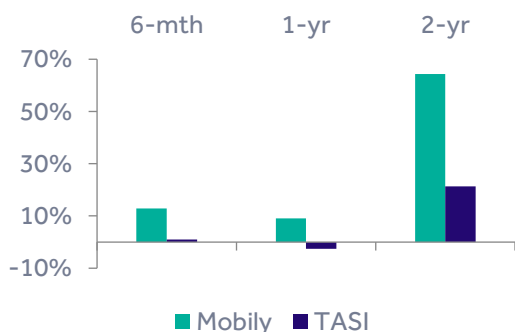


Market Data	
52-week high/low	SAR 63.00/46.75
Market Cap	SAR 48,510 mln
Shares Outstanding	770 mln
Free-float	71.99%
12-month ADTV	1,008,268
Bloomberg Code	EEC AB



Revenue Surge & One-Off Reversal Boost Profits

February 24, 2025

Upside to Target Price	(1.6%)	Rating	Neutral
Expected Dividend Yield	4.1%	Last Price	SAR 63.00
Expected Total Return	2.5%	12-mth target	SAR 62.00

Mobily	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	4,697	4,346	8%	4,499	4%	4,638
Gross Profit	2,505	2,391	5%	2,566	(2%)	2,470
Gross Margins	53%	55%		57%		53%
Operating Profit	1,057	1,002	6%	960	10%	796
Net Profit	980	746	31%	829	18%	701

(All figures are in SAR mln)

- Mobily continued to post healthy growth in full-year revenues, up +8.6% to SAR 18.2 bln, driven by expansion across all segments. Business segment along with overall subscriber base growth were the biggest contributors. 4Q revenues came in at SAR 4.7 bln, up +8% Y/Y and +4% Q/Q, in line with our SAR 4.6 bln forecast. The mobile subscribers' base grew from 11.8 mln last year to 12.3 mln (10.3 mln in prepaid and 2.0 mln in postpaid subscribers), despite a Y/Y decline in FTTH subscribers from 0.293 mln to 0.285 mln.
- Gross margin stood at 53%, matching our estimate, helped by a withholding tax reversal of SAR 144 mln. Excluding this reversal, gross margin would have been lower than expected, at around 50%. OPEX for the quarter declined sequentially by -10%, lower than expected, despite a SAR 99 mln impairment in residual values from fully depreciated assets. This resulted in a higher operating margin of 23%.
- Deleveraging debt portfolio by SAR 2.0 bln and higher EBITDA improved Net debt/EBITDA ratio to 0.89x vs 1.20x last year. CAPEX for FY2024 rose by +11% to SAR 2,578 mln, with CAPEX/Revenue ratio rising from 13.8% in 2023 to 14.2%. 2H2024 DPS of SAR 1.30 brings full-year DPS to SAR 2.20, with a 54.5% payout ratio, jumping from SAR 1.45 in 2023, and follows higher net profits.
- Full-year net profit of SAR 3.1 bln surged by +39%, on the back of a SAR 284 mln withholding tax reversal, lower Zakat, and higher revenues. 4Q net profit soared to SAR 980 mln (+31% Y/Y, and +18% Q/Q), supported by the reversal and revenue growth, beating SAR 696 mln market consensus and our SAR 701 mln estimate. Normalized profits of SAR 836 mln also surpassed estimates. We increase our target price to SAR 62.00, but revise our recommendation to Neutral, reflecting the recent stock price hike.

Abdulrahman M Barghouth

abdulrahman.barghouth@riyadcapital.com

+966-11-203-6815

■ 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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