Daily Bulletin

September 21, 2026

MASAR: Gain of SAR 344.3 mn on sale of 4 plots expected to support future earnings

Last Price: SAR 17.0 | YoY Performance: -28.4% | Consensus Target Price: SAR 21.1

Umm Al Qura for Development and Construction Co. (MASAR) and Al-Inma Second Development Co. Ltd., signed four sale agreements with Al-Diyar Al-Arabia for Real Estate Development Co. for non-boulevard-facing plots in Zone 3 of Masar Destination. The plots have a combined land area of 12,157 sqm and were sold for SAR 603.8 mn, excluding taxes and fees. These plots have a combined book value of SAR 259.5 mn, implying a gain of around SAR 344.3 mn, equivalent to 1.3x book value. The proceeds from the sale will be used to finance working capital and ongoing projects.

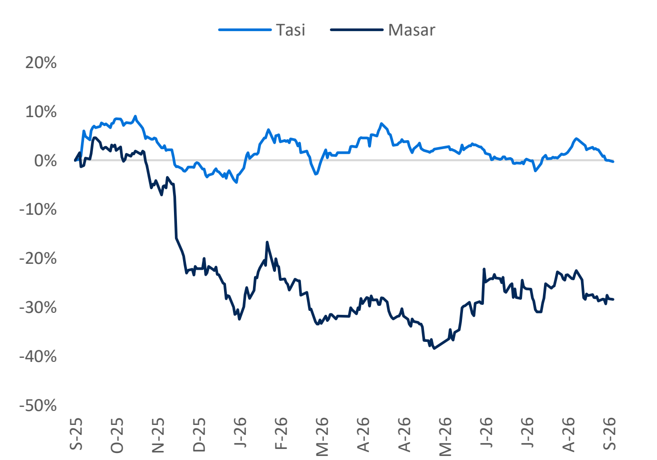
The first plot, covering 2,831 sqm, was sold for SAR 126.7 mn against a book value of SAR 54.4 mn, implying a gain of SAR 72.2 mn. The second plot, covering 2,820 sqm, was sold for SAR 125.8 mn against a book value of SAR 54.1 mn, implying a gain of SAR 71.8 mn. The third plot, covering 2,570 sqm, was sold for SAR 114.3 mn against a book value of SAR 49.1 mn, implying a gain of SAR 65.2 mn, while the fourth and largest plot, covering 3,936 sqm, was sold for SAR 236.9 mn against a book value of SAR 101.8 mn, implying a gain of SAR 135.1 mn.

The transaction value is equivalent to 20.9% of MASAR's SAR 2,890.6 mn land-sale revenue in 2025. Land sales remained the company's main revenue source during the year, with several plots sold for a contractual value of SAR 2,945.0.

The transaction follows MASAR's recent sale of a 2,500 sqm boulevard-facing plot in Zone 2 to Rawajeh Real Estate Co. for SAR 168.9 mn against a book value of SAR 76.0 mn, implying a gain of around SAR 92.9 mn. Together, the two recently announced transactions have a combined value of SAR 772.7 mn and imply total gains of around SAR 437.2 mn. As of 2Q26, MASAR had agreements in place to develop 81 plots out of 203 across land sales.

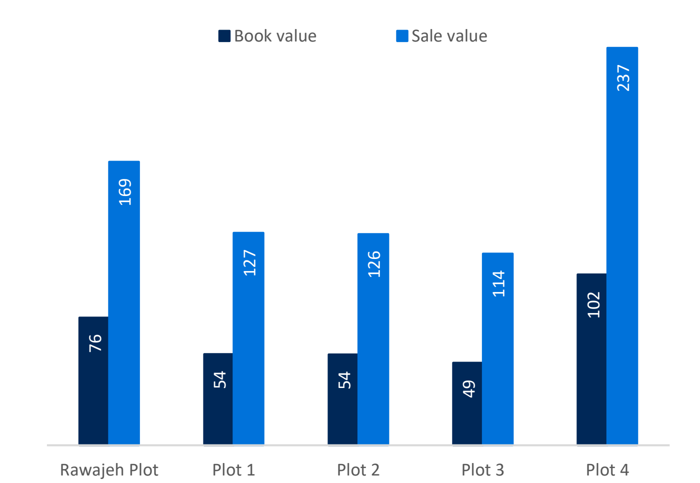
Umm Al Qura's stock price has declined 28.4% YoY, underperforming TASI, which declined 0.3% during the same period. The company is currently trading at a 2026e P/E of 28.3x, with a consensus target price of SAR 21.1/share, implying upside potential of 24.1% from its last close of SAR 17.0/share.

Relative price chart



Source: Bloomberg, anbc research

Recent land sales agreements (SAR Mn)



Source: Tadawul, anbc research

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