Saudi Arabia

Software & Services Sector Chartbook

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Executive Summary

- The Saudi software & services sector is poised for strong growth in the coming years, driven by key themes such as Digital Transformation and Vision 2030, Cloud Computing and Data Centers, Cybersecurity, Artificial Intelligence and Machine Learning, and E-Government and Smart Cities, among others.
- Saudi Arabia's Vision 2030 roadmap aims to diversify the economy and reduce dependence on oil by promoting digital innovation and smart technologies across sectors such as government, healthcare, education, and finance. IT companies are positioned to play a critical role in enabling digital transformation through software, cloud services, cybersecurity, and data management solutions.
- IT stocks have shown correction over the past year, where SOLUTION AB has declined the most, followed by 2P AB, while ELM AB is the only stock that has posted gains.
- ELM AB has shown the strongest price performance by far over the past 3 years, whereas SOLUTION AB and 2P AB have recorded double-digit gains over the same period, while MIS AB lags behind with mid-single-digit growth.
- All companies have seen a downward re-rating of P/E multiples over 2024. ELM AB is trading at a premium compared to peers, given its strong growth trajectory, while SOLUTION AB and 2P AB are trading around their lowest levels over the past three years.
- ELM AB reported the highest profit in 2024 and the highest CAGR in net profits over 2020-2024, while MIS AB reported the lowest CAGR in net profits over the same period. ELM AB and SOLUTION AB have consistently delivered double-digit profit growth over the past four years.
- SOLUTION AB reported the highest revenue in 2024, followed by ELM AB, whereas ELM AB reported the highest CAGR in revenue over 2020-2024. ELM AB has consistently delivered double-digit growth in revenue over the past five years.
- ELM AB, SOLUTION AB, and MIS AB witnessed pressure on gross margins in 4Q24, whereas 2P AB has recorded a sharp increase in gross margins over the past two quarters, reaching its highest level over the past four years.

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Macro Themes

Software & Services Sector

Macro trends in the Software & Services Sector

The IT sector in Saudi Arabia is poised for substantial growth, driven by several macro trends that align with the nation's ambitious Vision 2030. Here are some key macro themes for IT companies in Saudi Arabia:

- **Digital Transformation and Vision 2030:** Saudi Arabia's Vision 2030 roadmap aims to diversify the economy and reduce dependence on oil by promoting digital innovation and smart technologies across sectors such as government, healthcare, education, and finance. IT companies are positioned to play a critical role in enabling digital transformation through software, cloud services, cybersecurity, and data management solutions.
- **Cloud Computing and Data Centers:** With the rapid adoption of cloud-based solutions, there is significant growth in the demand for cloud infrastructure and data center services. Major global cloud providers like AWS, Microsoft Azure, and Google Cloud are expanding their operations in Saudi Arabia, and local IT firms are partnering or investing in data centers to provide infrastructure solutions tailored to the region.
- **Cybersecurity:** As cyber threats increase globally, Saudi Arabia focuses heavily on cybersecurity to protect critical infrastructure and data. The rise in digital initiatives has made cybersecurity a top priority, creating opportunities for IT firms specializing in security software, risk management, and threat detection services.
- **Artificial Intelligence and Machine Learning:** Saudi Arabia invests heavily in AI and machine learning technologies to boost efficiency and innovation across various industries. The government has established AI-focused organizations like the Saudi Data and Artificial Intelligence Authority (SDAIA), creating a fertile ground for IT companies to develop AI solutions for healthcare, finance, logistics, and more.
- **E-Government and Smart Cities:** Saudi Arabia is transforming its public sector with e-government services and smart city initiatives, such as the NEOM project and the Red Sea Development. These initiatives require robust IT infrastructure, digital platforms, and integration services, creating opportunities for IT companies to engage in public sector projects.
- **Fintech and Digital Payments:** The fintech industry in Saudi Arabia is growing rapidly as the government pushes for a cashless economy and the modernization of banking services. There is a high demand for IT solutions in digital payments, online banking, and financial inclusion, which offers opportunities for IT companies to develop innovative fintech products.
- **5G Deployment:** The roll-out of 5G networks in Saudi Arabia is accelerating, providing opportunities for IT companies involved in telecommunications, infrastructure, and IoT (Internet of Things) solutions. This technological advancement opens up new possibilities in areas like smart cities, autonomous vehicles, and industrial IoT.

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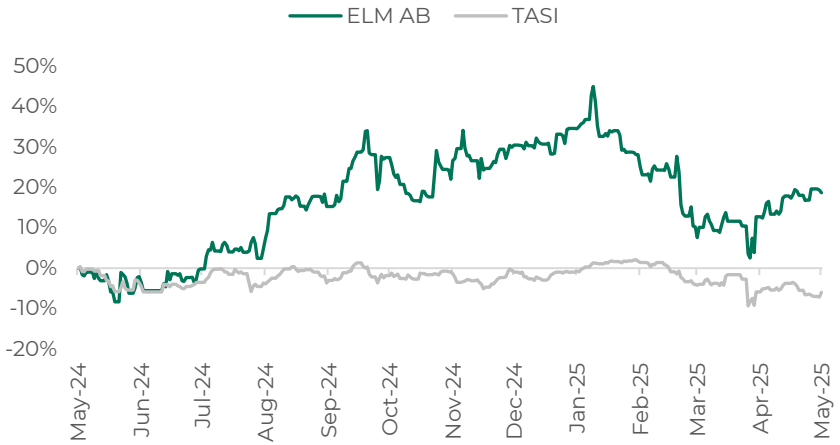
Company Statistics

Software & Services Sector

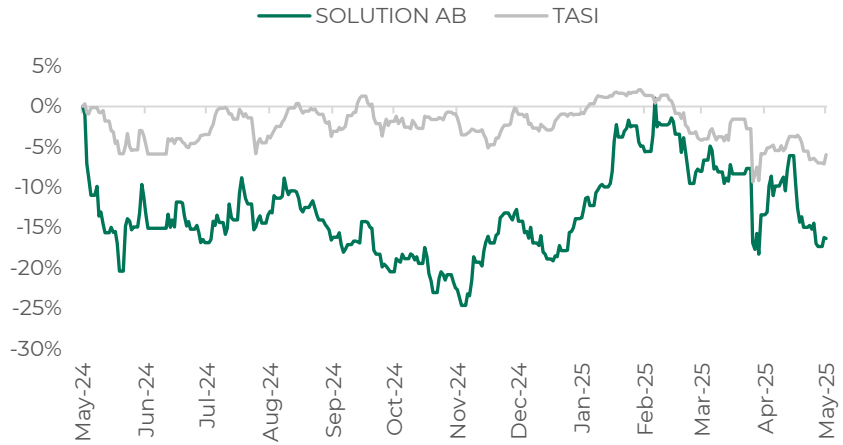
Software & Services Sector | Stock price performance over 1 year

- *Barring ELM AB, other IT companies' share prices declined over the past year*
- *2P AB has declined the most, followed by MIS AB*
- *ELM AB is the only stock that has posted gains*

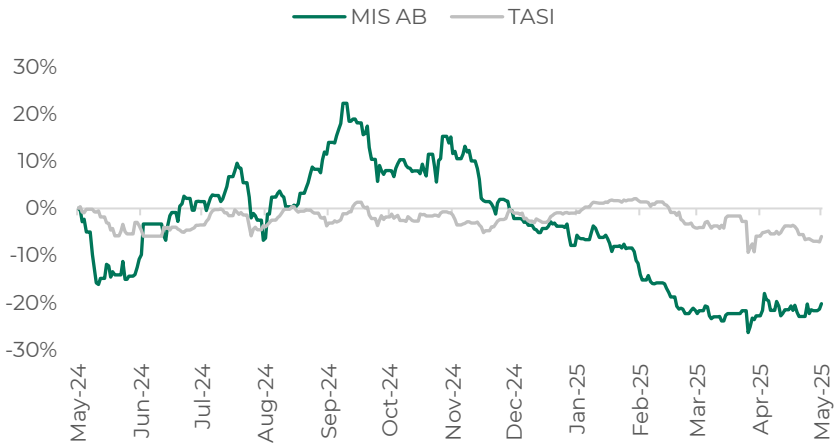
ELM AB is the only stock that posted gains in the last twelve months



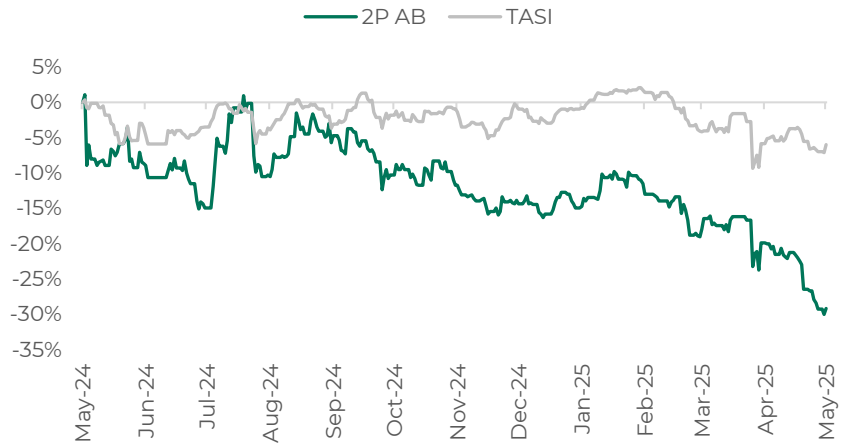
SOLUTION AB share price ended with a relatively limited decline



MIS AB's share price sharply corrected in 2025



2P AB declined the most losing nearly 30% in the last twelve months



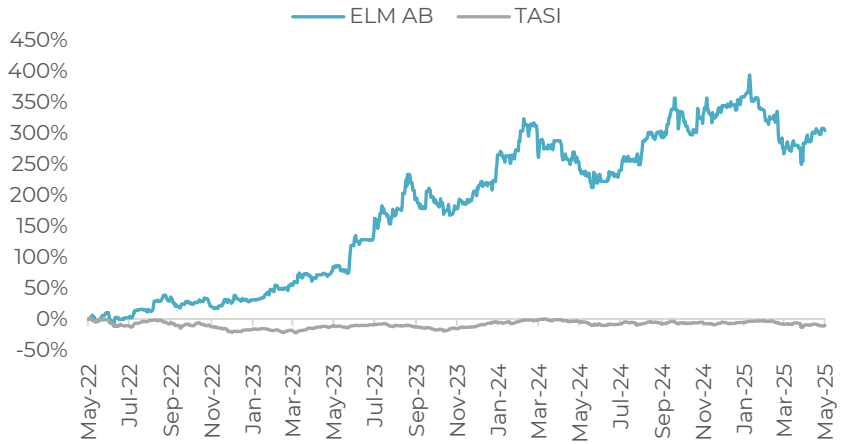
Source: Company Accounts, KTrade Research

- ELM AB is the only IT stock that has posted gains over the past year from our sample. The stock has gained 12% YoY, while on a YTD basis, the stock declined 7%.
- SOLUTION AB declined 3% YoY while on a YTD basis it has gained 2%.
- MIS AB recorded the second highest decline of 20% YoY, while on a YTD basis, the stock declined 19%
- 2P AB declined the most, closing lower by 21% YoY and 18% YTD.

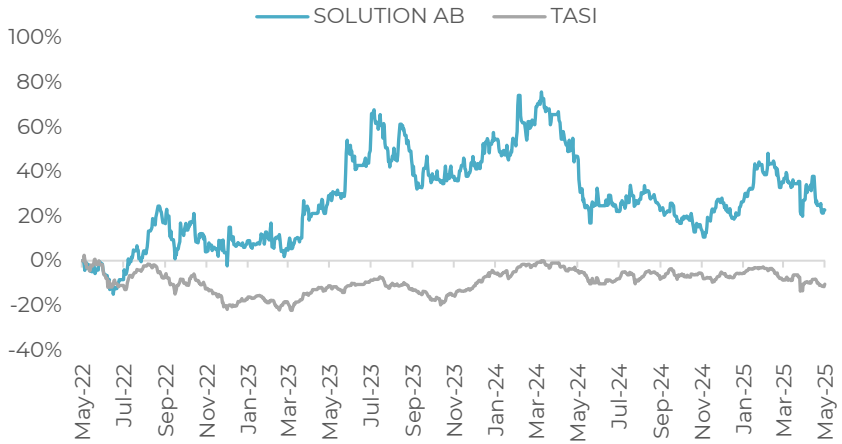
Software & Services Sector | Stock price performance over past 3 years

- *ELM AB has shown the strongest price performance by far over the past 3 years*
- *SOLUTION AB, MIS AB and 2P AB have recorded double digit gains over the same period*
- *2P AB was listed on TASI in Nov'22*

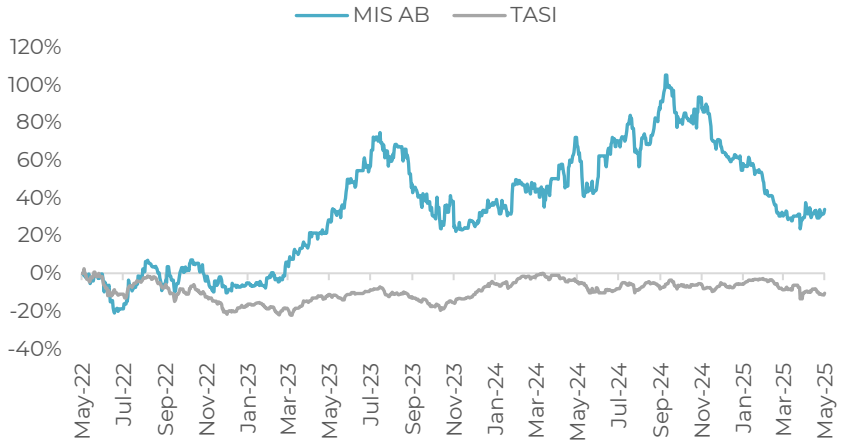
ELM AB has outperformed the market and its peers



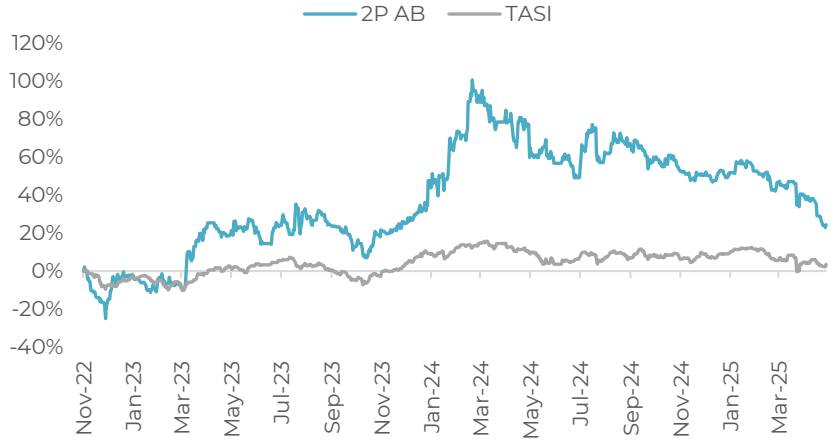
SOLUTION AB has posted double digit growth



MIS AB has posted the second-highest gains, up nearly 30%



2P AB has gained 24% since its listing in Nov'22



Source: Company Accounts, KTrade Research

- ELM AB has shown the strongest price performance by far over the past 3 years. The stock gained 254% during the period, driven by its strong growth profile.
- MIS AB recorded the second highest gains with the stock price increasing by 34% over the time period, followed by a 20% increase for SOLUTION AB.
- 2P AB was listed in Nov'22 and has gained 24% since its listing.
- All IT stocks have outperformed the market over the three year period with TASI down 7%.

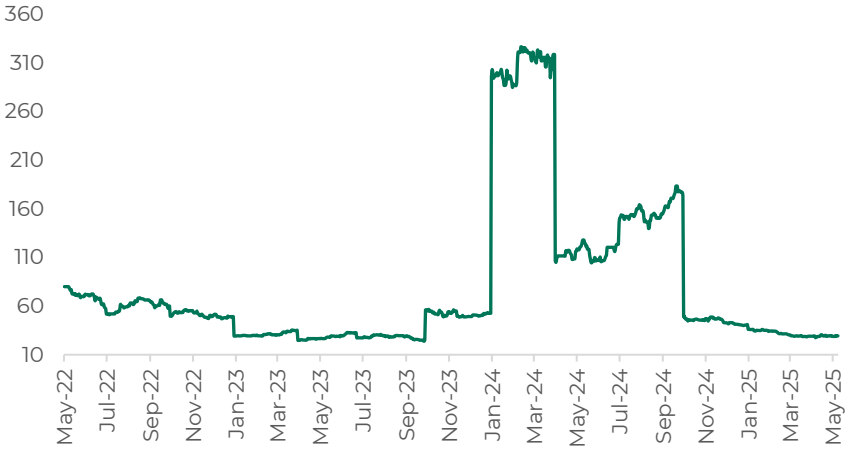
Software & Services Sector | Price to Earnings (P/E) trend

- *ELM AB is trading at a premium compared to peers given its strong growth trajectory*
- *All companies have seen a downward re-rating of P/E multiples over 2024 extending into 2025*
- *SOLUTION AB and 2P AB are trading around their lowest P/E over the past three years*

ELM AB is trading at a premium to its peers given its strong growth prospects

SOLUTION AB is trading around its lowest levels over the past three years

MIS AB has seen volatility in its P/E multiple



2P AB is trading around its lowest levels over the past three years

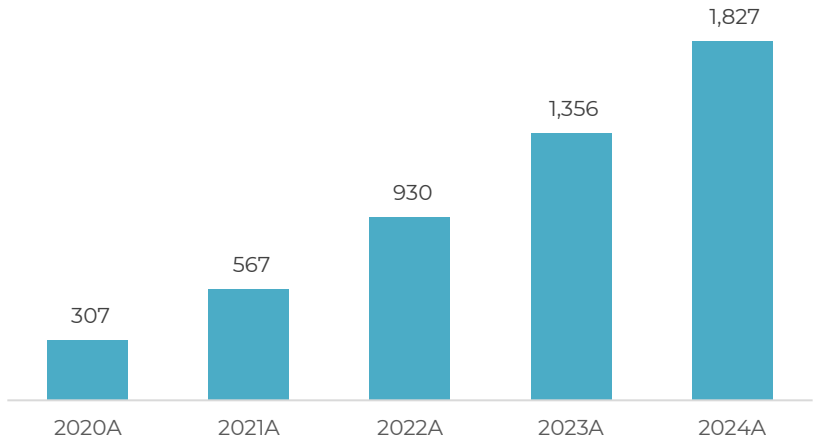
Source: Company Accounts, KTrade Research

- ELM AB is trading at a premium compared to peers given its strong growth trajectory. The stock traded at an average P/E multiple of 53.7x in 2024 and 46.0x YTD, significantly above its peers.
- MIS AB has traded at an average P/E multiple of 31.3x YTD. The stock faced volatility in its P/E multiple during 2024 following losses towards the end of 2023.
- 2P AB traded at an average P/E multiple of 30.7x during 2024 which has declined to 24.8x in 2025 YTD.
- SOLUTION AB is currently traded at the lowest P/E multiple among the four companies at an average of 28.4x in 2024, which declined further to 22.5x in 2025 YTD.
- All companies have seen a downward re-rating of P/E multiples over 2024
- SOLUTION AB and 2P AB are trading around their lowest P/E over the past three years

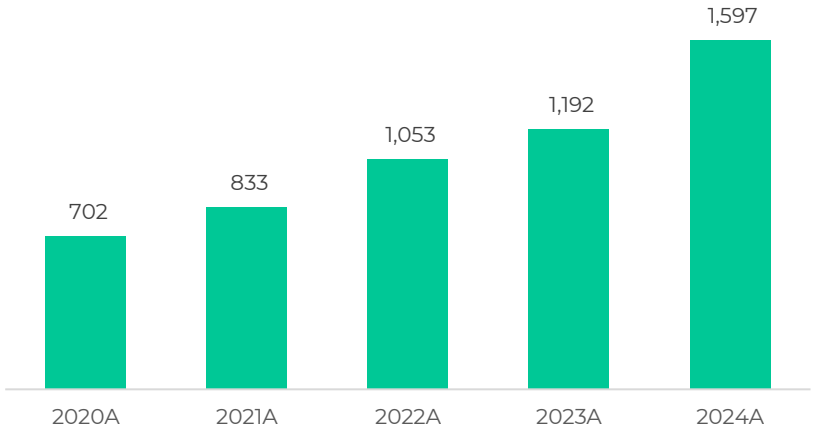
Software & Services Sector | Net profit over the last 5 years

- *ELM AB reported the highest profit in 2024 followed by SOLUTION AB*
- *ELM AB reported the highest CAGR in net profits over 2020-2024*
- *MIS AB reported the lowest CAGR in net profits over 2020-2024*

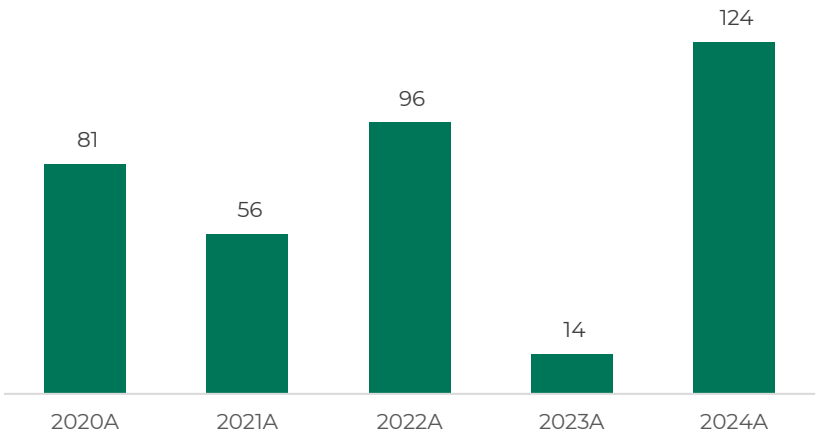
ELM AB leads peers with the highest net profit



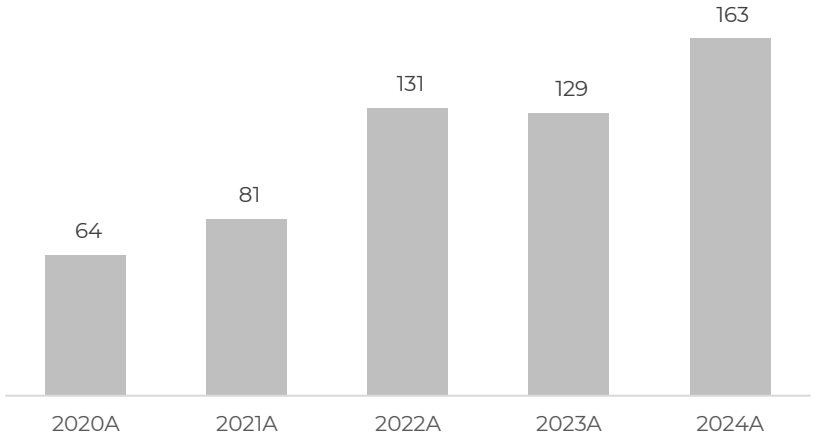
SOLUTION AB ranks second highest in terms of net profit



MIS AB has the lowest net profit among peers with a volatile trend



2P AB delivered a broadly increasing trend in net profits



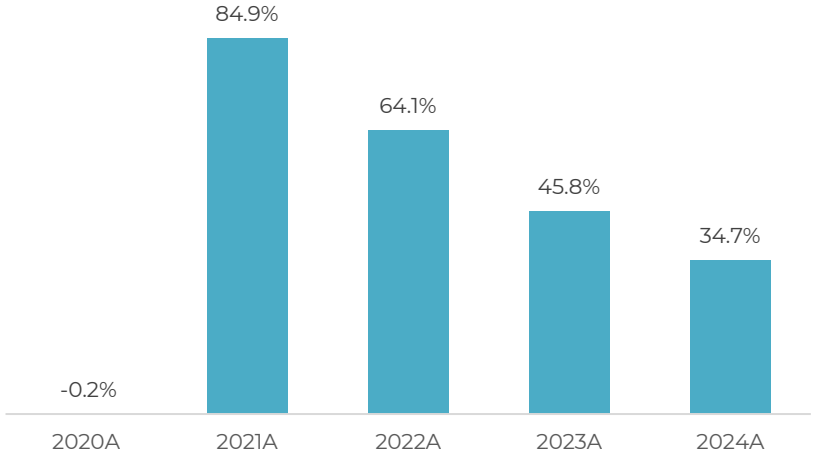
- ELM AB overtook SOLUTION AB in 2023 in terms of the highest net profit generated. ELM AB reported the highest profit in 2024 of SR1.8bn, which grew at the highest CAGR among peers of 56% over 2020-2024.
- SOLUTION AB had the second highest net profit in 2024 at SR1.6bn, which grew at a CAGR of 23% over 2020-2024.
- 2P AB reported net profit of SR163mn, which grew at the second highest CAGR of 26% over 2020-2024.
- MIS AB has witnessed volatility in net profits and reported the lowest earnings among peers at SR124mn in 2024, which grew at a CAGR of 11% over 2020-2024.

Source: Company Accounts, KTrade Research

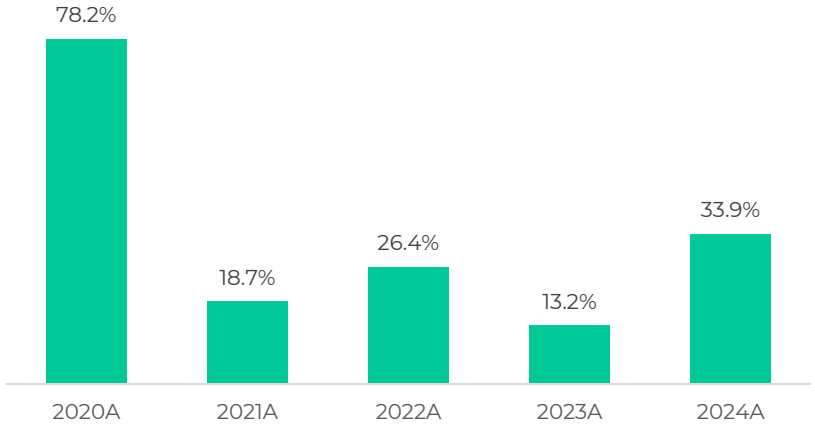
Software & Services Sector | Annual earnings growth over the last 5 years

- *ELM AB and SOLUTION AB have consistently delivered double digit growth in profits over the past four years*
- *MIS AB has seen volatility in net profit growth*
- *All companies delivered at least double-digit growth in profits during 2024*

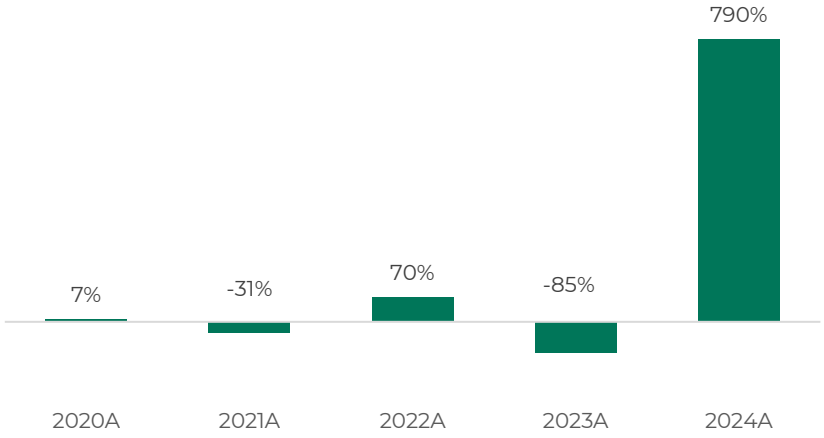
ELM AB has maintained double digit growth over the past four



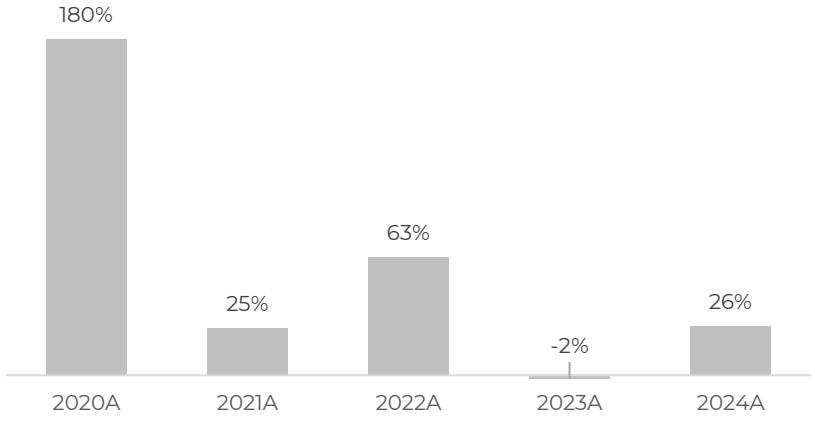
SOLUTION AB has maintained double digit growth over the past five years



MIS AB has had a volatile trend in net profit growth



2P AB has delivered double digit growth in four out of the last five years



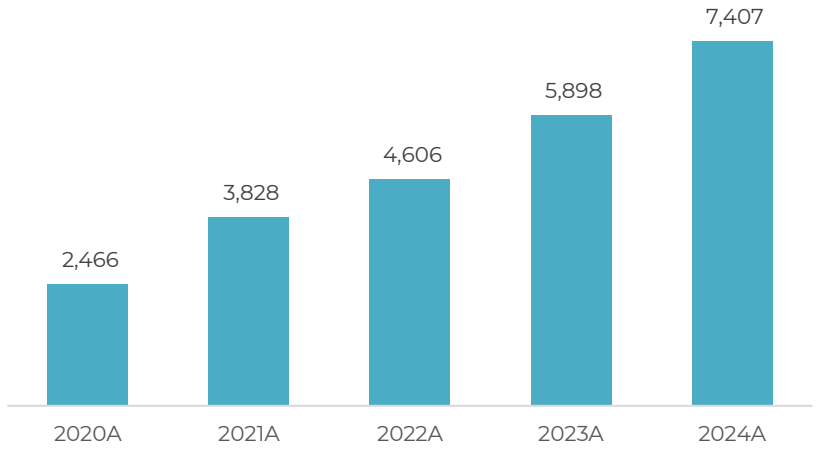
- SOLUTION AB has consistently delivered double-digit growth in net profit over the past five years
- ELM AB has delivered double-digit growth over the past four years
- 2P AB has delivered double-digit growth in four out of the past five years
- MIS AB has witnessed fluctuation in net profit growth, although the company's 2024 results recorded triple-digit growth owing to the low base in 2023.

Source: Company Accounts, KTrade Research

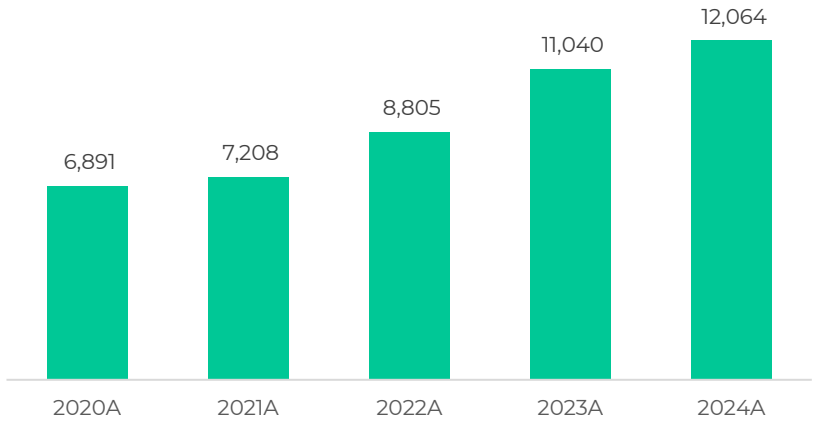
Software & Services Sector | Revenue over the last 5 years

- *SOLUTION AB reported the highest revenue in 2024 followed by ELM AB*
- *ELM AB reported the highest CAGR in revenue over 2020-2024*
- *SOLUTION AB reported the lowest CAGR in revenue over 2020-2024*

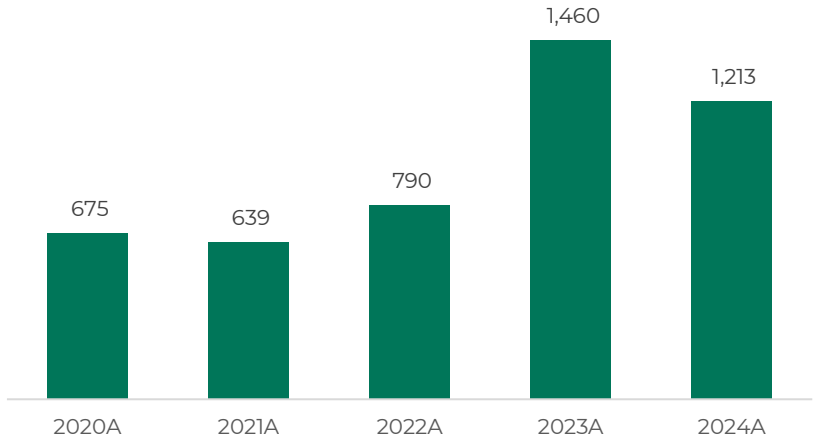
ELM AB has the second highest revenue among peers



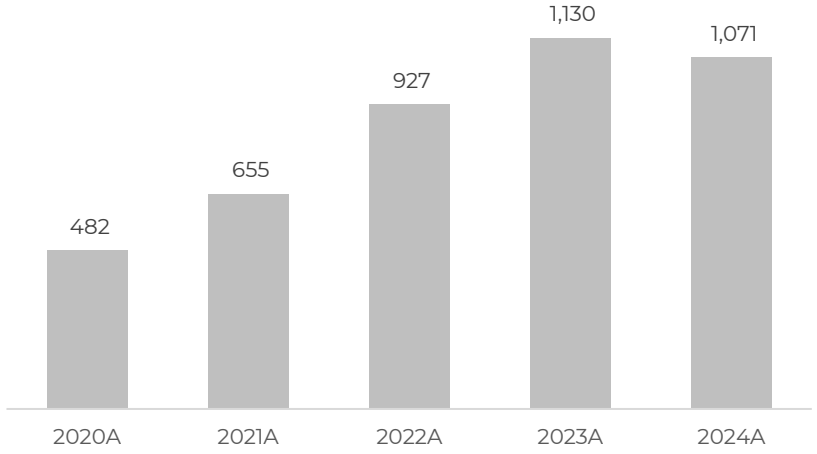
SOLUTION AB has the highest revenue among peers



MIS AB ranks third among peers in terms of revenue generation



2P AB ranks lowest among peers in terms of revenue generation



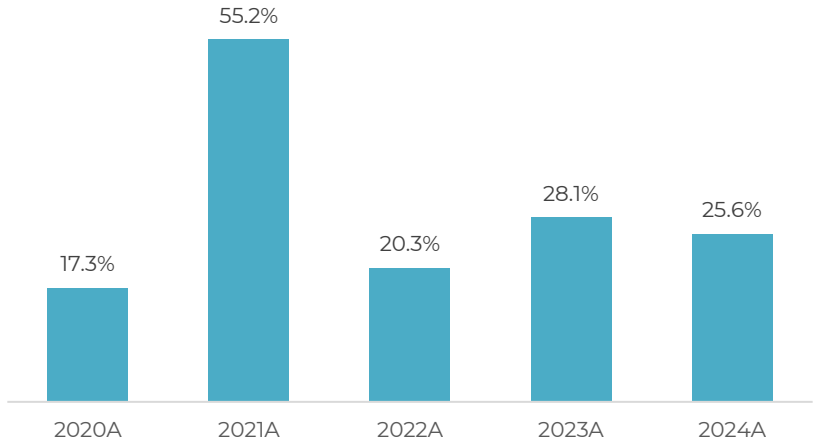
Source: Company Accounts, KTrade Research

- SOLUTION AB has the highest revenue among peers at SR12.1bn in 2024. In terms of revenue growth, the company has the lowest CAGR of 15% over 2020-2024.
- ELM AB has the second-highest revenue among peers at SR7.4bn in 2024. In terms of revenue growth, the company has the highest CAGR of 32% over 2020-2024.
- MIS AB ranks third among peers in terms of revenue generation at SR1.2bn in 2024. In terms of revenue growth, the company has posted a CAGR of 16% over 2020-2024.
- 2P AB ranks lowest among peers in terms of revenue generation at SR1.1bn in 2024. In terms of revenue growth, the company has the second highest CAGR of 22% over 2020-2024.
- ELM AB and SOLUTION AB have consistently delivered increasing revenue, while MIS AB and 2P AB saw a YoY decline in revenue in 2024.

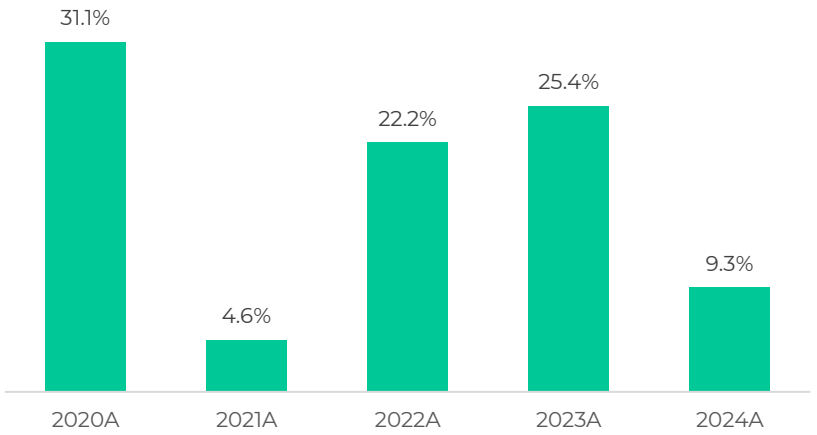
Software & Services Sector | Revenue growth over the last 5 years

- *ELM AB has consistently delivered double digit growth in revenue over the past five years*
- *2P AB has delivered double digit growth in four out of the last five years while SOLUTION AB has done the same in three out of the last five years*
- *MIS AB and 2P AB recorded YoY decline in revenue during 2024*

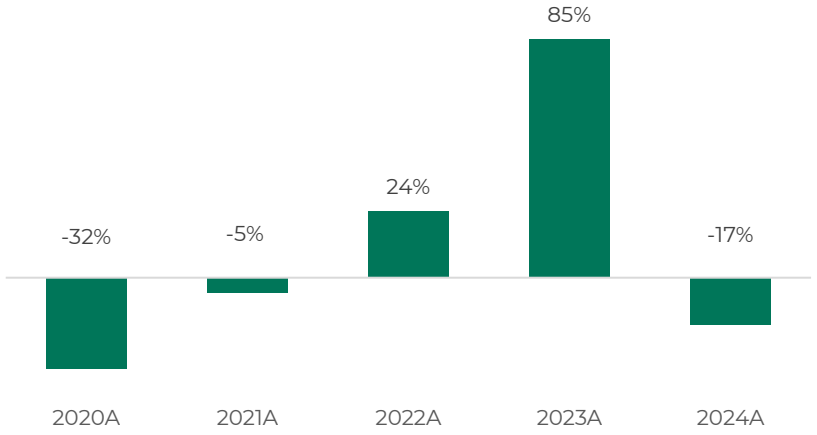
ELM AB posted the highest revenue growth among peers in 2024



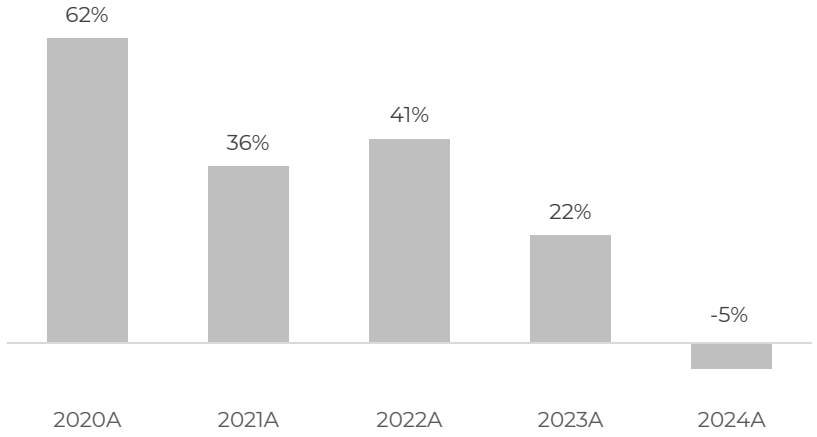
SOLUTION AB witnessed slowdown in revenue growth vs 2023



MIS AB posted lower revenue in 2024 following sharp increase in 2023



2P AB's revenue declined after double digit growth over 2020 to 2023



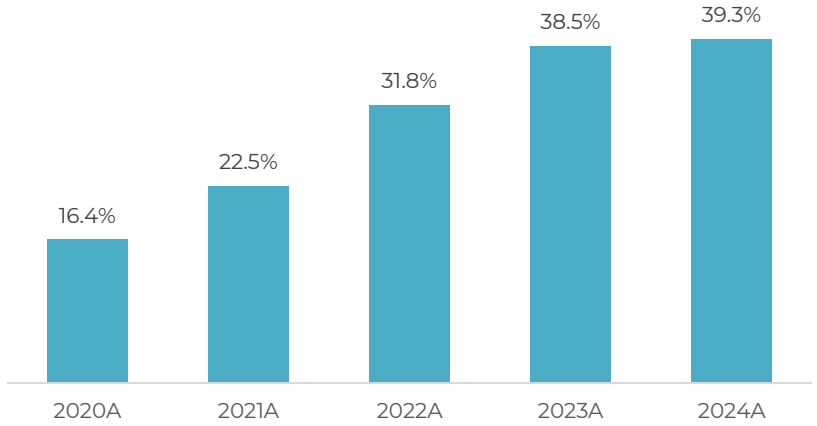
- ELM AB has consistently delivered double-digit growth in revenue over the past five years
- 2P AB has delivered double-digit growth in four out of the past five years
- SOLUTION AB has delivered double-digit growth in three out of the past five years
- MIS AB has delivered mixed performance with volatility in revenue growth.
- MIS AB and 2P AB recorded a YoY decline in revenue during 2024

Source: Company Accounts, KTrade Research

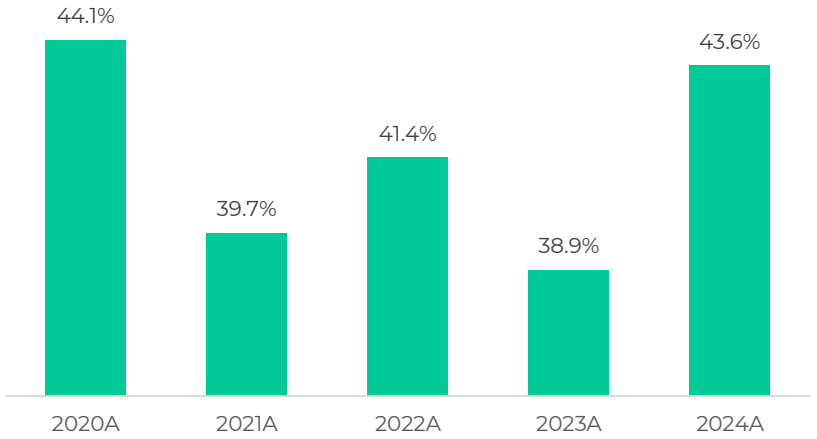
Software & Services Sector | Return on equity (RoE) over the last 5 years

- *ELM AB has consistently improved its RoE over the past five years*
- *SOLUTION AB had the highest RoE among peers in 2024*
- *MIS AB and 2P AB delivered similar RoE in 2024 although with differing trends over the past five years*

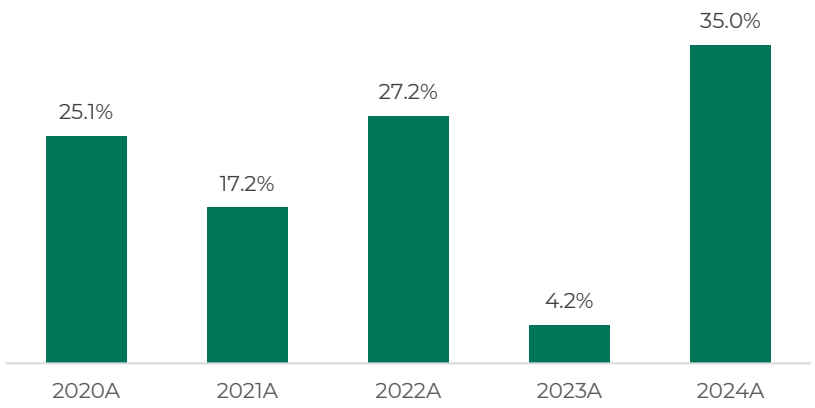
ELM AB has consistently improved its RoE over the past five years



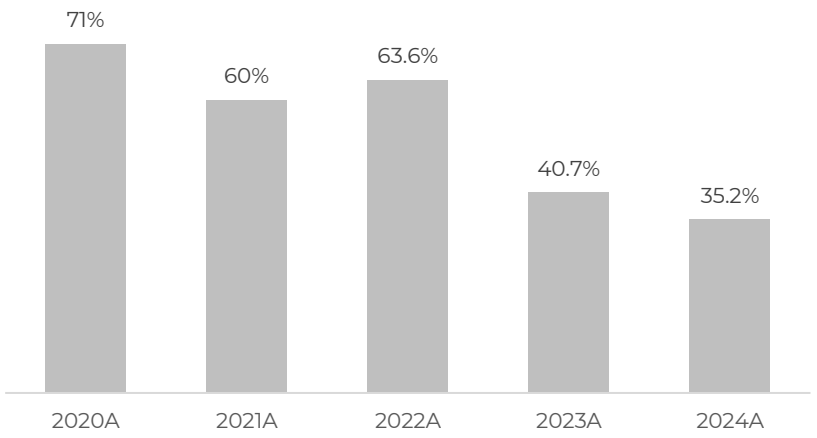
SOLUTION AB had the highest RoE among peers in 2024



Despite weak performance in 2023, ROEs recovered markedly in 2024



2P AB's declining trend in RoE continued in 2024



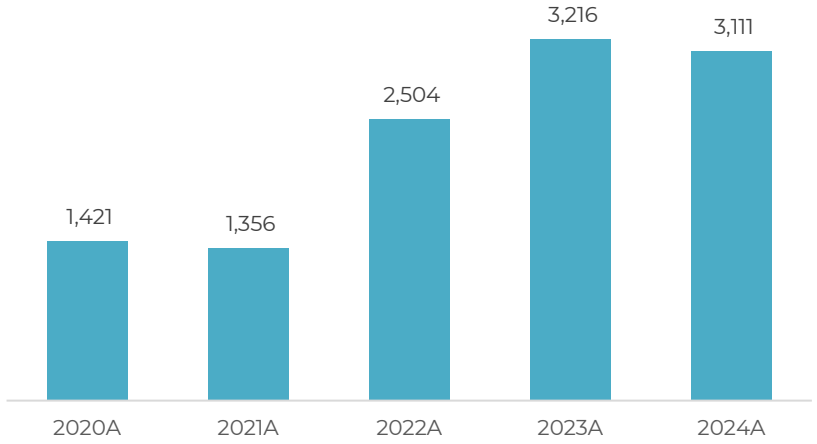
Source: Company Accounts, KTrade Research

- ELM AB has consistently improved its RoE over the past five years from 16.4% in 2020 to 39.3% in 2024, the second highest among peers.
- SOLUTION AB had the highest RoE among peers at 43.6% in 2024, although the trend over the past five years has been mixed. In comparison to 2020, the company's RoE has slightly declined from 44.1% to 43.6%.
- MIS AB and 2P AB delivered similar RoE of 35% in 2024, although in comparison to 2020, 2P AB's RoE has declined from 71% to 35% while MIS AB's RoE has increased from 25% to 35%.

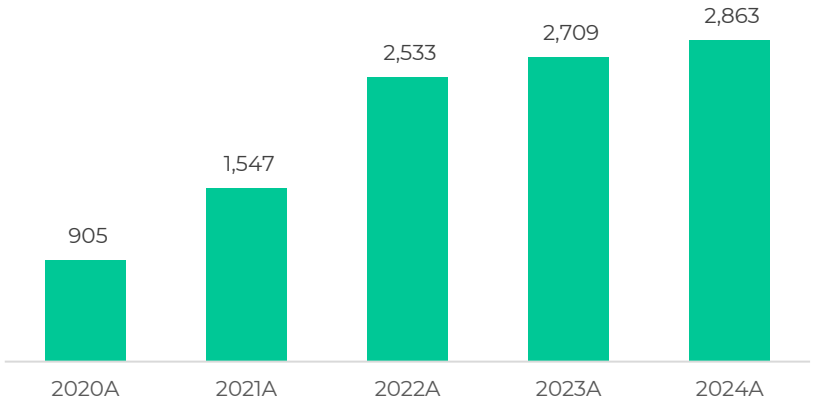
Software & Services Sector | Leverage (net cash position) over the last 5 years

- *ELM AB had the strongest net cash position in 2024, followed by SOLUTION AB*
- *MIS AB and 2P AB have been in a net debt position over the past five years*
- *Limited debt obligations leave room for strategic expansions*

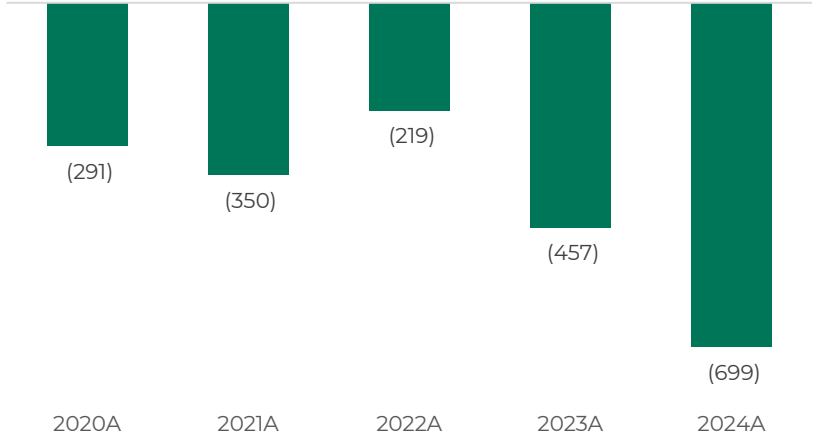
ELM AB had the highest net cash position among peers



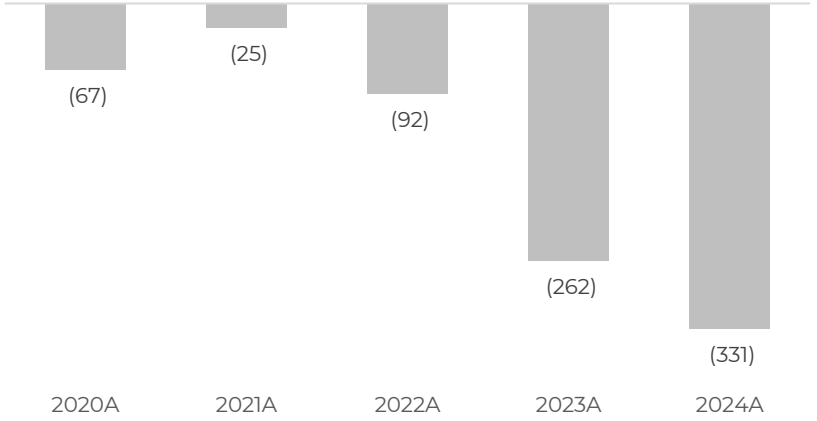
SOLUTION AB had the second highest net cash position among peers



MIS AB net debt position has increased over the past two years



MIS AB net debt position has increased over the past three years



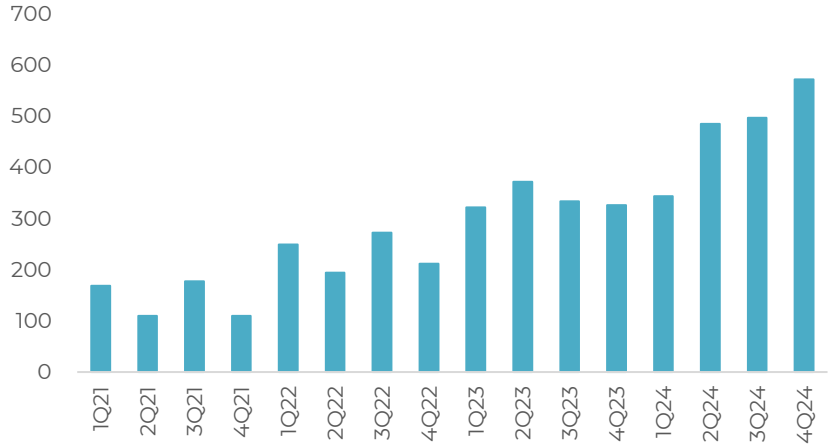
- ELM AB had a net cash position of SR3.1bn as of Dec'24, the highest among peers. This includes short-term Murabaha time deposits of SR1.4bn.
- SOLUTION AB had the second highest net cash position of SR2.9bn as of Dec'24, slightly lower than ELM AB. This includes short-term Murabaha time deposits of SR2.6bn.
- 2P AB had a net debt position of SR331mn as of Dec'24. The company's net debt position has increased from SR67mn in 2020 due to increasing short-term loans.
- MIS AB had a net debt position of SR699mn as of Dec'24. The company's net debt position has increased from SR291mn in 2020 due to growing short-term loans.

Source: Company Accounts, KTrade Research

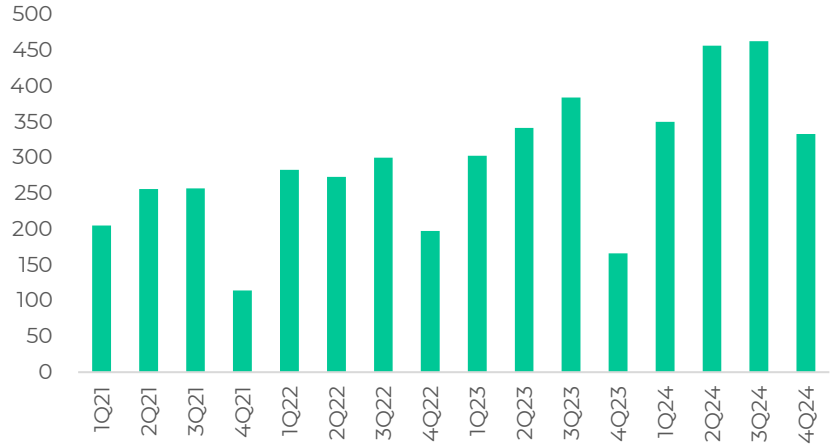
Software & Services Sector | Quarterly net profit over the last 4 years

- *ELM AB and 2P AB witnessed sequential increase in net profit in 4Q24*
- *SOLUTION AB and MIS AB witnessed sequential decline in net profit in 4Q24*
- *ELM AB had the highest net profit among peers*

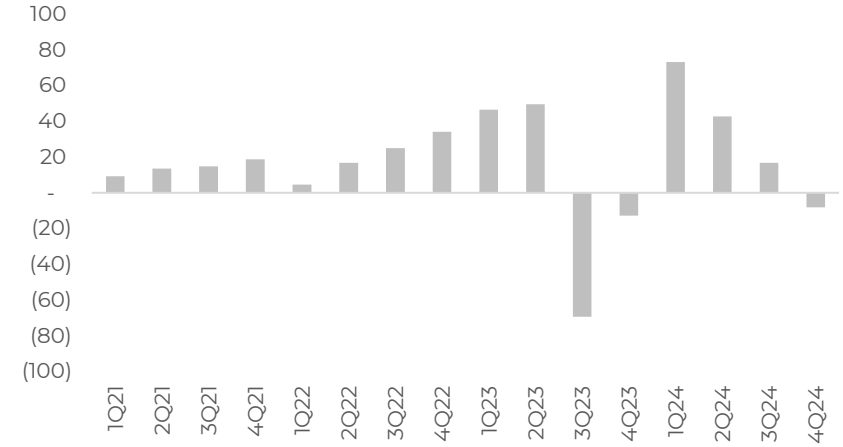
ELM AB recorded its third consecutive quarter of sequential net profit gains



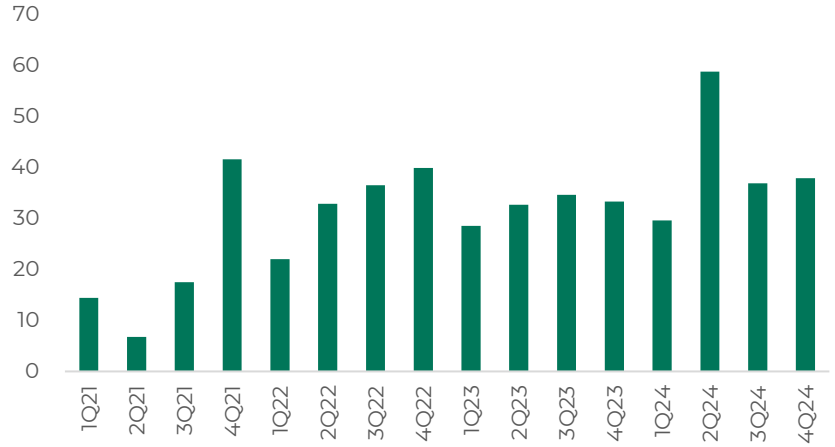
SOLUTION AB recorded a sequential decline after three consecutive quarters of gains



MIS AB recorded third sequential quarter of decline



2P AB showed limited sequential increase in net profit



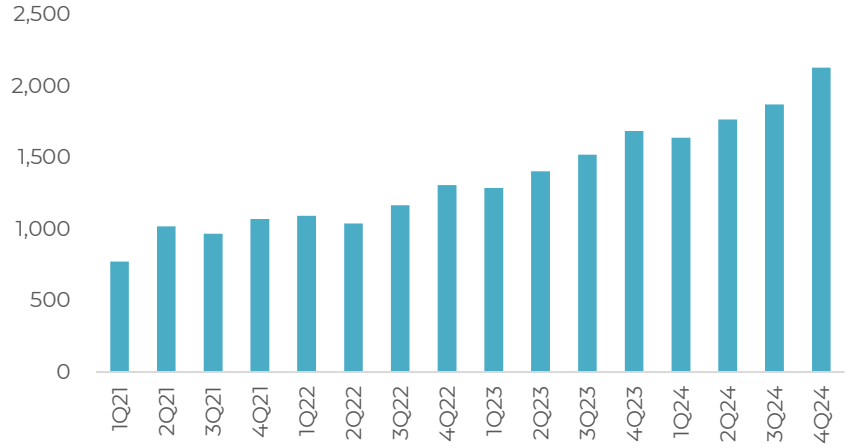
- ELM AB's net profit grew 75%/15% YoY/QoQ in 4Q24 to SR573mn. Growth in net profit YoY was primarily driven by 47% YoY growth in operating profits, while sequentially, net profit growth was driven by higher other income.
- SOLUTION AB's net profit doubled YoY and declined 28% QoQ in 4Q24 to SR333mn. Growth in net profit YoY was primarily driven by 30% YoY growth in revenue and higher gross margins, while sequentially, net profit decline was driven by a squeeze in gross margins and higher admin expenses.
- 2P AB's net profit grew 14%/3% YoY/QoQ in 4Q24 to SR38mn. Growth in net profit YoY was primarily driven by 51% YoY growth in gross profits despite lower revenue, while sequentially, net profit slightly grew due to higher revenue and gross margins.
- MIS AB posted a net loss in 4Q24, primarily driven by lower revenue.

Source: Company Accounts, KTrade Research

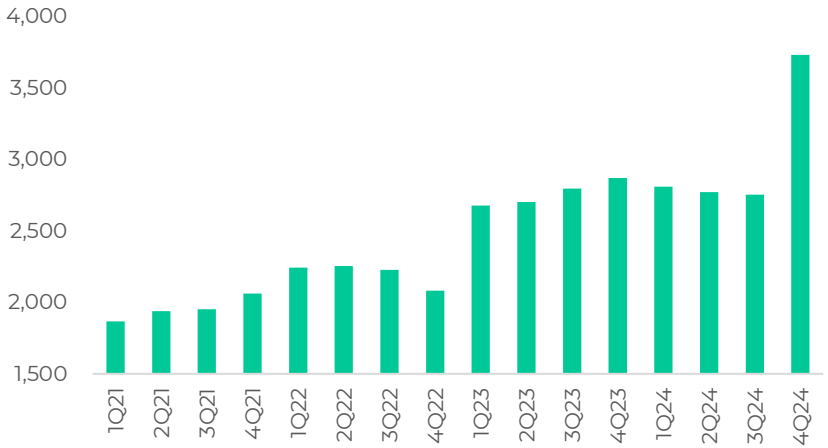
Software & Services Sector | Quarterly revenue over the last 4 years

- *SOLUTION AB witnessed the highest increase in revenue during 4Q24*
- *ELM AB witnessed the second highest increase in revenue during 4Q24*
- *MIS AB was the only company with sequential decline in revenue during 4Q24*

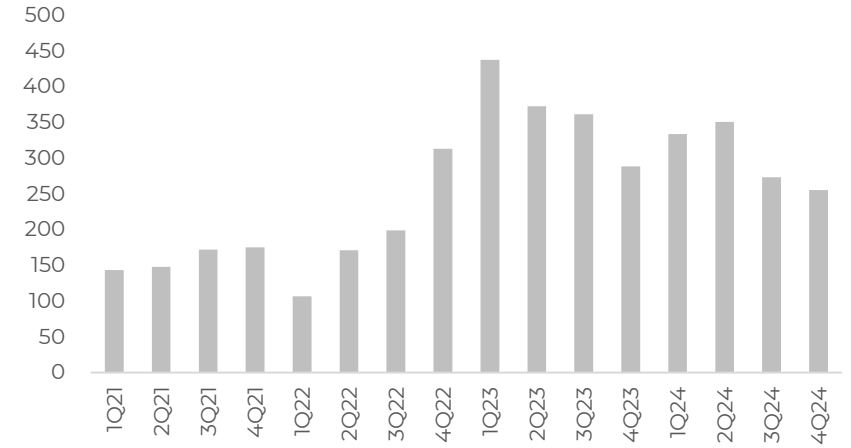
ELM AB recorded its third consecutive quarter of sequential revenue gains



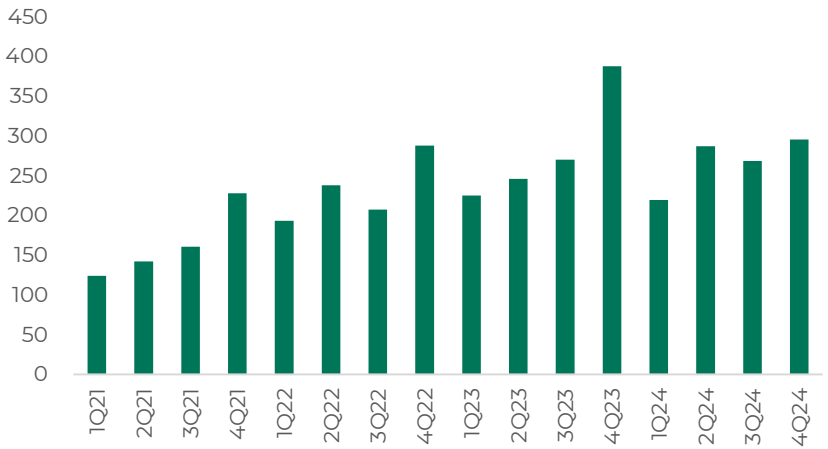
SOLUTION AB recorded a sequential increase after three consecutive quarters of decline



MIS AB's revenue declined for the second straight quarter



2P AB's 4Q revenue has remained the strongest as seen historically



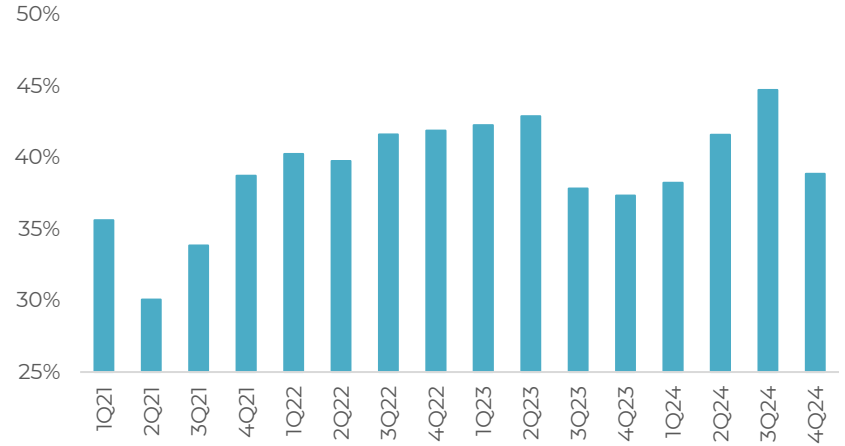
Source: Company Accounts, KTrade Research

- ELM AB's revenue grew by 26% YoY and 14% QoQ in 4Q24 to SR2.1bn.
- SOLUTION AB's revenue grew by 30% YoY and 36% QoQ in 4Q24 to SR3.7bn.
- 2P AB's revenue declined by 24% YoY while it increased 10% QoQ in 4Q24 to SR296mn.
- MIS AB revenue declined by 11% YoY and 7% QoQ in 4Q24 to SR255bn.

Software & Services Sector | Quarterly gross margin over the last 4 years

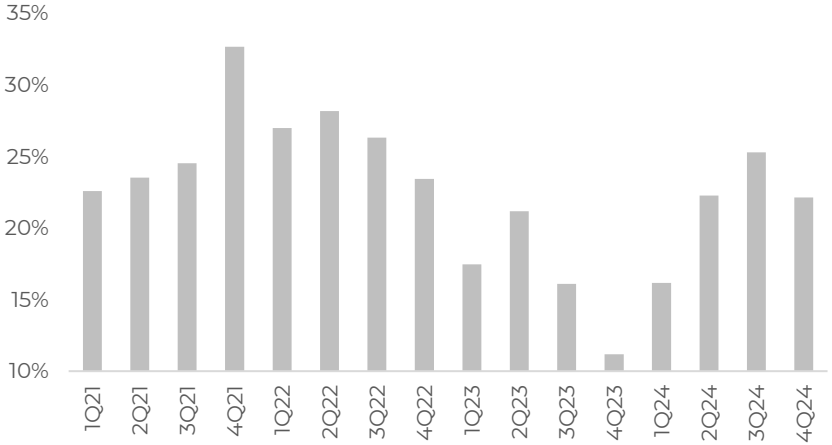
- *ELM AB, SOLUTION AB and MIS AB witnessed sequential pressure on gross margins in 4Q24*
- *2P AB has recorded sharp increase in gross margins over the past two quarters, reaching its highest level over the past four years*
- *ELM AB has maintained superior gross margins compared to peers*

ELM AB's gross margins declined in 4Q24 after sequential increase for three quarters

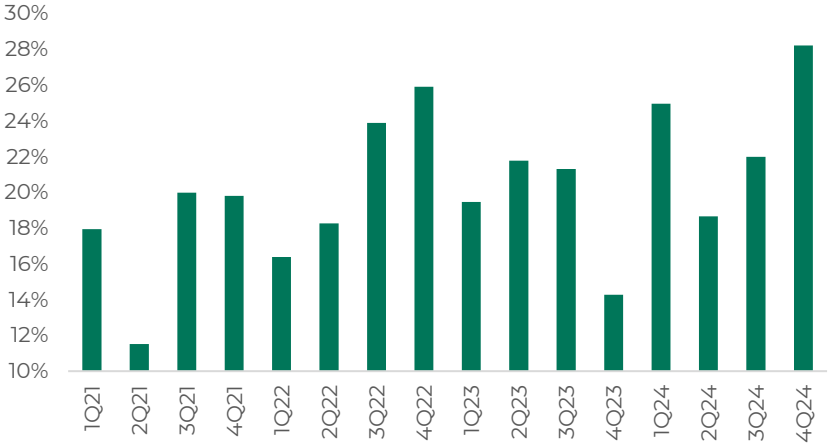


SOLUTION AB's gross margins declined in 4Q24 after sequential increase for three quarters

MIS AB's gross margins declined in 4Q24 after sequential increase for three quarters



2P AB's gross margins increased for a second straight quarter, reaching its highest level



Source: Company Accounts, KTrade Research

- ELM AB's gross margin expanded by 152bps YoY while sequentially it contracted 588bps to 39%.
- SOLUTION AB's gross margin expanded by 361bps YoY while sequentially it contracted 670bps to 20%.
- 2P AB's gross margin expanded by 1,395bps YoY while sequentially it expanded 622bps to 28%.
- MIS AB gross margin expanded by 1,095bps YoY while sequentially it declined 315bps to 22%.

Company Description: ELM AB is a prominent Saudi Arabian digital services firm established in 1988 and owned by the Public Investment Fund (PIF). In Feb'22, the company went public by listing 30% of its shares on the Main Market (TASI). ELM AB's services encompass digital solutions, e-products, consulting, and outsourcing, primarily serving government entities, corporations, and individuals. The company operates across various sectors, including health, transportation, finance, and justice, aligning with Saudi Arabia's Vision 2030 to localize technology and foster innovation. Elm has been well recognized for its successful track record of delivering products with significant positive social impact, including the Yakeen being the first as the first electronic documentation service launched in the country in 2004, and Absher, which automates government services related to passports, traffic, and civil affairs, and has over 14mn users registered. Even during the pandemic, the success of the BPO vertical from mass-testing, vaccination centers, and later the launch of smart Hajj services underscores its ability to secure and deliver large-scale projects

Investment Theme: ELM AB is actively involved in digital transformation, sustainability, and public sector modernization in Saudi Arabia, and it is well-positioned for long-term government-backed growth, which is in line with the objectives of Vision 2030. The company has diversified offerings that combine tech services with sustainable products, leading to multiple revenue streams. Strong demand for digital solutions in Saudi Arabia, with the ongoing push for smart cities, e-governance, and digital infrastructure, is expected to create significant market opportunities for the company's services. ELM AB is also ideally positioned in the Saudi market with operations in Riyadh as well as other key Saudi cities, with access to major contracts, especially if it works with government entities.

Financial Performance: Elm has managed to grow its revenues by a CAGR of 29% over 2019-2024 to SR7.4bn primarily driven by a CAGR of 29% in the digital services segment of the company which accounted for 74% of total revenue in 2024 and 33% CAGR in revenue from the Business Process Outsourcing (BPO) segment which accounted for 24% of total revenue during 2024. On the gross profit level, profits have increased at a CAGR of 35% over the same period, supported by an 844 bps improvement in gross margins from 32.4% in 2019 to 40.9% in 2024. Operating expenses have grown at a CAGR of 28% over the same period, resulting in a 41% CAGR in operating profits. Consequently, net profits have grown at a more accelerated pace of 43% CAGR, lending further support from increasing finance income.

Management and governance: Public Investment Fund owns the majority stake in the company with 67% holding, while 30% is held by the public.

Financial Highlights | Elm Co. (ELM AB)

Income Statement (SARmn)	2022	2023	2024
Revenue	4,606	5,898	7,407
Gross profit	1,886	2,351	3,026
Operating profit	972	1,351	1,700
EBITDA	1,092	1,506	1,921
Net income	930	1,356	1,827

Balance Sheet (SARmn)	2022	2023	2024
Current assets	5,155	6,967	8,027
Non-current assets	871	1,130	1,528
Total assets	6,026	8,097	9,554
Current liabilities	2,575	3,530	3,393
Non-current liabilities	404	573	868
Total equity	3,047	3,995	5,293

Growth (Y/Y)	2022	2023	2024
Revenue	*20.3%*	*28.1%*	*25.6%*
EBITDA	*49.6%*	*37.9%*	*27.5%*
Operating profit	*58.2%*	*38.9%*	*25.9%*
Net income	*64.1%*	*45.8%*	*34.7%*

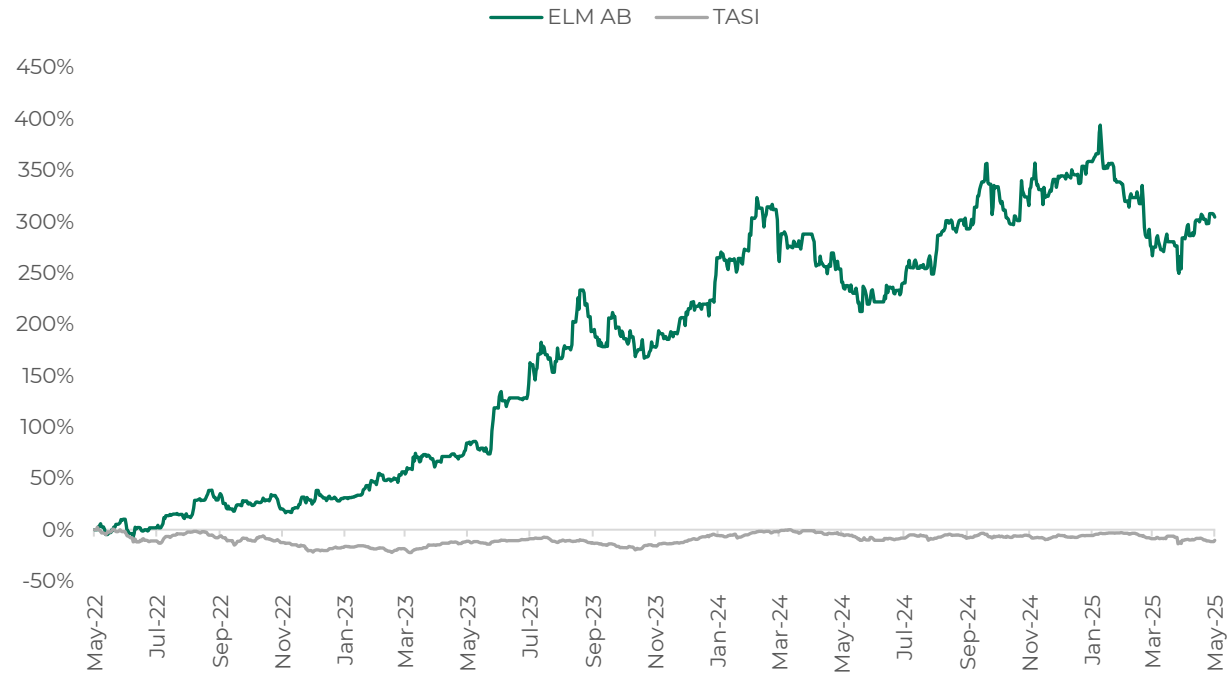
Key Performance Indicators	2022	2023	2024
Return on assets (ROA)	*16.6%*	*19.2%*	*20.7%*
Return on equity (ROE)	*31.8%*	*38.5%*	*39.3%*
Gross margin	*40.9%*	*39.9%*	*40.9%*
Operating margin	*21.1%*	*22.9%*	*23.0%*
EBITDA margin	*23.7%*	*25.5%*	*25.9%*
Net margin	*20.2%*	*23.0%*	*24.7%*

Per share analysis	2022	2023	2024
EPS	11.6	17.0	22.8
DPS	5.0	7.0	7.5
BVPS	38.1	49.9	66.2

Valuation	2022	2023	2024
P/B	7.9	13.2	17.5
P/E	29.0	40.3	53.7

Issuer Information	
Share Price (SR/sh)	1,040.0
Bloomberg (Equity)	ELM AB
Market Cap (SRmn)	83,200
D/Y (%)	0.7
Free Float (%)	38.4
Sector	Software & Services
Country	Saudi Arabia
Analyst	Wasil Zaman

TADAWUL vs ELM



Source: Company Accounts, Tadawul, KTrade Research

Company Description: Arabian Internet and Communications Services Co. (SOLUTION AB) is a leading Saudi IT provider that offers integrated digital solutions across system integration, cloud computing, cybersecurity, and managed services. The company is a subsidiary of Saudi Telecom Co. (STC AB) and serves both public and private sectors, including government, energy, finance, and healthcare. The company supports national digital transformation through advanced technologies such as IoT, AI, and enterprise software while providing outsourcing and IT support. Its strategic role in projects like Saudi Aramco's digital infrastructure positions it as a key enabler of Saudi Arabia's Vision 2030 goals..

Investment Theme: SOLUTION AB is the leading IT services provider in Saudi Arabia with the highest market share of 22.7% in the IT services market and is well-positioned to capitalize on lucrative consolidation opportunities in the country's fragmented IT landscape. The company extended its substantial revenue and profit growth in 2024 driven by expansions in IT managed services, digital solutions, and core ICT services. Its LEAP 2.0 strategy is centered around leadership in service excellence, business diversification, customer engagement, and operational efficiency. The company has a strong pipeline of projects and a long-standing partnership with STC AB which it has leveraged to build a substantial and diversified portfolio, whereas its 60%+ win ratio reflects positively on its ability to secure high value contracts. Moreover, its asset-light business model (organic CAPEX-to-revenue ratio of just 2.1% in 2024) enables scalability and operational efficiency while its strong balance sheet (net cash 1.5x its EBITDA as of Dec'24) provides it with additional firepower to pursue strategic investments.

Financial Performance: SOLUTION AB delivered strong financial growth, driven by Saudi Arabia's accelerating digital transformation. Revenue over 2019-2024 grew at a CAGR of 18%, rising from SR5.3bn to SR12.1bn. Gross profit during the same period increased even faster, with a CAGR of 27%, growing from SR847mn to SR2.8bn, reflecting improved margins and operating efficiency. Net income saw the highest growth, climbing from SR394mn to SR1.6bn at a CAGR of 32%, highlighting the company's effective cost control and high-value service expansion. These figures underscore the company's strong execution and strategic alignment with national IT goals.

Management and governance: Saudi Telecom Company (STC) holds the majority shareholding with 79% of its shares, while the remaining 21% is distributed among various institutional and retail investors, including entities from Saudi Arabia and abroad.

Financial Highlights | Arabian Internet and Communications Services Co. (SOLUTION AB)

Income Statement (SARmn)	2022	2023	2024
Revenue	8,805	11,040	12,064
Gross profit	2,011	2,598	2,783
Operating profit	1,160	1,387	1,661
EBITDA	1,392	1,669	1,948
Net income	1,053	1,192	1,597

Balance Sheet (SARmn)	2022	2023	2024
Current assets	9,374	10,296	10,359
Non-current assets	951	1,220	1,681
Total assets	10,325	11,516	12,040
Current liabilities	6,707	7,195	6,683
Non-current liabilities	779	968	1,328
Total equity	2,840	3,353	4,030

Growth (Y/Y)	2022	2023	2024
Revenue	*22.2%*	*25.4%*	*9.3%*
EBITDA	*25.7%*	*19.9%*	*16.7%*
Operating profit	*29.0%*	*19.5%*	*19.7%*
Net income	*26.4%*	*13.2%*	*33.9%*

Key Performance Indicators	2022	2023	2024
Return on assets (ROA)	*12.0%*	*10.9%*	*13.6%*
Return on equity (ROE)	*41.4%*	*38.9%*	*43.6%*
Gross margin	*22.8%*	*23.5%*	*23.1%*
Operating margin	*13.2%*	*12.6%*	*13.8%*
EBITDA margin	*15.8%*	*15.1%*	*16.1%*
Net margin	*12.0%*	*10.8%*	*13.2%*

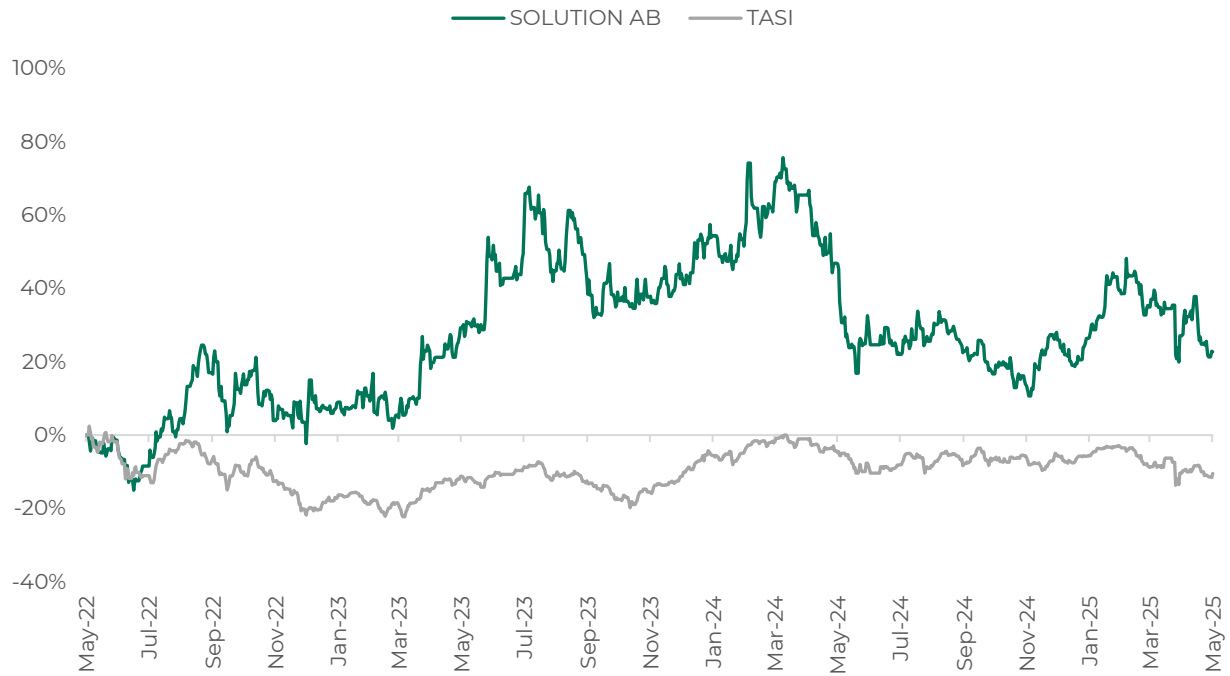
Source: Company Accounts, Tadawul, KTrade Research

Per share analysis	2022	2023	2024
EPS	8.8	9.9	13.3
DPS	5.0	6.0	10.0
BVPS	23.7	27.9	33.6

Valuation	2022	2023	2024
P/B	11.0	12.1	10.7
P/E	29.8	31.6	28.4

Issuer Information	
Share Price (SR/sh)	274.2
Bloomberg (Equity)	SOLUTION AB
Market Cap (SRmn)	32,904.0
D/Y (%)	2.9
Free Float (%)	20.0
Sector	Software & Services
Country	Saudi Arabia
Analyst	Wasil Zaman

TADAWUL vs SOLUTION



Company Description: Al Moammar Information Systems Co. (MIS) was established in 1979 and is a leading Saudi IT solutions provider and the first publicly listed IT company in Saudi Arabia. It offers various services, including digital transformation, data analytics, AI, cybersecurity, cloud infrastructure, and professional IT consulting. MIS serves major sectors such as government, finance, healthcare, and education. The company is expanding its presence through strategic initiatives like large-scale data center projects, public sector contracts, and involvement in digital banking. It operates subsidiaries like MIS Forward, Excellence Medical Systems, and Edarat to support specialized services and innovation aligned with Saudi Arabia's Vision 2030.

Investment Theme: Al Moammar Information Systems Co. (MIS) presents a compelling investment opportunity driven by its established market presence, diversified service offerings, and alignment with Saudi Arabia's Vision 2030 digital goals. As the first publicly listed IT company in the Kingdom, MIS has developed deep relationships across strategic sectors, including government, defense, healthcare, and finance. The company is experiencing growth momentum through increased demand for cybersecurity, AI, cloud services, and data analytics. Notably, its SAR 228.8 million contract with the Saudi Authority for Data and AI and its SAR 2+ billion data center expansion project with BSF Capital demonstrate its operational scale and forward-looking strategy. MIS also leverages its subsidiaries—such as MIS Forward (innovation), Edarat (cloud & consulting), and Excellence Medical Systems—to enter adjacent high-growth verticals. Supported by robust public sector spending, recurring contracts, and the national push for local digital infrastructure, MIS is well-positioned for sustainable, long-term value creation.

Financial Performance: Between 2020 and 2024, Al Moammar Information Systems Co. (MIS) experienced notable fluctuations in its financial performance, reflecting both growth and challenges. Revenue increased from SR675mn in 2020 to SR1.2bn in 2024, marking a CAGR of 16%. On the gross level, profit growth slowed down to a CAGR of 10% over the same period, owing to a 883bps contraction in gross margins, while on the operating level, profits grew at a CAGR of 5%. Net income declined from SR81mn in 2020 to SR14mn in 2023 before recovering to SR124mn in 2024, recording a CAGR of 11% over 2020-2024. The decline in 2023 was primarily due to increased provisions for impairment losses on contract assets and trade receivables. Despite these challenges, MIS's revenue growth underscores its strategic positioning in the Saudi IT sector, although profitability pressures highlight areas for operational improvement.

Management and governance: Al Moammar Information Systems Co. (MIS) is primarily owned by its founding family and a few institutional investors. The largest individual shareholders are Ibrahim Al-Moammer, who holds 27%, and Khalid Al-Moammer, who holds 22.1%, together accounting for 49.1% of the company. The remaining shares are held by institutional investors and the general public.

Financial Highlights | Al Moammar Information Systems Co. (MIS AB)

Income Statement (SARmn)	2022	2023	2024
Revenue	790	1,460	1,213
Gross profit	203	246	258
Operating profit	102	62	121
EBITDA	107	68	128
Net income	96	14	124

Balance Sheet (SARmn)	2022	2023	2024
Current assets	1,507	1,776	2,248
Non-current assets	102	79	330
Total assets	1,609	1,854	2,578
Current liabilities	1,205	1,543	2,130
Non-current liabilities	33	25	24
Total equity	371	287	423

Growth (Y/Y)	2022	2023	2024
Revenue	*23.6%*	*84.9%*	*-16.9%*
EBITDA	*31.5%*	*-36.2%*	*88.5%*
Operating profit	*31.7%*	*-39.3%*	*95.9%*
Net income	*69.7%*	*-85.4%*	*790.3%*

Key Performance Indicators	2022	2023	2024
Return on assets (ROA)	*6.9%*	*0.8%*	*5.6%*
Return on equity (ROE)	*27.2%*	*4.2%*	*35.0%*
Gross margin	*25.7%*	*16.8%*	*21.3%*
Operating margin	*12.9%*	*4.2%*	*10.0%*
EBITDA margin	*13.5%*	*4.7%*	*10.6%*
Net margin	*6.9%*	*0.8%*	*5.6%*

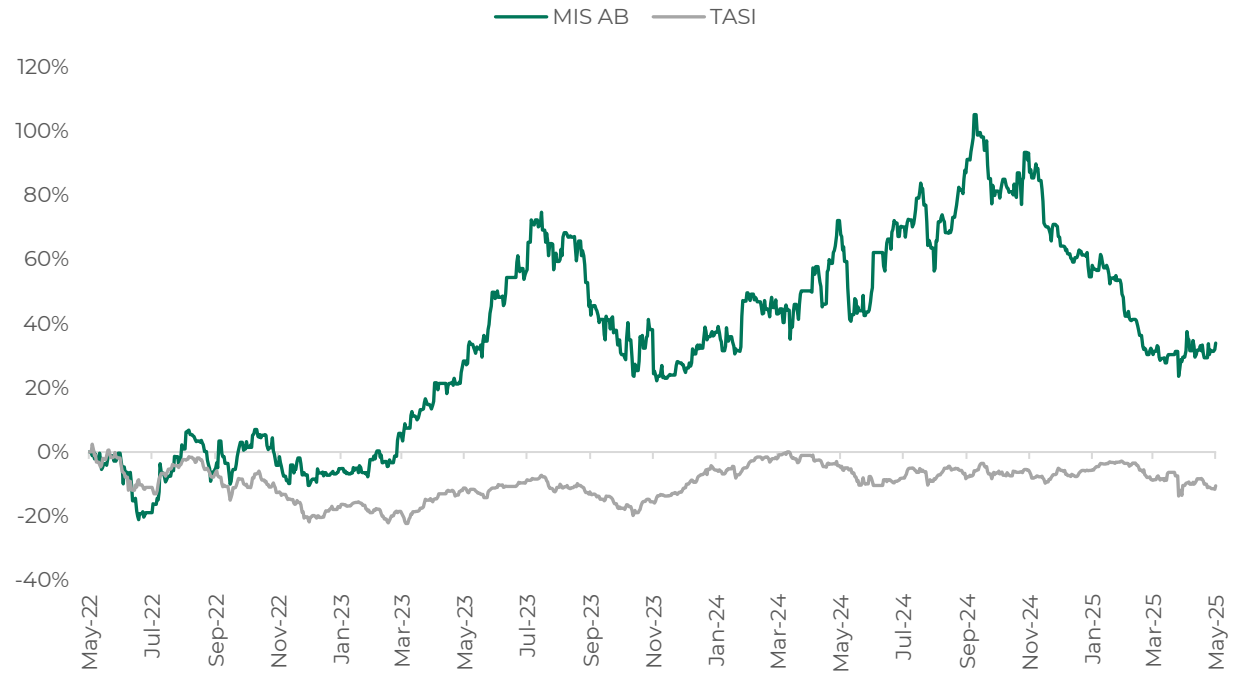
Source: Company Accounts, Tadawul, KTrade Research

Per share analysis	2022	2023	2024
EPS	1.9	3.2	0.5
DPS	2.4	1.5	3.2
BVPS	12.4	9.6	14.1

Valuation	2022	2023	2024
P/B	9.8	10.5	13.4
P/E	67.8	35.7	155.2

Issuer Information	
Share Price (SR/sh)	132.0
Bloomberg (Equity)	MIS AB
Market Cap (SRmn)	3,960,0
D/Y (%)	2.4
Free Float (%)	50.9
Sector	Software & Services
Country	Saudi Arabia
Analyst	Wasil Zaman

TADAWUL vs MIS



Company Description: Perfect Presentation for Commercial Services Co. (2P) is a Saudi Arabian IT services company established in 2004 and listed on the Saudi Stock Exchange (Tadawul) in 2022. Based in Riyadh, 2P provides a broad range of ICT solutions, focusing on software development, operations, maintenance, and customer experience management. The company offers services such as custom software solutions, ICT infrastructure management, digital identity systems, IT consulting, electronic archiving, and mobile application development. 2P's client base spans across various sectors, including healthcare and government.

Investment Theme: The investment thesis for Perfect Presentation for Commercial Services Co. (2P) is anchored on its strong positioning within Saudi Arabia's rapidly growing ICT sector, driven by the national digital transformation efforts under Vision 2030. With a diversified portfolio spanning software development, ICT infrastructure management, and customer experience services, 2P is well-positioned to capture increasing demand from key sectors such as healthcare, government, and education. The company's successful track record in securing high-value contracts, such as those with the Ministry of Health and the Ministry of Investment, underscores its ability to deliver large-scale projects and build long-term relationships with key public sector clients. Despite facing competitive pressures in the ICT services market, 2P's strategic focus on innovation, digital solutions, and customer satisfaction offers a solid foundation for sustained growth. With a market capitalization of approximately SAR 4.5 billion and its ongoing involvement in significant digital initiatives, 2P presents an attractive investment opportunity for those seeking exposure to the growth of Saudi Arabia's digital economy.

Financial Performance: Between 2019 and 2024, Perfect Presentation for Commercial Services Co. (2P) demonstrated robust economic growth, particularly in revenue and gross profit. Revenue over the period grew at a CAGR of 28% to SR1.1bn in 2024. Gross profit also saw significant growth, increasing from SR55mn in 2019 to SR251mn in 2024, indicating a CAGR of 35%. This growth was driven by the company's expansion across its three main business segments: software development, operations and maintenance, and customer experience services. Net income grew from SR27mn in 2019 to SR163mn in 2024, resulting in a CAGR of 43%.

Management and governance: The company is primarily owned by its founding family and a few institutional investors. The largest individual shareholders are Nasser Abdullah Al Bassam with 22.82%, Tariq bin Abdullah Al Naeem with 9.1%, and Yousef Mohammed Al Alkheleiwi with 9.1%, holding together accounting for 41% of the company's shareholding. The remaining shares are held by institutional investors and the general public.

Financial Highlights | Perfect Presentation for Commercial Services Co. (2P AB)

Income Statement (SARmn)	2022	2023	2024
Revenue	927	1,130	1,071
Gross profit	199	210	251
Operating profit	159	165	169
EBITDA	164	170	174
Net income	131	129	163

Balance Sheet (SARmn)	2022	2023	2024
Current assets	673	1,003	1,270
Non-current assets	134	175	165
Total assets	807	1,178	1,435
Current liabilities	522	760	848
Non-current liabilities	32	37	41
Total equity	254	382	545

Growth (Y/Y)	2022	2023	2024
Revenue	*41.4%*	*21.8%*	*-5.2%*
EBITDA	*83.5%*	*3.8%*	*2.3%*
Operating profit	*84.6%*	*3.6%*	*2.5%*
Net income	*63.1%*	*-1.6%*	*26.3%*

Key Performance Indicators	2022	2023	2024
Return on assets (ROA)	*20.1%*	*13.0%*	*12.5%*
Return on equity (ROE)	*63.6%*	*40.7%*	*35.2%*
Gross margin	*21.5%*	*18.6%*	*23.4%*
Operating margin	*17.2%*	*14.6%*	*15.8%*
EBITDA margin	*17.6%*	*15.0%*	*16.2%*
Net margin	*14.2%*	*11.4%*	*15.3%*

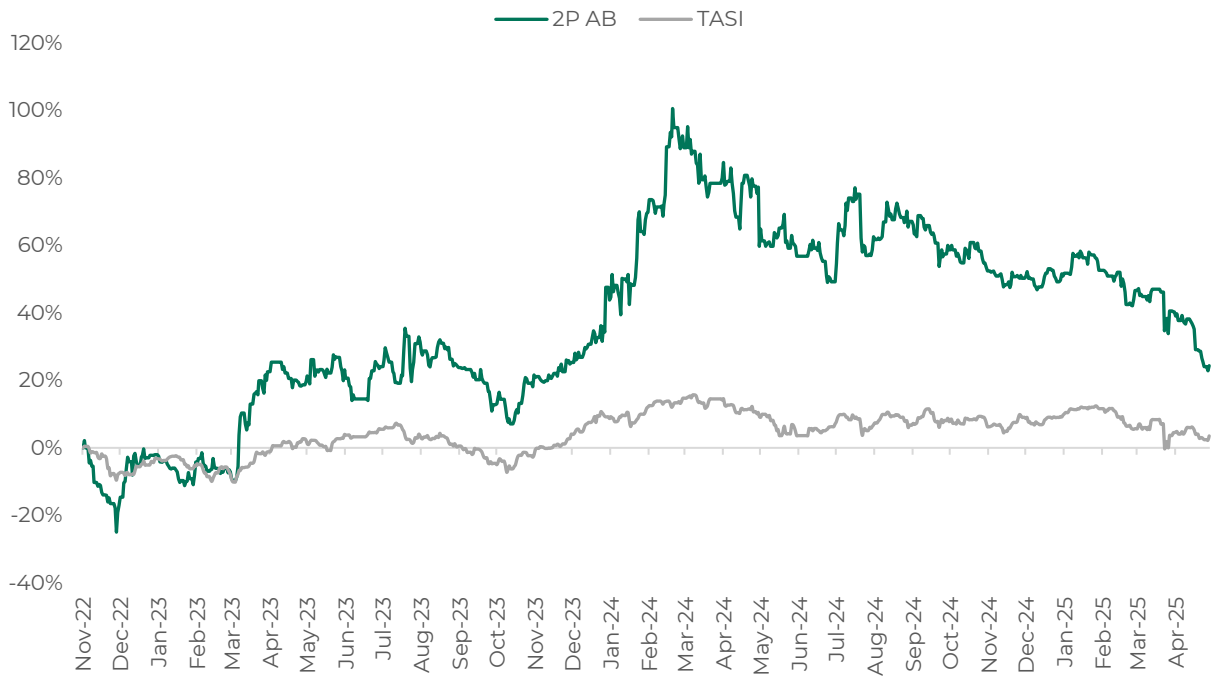
Source: Company Accounts, Tadawul, KTrade Research

Per share analysis	2022	2023	2024
EPS	0.4	0.4	0.5
DPS	0.7	.	.
BVPS	0.8	1.3	1.8

Valuation	2022	2023	2024
P/B	.	10.8	10.4
P/E	.	35.6	30.7

Issuer Information	
Share Price (SR/sh)	11.5
Bloomberg (Equity)	2P AB
Market Cap (SRmn)	3,444.0
D/Y (%)	0.3
Free Float (%)	81.7
Sector	Software & Services
Country	Saudi Arabia
Analyst	Wasil Zaman

TADAWUL vs 2P



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