

Rasan Information Technology Co.

Strong earning momentum supported by core segments growth

Rating: Neutral | Target Price: SAR 145.3

March 25, 2026

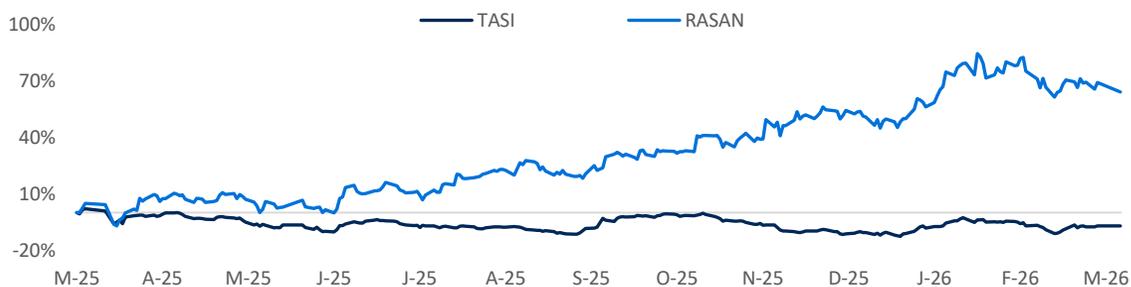
Market Data		Valuations				
		2025A	2026F	2027F	2028F	
Last Price (SAR)*	128.0	Net Income (SAR mn)	247	366	410	482
Target Price (SAR)	145.3	EPS (SAR)	3.2	4.7	5.3	6.2
Upside / Downside (%)	13.5	PER (x)	40.2	27.1	24.2	20.6
Market Cap (bn) (SAR/USD)	10/3	P/BV (x)	14.1	9.3	6.7	5.1
52 week High / Low (SAR)	146/68	DPS (SAR)	-	-	-	-
12-month ADTV (mn) (SAR/USD)	54/14	Div. Yield (%)	-	-	-	-
YTD Return (%)	10.4	RoAE (%)	44.1	41.2	32.1	28.0
Bloomberg Code	RASAN AB	RoAA (%)	21.7	22.7	19.2	17.9

*last price as of 24th March 2026

Financials (SAR mn)	4Q25A	4Q25E*	Var (%)	4Q24A	YoY (%)	3Q25A	QoQ (%)
Revenue	214	211	1	118	81	195	10
COGS	(60)	(64)	(6)	(25)	146	(59)	2
Gross profit	153	147	5	93	64	135	13
Gross margin (%)	72	70	-	79	-	70	-
Operating expense	(60)	(65)	(8)	(51)	17	(52)	14
Operating profit	93	81	15	42	123	83	12
Operating margin (%)	44	39	-	36	-	43	-
Net income	90	75	19	40	125	82	9
Net margin (%)	42	36	-	34	-	42	-
EPS	1.2	1.0	19	0.5	125	1.1	9
DPS	-	-	-	-	-	-	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg, and anbc research

Rasan Information Technology Co. (Rasan) posted a net profit of SAR 90 mn (EPS: SAR 1.2), depicting an increase of 2.3x YoY and 9% QoQ in 4Q25. Net profit came in ahead of anbc's estimates and Bloomberg's consensus by 19% and 35%, respectively. The increase was driven by continued growth momentum in core business segments and a 37.6x YoY increase in domestic worker contract insurance revenue. Given the updated management guidance and ongoing sectorial developments, we have updated our target price to SAR 145.3/share, while maintaining our 'Neutral' stance.

- Rasan's 4Q25 revenue increased to SAR 214 mn, up 81% YoY, in line with our estimates. The performance was supported by continued scaling of the business. For full year, revenues reached SAR 653 mn, up 82% YoY driven by expansion across core verticals. During 2025, motor retail revenue rose 61% YoY, motor leasing sales increased 126% YoY, while health segment's topline grew 49% YoY. Company has launched 6 new products during the year (including health individual, home, and protection & savings insurance etc.) and introduced valued added services, which contributed to a 3.9x YoY rise in other product revenues.
- Growth in the motor retail segment was driven by a rise in comprehensive policies (+68% YoY) and improving price dynamics. The motor leasing segment expanded due to a transition toward a brokerage-based business model, adopted by all partners except Al Rajhi bank and the onboarding of new customers. Meanwhile, revenue growth in the health segment was supported by ongoing digital adoption and product innovation.
- In 4Q25, gross margins improved by 2 percentage points QoQ to 72%, supported by continued scale and cost discipline. On full year basis, margins expanded to 71% vs. 66% in 2024, slightly exceeding our estimates of 70% and management's guidance of 68-70%. On a sequential basis, 8 percentage points improvement in operating margins to 44% in 4Q25, came due to lower G&A expenses (down 39% QoQ).
- As per management guidance for 2026f, revenue is expected to reach SAR 900-975 mn, implying a growth of 38-49% YoY. This outlook reflects continued scaling of the core business and increasing contributions from new product lines as they mature. Gross margins are guided in range of 70-72%, while adjusted EBITDA margins are expected between 41-46%. Given the updated guidance and ongoing sectorial developments, we have updated our target price to SAR 145.3/share (from SAR 114.0/share), while maintaining our 'Neutral' stance on the stock. Currently, the company trades at 2026f P/E and P/B multiples of 27.1x and 9.3x, respectively.

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