Daily Bulletin

February 11, 2026

Zain KSA reports SAR 604mn FY25 net profit - beating consensus estimates by 10.9% while 4Q25 print also comes ahead of estimates by 34.7%

Last Price: SAR 11.5 | Consensus Target Price: SAR 10.9 | YoY Performance: 8.3%

Zain KSA reported a net profit of SAR 604 mn (+1.3% YoY) in 2025, compared to SAR 596 mn in 2024. The increase in earnings was primarily driven by higher revenue and improved operating performance. The result came 10.9% higher than the consensus estimates of SAR 545 mn. Organic net profit growth was significantly higher than the reported growth, as the 2024 net profit included a non-recurring benefit of SAR 233 mn. Excluding this one-off item, organic net profit growth in 2025 stood at 66.4% YoY.

Notably, in 2024 the company recorded SAR 233 mn of non-recurring benefits, this includes SAR 76 mn related to the adoption of the new Zakat regulation and SAR 157 mn from a one-off benefit arising from withholding tax on international traffic.

Revenue rose (+6% YoY) to SAR 11.0 bn from SAR 10.4 bn, supported by stronger consumer segment performance driven by 5G services, higher wholesale revenue, and continued expansion of Tamam Financing Co.'s operations. Gross profit increased by 1.6% YoY to SAR 6.6 bn in 2025; however, gross margin dropped by (-2 percentage points) to report at 60% in 2025. Operating profit rose 9.5% YoY to SAR 1.3 bn in 2025, while operating margin remained flat at 12%. Net margin slightly dropped to 5% in 2025, compared to 6% in 2024.

On sequential basis, the company posted impressive set of results. In 4Q25, net profit reached SAR 231.0 mn, up 51.2% QoQ from SAR 153.0 mn in 3Q25. The results came 34.7% higher than the consensus estimate of SAR 171.5 mn. Revenue grew 5.0% QoQ to SAR 2.9 bn from SAR 2.8 bn, while operating profit rose 30.7% QoQ to SAR 416 mn, resulting in an expansion in operating margin to 14% from 12% in 3Q25. Net margin also improved to 8% in 4Q25 compared to 6% in 3Q25.

Zain KSA's stock has increased 8.3% YoY, outperforming the TASI, which fell 10.1% over the same period. The stock is currently trading in-line with the consensus target price of SAR 10.9 and at a 2026e P/E of 15.5x.

Relative price chart

Source: Tadawul, anbc research

Key financials (SAR mn)

	2025	2024	YoY (%)	4Q25	3Q25	QoQ (%)
Revenue	10,983	10,365	*6.0*	2,888	2,751	*5.0*
COGS	-4,409	-3,894	*13.2*	-1,164	-1,112	*4.7*
Gross profit	**6,574**	**6,471**	*1.6*	**1,724**	**1,639**	*5.2*
Gross margin (%)	60	62	-	60	60	-
Operating exp.	5,261	5,272	*-0.2*	1,308	1,321	*-0.9*
Operating profit	**1,313**	**1,199**	*9.5*	**416**	**318**	*30.7*
Opt. margin (%)	12	12	-	14	12	-
Net income	**604**	**596**	*1.3*	**231**	**153**	*51.2*
Net margin (%)	5	6	-	8	6	-
EPS	***0.7***	***0.7***	*1.3*	***0.3***	***0.2***	*51.2*

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.