

Daily Bulletin

February 10, 2026

CGS's 3Q26 net profit down 29% YoY

Last Price: SAR 8.6 | Performance since IPO: -14.1%

Consolidated Grunenfelder Saady Holding Co. (CGS) reported 3Q26 (Year End: March 2026) net profit of SAR 14 mn, down 29% YoY and up 46% QoQ. The decrease in net profitability was driven by a shift in sales mix towards stationary refrigeration, higher indirect cost following the company's recent listing, and increase in bad debt provision. Net profit margins for the period contracted to 10% from 13% in 3Q25.

Revenue for 3Q26 remained broadly unchanged YoY at SAR 148 mn, though it rose 49% QoQ. The shift in the revenue mix towards stationary refrigeration weighed on profitability, narrowing gross margins to 20% from 22% in 3Q25. The strong 49% QoQ rise in revenues reflects the timing of order intake after a slower start to the year that affected revenues across all segments in 2Q26.

For 9M26, revenue declined to SAR 335 mn, down 8% YoY, primarily due to order timing effects attributable to the Automotive Solutions segment. The decline in revenues coupled with a sales mix shift towards stationary refrigeration resulted in gross margins contracting to 22% in 9M26 from 23% in 9M25. Higher indirect cost driven by new organizational roles required following the company's listing, coupled with lower gross margins, and increase bad debt provisioning, led to net profit declining to SAR 33 mn, down 33% YoY. Consequently, net profit margin narrowed to 10% from 14% in 9M25.

CGS's stock has declined 14% since its IPO on 9th December 2025, underperforming TASI which gained 6% over the same period. Recently, CGS has signed a 1-year SAR 30 mn (excluding VAT) contract with Almarai Co. to execute a fixed cooling project, with the financial impact expected to begin in 4Q26. In addition, the board accepted the resignation of CEO Peter Faerber, effective 30th April 2026, and appointed Ruban Bilen as the new CEO, effective 1st May 2026.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR mn)

	3Q26	3Q25	YoY (%)	2Q26	QoQ (%)
Revenue	148	148	0	99	49
COGS	(118)	(115)	3	(76)	56
Gross profit	30	33	-9	23	27
Gross margin (%)	20	22		24	
Operating exp.	(14)	(11)	26	(12)	19
Operating profit	15	21	-28	11	35
Opt. margin (%)	10	15		12	
Net income	14	20	-29	10	46
Net margin (%)	10	13		10	
EPS	0.14	0.20	-29	0.10	46

Source: Company financials, anbc research

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