Quarterly Review
November 4 2026

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AlSaif Stores

Supply chain disruptions and margin pressure drive earnings miss. We cut our estimates and lower our TP.

- **Revenue declined 7.4% y/y to SAR 192.6m, missing our estimates by 11%, as product availability constraints and weaker consumer spending offset continued momentum in e-commerce and omnichannel sales.**
- **GPm contracted 3.0 ppts y/y to 18.1%, falling well below estimates, as supply chain disruptions, promotional intensity, and competitive pricing weighed on profitability and drove a 20.4% decline in gross profit.**
- **Operating earnings came under significant pressure, with EBIT down 79.2% y/y and net income falling sharply to SAR 2.2m, reflecting margin compression, and higher shipping costs.**
- **We cut our FY26-28e EPS estimates by 16% and lower our TP to SAR 7.0/share. While AlSaif remains supported by its e-commerce platform and market position, ongoing cost pressures and a premium valuation underpin our Hold rating.**

Revenue decreased 7.4% y/y to SAR 192.6m but increased 39.0% q/q, coming in 11% below our estimates. The y/y decline was primarily driven by product availability constraints, particularly in fast-moving items, due to shipment delays and geopolitical developments that disrupted supply chains, combined with a slowdown in consumer spending. The sequential increase, however, reflects continued demand across key product categories and the contribution of the company's omnichannel strategy. On a cumulative basis, 9M 2026 revenues reached SAR 604.3m, up 5.9% y/y, supported by a stable store footprint and continued growth in online sales.

Gross margin remained under pressure, declining 3.0 ppts y/y to 18.1% and coming in 5.0 ppts below ACe. Consequently, gross profit decreased by 20.4% y/y to SAR 34.9m, missing our estimate by 30%. We believe the decline was primarily driven by lower sales resulting from supply chain disruptions, ongoing promotional campaigns, and competitive pricing initiatives, which continued to weigh on profitability. On a 9M basis, GPm declined 2.0 ppts y/y to 22.1%, resulting in a 2.8% y/y decline in gross profit to SAR 133.7m.

EBIT declined 79.2% y/y to SAR 3.4m, missing ACe by 84%. EBITm contracted 6.1 ppts y/y to 1.8%. The weak operating performance was primarily driven by margin pressure stemming from higher shipping and operating costs, as well as elevated marketing and promotional expenses incurred to support sales and defend market share.

Net income stood at SAR 2.2m, missing ACe by 87%. Earnings were pressured by weaker sales, margin compression, higher shipping costs, and elevated promotional spending. As a result, net margin declined 5.1 ppts y/y to 1.2%.

We cut our FY26-28e EPS estimates by 16% to reflect more prolonged NT operational headwinds and higher shipping costs, and lower our TP by 6.7% to SAR 7.0/share.

We maintain our Hold rating with an updated TP of SAR 7.0/share. While AlSaif Stores continues to benefit from growing e-commerce sales and a solid market position in the household goods segment, profitability may remain under pressure in the near term due to ongoing promotional campaigns, operating cost inflation, and shipping disruptions stemming from current geopolitical developments. At FY26e P/E of 46.5x and EV/EBITDA of 18.4x, the stock continues to trade at a substantial premium to KSA consumer discretionary peers, limiting valuation upside in our view. Key catalysts for re-rating include faster store expansion, stronger e-commerce growth, a richer private-label mix, and enhanced shareholder returns.

HOLD SAR 7.0↓

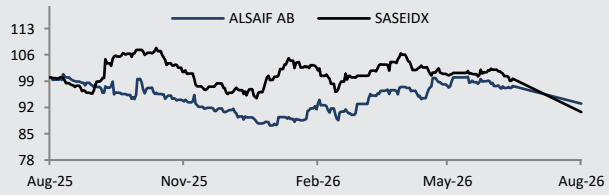
Consumer discretionary / Saudi Arabia

Bloomberg code	ALSAIF AB
Market index	SASEIDX
Target Price	7.0
Upside (%)	17.3

Market data	**10/27/2026**
Last closing price	6.0
52 Week range	5.7-7.2
Market cap (SAR m)	2,090
Market cap (USD m)	557
Average Daily Traded Value (SAR m)	1.0
Average Daily Traded Value (USD m)	0.3
Free float (%)	34%

Year-end (local m)	2025	2026e	2027e	2028e
Revenues	759	786	829	867
EBITDA	130	133	181	197
Net income	58	45	70	77
EPS	0.17	0.13	0.20	0.22
EPS growth (%)	54.6	(22.6)	56.6	10.0
P/E (current price)	36.0	46.5	29.7	27.0
DPS	-	0.11	0.17	0.19
Div. yield (%)	-	1.8	2.9	3.1
FCF/share	0.8	0.2	0.3	0.4
FCF yield (%)	11.9	3.1	5.1	5.6
CAPEX	8	14	14	14
CAPEX/sales (%)	1.1	1.8	1.7	1.7
Net Debt/EBITDA (x)	(0.2)	(0.5)	(0.7)	(1.0)
EV/EBITDA (x)	18.8	18.4	13.5	12.4
RoAE (%)	12.4	9.0	13.8	14.9
RoIC (%)	8.9	7.4	10.7	11.4

Price Performance



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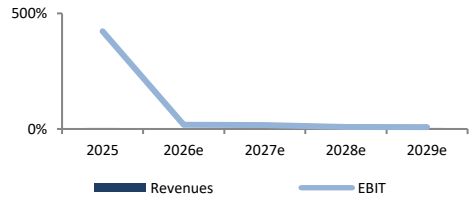
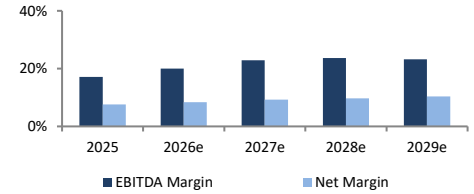
Abacus *Arqaam Capital Fundamental Data*

AlSaif Stores

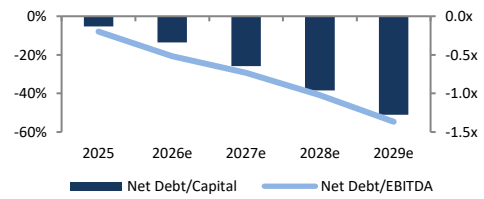
Profitability



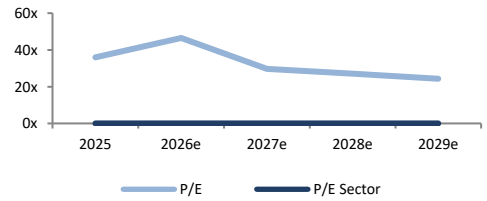
Growth



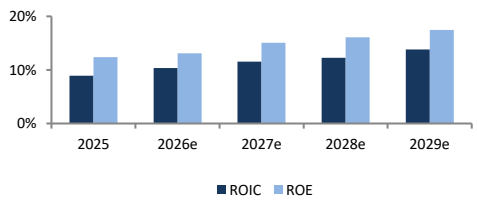
Gearing



Valuation



Return



Year-end	2024	2025	2026e	2027e	2028e	2029e
Financial summary						
Reported EPS	0.11	0.17	0.13	0.20	0.22	0.25
Diluted EPS	0.11	0.17	0.13	0.20	0.22	0.25
DPS	-	-	0.11	0.17	0.19	0.21
BVPS	1.25	1.42	1.44	1.47	1.50	1.54
Weighted average shares	350.00	350.00	350.00	350.00	350.00	350.00
Average market cap	2,089.50	2,089.50	2,089.50	2,089.50	2,089.50	2,089.50

Year-end	2024	2025	2026e	2027e	2028e	2029e
Valuation metrics						
P/E (x) (current price)	55.7	36.0	46.5	29.7	27.0	24.3
P/E (x) (target price)	65.3	42.2	54.5	34.8	31.7	28.5
EV/EBITDA (x) (current price)	36.1	18.8	18.4	13.5	12.4	12.2
EV/EBITDA (x) (target price)	36.1	18.8	18.4	13.5	12.4	12.2
EV/FCF (x)	10.6	9.2	34.6	21.2	19.4	18.0
Free cash flow yield (%)	10.1	11.9	3.1	5.1	5.6	6.0
Dividend yield (%)	-	-	1.8	2.9	3.1	3.5

Year-end	2024	2025	2026e	2027e	2028e	2029e
Growth (%)						
Revenues	1.6	3.7	3.6	5.4	4.7	4.6
EBITDA	(50.6)	91.9	2.2	36.4	8.8	1.8
EBIT	(85.7)	422.5	(16.6)	52.2	9.0	7.6
Net income	(61.8)	54.6	(22.6)	56.6	10.0	11.0

Year-end	2024	2025	2026e	2027e	2028e	2029e
Margins (%)						
EBITDA	9.3	17.1	16.9	21.9	22.8	22.2
EBIT	1.8	9.3	7.5	10.8	11.2	11.6
Net	5.1	7.6	5.7	8.5	8.9	9.5

Year-end	2024	2025	2026e	2027e	2028e	2029e
Returns (%)						
RoAA	4.5	7.6	5.7	8.4	9.1	10.5
RoAE	8.9	12.4	9.0	13.8	14.9	16.2
RoIC	0.8	8.9	7.4	10.7	11.4	12.8
FCF margin	31.6	35.3	9.0	14.0	14.6	15.0

Year-end	2024	2025	2026e	2027e	2028e	2029e
Gearing (%)						
Net debt/Capital	(0.6)	(5.2)	(13.6)	(25.9)	(38.5)	(51.0)
Net debt/Equity	(0.7)	(5.2)	(13.6)	(25.9)	(38.5)	(51.0)
Interest cover (x)	(0.7)	(6.2)	(5.7)	(7.7)	(8.3)	(11.1)
Net debt/EBITDA (x)	-	(0.2)	(0.5)	(0.7)	(1.0)	(1.4)

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Abacus *Arqaam Capital Fundamental Data*

Company profile

AlSaif Stores for Development and Investment Company (Alsaif Gallery) specializes in household goods, kitchenware, and home appliances. Founded in 1993 and headquartered in Riyadh, the company operates a nationwide network of 70+ showrooms across Saudi Arabia and has regional subsidiaries in Kuwait, Oman, and Qatar, supported by a growing e-commerce platform. Alsaif Gallery offers a broad portfolio that includes cookware, small and large kitchen appliances, home electronics, and household products, positioning it as a leading mid-market home retail brand in the Kingdom. The company was listed on Tadawul in December 2022 and operates within the consumer discretionary retail sector, with most of its revenues generated in Saudi Arabia and a business model focused on leased retail locations and direct distribution.

Ownership and management

Shareholders

Suleiman bin Mohammed Al-Saif	62.5%
Public	37.5%

Board of Directors

Suleiman bin Mohammed Al-Saif	Chairman
Mohammed bin Suleiman Al-Saif	Vice Chairman
Haytham bin Suleiman Al-Saif	Executive Vice Chairman
Muhannad bin Suleiman Al-Saif	Member
Mohammed bin Saud Al-Zamil	Member
Abdulmajeed bin Suleiman Al-Dakheel	Member

AlSaif Stores

Year-end	2024	2025	2026e	2027e	2028e	2029e
Income statement (SARmn)						
Sales revenue	732	759	786	829	867	907
Cost of sales	(619)	(581)	(609)	(627)	(651)	(679)
Gross profit	**113**	**178**	**177**	**202**	**216**	**228**
SG&A	-	-	-	-	-	-
EBITDA	**68**	**130**	**133**	**181**	**197**	**201**
Depreciation	54	60	74	92	100	96
EBIT	**13**	**70**	**59**	**89**	**97**	**105**
Interest expense	(21)	(11)	(10)	(12)	(12)	(9)
Share of results of associates & JV	-	-	-	-	-	-
Profit before tax	45	67	52	81	89	99
Taxes	(7)	(9)	(7)	(11)	(12)	(13)
Other post-tax income/(expense)	**-**	**-**	**-**	**-**	**-**	**-**
Net profit (group)	38	58	45	70	77	86
Minorities	-	-	-	-	-	-
Net profit (parent)	**38**	**58**	**45**	**70**	**77**	**86**
Arqaam adjustments (including dilution)	-	1	-	-	-	-
Arqaam Net profit	**37**	**58**	**45**	**70**	**77**	**86**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Balance sheet (SARmn)						
Cash and equivalents	68	26	69	133	202	275
Receivables	42	50	40	38	39	39
Inventories	283	356	366	366	370	374
Tangible fixed assets	172	158	149	139	129	117
Other assets	176	201	175	195	93	4
Total assets	**741**	**791**	**798**	**872**	**833**	**809**
Payables	43	74	76	78	81	84
Interest bearing debt	65	-	-	-	-	-
Other liabilities	193	221	219	280	226	186
Total liabilities	**302**	**294**	**295**	**358**	**307**	**271**
Shareholders equity	439	496	503	514	525	538
Minorities	-	-	-	-	-	-
Total liabilities & shareholders equity	**741**	**791**	**798**	**872**	**833**	**809**

Year-end	2024	2025	2026e	2027e	2028e	2029e
Cash flow (SARmn)						
Cashflow from operations	**202**	**79**	**121**	**168**	**179**	**184**
Net capex	64	(8)	(14)	(14)	(14)	(15)
Free cash flow	**154**	**69**	**71**	**116**	**126**	**136**
Equity raised/(bought back)	-	-	-	-	-	-
Dividends paid	-	-	(38)	(60)	(66)	(73)
Net inc/(dec) in borrowings	(165)	(65)	-	-	-	-
Other investing/financing cash flows	(8)	(9)	(10)	(11)	(11)	(9)
Net cash flow	**44**	**(43)**	**43**	**64**	**69**	**72**
Change in working capital	128	(53)	(9)	(7)	(11)	(12)

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Q3 26A preliminary results summary

Revenues: SAR 193m (-7% y/y, +39% q/q, -11% vs. AC est.)
Gross profit: SAR 34.9m (-20% y/y, +31% q/q, -30% vs. AC est.)
EBIT: SAR 3.4m (-79% y/y, +13% q/q, -84% vs. AC est.)
Net income: SAR 2.2m (-83% y/y, +39% q/q, -87% vs. AC est.)

Exhibit 1: Alsaif Stores Q3 26A preliminary results

(SARm)	Q3 26A	ACe	vs. ACe	Q3 25A	y/y	Q2 26A	q/q	9M 26A	9M 25A	y/y
Revenue	192.6	216.2	*(11%)*	207.9	*(7%)*	138.6	*39%*	604	570.6	*6%*
Gross profit	34.9	49.9	*(30%)*	43.8	*(20%)*	26.7	*31%*	134	137.6	*(3%)*
EBIT	3.4	21.4	*(84%)*	16.4	*(79%)*	3.0	*13%*	46.8	58.5	*(20%)*
Net income	2.2	16.7	*(87%)*	12.9	*(83%)*	1.6	*39%*	42.2	49.6	*(15%)*
GPm	**18.1%**	**23.1%**	-5.0 ppts	**21.1%**	-3.0 ppts	**19.3%**	-1.2 ppts	**22.1%**	**24.1%**	-2.0 ppts
EBITm	**1.8%**	**9.9%**	-8.1 ppts	**7.9%**	-6.1 ppts	**2.2%**	-0.4 ppts	**7.7%**	**10.2%**	-2.5 ppts
NPm	**1.2%**	**7.7%**	-6.6 ppts	**6.2%**	-5.1 ppts	**1.2%**	0.0 ppts	**7.0%**	**8.7%**	-1.7 ppts

Source: Arqaam Capital Research, Company Data, Bloomberg

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Summary of changes in estimates

Exhibit 2: Estimates changes summary

			FY 26e			FY 27e			FY 28e
Income statement (SAR m)	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**
Revenues	786	786	--%	829	829	--%	867	867	--%
Gross profit	190	177	(7%)	207	202	(3%)	220	216	(2%)
EBITDA	157	133	(15%)	189	181	(4%)	205	197	(4%)
EBIT	83	59	(29%)	97	89	(8%)	105	97	(8%)
Net Income	66	45	(32%)	77	70	(9%)	84	77	(8%)
Revenue growth	3.6%	3.6%	--%	5.4%	5.4%	--%	4.7%	4.7%	--%
EPS growth	13.4%	(22.6%)	n.m	17.3%	56.6%	39%	9.3%	10.0%	1%
Margins	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**
GPm	24.1%	22.5%	(1.7%)	25.0%	24.4%	(0.7%)	25.4%	24.9%	(0.4%)
EBITDAm	20.0%	16.9%	(3.1%)	22.9%	21.9%	(1.0%)	23.7%	22.8%	(0.9%)
EBITm	10.5%	7.5%	(3.1%)	11.7%	10.8%	(1.0%)	12.2%	11.2%	(0.9%)
NPm	8.4%	5.7%	(2.7%)	9.3%	8.5%	(0.8%)	9.7%	8.9%	(0.8%)
Balance sheet (SAR m)	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**	**Old**	**New**	**%Δ**
Trade Receivables	38	40	5%	38	38	1%	38	39	2%
Trade Payables	74	76	3%	77	78	1%	80	81	1%
Equity	506	503	(1%)	518	514	(1%)	531	525	(1%)

Source: Arqaam Capital Research

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Valuation summary

Exhibit 3: Summary of DCF valuation

In SARm, unless otherwise stated	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e
EBITDA	**102**	**146**	**163**	**176**	**187**
(-) Tax	(8)	(9)	(11)	(12)	(13)
(-) WC	(9)	(7)	(11)	(12)	(13)
Operating cash flow (OpCF)	**85**	**130**	**141**	**151**	**160**
(-) CapEx, net of disposals	(14)	(14)	(14)	(15)	(15)
Free Cash Flow to Firm (FCFF)	**71**	**116**	**126**	**136**	**145**
Stub period FCF	32	116	126	136	145
Discount factors using WACC at 8.9%	0.96	0.88	0.81	0.75	0.68
PV FCFF	**30**	**102**	**102**	**102**	**100**
Terminal value					2,543
PV of TV					1,742
Sum of PV FCFF	436				
PV TV	1,742				
Enterprise Value (EV)	**2,178**				
Less: Borrowings	-				
Add: Cash	69				
Add: others	-				
Equity value	**2,247**				
NOSH	350.0				
DCF value/share	6.4				
12M TP	**7.0**				
Implied P/E (x)	54.5x	34.8x	31.7x	28.5x	26.3x
Implied EV/EBITDA (x)	21.3x	14.9x	13.4x	12.4x	11.7x
Implied P/BV (x)	4.9x	4.8x	4.7x	4.6x	4.4x

Source: Arqaam Capital Research

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