Daily Bulletin

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AlMasar AlShamil's 2Q26 net profit rose 29% YoY, exceeding consensus by 28%

Last Price: SAR 23.7 | Consensus Target Price: SAR 24.6 | Performance since listing: 3.9%

Al Masar Al Shamil Education Co. (AlMasar AlShamil) reported 2Q26 net profit Al Masar Al Shamil Education Co. (AlMasar AlShamil) reported 2Q26 net profit of SAR 64.7 mn, up 29.0% YoY and 20.0% QoQ, beating consensus estimates of SAR 50.4 mn by 28.4%. Earnings growth was supported by higher revenue, improved profitability across the business, and a stronger contribution from NEMA Holdings, partly offset by higher finance costs.

Revenue reached SAR 163.4 mn, up 21.6% YoY, supported by a 21.0% increase in total students and beneficiaries to 28.9k. Human Development Company (HDC) generated SAR 59.4 mn, up 26.1% YoY, driven by 19.0% beneficiary growth and improved utilization. Middlesex University Dubai (MDX) contributed SAR 104.0 mn, up 19.3% YoY, as enrolments increased 16.0% to 7.2k. NEMA Holdings also recorded a 24% increase in student enrolments to 14.0k.

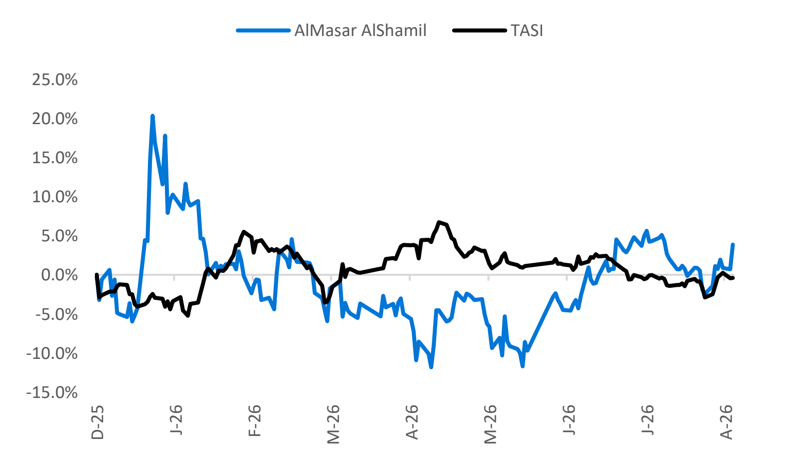
Profitability improved strongly during the quarter. Gross profit increased 34.9% YoY to SAR 80.1 mn, with gross margin expanding to 49.0% from 44.2%. Group EBITDA rose 34.5% YoY to SAR 94.8 mn, while EBITDA margin improved to 58.0%. Operating profit reached SAR 77.3 mn, up 35.6% YoY.

On a sequential basis, revenue declined 13.0% QoQ, mainly due to seasonality in tuition recognition. Despite this, net profit increased 20.0% QoQ, supported primarily by a higher contribution from NEMA Holdings.

The group continued its expansion during 1H26. HDC increased its daycare network to 41 centers and its school's network to 15 locations, while MDX expanded campus capacity and launched the London Sports Institute. NEMA also signed a partnership with Epsom College (UK) to establish two K-12 campuses.

AlMasar AlShamil has gained 3.9% since listing, while TASI declined 0.4%. The consensus target price of SAR 24.6/share implies 3.7% upside from the last close of SAR 23.7/share.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR mn)

	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)	Consensus	Var. (%)
Revenue	163	134	21.6	188	-13.0	160	2.1
COGS	-83	-75	11.1	-98	-15.3	-	-
Gross profit	**80**	**59**	34.9	**89**	-10.4	**-**	-
GM (%)	49.0	44.2	-	47.6	-	-	-
Opex*	-3	-2	16.8	-19	-85.5	-	-
Op. profit	**77**	**57**	35.6	**70**	10.4	**66**	16.4
OM (%)	47.3	42.4	-	37.3	-	41.5	
Net income	**65**	**50**	29.0	**54**	20.0	**50**	28.4
NM (%)	39.6	37.4	-	28.7	-	31.5	-
EPS	**0.63**	**0.49**	-	**0.53**	-	**0.49**	-

**includes adjustment for share of profits from associates*

Source: Company financials, anbc research

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