Daily Bulletin

November 16, 2026

Al Majdiah signs SAR 430.3 mn Zone 2 development agreement, expected to uplift earnings

Last Price: SAR 5.0 | YoY Performance: -52.6%

Al Majdiah Real Estate Co. (ALMAJDIAH) signed a development agreement with Jadwa Al Maqar Real Estate Fund for Zone 2 of the Mishraf Al Majdiah project in Al Hadra District, Madinah. The zone covers 1,159 residential units, with total development cost capped at SAR 430.3 mn (SAR 364.7 mn direct and SAR 65.6 mn indirect). Works are expected to take 30 months, and the agreement stays in effect until final handover and issuance of the final completion certificate.

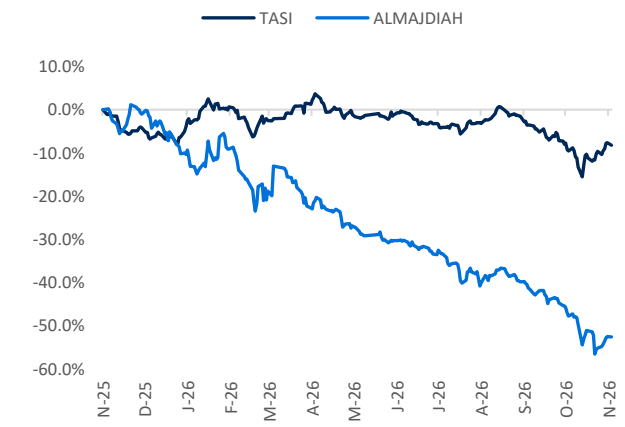
Al Majdiah acts as developer, covering design, planning, development and supervision of contractors, along with approvals, licences, and marketing and sale of the units. It will earn a development fee based on direct costs, sales and marketing fees, and a performance incentive subject to agreed conditions. The fee rates for Zone 2 were not disclosed. For reference, on a Riyadh mixed-use project announced in November 2025 with Jadwa Fund 47, the company disclosed a 15% development fee. If the same 15% applied to Zone 2's SAR 364.7 mn of direct costs, it would be about SAR 54.7 mn over the 30-month project, or 4.5% of 2025 revenue. Revenue will be recognized on a percentage-of-completion basis from the start of the implementation period.

Zone 2 follows the Zone 1 agreement with the same fund, announced on 13 September 2026. Zone 1 covers 296 residential units (66 villas and 230 apartments) plus the public realm of the central area, with a cost cap of SAR 185.0 mn and a 24-month timeline. Together, the two zones cover 1,455 units and SAR 615.3 mn of capped development cost, and are expected to add to development revenue, though the fee amounts are not disclosed.

Al Majdiah's earnings fell in 9M26, with net profit attributable to shareholders down 63.5% YoY to SAR 91.0 mn. The 9M25 base included SAR 314.5 mn of land sales, with none in 9M26. In contrast, the development and commission income segment held up, with revenue almost flat at SAR 66.8 mn (9M25: SAR 67.4 mn). It also earns a high gross margin of 77.2%, with gross profit of SAR 51.5 mn (9M25: SAR 52.9 mn). Despite only making a 9.7% of revenue this segment contributed 29.0% of the company's gross profit, up from 17.7% in 9M25.

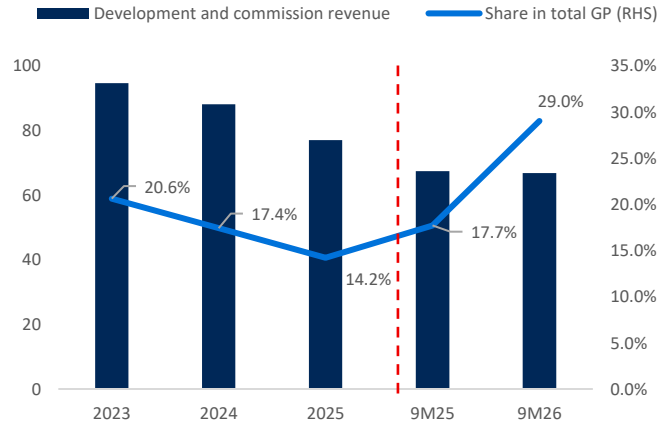
Al Majdiah's stock has declined 52.6% YoY, as of last close of SAR 5.0, underperforming TASI, which declined 8.2% during the same period.

Relative price chart



Source: Bloomberg, anbc research

Fee income: revenue and profit share



Source: Company financials, anbc research

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