Aamal Company

H126 results

Improved momentum, but earnings lag

Diversified industrials

30 July 2026

Aamal's H126 results showed resilience as revenue declined 1.9% y-o-y to QAR1,050.2m and gross profit was broadly flat at QAR262.1m. Revenue momentum improved materially in Q2 after the weaker first quarter. Operating profit fell 6.6% to QAR174.5m impacted by pressure in Trading and Distribution. Higher finance costs, lower contributions from equity-accounted investees and increased impairment allowances and a 50.5% y-o-y increase in head-office costs to QAR20.2m weighed on profitability, while operating cash flow declined to QAR73.2m from QAR287.1m, driven mainly by a receivables outflow. Attributable net profit declined 12.9% to QAR192.7m, with EPS of QAR0.031as earnings conversion remained soft.

Year end	Revenue (QARm)	PBT (QARm)	EPS (QAR)	DPS (QAR)	P/E (x)	Yield (%)
12/24	2,100.8	432.0	0.07	0.00	10.6	N/A
12/25	1,995.6	444.9	0.07	0.06	10.3	8.3
12/26e	1,898.1	471.3	0.07	0.05	9.7	6.9
12/27e	2,042.3	520.5	0.08	0.06	8.8	8.3

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

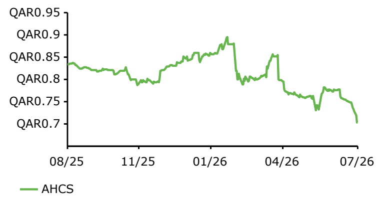
Industrial Manufacturing revenue increased 2.6% y-o-y to QAR94.5m, but net profit declined 23.3% y-o-y to QAR25.3m due to slower Senyar project deliveries, margin pressure and higher costs. Improved performances at Aamal Cement, Advanced Pipes, and Casts and Frijns provided a partial offset. Trading and Distribution revenue declined 3.9% to QAR727.4m and net profit fell 7.5% to QAR49.6m, reflecting the shift towards generic medicines at Ebn Sina Medical and subdued conditions at Aamal Trading. Ebn Sina maintained stable gross profit, while Aamal Medical delivered strong revenue and profit growth. Management expects demand for medicines and medical supplies and continued growth at Aamal Medical, to provide support, although procurement policies may continue to affect product mix.

Property revenue increased 3.5% y-o-y to QAR176.0m, supported by Aamal Tower, but net profit declined 6.9% to QAR129.2m due to acquisition financing and portfolio-expansion costs and softer City Center Doha contribution. Management expects stronger H2 leasing activity. Managed Services revenue increased 6.0% y-o-y to QAR85.5m and fully consolidated net profit rose 5.3% y-o-y to QAR9.0m. However, total segment profit declined 6.7% y-o-y as the prior-year associate and joint-venture contribution did not recur, while lower footfall and higher depreciation affected the Family Entertainment Centre. Management remains focused on its long-term growth strategy and is evaluating investment opportunities across healthcare, infrastructure and energy, in Qatar and the wider region, to strengthen the portfolio and broaden the earnings base. Ebn Sina also intends to enter negotiations regarding the potential acquisition of a Qatar-based pharmaceutical manufacturer. We calculate net debt including leases at c QAR897m, equivalent to adjusted net debt/EBITDA of 1.44x and company stated gearing of 9.77%.

H1 revenue was ahead of the run-rate implied by our FY26 estimate, but attributable net profit was below it, leaving a stronger H2 earnings requirement. We continue to value Amaal at QAR1.08/share, implying c 46% upside to the current share price of QAR0.74. On our current FY26 estimates, Aamal trades on 12.2x EV/EBITDA versus the FY25 profit-weighted peer average of 16.4x, a 26% discount, and on 10.8x P/E versus 17.2x, a 37% discount. A re-rating is likely to require improved earnings conversion and greater stability in healthcare distribution.

Price	**QAR0.73**
Market cap	**QAR4,568m**
Net cash/(debt)	QAR(896.6)m
Shares in issue	6,300.0m
Free float	35.6%
Code	AHCS
Primary exchange	QSE
Secondary exchange	N/A

Share price performance



Business description

Aamal Company is a highly diversified Qatari conglomerate with a business model that provides resilience and balanced exposure across its four segments (Trading and Distribution, Industrial Manufacturing, Property and Managed Services). The company offers entry into the Qatari economy through high-growth sectors.

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