

Daily Bulletin

May 18, 2026

Taiba Investments signed a SAR 2.4 bn agreement for the development and operation of three hotels in Madinah

Last Price: SAR 19.2 | YoY Performance: -5.8% | Target Price: 24.7

Taiba Investment Co. (TAIBA) has entered into a final partnership agreement with Osool Integrated Real Estate Company to invest in, develop, and operate three hotels in the central area of Al Madinah. This follows the preliminary Memorandum of Understanding signed in November 2025 and marks the formal completion of the non-binding arrangement between the two parties.

The agreement involves the establishment of a special-purpose company with total investments estimated at SAR 2.4 bn, with a SAR 300 mn contribution from TAIBA. TAIBA will supervise the development, renovation, and operation of 3 hotels under local and international brands, comprising a total of 1,500 rooms. Project will be financed with each party's ownership stake in the new entity and according to the project's progress stages.

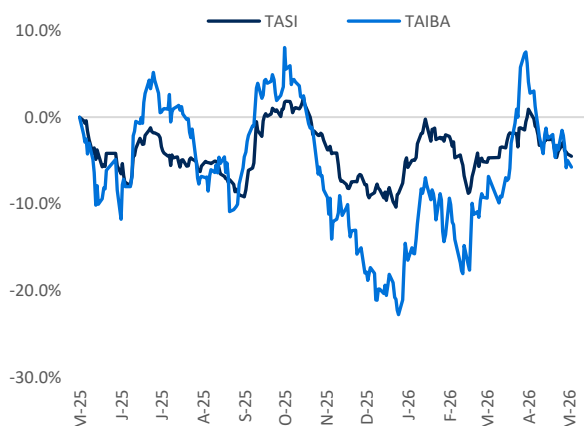
The agreement aligns with TAIBA's strategic expansion strategy, aimed at reinforcing its leadership position in the Kingdom's hospitality sector and improving service quality for pilgrims. The transaction is strategically timely, given the accelerating pace of hospitality sector development in the holy city under Saudi Vision 2030. The project is expected to diversify and strengthen TAIBA's investment portfolio through the addition of new hotel assets.

In terms of revenue composition, TAIBA reported total revenues of SAR 1.4 bn in 2025, reflecting growth of 3.7% YoY from SAR 1.3 bn in 2024. The hospitality segment remained the dominant revenue driver, accounting for 72.0% of total revenues, while lease revenues and property management contributed 27.4% and 0.6%, respectively.

The contract is strategically significant to hospitality segment, representing approximately 22.0% of the company's 2025 revenue of SAR 1.4 bn. The financial impact is expected to be reflected from 2029, after the completion of the preparation of each hotel for operation.

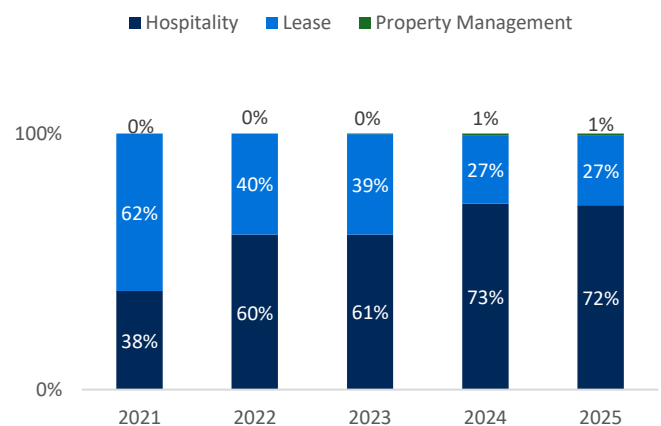
TAIBA's stock has declined by 5.8% YoY, underperforming TASI which slipped 4.5% over the same period. The stock currently trades at a consensus target price of SAR 24.7/share, implying a potential upside of 28.5% from the last close of SAR 19.2/share.

Relative price chart



Source: Tadawul, anbc research

TAIBA's revenue mix (SAR bn)



Source: Company financials, anbc research

Disclaimer:

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.