Daily Bulletin

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> *Saudi Electricity quarterly profits rise on power demand*
> *BinDawood Holding announces 2Q25 result*

Saudi Electricity quarterly profits rise on power demand

Saudi Electricity Co. (SEC) posted a 22% YoY increase in net income in 2Q25, amounting to SAR 5.3 bn, in line with the consensus estimate of SAR 5.5 bn.

Topline increased by 24% YoY to stand at SAR 27.7 bn for 2Q25. The increase in revenue was driven by higher allowed revenue from an expanded regulated asset base, increased electricity demand, a growing subscriber base, and higher project development and management revenue for substations and transmission lines. These gains were partly offset by higher operating and maintenance expenses from network expansion, asset growth, and increased loads, as well as higher provisions for accounts receivable and lower other income.

During the quarter, SEC awarded contracts worth USD 906 mn for two 380kV bulk supply point substations in Afif and three overhead transmission line projects. Al Gihaz Contracting Company secured SAR 960 mn for the Afif 1 project, while Al Babtain Contracting Company won SAR 1.2 bn for Afif 2.

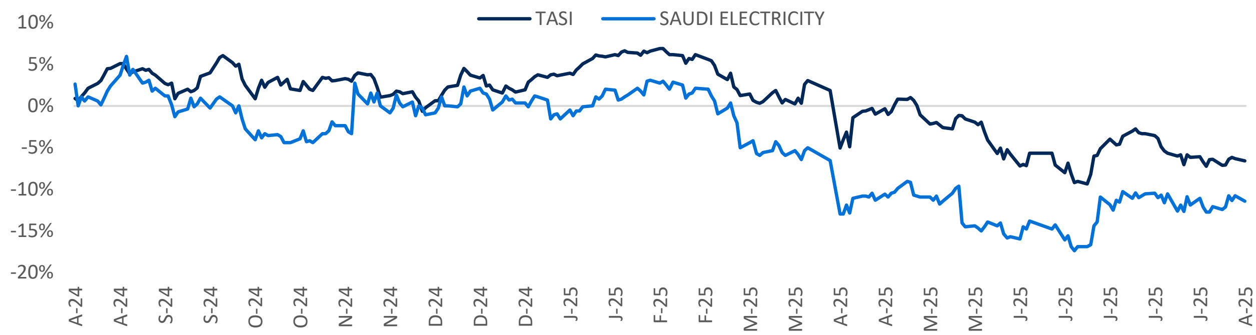
By the end of 1H25, renewable energy capacity connected to the grid exceeded 9.2 GW. SEC also commissioned 8.0 GWh of battery energy storage systems across four sites: Bisha, Jazan, Khamis Mushait, and Najran, and is developing an additional 14 GWh of capacity expected to come online next year. The company connected around 110,000 new customers in 1H25, bringing its total to 11.4 mn, while the distribution network length grew 6% to over 827,000 circuit kilometers, transmission networks rose 6% to 103,800 circuit kilometers, and fiber optic networks increased 9% to 101,000 circuit kilometers.

SEC met record peak loads in Makkah, Madinah, and the Holy Sites during the Hajj season without service interruptions. The company continued upgrading digital infrastructure and automating substations, reaching 38.4% automation, while customer satisfaction improved to 85.8%.

SEC's Q2 profit growth and SAR 3.16 bn in new contracts reflect continued expansion in line with national infrastructure and energy diversification plans. Rising industrial activity, including a 5.6% YoY increase in the June 2025 Industrial Production Index for electricity, gas, and steam, supports demand. Ongoing projects, renewable integration, and a USD 1 bn loan facility aim to address capacity needs while improving grid sustainability.

As of 10th August 2025, Saudi Electricity is trading at SAR 14.9/sh, down by 11% YoY, while TASI declined by 7% over the same period. The stock is trading at a 2025e P/E of 10.04x, with a consensus target price of SAR 16.0/sh, providing a potential upside of 7%.

Relative price chart



Source: Bloomberg, anbc research

Saudi Electricity Financials (SAR bn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)	Consensus	Variation (%)
Revenue	**27.7**	**22.4**	**24**	**19.5**	**42**	**25.9**	7
COGS	(20.4)	(17.2)	**18**	(16.3)	**25**	(18.6)	**10**
Gross profit	**7.4**	**5.2**	**42**	**2.9**	**156**	**7.3**	**1**
Gross margin (%)	27%	23%		15%		28%	
Operating expense	(0.6)	(0.3)	**98**	(0.5)	**13**	(0.3)	**100**
Operating profit	**6.8**	**5.6**	**21**	**2.3**	**188**	**7.0**	**-3**
Opt. margin (%)	24%	25%		12%		27%	
Net income	**5.3**	**4.3**	**22**	**1.0**	**446**	**5.5**	**-4**
Net margin (%)	19%	19%		5%		21%	
EPS	***1.27***	***1.04***	***22***	***0.23***	***446***	***1.32***	***-4%***

Source: Company financials, Bloomberg, anbc research

BinDawood Holding announces 2Q25 result

BinDawood Holding reported a net profit of SAR 50.5 mn in 2Q25, down 33% YoY (-23% QoQ), primarily driven by higher net operating expenses (+20% YoY), lower finance income (-79%), and increase in finance costs (+18%). The result fell short of the consensus net profit of SAR 67.7 mn by 25%.

Revenue for 2Q25 recorded a 4% YoY increase, arriving at SAR 1,474.3 mn, driven by contributions from the distribution businesses (acquired in 2H24) and Retail Pharma (acquired in 1Q25). The tech segment posted modest growth, supported by higher online sales, strong contributions from Ykone's Middle East operations, and the full integration of its Indian business. The revenue growth was partially offset by a decline in revenue from the retail grocery segment due to softer consumer sentiments and decline in seasonal sales.

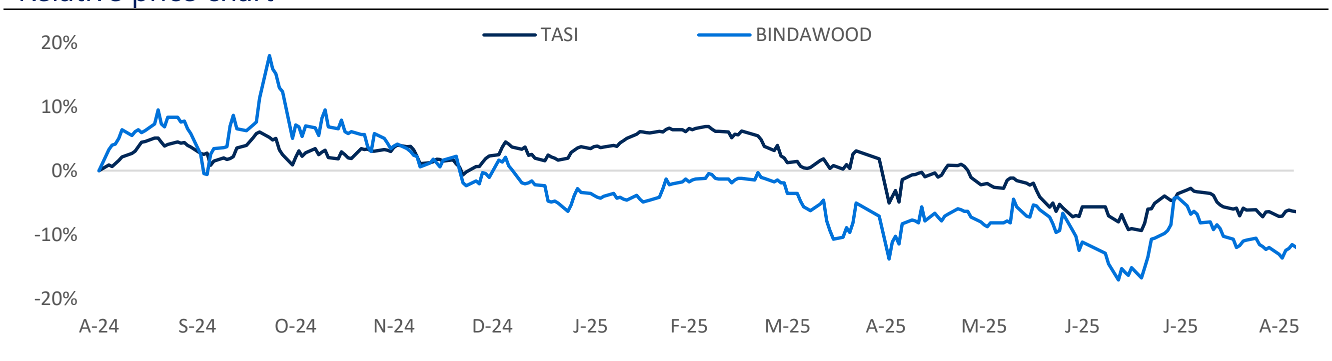
Gross profit for 2Q25 rose 11% YoY to SAR 533.3 mn, supported by margin expansions as a result of integration of high-margin distribution and retail pharma businesses. Additionally, improved negotiation terms with suppliers resulted in higher rebates.

Operating expenses arrived at SAR 452.9 mn, up 20% YoY, due to integration of the Retail Pharma and Distribution business segments and costs associated to newly opened stores which are not yet fully operational. OPEX to revenue increased to 31% in 2Q25 from 27% in 2Q24.

Operationally, BinDawood expanded its grocery footprint during 1H25 with four new express stores (reaching a total of 13 stores) and two supermarkets, surpassing 100 stores in total. Zahrat Al Rawdah Pharmacies expanded through integration of 11 new pharmacies within BinDawood and Danube stores, with a target of over 70 in-store pharmacies within two years. The distribution business leveraged BinDawood's retail platforms to increase reach and brand visibility, while the loyalty program expanded to over 6.25 mn members.

BinDawood is trading at SAR 5.9/sh, down 13% YoY, underperforming TASI's 7% decline over the same period. The stock is trading at a 2025e P/E of 22.6x, with a consensus target price of SAR 7.0/sh, providing a potential upside of 20%.

Relative price chart



Source: Tadawul, anbc research

BINDAWOOD Financials (SAR mn)

	2Q25	2Q24	YoY (%)	1Q25	QoQ (%)	Consensus	Variation (%)
Revenue	**1,474**	**1,418**	**4**	**1,674**	**-12**	**1,531**	**-4**
COGS	(941)	(937)	0	(1,146)	-18	(1,029)	-9
Gross profit	**533**	**480**	**11**	**529**	**1**	**502**	**6**
Gross margin (%)	36%	34%		32%		33%	
Net operating expense	(453)	(379)	20	(436)	4	(405)	12
Operating profit	**80**	**102**	**-21**	**93**	**-13**	**98**	**-18**
Opt. margin (%)	5%	7%		6%		6%	
Net income	**50**	**75**	**-33**	**66**	**-23**	**68**	**-25**
Net margin (%)	3%	5%		4%		4%	
EPS	***0.05***	***0.06***		***0.05***		***0.06***	***0***

Source: Company financials, Bloomberg, anbc research

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