

Summary of our ratings

Stock	Current Rating	Current TP	CMP	Upside/downside
Budget	OW	90.0	69.2	30.1%
Theeb	OW	80.0	62.3	28.4%
Lumi	OW	70.0	60.8	15.1%

Source: Company data, Al Rajhi Capital Estimates. OW: Overweight.
CMP: closing of 24 August 2025

Update on Rental Companies

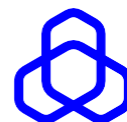
Overweight Maintained

- We update our investment case for KSA listed rental companies with an Overweight rating, given the undemanding valuations of all the three players
- Within the rental space, we prefer Budget Saudi given its 2026 forward P/E multiple of 13.7x, higher growth potential in the medium-term, and the lowest leverage among all the three players
- It is pertinent to mention that we have not factored in any major lease fleet expansion from government contracts via the new expro portal, and any sizable contract could provide additional upside

Comparison Table:

	Unit	Budget	Theeb	Lumi
Period	Year	2026		
Period end Fleet Size	No	62,326	40,628	38,239
Lease Fleet	%	76%	65%	69%
Rental Fleet	"	24%	35%	31%
Net Sales	SAR Mn	2,715	1,579	1,796
Gross Profit	"	771	493	477
EBITDA	"	1,070	710	791
Adjusted EBITDA*	"	1,858	1,067	1,346
Net Earnings	"	395	207	215
EPS	SAR/sh	5.1	4.8	3.9
DPS	"	1.8	2.4	-
Gross Margin	%	28%	31%	27%
EBITDA Margin	"	39%	45%	44%
Earnings CAGR (2025 to 2030)	%	8%	5%	7%
Average ROE (2025 to 2030)	"	13%	19%	13%
Average ROV** (2025 to 2030)	"	11%	9%	7%
Debt/Asset 2026	%	26%	56%	46%
Debt/Equity 2026	"	45%	173%	109%
Debt/Adjusted EBITDA 2026	Multiple	0.8	1.7	1.3
2026 Forwards P/E	Multiple	13.7	12.9	15.5
2026 Forward D/Y	%	2.6%	3.9%	-
Fair Value	SAR/sh	90.0	80.0	70.0
Market Price	"	69.2	62.3	60.8
Upside/Downside	%	30.1%	28.4%	15.1%

Source: Company data, Al Rajhi Capital Estimates, Notes: * Adjusted EBITDA = EBITDA + Cost of Vehicles Sold,
** Return on Vehicle = Net Income/Average Vehicle Value



Budget's Recommendation and Valuation:

We have an Overweight rating on Budget with a Fair Value of SAR 90/sh, having an upside of 30.1% to last close. We value the company using discounted cashflow method, using a cost of equity of 10.0% and terminal growth rate of 2.5%. Furthermore, within the rental car companies we continue to prefer Budget Saudi on account of:

- Undemanding forward P/E multiple of 13.7x as against historical level of ~20x.
- Highest earnings growth (of 8% CAGR) within the rental car companies, on the back of 1) 5% growth in operating profit, and 2) 16% decline in finance cost on debt. The improvement in operating profit is on account of 1) 3% growth in fleet size, 2) absence of losses on the logistics segment, and 3) higher operational efficiency (including synergy benefits from AutoWorld acquisition). The decline in finance cost is expected on the back of 1) decline in leverage, and 2) lower interest rates.

Figure 1 Budget's Valuation

DCF Valuation	SAR/sh	90.00
Market Price	"	69.20
Upside/Downside	%	30.1%

Source: Company Data, Al Rajhi Capital estimates

Theeb's Recommendation and Valuation:

We have an Overweight rating on Theeb with a Fair Value of SAR 80/sh, having an upside of 28.4% to last close. We value the company using discounted cashflow method, using a cost of equity of 10.5% and terminal growth rate of 2.2%. The higher cost of equity reflects the relatively higher leverage of the company, while the relatively lower terminal growth is on account of company having a high payout (of around 50%).

We expect, the company's earnings to grow by 5% over the medium-term on the back of 1) 3% growth in operating profit, and 2) 3% decline in finance cost on debt (on account of decline in interest rate).

Figure 2 Theeb's Valuation

DCF Valuation	SAR/sh	80.0
Market Price	"	62.3
Upside/Downside	%	28.4%

Source: Company Data, Al Rajhi Capital estimates

Lumi's Recommendation and Valuation:

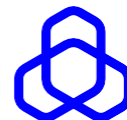
We have an Overweight rating on Lumi with a Fair Value of SAR 70/sh, having an upside of 15.1% to last close. We value the company using discounted cashflow method, using a cost of equity of 10.5% (where the higher cost of equity reflects the relatively higher leverage of the company) and terminal growth rate of 2.5%.

We expect, the company's earnings to grow by 7% over the medium-term on the back of 1) 3% growth in operating profit, and 2) 6% decline in finance cost (on account of decline in interest rate, and total debt). The increase in operating profit is largely reflective of growth in fleet size (where the fleet size is expected to grow by 4%). We are more conservative on growth on fleet size as compared to the management (which expects the industry lease fleet to grow by 5-7% and industry rental fleet to grow by 6-7%) on account of the company's exposure towards NEOM projects, which as per news reports, are being scaled down.

Figure 3 Lumi's Valuation

DCF Valuation	SAR/sh	70.0
Market Price	"	60.8
Upside/Downside	%	15.1%

Source: Company Data, Al Rajhi Capital estimates



Budget's Financials

Figure 4 Income Statement

SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	1,971	2,300	2,715	2,848	2,934	3,014	3,095
<i>y-o-y growth</i>	43.0%	16.7%	18.1%	4.9%	3.0%	2.7%	2.7%
Cost of Sales	(1,415)	(1,596)	(1,944)	(2,032)	(2,095)	(2,152)	(2,211)
Gross Profit	556	703	771	815	840	862	884
<i>y-o-y growth</i>	24.4%	26.5%	9.6%	5.7%	3.0%	2.6%	2.6%
<i>margins</i>	28.2%	30.6%	28.4%	28.6%	28.6%	28.6%	28.6%
Selling expense	(89)	(120)	(130)	(135)	(138)	(142)	(145)
Admin expense	(120)	(181)	(204)	(209)	(211)	(217)	(223)
Impairment loss on receivables	(11)	(14)	(20)	(21)	(21)	(22)	(23)
Other income	59	67	75	71	73	75	77
Operating Profit	394	455	492	521	543	556	570
<i>y-o-y growth</i>	22.6%	15.4%	8.1%	5.9%	4.1%	2.6%	2.5%
<i>margins</i>	20.0%	19.8%	18.1%	18.3%	18.5%	18.5%	18.4%
Financial costs	(72)	(98)	(85)	(76)	(68)	(60)	(51)
Net Income before Zakat	323	357	407	445	475	497	519
Zakat	(11)	(11)	(12)	(13)	(14)	(15)	(16)
Net Income	312	346	395	432	460	482	504
Equity holders - Net Income*	315	351	395	432	460	482	504
<i>y-o-y growth</i>	13.5%	11.5%	12.6%	9.3%	6.6%	4.7%	4.5%
<i>margins</i>	16.0%	15.3%	14.5%	15.2%	15.7%	16.0%	16.3%
EPS	4.20	4.49	5.05	5.52	5.89	6.17	6.44

Source: Company Data, Al Rajhi Capital estimates. Note: *Net income attributable to equity holders

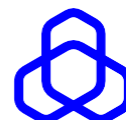


Figure 5 **Balance Sheet**

SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	86	65	59	50	57	63	69
Inventories	97	79	79	79	79	79	79
Trade receivables	611	598	680	702	722	743	763
Others	72	82	82	82	82	82	82
Current Assets	867	824	900	913	940	968	993
Property and equipment	3,766	4,047	4,215	4,275	4,319	4,368	4,421
Intangible assets and goodwill	115	111	107	103	99	95	91
Right-of-use assets	247	244	236	229	222	215	208
Others	15	16	16	16	16	16	16
Total Assets	5,009	5,241	5,474	5,536	5,596	5,661	5,728
Trade and other payables	303	303	352	362	372	383	394
Bank borrowings	598	695	625	440	260	75	-
Lease liabilities	48	49	49	50	50	49	49
Others	196	160	160	160	160	160	160
Current Liabilities	1,144	1,208	1,187	1,012	842	668	603
Bank borrowings	822	800	800	800	800	800	680
Lease liabilities	199	198	198	198	198	198	196
Others	103	104	104	104	104	104	104
Total liabilities	2,268	2,310	2,289	2,114	1,944	1,770	1,584
Share capital	782	782	782	782	782	782	782
Retained earnings	1,137	1,331	1,586	1,822	2,052	2,291	2,545
Others	822	818	818	818	818	818	818
Shareholders Equity	2,741	2,931	3,185	3,421	3,651	3,891	4,145
Total Liabilities & Equity	5,009	5,241	5,474	5,536	5,596	5,661	5,728

Source: Company Data, Al Rajhi Capital estimates

Figure 6 **Ratios and Multiples**

	2024	2025E	2026E	2027E	2028E	2029E	2030E
(Debt & Lease) /Asset	41.5%	34.0%	31.2%	27.0%	23.5%	19.9%	16.3%
ROE	13.6%	12.4%	12.9%	13.1%	13.0%	12.8%	12.5%
P/E	16.5x	15.4x	13.7x	12.5x	11.7x	11.2x	10.7x
P/B	2.0x	1.8x	1.7x	1.6x	1.5x	1.4x	1.3x
D/Y	2.1%	2.2%	2.6%	3.6%	4.3%	4.5%	4.6%
EV/EBITDA	5.2x	4.6x	3.8x	3.5x	3.3x	3.1x	3.0x

Source: Company Data, Al Rajhi Capital estimates.

Theeb's Financials

Figure 7 Income Statement

SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	1,303	1,464	1,579	1,639	1,684	1,720	1,757
<i>y-o-y growth</i>	14.7%	12.4%	7.9%	3.8%	2.7%	2.2%	2.1%
Cost of Sales	(885)	(995)	(1,086)	(1,128)	(1,159)	(1,184)	(1,209)
Gross Profit	418	469	493	511	525	536	547
<i>y-o-y growth</i>	16.4%	12.3%	5.0%	3.8%	2.7%	2.1%	2.1%
<i>margins</i>	32.1%	32.1%	31.2%	31.2%	31.2%	31.2%	31.2%
Selling expense	(68)	(80)	(87)	(90)	(93)	(95)	(97)
Admin expense	(61)	(65)	(69)	(72)	(74)	(76)	(77)
Provision for expected credit loss	(24)	(41)	(44)	(45)	(46)	(47)	(49)
Operating Profit	264	283	293	304	312	318	325
<i>y-o-y growth</i>	28.2%	7.2%	3.4%	3.8%	2.6%	2.1%	2.1%
<i>margins</i>	20.3%	19.3%	18.5%	18.5%	18.5%	18.5%	18.5%
Financial costs	(86)	(100)	(88)	(86)	(86)	(86)	(86)
Other income	9	8	8	8	8	9	9
Net Income before Zakat	187	191	212	226	234	241	248
Zakat	(4)	(5)	(5)	(6)	(6)	(6)	(6)
Net Income	183	186	207	221	228	235	242
<i>y-o-y growth</i>	28.6%	2.0%	11.0%	6.7%	3.5%	2.9%	2.7%
<i>margins</i>	14.0%	12.7%	13.1%	13.5%	13.6%	13.7%	13.8%
EPS	4.25	4.33	4.81	5.13	5.31	5.47	5.62

Source: Company Data, Al Rajhi Capital estimates.

Figure 8 Balance Sheet

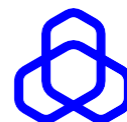
SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	35	50	51	52	53	54	54
Inventories	17	26	26	26	26	26	26
Trade receivables	283	355	371	382	391	401	409
Others	117	129	129	129	129	129	129
Current Assets	453	560	577	589	598	610	618
Property, equipment & Intangibles	2,038	2,366	2,524	2,642	2,742	2,847	2,957
Right-of-use assets	85	82	82	82	82	82	82
Total Assets	2,576	3,007	3,182	3,313	3,422	3,538	3,657
Trade and other payables	13	29	30	31	32	32	33
Bank borrowings	699	800	800	815	800	805	810
Current Portion of Lease liabilities	40	32	30	28	25	23	19
Others	220	229	229	229	229	229	229
Current Liabilities	973	1,089	1,089	1,103	1,086	1,089	1,092
Bank borrowings	683	900	975	985	1,000	1,000	1,000
Lease liabilities	47	48	45	42	38	34	29
Others	43	47	47	47	47	47	47
Total liabilities	1,745	2,085	2,156	2,177	2,172	2,170	2,168
Share capital	430	430	430	430	430	430	430
Retained earnings	332	424	528	638	752	870	991
Others	68	68	68	68	68	68	68
Total equity	830	922	1,026	1,136	1,250	1,368	1,489
Total Liabilities & Equity	2,576	3,007	3,182	3,313	3,422	3,538	3,657

Source: Company Data, Al Rajhi Capital estimates

Figure 9 Ratios and Multiples

	2024	2025E	2026E	2027E	2028E	2029E	2030E
(Debt & Lease) /Asset	61.0%	63.8%	59.8%	57.6%	55.3%	53.5%	51.7%
ROE	23.4%	21.3%	21.2%	20.4%	19.1%	18.0%	16.9%
P/E	14.7x	14.4x	12.9x	12.1x	11.7x	11.4x	11.1x
P/B	3.2x	2.9x	2.6x	2.4x	2.1x	2.0x	1.8x
D/Y	3.4%	3.5%	3.9%	4.1%	4.3%	4.4%	4.5%
EV/EBITDA	4.7x	4.5x	4.2x	4.1x	4.0x	3.9x	3.8x

Source: Company Data, Al Rajhi Capital estimates.



Lumi's Financials

Figure 10 Income Statement

SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	1,550	1,671	1,796	1,875	1,941	2,004	2,066
<i>y-o-y growth</i>	40.2%	7.8%	7.5%	4.4%	3.5%	3.2%	3.1%
Cost of Sales	(1,112)	(1,203)	(1,319)	(1,374)	(1,422)	(1,467)	(1,513)
Gross Profit	438	468	477	501	519	536	553
<i>y-o-y growth</i>	15.0%	6.9%	1.8%	5.2%	3.6%	3.2%	3.1%
<i>margins</i>	28.2%	28.0%	26.5%	26.7%	26.8%	26.8%	26.8%
Admin expense	(145)	(150)	(158)	(163)	(169)	(174)	(180)
Impairment loss	(3)	(9)	(4)	(4)	(4)	(5)	(5)
Other expenses	(6)	-	-	-	-	-	-
Other income	34	11	8	7	8	8	8
Operating Profit	318	320	323	341	354	365	377
<i>y-o-y growth</i>	36.4%	0.7%	0.9%	5.6%	3.7%	3.3%	3.1%
<i>margins</i>	20.5%	19.2%	18.0%	18.2%	18.2%	18.2%	18.2%
Financial costs	(133)	(114)	(103)	(94)	(90)	(87)	(84)
Net Income before Zakat	185	206	221	247	264	278	292
Zakat	(5)	(5)	(6)	(5)	(5)	(6)	(6)
Net Income	180	201	215	242	258	272	287
<i>y-o-y growth</i>	12.3%	11.6%	6.9%	12.6%	6.6%	5.5%	5.2%
<i>margins</i>	11.6%	12.0%	12.0%	12.9%	13.3%	13.6%	13.9%
EPS	3.28	3.66	3.91	4.40	4.70	4.95	5.21

Source: Company Data, Al Rajhi Capital estimates.

Figure 11 Balance Sheet

SAR mn	2024	2025E	2026E	2027E	2028E	2029E	2030E
Cash and cash equivalents	30	51	59	59	57	58	52
Inventories	10	3	3	3	3	3	3
Receivables & Other receivables	334	400	432	437	451	467	481
Current Assets	374	454	493	498	511	528	536
Vehicles	2,860	3,047	3,256	3,401	3,547	3,703	3,871
Property and equipment	31	28	26	24	22	20	18
Intangible assets	4	3	3	3	3	3	3
Right-of-use assets	78	73	73	73	73	73	73
Others	28	31	31	31	31	31	31
Total Assets	3,374	3,635	3,882	4,031	4,187	4,358	4,533
Trade and other payables	398	316	340	339	350	362	373
Bank borrowings	596	765	770	675	615	555	485
Current Portion of Lease liabilities	40	38	39	41	42	43	43
Others	51	39	39	39	39	39	39
Current Liabilities	1,086	1,158	1,188	1,093	1,045	998	941
Bank borrowings	1,013	1,000	1,000	1,000	1,000	1,000	1,000
Lease liabilities	41	38	39	41	42	43	43
Others	22	26	26	26	26	26	26
Total liabilities	2,162	2,222	2,254	2,160	2,113	2,067	2,010
Share capital	550	550	550	550	550	550	550
Retained earnings	607	808	1,023	1,265	1,468	1,686	1,917
Others	56	56	56	56	56	56	56
Total equity	1,212	1,413	1,629	1,871	2,074	2,291	2,523
Total Liabilities & Equity	3,374	3,635	3,882	4,031	4,187	4,358	4,533

Source: Company Data, Al Rajhi Capital estimates

Figure 12 Ratios and Multiples

	2024	2025E	2026E	2027E	2028E	2029E	2030E
(Debt & Lease) /Asset	51.1%	52.5%	49.2%	44.4%	41.3%	38.4%	35.4%
ROE	16.1%	15.3%	14.1%	13.8%	13.1%	12.5%	11.9%
P/E	18.5x	16.6x	15.5x	13.8x	12.9x	12.3x	11.7x
P/B	2.8x	2.4x	2.1x	1.8x	1.6x	1.5x	1.3x
D/Y	-	-	-	-	1.6%	1.6%	1.6%
EV/EBITDA	4.2x	4.1x	3.8x	3.6x	3.4x	3.3x	3.1x

Source: Company Data, Al Rajhi Capital estimates.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Al Rajhi Capital (Al Rajhi), a company authorized to engage in securities activities in Saudi Arabia. Al Rajhi is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Al Rajhi.

The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither Al Rajhi nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

Al Rajhi may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of Al Rajhi.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by Al Rajhi with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior consent of Al Rajhi and Al Rajhi accepts no liability whatsoever for the actions of third parties in this respect. This research document has been prepared by Al Rajhi Capital Company ("Al Rajhi Capital") of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital's clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Disclaimer and additional disclosures for Equity Research

Disclaimer

This research document has been prepared by Al Rajhi Capital Company ("Al Rajhi Capital") of Riyadh, Saudi Arabia. It has been prepared for the general use of Al Rajhi Capital's clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of Al Rajhi Capital. Receipt and review of this research document constitute your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this document prior to public disclosure of such information by Al Rajhi Capital. The information contained was obtained from various public sources believed to be reliable but we do not guarantee its accuracy. Al Rajhi Capital makes no representations or warranties (express or implied) regarding the data and information provided and Al Rajhi Capital does not represent that the information content of this document is complete, or free from any error, not misleading, or fit for any particular purpose. This research document provides general information only. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other investment products related to such securities or investments. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document.

Investors should seek financial, legal or tax advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities or other investments, if any, may fluctuate and that the price or value of such securities and investments may rise or fall. Fluctuations in exchange rates could have adverse effects on the value of or price of, or income derived from, certain investments. Accordingly, investors may receive back less than originally invested. Al Rajhi Capital or its officers or one or more of its affiliates (including research analysts) may have a financial interest in securities of the issuer(s) or related investments, including long or short positions in securities, warrants, futures, options, derivatives, or other financial instruments. Al Rajhi Capital or its affiliates may from time to time perform investment banking or other services for, solicit investment banking or other business from, any company mentioned in this research document. Al Rajhi Capital, together with its affiliates and employees, shall not be liable for any direct, indirect or consequential loss or damages that may arise, directly or indirectly, from any use of the information contained in this research document.

This research document and any recommendations contained are subject to change without prior notice. Al Rajhi Capital assumes no responsibility to update the information in this research document. Neither the whole nor any part of this research document may be altered, duplicated, transmitted or distributed in any form or by any means. This research document is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or which would subject Al Rajhi Capital or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Explanation of Al Rajhi Capital's rating system

Al Rajhi Capital uses a three-tier rating system based on absolute upside or downside potential for all stocks under its coverage except financial stocks and those few other companies not compliant with Islamic Shariah law:

"Overweight": Our target price is more than 10% above the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Neutral": We expect the share price to settle at a level between 10% below the current share price and 10% above the current share price on a 12 month time horizon.

"Underweight": Our target price is more than 10% below the current share price, and we expect the share price to reach the target on a 12 month time horizon.

"Target price": We estimate target value per share for every stock we cover. This is normally based on widely accepted methods appropriate to the stock or sector under consideration, e.g. DCF (discounted cash flow) or SoTP (sum of the parts) analysis.

Please note that the achievement of any price target may be impeded by general market and economic trends and other external factors, or if a company's profits or operating performance exceed or fall short of our expectations.

Contact us

Dr. Sultan Altowaim

Head of Research

Tel : +966 11 836 5468

Email: AltowaimS@alrajhi-capital.sa

Al Rajhi Capital

Research Department

Head Office, King Fahad Road

P.O. Box 5561, Riyadh 11432

Kingdom of Saudi Arabia

Email: research@alrajhi-capital.com

Al Rajhi Capital is licensed by the Saudi Arabian Capital Market Authority, License No. 07068/37

Notice to US Investors:

Rule 15a6 Disclosure

This research report ("**Report**") was prepared, approved, published, and distributed by **Al Rajhi Capital**, a company located outside of the United States (the "**Foreign Counterparty**"). Avior Capital Markets US LLC ("**Avior US**"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "**Exchange Act**") may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("**FINRA**") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

Analyst Certification

In connection with the companies or securities that; each analyst identified in this Report certifies that:

The views expressed on the subject companies and securities in this Report reflect their personal views

No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Important US Regulatory Disclosures on Subject Companies

Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/>, and Investors are strongly encouraged to review this information before investing.

Notice to UK Investors:

This Report, prepared by the Foreign Counterparty, is distributed in the United Kingdom ("UK") by Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), on behalf of the Foreign Counterparty. This Report, including any recommendations in respect thereof, may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned herein may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior UK does not assume any responsibility, or liability of any nature whatsoever, arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

Avior Capital Markets US, LLC is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

Avior Capital Markets International Limited is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 4th Floor, 17 St Swithin's Lane, London, EC4N 8AL.

Al Rajhi Capital is a Saudi Arabian Registered broad-scoped financial services company. Its registered address is Unit No 1, 8467 King Fahd Road, Al Muruj Dist., Riyadh 12263 – 2743, SA.