

Daily Bulletin

July 2, 2026

Retal signs two contracts worth SAR 123.8 mn with ROSHN Group

Last Price: SAR 12.1 | Consensus Target Price: SAR 17.0 | YoY Performance: -22.0%

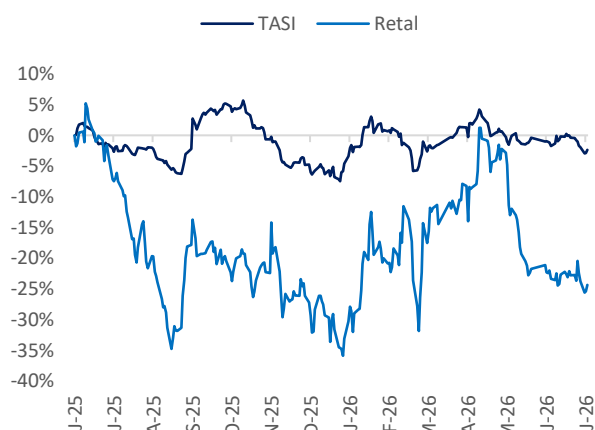
Retal Urban Development Co. (Retal) has signed two agreements with ROSHN Group, a PIF company, to purchase and develop residential land in the Al Manar Community in Makkah Al-Mukarramah. The agreements are valued at SAR 123.8 mn, equivalent to 5.1% of Retal's 2025 revenue of SAR 2,437.8 mn and cover the development of 163 residential units over a 36-month period. The financial impact is expected to materialize over 2027–2029 as the project progresses. The agreements are conditional on the purchase of land to develop it for residential use.

The agreements advance Retal's geographic diversification into the Western Region, where its presence has lagged its Eastern and Central markets. Retal currently has 17 ongoing projects, seven are in the Central region and seven in the Eastern region, while three are located in the Western region. The ongoing portfolio comprises 7,080 units, of which 5,833 units have already been sold, while 1,247 units remain available as of 1Q26. The cumulative value of the projects is around SAR 11.6 bn, of which company has already recognized SAR 3,431 mn as of 1Q26. Furthermore, excluding the new contract signed with ROSHN Group, five upcoming projects are in the pipeline across the Central and Eastern regions, covering 7,763 units with a cumulative value of SAR 10.4 bn.

The new contract also strengthens Retal's position as a private sector partner within PIF's giga project ecosystem. The agreement gives Retal a foothold in Al Manar, ROSHN's residential community in Makkah, master-planned across 21 mn sqm with over 33,000 units, positioning the company to deepen its Western region pipeline. Prior to this announcement, ROSHN Group accounted for a combined 38.7% of Retal's ongoing and upcoming project value, with a total value of SAR 8.5 bn.

Retal's stock has declined 22.0% YoY, underperforming TASI, which fell 2.4% over the same period. The stock currently has a consensus target price of SAR 17.0/sh, implying an upside of around 40.5% from the last close of SAR 12.1/sh.

Relative price chart



Source: Tadawul, anbc research

Retal's ongoing and upcoming projects

Region	No. of projects	No. of units	Total project value (SAR mn)
Ongoing projects			
Eastern Region	7	3,576	4,837
Western Region	3	962	1,158
Central Region	7	2,542	5,647
Total	17	7,080	11,642
Upcoming projects			
Central Region	4	6,699	9,371
Eastern Region	1	1,064	1,027
Total	5	7,763	10,398
New contract with ROSHN Group			
Western Region	1	163	124

Source: Company financials, Tadawul, anbc research

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