Bupa Arabia for Cooperative Insurance Company

November 3, 2026

Stronger underwriting offset by a normalized zakat charge; net profit down 5% YoY

Last Price: SAR 141.1 | YoY Performance: -14.5%

3Q 2026 FIRST TAKE

KEY TAKEAWAYS

- BUPA reported net profit of SAR 344.7 mn in 3Q26, down 5.3% YoY, but 8.9% ahead of our estimated net profit of SAR 316.5 mn. The YoY decline was primarily due to (a) high base: non-recurring reversal of a zakat provision recorded in 3Q25, and (b) 24.5% YoY increase in other operating expenses to SAR 134.5 mn. On a sequential basis, net profit increased 12.4% from SAR 306.8 mn in 2Q26.
- Insurance revenue for the quarter increased to SAR 5,618.1 mn, up 11.4% YoY (+6.0% QoQ), driven by business growth, and came in 5.1% ahead of our estimate. Total GWP rose 16.0% YoY to SAR 5,380.2 mn, while declining 9.0% QoQ.
- Insurance service expenses rose to SAR 5,287.0 mn (+11.3% YoY), tracking the topline closely, and coming broadly inline with our estimate of SAR 5,059.6 mn.
- Insurance service result before reinsurance increased to SAR 331.1 mn, up 12.2% YoY, with the pre reinsurance margin flat YoY at 5.9%. Net reinsurance result, however, swung to an expense of SAR 11.6 mn from an income of SAR 13.6 mn in 3Q25. Insurance service result came at SAR 319.5 mn, up 3.5% YoY.
- Combined ratio for 3Q26 increased by 70 bps YoY to 96.7% better than our estimated ratio of 97.3%.
- Net investment income for the quarter increased by 14.1% YoY to SAR 213.7 mn.
- The effective zakat rate of for 3Q26 reported at 15.9% compared to the 9.5% in 3Q25. During 3Q25, BUPA recorded a positive impact of the reversal of a zakat provision.
- Based on our last review, we maintain a "Neutral" rating on Bupa Arabia's stock, with a target price of SAR 170/sh. The stock currently trades at a 2027f P/E and P/B of 14.4x and 3.0x, respectively.

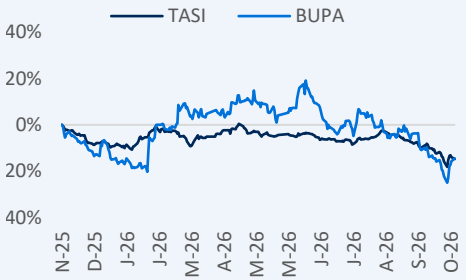
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Issuer Information

Bloomberg Code	**BUPA AB**
Last Price (SAR)	**141.1**
No of Shares (mn)	**150.0**
Market Cap bn (SAR/USD)	**21.2 / 5.6**
52-week High / Low (SAR)	**200.0 / 121.6**
12-month ADTV (mn) (SAR/USD)	**28.7 / 7.7**
Free Float (%)	**51.7**
Foreign Holdings (%)	**43.3**

Last price as of Nov 1st, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Insurance service revenue	5,618	5,346	*5.1*	5,044	*11.4*	5,300	*6.0*
Insurance service expense	(5,287)	(5,060)	*4.5*	(4,749)	*11.3*	(5,035)	*5.0*
Ins. service result pre reinsurance	331	286	*15.8*	295	*12.2*	264	*25.2*
Ins. service margin pre reinsurance (%)	***5.9***	***5.4***	-	***5.9***	-	***5.0***	-
Net reinsurance expense	(12)	(15)	*-20.7*	14	*n.m.*	(20)	-
Insurance service result	319	271	*17.7*	309	*3.5*	244	*30.8*
Insurance service margin (%)	***5.7***	***5.1***	-	***6.1***	-	***4.6***	-
Net investment income	214	*214*	-	187	*14.1*	216	*-1.0*
Net income	345	317	*8.9*	364	*-5.3*	307	*12.4*
Net margin (%)	***6.1***	***5.9***	-	***7.2***	-	***5.8***	-
EPS	2.30	2.11	-	2.43	-	2.05	-

**anbc estimates*
Source: Company Financials, anbc research

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Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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