

# Daily Bulletin

June 9, 2026

## Al Arabia signs a SAR 1.0 bn contract with Wave Media Advertising Company

**Last Price: SAR 93.3 | YoY Performance: -13.1% | Target Price: SAR 110.0**

Arabian Contracting Services Co. (Al Arabia) has signed a contract with Wave Media Advertising Company for the provision of non-exclusive advertising services. The contract is signed for a duration of three years, with the financial impact expected to begin from 2Q26. The average annual contract value is SAR 336.6 mn (excluding VAT), implying a cumulative value of SAR 1.0 bn over the three-year term.

Under the contract, Al Arabia will market and sell advertising spaces, advertisements, and advertising campaigns on its existing outdoor billboard network, comprising a network of Megacom, Super Megacom, Mupi, and Super Mupi billboards located in Jeddah, Arar, Jazan, and Hail. Al Arabia has described the agreement as part of its efforts to expand in the outdoor advertising sector and strengthen its presence across key locations.

The annual contract value of SAR 336.6 mn is equivalent to 17.2% of Al Arabia's 2025 total revenue of SAR 1,952.1 mn, which grew 19.2% YoY from SAR 1,637.1 mn in 2024. The contract falls within Al Arabia's outdoor advertising segment, which generated SAR 1,779.6 mn in 2025, accounting for 91.2% of the business' top line with annual growth of 19.6% YoY. The SAR 336.6 mn annual award is therefore equivalent to roughly 18.9% of 2025 outdoor segment revenue, representing a meaningful uplift to Al Arabia's core advertising business.

Applying Al Arabia's 2025 net profit margin of 9.6%, the SAR 336.6 mn annual value would imply approximately SAR 32.4 mn in incremental annual earnings, or SAR 97.2 mn over the three-year term.

Al Arabia held 8,564 billboards and 70,448 faces across the Kingdom as of 31 December 2025. This contract relates to the outdoor offerings of 4,209 billboards and 27,183 faces.

Wave Media is a related party: Al Arabia holds an indirect ownership interest in Wave Media through an investment fund, and the Company states the agreement was entered into on an arm's length basis without preferential terms.

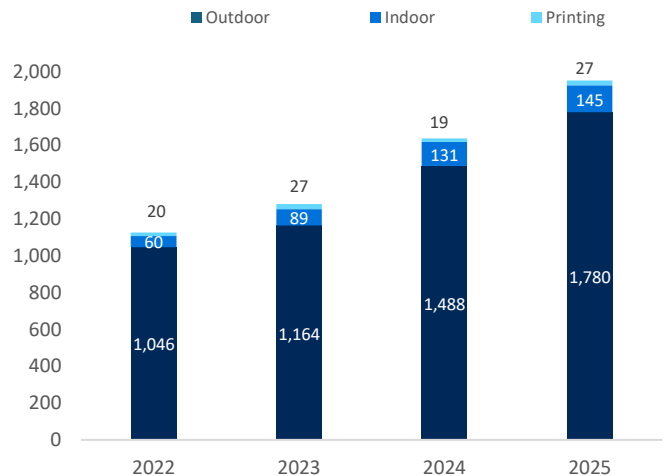
We highlight that Al Arabia's share price responded positively to the announcement, trading intraday at SAR 95.0 up 1.8% compared to its close of SAR 93.3 yesterday. Al Arabia's stock price has fallen 13.1% YoY as of yesterday's close, significantly underperforming TASI, which is down 0.3% over the same period. Bloomberg consensus estimates a 12-month target price of SAR 110.0 for Al Arabia's share, implying an upside of 17.9% from last close.

Relative price chart



Source: Tadawul, anbc research

Segment-wise revenue



Source: Company financials, anbc research

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