

**Target Price: SAR167/share**  
Current Price: SAR129.0/share  
Upside: 29.5% (+2.0% div yield)  
**Rating: Overweight**

## Al Mawarid Manpower Co. (ALMAWARID)

### Corporate workforce momentum to drive growth

- AlMawarid's topline is expected to grow at 12.4% CAGR over 2024–29e, underpinned by a projected workforce expansion (+9.8% CAGR) amid higher demand from mega projects.
- Higher utilization in individuals segment drives margin gains, offsetting corporate pressure, resulting in a healthy earnings CAGR of 14.2% over 2024–29e.
- Post rolling forward our valuation to 2026. We raise our 1Y Fwd TP to SAR167/sh (earlier SAR156.6/sh) based on a 16x P/E (2026e EPS) and DCF methods with an Overweight rating.

**Mega project exposure anchors growth momentum:** Saudi Arabia's labor market is undergoing a structural expansion, fueled by Vision 2030 mega projects (including NEOM, Expo 2030, and World Cup 2034), accelerating non-oil activity (5.1% y/y in 9M25; 55.6% of total real GDP), and sustained government spending (SAR1,313bn budgeted expenditure for 2026), ensuring private sector hiring momentum. The demand for the professional workforce is expected to grow at a CAGR of 8% over 2024–26e, driven largely by expatriate hiring across construction, hospitality, finance, and healthcare—while the domestic labor segment is also expected to grow rapidly by 12% CAGR during the same period. Al Mawarid is strategically positioned to capture this momentum through its dual-sector coverage—serving both corporate (70%) and individual (30%) segments—and its alignment with fast-growing industries like construction, hospitality, and healthcare. Accordingly, we expect Al Mawarid's total workforce to expand at a CAGR of 9.8% over 2024–29e, resulting in a top-line CAGR of 12.4% during the same period.

**Individuals segment strength mitigates corporate pricing pressure:** Following the domestic worker quota revision, the Individuals segment (contractual and hourly) GPM surged to a record 12.4% in 3Q25 (vs 3.8% in 3Q24), driven by higher utilization. This improvement is expected to help offset margin compression in the corporate segment where intensified competition to retain strategic clients and win premium accounts is driving some compression. Looking ahead, we forecast overall gross margins to stabilize at ~8.9%, providing solid base for a 14.2% earnings CAGR over 2024–29e, reinforced by workforce expansion, efficiency gains, and lower financing costs and impairments.

Figure 1: Key financial metrics

SARmn	2023a	2024a	2025e	2026e	2027e
<b>Revenue</b>	<b>1,446</b>	<b>2,028</b>	<b>2,608</b>	<b>2,868</b>	<b>3,133</b>
Revenue growth	53%	40%	29%	10%	9%
<b>Gross Profit</b>	<b>147</b>	<b>185</b>	<b>229</b>	<b>253</b>	<b>278</b>
Gross profit margin	10.2%	9.1%	8.8%	8.8%	8.9%
EBITDA	118	127	171	190	210
EBITDA margin	8.2%	6.3%	6.5%	6.6%	6.7%
<b>Net profit</b>	<b>89</b>	<b>95</b>	<b>131</b>	<b>143</b>	<b>159</b>
Net profit growth	16.8%	7.5%	37.6%	9.2%	11.2%
Net profit margin	6.1%	4.7%	5.0%	5.0%	5.1%
EPS (SAR)	5.9	6.4	8.8	9.6	10.6
DPS (SAR)	2.5	2.5	2.5	2.5	2.7
P/E	21.8x	20.3x	14.7x	13.5x	12.1x
EV/EBITDA	16.5x	15.3x	11.4x	10.3x	9.3x

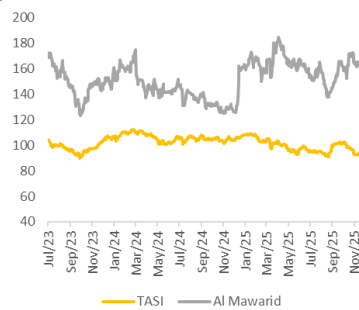
Source: Company, GIB Capital

#### Stock data

TASI ticker	1833
Mcap (SARmn)	1,935
Trd. Val (3m) (SARmn)	9.3
Free float	46.0%
QFI holding	5.6%
TASI FF weight	0.09%

Source: Bloomberg

Prices indexed to 100



Source: Bloomberg

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**Recap of 3Q25 results:** Almaraid delivered strong topline growth, with revenue rising 23.8% y/y to SAR679mn, slightly above our estimate by 6.9%. This growth is primarily attributed to a 15% increase in the average workforce available. On the segmental level, corporate revenue jumps 26% y/y, driven by expanding corporate workforce (+19%). On the other hand, individuals' segment witnessed a 15% y/y growth in revenue, aided by a 6% increase in workforce during the quarter. Further, gross profit outpaced revenue growth, rising 30.6% y/y to SAR61mn, surpassing our estimate (10.2% beat). This improvement was mainly attributable to improved worker utilization, particularly within the individual segment (+276% y/y). Reported operating profit doubled y/y to SAR40mn, mainly due to a non-recurring SAR13mn impairment provision on trade receivables recognized in 3Q24. As a result, net profit surged 116.3% y/y to SAR37mn, above our SAR33mn forecasts, with NPM expanding to 5.4% (vs. our estimate of 5.2%; 3Q24: 3.1%). Additionally, the board recommended a capital increase from SAR150mn to SAR200mn (+33.3%) through the issuance of bonus shares (1:3). The increase will be funded by capitalizing SAR50mn from retained earnings.

Figure 2: 3Q25 results summary

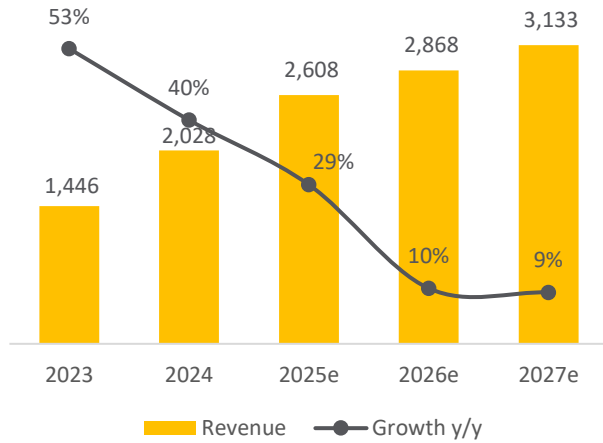
SARmn	3Q25	3Q24	y/y %	2Q25	q/q %	GIBC est.	Variance %
<b>Revenues</b>	<b>679</b>	<b>548</b>	<b>23.8%</b>	<b>624</b>	<b>8.7%</b>	<b>635</b>	<b>6.9%</b>
Cost of sales	618	501	23.2%	570	8.4%	579	6.6%
<b>Gross profit</b>	<b>61</b>	<b>47</b>	<b>30.6%</b>	<b>54</b>	<b>12.4%</b>	<b>56</b>	<b>10.2%</b>
Opex	22	27	-20.3%	19	10.7%	20	9.1%
<b>Operating profit</b>	<b>40</b>	<b>20</b>	<b>100.2%</b>	<b>35</b>	<b>13.4%</b>	<b>36</b>	<b>10.8%</b>
<b>Net income</b>	<b>37</b>	<b>17*</b>	<b>116.3%</b>	<b>32</b>	<b>14.2%</b>	<b>33</b>	<b>11.6%</b>
<b>Margins</b>							
Gross margin	9.0%	8.5%		8.7%		8.7%	
Operating margin	5.8%	3.6%		5.6%		5.6%	
Net margin	5.4%	3.1%		5.2%		5.2%	

Source: Company data, GIB Capital, \*3Q24 includes a non-recurring loss of SAR13mn.

**Valuation and risks:** Post a better-than-expected 3Q25 results, we revise our margins estimate slightly upward. Based on an equal DCF and P/E based (16x P/E on 2026e EPS) valuation approaches, and rolling forward one year, we raise our TP to SAR167 per share. (SAR156.6 per share earlier) implying an upside of 29.5% with an Overweight rating. The key downside risks are the cyclical nature of the industry, high competition, regulatory changes resulting in higher cost of operation, price capping, and risk of receivables.

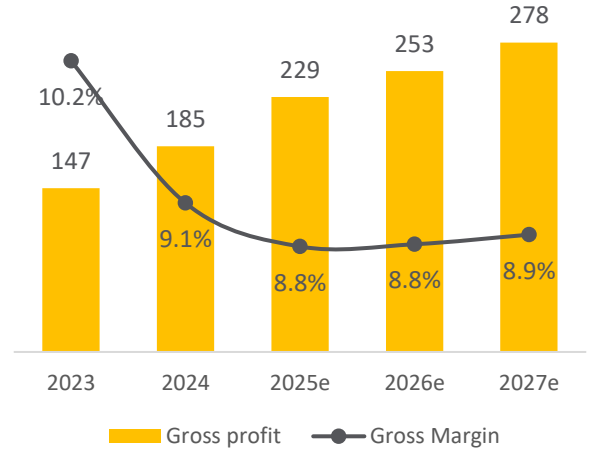
## Financial analysis in charts

Figure 3: Total Revenue trend (SARmn)



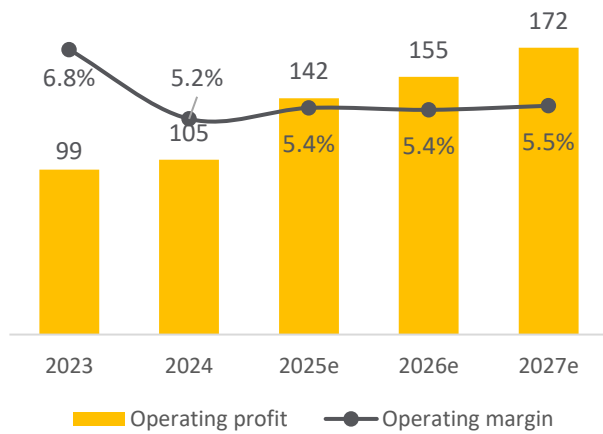
Source: Company data, GIB Capital

Figure 4: Gross profit (SARmn) and gross margin



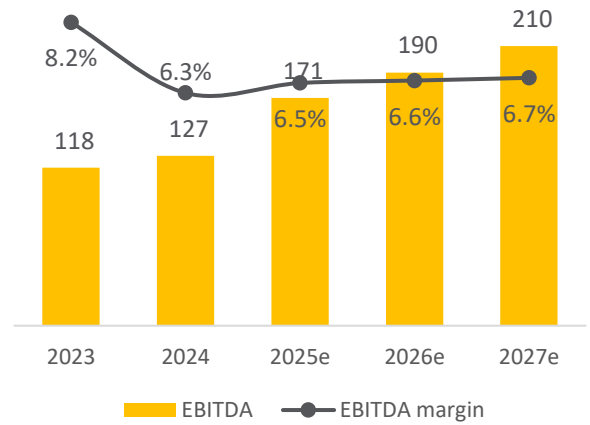
Source: Company data, GIB Capital

Figure 5: Operating profit (SARmn) and operating margin



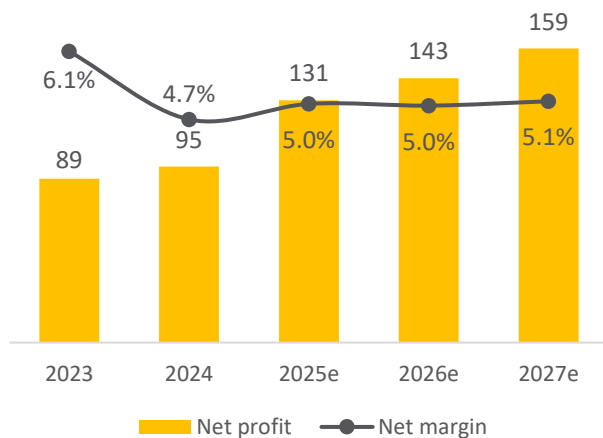
Source: Company data, GIB Capital

Figure 6: EBITDA (SARmn) and EBITDA margin



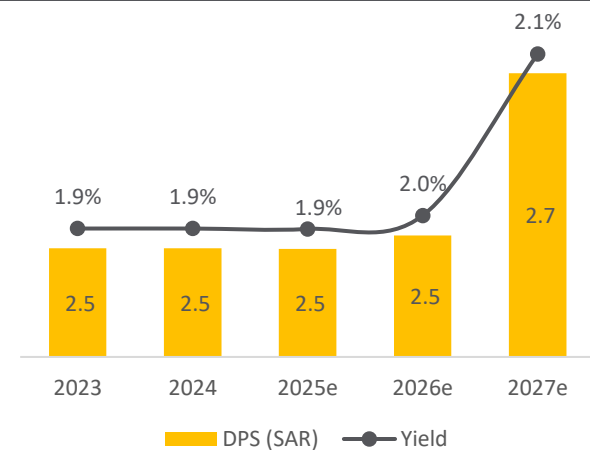
Source: Company data, GIB Capital

Figure 7: Net profit (SARmn) and net margin



Source: Company data, GIB Capital

Figure 8: Dividend and dividend yield (SAR)



Source: Company data, GIB Capital

## Financials

Figure 9: Summarized basic financial statements (SARmn)

Income statement	2023a	2024a	2025e	2026e	2027e
<b>Revenue</b>	<b>1,446</b>	<b>2,028</b>	<b>2,608</b>	<b>2,868</b>	<b>3,133</b>
revenue y/y	53%	40%	29%	10%	9%
COGS	1,299	1,843	2,379	2,616	2,855
<b>Gross Profit</b>	<b>147</b>	<b>185</b>	<b>229</b>	<b>253</b>	<b>278</b>
Gross Profit margin	10%	9%	9%	9%	9%
Selling and marketing expenses	12	18	26	32	36
General and administrative expenses	33	39	49	57	63
Credit loss provision	3	24	14	8	8
Finance costs, net	5	8	0	8	9
Other income	<b>99</b>	<b>105</b>	<b>142</b>	<b>155</b>	<b>172</b>
<b>Operating profit</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>
Operating margin	0	0	0	0	0
<b>PBT</b>	<b>99</b>	<b>105</b>	<b>142</b>	<b>155</b>	<b>172</b>
Zakat/tax	10	9	10	11	12
<b>Net income</b>	<b>89</b>	<b>95</b>	<b>131</b>	<b>143</b>	<b>159</b>
Net margin	6%	5%	5%	5%	5%
y/y	17%	7%	38%	9%	11%
<b>EPS</b>	<b>5.9</b>	<b>6.4</b>	<b>8.8</b>	<b>9.6</b>	<b>10.6</b>
DPS	2.5	2.5	2.5	2.5	2.7
Payout	42%	39%	29%	26%	26%
<b>EBITDA</b>	<b>118</b>	<b>127</b>	<b>171</b>	<b>190</b>	<b>210</b>
Net debt (w/ lease liabilities)	(41)	(49)	4	(67)	(136)
Balance Sheet	2023a	2024a	2025e	2026e	2027e
Trade receivables	215	278	393	432	472
Prepayments and other current assets	133	149	191	210	258
Cash and cash equivalents	81	104	64	140	214
Financial investments at FVTPL	65	83	83	83	83
Reimbursement Rights	38	72	85	85	85
<b>Total Current Assets</b>	<b>532</b>	<b>686</b>	<b>816</b>	<b>951</b>	<b>1,112</b>
Property and equipment	15	16	15	14	14
Intangible assets	1	1	1	2	2
Right of use assets	43	57	71	77	82
Used and unused visas and other non-current assets	45	51	63	68	72
Other non-current assets	40	50	80	80	80
<b>Total Non-Current Assets</b>	<b>144</b>	<b>175</b>	<b>250</b>	<b>260</b>	<b>271</b>
<b>Total Assets</b>	<b>677</b>	<b>860</b>	<b>1,066</b>	<b>1,211</b>	<b>1,382</b>
Current Liabilities	239	337	415	439	477
Non-current Liabilities	94	125	159	174	189
Equity	344	398	492	597	716
<b>Total Equity and Liabilities</b>	<b>677</b>	<b>860</b>	<b>1,066</b>	<b>1,211</b>	<b>1,382</b>
BVPS	22.9	26.5	32.8	39.8	47.7
Cashflow	2023a	2024a	2025e	2026e	2027e
Cashflow from Operations	86	79	46	149	153
Cashflow from Investing	(5)	(3)	(23)	(3)	(3)
Cashflow from Financing	(55)	(53)	(64)	(70)	(76)
<b>Total Cashflows</b>	<b>26</b>	<b>23</b>	<b>(40)</b>	<b>76</b>	<b>74</b>

Source: Company, GIB Capital

Figure 1: Key ratios

Key ratios	2023a	2024a	2025e	2026e	2027e
<b>Profitability ratios</b>					
RoA	13%	11%	12%	12%	12%
RoE	26%	24%	27%	24%	22%
Sales/Assets	214%	236%	245%	237%	227%
Net margin	6.1%	4.7%	5.0%	5.0%	5.1%
<b>Liquidity ratios</b>					
Current Assets/ Current Liabilities	2.2	2.0	2.0	2.2	2.3
Debt to Total Equity (w/ IFRS liab.)	0.1	0.1	0.1	0.1	0.1
Receivable Days	54	50	55	55	55
Prepayment Days	34	27	27	27	30
Payable days	58	59	57	55	55
Cash conversion cycle	30	18	25	27	30
<b>Debt ratios</b>					
Net Debt/EBITDA (w/ IFRS liab.)	-0.3x	-0.4x	0.0x	-0.4x	-0.6x
Debt/Assets (w/ IFRS liab.)	0.1x	0.1x	0.1x	0.1x	0.1x
Net Debt/Equity (w/ IFRS liab.)	-0.1x	-0.1x	0.0x	-0.1x	-0.2x
<b>Valuation ratios</b>					
P/E	21.8x	20.3x	14.7x	13.5x	12.1x
P/B	5.6x	4.9x	3.9x	3.2x	2.7x
EV/EBITDA	16.5x	15.3x	11.4x	10.3x	9.3x
FCF Yield	8.8%	5.3%	3.8%	7.1%	7.3%
Dividend Yield	1.9%	1.9%	1.9%	2.0%	2.1%

Source: Company, GIB Capital

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