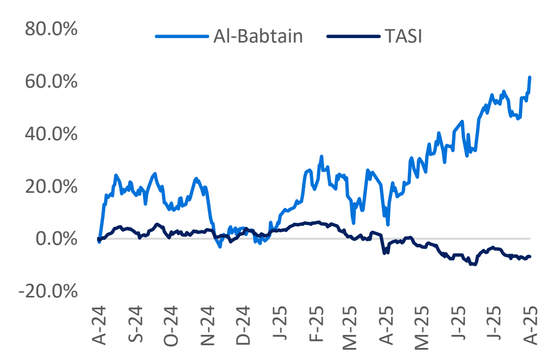
Al-Babtain has recorded a 12-month return of 61.6%, strongly outperforming TASI which is down 6.8% during the same period. The stock is currently trading at a 2025 P/E of 13.3x and has a consensus target price of SAR 69.1/share, offering a potential upside of 16.5%.

Al-Babtain financials (SAR mn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)
Revenue	687.5	650.1	5.8	631.2	8.9
COGS	530.6	536.6	-1.1	486.6	
Gross profit	**156.9**	**113.5**	**38.2**	**144.6**	**8.5**
Gross margin (%)	22.8	17.5		22.9	
Operating expense	26.2	24.7	6.1	22.8	14.9
Operating profit	**130.7**	**88.8**	**47.2**	**121.8**	**7.3**
Opt. margin (%)	19.1	13.7		19.3	
Net income	**97.7**	**54.3**	**79.9**	**88.2**	**10.8**
Net margin (%)	14.2	8.4		14.0	
EPS	***1.5***	***0.8***		***1.4***	

Source: Company financials, anbc research

Relative price chart



Source: Bloomberg, anbc research

MAADEN 2Q25 net profit up by 88% YoY

MAADEN posted a net profit of SAR 1,922 mn in 2Q25, marking an 88% YoY increase (+24% QoQ). The improvement was driven by higher gross profit, increased contribution from JVs and an associate, and lower finance costs. These gains were partially offset by higher operating expenses, including an allowance for ECL, and the absence of last year's one-off SAR 270 mn insurance claim. Net profit came in line with the consensus profit of SAR 1,892 mn, up by 2%. Total revenue increased by 31% YoY reaching SAR 9,416 mn, in line with the consensus revenue of SAR 9,018 mn, up by 4%.

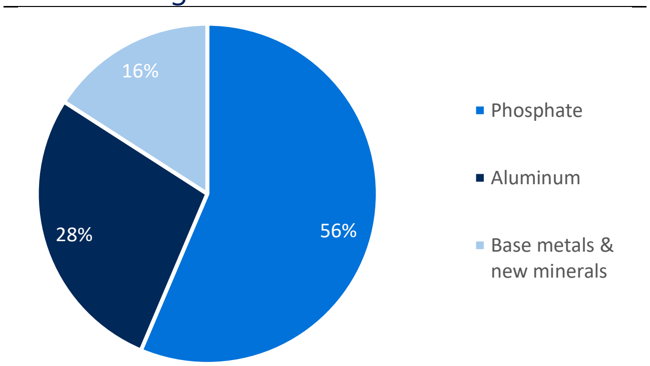
The phosphate segment recorded SAR 5,183 mn in revenue (+16% QoQ), driven by record DAP production, higher DAP sales and prices, partly offset by weaker ammonia business. EBITDA margins were flat, as gains from DAP were balanced by higher molten sulfur costs, ammonia plant turnaround, and a SAR 138 mn ECL provision for MCIL. Management reiterated a positive outlook for the segment, with DAP production forecasted at 5,900–6,200k mt in 2025. Ammonia prices are expected to remain stable, supported by sustained demand from fertilizer producers.

The aluminum segment posted SAR 2,550 mn in revenue (-6% QoQ), as price declines in alumina (-32% QoQ), aluminum (-6% QoQ), and FRP (-3% QoQ) outweighed an 11% QoQ increase in FRP sales volumes. EBIDTA margins fell to 26% in 2Q25 vs. 30% in 1Q25. Management maintained the full year 2025 guidance for the segment, projecting primary Aluminum output at 850–1,150k mt and FRP output at 250–310k mt. While near-term market sentiment remains weighed by external uncertainties, medium to long term fundamentals remain constructive, underpinned by expectations of global demand outpacing supply.

The base metals and new minerals segment reported SAR 1,461 mn in revenue (+23% QoQ) and SAR 860 mn in EBITDA (+7% QoQ), driven by higher gold sales volumes and prices. EBITDA margin fell to 59% (vs. 68% in 1Q25) on rising operating and exploration costs. Gold output dropped 12% QoQ, mainly at Mansourah-Massarah due to lower plant grades and recovery. The segment remains on track to achieve its 2025 production guidance of 475–560k oz, with gold prices remaining elevated on the back of geopolitical tensions and robust central bank purchases, as per the management.

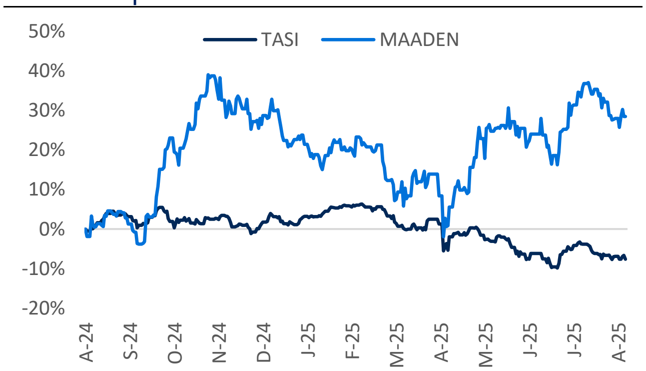
MAADEN is trading at SAR 52.2/sh, up 28% YoY, outperforming TASI's 8% decline over the same period. The stock is trading at a 2025e P/E of 30.9x, with a consensus target price of SAR 51.8/sh.

Business segment share in total revenue



Source: Company financials, anbc research

Relative price chart



Source: Bloomberg, anbc research

MAADEN FINANCIALS (SAR bn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)	Consensus	Variation (%)
Revenue	**9.4**	**7.2**	**31**	**8.5**	**11**	**9.0**	**4**
COGS	(5.9)	(5.0)	18	(5.3)	11	(5.6)	6
Gross profit	**3.5**	**2.2**	**61**	**3.2**	**10**	**3.5**	**2**
Gross margin (%)	37.4	30.5		37.5		38.4	
Operating expense	(1.0)	(0.4)	133	(0.9)	6	(0.7)	29
Operating profit	**2.6**	**1.8**	**44**	**2.3**	**12**	**2.7**	**(6)**
Opt. margin (%)	27.2	24.7		26.8		30.2	
Net income	**1.9**	**1.0**	**88**	**1.5**	**24**	**1.9**	**2**
Net margin (%)	20.4	14.3		18.2		21.0	
EPS	***0.49***	***0.26***	***88***	***0.40***	***24***	***0.49***	***2***

Source: Company financials, Bloomberg, 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.