

Daily Bulletin

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ARDCO 2025 net profit consistent despite prior-year land sale gain

Last Price: SAR 17.3 | Consensus Target Price: SAR 27.9 | YoY Performance: -47.6%

Riyadh Development Company reported a net income of SAR 296.1 mn in 2025, consistent with the prior year, despite the previous year including gains of approximately SAR 123 mn from the sale of land by its associate, Tanal.

The increase in the net profit was supported by a SAR 63 mn (19.5%) increase in main operations revenue, a SAR 3 mn decrease in operating costs, and a SAR 25 mn reduction in general and administrative expenses, driven by improved efficiency, lower provisions for doubtful debts due to enhanced collections, and reduced legal and professional fees. Other revenues increased by SAR 20 mn, primarily from the reversal of a provision for a potential liability and recognition of a building reverting to the company's ownership under a Build-Operate-Transfer (BOT) arrangement. Zakat provision decreased by SAR 6 mn.

Revenue stood at SAR 384.2 mn, up 19.5% YoY. The growth was primarily driven by a SAR 12 mn increase in revenue from centers and markets, after excluding the impact of Al-Tameer Center, which was transferred to Dira Development Company as an in-kind contribution starting December 2024. The increase was also supported by partial sales of the company's non-strategic lands valued at SAR 97 mn, in line with its strategy to maximize returns on unutilized assets. Gross margin improved to 69.1% in 2025, up from 62.2% in 2024.

Riyadh Development Company has declined 47.6% YoY, underperforming TASI, which declined 12.8% during the same period. The stock is currently trading at a TTM P/E of 10.6x, with a consensus target price of SAR 27.9/sh, implying an upside of 61.3%.

Relative price chart



Source: Tadawul, anbc research

ARDCO's financials (SAR mn)

	2025	2024	YoY (%)
Revenue	384	322	20
COGS	119	122	(2)
Gross profit	266	200	33
Gross margin (%)	69	62	
Operating expense	75	100	(25)
Operating profit	191	100	90
Operating margin (%)	50	31	
Net income	296	296	(0)
Net margin (%)	77	92	
EPS	0.3	0.3	

Source: Company financials, anbc research

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