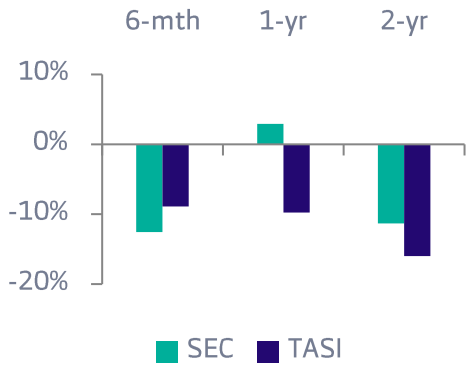
Top-line Growth Continues on RAB

November 11, 2026

Upside to Target Price	12.4%	Rating	Buy
Expected Dividend Yield	4.6%	Last Price	SAR 15.13
Expected Total Return	17.0%	12-mth target	SAR 17.00

Market Data	
52-week high/low	SAR 18.5/13.0
Market Cap	SAR 63,041 mln
Shares Outstanding	4,167 mln
Free-float	18.76%
12-month ADTV	1,482,799
Bloomberg Code	SECO AB



SEC	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	35,044	31,047	13%	30,864	14%	34,300
Gross Profit	7,788	7,458	4%	7,293	7%	7,788
Gross Margins	22%	24%		24%		23%
Operating Profit	7,081	7,016	1%	6,630	7%	7,985
Net Profit*	5,354	5,332	0%	4,891	9%	6,470

(All figures are in SAR mln)

* Before deducting Mudaraba Instrument.

- Saudi Energy reported a +13% Y/Y rise in revenues to just above SAR 35 bln, slightly above our SAR 34.3 bln forecast. Continued RAB growth (SAR 279 bln at Sept-end, +17% Y/Y) resulted in higher required revenues under the formula while project revenues also witnessed a growth. The customer base reached 11.7 mln by Sept-end, posting an increase of 238k customers for the period, +30% Y/Y.
- Gross margins came in at 22.2% for the quarter, close to our 22.5% forecast, and gross profit grew by +4% Y/Y largely on healthy revenues. Both long-term and short-term debt continues to expand to fund expansion, resulting in a rise in finance costs to SAR 1.68 bln for the quarter, up +5% Y/Y.
- Almost all cost lines also grew causing an almost flat bottomline Y/Y for 3Q2026 at SAR 5.35 bln, despite a +13% rise in topline and +4% growth in gross profits. Higher G&A expenses and lower other income did not help.
- Management does not expect a material impact on its financial results due to the electricity adjustment from January 1, 2027. This adjustment will cover a larger share of required revenues and reduce the government settlement payments. The Company's regulatory framework remains unchanged. Stock price has taken a beating in the recent market decline, prompting us to upgrade SEC to a Buy with an unchanged target price of SAR 17.00.

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Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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