Rasan Information Technology Co.

November 3, 2026

Strong revenue drives an earnings beat

Last Price: SAR 137.0 | YoY Performance: 24.7%

3Q 2026 FIRST TAKE

KEY TAKEAWAYS

- Rasan Information Technology Co. (Rasan) reported 3Q26 net profit of SAR 109.9 mn, up 34.0% YoY from a restated SAR 82.0 mn in 3Q25, coming in 14.4% ahead of our SAR 96.1 mn estimate. Growth in profitability was driven by a 40.3% YoY increase in revenue, partly offset by higher marketing expense of SAR 51 mn, up 113% YoY. On a sequential basis, net profit rose 29.0% from SAR 85.2 mn reported in 2Q26.
- Revenue for 3Q26 increased to SAR 301.1 mn, up 40.3% YoY, exceeding our SAR 274.2 mn estimate by 9.8% on back of new customer acquisition, improved customer retention and new product mix. On a sequential basis, revenue increased 17.4%, primarily attributable to the seasonality of motor retail volumes. For 9M26, GWP increased 42% YoY to SAR 8.6 bn.
- For 9M26, total revenue increased by 64% YoY to SAR 819 mn. Segment wise, motor leasing (Treza) revenue came in 105% higher YoY at SAR 340 mn, as customers onboarded during 2025 reached full contribution. Motor retail (Tameeni-Motor) revenue came in at SAR 331 mn, up 34% YoY, on the back of higher policy volumes and better average premium per policy. Health segment (Tameeni-Health) revenue rose 18% YoY to SAR 93 mn, while revenue from other products increased 579% YoY to SAR 55 mn.
- Rasan's gross profit reached SAR 192.2 mn in 3Q26, up 41.8% YoY, broadly matching our SAR 183.5 mn estimate. However, gross margin contracted to 63.8% from 67.1% in 2Q26, reflecting a change in product mix, while remaining broadly stable YoY (63.1% in 3Q25). For 9M26, gross margin stood at 67.2%, below the company's 2026 guidance of 70-72%.
- Operating profit reached SAR 109.5 mn, up 32.2% YoY and 9.4% ahead of our SAR 100 mn estimate, despite marketing expenses more than doubling YoY to SAR 51 mn (SAR 24 mn in 3Q25) to support the brand campaign and new vertical launches.
- With SAR 818.6 mn revenue delivered in 9M26, Rasan has achieved 84-91% of its 2026 full year revenue guidance of SAR 900-975 mn. Non-cash ESOP cost came in at SAR 4.0 mn in 3Q26 (SAR 46.0 mn in 9M26) vs. SAR 7.0 mn in 3Q25, taking adjusted net profit to SAR 114.0 mn for the quarter, up 29% YoY.
- 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 2027f P/E and P/B of 25.3x and 6.6x, respectively.

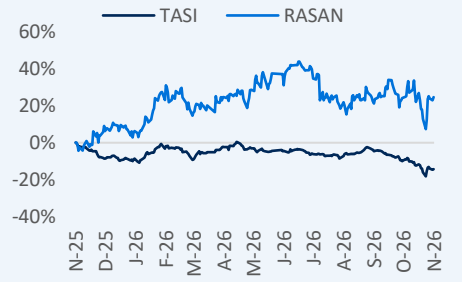
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Issuer Information

Bloomberg Code	**RASAN AB**
Last Price (SAR)	**137.0**
No of Shares (mn)	**78**
Market Cap bn (SAR/USD)	**10.6 / 2.8**
52-week High / Low (SAR)	**159.6 / 104.6**
12-month ADTV (mn) (SAR/USD)	**59.7 / 15.9**
Free Float (%)	**96.0**
Foreign Holdings (%)	**42.6**

Last price as of November 2nd, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A**	YoY (%)	2Q26A	QoQ (%)
Revenue	301	274	*9.8*	215	*40.3*	257	*17.4*
COGS	(109)	(91)	*20.2*	(79)	*37.7*	(84)	*29.2*
Gross profit	192	184	*4.7*	135	*41.8*	172	*11.6*
Gross margin (%)	***63.8***	***66.9***	-	***63.1***	-	***67.1***	-
Operating expense	(83)	(83)	*(0.9)*	(53)	*56.9*	(86)	*(4.3)*
Operating profit	110	100	*9.4*	83	*32.2*	86	*27.6*
Operating margin (%)	***36.4***	***36.5***	-	***38.6***	-	***33.5***	-
Net income	110	96	*14.4*	82	*34.0*	85	*29.0*
Net margin (%)	***36.5***	***35.0***	-	***38.2***	-	***33.2***	-
EPS	1.4	1.2	-	1.1	-	1.1	-

**anbc estimates*
***Restated numbers*
Source: Earnings release, company financials, anbc research

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