

ASAS Makeen Real Estate Development and Investment Co.

Issuer Information

		Shareholders	Pre-IPO	Post-IPO
Market	Nomu	Abdulrahman bin Saud A. Al-Hadlaq	96.0%	86.4%
Offering Period	May'19-May'25			
Price (SR)	80	Anas bin Saud A. Al-Hadlaq	4.0%	3.6%
Number of Shares Offered (mn)	1.0	Public (Qualified Investors)	0.0%	10.0%
% of Share Capital	10.0%	Total	100%	100%
Share Capital (SR mn)	100.0			
No. of Shares- (mn)	10.0			

Financials

Amounts in SR mn	2022	2023	YoY(%)	2024	YoY(%)
Revenue	342.5	351.9	2.7	431.1	22.5
Cost of sales	(261.3)	(269.2)	3.0	(304.7)	13.2
Gross profit	81.2	82.7	1.9	126.3	52.7
Operating profit	75.9	72.9	(3.9)	106.8	46.4
Net Income	72.9	67.8	(7.1)	108.0	59.3
EPS	7.3	6.8		10.8	
Total Assets	235.1	343.9	46.3	624.8	81.7
Total Shareholder's Equity	141.1	208.4	47.7	316.2	51.7
BVPS	14.1	20.8		31.6	
Ratios*					
Gross margin (%)	23.7	23.5	(0.2)	29.3	5.8
Operating margin (%)	22.2	20.7	(1.4)	24.8	4.1
Net Margin (%)	21.3	19.3	(2.0)	25.0	5.8
RoAE (%)	-	38.8	-	41.2	2.4
RoAA (%)	-	23.4	-	22.3	(1.1)

Peer Company Valuations

Company	Market Cap (SRmn)	PER (x)	PBV (x)	RoAE (%)
Ladun Investment Co.	1,750	26.5	2.8	10.7
Enma AlRawabi Co.	980	14.5	1.6	11.7
First Avenue for RE Development	1,841	31.0	3.5	13.8
View United RE Development Co.	229	10.8	3.0	29.6
Median		20.5	2.9	12.7

Closing prices as of May 15, 2025.

Source: Company Prospectus, Tadawul, Bloomberg, Yaqeen Capital, and anbc research

Established in 2017 as a limited liability company, Asas Makeen has built a strong presence in the real estate sector, specializing in residential, commercial, and mixed-use developments. In 2022, the company transitioned into a closed joint-stock entity with a capital of SAR 100 mn. ASAS Makeen is offering 1 mn shares representing 10% of its total share capital at a price of SAR 80 per share in the Nomu-Parallel market. The IPO will be limited to qualified investors from May 19 to May 25. All proceeds will be distributed to the selling shareholders.

- The company's core operations include real estate development on both owned and leased properties. It also engages in specialized construction activities such as building construction, finishing. These projects are carried out either on a fee basis or under contract, with an average project completion cycle of approximately 10 months. ASAS Makeen's diversified business model allows it to serve a broad range of clients, including government entities and private sector investors.
- In 2024, real estate sector remained the dominant revenue source, contributing 76% of total revenue, followed by the contracting sector at 15%, third-party development services at 8%, and service fees making up the remaining 1%. Total revenue for the year reached SAR 431 mn, reflecting a 23% increase YoY. Operating profit rose by 46%, supported by stronger margins and improved cost controls. Net profit grew by an even higher 59% YoY, driven by revenue growth in addition to higher other income, mainly due to reversal of provisions for completed projects.
- The company's financial strength is underscored by a RoAE of 41% and RoAA of 22% in 2024. ASAS Makeen's asset base reached SAR 624.8 mn, with shareholder equity of SAR 316.2 mn. These metrics position the company competitively within the real estate sector on Nomu.
- Looking ahead, ASAS Makeen is managing a robust project pipeline valued at SAR 3.75 bn over the next three years. Of this, SAR 2 bn is earmarked for residential developments, SAR 950 mn to third-party projects, and SAR 800 mn for leasing activities.
- Regarding peer valuation, Nomu-listed real estate companies with similar exposure to real estate development and contracting, trade at a median PER of 20.5x and a median PBV of 2.9x. In the case of ASAS Makeen, the offering implies a PER of 7.4x, which is significantly below the peer median of 20.5x. Additionally, the company delivered an RoAE of 41%, ahead of the peer median of 12.7%.

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