

Daily Bulletin

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Halwani Bros 2025 net profit down 5% YoY

Last Price: SAR 33.5 | Consensus Target Price: SAR 44.0 | YoY Performance: -35.4%

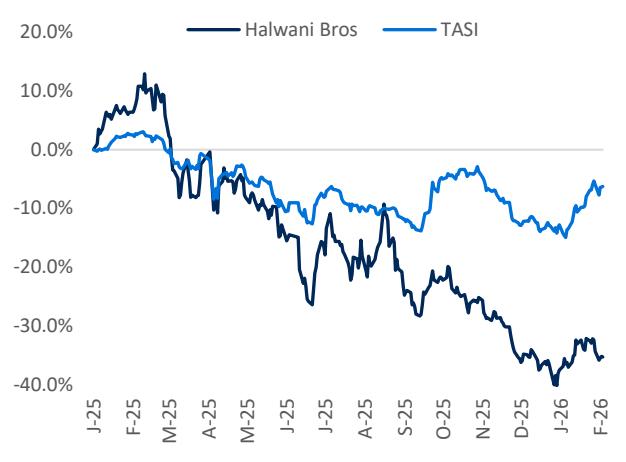
Halwani Bros reported a 5% YoY decline in net income to SAR 42.6 mn in 2025, falling short of the consensus estimate of SAR 55.5 mn by 23%. The decline was primarily driven by lower consolidated sales, higher G&A and S&D expenses, which caused gross margin to decline to 28.6% in 2025 from 29.8% in 2024, along with increased financing costs at its subsidiary in Egypt.

Revenue stood at SAR 903.9 mn, down 7% YoY, missing the consensus estimate of SAR 1,011.0 mn by 11%. This was mainly due to a weaker exchange rate at the Egyptian subsidiary and a decline in total export sales at the Group level.

On a quarterly basis, Halwani Bros reported a 11.9% YoY decline in net income to SAR 16.3 mn in 4Q25, with a gross margin of 29.4%. Revenue for 4Q25 fell 6.7% YoY to SAR 221.1 mn.

Halwani Bros has declined 35.4% YoY, underperforming TASI, which declined 6.3% during the same period. The stock is currently trading at a 2026e P/E of 21.1x, with a consensus target price of SAR 44.0/sh, implying an upside of 31.3%.

Relative price chart



Source: Tadawul, anbc research

Halwani Bros' financials (SAR mn)

	2025	2024	YoY (%)	Consensus	Var. (%)
Revenue	904	969	(7)	1,011	(11)
COGS	645	680	(5)	717	(10)
Gross profit	258	289	(11)	294	(12)
Gross margin (%)	29	30		29	
Operating exp.	174	169	3	188	(7)
Operating profit	84	120	(30)	106	(21)
Opt. margin (%)	9	12		10	
Net income	43	45	(5)	56	(23)
Net margin (%)	5	5		5	
EPS	1.2	1.3		1.6	

Source: Company financials, anbc research

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