Rasan Information Technology Co.

August 11, 2026

Revenue momentum drives in-line earnings despite softer gross margins

Last Price: SAR 130.0 | YoY Performance: 41.1%

KEY TAKEAWAYS

- Rasan Information Technology Co. (Rasan) reported 2Q26 net profit of SAR 85.2 mn, up 115.7% YoY, broadly in line with our SAR 81.2 mn estimate. Earnings growth was supported by revenue more than doubling YoY, notwithstanding some pressure on margins. On a sequential basis, net profit declined 4.3% from SAR 89.0 mn in 1Q26.
- Revenue rose to SAR 256.5 mn, up 106.5% YoY, coming in 5.9% ahead of our SAR 242.2 mn estimate with growth across all verticals. GWP for the quarter came in at SAR 2.7 bn, up 49% YoY.
- Segment wise, motor leasing (Treza) revenue came in 130% higher YoY at SAR 108 mn for the quarter. Motor retail (Tameeni-Motor) showed similar momentum, supported by firmer pricing trends, with revenue of SAR 109 mn, up 83% YoY. Health segment (Tameeni-Health) revenue came in at SAR 23 mn in 2Q26 compared to SAR 16 mn in the same period last year. While, revenue from other products category (comprising domestic helper contract insurance, SME motor, Travel, Home and P&S, etc) increased to SAR ~18 mn in 2Q26, compared to SAR ~2 mn in 2Q25.
- Rasan's gross profit reached SAR 172.2 mn in 2Q26, up 90.5% YoY, coming in line with our estimate of SAR 174.4 mn. However, the soft spot was Rasan's gross margin, which contracted to 67.1% from 71.2% in 1Q26 and 72.8% in 2Q25. The higher than anticipated compression was driven by a change in product mix towards newly launched products carrying different commercial structures, alongside the cost of continued investment in new products. However, the company maintains its 2026 guidance on gross margins of 70-72%. Operating profit reached SAR 85.8 mn, up 116.1% YoY, in line with our estimate of SAR 84.0 mn.
- In the latest earnings call, management did not formally revise the 2026e full year revenue guidance of SAR 900-975 mn but with SAR 517 mn delivered in 1H26, it expects to come ahead of the top end of the guidance range. Separately, Rasan recorded ESOP cost of around SAR 42 mn in 1H26 which is expected to decrease to SAR ~20 mn in 2H26.
- Based on our last review, we maintain a 'Neutral' rating on Rasan's stock, with a target price of SAR 145.3/sh. The stock currently trades at a 2026e P/E and P/B of 25.4x and 8.9x, respectively.

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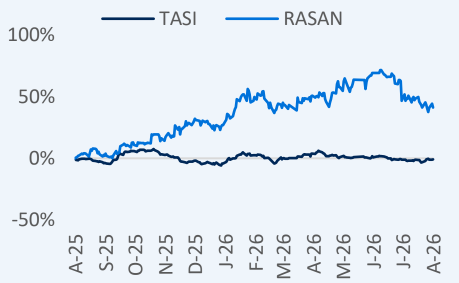
Issuer Information

Bloomberg Code	**RASAN AB**
Last Price (SAR)	**130.0**
No of Shares (mn)	**78**
Market Cap bn (SAR/USD)	**10.1 / 2.7**
52-week High / Low (SAR)	**159.6 / 91.5**
12-month ADTV (mn) (SAR/USD)	**59.5 / 15.9**
Free Float (%)	**95.1**
Foreign Holdings (%)	**39.3**

Last price as of August 10th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A**	YoY (%)	1Q26A**	QoQ (%)
Revenue	257	242	*5.9*	124	*106.5*	261	*(1.7)*
COGS	(84)	(68)	*24.0*	(34)	*148.4*	(75)	*11.9*
Gross profit	172	174	*(1.3)*	90	*90.5*	186	*(7.4)*
Gross margin (%)	*67.1*	*72.0*	-	*72.8*	-	*71.2*	-
Operating expense	(86)	(90)	*(4.5)*	(51)	*70.4*	(92)	*(6.0)*
Operating profit	86	84	*2.2*	40	*116.1*	94	*(8.7)*
Operating margin (%)	*33.5*	*34.7*	-	*32.0*	-	*36.0*	-
Net income	85	81	*4.9*	40	*115.7*	89	*(4.3)*
Net margin (%)	*33.2*	*33.5*	-	*31.8*	-	*34.1*	-
EPS	**1.1**	**1.0**	**-**	**0.5**	**-**	**1.1**	**-**

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

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