Daily Bulletin

July 19, 2026

Etihad Etisalat Co. 2Q26: in line quarter with net profit up 8.6% YoY & higher payout

Last Price: SAR 61.4 | Consensus Target Price: SAR 76.5 | YoY Performance: 6.3%

Etihad Etisalat Co. (Mobily) reported an 8.6% YoY increase in net income to SAR 901.0 mn in 2Q26. The result came in line with the consensus estimate of SAR 904.6 mn. The growth was primarily driven by an 8.5% YoY increase in gross profit, with the gross margin expanding to 56.0% in 2Q26 from 54.3% in 2Q25. EBITDA increased 7.7% YoY to SAR 1,963 mn in 2Q26 from SAR 1,823 mn in 2Q25, supported by higher revenue and improved gross margins. Consequently, the EBITDA margin improved to 38.6% in 2Q26 from 37.8% in 2Q25. However, the increase in earnings was partially offset by higher net other expenses, which rose to SAR 54.3 mn in 2Q26 from SAR 38.7 mn in 2Q25, mainly due to a lower share of profit from joint ventures.

Revenue reached SAR 5,080 mn, up 5.2% YoY, broadly in line with the consensus estimate of SAR 5,135.0 mn, coming in 1.1% below consensus. The increase was primarily driven by growth across all revenue streams, supported by healthy expansion in the subscriber base. Mobile subscribers increased 16.9% YoY to 14.9 mn, while FTTH subscribers grew 7.9% YoY to 0.3 mn.

CAPEX rose 56.0% YoY to SAR 883 mn in 2Q26, reflecting the company's continued investments in fiber network development, data centers, and 5G network expansion. Net debt-to-EBITDA improved to 0.89x in 2Q26 from 1.00x in 2Q25.

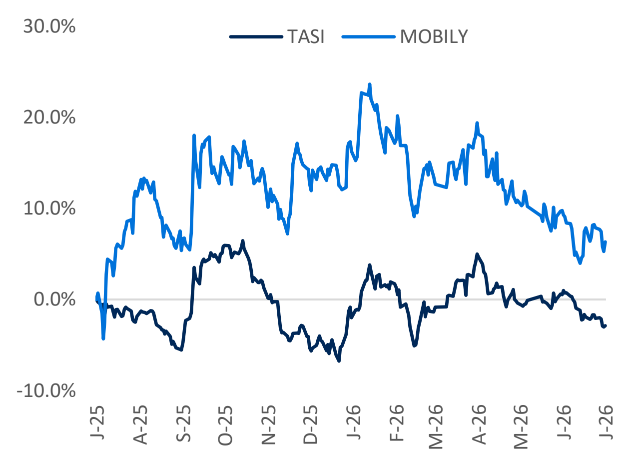
Etihad Etisalat declared an interim dividend of SAR 1.40 per share, with a payout ratio of 60.3%, implying an interim dividend yield of 2.3% in 1H26, compared with a payout ratio of 57.9% and a dividend yield of 2.0% in 1H25.

On a sequential basis, net income increased to 2.4% QoQ despite revenue growing by only 0.8% QoQ and the EBITDA margin declining to 38.6% in 2Q26 from 39.1% in 1Q26. The increase in net income was primarily driven by a decline in other net expenses to SAR 54.3 mn in 2Q26 from SAR 83.0 mn in 1Q26, supported by higher income.

Looking ahead, management expects revenue to grow at a mid- to high-single-digit rate, with an EBITDA margin of 37–38%. The company also guided for a net debt-to-EBITDA ratio of 0.9–1.0x and a CAPEX-to-revenue ratio of 18–20%.

Etihad Etisalat Co.'s stock price has gained 6.3% YoY, outperforming the TASI, which declined 2.9% over the same period. The stock is currently trading at a 2026e P/E of 12.6x, with a consensus target price of SAR 76.5 per share, implying an upside of 24.6%.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR mn)

	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)	Consensus	Var (%)
Revenue	5,080	4,828	5	5,040	1	5,135	(1)
COGS	2,235	2,205	1	2,216	1	2,304	(3)
Gross profit	**2,845**	**2,623**	**8**	**2,824**	**1**	**2,831**	**0**
GM %	56	54		56		55	
Operating exp.	1,867	1,732	8	1,836	2	1,805	3
Operating profit	**978**	**891**	**10**	**988**	**(1)**	**1,026**	**(5)**
OM %	19	18		20		20	
Net income	**901**	**830**	**9**	**880**	**2**	**905**	**(0)**
Net margin (%)	18	17		17		18	
EPS	***1.2***	***1.1***		***1.1***		***1.2***	

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.