

Earnings Release

9M 2026

Elm reported its Interim Consolidated Financial Results for the Period Ended on 30 September 2026

9M Financial Performance Highlights of 2026

(Comparisons reflect year-on-year changes and all figures are in ﷼ million except for EPS)

Revenue	Gross Profit	EBIT
7,788	3,286	1,921
+17.0% ▲	+21.3% ▲	+22.5% ▲

Net profit*	EPS (﷼)
1,947	24.99
+18.4% ▲	

*Attributable to equity holders of the parent company

Commenting on the results, Mohammad Alomair, CEO of elm, said, ‹In the 9M of 2026, elm continued to execute its strategic priorities with discipline and efficiency. We reinforced the strength of our core business, expanded strategic partnerships, and advanced our digital solutions, all while remaining focused on creating sustainable value for our customers and shareholders.

During the period, elm further strengthened its strategic partnerships with government entities, expanded partnership-based business models, and advanced the delivery of impactful national projects, reflecting growing confidence in the company's capabilities and expertise. The 9M of 2026 also saw the launch and development of AI-enabled solutions, with applications expanded across several digital platforms and services to enhance beneficiary experiences, improve operational efficiency, and support better decision-making through intelligent technologies.

At the same time, elm continued to develop its government products, digital applications, and platforms through capability enhancements, new features, and user experience improvements. This reflects elm's commitment to delivering more efficient and flexible solutions that address customer needs and respond to evolving expectations.

Looking ahead, we aim to build on the progress achieved in the 9M of 2026 by continuing to execute our strategic priorities, strengthening our investments in artificial intelligence, and developing more flexible business models. This will enhance our ability to capture future opportunities and reinforce elm's position as a trusted partner in driving digital transformation and creating sustainable impact.›

Financial Performance Highlights

P/L Performance Highlights

﷼ million	3M-2026	3M-2025	Change%*	9M-2026	9M-2025	Change%*
Revenue	2,791	2,535	%10.1	7,788	6,657	%17.0
Cost of Revenue	(1,584)	(1,515)	%4.6	(4,502)	(3,948)	%14.0
Gross Profit	1,207	1,020	%18.3	3,286	2,709	%21.3
Gross Margin %	%43.2	%40.3	3.0 PP	%42.2	%40.7	1.5 PP
Operating Expenses	(424)	(436)	(%2.8)	(1,365)	(1,141)	%19.6
Operating Profit	783	584	%34.1	1,921	1,568	%22.5
Operating Margin %	%28.1	%23.0	5.0 PP	%24.7	%23.6	1.1 PP
Net profit attributable to equity holders of the parent company	778	559	%39.2	1,947	1,644	%18.4
Net margin attributable to equity holders of the parent company %	%27.9	%22.1	5.8 PP	%25.0	%24.7	0.3 PP
Basic EPS (﷼)	9.98	7.18	%39.0	24.99	21.13	%18.3

*PP: Percentage point

Revenues increased by 17.0%to reach ﷼ 7,788 million for the nine-month period ended 30 September 2026, driven mainly by the growth in all segments.

Revenue increased by 10.1% in the third quarter of 2026 primarily driven by growth in revenue from the Digital Business segment.

The gross profit margin increased in the nine-months period by 1.5 percentage points to reach 42.2%, mainly due to higher profitability in all segments.

The gross profit margin increased in the third quarter by 3.0 percentage points to reach 43.2% due to the higher profitability of Digital Business segment.

Operating expenses increased by 19.6% to reach ﷼1,365 million for the nine-month period ended 30 September 2026, mainly due to higher general and administrative expenses, driven by increased employee costs following the acquisition of Thiqah, as the company's results were consolidated for five months in the comparative period of 2025, in comparison with the full nine months consolidated for the current period, in addition to the higher selling and marketing expenses and depreciation and amortization expenses.

On the other hand, operating expenses decreased by 2.8% for third quarter of 2026, due to lower general and administrative expenses and lower expected credit loss expense.

The company achieved an operating profit margin for the nine-month period ended 30 September 2026 by 24.7% with an increase by 1.1 percentage points.

The operating profit margin for the third quarter of 2026 increased by 5.0 percentage points supported by higher gross profit driven by higher revenue during the period, in addition to lower operating expenses.

Net profit margin attributable to equity holders of the parent company reached 25.0%, for the nine-month period reflecting a slight increase. This was attributable to higher operating profit driven by higher gross profit and the recognition of a non-recurring gain with an amount of ﷼ 59 million arising from the remeasurement at fair value of its previously held equity interest in an associate prior to acquisition, and an increase in income from Murabaha deposits, as well as an improvement in the share of results of associates and joint ventures, with a recorded profit of ﷼ 5 million during the current period, compared with a loss of ﷼ 8 million during the corresponding period of the prior year.

While the net profit margin expanded to reach 27.9% for the third quarter with an increase of 5.8 percentage points, as the company achieved its highest net profit of ﷼ 778 million, this was mainly driven by higher operating profit supported by higher gross profit as a result of higher revenue and lower operating expenses, in addition to increase in income from Murabaha deposits and increase in the share of results of associates and joint ventures, with a recorded profit of ﷼ 4 million during the current quarter, compared with a loss of ﷼ 6 million in the corresponding quarter of the prior year.

Segmental Performance Highlights

﷼ million	3M-2026	3M-2025	Change%*	9M-2026	9M-2025	Change%*
Digital Business						
Revenue	2,145	1,789	%19.9	5,774	4,755	%21.4
Gross Profit	1,055	828	%27.4	2,812	2,279	%23.4
Gross Profit Margin %	%49.2	%46.3	2.9 PP	%48.7	%47.9	0.8 PP
Business Process Outsourcing						
Revenue	600	699	(%14.2)	1,869	1,767	%5.8
Gross Profit	144	183	(%21.3)	439	404	%8.7
Gross Profit Margin %	%24.0	%26.2	(2.2) PP	%23.5	%22.9	0.6 PP
Professional Services						
Revenue	46	47	(%2.1)	145	135	%7.4
Gross Profit	8	9	(%11.1)	35	26	%34.6
Gross Profit Margin %	%17.4	%19.1	(1.7) PP	%24.1	%19.3	4.8 PP

*PP: Percentage point

Revenue for the Digital Business segment grew by 21.4% for the nine-month period ended 30 September 2026 driven by higher product revenue resulting from the addition of new services at the end of 2025 and the beginning of the current year.

Revenue for the third quarter increased by 19.9% as revenue growth was supported by higher product revenue from new services added during the period, as well as revenue recognized following an update to the entitlement mechanism with the customer under the revised commercial terms.

The gross profit margin for the nine-month period also increased by 0.8 percentage points. Although project revenue and its gross profit declined due to the completion of a number of projects, the gross profit margin on projects improved during the period.

The gross profit margin for the third quarter increased by 2.9 percentage points, supported by improved product profitability margins.

The Business Process Outsourcing segment witnessed growth in revenue for the nine-month period by 5.8%, mainly due to execution of new projects with higher revenues. The gross profit increased by 8.7%, and the gross profit margin increased to reach 23.5% supported by revenue from public-private partnership projects.

However, the segment's performance was affected in the third quarter, with revenue declining to ﷼ 600 million and the profit margin decreased by 2.2 percentage points due to the timing of execution of certain projects and completed projects without awarding new projects.

The Professional Services segment grew during the nine-months period recording a 7.4% increase in revenue and the gross profit by 34.6%, with an increase of 4.8 percentage points in the gross profit margin to reach 24.1%, mainly attributable to obtaining new projects.

While revenue decreased for the third quarter by 2.1% and the gross profit margin declined by 1.7 percentage points due to the completion of high-margin projects during the period.

Balance Sheet Highlights

﷼ million	30 SEP 2026	31 DEC 2025	Change*
Total Assets	12,575	11,887	5.8%
Total Liabilities	7,706	8,266	(6.8%)
Total Equity (excluding non-controlling interest)	4,857	3,621	34.1%

Assets

As of 30 September 2026, total assets increased by 5.8% to reach ﷼ 12,575 million, compared to ﷼ 11,887 million at the end of 2025. This was attributable to a 5.4% increase in non-current assets, which was attributable to the recognition of provisional goodwill amounting to ﷼ 98 million following the acquisition of Sahel Al Madar Company and the recording of a call option for the remaining share currently held by non-controlling interests in Sahal Al Madar Commercial Company, in addition to the increase of right-of-use assets with additions amounting to ﷼ 198 million. Current assets also increased by 5.9% primarily due to higher trade receivables and contract assets balances by ﷼ 397 million, in addition to an increase in cash and cash equivalents of ﷼ 143 million.

Liabilities

Total liabilities decreased by 6.8% to reach ﷼ 7,706 million as of 30 September 2026, compared to ﷼ 8,266 million at the end of 2025. The decrease is mainly attributable to decrease in trade payable and other payable balances in addition to the decrease in the current portion of the loan balance as a result of repaying of its due installment during the period. Also, non-current liabilities decreased by 10.6% due to loan, primarily from the reclassification of the current portion of the loan, in accordance with the payment due.

Equity

Total equity increased by 34.1% to reach ﷼ 4,857 million as of 30 September 2026, compared to ﷼ 3,621 million at the end of 2025. The increase is mainly attributable to net profit during the period offset by dividend distributions of ﷼ 740 million.

Cash Flow Statement Highlights

﷼ million	9M-2026	9M-2025	Change*
Net cash generated from operating activities	1,647	1,213	35.8%
Net cash used in investing activities	(724)	(1,915)	(62.2%)
Net cash (used in) / generated from financing activities	(1,324)	1,173	(>100%)

Net cash generated from operating activities increased to reach ﷼ 1,647 million for the period ended 30 September 2026, compared to ﷼ 1,213 million for the same period in the prior year. The increase is primarily driven by higher cash generated from operations during the current period compared with the corresponding period of the prior year, as a result of higher income before zakat.

Net cash used in investing activities amounted to ﷼ 724 million for the period ended 30 September 2026, compared to ﷼ 1,915 million for the same period in the prior year. This was attributable to the consideration paid for Thiqah acquisition in the comparative period, in addition to lower Murabaha deposit balances in the current period.

Net cash used in financing activities amounted to ﷼ 1,324 million for the period ended 30 September 2026, compared to net cash generated from financing activities of ﷼ 1,173 million for the same period in the prior year. This was attributable to repayment of the due installment of the loan and the related financing cost amounting to ﷼ 485 million, in addition to increase in dividend distributions by ﷼ 79 million during the period. Furthermore, the comparative period included an inflow amounting to ﷼ 1,900 million upon obtaining the loan.

As a result, total cash and cash equivalents stood at ﷼ 1,436 million for the period ended 30 September 2026.

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