

Daily Bulletin

October 12, 2026

PURITY: SAR 20.0 mn Awqaf agreement strengthens recurring services revenue visibility from FY27

Last Price: SAR 16.5 | YTD Performance: +4.8%

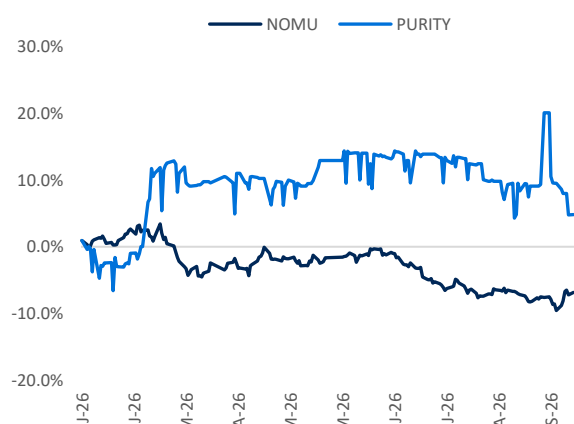
Purity for Information Technology has signed the Framework Agreement Project for Managed Services of Network Systems and Information Security with the General Authority for Awqaf. The agreement has a cap value of SAR 20.0 mn, including VAT, equivalent to up to 21.0% of Purity's FY25 revenue of SAR 95.1 mn. The agreement runs for three years, with the financial impact expected to start from FY27.

Based on the nature of the work, the agreement is likely to fall under Purity's Maintenance & Technical Support segment, as the contract covers ongoing managed network and information-security services rather than one-off sales of computers and equipment. The Maintenance & Technical Support segment generated SAR 14.1 mn of revenue in FY25, accounting for 14.8% of total revenue, and SAR 7.8 mn of gross profit, implying a gross margin of 55.6%. The segment accounted for 12.7% of total revenue in 1H26, compared with 14.8% in FY25. Assuming the SAR 20.0 mn agreement value is utilized evenly over three years, it implies around SAR 6.7 mn annually, equivalent to 47.3% of the segment's FY25 revenue. At the segment's FY25 gross margin, this could translate into around SAR 3.7 mn of annual gross profit, equivalent to roughly 26.8% of Purity's total FY25 gross profit.

The agreement adds to the strong growth seen in 1HFY26, when Purity's revenue increased 20.0% YoY to SAR 68.4 mn. Gross profit rose 26.9% YoY to SAR 9.4 mn, with gross margin improving to 13.8% from 13.0% in 1HFY25, supporting a more than two-fold increase in net profit to SAR 4.7 mn from SAR 2.3 mn in 1HFY25. Net margin consequently expanded to 6.8% during the period from 4.0% in 1HFY25. Growth was driven by new customer additions, which accounted for 65% of total revenue, highlighting the importance of new project and contract wins to the company's recent performance.

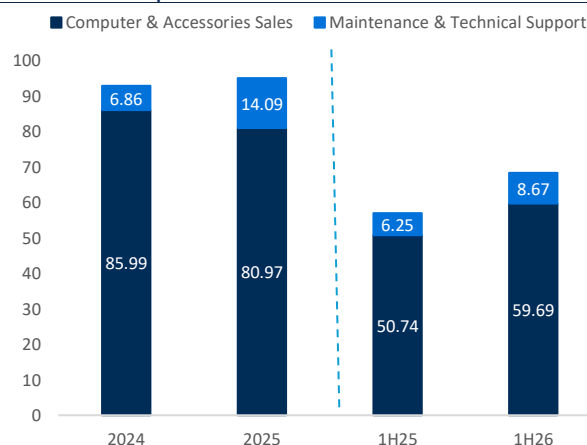
Purity's stock price has increased 4.8% YTD, outperforming NOMU, which declined 6.8% during the same period.

Relative price chart



Source: Bloomberg, anbc research

Revenue composition (SAR mn)



Source: Company financials, anbc research

*Company follows June year-end

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