

AI Moammar Information Systems Co.

Lower topline recognition amid DC project delivery

Rating: Overweight | 12M Target Price: SAR 157

August 12, 2025

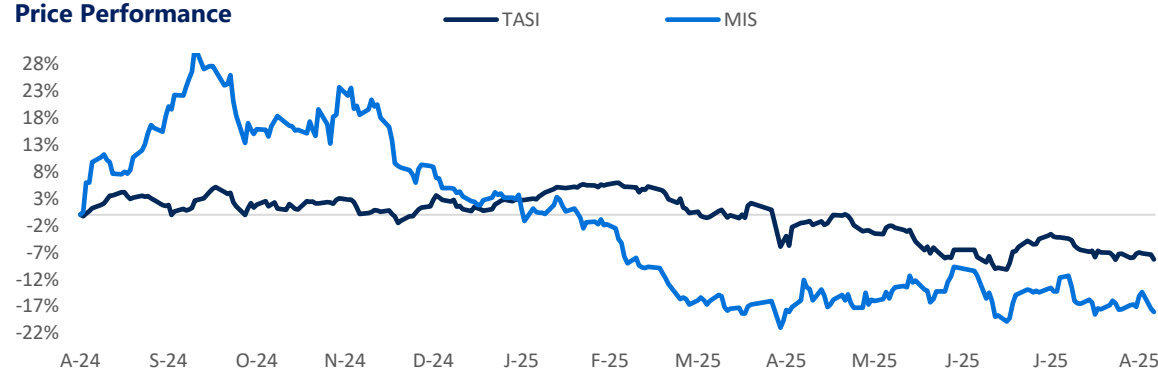
Market Data		Valuations	2024A	2025E	2026E	2027E
Last Price (SAR)*	128.8	Net Income (SAR bn)	0.1	0.1	0.1	0.2
Target Price (SAR)	156.9	EPS (SAR)	4.2	3.2	4.5	5.5
Upside / Downside (%)	22%	PER (x)	31.0	40.6	28.6	23.5
Market Cap (bn) (SAR/USD)	4/1	P/BV (x)	9.1	8.4	7.5	6.6
52 week High / Low (SAR)	207/118	DPS (SAR)	3.2	1.9	2.7	3.3
12-month ADTV (mn) (SAR/USD)	11/3	Div. Yield (%)	2.5	1.5	2.1	2.6
YTD Return (%)	-21.0%	RoAE (%)	35.0	21.5	27.6	30.0
Bloomberg Code	MIS AB	RoAA (%)	5.6	3.6	5.0	5.8

*last price as of 11th August 2025

Financials (SAR mn)	2Q25A	2Q25E*	Var (%)	2Q24A	YoY (%)	1Q25A	QoQ (%)
Revenue	304	311	-2	351	-13	406	-25
COGS	238	242	-2	272	-13	324	-27
Gross profit	67	69	-4	78	-15	82	-19
Gross margin (%)	22	22		22		20	
OPEX	33	35	-7	39	-16	21	55
Operating profit	34	34	0	40	-14	25	38
Operating margin (%)	11	11		11		6	
Net income	32	33	-3	32	2	34	-5
Net margin (%)	11	11		9		8	
EPS	1.1	1.1		1.1		1.1	

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

AI Moammar Information Systems Co. (MIS AB) reported a net profit of SAR 32 mn (EPS: SAR 1.08) in 2Q25, up 1.7% YoY and down 4.6% QoQ. Gross margin contracted slightly on YoY basis, however saw expansion on QoQ basis. The net profit was in line with our estimates, down by 2.8%. We maintain our Overweight rating on the stock with a Dec-25 target price of SAR 157/share, offering a potential upside of 21.8%.

- In 2Q25, revenue declined by 13.2% YoY (-25.0% QoQ.) to SAR 304 mn, in line with our estimates of SAR 311 mn, down slightly by 2.2%. The decline is largely attributed to a completion of project in data center segment. Company emphasized the securing of contracts in other segments, particularly in ICT and inhouse services.
- Gross margin was recorded at 21.9% in 2Q25 (-35bps YoY, +173bps QoQ). Gross profit was recorded at SAR 67 mn, declining 14.6% YoY (-18.6% QoQ). MIS highlighted that this decline primarily stemmed from ICT solutions segment.
- Operating profit decreased by 13.6% YoY (+38.1% QoQ) in 2Q25 to reach SAR 34 mn, down from SAR 40 mn in 2Q24. Operating margin remained flat on YoY basis, falling merely by 5bps, however, saw significant improvement on sequential basis, expanding by 513bps.
- The bottom line in 2Q25 increased by 1.7% YoY but declined 4.6% QoQ to reach SAR 32 mn.
- MIS maintains a backlog of SAR 3.8 bn, supplemented by SAR 2.0 bn in commitments for a 24 MW data center capacity contracted with Microsoft, and an additional SAR 1.7 bn under three signed framework agreements. With healthy pipeline across all segments, we are confident MIS will achieve our full year 2025e estimated topline of SAR 1,353 mn. We maintain our 'Overweight' rating with a Dec-25 target price of SAR157/share, translating into an upside of 21.8%. The stock is currently trading at a 2025e P/E of 40.6x.

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