Rasan Information Technology Co.

Strong earning momentum supported by segmental growth

Rating: Neutral | Target Price: SAR 114.0 **November 06, 2025**

Market Data	
Last Price (SAR)*	105.1
Target Price (SAR)	114.0
Upside / Downside (%)	8.4
Market Cap (bn) (SAR/USD)	8/2
52 week High / Low (SAR)	113/68
12-month ADTV (mn) (SAR/USD)	87/23
YTD Return (%)	21.6
Bloomberg Code	RASAN AB

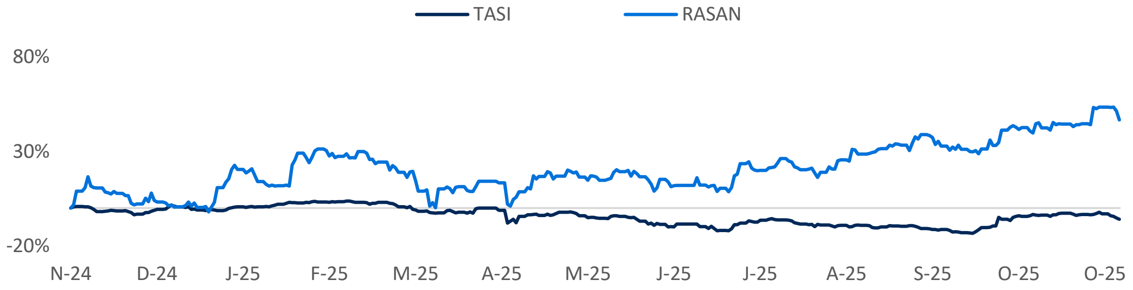
*last price as of 5th November 2025

Valuations	2024A	2025E	2026F	2027F
Net Income (SAR mn)	95	232	295	324
EPS (SAR)	1.2	3.0	3.8	4.2
PER (x)	86.0	35.1	27.6	25.2
P/BV (x)	19.6	12.1	8.4	6.3
DPS (SAR)	-	-	-	-
Div. Yield (%)	-	-	-	-
RoAE (%)	35.4	42.6	35.8	28.6
RoAA (%)	15.2	18.7	16.8	15.0

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	**195**	**170**	***15***	**110**	***77***	**124**	***57***
COGS	(59)	(54)	*9*	(43)	*39*	(34)	*75*
Gross profit	**135**	**115**	***17***	**67**	***101***	**90**	***50***
Gross margin (%)	*70*	*68*	-	*61*	-	*73*	-
Operating expense	(52)	(62)	*(15)*	(32)	*63*	(45)	*16*
Operating profit	**83**	**54**	***55***	**35**	***135***	**45**	***84***
Operating margin (%)	*43*	*32*	-	*32*	-	*36*	-
Net income	**82**	**48**	***70***	**37**	***125***	**45**	***83***
Net margin (%)	*42*	*29*	-	*33*	-	*36*	-
EPS	***1.1***	***0.6***	-	***0.5***	-	***0.6***	-
DPS	-	-	-	-	-	-	-

*anbc estimates

Price Performance



Source: Tadawul, Bloomberg, and anbc research

Rasan Information Technology Co. (Rasan) posted a net profit of SAR 82 mn (EPS: SAR 1.1), depicting an increase of 125% YoY and 83% QoQ in 3Q25. The increase was driven by continued growth momentum in health segment, onboarding of SNB in leasing segment, improved pricing in motor insurance segment, higher mix of comprehensive policies in motor retail segment, positive performance of newly launched verticals, and operational efficiencies. In light of the company's recent financial performance and updated management guidance, we raise our target price to SAR 114.0/share (from SAR 110.4/share). However, following the stock's 12.9% appreciation since our last update, we revise our rating from 'Overweight' to 'Neutral'.

- Rasan reported a 77% YoY revenue growth in 3Q25, taking 9M25 revenue to SAR 440 mn, surpassing our estimates as well as consensus estimates. The performance was supported by an improved mix of motor retail comprehensive policies and a faster than expected pricing increase in the motor insurance market. The onboarding of SNB and the transition of one bank from a software as a service model to a brokerage model within the motor leasing segment provided an additional uplift to revenue. Further contributions came from the health segment, which benefited from ongoing product innovation and digital adoption, as well as from early traction in newly launched verticals and services.
- Gross margins expanded 8 percentage points YoY to 70% in 3Q25, reflecting continued scale benefits, favorable product mix, and up and cross-selling initiatives. Operating margins rose to 43% (vs. 32% in 3Q24), exceeding our estimations, largely due to lower than anticipated product marketing expenses. However, management indicated that this underspending is discretionary and not expected to persist over the long term.
- The combination of strong revenue growth and margin expansion lifted net profit margins to 42% (vs. 33% in 3Q24), taking 3Q25 net profit to SAR 82 mn, surpassing the cumulative 1H25 net profit of SAR 75 mn. For 9M25, company posted net profit of SAR 157 mn vs. SAR 55 mn in 9M24.
- *In line with the company's recent financial performance and updated management guidance, we revise our estimates upward for Rasan. For full year 2025e, we now forecast revenue at SAR 650 mn (previously SAR 600 mn). Accordingly, we raise our target price to SAR 114.0/share (from SAR 110.4/share). However, following the stock's 12.9% appreciation since our last update on14th September 2025, we revise our rating from 'Overweight' to 'Neutral'. Rasan currently trades at 2026f P/E and P/B multiple of 27.6x and 8.4x, respectively.*

Muhammad Adnan Afzal
Head of Sell Side Research
Muhammad.afzal@anbcapital.com.sa
+966 11 4062500 ext:4364

anbcapital

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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