Al Moammar Information Systems

August 2, 2026

Strong project-driven growth, but margin dilution weighs on profitability, result came in line with our estimate.

Last Price: SAR 241.2 | YoY Performance: +86.3%

2Q26 RESULTS REVIEW

KEY TAKEAWAYS

- Al Moammar Information Systems (MIS) delivered SAR 43.5 mn in 2Q26 net profit, up 34.8% YoY and 258.4% QoQ, broadly in line with our SAR 45.3 mn estimate (-4.0% var.). Robust project-driven revenue growth fueled earnings, despite margin compression and higher operating expenses.
- Revenue nearly doubled, increasing 95.6% YoY and 89.0% QoQ to SAR 595.2 mn, though it came in 7.7% below our estimate. Growth was driven by strong execution of technology and digital infrastructure projects, significantly boosting project-related volumes.
- Gross margin compressed sharply to 19.4% (vs. 23.5% in 1Q26 and 21.9% in 2Q25) reflecting an increased mix of lower-margin projects. Nevertheless, gross profit rose 73.0% YoY on strong volume growth.
- Operating profit rose to SAR 52.5 mn (+53.6% YoY and +94.1% QoQ), even as operating expenses nearly doubled YoY to SAR 62.9 mn. An expected credit loss provision of SAR 19.7 mn was recorded in 2Q26, reflecting the higher receivables base tied to the growing project portfolio. Operating margin fell 242 bps YoY to 8.8% (8.6% in 1Q26); 1H26 operating profit rose 35.0% YoY.
- Net profit arrived at SAR 43.5 mn in 2Q26 (+34.8% YoY, +258.4% QoQ), while 1H26 net profit declined 15.8% YoY due to the absence of last year's non-recurring investment gains. Underlying profitability continued to improve, with net margin expanding to 7.3% from 3.9% in 1Q26.
- MIS is trading at 2026e P/E and P/B of 29.5x and 17.2x, respectively. Alongside the result, the company announced a DPS of 1.0 for 1Q26.

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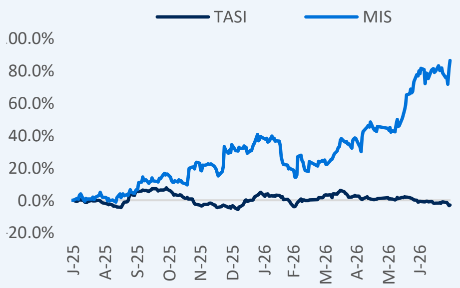
Issuer Information

Bloomberg Code	**MIS AB**
Last Price (SAR)	**241.2**
No of Shares (mn)	**30**
Market Cap bn (SAR/USD)	**7.2 / 1.9**
52-week High / Low (SAR)	**244.3 / 234**
12-month ADTV (mn) (SAR/USD)	**12.4 / 3.3**
Free Float (%)	**49.8**
Foreign Holdings (%)	**7.5**

Last price as of July 30th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	595	645	(7.7)	304	95.6	315	89.0
Cost of Revenues (COGS)	480	492	(2.5)	238	102.0	241	99.2
Gross Profit	115	153	(24.7)	67	72.9	74	55.8
Gross Margin (%)	***19.4***	***23.8***		***21.9***		***23.5***	
Operating Expenses	63	81	(22.6)	33	93.1	47	33.7
Operating Profit	53	72	(27.1)	34	53.6	27	94.1
Operating Margin (%)	***8.8***	***11.2***		***11.2***		***8.6***	
Net Income	44	45	(4.0)	32	34.8	12	258.4
Net Margin (%)	***7.3***	***7.0***		***10.6***		***3.9***	
EPS (SAR)	1.5	1.5		1.1		0.4	
DPS (SAR)	-	-		0.8		1.0	

anbc estimate
Source: Company Financials, anbc research

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