Al Moammar Information Systems Co.

Weak quarter – Operating loss dragged by heavy ECL provisions

Rating: Neutral | Target Price: SAR 185.2

April 1, 2026

Market Data	
Last Price (SAR)*	161.7
Target Price (SAR)	185.2
Upside / Downside (%)	14.5%
Market Cap (bn) (SAR/USD)	4/1
52-week High / Low (SAR)	184.2/118.0
12-month ADTV (mn) (SAR/USD)	8/2
YTD Return (%)	-8.9
Bloomberg Code	MIS AB

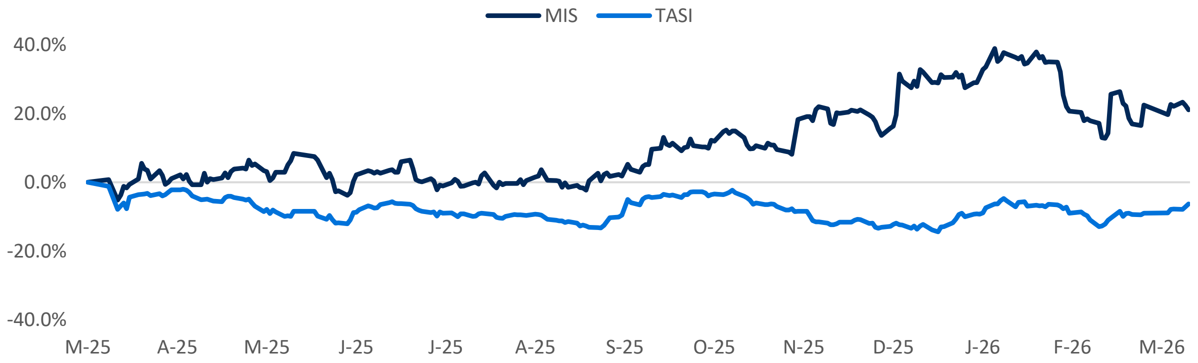
**last price as of 31st March 2026*

Valuations	2024A	2025A	2026E	2027E
Net Income (SAR mn)	124.4	96.0	135.0	164.3
EPS (SAR)	4.2	3.2	5.0	6.4
PER (x)	35.0	45.8	32.2	26.5
P/BV (x)	12.1	10.7	9.5	8.3
DPS (SAR)	3.2	3.2	3.0	3.8
Div. Yield (%)	1.9	1.9	1.8	2.2
RoAE (%)	35.0	21.5	29.5	33.0
RoAA (%)	5.6	3.6	5.5	6.4

Financials (SAR mn)	4Q25A	4Q25E*	Var (%)	4Q24A	YoY (%)	3Q25A	QoQ (%)
Revenue	282	310	(9)	256	10	280	1
COGS	216	245	(12)	199	9	197	10
Gross profit	66	65	2	57	17	83	(20)
Gross margin (%)	*24*	*21*		*22*		*30*	
OPEX	87	38	129	38	129	44	98
Operating profit	(21)	28	nm	19	nm	39	nm
Operating margin (%)	*(7)*	*9*		*7*		*14*	
Net profit	5	23	(79)	3	79	25	(80)
Net margin (%)	*2*	*7*		*1*		*9*	
EPS	***0.2***	***0.8***		***0.1***		***0.8***	

**anbc estimates*

Price Performance



Source: Tadawul, Bloomberg and anbc research

Al Moammar Information Systems Co. (MIS AB) reported a net profit of SAR 5mn (EPS: SAR 0.2) in 4Q25, down 79% QoQ but up 79% YoY from a low base, bringing full-year 2025 net profit to SAR 96mn (-21% YoY). The quarterly weakness was primarily driven by a sharp increase in non-cash ECL provisions on trade receivables and contract assets, resulting in an operating loss of SAR 21mn in 4Q25, however this was partially offset by FVTPL investment gains of ~SAR 32mn. We maintain our Neutral rating and revise our target price to SAR 185/share.

- In 4Q25, revenue grew 10.3% YoY and 0.5% QoQ to SAR 282mn, coming in 9.1% below our estimate of SAR 310mn. The growth was supported by higher business in the ICT segment and MIS Professional In-house Services, consistent with trends seen throughout 2025. Full-year 2025 revenue reached SAR 1,272mn (+4.9% YoY), broadly supported by continued momentum in core segments.
- Gross profit rose 17.1% YoY to SAR 66mn in 4Q25, with gross margin at 23.5% (+140bps YoY, -610bps QoQ). The sequential margin compression reflects a seasonally weaker mix in 4Q. For FY25, gross profit reached SAR 298mn (+15.5% YoY), with gross margin expanding to 23.4% from 21.3% in FY24.
- Operating profit turned negative at SAR 21mn in 4Q25 (vs. +SAR 19mn in 4Q24), as the quarter absorbed a significant surge in non-cash expected credit loss (ECL) provisions. For FY25, operating profit declined 36% YoY to SAR 77mn, primarily due to a SAR 60mn increase in ECL provisions on trade receivables and contract assets versus the prior year.
- The bottom line in 4Q25 was SAR 5mn (EPS: SAR 0.2), down 79% vs our estimate of SAR 23mn, but up 79% YoY from a low base of SAR 3mn in 4Q24. The QoQ decline of 80% from SAR 25mn in 3Q25 was driven primarily by the operating loss in the quarter. Despite the operating loss of ~SAR 21mn, below-the-line items provided net support of SAR 26mn, anchored by FVTPL investment gains of ~SAR 32mn partially offsetting the operating loss and the residual being absorbed by finance costs and zakat.
- For FY25, net profit reached SAR 96mn vs SAR 122mn in FY24 (-21% YoY).
- *MIS enters 2026 with healthy revenue visibility, underpinned by a strong pipeline across segments and the recently awarded Humain (PIF-backed) AI data center contract valued at ~SAR 1.88bn, with financial impact expected to begin materializing on revenues in 2026. The ECL provision cycle, which has weighed heavily on profitability in FY25, is expected to moderate as the receivables position normalizes. We maintain our Neutral rating with a target price of SAR 185/share, implying an upside of 14.5%.*

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