

Earnings growth backed by robust topline expansion supported by healthy margins

AlMawarid Manpower Company's (AlMawarid) net profit jumped 36.5% Y/Y to SAR 39mn in Q4-25, in line with our estimate of SAR 38mn. The net profit increase was driven by strong topline growth and improved margins. Revenue rose 28.6% Y/Y to SAR 719mn, in line with our estimate of SAR 710mn. The topline growth was led by expansion average workforce in corporate and individual segment coupled with better utilization in individual segment. Gross profit grew 31.0% Y/Y to SAR 67mn (AJBC estimate: SAR 64mn), as GP margin expanded to 9.3% from 9.1% in Q4-24 mainly supported by improvements in individual segment. Operating profit rose 37.7% Y/Y to SAR 41mn broadly in line with our estimate of SAR 43mn with operating margin increasing to 5.7% vs. 5.3% in Q4-24 (AJBC estimate: 6.0%). We maintain our TP on AlMawarid at **SAR 123.75/share** and the **"Overweight"** recommendation.

- AlMawarid posted a net profit of SAR 39mn (+36.5% Y/Y) in Q4-25, in line with AJBC's estimate of SAR 38mn. The net profit growth was driven by strong topline growth and expansion of gross as well as operating margin.
- Revenue jumped 28.6% Y/Y to SAR 719mn, in line with our estimate of SAR 710mn. The average workforce expansion in Corporate and Individual segments fueled the topline growth. Corporate segment revenue rose ~31% Y/Y and Individual (Individual + Hourly) segment revenue increased ~19% Y/Y. In FY25, the average number of workforces increased by 20% Y/Y (Corporate: +23% Y/Y; Individual: +12% Y/Y). Additionally, improved utilization in Individual segment also helped the topline.
- Gross profit increased 31.0% Y/Y to SAR 67mn (AJBC estimate: SAR 64mn), as healthy revenue growth was further supported by GP margin expansion to 9.3% from 9.1% in Q4-24. We believe improved margins in Individual segment aided overall GP margin expansion.
- Operating profit rose 37.7% Y/Y to SAR 41mn (AJBC estimate: SAR 43mn). Operating margin expanded to 5.7% vs. 5.3% in Q4-24 but came below our estimate of 6.0%. We believe higher general, administrative, and marketing expenses were offset by lower impairments on trade receivables.

AJBC view and valuation: AlMawarid's Q4-25 performance was broadly in line with our expectations. The robust expansion of operations evident from 20% of workforce expansion underlines the company's leadership position and growth prospects. Additionally, the company's margins remained resilient in FY25 despite intensifying competition in the sector. We expect continued topline expansion (+17.9% Y/Y to SAR 3.1bn) supported by mega projects and labor market expansion and largely steady profitability in FY26E, translating into net profit growth of 17.8% Y/Y. AlMawarid is currently trading at 10.2x P/E and dividend yield 3.6% based on our FY26E estimates. We maintain our TP on AlMawarid at **SAR 123.75/share** and the **"Overweight"** recommendation.

Results Summary

SAR mn	Q4-24	Q3-25	Q4-25	Change Y/Y	Change Q/Q	Deviation from AJBC Estimates
Revenue	559.2	678.8	719.2	28.6%	6.0%	1.3%
Gross Profit	51.1	61.2	66.9	31.0%	9.4%	4.9%
Gross Margin	9.1%	9.0%	9.3%	-	-	-
EBIT	29.6	41.8	40.7	37.7%	-2.6%	-5.0%
Net Profit	28.7	37.0	39.2	36.5%	5.9%	3.0%
EPS	1.43	1.85	1.96	-	-	-

Source: Company Reports, Aljazeera Capital Research

Recommendation Overweight

Target Price (SAR) 123.75

Upside / (Downside)* 48.7%

Source: Tadawul *prices as of 29th of March 2026

Key Financials

SARmn (unless specified)	FY23	FY24	FY25	FY26E
Revenues	1,446	2,028	2,611	3,077
Growth %	53.1%	40.2%	28.8%	17.9%
Gross Profit	147	185	236	274
Net Income	89	95	138	163
Growth %	16.8%	7.5%	45.1%	17.8%
EPS	4.44	4.77	6.92	8.15
DPS	1.88	1.88	2.41	3.00

Source: Company reports, Aljazeera Capital Research

Key Ratios

	FY23	FY24	FY25	FY26E
Gross Margin	10.2%	9.1%	9.0%	8.9%
Operating Margin	6.8%	5.5%	5.7%	6.1%
Net Margin	6.1%	4.7%	5.3%	5.3%
ROE	27.9%	25.7%	31.2%	30.2%
ROA	15.5%	12.7%	14.5%	14.1%
P/E (x)	21.1	22.1	14.1	10.2
P/B (x)	7.3	5.3	4.0	2.8
EV/EBITDA (x)	21.3	16.1	11.7	8.0
Dividend Yield	2.0%	1.8%	2.5%	3.6%

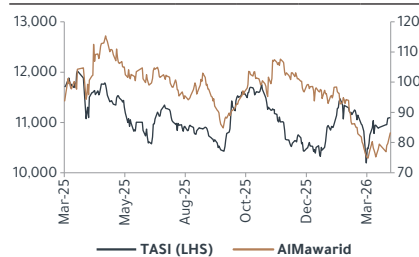
Source: Company reports, Aljazeera Capital Research

Key Market Data

Market Cap(bn)	1.7
YTD%	-14.7%
52 week (High)/(Low)	118.2/73.0
Share Outstanding (mn)	20.0

Source: Company reports, Aljazeera Capital Research

Price Performance



Source: Bloomberg, AJBC Research

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RESEARCH
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RATING
TERMINOLOGY

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2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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