

Rasan Information Technology Co. (Rasan)

ICT | INITIATION OF COVERAGE

11 March 2026



Buy opportunity ahead of strong growth from established and new business lines powered by irreplicable digital integrations across the Kingdom's insurance and finance ecosystems

- The recent sell-off provides a compelling entry opportunity ahead of two transformational years for Rasan, marking launch of new business lines expected to drive substantial revenue growth, leveraging on existing digital integrations and a clientele of over 10 million individuals in the Kingdom.
- Tameeni and Treza continue to offer revenue upside, as the National Insurance Sector Strategy is poised to fuel Gross Written Premium to meet industry targets, potentially aided with new regulation and/or more mandated products.
- Rasan maintains a short cash cycle and a pristine balance sheet with virtually no debt or significant commitments. Its reinvestment needs are insignificant. Since cash resources constitute 105% of its book, the company is well-positioned for opportunistic acquisitions, a generous payout and/or share buyback by 2027e, which could trigger stock rerating.

Asset-light exposure to Saudi Arabia's expanding digital economy: we initiate coverage on Rasan with a Buy rating and a SAR 160 target price, offering 20% upside. Rasan provides accessible, low-risk exposure to the Kingdom's digital economy, fintech, insurtech, and e-governance sectors, supported by its strong IP, brand equity, and large customer base. Its growth is largely independent of government spending and is further underpinned by the National Insurance Sector Strategy, which we estimate will drive Rasan's underlying market at a 15% CAGR through 2030e. Rasan also offers convenient access to the growing insurance sector without balance sheet risk and is set to provide similar exposure to consumer finance as it evolves into a full insurance and finance marketplace. Its forward P/E of 28x - a 25% premium to peers - is justified by its superior growth track record, robust outlook, asset-light model, and debt-free, highly liquid balance sheet. Rasan has averaged a 44x forward P/E over the past two years; our target price and forecasts imply 34x, falling to 19x by 2028e. Ample cash reserves enable opportunistic acquisitions or generous dividends, either of which could further support a stock rerating through 2026e.

Growth to come from ongoing insurance transformation and new verticals: As new verticals gain momentum, we expect Rasan's top and bottom lines to grow at CAGRs of 27% and 33%, respectively, through 2030e. We forecast bottom line growth of 50% in 2026e, following a 161% surge in 2025, before earnings growth normalizes after 2030e. Rasan's growth is driven by three main factors: (i) rising motor retail penetration, policy repricing, and the shift from TPL to Comprehensive coverage; (ii) increasing market share in SME health; and (iii) the launch of new verticals such as finance aggregation, domestic helper contract insurance, and other insurance products. We expect gross margins to remain stable, with potential for modest expansion in later years due to economies of scale and the low marginal costs of new revenue, which are primarily limited to data validation, payment gateway fees, communication expenses, and directly related payroll.

Acquiring access others cannot buy: Rasan has been laboriously spreading its tentacles across the headquarters of the Kingdom's largest insurance and finance companies and is now connected to around 700 APIs across the country's public and private sectors. It maintains close relationships with 24+ insurance partners, 20+ banks and leasing companies, over 50 private and government institutions, and has strong connections with local regulators and authorities, such as the Insurance Authority, SAMA, and others. Rasan has built a fertile ecosystem for further growth that serves as a massive barrier to entry. We believe both new startups and legacy ICT giants will find it nearly impossible to replicate at current scale. This structural 'stickiness' underpins our conviction that Rasan merits a premium valuation.

Competition, interest rate hikes are the key albeit weak risks: Rasan's position as a quasi-utility provider through Treza should reinforce its first-mover advantage for the foreseeable future. However, tightening profitability in the insurance sector could lead to increased competition or prompt insurers to bypass intermediaries in favor of their own digital storefronts to regain margins. Additionally, a prolonged high-interest-rate environment presents a structural challenge for the personal finance and automotive sectors, representing a key downside risk to our forecasts.

Key financial metrics <i>In SAR mn, unless otherwise stated</i>	2024a	2025a	2026e	2027e	2028e
Revenue	358	653	958	1,189	1,471
Revenue growth	40%	82%	47%	24%	24%
Operating Profit	99	251	374	499	652
Operating margin	28%	38%	39%	42%	44%
Net profit	95	247	369	493	638
Net profit margin	26%	38%	39%	41%	43%
EPS (SAR)	1.3	3.3	4.8	6.4	8.2
DPS (SAR) / div. yield	0.0/0.0%	0.0/0.0%	0.0/0.0%	4.8/3.6%	6.4/4.8%
P/E	104	41	28	21	16

Source: Company data, Derayah Financial

Rating **Buy**
Target price **SAR 160.00**
Last price **SAR 133.60**
Upside potential **20%**

Stock info

Saudi Exchange / Bloomberg symbol	8313 / RASAN:AB
MCap (SARmn / USDmn)	10,355 / 2,761
Daily traded value 3M avg. (SARmn / USDmn)	69.2 / 18.5
Free float %	100%
Foreign ownership / limit	49% / 30.2%

Key shareholders

Abu Hamid Fahd Ahmed Muhammad	2.12%
Vanguard Group Inc	2.02%

Source: Bloomberg

Share performance (1-yr return)



Source: Investing.com

Price-related indicators based on share price as at 10 March 2026

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What is insurtech?

Insurtech is the strategic application of advanced technologies such as artificial intelligence, machine learning, and the Internet of Things to modernize the traditional insurance industry by increasing operational efficiency and creating hyper-personalized customer experiences. Until recently, insurtech boiled down to online distribution channels of insurance policies and encompassed online market places and aggregators integrated with individual players in the insurance industry to which clients were instantly matched and connected based on their risk profiles and pricing preferences. Currently, the sector is transitioning from experimental pilots to agentic AI-driven models that collapse the gap between intent and execution, enabling real-time client risk assessment through telematics and automated claims processing that can significantly reduce cycle. This evolution also facilitates the rise of embedded insurance, where coverage is seamlessly bundled into digital transactions at the point of sale to meet modern consumer expectations for speed and transparency.



What is fintech?

Fintech refers to the integration of technology into financial services to optimize delivery and broaden access by shifting power from traditional institutions to digital distribution channels. Currently, this evolution is centered on sophisticated marketplaces and aggregators that consolidate diverse financial products like loans, investments, and insurance into unified digital platforms where users can compare and purchase services with total transparency. These ecosystems utilize open banking and real-time data to act as intelligent intermediaries, allowing consumers to bypass physical branches in favor of embedded finance tools that place financial decision-making directly within the apps and websites they use every day. It also includes peer-to-peer lending, robo-advisory, crowdfunding, and blockchain applications, driving greater efficiency and accessibility in the financial sector.

Investment thesis

We initiate coverage on Rasan Information Technology Co. (Rasan) with a Buy rating and a target price of SAR 160 per share. Derived from a DCF-based valuation, our target implies a 20% upside to the current share price. Rasan occupies a unique and defensive position at the center of Saudi Arabia's expanding insurtech and fintech ecosystem, supported by a massive base of approximately 10 million customers and offering a balanced exposure to the Kingdom's ever-growing digital economy, primarily as its key sales channel for various types of insurance policies. We believe its significant earnings growth potential, with an estimated 33% CAGR through 2030e, justifies a premium multiple relative to its more leveraged ICT peers.

We encourage to look at Rasan as relatively defensive. The business model is asset-light; the balance sheet is unlevered and flush with cash; and a large share of Rasan's revenue is linked to activity mandated by regulation (e.g., compulsory motor TPL insurance). Its working capital needs are insignificant and it can self-fund any major expansion going forward. Moreover, more than one-third of its revenue is currently generated by Treza platform, which functions more as a utility for the Kingdom's auto-financing infrastructure than a discretionary service, allowing banks and finance companies to legally procure and manage motor insurance for leased vehicles. Furthermore, Rasan's zero-leverage position and lack of reliance on government awards provide high resilience against regional geopolitical volatility, in our view.

As an online insurance marketplace, Rasan offers exposure to the Saudi insurance sector without taking underwriting risk onto its balance sheet. Key earnings drivers over the coming years include:

- Rising motor insurance penetration and an ongoing conversion from TPL to comprehensive coverage
- Expansion of SME health insurance
- Domestic worker contract insurance and other emerging product lines
- Ancillary services provided to insurance and finance ecosystem participants
- Unfolding, market-disruptive opportunities in auto, personal, and SME financing

Capitalizing on its success in motor insurance, Rasan is now set to expand its footprint into the car and personal/SME financing sectors through the launch of a new finance aggregator, which will commence operations in 2026. This platform will simplify finance procurement process by leveraging Rasan's deep digital integrations within the Kingdom's leasing and insurance ecosystem. Crucially, this expansion allows for financing market exposure without the burden of credit risk.

Our bottom-line projections suggest a forward 2026e P/E of 28x on current pricing. This sits well below Rasan's historical average forward multiple of 44x since its 2024 listing, dropping down to 16x by 2028e. Our target price implies a 2026e forward multiple of 33x, supported by strong operating cash flow projections as Rasan continues to extract value from core insurance niches while expanding into new fintech solutions. While we have not yet included personal and SME finance aggregation in our forecasts, limiting projections to car finance aggregation only, we expect the company to deliver a 27% OCF CAGR over the next five years, with sizable upside. With a projected OCF yield nearing 11% by 2030e and scope for an attractive dividend yield in the vicinity of 4% within the coming two years, we believe the market has yet to price in the value of these incoming verticals and remaining growth in the legacy ones. We believe that existing Bloomberg consensus estimates for 2026e and 2027e may be overly conservative following Rasan's recently issued 2026e revenue guidance and are now likely to trend upward, in our view, particularly given the company's stellar performance in 2025 where it surpassed consensus expectations and exceeded management's own targets. Until these upward revisions occur, **we view the recent weakness in the share price as a compelling valuation opportunity.**

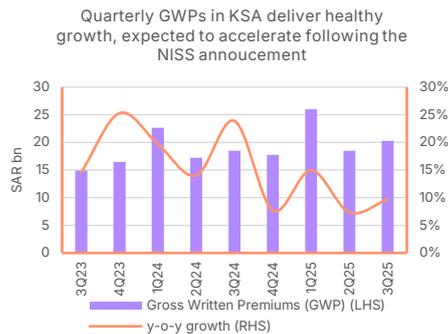


What is **take-rate** and why would insurers and finance providers be willing to pay it?!

The take-rate is a commission or percentage-based fee that an aggregator platform charges an insurance or finance provider for completing a transaction or generating a successful lead. Providers are willing to pay this fee because aggregators aggregate massive volumes of high-intent consumers who are actively comparing products, which outsources the most difficult and expensive parts of the marketing effort. By paying a take-rate, providers can reduce their internal customer acquisition costs and benefit from a performance-based model where they only incur expenses for actual sales rather than speculative advertising. This relationship allows providers to maintain a steady stream of new business without the technological burden of building their own comparison tools or the financial burden and risks of marketing campaigns.

Industry backdrop: underpenetrated insurance sector with regulatory tailwinds

The insurance sector in the Kingdom remains underpenetrated, offering significant opportunities for growth in emerging segments such as Home and Protection & Savings, while traditional areas like motor and health insurance also retain considerable upside. Insurance penetration stands at approximately 2.4% of non-oil GDP. The National Insurance Sector Strategy (NISS), approved in January 2026, aims to increase this figure to 3.6% by 2030. Based on official Vision 2030 target GDP projections for Saudi Arabia, this would require total premiums to rise from roughly SAR 86 billion in 2025 (9M annualized) to about SAR 180 billion by 2030, representing a robust CAGR of some 15%, which is less than the growth that we



Source: IA

factor in core segments of Rasan, also accounting for expanding market shares and improvement to take-rates, which are already on the rise for the company. Some of this anticipated growth is likely to be driven by regulatory initiatives, in our view, whether through enhancing product appeal by customer-centric regulation or outright mandating coverage. Rasan is well positioned to capitalize on these trends, as demonstrated by its success with Treza and domestic worker contract insurance verticals, both products of evolving regulation. Even if market growth targets are met, insurance penetration in the Kingdom would still be only about half the OECD average of 6–7 percent, leaving ample room for the market, and Rasan, to potentially double again after 2030e. Additionally, the Kingdom remains significantly underpenetrated in non-vehicle and non-health insurance segments, such as property and casualty insurance, where further growth could be driven by new regulations, including mandatory insurance requirements linked to specific financial activities like securing financing.

Insurance and financing aggregators are a natural progression in a hyper-connected model digital economy and there could be more to come

As of 2025, Saudi Arabia ranked 2nd globally in the World Bank's GovTech Maturity Index, up from 3rd in 2022 and 49th in 2020. This index measures the digital transformation of the public sector. Saudi Arabia also ranks highly on indices evaluating private-sector digital maturity and competitiveness. With a mobile penetration rate of 99% and approximately 4 million homes covered by fiber-optic networks, the country is among the most connected globally. This advanced digital infrastructure has created a data-rich environment, integrated with government agencies in real time, enabling aggregator platforms to go beyond simple price comparison. Companies like Rasan can now leverage extensive integrations to instantly synthesize a client's full profile, accelerating data collection, processing, and the legal steps required for product purchases. Notably, aggregator platforms account for about one third to one half of all insurance sales in Europe. Following the launch of car and personal finance aggregation, Rasan is well-positioned to integrate its business model elements into a full-fledged insurance and finance marketplace with several distinct growth avenues. Building on financing aggregation, Rasan might also venture into **investment products, premium financing, electronic wallets, and/or proprietary credit scoring services**, to name a few. Furthermore, the company could broaden its SME offering by introducing various forms of **third-party liability coverage, like professional indemnity, cyber liability, product liability, employment practices liability, environmental pollution liability, and so on.**

A pristine balance sheet and strong cash flow generation support a premium valuation - Rasan delivers a 44% RoAE, even with cash holdings exceeding total equity

Rasan reported SAR 333 million in net operating cash flow for 2025 (a yield of 3.3%), marking a 102% year-over-year increase and a robust 91% CAGR since 2021. We project net operating cash flow to rise by a further 27% in 2026, reaching SAR 424 million, driven by continued growth in Tameeni and Treza. From 2027 onwards, the maturation of the new car finance aggregation solution is expected to become the primary growth driver. The company's capital expenditure requirements have remained minimal, totaling just SAR 117 million over the past five years, primarily allocated to intellectual property, with only SAR 28 million spent on property, plant, and equipment (PP&E). We assume ongoing spending of just 3–5% of revenue on intangible assets (digital solutions) and 0.5% on PP&E. As of year-end 2025, Rasan's accumulated cash reserves stood at SAR 741 million (excl. restricted cash), a result of no dividend payouts since listing. This cash balance represents an impressive - and to some extent problematic - 105% of total reported equity. With only SAR 3.9 million in lease liabilities and no bank debt, Rasan maintains what we view as the most resilient balance sheet in the listed ICT sector. Despite having no leverage and a substantial cash position, the company delivered a 44% RoAE in 2025, the highest in its peer group. Rasan's strong cash position and cash generation ability, combined with the absence of significant financial or operational liabilities, substantially reduce its non-systemic risk profile, in our view.

Value accretive acquisitions or generous dividend payouts are both on the horizon

The pileup of cash on Rasan's balance sheet could become a pressing issue for its management vis-à-vis its larger investors by year-end, in our view. We believe this makes one of two strategic developments imminent: (i) a value-accretive acquisition to integrate new services or expand the local customer base, or (ii) the initiation of a generous payout by 2027e, followed by a stable dividend policy. **Either scenario presents a compelling catalyst for the stock.**

Our model assumes a dividend payout beginning in 2027e to utilize the excess cash already evident on the balance sheet as of 2025a. We project a payout of 100% of 2026e EPS, translating to a dividend of SAR 4.8 per share in 2027e, totaling approximately SAR 369 million and representing a 3.6% yield at the current share price. Payouts could scale significantly, potentially reaching SAR 10.9 per share by 2030e, with a yield of 8.3%, in line with EPS growth if significant acquisitions are delayed. While management may alternatively pursue share buybacks or inorganic expansion, the company's pristine balance sheet comfortably supports a generous dividend, a major acquisition, or a combination of both, in our view.

The company in brief

Rasan is the premier insurtech and fintech services provider in Saudi Arabia. The company was incorporated in 2016 and launched operations one year later with Tameeni Motor. Rasan successfully listed on the Saudi Stock Exchange (Tadawul) in June 2024.

Core business segments

Tameeni (60% of 2025a revenue)

Tameeni is the first and largest insurance aggregator app in the Kingdom by Gross Written Premiums (GWP). Its diversified product suite includes the following:

- Motor Insurance: Both TPL and Comprehensive options
- Health: Employee health insurance specifically for SMEs
- Specialized Lines: Medical malpractice, Travel, Home, and Protection & Savings.
- Domestic Worker Insurance: A mandatory regulatory product protecting employers against contract non-fulfillment and property damage. While this segment contributed only 1.5% to 2025 revenue, we expect it to be a significant driver of immediate growth.

Treza (37% of 2025a revenue)

Launched in 2020, Treza is a specialized policy management solution for banks and car-leasing companies. It addresses regulatory requirements that mandate leasing entities to obtain three distinct insurance quotes when bundling insurance into financing costs, i.e. their products.

Auxiliary verticals (<2% of 2025a revenue)

Other interests include Awal Mazad, a salvaged and used vehicle auction platform, and R Solutions, which focuses on data analytics and actuarial modeling.

Business model and take-rates

Rasan operates a capital-light model by leveraging its proprietary intellectual property. This includes integrated platforms and APIs used to facilitate third-party policy sales. The company earns a commission, or "take-rate," on these transactions.

- TPL Insurance: Approximately 2% take-rate.
- Comprehensive Insurance: Up to 15% take-rate.
- 2025 Blended Take-Rate including value add-on services: 7.7% as implied by actual financials

Market classification – it is an ICT, not an insurance stock

The Saudi Exchange includes Rasan in the Insurance Sector \ alongside underwriters such as Tawuniya or Al Rajhi Takaful. However, its underlying economics are fundamentally different. Rasan carries zero insurance risk on its balance sheet. It acts as a broker and aggregator rather than an underwriter. Consequently, we believe Rasan is more accurately valued alongside Information and Communication Technology (ICT) stocks rather than traditional insurance players.

Zooming in on sources of growth: projecting 27% revenue CAGR through 2030e driven by motor, health, and finance aggregation

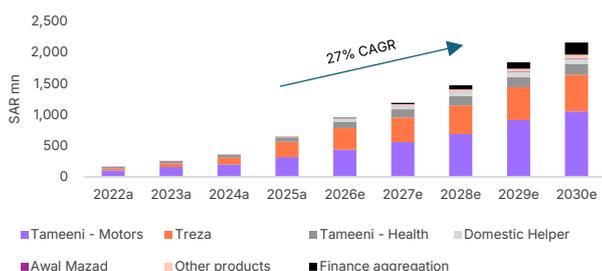
Rasan has demonstrated robust topline momentum, with revenues expanding 40% year-over-year in 2024 followed by a remarkable 83% surge in 2025. This growth has been driven in nearly equal measure by the Tameeni platform, which handles retail motor and healthcare insurance, and the Treza platform, the company's B2B insurance management engine for leasing firms and banks. While these core segments are expected to maintain their trajectory and strongest contribution to the total revenue of Rasan, new high-potential verticals, which the market is neglecting to price in, in our view, could be adding 16% of revenue by 2030e, on conservative assumptions. These include the car, personal, and SME finance aggregation platforms, as well as sale of specialized policies like domestic helper contract insurance.

We forecast total revenue to increase by 47% year-over-year in 2026e to reach SAR 958 million. This estimate sits within the company's guidance range of SAR 900–975 million as of March 2026 and slightly higher than the current Bloomberg consensus. Tameeni motor is expected to be the primary growth driver, contributing 39% of the increase, followed by continued momentum in Treza and rising revenues from domestic helper contract insurance, a new vertical. We anticipate a modest initial contribution of SAR 4 million from finance aggregation as the service commences in the second half of the year. Meanwhile, we expect a strong contribution from domestic contract insurance during the year, at SAR 49 million, with notable upside potential.

For 2027e, we project the topline to grow by an additional 24% to SAR 1,189 million. This growth will be fueled by retail motor insurance, Treza, and an increasing contribution from the finance aggregation segment at SAR 21 million. Looking ahead to 2030e, we expect the topline to achieve a five-year CAGR of 27% and exceed SAR 2 billion per annum. Tameeni Motor and Treza are projected to account for roughly 75% of this total, while finance aggregation is expected to contribute 10%. While significant upside risks to these assumptions exist, we advise a cautious outlook given the nascent and disruptive nature of Rasan's newest product.

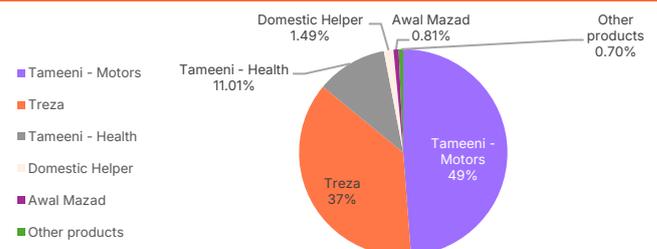
We assume constant and historically consistent gross margin of 70% during 2026e and 2027e, taking into account that Rasan's COGS is composed primarily of supporting staff expenses, payment gateways expenses and data validation services, sourced from companies like Elm or Saudi Post. While higher take-rate segments (e.g., domestic helper) would have higher margins

Rasan's annual revenue grew at a CAGR of 59% between 2022 and 2025e. We project continued growth at a compounded rate of 27% through 2030e, driven by the launch of new business lines and further expansion in the motor and health segments.



Source: Rasan, Derayah Financial forecasts

Revenue contribution from different segments in 2025. The Tameeni platform (motor and health) is and will remain the key engine of Rasan's growth, aided by new verticals



Source: Rasan

Retail automotive insurance (Tameeni Motor)

As per official albeit a bit stale data, 15.9 million operational vehicles were registered in the Kingdom as at end-2024, of which some 11.3 million were private vehicles. The number of registered vehicles grew by about 5.5% annually since 2022. New registrations of private vehicles in 2024 – the last year for which data is available, stood at some 761 thousand while renewals were at 1.9 million, pointing to at least 2.7 million private vehicles per annum for which new insurance policy of some kind is mandatory. New registrations have been growing with a CAGR of some 16% since 2020. Majority of new registrations were categorized as done in the name of establishments, i.e. legal entities such as banks, leasing companies or corporations, representing about 80% of the total new registration and suggesting that the vast majority of private vehicle purchases in the Kingdom rely on financing, a fact relevant to Rasan and its Treza platform as well as its upcoming move into car finance and personal finance aggregation. The same category of ownership represented some 62% of all renewals in the same period. Meanwhile, the number of new driving licenses relevant to private transportation in the Kingdom, i.e. excluding motorbikes or public transport, reached about 929 thousands per annum by 2024, having grown with a CAGR of some 22% since 2020, of which about 44% are new Saudi drivers and the rest are expats.

Retail motor insurance Gross Written Premiums (GWP) reached SAR 8.8 billion in 2024 and SAR 7.5 billion in the first nine months of 2025, representing a robust 19% year-over-year growth. Rasan currently commands approximately 60% of the retail motor insurance market in the Kingdom via its Tameeni platform, a significant increase from the 45% market share reported in 2022. Although the motor insurance sector might be perceived as reaching maturity, several ongoing trends are yet expected to drive sustained double-digit growth in the coming years. For Rasan, these tailwinds should translate into substantial revenue gains, primarily driven by:

- i) **Increasing insurance penetration:** as per anecdotal evidence, approximately 30% of vehicles on the Kingdom's roads remain uninsured, providing an opportunity for a 10–20 percentage point increase in penetration over the coming years. This growth is expected to be driven by stricter regulatory enforcement, including automated road-side electronic monitoring and increased fines for lapsed policies. Currently, the penetration gap stems largely from a regulatory mismatch: while initial vehicle registrations are valid for three years, insurance policies typically last only one year. In practice, this allows for a two-year insurance lapse before renewal becomes a mandatory requirement for registration.
- ii) **Gradual shift from TPL to Comprehensive insurance:** Comprehensive insurance currently represents between 10%-30% of the retail motor insurance pool in the Kingdom, as per various sources. This is a stark contrast to neighboring GCC markets like the UAE where it accounts for an estimated 60% as per anecdotal evidence. This gap presents a significant conversion opportunity driven by enhanced transparency in policy specifications and growing consumer awareness. Additionally, the increasing number of female drivers (who trend toward purchasing larger, higher-value vehicles) is expected to further bolster demand for premium coverage. For Rasan, this transition is a major revenue growth driver because comprehensive policies command a 15% take-rate, which is a substantial premium over the 2% earned on standard Third-Party Liability (TPL) sales.
- iii) **Pricing growth:** in 2025, pricing of insurance policies has increased by some 10–15%. A similar growth is expected in 2026 as the insurance sector struggles to regain profitability.

- iv) **Economic growth:** ongoing improvement in non-oil GDP should translate into similar levels of growth in the automotive sector.

We forecast retail motor GWP to grow at a CAGR of 15% from 2025e through 2030e, while Rasan's Motor Retail revenues are projected to achieve a higher CAGR of 27%. We believe Rasan could see revenues exceeding SAR 1 billion per annum by 2030, rising from the SAR 319 million reported for 2025. We expect Rasan's revenue in this segment to outpace the broader market due to an improving take-rate driven by the conversion from TPL to Comprehensive insurance and a general reduction in underinsurance. The primary risk to these assumptions remains intense competition among local brokers, which could lead to pricing erosion and potential market share loss.

Leasing automotive insurance (Treza)

The segment generated SAR 243 million in revenues in 2025, up 126% year-over-year and accounting for 49% of total growth for the year. Since its launch, the segment has demonstrated remarkable momentum, posting a revenue CAGR of 95% over the past three years. It benefits from a high take-rate, as all policies sold through the platform are comprehensive. We expect double-digit growth to continue, driven by i) policy repricing, ii) increased adoption, and iii) expansion of the auto leasing sector, supported by growth in the working and expatriate populations as well as ongoing infrastructure development.

Treza currently holds a market share exceeding 60%, facing minimal competition from just two other aggregators, while significant market share remains to be captured from insurance brokers. Importantly, we believe Treza is unlikely to face new competition in the coming years, as replicating the platform would require a new entrant to: i) establish all integrations with insurance companies, ii) aggregate them into a single platform, and iii) onboard approximately 22 car leasing companies and banks. Treza's success is built on delicate business relationships within the ecosystem, making disruption unlikely and providing Rasan's shareholders with stable, utility-like cash flows.

We forecast Treza's revenues to grow by 43% year-over-year in 2026e, reaching SAR 346.4 million. For 2027e, we project further growth of 15%, with revenues reaching almost SAR 400 million. By 2030e, we expect revenues in the vicinity SAR 590 million, reflecting a five-year CAGR of 19%.

Healthcare insurance

Tameeni Health generated revenues of SAR 72 million in 2025e, representing 49% year-over-year growth. We expect revenues to reach SAR 104 million in 2026e, reflecting a further 45% increase, albeit from a low base. According to management, the sector's growth is driven by rising demand for better protection and efforts to close underinsurance gaps, and it will remain a key focus in 2026e as the National Insurance Sector Strategy targets expanding health coverage to 23 million individuals by 2030e. Given limited visibility on the segment's growth drivers beyond the company's strategic initiatives to capture a larger share of the high-value, non-declarative market - estimated at SAR 6 billion annually, where commission rates are higher - we have factored in a decelerating growth rate: 15% in 2027e, tapering to 6% by 2030e.

Domestic Helper Contract insurance

Domestic Helper Contract insurance contributed SAR 9.7 million in its first meaningful revenues in 2025.

There are about 4.1 million domestic workers in the country as of 3Q 2025 working primarily as drivers and servants and house cleaners, with 853k contracts signed in 2024 alone. In efforts to protect the rights of all parties in the domestic labor relationship, the Ministry of

Human Resources and Social Development launched the Domestic Worker Contract Insurance service through the Musaned platform. The service was initially made available on a voluntary basis since early 2023, during which time more than 175,000 customers opted in. Effective 1 February 2024, insurance coverage for the first two years of any new domestic worker contract became a mandatory component of the recruitment process between employers and recruitment offices or companies, after which insurance becomes optional for the employer. The insurance policy provides comprehensive coverage for both parties: employers receive compensation in cases of a worker's absence, escape, death, disability, or chronic illness, while domestic workers are assured compensation in the event of total or partial permanent disability resulting from an accident, as well as wage protection if the employer dies or becomes permanently disabled. The policy is priced at SAR 450 per contract, with a take-rate of 15%. This represents a relatively new business line for Rasan. We anticipate significant one-off growth in 2026 as the company records its initial revenues following kick-start of the system, followed by moderate growth in subsequent years. We believe that KSA could be growing its domestic contract additions by some 3-6% p.a. and accelerating in 2028 and 2029 ahead of the Vision 2030 deadline. The revenue growth for Rasan is also expected to be driven by price adjustments and a potential increase in the adoption of elective policies, in addition to those mandated by regulation.

We assume the segment to growth four-fold in 2026e, with revenues reaching SAR 49 million, growing further to SAR 54 million in 2027e.

Car, personal and SME finance aggregation

In November 2025, Rasan received green light from SAMA to establish "Next Fin Solutions", a company that will be wholly owned by Rasan and engage in digital brokerage activities. Rasan is already well entrenched in the insurance and car leasing ecosystems and knows a great deal of its customer's habits and history. That said, we view this as a natural progression for this type of a business.

Given the imminent launch of the product in 2026 and its maturation in 2027, we opt to include a crude projection of potential income that Rasan could generate from car financing aggregation alone, with further upside to the numbers presented by personal loan and SME finance that we do not yet quantify. We are of the view that the market to price this venture ahead of time rather than await its first shy contribution to the Rasan's topline somewhere by the end of this year. We base our assumption on roughly 400k sold with financing, at an average ticket price of SAR 100k (unchanged throughout our forecast horizon) and Rasan's market share growing from 1% in 2026 to 20% 2030e and take rate of 1.0%, growing to 2.0% by 2030e. We believe that these estimates are conservative, given the total market's value estimated at over SAR 40 billion. Our projections imply some SAR 194 million of additional revenues to Rasan by 2030e, excluding the additional gains from personal and SME finance which we do not factor into our projections and which could materialize by 2027e as well.

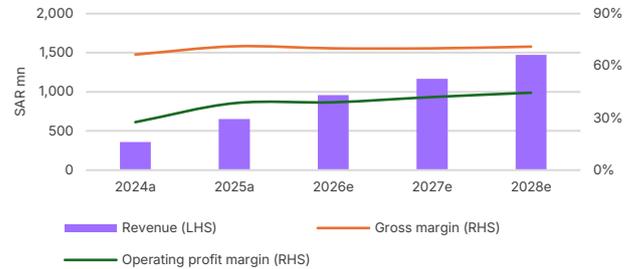
Investment thesis in charts

Strong annual operating cash flows add to the cash pileup. 2027e could see a first dividend payout and/or announcement of a major non-organic expansion through acquisition, providing a strong catalyst for the stock



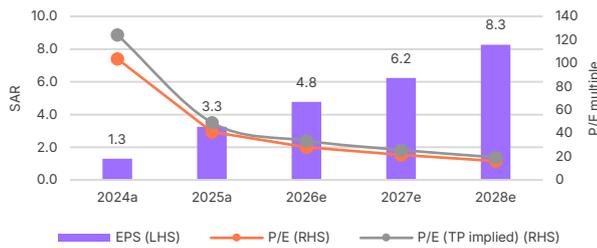
Source: Rasan, Derayah Financial forecasts

Economies of scale should preserve gross margin at its current level, with some potential for operating margin expansion as new verticals mature without proportionately increased admin and marketing spending needs



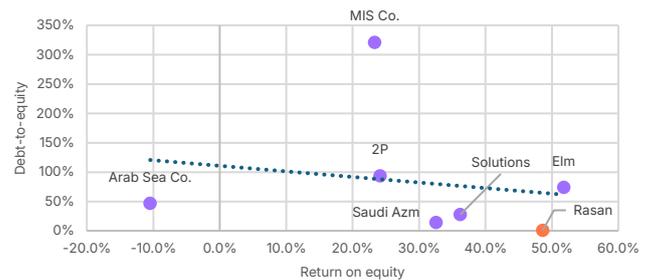
Source: Rasan, Derayah Financial forecasts

We factor in EPS growth of 46%, compared to a massive 153% rise in 2025, implying a forward multiple of 27x. Our TP implies a forward multiple of 34x. Historical forward multiple averaged 44x since listing and 39x since about 12 months.



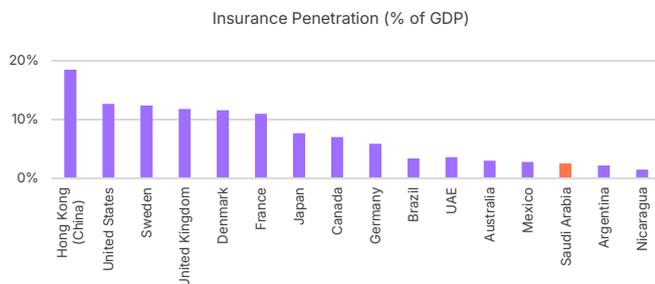
Source: Rasan, Derayah Financial forecasts

Rasan's RoE is exceptionally high given the significant portion of idle cash that it carries on the balance sheet, making it stand out among peers. RoE would improve further once first dividend payouts occur.



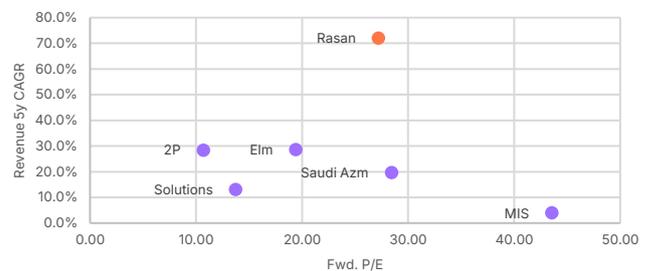
Source: Investing.com

Kindgom's insurance penetration is well below OECD averages, presenting a significant scope for growth. Meeting the target of NISS of 3.6% GDP by 2030e will still leave insurance penetration at half of the average.



Source: OECD reports

Rasan's Fwd 26e P/E multiple of 28x falls in the mid-range of it direct peer universe despite having delivered substantially higher revenue growth over the past 5 years.



Source: Derayah Financial forecasts, Investing.com

Valuation and risks

We value Rasan using a Discounted Cash Flow (DCF) model, cross-referenced against P/E multiples implied by our projections and the company's historical averages. To discount projected cash flows, we apply a cost of equity of 11.3%. This is derived from a 5.3% risk-free rate (based on the 10-year local currency government bond yield) and a subjective equity risk premium of 600 bps which we believe is adequate for Rasan.

For the terminal value, we have set a terminal growth rate of 4.0%. This represents a 200 bps spread over the IMF's 2% long-term inflation projection, reflecting the high-growth nature of Rasan's digital ecosystem and its significant expansion potential beyond financial and insurance aggregation. We believe this premium is justified by management's proven track record of innovation and their ability to act swiftly in response to shifting technology and regulation.

Our DCF model yields an Enterprise Value of SAR 11,668 million. After adjusting for the most recently reported cash balance of SAR 741 million, we arrive at an Equity Value of SAR 12,409 million. This translates to a Target Price (TP) of SAR 160 per share, representing a 20% upside from current levels.

DCF valuation summary

In SARmn, unless otherwise stated

	2025a	2026a	2027a	2028a	2029e	2030e
Net operating cashflow post WC changes	341	450	610	716	947	1,170
Zakat and taxes paid	(15.8)	(22.3)	(32.1)	(42.8)	(55.4)	(74.0)
Employee benefits paid	(0.9)	(3.5)	(3.7)	(3.8)	(3.8)	(3.9)
NOPAT	324	424	574	669	887	1,092
Purchase of PPE	(4.5)	(4.8)	(5.9)	(5.4)	(5.6)	(5.8)
Purchase of Intangible Assets	(42)	(48)	(59)	(44)	(37)	(43)
Free Cash Flow (FCF)	278	372	509	620	845	1,043
Terminal Value (TV)						14,866
Time factor [x]		0.5	1.5	2.5	3.5	4.5
DCF + TV		352	433	474	581	9,827
EV	11,668					
(+) cash and equivalents	741					
Equity value	12,409					
TP / share [SAR]	160					
Upside	20%					

Source: Company data, Derayah Financial

Risks: high interest rate environment will not be conducive to lending to fuel the new vertical; strong competition is unlikely but can never be ruled out

Persistently high interest rates will not be conducive to lending volumes, whether through car finance or personal and SME sectors. However, a stronger USD could still aid certain types of imports, thus providing support to the automotive sector.

While competition for Rasan is negligible given its deep entrenchment in local finance and insurance ecosystems, Tameeni faces distinct risks. Specifically, Tameeni could lose market share to insurance companies that choose to bolster their own front-end stores and improve claim management, which may derail projected growth beyond the 15% sector mark. Lastly, the business of finance aggregation is new and potentially disruptive. While we view our projections as conservative, they nonetheless pose a risk to our cash flow projections and, therefore, our target price estimate.

Summarized financial statements projections and key financial ratios

Income statement

In SARmn, unless otherwise stated

	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E
Revenue from contract with customers	358.3	653.3	958.0	1,188.8	1,471.0
Revenue growth	40%	82%	47%	24%	24%
Cost of revenue	(120.2)	(188.3)	(287.4)	(356.6)	(426.6)
Gross profit	238.1	464.9	670.6	832.1	1,044.4
Gross profit margin	66%	71%	70%	70%	71%
General and administrative expenses	(92.3)	(105.8)	(172.4)	(190.2)	(235.4)
Marketing expenses	(47.0)	(107.7)	(124.5)	(142.5)	(156.8)
Operating profit	98.8	251.4	373.7	499.4	652.2
Operating profit margin	27.6%	38.5%	39.0%	42.0%	44.3%
Finance costs	(0.5)	(1.4)	(0.9)	(0.9)	(0.9)
Other income	12.1	19.0	28.7	36.9	41.8
Income before zakat and income tax	110.4	269.1	401.5	535.4	693.1
Zakat and income tax	(15.7)	(22.3)	(32.1)	(42.8)	(55.4)
Net income for the period	94.7	246.8	369.4	492.5	637.6
Net margin	26%	38%	39%	41%	43%
EPS	1.3	3.3	4.8	6.4	8.2
DPS	0.0	0.0	0.0	4.8	6.4
EBITDA	113.7	292.8	395.9	523.0	686.5
EBITDA margin	32%	45%	41%	44%	47%

Source: Company data, Derayah Financial

Balance sheet

In SARmn, unless otherwise stated

	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E
Cash and cash equivalents	473.5	756.2	1,155.1	1,329.7	1,497.6
Trade receivables	351.2	470.3	563.1	652.5	807.4
Other non-current assets	26.5	1.0	1.0	1.0	1.0
Total current assets	851.3	1,227.5	1,719.2	1,983.3	2,306.1
Property and equipment	16.0	15.8	15.4	15.4	13.2
Intangible assets	60.0	100.8	131.7	168.8	185.4
Other non-current assets	4.5	3.7	3.7	3.7	3.7
Total non-current assets	80.6	120.4	150.9	187.9	202.4
Total assets	931.8	1,347.9	1,870.1	2,171.2	2,508.5
Trade and other payables	484.5	604.3	746.8	913.5	1,092.7
Other current liabilities	20.4	24.1	34.0	44.7	57.3
Total current liabilities	504.9	628.5	780.8	958.2	1,150.0
Employees' defined benefits liabilities	10.0	12.2	12.7	13.2	13.7
Other non-current liabilities	2.0	1.8	1.7	1.7	1.7
Total non-current liabilities	12.0	14.0	14.4	15.0	15.5
Total liabilities	516.9	642.4	795.2	973.2	1,165.5
Total shareholder's equity	414.9	705.4	1,074.8	1,198.0	1,343.1
Total liabilities and shareholders' equity	931.8	1,347.9	1,870.0	2,171.2	2,508.6
BVPS	5.6	9.3	13.9	15.5	17.3

Source: Company data, Derayah Financial

Abridged cash flow statement
In SARmn, unless otherwise stated

	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E
Cash flow from Operations	165	333	424	574	669
Cash flow from Investing	(26)	(41)	(26)	(30)	(9)
Cash flow from Financing	192	(2)	0	(369)	(493)
Total cashflow	331	290	399	175	167

Source: Company data, Derayah Financial
Key financial ratios and indicators

	FY 2024	FY 2025	FY 2026E	FY 2027E	FY 2028E
Profitability ratios					
RoA	15%	22%	23%	24%	27%
RoE	35%	44%	41%	43%	50%
Liquidity and debt ratios					
Current Assets/ Current Liabilities	1.7	2.0	2.2	2.1	2.0
Debt to Total Equity (incl lease liab.)	0.0	0.0	0.0	0.0	0.0
Debt ratios					
Net Debt/EBITDA (incl lease liab.)	(4.1)	(2.6)	(2.9)	(2.5)	(2.2)
Net Debt/EBITDA (excl lease liab.)	(4.2)	(2.6)	(2.9)	(2.5)	(2.2)
Debt/Assets (incl lease liab.)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (incl lease liab.)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Valuation ratios					
P/E	103.7	41.0	28.0	21.0	16.2
P/B	23.7	14.4	9.6	8.6	7.7
P/S	28.9	15.9	10.8	8.7	7.0
EV/EBITDA	86.9	32.8	23.2	17.3	12.9
FCF Yield	1.3%	2.7%	3.6%	4.6%	6.0%
Dividend Yield	0.0%	0.0%	0.0%	3.6%	4.8%

Source: Company data, Derayah Financial

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