Company

The Company for Cooperative Insurance

2Q26 Result Review

Rating

Buy

Bloomberg Ticker

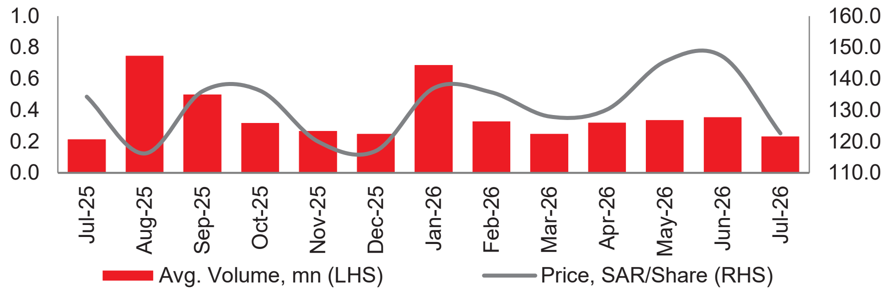
TAWUNIYA AB

Date

4 August 2026

Results

Target Price SAR	181.5
Total Return	39.5%



Current Market Price (SAR)	132.6
52-week High | Low	161.6 | 111.8
Price Perf. (1m | 3m)	-8.2% | 1.2%
Mkt. Cap. (USD/SAR bn)	5.3 | 19.9
Free Float	74.1%
3m ADTO (000 shares)	292.7
6m ADTO (000 shares)	288.8
3m ADTV (SAR 000)	41,715.4
6m ADTV (SAR 000)	39,940.0
P/E 27e	14.1x
P/B 27e	2.7x
DY 27e	2.6%

Insurance revenue increased 19% YoY, ahead of our estimates

Tawuniya reported a 2Q26 insurance revenue of SAR 6.2bn (+19% YoY and +8% QoQ), ahead of our estimates. The strong top-line performance was primarily driven by a robust 30.3% YoY increase in gross written premiums.

Profitability declined 31% YoY, ahead of our estimates

Tawuniya reported 2Q26 net profit of SAR 322mn (-31% YoY and +12% QoQ). The YoY decline was primarily driven by higher insurance service expenses across its business lines, partly offset by a 36% YoY increase in net investment income.

U-Capital view

Tawuniya delivered strong top-line growth in 2Q26, supported by robust business momentum and healthy premium growth. While net profit declined on a YoY basis due to higher insurance service expenses, we expect earnings to improve as these expenses normalize alongside continued revenue growth, supporting a recovery in profit margins. Accordingly, we maintain our Buy rating on the stock with a target price of SAR 181.5/share.

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Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Insurance revenue	5,226	5,405	5,650	5,769	6,228	5,651	19%	8%	10%	10,347	11,997	16%
Result of Ins. Services	1,104	968	577	243	(2,594)	816	n.m	n.m	n.m	1,817	(2,351)	n.m
Ins. Service Results	485	342	(1)	365	284	274	-41%	-22%	4%	762	649	-15%
Net Profit/(Loss) of the Investment Results	173	185	210	180	236	198	36%	31%	19%	369	416	13%
Net Profit (Owners')	467	173	201	288	322	273	-31%	12%	18%	729	610	-16%
BS												
Sh. Equity	4,963	5,142	5,358	5,646	5,667		14%	0%		4,963	5,667	14%
Ratios												
Ins. Result Margin	9.3%	6.3%	0.0%	6.3%	4.6%	4.9%				7.4%	5.4%	
Net Profit Margin	8.9%	3.2%	3.6%	5.0%	5.2%	4.8%				7.0%	5.1%	
TTM RoE (%)					13.7%							
TTm P/E (x)					27.3							
Current P/Bv					3.5							

Source: Financials, Tadawul, Bloomberg, U Capital Research n.m – not meaningful

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BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

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