Tharaa Financial Center

TASI: 3Q24 Consensus Earnings Guide

Revealing the Varied Performance Projections

November 2024

Summary

Tharaa Financial Center

3Q24 Earnings Forecasts: Strong sequential growth seen

- According to consensus forecasts, TASI-listed companies are likely to see earnings of -5%. However, TASI earnings, excluding Aramco, are expected to grow by 3%, highlighting that the overall decline in TASI-listed companies' earnings is largely driven by the expected drop in Aramco earnings.
- Year-over-year, aggregate earnings for TASI are projected to increase by 12%, with a notable 22% growth when excluding Aramco.
- TASI's P/E ratio has climbed significantly, standing higher than many emerging markets, including China and South Africa. Currently, TASI trades at a multiple above its long-term average P/E of 17.2, indicating strong investor confidence. The P/B ratio also places TASI ahead of several emerging markets, reflecting elevated valuations in the Saudi market relative to its peers.

Sector-wise earnings trends

- **Energy -** The energy sector is projected to experience a quarter-on-quarter decline of -7.4% and a year-on-year decrease of over -20%.
- **Information Technology -** 3Q earning are likely to have an overall decrease QoQ despite the projected earnings increase YoY overall.
- **Financials** - Recent earnings reports indicate a quarter-over-quarter moderate decline of about 2%, reflecting a more cautious outlook. However, year-over-year performance remains strong, with earnings expected to increase by 8.2%, showcasing resilience in the face of economic challenges.
- **Health Care -** Impact of the sector on overall performance appears to be minuscule on a QoQ and YoY basis due to the projection results discrepancy amongst the performers.

▪**Consumer Staples –** A combination of strong portfolio returns and improvement in the majority of earnings is set to deliver strong growth on both QoQ and YoY.

▪**Ex Banks, Energy, Petrochem -** As the third quarter of 2024 has come to a close, key sectors like healthcare, capital goods, and software were put to the test. This quarter served as a crucial test for companies to demonstrate their ability to meet investor expectations amid changing stock dynamics.

TASI Valuation & Performance

▪TASI's P/E ratio has climbed significantly, standing higher than many emerging markets, including China and South Africa. Currently, TASI trades at a multiple above its long-term average P/E of 17.2, indicating strong investor confidence. Its P/B ratio of 2.4 also places TASI ahead of several emerging markets, reflecting elevated valuations in the Saudi market relative to its peers.

▪TASI's P/E valuation has rebounded from its long-term average, now sitting between the historical support levels of 13x and 20x.

* Limitations of analysis

- Earnings estimates from 6 financial services companies are compiled in this report, with over 30 companies in the sample providing forecasts from just one financial service company.
- Increasing the number of estimates may have implications for aggregate and company-wise consensus estimates and calculations of negative or positive surprises.

3Q24 Consensus Guidance- Sectors & Companies (1)

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Sectors & Companies	Price	Consensus Average	Range of Estimates	QoQ%	YoY%	Performance			Valuation			
						3-Months	6-Months	12-Months	P/E	P/B	ROE%	D/Y%
Financials												
ALRAJHI	85.8	4734	4508.6-4851	0.8%	13.9%	1.7%	10.7%	33.6%	20.7	3.7	18.4	2.8
SNB	34.85	5165	5028-5335.2	-1.3%	3.1%	-7.1%	-5.7%	9.6%	10.3	-	-	5.2
ALINMA	28.8	1456	1446-1476	2.8%	10.0%	-10.6%	-11.5%	11.5%	13.8	2.3	17.5	2.6
SAB	34.9	1985	1962.2-2007	-1.7%	8.4%	-7.9%	-12.9%	9.1%	9.4	1.2	13.2	5.7
ALBILAD	35.8	685	678-695	2.1%	11.1%	3.0%	2.9%	22.1%	17.0	-	-	2.8
BSF*	31.3	1139	1139	0.9%	-8.6%	-15.2%	-13.3%	-9.3%	8.9	-	-	6.4
ANB*	19.14	1214	1214	-1.4%	12.8%	-9.7%	-10.8%	10.5%	8.2	-	-	6.1
BUPA ARABIA	211	349	295-424	-13.7%	26.8%	-13.2%	-12.7%	0.7%	27.7	6.6	25.4	1.9
TAWUNIYA	143.4	249	175.3-371	-45.8%	20.8%	-6.0%	-5.7%	23.2%	22.6	5.2	25.5	0.7
BJAZ*	16.24	334	334	5.2%	21.0%	-1.6%	0.1%	28.3%	14.2	1.3	9.3	-
TADAWUL GROUP	241	152	148-155	-7.5%	48.1%	1.6%	-7.7%	48.6%	48.4	8.6	18.5	1.0
SAUDI RE*	37	45	45	3.5%	32.1%	17.1%	42.3%	121.6%	25.6	2.7	11.1	-
RASAN*	61.6	30	30	240.1%	5.6%	-3.3%	-	-	-	-	47.0	-
WALAA*	22.98	13	13	-46.8%	-67.3%	-19.1%	-24.0%	35.3%	13.1	1.5	11.9	-
GIG*	30.6	13	13	-75.2%	27.5%	-7.1%	-19.3%	12.7%	26.2	1.6	6.4	4.9
MALATH INSURANCE*	14.96	-24	(24)	-15994.0%	-4.6%	-22.6%	-24.8%	-13.9%	-	1.9	-0.6	-

Source: Bloomberg, Tharaa Financial Center
**Consensus Average reflects actual results for 3Q24*
***Among 103 companies, 32 of them have been given only one estimate by one financial service company.*

3Q24 Consensus Guidance- Sectors & Companies (II)

Sectors & Companies	Price	Consensus Average	Range of Estimates	QoQ%	YoY%	Performance			Valuation			
						3-Months	6-Months	12-Months	P/E	P/B	ROE%	D/Y%
Materials												
SABIC	72.4	1504	1196-1743.9	-31.1%	152.3%	-7.2%	-8.1%	-5.6%	113.0	1.3	-1.3	4.6
MAADEN	53	1035	898-1100	1.1%	1341.0%	22.0%	2.3%	43.2%	69.2	4.1	6.0	-
SABIC AGRI-NUTRIENTS	116.2	850	735.2-952	20.5%	-19.0%	1.6%	6.8%	-10.2%	15.5	3.2	21.1	5.2
SIPCHEM	26.95	154	121.2-174.9	27.1%	-33.7%	-5.1%	-13.6%	-15.5%	22.5	-	-	4.6
YANSAB	40.45	179	152-206	-20.4%	211.0%	2.7%	10.2%	8.6%	125.4	1.9	1.5	4.3
SIIG	18.06	74	65-83.4	15.3%	-66.6%	-12.1%	-17.3%	-20.4%	41.9	1.3	3.1	5.5
ADVANCED	36	38	25-49.5	-9.0%	-16.3%	-9.7%	-11.8%	-3.6%	179.7	-	-	-
SAUDI KAYAN	7.92	-226	(248.1) - (210)	9.5%	49.6%	-5.4%	-12.2%	-26.0%	-	0.9	-14.1	-
TASNEE	10.48	55	45.4-67	3.3%	-30.2%	-5.9%	-21.6%	-6.8%	164.8	0.7	0.4	-
YSCC	30.7	106	97.5-116	24.7%	158.7%	-11.1%	-5.2%	4.8%	17.7	-	-	3.3
LUBEREF	118.4	265	262	-11.5%	-22.3%	-11.1%	-19.8%	-5.0%	17.4	4.4	23.6	7.3
AMAK	71.7	42	38-45	-32.9%	701.2%	14.7%	22.6%	43.1%	70.9	5.2	7.2	2.2
SAUDI CEMENT	40.1	91	80.7-99	4.3%	33.5%	-8.1%	-12.0%	-20.4%	16.5	3.0	18.6	5.6
QACCO	53.2	96	91-103	32.0%	1095.6%	-5.0%	-6.5%	-14.3%	24.8	2.1	8.8	4.9
YCC	23.14	37	30-41	-7.8%	135.9%	-14.5%	-17.5%	-27.8%	27.7	1.4	5.0	3.2
RIYADH CEMENT	29.5	87	83-91	-35.3%	NA	18.5%	8.5%	0.0%	18.0	2.1	11.4	5.9
SPCC	33.35	45	41-52	50.7%	-15.1%	-9.1%	-15.1%	-18.3%	21.3	1.4	6.8	3.4
EPCCO*	36.3	60.9	60.9	0.7%	49.0%	9.3%	8.7%	-2.4%	14.2	1.3	9.1	4.4
ALUJAIN	40.4	22	14.4-29	48.3%	36.1%	-4.4%	-3.6%	12.2%	-	0.8	-2.3	-
CITY CEMENT	18.16	33	30.7-36.1	20.2%	655.9%	-8.6%	-8.6%	9.3%	25.4	1.4	5.5	5.0
ACC	24.48	37	30.3-44	28.7%	25.1%	-13.2%	-20.4%	-21.5%	16.8	1.0	5.6	6.1
NAJRAN CEMENT*	9.21	20	20	166.8%	42.7%	3.5%	-6.8%	-12.6%	25.5	0.8	3.1	-
Energy												
SAUDI ARAMCO*	27	98249	98249	-7.5%	-20.5%	-3.6%	-10.3%	-18.7%	15.0	4.3	28.7	7.0
ADES	19.82	200	190-222	0.8%	138.5%	-4.3%	1.6%	8.2%	-	3.5	14.8	1.1
ARABIAN DRILLING	108.8	102	83-120	407.2%	-26.9%	-20.8%	-28.4%	-35.1%	19.8	1.6	8.3	3.6

Source: Bloomberg, Tharaa Financial Center
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3Q24 Consensus Guidance- Sectors & Companies (III)

Sectors & Companies	Price	Consensus Average	Range of Estimates	QoQ%	YoY%	Performance			Valuation			
						3-Months	6-Months	12-Months	P/E	P/B	ROE%	D/Y%
Communication Services												
STC	42.05	3509	2968.1-3857	6.2%	-28.4%	7.5%	9.6%	16.6%	15.2	2.7	18.1	6.2
ETIHAD ETISALAT	51.2	638	610-664	-3.5%	21.8%	-2.3%	-1.2%	14.4%	15.3	2.2	15.0	3.5
ZAIN KSA	10.7	77	73-84	-26.5%	-72.8%	-5.6%	-11.7%	-20.4%	12.7	0.9	7.4	4.7
ALARABIA	181	61	51-73	29.4%	-2.7%	-20.8%	-15.7%	-15.3%	31.0	7.2	26.1	-
ATHEEB TELECOM	107.4	48	47-48	1.7%	-0.8%	8.3%	-14.1%	170.7%	17.5	6.0	48.8	0.3
Utilities												
ACWA POWER	437.4	406	268-543	-35.7%	1.9%	12.7%	4.4%	102.0%	168.1	15.5	9.6	0.1
SAUDI ELECTRICITY*	16.08	5946	5946	36.9%	1.7%	-4.2%	-16.9%	-8.0%	24.3	0.8	3.2	4.4
MARAFIQ	54.9	82	78-85	24.7%	-56.7%	-13.1%	-15.5%	5.6%	37.3	1.7	4.5	2.6
AWPT	162.6	68	52-91.4	-11.8%	61.4%	-13.2%	2.7%	83.6%	29.7	8.7	34.1	-
MIAHONA	26	10	9-11	26.2%	-47.0%	-35.2%	-	-	-	9.9	-	-
Real Estate												
CENOMI CENTERS*	20.24	260	259.8	-26.4%	-9.3%	0.3%	-19.5%	4.1%	7.3	0.7	9.4	7.4
RETAL	14.44	49	36-61	-32.8%	45.1%	19.1%	57.3%	81.0%	32.6	9.1	29.4	2.2
ALAKARIA	23.78	46	29-62	420.6%	391.3%	6.7%	8.3%	98.8%	68.2	1.9	2.8	-
Consumer Staples												
ALMARAI*	56.6	616	616	-0.6%	26.7%	-6.1%	0.4%	5.0%	24.8	3.1	12.5	1.8
SAVOLA GROUP*	27	262	262	93.5%	77.8%	-2.8%	-9.7%	33.7%	28.5	2.8	10.2	-
SADAFCO*	374.4	138	137.5	7.6%	20.1%	11.6%	6.1%	29.1%	25.3	6.9	26.8	3.2
NAHDI*	129	201	201	-18.9%	-5.5%	-2.9%	-5.0%	-7.2%	19.4	6.5	34.9	4.3
NADEC*	27.1	106	106	-5.3%	40.8%	-10.6%	-14.4%	23.8%	19.2	-	-	-
A.OTHAIM MARKET	11.82	68	65.5-71.4	58.1%	9.7%	3.5%	-4.1%	-7.7%	27.2	9.6	31.1	5.1
ALDAWAA*	91.1	83	83	-13.4%	16.4%	1.1%	-0.5%	-2.0%	21.8	5.6	27.0	2.7
BINDAWOOD	7.14	49	37.5-70	-32.9%	39.6%	-2.7%	-23.1%	19.0%	24.6	5.8	20.8	2.8
ALMUNAJEM*	113	73	72.7	13.9%	18.9%	8.9%	-1.6%	84.3%	21.1	6.6	31.9	2.9
MODERN MILLS	44.85	51	50.5-51	14.0%	11.7%	-13.9%	-18.5%	-	-	15.0	90.1	4.5
FIRST MILLS*	66.3	61	61	34.0%	12.9%	-9.2%	-16.1%	-0.7%	15.2	-	-	4.5
TANMIAH*	135	23	23	-4.2%	33.9%	6.1%	-1.6%	61.7%	30.5	4.3	14.7	1.4

Source: Bloomberg, Tharaa Financial Center

**Consensus Average reflects actual results for 3Q24*

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3Q24 Consensus Guidance- Sectors & Companies (IV)

Sectors & Companies	Price	Consensus Average	Range of Estimates	QoQ%	YoY%	Performance			Valuation			
						3-Months	6-Months	12-Months	P/E	P/B	ROE%	D/Y%
Consumer Discretionary												
JARIR	13.34	303	277-317	77.1%	2.2%	2.5%	-3.3%	-9.1%	16.8	9.7	57.6	6.1
EXTRA	97	109	96-121.6	2.1%	-8.0%	6.2%	1.0%	24.0%	16.6	5.5	35.9	4.1
SASCO	79.5	5	(4.2) - 15	-58.0%	-58.4%	34.1%	10.8%	60.5%	55.8	-	-	1.7
ALDREES*	141.8	86	86	4.4%	27.3%	21.4%	13.9%	68.2%	44.8	-	-	0.5
AMERICANA	2.46	146	56-236.8	181.9%	78.7%	-22.6%	-26.8%	-36.4%	-	-	59.0	3.2
SEERA	22.6	49	42.2-55	-9.9%	104.6%	-12.1%	-13.9%	-6.4%	29.0	1.0	3.8	-
FITNESS TIME	200.4	109	99-114	48.3%	17.8%	-14.9%	-2.7%	40.5%	27.0	9.2	36.7	2.1
ATAA*	80	22	22.4	95.5%	108.8%	17.5%	12.7%	33.3%	53.1	4.2	8.0	1.4
AIAMAR*	78.5	16	16	22.2%	-20.3%	-1.6%	-13.6%	-40.3%	88.1	6.9	7.3	2.4
Health Care												
SULAIMAN ALHABIB	285.4	581	565.4-601	4.7%	6.7%	0.8%	-9.4%	26.7%	45.9	14.7	33.5	1.6
MOUWASAT	96.1	164	154-173	7.7%	5.2%	-20.3%	-28.8%	3.0%	28.9	5.9	21.5	1.8
DALLAH HEALTH	156.8	126	116.9-134	12.3%	27.0%	-2.2%	-3.9%	13.8%	34.5	4.5	13.6	1.3
ALHAMMADI	39.95	66	63.4-70.9	-43.6%	-11.3%	-13.8%	-29.7%	-22.4%	19.9	3.3	17.5	3.5
CARE	185	72	66-81	3.9%	-1.6%	-13.8%	0.8%	44.5%	30.3	-	-	1.1
JAMJOOM PHARMA	163.6	97	91-102	-9.8%	24.9%	6.8%	25.8%	53.5%	34.5	7.8	23.5	1.9
FAKEEH CARE	58.8	74	62.3-85	55.2%	-7.5%	-3.1%	-	-	-	4.9	-	-
SAUDI GERMAN HEALTH	71.5	53	52.7-54	-12.8%	0.1%	-14.9%	-21.5%	6.2%	32.4	4.0	13.1	-
SPIMACO*	31.2	14	14	-57.7%	134.2%	7.4%	-17.4%	7.4%	-	2.5	-1.4	-
EQUIPMENT HOUSE*	52.5	19	19	148.0%	7.5%	-4.9%	1.0%	30.4%	33.0	3.0	9.5	-
AVALON PHARMA	132.8	22	18-26	0.9%	666.6%	2.2%	-8.5%	-	-	7.9	-	0.6

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3Q24 Consensus Guidance- Sectors & Companies (V)

Tharaa Financial Center

Sectors & Companies	Price	Consensus Average	Range of Estimates	QoQ%	YoY%	Performance			Valuation			
						3-Months	6-Months	12-Months	P/E	P/B	ROE%	D/Y%
Industrials												
RIYADH CABLES	104.4	174	168-181	9.2%	31.1%	5.1%	9.7%	51.5%	26.2	6.5	26.3	2.9
SAL	278.6	166	159.9-170	6.5%	42.8%	-12.2%	5.6%	-	-	16.7	54.5	2.3
CATERING*	111.4	82	81.6	11.5%	-11.6%	-8.2%	-10.2%	12.5%	29.8	6.8	24.1	2.0
BUDGET SAUDI	85.1	85	77-90	20.4%	19.3%	-6.3%	3.8%	33.2%	21.8	3.1	15.1	1.7
ASTRA INDUSTRIAL	176.2	124	120-128	-26.5%	19.9%	10.1%	2.1%	92.6%	27.9	6.3	26.9	1.4
SGS*	51	81	81.3	3.7%	35.8%	-4.0%	-5.7%	79.6%	35.3	3.9	11.6	2.0
SAUDI CERAMICS*	31.1	-3	-33	72.3%	98.2%	6.7%	13.3%	65.6%	-	2.1	-15.5	-
Theeb	76.7	44	43-44.6	-1.8%	27.6%	12.8%	16.7%	28.9%	21.3	4.2	21.1	2.3
SISCO HOLDING*	32.05	11	11	4.4%	-53.6%	-11.7%	-11.6%	35.5%	131.3	1.8	1.3	2.5
BAWAN*	44	31	31	34.1%	-22.7%	-8.3%	0.0%	44.7%	20.9	2.9	14.4	3.3
ALMAWARID	109.2	26	25-26.6	11.1%	12.5%	-11.5%	-5.9%	5.6%	18.4	4.8	27.9	2.1
SMASCO	8.07	39	34-44	8.9%	-11.8%	-23.9%	-	-	-	5.4	27.0	1.5
LUMI	76.7	39	37-42	-15.3%	11.4%	-17.5%	-8.7%	-14.5%	27.9	3.8	14.7	-
Information Technology												
ELM	1026	430	409-454.5	-11.5%	28.7%	11.8%	13.0%	46.1%	53.4	17.5	37.0	0.7
Solutions	268.6	404	367-452.9	-10.9%	4.4%	-6.1%	-21.7%	-11.7%	23.6	9.9	44.9	2.2
2P	14.48	47	45-49.2	-19.9%	40.3%	-8.1%	-7.0%	46.1%	27.0	9.2	41.2	-
MIS	183	36	27.7-45	-14.8%	152.4%	3.7%	24.7%	45.2%	162.6	13.3	8.0	-

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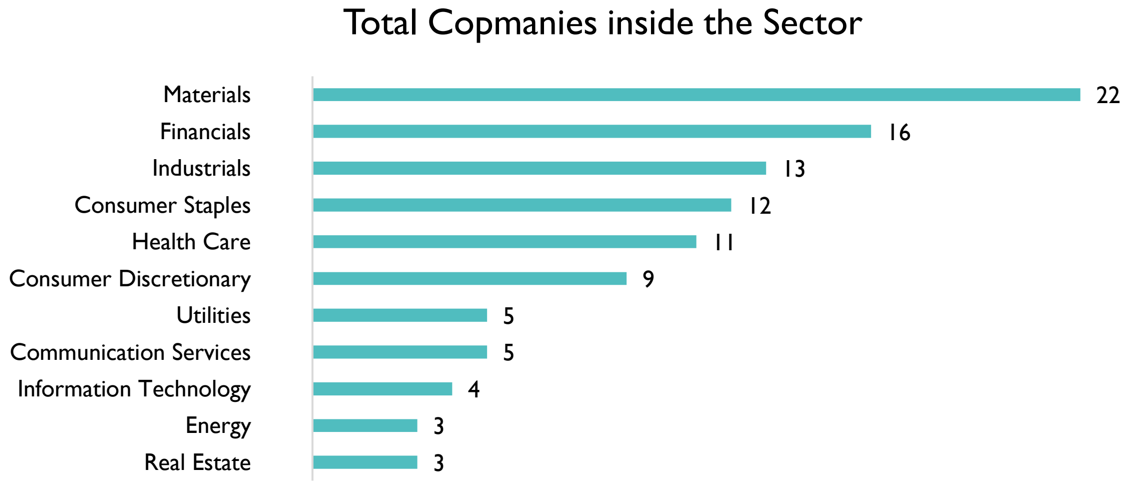
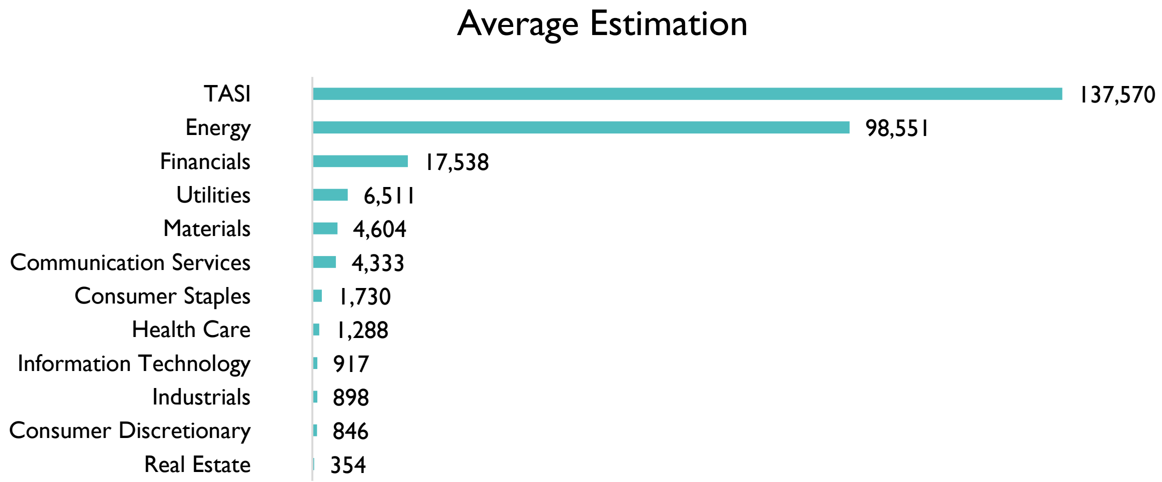
Sectors



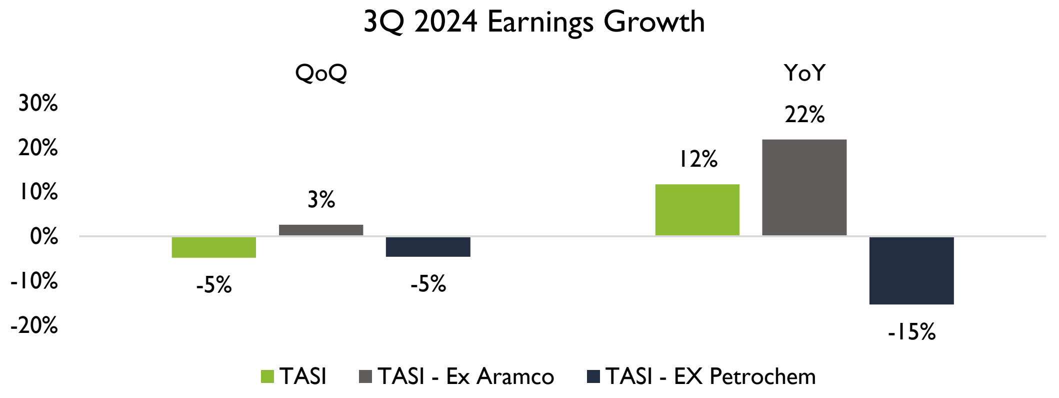
- The "Materials" sector leads with 22 companies in the TASI index, followed by "Financials" with 16 and "Industrials" with 13, reflecting the market's diversity. In contrast, "Real Estate" and "Energy" have fewer companies, indicating a more concentrated presence.

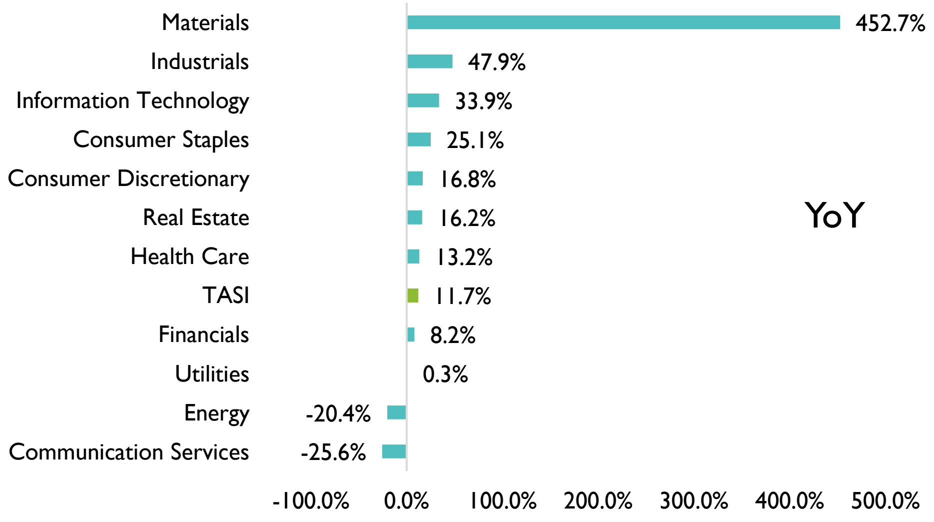


- The "Energy" sector leads with an average estimation of 137,570, followed by "Financials" at 98,551, highlighting significant capital investment. In contrast, "Real Estate" and "Consumer Discretionary" have much lower estimations, indicating smaller market valuations.

TASI 3Q24 Consensus Earnings Expectations

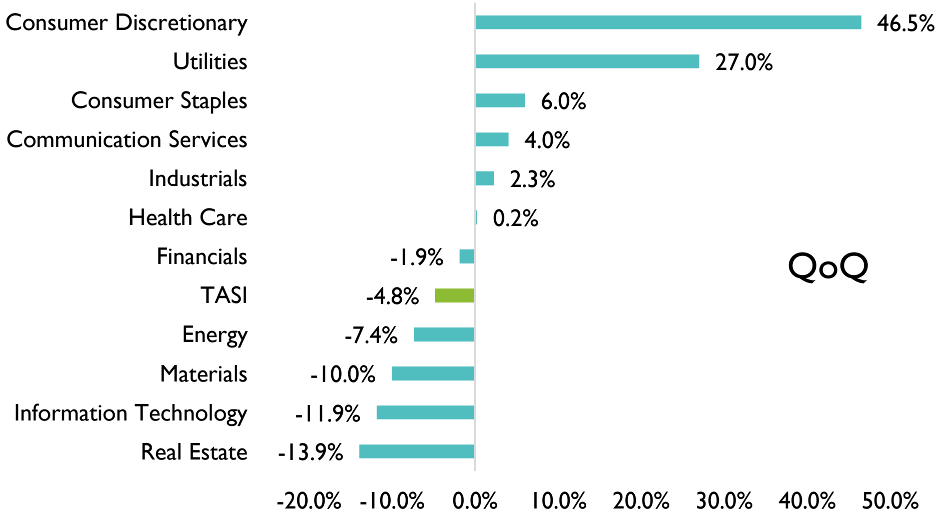
- According to consensus forecasts, TASI-listed companies are likely to see earnings of -5%. However, TASI earnings, excluding Aramco, are expected to grow by 3%, highlighting that the overall decline in TASI-listed companies' earnings is largely driven by the expected drop in Aramco earnings.
- Year-over-year, aggregate earnings for TASI are projected to increase by 12%, with a notable 22% growth when excluding Aramco.





Source: *Bloomberg, Tharaa*

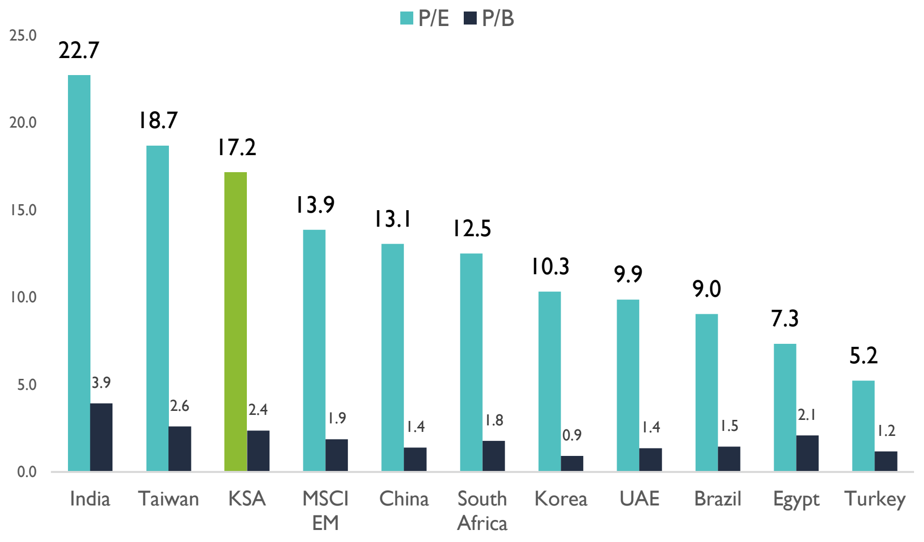
**a sample of 103 companies from 6 investment advisory companies*



Source: Bloomberg, Tharaa Financial Center

TASI -Valuation

Key Valuation Metrics TASI And Emerging Markets

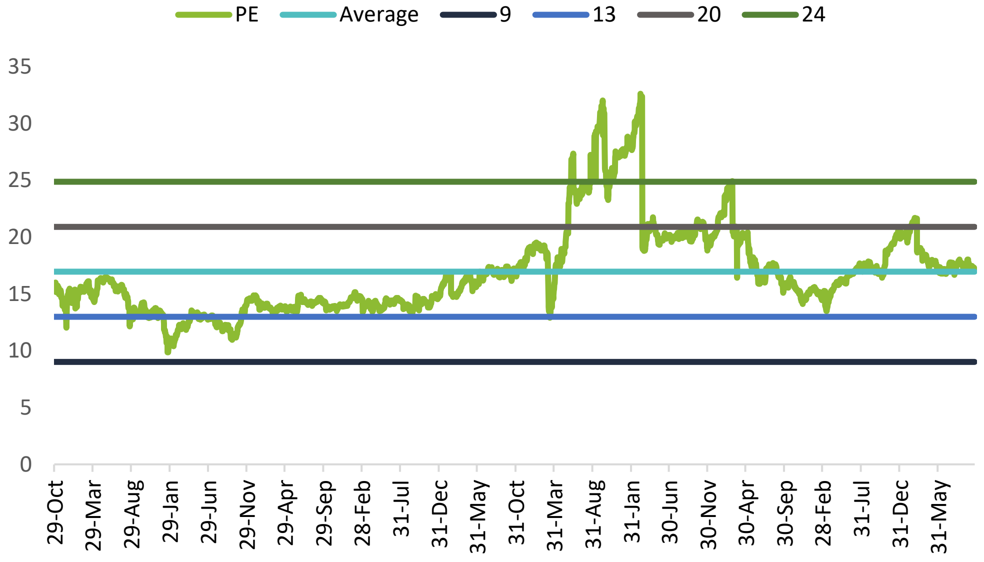


Source: Bloomberg, Tharaa Financial Center

- TASI's P/E ratio has climbed significantly, standing higher than many emerging markets, including China and South Africa. Currently, TASI trades at a multiple above its long-term average P/E of 17.2, indicating strong investor confidence. Its P/B ratio of 2.4 also places TASI ahead of several emerging markets, reflecting elevated valuations in the Saudi market relative to its peers.

- TASI's P/E valuation has rebounded from its long-term average, now sitting between the historical support levels of 13x and 20x.

TASI Valuation (P/E) has bounced off from its LT average



Source: Tharaa Financial Center

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