Al Moammar Information Systems Co.

Lower topline recognition– Rating revised to Neutral

Rating: Neutral | Target Price: SAR 157

November 4, 2025

Market Data	
Last Price (SAR)*	145.2
Target Price (SAR)	156.9
Upside / Downside (%)	8%
Market Cap (bn) (SAR/USD)	4/1
52-week High / Low (SAR)	195/118
12-month ADTV (mn) (SAR/USD)	8/2
YTD Return (%)	-10.9
Bloomberg Code	MIS AB

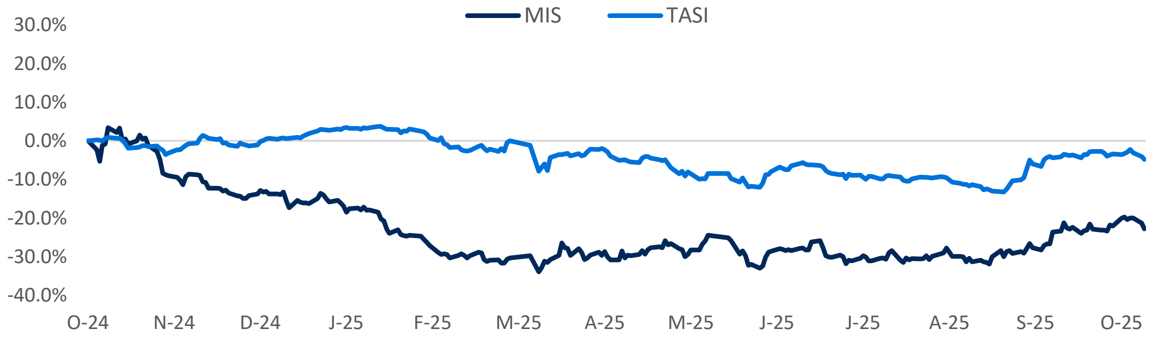
last price as of 3rd November 2025

Valuations	2024A	2025E	2026E	2027E
Net Income (SAR mn)	124.4	95.0	135.0	164.3
EPS (SAR)	4.2	3.2	4.5	5.5
PER (x)	35.0	45.8	32.2	26.5
P/BV (x)	10.3	9.4	8.4	7.5
DPS (SAR)	3.2	1.9	2.7	3.3
Div. Yield (%)	2.2	1.3	1.9	2.3
RoAE (%)	35.0	21.5	27.6	29.9
RoAA (%)	5.6	3.6	5.0	5.7

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	280	298	(6)	273	3	351	(20)
COGS	197	221	(11)	204	(3)	272	(28)
Gross profit	83	77	8	69	20	78	6
Gross margin (%)	*30*	*26*		*25*		*22*	
OPEX	44	32	38	36	22	21	110
Operating profit	39	45	(13)	33	18	40	(2)
Operating margin (%)	*14*	*15*		*12*		*11*	
Net income	25	27	(7)	17	50	32	(21)
Net margin (%)	*9*	*9*		*6*		*9*	
EPS	***0.8***	***0.9***		***0.6***		***1.1***	

anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

Al Moammar Information Systems Co. (MIS AB) reported a net profit of SAR 25 mn (EPS: SAR 0.8) in 3Q25, up 50% YoY but down 21% QoQ. The result fell short of our estimate by 7% in 3Q25. Since we initiated coverage, the stock has gained 6.8%, compared to a 0.3% rise in TASI over the same period. We revise our rating to Neutral with a target price of SAR 156.9/sh, implying a potential upside of 8%.

- In 3Q25, revenue grew by 2.5% YoY (-20.0% QoQ) to SAR 280 mn, coming in 5.8% below our estimate of SAR 298 mn. The increase is mainly driven by higher business from the ICT segment and MIS Professional In-house Services. On a quarterly basis, the significant decline in revenue was primarily driven by a change in revenue recognition treatment under IFRS, whereby certain revenues were recognized on a principal or agent basis.
- Gross profit rose 20% YoY to SAR 83 mn, with the gross margin improving to 30% in 3Q25 (+430bps YoY, +730bps QoQ), primarily due to higher contributions from certain ICT solution channels.
- Operating profit increased 17.9% YoY (-1.8% QoQ) to SAR 39 mn, supported by higher gross profit but partially offset by a SAR 11.1 mn increase in non-cash provisions for expected credit losses on contract assets and trade receivables, including subsidiaries.
- The bottom line in 3Q25 increased by 50% YoY but declined by 21% QoQ to reach SAR 25 mn.
- During 9M25, the net profit declined to SAR 91.2 mn, compared to SAR 121.6 mn in the same period last year. The YoY decrease primarily reflects a one-off gain of SAR 58mn recorded in the prior period from the partial (10%) divestment of the company's stake in its associate, Edarat. Excluding this non-recurring item, underlying profitability improved, supported by lower finance costs, valuation gains on investments classified as FVTP, and a capital gain of SAR 28 mn from the sale of certain equity holdings, along with stronger contributions from equity-accounted investees.
- *Since we initiated our coverage, MIS has gained 6.8%, outperforming TASI's 0.3% gain. The stock now trades at 2025e P/E and P/BV multiples of 45.8x and 9.4x, respectively. We maintain our target price of SAR 157/share and revise our rating to 'Neutral', offering a potential upside of 8%.*

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