

Daily Bulletin

October 13, 2026

Equipment House: SAR 50.0 mn award adds to O&M segment's pipeline for 2027

Last Price: SAR 26.2 | YTD Performance: -17.3%

Scientific and Medical Equipment House Co. (Equipment House) has been awarded a tender by Princess Nourah bint Abdulrahman University (PNU). The tender covers maintenance of medical equipment at King Abdullah bin Abdulaziz University Hospital, the university's dental clinics, simulation center and research center. The project value is SAR 50.0 mn including VAT, equivalent to 5.7% of Equipment House's 2025 revenue of SAR 876.7 mn, or 1.9% annually. The contract runs for three years, and the financial impact is expected to start from 1Q27.

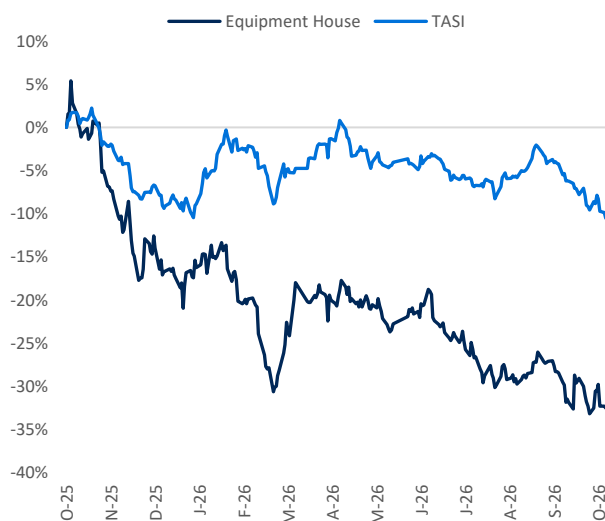
At the company's 2025 net margin of 3.0%, the project can contribute SAR ~0.5 mn to annual net profit, equivalent to 1.9% of 2025 net profit, totaling to SAR ~1.5 mn over its three-year term. The project is likely to contribute to the operating and maintenance contracts (O&M) segment, starting from 2027. The segment generated SAR 660.1 mn of revenue in 2025, accounting for 75.3% of total revenue, down 7.9% YoY from SAR 716.5 mn in 2024.

The award adds to a series of contract wins in 2026. Including this project, Equipment House has secured eight awards YTD with a combined value of around SAR 831.5 mn. These include a SAR 261.0 mn contract with the Ministry of Human Resources and Social Development (HRSD), a SAR 199.7 mn project with the Asir Health Cluster, a SAR 127.7 mn catering project for Armed Forces hospitals and a SAR 95.0 mn project with the Ministry of Justice. Management stated a project backlog of around SAR 3.5 bn in Aug-26, equivalent to around 4.0x 2025 revenue.

In 1H26, Equipment House's revenue fell to SAR 404.0 mn, down 18.3% YoY, driven by the absence of SAR 57.1 mn in merchandise sales at its subsidiary compared to 1H25 and a SAR 52.0 mn decline in O&M contracts revenue as previous projects were completed. New projects partially offset this, adding SAR 11.7 mn. Net profit attributable to shareholders declined 4.5% YoY to SAR 19.2 mn, limited by lower G&A and selling expenses, reduced credit loss provisions and lower zakat. Net margin improved to 4.7% from 4.1% in 1H25.

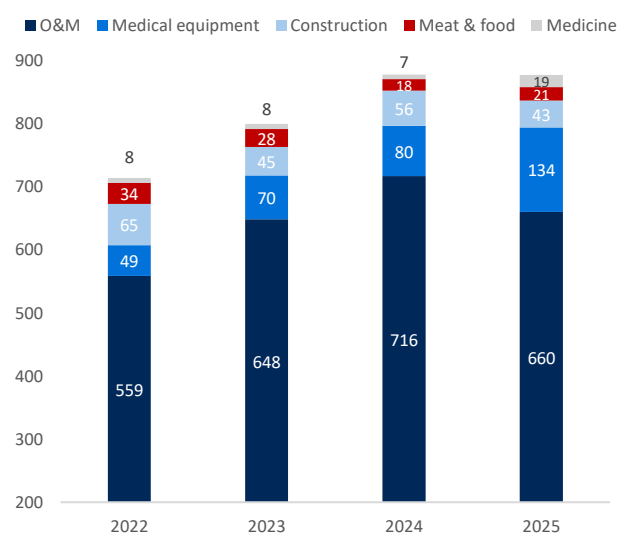
Equipment House's stock price has declined 17.3% YTD, underperforming TASI, which declined 2.0% over the same period.

Relative price chart



Source: Bloomberg, anbc research

Revenue (SAR mn)



Source: Company financials, anbc research

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