

## Daily Bulletin | July 2, 2025

- > MIS receives SAR 88.6 mn purchase order from SDAIA for IT services
- > Saudi consumer spending surges 10% YoY in May 2025
- > PIF logs SAR 25.8 bn profit in 2024, assets at SAR 4.3 tn

### MIS (7200:MIS AB) (Overweight: TP SAR 157/sh) receives SAR 88.6 mn purchase order from SDAIA for IT services

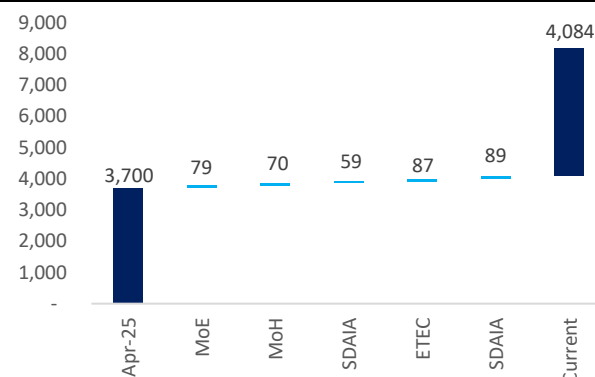
Al Moammar Information Systems Co. (MIS), in a recent notice on Tadawul, announced that it received a purchase order worth SAR 88.6 mn, including VAT, from the Saudi Data and AI Authority (SDAIA) which includes the provision of IT services and products for a 1 year period. The purchase order, valued at SAR 88.6 mn, accounts for 7.3% of the company's full-year revenue for 2024 and the financial impact expected between 3Q25 and 3Q26. MIS clarified that the purchase order falls under the framework agreement signed with the Government Expenditure and Projects Efficiency Authority (EXPRO), which was previously announced on March 25, 2024.

Relative Price Performance – 1 Year



Source: anbc Research

Backlog Progression (SAR Mn)



Source: anbc Research

The company recorded a backlog of SAR 3.7 bn by the end of April 2025. Following the recent addition of major projects with entities such as the Ministry of Health, Ministry of Education, Education and Training Evaluation Commission (ETEC), and Saudi Authority for Data and Artificial Intelligence (SDAIA), MIS's backlog has increased to approximately SAR 4.0 bn. With the inclusion of the new projects, the growing backlog pipeline now equates to 3.4x full year 2024 revenue, indicating healthy revenue outlook.

As a leading player in emerging technologies in the Kingdom, MIS has strong exposure to data centers, AI, IoT, and Extended Reality (ER). The company has already deployed 32MW of its planned 120MW data center capacity, with colocation demand remaining strong.

The Information, Communication and Technology (ICT) market in the Kingdom has grown at a CAGR of 8.1% from 2019 to 2024, driven by e-government initiatives, the data center establishments, and giga projects, increasing O&M demand. The sector is a primary beneficiary of the Kingdom's economic diversification efforts, supported by high mobile phone services (212%) and internet penetration (99%), along with one of the most favorable energy tariffs (\$0.048/kWh or SAR 0.18/kWh for cloud computing and households) in the world.

## Financial Snapshot

SAR MN	1Q24	1Q25	YoY	2Q25 anbc estimates
Revenue	334	406	21.7%	379
Gross Profit	54	82	51.9%	84
Gross Margin	16%	20%		22%
Operating Profit	30	25	-16.7%	50
EBIT Margin	9%	6%		13%
Net Profit	73	33.9	-53.6%	45
Net Margin	22%	8%		47%
EPS	2.44	1.13	-53.7%	1.58

Source: Company Data, anbc research

In Q2 2025, the stock rose by 3.1%, likely driven by the new contract wins during the quarter. This performance stands out against the broader TASI index, which declined 7.2% over the same period. Despite the recent uptick, the stock remains down 17% year to date and still trails the broader market, which is currently down 7.2%.

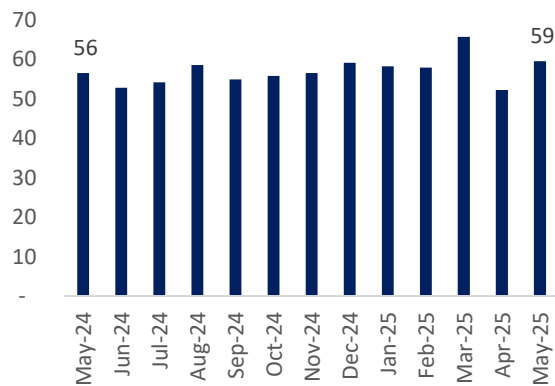
We have an 'Overweight' rating on MIS with a Dec-25 target price of SAR 157/share, resulting in an upside of 16.7% from last close of 1<sup>st</sup> July, 2025.

## Saudi Consumer spending surges 10% YoY in May 2025

Saudi Arabia's consumer spending witnessed a robust increase in May 2025, rising by 10% YoY to reach SAR 134.1 bn, up from nearly SAR 122 bn in the same month last year. This surge, representing total cash withdrawals, point-of-sale (POS) transactions, and Mada card e-commerce, signals a vibrant and evolving consumer market. The latest monthly data from the Saudi Central Bank (SAMA) reveals a clear and accelerating shift towards digital payment methods:

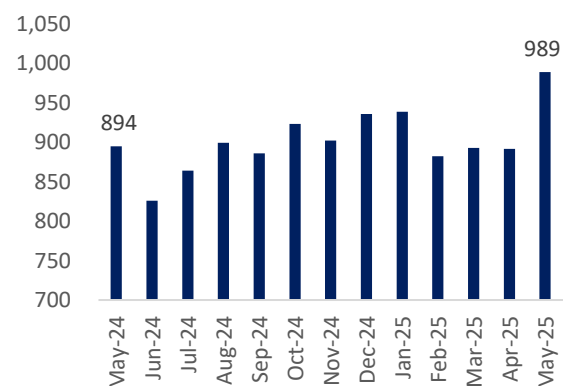
- **Cashless economy evolving:** Sales conducted through POS experienced a 5% (YoY) increase, reaching SAR 59.5 bn in May 2025.

**KSA Point of Sales (SAR bn)**



Source: SAMA, anbc Research

**KSA POS No. of Transactions (Mn)**



Source: SAMA, anbc Research

- **Solid Growth in POS transactions:** Point-of-sale (POS) transactions continued their upward trajectory, recording an 11% YoY increase in May 2025. Total of 988.8 mn transactions were processed through over 2.1 mn POS terminals.

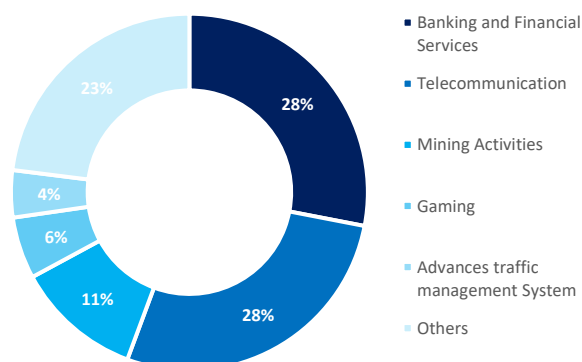
- **Decline in cash withdrawals:** Mirroring the global trend towards cashless transactions, cash withdrawals from ATMs saw a 4% YoY fall, settling at about SAR 47.2 bn in May 2025. These withdrawals were made across 15,000 ATMs. The total number of credit cards issued in the Kingdom reached 56.2 mn, further supporting the move away from physical cash.

## PIF logs SAR 25.8 bn profit in 2024, assets at SAR 4.3 tn

Public Investment fund (PIF) reported total revenues of SAR 413.4 bn in 2024 up 24.8% YoY. Income from investment activities were recorded at SAR 129.4 bn, up 38.0% YoY, while income from non-investing activities arrived at SAR 284.0 bn, an increase of 19.5% YoY. The main revenue drivers include:

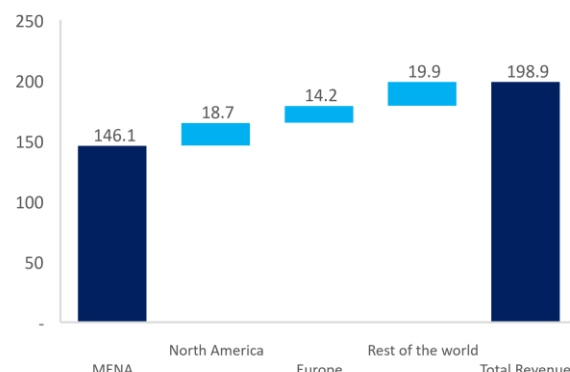
- higher revenues from several PIF companies, including Savvy Games Group, Saudi Arabian Mining Co., telecom operator stc, Saudi National Bank, AviLease, and Gulf International Bank. Additionally, the fund also received dividends from Saudi Aramco,
- some of the national mega projects began generating increased revenues compared to the previous year.

### Revenue Mix - 2024



Source: Company Data, anbc Research

### Revenue by Geography (SAR bn)\* - 2024



Source: Company Data, anbc Research

\* The disaggregation of revenue based on geographical markets exclude revenue generated from banking and financial services, income from investment activities and rental revenue

PIF posted a net profit of SAR 25.8 bn in 2024, compared to SAR 64.4 bn in 2023. Factors affecting the fund's 2024 earnings included:

- global economic challenges such as rising interest rates and inflation
- impairment losses associated with some projects due to the changes in operational plans and higher estimated costs, which accounted for less than 2% of total assets.

### Income Statement

Amounts in SAR bn	2023	2024	YoY (%)
Revenue from Non-investing Activities	238	284	20
Income from Investing Activities	94	129	38
<b>Total Revenue</b>	<b>331</b>	<b>413</b>	<b>25</b>
Cost of Revenue	(153)	(189)	24
Other Operating Revenue	1	(0)	-
Shares from Associates	9	3	(70)
Operating Profit	70	35	(50)
<b>Net Profit</b>	<b>64</b>	<b>26</b>	<b>(60)</b>

Source: Argam

### Milestones Achieved in 2024

PIF's key milestones in 2024 included:

- Progress in expanding the entertainment and tourism sectors by launching new luxury hotels, heritage zones, debuting AROYA Cruises, establishing the Adeera hotel management brand, and preparing Riyadh Air for 2025 operations with global partnerships.
- Investments in key infrastructure to support economic growth, including agreement with stc Group to merge its telecommunications tower assets and establishing Smart Accommodation for Residential Complexes Company (SARCC) to address rising demand for residential accommodation across the Kingdom.
- PIF accelerated the development of the Kingdom's capital markets through a strategic partnership with BlackRock to set up a new multi-asset investment management platform.
- The fund advanced AI infrastructure by partnering with Google Cloud to build a global AI hub in Dammam and founding Neo Space Group to lead the commercial satellite and geospatial data industries in Saudi Arabia.
- PIF's ecosystem expanded with AviLease achieving 382% YoY net profit growth in 2024 and growing its fleet to 189 aircraft.

### Balance Sheet Position

The fund's total assets increased to SAR 4.3 tn by the end of 2024, compared to SAR 3.7 tn in 2023. PIF maintained strong liquidity with a cash position of SAR 315.9 bn by end of 2024. Loans and advances rose slightly to SAR 570 bn, as the PIF and its subsidiaries continued to diversify their funding sources through successful transactions in global capital markets.

#### Balance Sheet

Amounts in SAR bn	2023	2024	YoY (%)
Monetary Institutions	330	316	(4)
Investments in Associates	165	197	19
Investments in Securities	1,754	2,204	26
Finance and Advances	659	713	8
<b>Total Assets</b>	<b>3,664</b>	<b>4,321</b>	<b>18</b>
Loans	466	570	22
Customer Deposits	685	646	(6)
<b>Total Liabilities</b>	<b>1,451</b>	<b>1,638</b>	<b>13</b>
<b>Total Equity</b>	<b>2,213</b>	<b>2,683</b>	<b>21</b>

Source: Argaam

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