

GCC Equities – Quarterly Result Preview

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1Q26 Earnings Preview

- **Banks- Saudi banks** are expected to continue reporting solid, corporate-sector-driven loan growth of c.9% YoY in 1Q26. However, margins are likely to come under moderate pressure due to elevated funding costs, leading to some NIM compression. While we do not anticipate a material deterioration in asset quality, we expect banks to proactively book higher loan-loss provisions. **UAE banks** are likely to report modest loan growth of around 1% QoQ, which nonetheless translates into a strong 18% YoY increase, largely supported by public-sector-backed project lending. Non-interest income is expected to remain weak this quarter, alongside an emerging uptick in delinquencies. **Qatari banks** are also expected to report an earnings decline, driven by weaker non-interest income and higher loan-loss charges. That said, net interest income should grow by around 5% YoY, supported by resilient underlying lending growth. **Kuwaiti banks** are expected to deliver solid loan growth; however, they are likely to continue experiencing sharp YoY NIM compression across both domestic and international operations. Despite strong NPL coverage levels, elevated geopolitical risks may result in higher provisioning during the quarter. **Bahraini Banks:** are expected to report earnings growth driven by improving cost of funds and normalization of lower costs of risks as NPL ratios have improved. **Oman Banks:** Earnings to be driven by higher lending activity, particularly corporate lending and higher fee income. Non-interest income growth is expected to offset NIM pressure for the likes of Sohar.
- **Telecom & IT services** – Business operations will continue as usual, however pre-paid business will be lower due to the decline of tourism. We expect slower business activities and softer momentum in the **IT services**, as 1Q is seasonally weaker.
- **Consumers** – we maintain a more positive outlook in 1Q26 on consumer staples vs. discretionary, with staples benefiting from the Ramadan effect as long as higher demand stimulated by panic grocery buying.
- **Logistics and Transportation** – Dubai RTA companies like Salik and DTC are likely to see weaker QoQ earnings due to restrained mobility during Mar-26, although YoY earnings are likely to remain resilient for Salik. Saudi aviation companies SAL and SGS are likely to be impacted by airspace restrictions and flight cancellations during Mar-26 while Airlines like Air Arabia and Jazeera are likely to be impacted the most due to flight cancellations.
- **Real estate** – We expect developers like Aldar and Emaar to report weaker QoQ earnings reflecting construction and tourism disruptions during Mar-26 and a high 4Q25 base, while YoY earnings are likely to be underpinned by the robust sales backlog and recurring income streams. Leasing companies like TECOM and Mabaneer are likely to report healthy earnings although Mabaneer is likely to see lower YoY PAT due to land sale in 1Q25.
- Expect a sustained revenue growth for **insurance companies** as medical inflation remains high and managements indicate a moderate easing of competition, leading to better pricing. Investment income to get marginally impacted by lower interest rates.
- Revenue growth for **healthcare companies** to get impacted from heightened geopolitical concerns in the 3rd month of the quarter and Ramadan. Part of the gain from the newly added hospitals over the past year would get offset from the front-loaded expenses of their upcoming hospitals.
- **Cements** – Expecting a weak quarter YoY as pricing was much stronger this time last year. Producer pricing trends would be the key thing to look for in the 1Q result prints.
- **Industrials: This would be a** solid quarter for the smelters due to base effects on the cost side. On one hand, we expect strong performance by the fertilizers sector, while Olefin producers would be negatively impacted. From an investment perspective, market would not be eyeing 1Q results much, as the overall dynamics have changed materially since the escalation of conflict in the Middle East region. The market would be more keen on offtake and logistics outlook during the company conference calls.
- **Utilities** – Seasonally, the weakest quarter but we expect YoY growth for DEWA led by demand growth and base effects on the cost side.

Banks

Companies	Country	Currency	Market Cap USD bn	Net interest			Net Profit			Loans		
				1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ
Al Rajhi Bank	KSA	SAR mn	113	8,200	16%	0.6%	6,328	7%	-0.9%	776,399	7%	3.1%
Alinma	KSA	SAR mn	19.4	2,494	9%	1.5%	1,643	9%	-4.7%	238,057	14%	3.6%
ARNB	KSA	SAR mn	11.5	1,975	0%	1.4%	1,131	-13%	-0.8%	200,671	12%	2.8%
BSF	KSA	SAR mn	13.2	2,236	6%	0.9%	1,344	0%	6.7%	228,392	9%	6.3%
Riyad Bank	KSA	SAR mn	23.3	3,438	5%	1.0%	2,520	1%	-4.6%	386,079	14%	3.4%
SAB	KSA	SAR mn	20.2	3,107	9%	0.7%	2,102	-2%	-0.8%	301,995	8%	1.1%
SNB	KSA	SAR mn	67.9	7,592	5%	1.1%	5,920	-2%	-14.7%	743,087	5%	1.9%
ADCB	UAE	AED mn	27.6	3,881	14%	1.2%	2,564	5%	-23.3%	411,673	15%	1.4%
ADIB	UAE	AED mn	20.5	2,064	18%	2.0%	1,559	-3%	-5.9%	177,788	18%	-2.0%
DIB	UAE	AED mn	14.5	2,352	7%	1.1%	1,735	0%	-14.9%	271,405	22%	3.7%
ENBD	UAE	AED mn	48.5	9,869	17%	1.7%	5,299	-15%	5.0%	645,767	24%	2.0%
FAB	UAE	AED mn	52.2	5,423	8%	1.1%	5,043	-2%	-1.0%	612,944	12%	-0.5%
CBQ	Qatar	QAR mn	4.81	910	16%	-2.2%	565	-13%	34.7%	96,653	2%	-7.6%
Doha Bank	Qatar	QAR mn	2.53	482	-7%	6.3%	171	-32%	1.4%	68,823	11%	1.6%
QIB	Qatar	QAR mn	14.6	954	-4%	3.5%	900	-9%	-34.8%	140,141	6%	1.2%
QNB	Qatar	QAR mn	43.6	9,213	6%	-1.1%	4,131	-3%	-0.9%	1,032,638	9%	1.4%
BURG	Kuwait	KWD mn	2.57	48.6	10%	-1.9%	11.0	3%	-21.7%	4,929	6%	2.0%
KFH	Kuwait	KWD mn	47.2	348	9%	4.0%	159	-5%	14.3%	22,237	15%	1.9%
NBK	Kuwait	KWD mn	25.7	254	7%	1.2%	120	-10%	9.7%	27,263	11%	1.7%
Bank Muscat	Oman	OMR mn	9.40	108	6%	5.9%	61.9	6%	-3.2%	10,946	4%	2.0%
Sohar	Oman	OMR mn	3.92	48.1	20%	7.5%	23.1	7%	-22.5%	5,937	32%	3.0%
SALAM	Bahrain	BHD mn	1.69	38.6	-7%	-12.3%	19.5	5%	4.6%	0.00	-100%	-100.0%
BBK	Bahrain	BHD mn	2.38	31.2	9%	7.6%	23.5	11%	0.1%	2,382	24%	1.0%
NBB	Bahrain	BHD mn	2.88	39.4	18%	2.9%	20.6	-27%	13.4%	3,282	9%	3.0%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Cement & Building Materials

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
Arabian Cement	KSA	SAR mn	0.64	248	4%	-16.8%	29.2	-8%	-54.3%	28.0	19%	-49.5%
City Cement	KSA	SAR mn	0.46	120	-20%	-11.1%	19.5	-59%	-49.4%	24.9	-52%	-22.9%
Qassim Cement	KSA	SAR mn	1.26	266	-12%	-8.4%	42.1	-55%	-38.4%	45.9	-51%	-33.4%
Saudi Cement	KSA	SAR mn	1.41	368	-12%	-19.5%	79.0	-32%	-30.5%	77.5	-29%	-27.3%
Umm Al Qura	KSA	SAR mn	0.17	78.2	29%	-5.7%	11.9	-20%	-21.7%	8.20	-25%	-37.7%
Yamama Cement	KSA	SAR mn	1.38	304	-13%	-24.1%	77.5	-48%	-25.1%	63.4	-55%	-65.5%
Yanbu Cement	KSA	SAR mn	0.61	211	-21%	-14.0%	19.9	-44%	-42.4%	17.7	-41%	-27.9%
RAK Ceramics	UAE	AED mn	0.61	844	9%	-1.4%	72.9	14%	-4.8%	54.3	17%	-16.4%
Al Anwar Cer	Oman	OMR mn	0.10	5.02	-15%	15.0%	0.60	48%	134.1%	0.53	46%	NM

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Consumer Goods

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
BINDAWOOD	KSA	SAR mn	1.46	1,825	9%	9.3%	104	12%	-29.1%	73.8	12%	-36.2%
LEEJAM	KSA	SAR mn	1.24	441	20%	2.3%	107	20%	-12.9%	74.6	6%	-5.6%
A. Othaim	KSA	SAR mn	1.47	3,218	3%	18.8%	104	-1%	-20.8%	80.1	5%	-30.4%
Agthia	UAE	AED mn	0.80	1,291	1%	0.4%	120	-7%	44.2%	90.5	11%	105.1%
Americana	UAE	AED mn	4.15	639	11%	-4.5%	73.5	61%	-28.1%	60.8	86%	-27.7%
Spinneys	Dubai	AED mn	1.20	995	10%	-5.6%	111	0%	-26.0%	92.3	4%	-25.5%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Healthcare

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
SULAIMAN	KSA	SAR mn	23.8	3,682	17%	-0.5%	758	13%	-1.6%	642	15%	-1.4%
Mouwasat	KSA	SAR mn	3.86	876	15%	-1.0%	184	-16%	-28.4%	170	-14%	-28.5%
CARE	KSA	SAR mn	1.67	413	7%	2.1%	104	1%	15.8%	87.5	3%	23.2%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Insurance

Companies	Country	Currency	Market Cap	Insurance Revenue			Insurance Service Results			Net Profit		
			USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ
BUPA	KSA	SAR mn	6.80	5,179	17%	0.9%	497	41%	NM	374	-2%	NM
TAWUNIYA	KSA	SAR mn	5.03	5,346	4%	-5.4%	246	-15%	NM	243	-7%	21%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

IT Services

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net profit		
			USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ
Elm	KSA	SAR mn	11.2	2,236	19%	-20.4%	552	17%	19.5%	543	9%	21.7%
STC Solutions	KSA	SAR mn	6.30	2,959	5%	-24.3%	384	3%	6.1%	367	2%	31.7%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Real Estate

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
Aldar	UAE	AED mn	16.9	8,533	10%	-16.9%	2,309	2%	-5.7%	1,684	3%	-31.8%
EMAARDEV	UAE	AED mn	14.7	7,157	42%	-27.3%	3,486	45%	-28.8%	2,813	47%	-34.7%
Emaar	UAE	AED mn	28.3	12,289	22%	-25.3%	5,691	20%	-25.3%	4,266	15%	-30.6%
Tecom	UAE	AED mn	4.40	732	8%	-1.6%	441	4%	1.2%	368	2%	-62.2%
Seef Prop.	Bahrain	BHD mn	0.13	3.12	0%	-2.1%	1.34	11%	-16.8%	1.50	23%	-29.2%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Telecom

Companies	Country	Currency	Market Cap	Revenue			EBITDA			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
Mobily	KSA	SAR mn	13.5	5,160	8%	-0.5%	1,940	9%	-5.8%	825	8%	-13.4%
STC	KSA	SAR mn	56.5	19,690	2%	-1.0%	6,439	5%	7.8%	3,227	-12%	-2.3%
Du	UAE	AED mn	12.6	4,021	4%	-6.1%	1,869	2%	1.7%	748	3%	3.3%
Etisalat	UAE	AED mn	45.0	18,392	9%	-4.8%	8,334	13%	#DIV/0!	3,127	-42%	22.8%
Ooredoo	Qatar	QAR mn	11.2	6,035	3%	-6.1%	2,487	2%	3.7%	959	0%	23.6%
STC Kuwait	Kuwait	KWD mn	2.14	90.0	3%	3.6%	23.6	6%	-1.9%	9.37	3%	13.3%
Beyon	Bahrain	BHD mn	2.09	126	7%	-3.7%	48.4	7%	-3.5%	19.4	7%	0.3%
Zain	Bahrain	BHD mn	0.11	22.7	8%	4.6%	5.87	9%	-3.8%	1.36	16%	-25.1%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Transportation

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
SAL	KSA	SAR mn	3.55	411	7%	-19.2%	156	-5%	-22.6%	150	-2%	-25.4%
Air Arabia	UAE	AED mn	5.23	1,606	-9%	-30.0%	182	-32%	-34.6%	225	-26%	-42.5%
Aramex	UAE	AED mn	0.67	1,613	3%	-5.2%	52.0	-15%	0.9%	16.9	-1%	125.0%
Salik	UAE	AED mn	10.3	729	-3%	-11.3%	469	-3%	-10.4%	361	-3%	-12.0%
DTC	Dubai	AED mn	1.46	575	-2%	-14.8%	91.9	-11%	-17.8%	71.7	-14%	-20.9%
Jazeera	Kuwait	KWD mn	1.07	40.2	-25%	-13.7%	0.41	-94%	NM	-1.14	NM	NM
APMTB	Bahrain	BHD mn	0.23	8.15	-20%	-19.2%	1.80	-36%	-35.3%	1.43	-41%	-37.0%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful



Utilities

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
DEWA	UAE	AED mn	37.0	6,143	3%	-22.5%	925	10%	-64.7%	578	16%	-70.8%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful

Industrial

Companies	Country	Currency	Market Cap	Revenue			Operating profit			Net Profit		
				USD bn	1Q26E	YoY	QoQ	1Q26E	YoY	QoQ	1Q26E	YoY
Ma'aden	KSA	SAR mn	67.7	11,083	30%	4.2%	3,375	48%	31.0%	2,817	82%	68.6%
QAMCO	Qatar	QAR mn	2.20	802	-3%	-8.6%	358	32%	-8.3%	202	30%	-13.8%
Alba	Bahrain	BD mn	3.24	461	13%	-5.2%	162	NM	49.9%	159	NM	46.9%
APPC	KSA	SAR mn	1.73	1,330	117%	13.6%	172	135%	35.0%	45.3	-37%	NM
Alujain	KSA	SAR mn	0.52	349	30%	6.8%	6.16	NM	NM	12.3	NM	NM
SAFCO	KSA	SAR mn	19.0	3,900	27%	22.1%	1,773	103%	73.9%	1,608	63%	62.8%
Yansab	KSA	SAR mn	5.38	1,465	-3%	6.2%	-5.32	NM	NM	-14.06	NM	NM
IQCD	Qatar	QAR mn	18.3	4,050	18%	-4.4%	1,042	69%	68.9%	1,484	49%	59.7%

Source: Bloomberg, Company Data, SICO Research. NM - Not Meaningful



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