Daily Bulletin

October 20, 2025

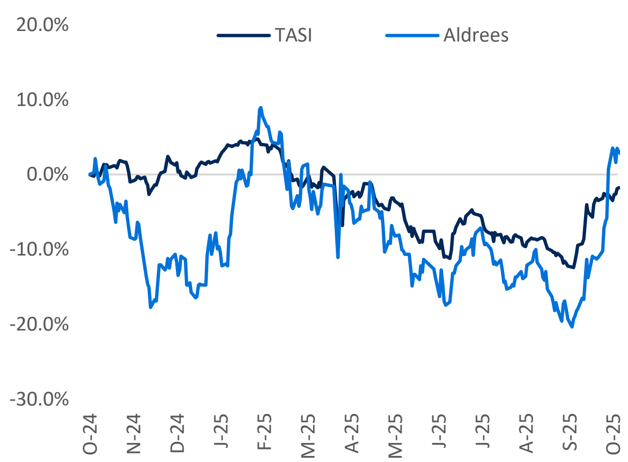
Aldrees 3Q25 net profit up 35% YoY

Aldrees Petroleum and Transport Services Co. (Aldrees) reported a 35% YoY increase in revenue to SAR 6,851 mn for the quarter, broadly in line with the consensus estimate of SAR 6,768 mn. The growth was driven by higher sales in the Petrol division to SAR 6,739 mn in 3Q25 from SAR 4,987 mn in 3Q24, and in the Transport division to SAR 217 mn from SAR 160 mn. The improvement was supported by an expansion in the number of operating service stations to 1,231 in 3Q25 from 993 in 3Q24, alongside greater efficiency in the Transport and Logistics segment. However, the gross profit margin declined to 3% in 3Q25 from 4% in 3Q24, mainly due to the gross margin contraction of the Transport division, which contributed (26% to total gross profit in 3Q25), declined to 28% from 30% in 3Q24.

Net profit for the quarter reached SAR 114 mn, up 35% YoY, broadly in line with the consensus estimate of SAR 109 mn. Despite higher marketing, selling, general, administrative, and financing expenses, as well as a decline in joint venture profit, the net profit margin remained stable at 2% YoY, supported by higher income from bank deposits, Sukuk, and other income.

Aldrees Petroleum and Transport Services Co. has gained 2% YoY, outperforming the TASI, which declined 2% over the same period. Notably, the stock has rallied 23.4% since the beginning of Sept'25. The stock is currently trading at a 2025e P/E of 34.1x, with a consensus target price of SAR 129.1/share, implying an 11.7% downside from current levels.

Relative price chart



Source: Bloomberg, anbc research

Aldrees results (SAR mn)

	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)	Consensus	Var (%)
Revenue	6,851	5,080	*35*	6211	*10*	6,768	*1*
COGS	(6,613)	(4,876)	*36*	(5,986)	*10*	(6,527)	*1*
Gross profit	**237**	**204**	*16*	**225**	*6*	**241**	
Gross margin (%)	3	4		4		4	
Operating exp.	(85)	(76)	*12*	(81)	*5*	(85)	*0*
Operating profit	**152**	**128**	*19*	**144**	*6*	**156**	*(2)*
Opt. margin (%)	2	3		2		2	
Net income	**114**	**85**	*35*	**100**	*14*	**109**	*5*
Net margin (%)	2	2		12		2	
EPS	***1.1***	***0.8***	35	***1.0***	*14*	***1.1***	

Source: Company financials, anbc research

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