

Theeb Rent a Car Co.

Robust revenue growth improved profitability – Maintain Overweight

Rating: Overweight | Target Price: SAR 77.4

November 11, 2025

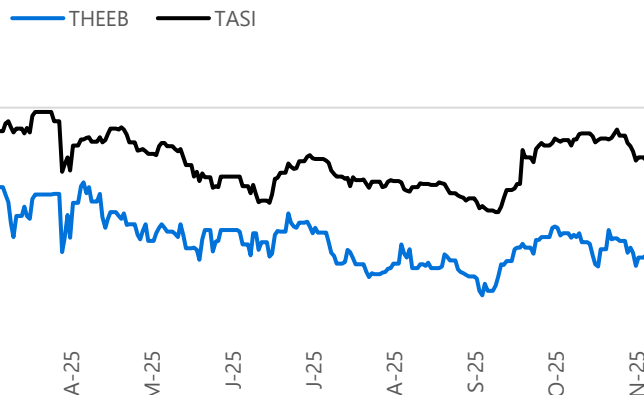
Market Data		Valuations	2024A	2025e	2026f	2027f
Last Price (SAR)*	63.7	Net Income (SAR mn)	183	200	237	275
Target Price (SAR)	77.4	EPS (SAR)	4.3	4.6	5.5	6.4
Upside / Downside (%)	22%	PER (x)	15.0	13.7	11.6	9.9
Market Cap (bn) (SAR/USD)	2.7/0.7	P/BV (x)	3.3	2.9	2.6	2.3
52 week High / Low (SAR)	81.5/58.2	DPS (SAR)	2.1	2.3	2.7	3.2
12-month ADTV (mn) (SAR/USD)	6.1/1.6	Div. Yield (%)	3.3	3.6	4.2	5.0
YTD Return (%)	-17%	RoAE (%)	23.4	22.7	23.9	24.6
Bloomberg Code	THEEB AB	RoAA (%)	7.6	7.5	8.1	8.6

*last price as of 10th November 2025

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	404	400	0.9	337	19.6	365	10.6
Cost of revenue	283	274	3.5	231	22.7	247	14.7
Gross profit	120	126	-4.7	107	13.0	118	2.0
Gross margin (%)	30	32	-1.8	32	-1.8	32	-2.5
OPEX	41	46	-11.5	36	14.4	43	-4.6
Operating profit	80	80	-0.7	71	12.2	75	5.7
Operating margin (%)	19.7	20	-0.3	21.0	-1.3	21	-0.9
Net income	50	52	-3.6	46	7.9	48	5.0
Net margin (%)	12	13	-0.6	14	-1.3	13	-0.7
EPS	1.17	1.21	-3.6	1.08	7.9	1.11	5.0
DPS	0.58	0.60		0.54		0.55	

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg and anbc research

Theeb Rent a Car Co. (THEEB AB) reported a net profit of SAR 50.2 mn (EPS: SAR 1.17) in 3Q25, reflecting a 7.9% YoY and 5.0% QoQ increase. The results came in line with our estimated PAT of SAR 52.0 mn (EPS: SAR 1.21). The company announced a dividend per share of SAR 0.58 in 3Q25, taking total dividend of 9M25 to SAR 1.65/sh. Overall, Theeb posted a strong set of results driven by higher revenue and cost efficiencies across some operating items.

- Revenue increased by 19.6% YoY to SAR 403.6 mn in 3Q25, compared to SAR 337.4 mn in 3Q24. The growth in revenue was mainly driven by a 18.2% YoY increase in rental and leasing revenue (short-term and long-term) and an improvement of 24.2% YoY in used car sales revenue. On a sequential basis, revenue increased by 10.6% QoQ in 3Q25, supported by 25% QoQ increase in used car sales revenue and a 6.5% QoQ increase in rental and leasing revenue.
- Gross profit increased by 13.0% YoY to SAR 120.4 mn in 3Q25, compared to SAR 106.6 mn in 3Q24. The growth in gross profit is attributed to a 19.6% YoY increase in revenue during the same period. However, gross margins declined by 1.8 percentage points YoY, driven by a 22.7% increase in cost of revenue. On a sequential basis, gross profit increased by 2.0% QoQ; however, gross margin shrank by 2.5 percentage points QoQ in 3Q25.
- Operating profit increased 12.2% YoY to SAR 79.5 mn in 3Q25, compared to SAR 70.9 mn in 3Q24. However, the operating margin dropped to 19.7% in 3Q25 from 21.0% in 3Q24 due to higher OPEX. On a sequential basis, operating profit grew by 5.7% QoQ; however, margins declined slight by 0.9 percentage points QoQ in 3Q25.
- Net income grew by 7.9% YoY to SAR 50.2 mn in 3Q25, compared to SAR 46.5 mn in 3Q24. However, the net margin dropped by 1.3 percentage points YoY to 12.4% in 2Q25, compared to 13.8% in 3Q24 and 13.1% in 2Q25. The margin contraction was due to higher costs of revenue.
- Theeb announced a dividend per share of SAR 0.58 in 3Q25, compared to SAR 0.54 in 3Q24 and SAR 0.55 in 2Q25. The payout ratio of Theeb stood at 49.7% in 3Q25.
- We maintain our 'Overweight' rating on the stock with a target price of SAR 77.4/sh, offering an upside potential of 21.6% from the last close on 10th November 2025. The stock is trading at a 2025e PE of 13.7x and PBV of 2.9x. On a YTD basis, Theeb has fallen by 16.9%, whereas TASI fell by 6.6%.

Joud M. Aldhuwayhi

Joud.Aldhuwayhi@anbcapital.com.sa

+966 11 4062500 Ext:7064

anbcapital

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

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 is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.

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. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts' compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa