

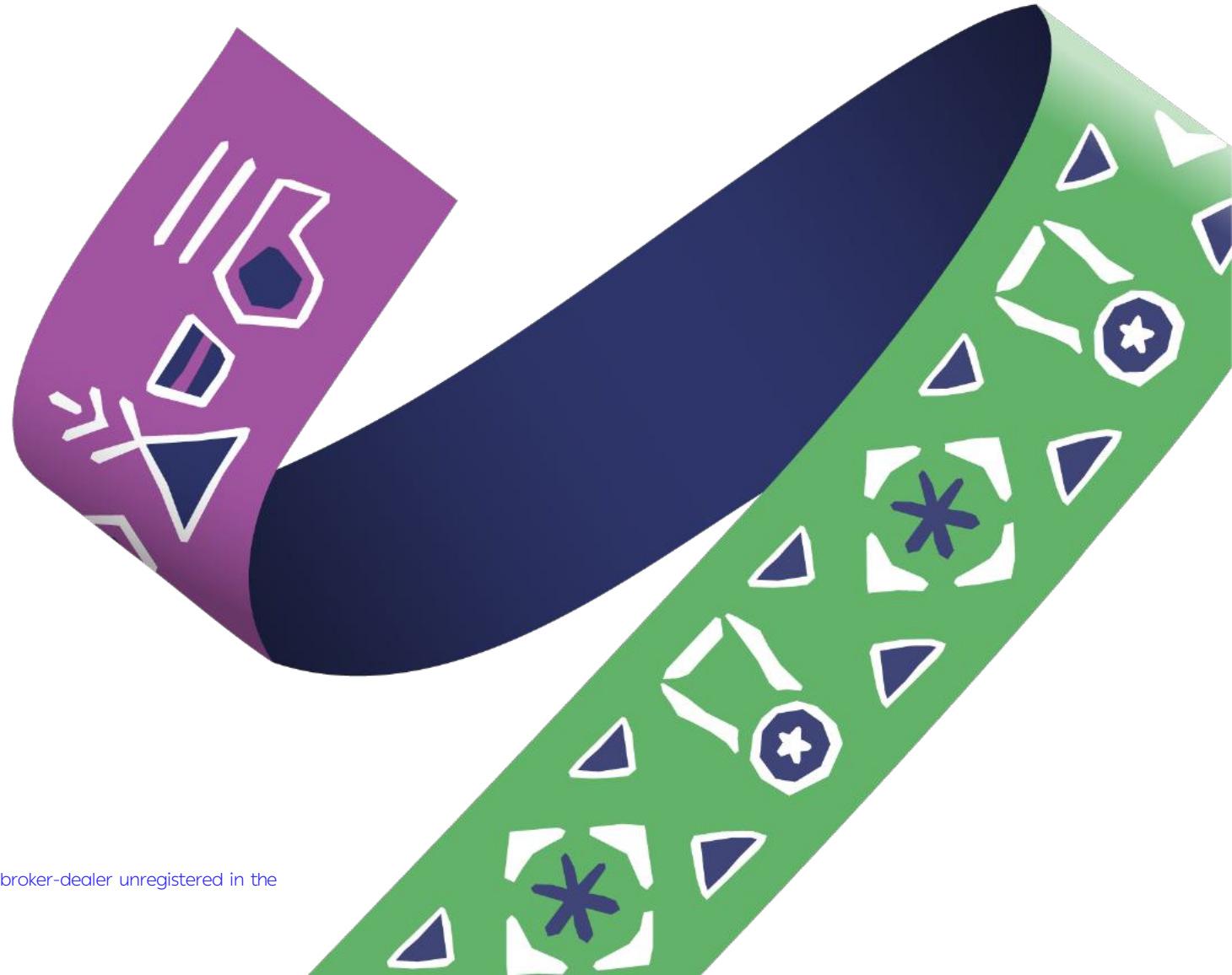


BIDDING NATION
SAUDI ARABIA

SAUDI ARABIA FIFA WORLD CUP™ 2034 BID

Tremendous Growth
Catalyst for the Saudi
Economy

23rd December 2024



Authors

Dr. Sultan Altowaim

Head of Research

Tel : +966 11 836 5468

AltowaimS@alrajhi-capital.sa

Danish Kazmi, CFA

Tel + 966 11 828 4653

KazmiD@alrajhi-capital.com

Madhu Appissa, CFA

Tel + 966 11 834 5486

appissam@alrajhi-capital.com

Muhammad Saad, CFA, CAIA

Tel + 966 11 828 4619

SaadM@alrajhi-capital.sa



Qiddiya Coast Stadium, Jeddah

04 EXECUTIVE SUMMARY

05 KSA SHINES AS HOST

11 FIFA WORLD CUP ECONOMICS

14 SECTORAL IMPACT

15 Construction, Banks, & Insurance

16 Food & Telecom

18 Car Rental & Airlines

20 Media, Advertising, & ICT

22 Healthcare & Manpower

World Cup 2034

- Kingdom of Saudi Arabia will host the 25th FIFA World Cup 2034 after securing the highest evaluation score (419.8 out of 500) in the tournament's history.
- In the years leading-up to the event, substantial infrastructure investment will be undertaken in-order to develop/refurbish 15 stadiums across the 5 host cities, expand the existing transportation infrastructure, and expand the existing hotel & healthcare infrastructure.

Economic Impact

- We believe these investments to have a significant fiscal multiplier and have positive long-term impact on the economy.
- Furthermore, Kingdom is also expected to benefit from the 5.1-7.5 million visitors expected to spend roughly SAR 26-39 bn during the games.

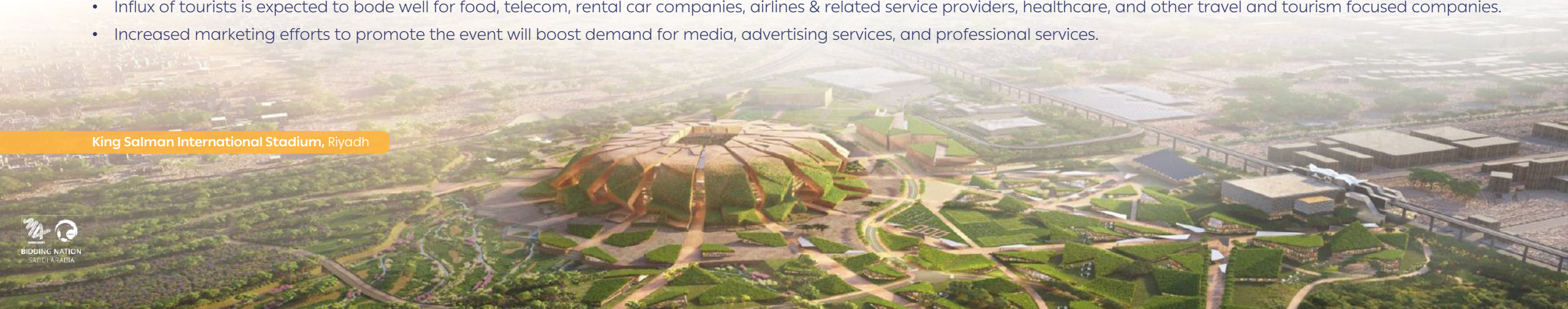
Sectors in Spotlight

- The jump in infrastructure spending is expected to drive demand for construction materials and thereby for corporate loans and P&C insurance.
- Additionally, the surge in demand for skilled labor and support staff to cater to the large-scale infrastructure should bode well for manpower companies.
- Influx of tourists is expected to bode well for food, telecom, rental car companies, airlines & related service providers, healthcare, and other travel and tourism focused companies.
- Increased marketing efforts to promote the event will boost demand for media, advertising services, and professional services.

Key Sector-wise Beneficiaries

- **Construction:** The entire cement, cable, steel & other construction related industry
- **Banking & Insurance:** All banks, Tawuniya, Gulf Insurance Group, Al Rajhi Company for Cooperative Insurance, Walaa Cooperative Insurance, & Malath Cooperative Insurance
- **Food:** Americana, Alamar Foods, Almarai, SADAFCO, NADEC, SAVOLA, & Tanmiah
- **Telecom:** STC, Zain, & Mobily
- **Car Rental Companies:** Budget, Lumi, & Theeb
- **Airline and related service providers:** Catrion, & Saudi Ground Services
- **Other travel and tourism focused companies:** Seera, & Dur Hospitality
- **Media, Advertising, & ICT:** Al Arabia, Elm, Solutions, 2P, & TAM
- **Healthcare:** Al-Habib, & Fakeeh Hospital
- **Manpower:** SMASCO, Al Mawarid, Maharah, & Tamkeen

King Salman International Stadium, Riyadh





**BIDDING NATION
SAUDI ARABIA**

KSA SHINES AS HOST

South Riyadh Stadium

الراجحي المالية
alrajhi capital



- Kingdom of Saudi Arabia, will host the 25th FIFA World Cup 2034 after securing the highest evaluation score (419.8 out of 500) in the tournament's history.
- The tournament would be played in 5 host cities on 15 stadiums with a total design capacity of over 728,000 seats. The 48 participating teams would be able to take benefit of the 134 team training facilities across 15 cities. Similarly, the visitors would be able to enjoy the games from any one of the 10 fan festival sites being planned in the host cities.
- The teams, management and visitors would be welcomed at one of 16 international airports across the country and would be able to choose from a variety of hotels and serviced apartments having a combined capacity of over 230,000 rooms. Furthermore, Kingdom's state of the art transportation infrastructure would ensure the football fans are able to reach their destinations in time to support their favorite team.
- Apart from the matches visitors would be able to experience the rich taste and culture of one of the most vibrant economy in the middle east and will be able to connect to their loved ones using the state-of-the art telecom infrastructure (and if need be use the kingdom's advance healthcare infrastructure).

FIFA World Cup 2034 in Numbers



Source: FIFA Bid Document, Al Rajhi Capital.

Further Details into Saudi's FIFA Bid Document

Host Cities	Population (mn)	Proposed Stadiums	Tournament Room Keys
Riyadh	7.00	8	127,000
Jeddah	3.75	4	43,000
Al Khobar	2.70	1	17,000
Abha	1.10	1	19,000
NEOM*	0.30	1	24,000

Source: FIFA Bid Document, Al Rajhi Capital. *NEOM Population is expected by 2030

Past and Upcoming World Cups



Source: Al Rajhi Capital



BIDDING NATION
SAUDI ARABIA

STADIUMS

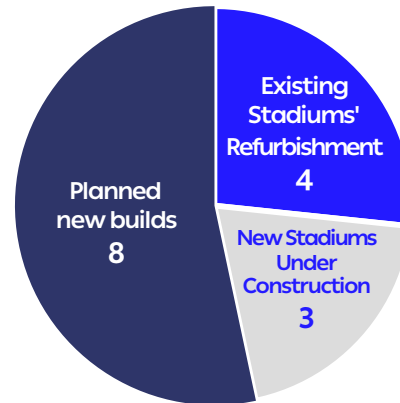
ROSHN Stadium

الراجحي المالية
alrajhi capital



- The design strategy for stadiums feature a mix of existing venues and newly constructed facilities. As per the plan, 8 news stadiums will be constructed, 3 new stadiums are already under construction and 4 existing stadiums shall be refurbished to have a higher capacity
- All the planned stadiums are expected to be constructed/refurbished by 2032 with the completion date for some of the stadiums being as early as 2026.
- King Salman International Stadium (having a designed capacity of 92,000 spectators) will host the opening and final matches of the FIFA World Cup 2034. Furthermore, King Fahad Sports City Stadium (having a designed capacity of 70,200 spectators) would host the semi-finals. Beyond the FIFA World Cup, the stadiums would be used to host various sporting and cultural events.
- In addition to the stadiums being the centerpiece of the event, the planned tournament infrastructure also includes multiple training centers, 61 of which are existing and 73 are planned for construction, which will foster a thriving football ecosystem in the nation beyond the event.

State of the Art Stadiums Outline



Source: FIFA Bid Document, Al Rajhi Capital

Design Schedule for FIFA Stadiums

Stadium	City	Gross Capacity	Status	Completion Year	Highest Match Category
King Fahad Sports City Stadium	Riyadh	70,200	Existing - Refurbishment	2026	Semi-final
Aramco Stadium	Al Khobar	46,096	Under Construction	2026	Round of 16
Prince Faisal bin Fahad Sports City Stadium	Riyadh	46,865	Under Construction	2027	Round of 32
Jeddah Central Development Stadium	Jeddah	45,894	Under Construction	2027	Round of 32
King Salman International Stadium	Riyadh	92,760	Planned	2029	Opening and Final
Prince Mohammed bin Salman Stadium	Riyadh	46,979	Planned	2029	3rd place playoff
New Murabba Stadium	Riyadh	46,010	Planned	2032	Round of 32
ROSHN Stadium	Riyadh	46,000	Planned	2032	Round of 32
South Riyadh Stadium	Riyadh	47,060	Planned	2032	Round of 32
King Saud University Stadium	Riyadh	46,319	Existing - Refurbishment	2032	Round of 32
King Abdullah Sports City Stadium	Jeddah	58,432	Existing - Refurbishment	2032	Quarter-final
Qiddiya Coast Stadium	Jeddah	46,096	Planned	2032	Round of 16
King Abdullah Economic City Stadium	Jeddah	45,700	Planned	2032	Round of 32
King Khalid University Stadium	Abha	45,428	Existing - Refurbishment	2032	Round of 16
NEOM Stadium	NEOM	46,010	Planned	2032	Quarter-final

Source: FIFA Bid Document, Al Rajhi Capital

Host Cities Proposed Stadium Count



Source: FIFA Bid Document, Al Rajhi Capital



BIDDING NATION
SAUDI ARABIA

Accommodation

الراجحي المالية
alrajhi capital



- Significant upgrades to transportation, hotel and health infrastructure will be essential to hosting the mega event.
- The Kingdom plans to increase airports capacity by 151%, to accommodate the 128% increase in the projected traffic growth.
- The bid strategy comprehensively highlights the need for addition of keys in KSA's hotel portfolio. To meet the anticipated surge in accommodation demand by tourists, the Kingdom is planning an additional inventory of ~185,000 rooms, adding to the existing inventory of ~46,000 rooms (a growth of ~3 times).
- Furthermore, the health care system will be adequately expanded to ensure safety and well-being of all stakeholders. Venues will be equipped with necessary medical facilities and resources.



Airport Facts

Number in millions	Riyadh	Jeddah	Al Khobar	Abha	NEOM	Total
Existing Annual Traffic in 2023	31.9	43.0	11.1	3.9	NA	89.9
Forecast Annual Traffic by 2030	80.0	90.0	15.0	8.0	12.0	205.0
Existing Design Capacity in 2023	37.0	45.0	12.5	1.1	NA	95.6
Forecast Design Capacity by 2030	100.0	90.0	20.0	10.0	20.0	240.0

Source: FIFA Bid Document, Al Rajhi Capital

Health System Overview

City	Number of Hospitals by 2034	Number of Hospital Beds by 2034
Riyadh	78	26,691
Jeddah	45	9,249
Al Khobar	46	8,330
Abha	16	4,700
NEOM	1	1,000

Source: FIFA Bid Document, Al Rajhi Capital

Category-wise Accommodation Type breakup - Existing and Planned

Host City Accommodation	Riyadh	Jeddah	Al Khobar	Abha	NEOM	Total
Existing accommodation inventory						
3 Star Hotel	7,430	4,195	2,460	318	476	14,879
4 Star Hotel	3,159	2,404	1,741	43	90	7,437
5 Star Hotel	8,811	5,750	4,856	286	300	20,003
Serviced apartments	1,716	1,125	1,477	104	163	4,585
Planned additional inventory before 2034						
3 Star Hotel	32,616	7,295	654	3,667	5,044	49,276
4 Star Hotel	28,674	9,178	3,997	7,604	8,129	57,582
5 Star Hotel	42,554	9,320	2,049	4,056	9,321	67,300
Serviced apartments	2,315	3,842	270	3,619	915	10,961
Total	127,275	43,109	17,504	19,697	24,438	232,023
Existing alternative inventory						
1 Star and 2 Star Hotel	1,246	1,547	990	834	590	5,207
Private accommodation	2,786	1,114	760	169	38	4,867

Source: FIFA Bid Document, Al Rajhi Capital



**BIDDING NATION
SAUDI ARABIA**

FIFA WORLD CUP ECONOMICS



King Abdullah Economic City

**BIDDING NATION
SAUDI ARABIA**

**BIDDING-NATION
SAUDI ARABIA**

- A review of last five FIFA World Cup tournaments illustrate a varying level of infrastructure spend.
- The lowest spending came from Germany and South Africa, each spending below USD 4 bn. In contrast, Qatar spent a record USD 220 bn on the FIFA World Cup 2022, making it the highest expenditure to date.
- However, most of this spending was not directly related to the tournament. For instance, Lusail City, which hosted the FIFA World Cup 2022 final, is part of Qatar's National Vision 2030 (QNV 2030) and is expected to become a business hub.
- Similarly, infrastructure investments such as the expansion of the metro rail and airports, serve Qatar's long-term interests. Only USD 10 bn of the total was spent on the renovation and construction of 8 stadiums, directly tied to the FIFA event.
- Like infrastructure spend, number of international visitors have also varied in the past. The number of foreign visitor's to Qatar FIFA World Cup 2022 (1 million tourist) were 66% lower than that during Russia FIFA World Cup 2018 (2.9 millions). In our opinion, a major factor for the decline is the scare related to COVID-19.

Infrastructure spend on past FIFA World Cup

Year	Host	Infrastructure Spend (USDbn)	Infrastructure Spend as % of GDP	GDP (USDbn)
2006	Germany	4.3	0.2%	3,046
2010	South Africa	3.6	0.7%	417
2014	Brazil	15.0	0.4%	2,456
2018	Russia	11.6	0.7%	1,657
2022	Qatar	220.0	93.3%	236

Source: World Bank, IMF, Al Rajhi Capital

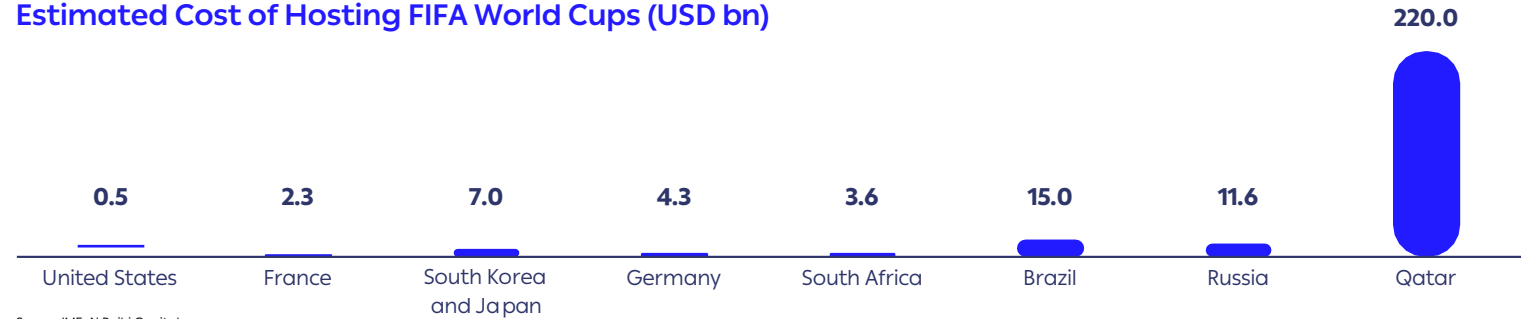
Major Expenses for Qatar FIFA World Cup 2022

Expense (USD bn)	Description
10	Construction and renovation of 8 stadiums for the tournament, including the Lusail Stadium, which hosted the final.
36	Invested in Doha Metro system, which provides efficient transit to major tournament venues and other major upgrades to roads, highways, and public transport systems
17	Expansion of Hamad International Airport
45	Development of Lusail City

Source: Al Rajhi Capital

- Based on the Saudi bid book, the government is expected to invest in major infrastructure facilities including stadium, hotels, and airports.
- We predict these investments to have a significant fiscal multiplier. According to IMF, the long-term multiplier of capital investment on non-oil GDP can reach up to 1.0 in the case of Saudi Arabia. This shows the potential long-term impact of the upcoming infrastructure spending.
- Apart from above highlighted infrastructure spend, the Kingdom is also expected to benefit from spending by visitors. We estimate the Kingdom to host between 5.1-7.5 million visitors and expect international visitors to be around 50% of the total (based on data from recent FIFA World Cups', and accounting for the increase of teams from 32 to 48). To estimate the amount of spending by visitors during the event, we use IMF estimates on 2022 world cup as a proxy, and accordingly we expect the spending to range between USD 1,450-3,329 per visitor (SAR 5,438-12,483 per visitor).
- Accordingly, we expect tourism spending by visitors to be in the range of SAR 26 -39bn.
- In the next few slides, we deep-dive into how the infrastructure spend and spending by visitors is expected to impact the domestic listed companies.

Estimated Cost of Hosting FIFA World Cups (USD bn)



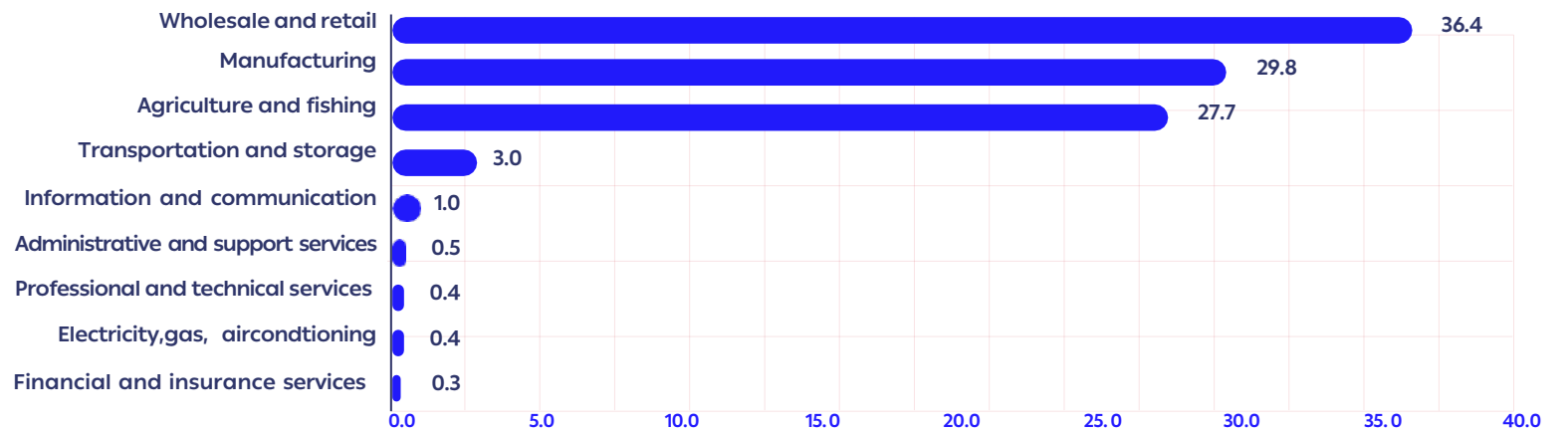
Source: IMF, Al Rajhi Capital

IMF projection of revenues from FIFA World Cup 2022 per visitor

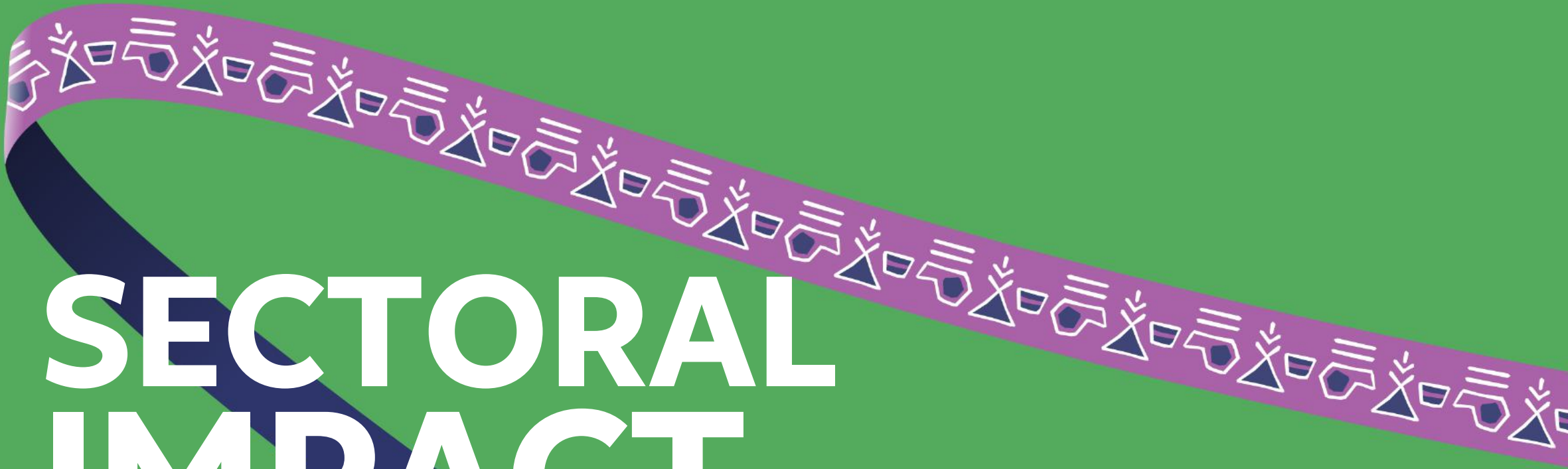
(USD)	Low	High
Air fare	800	2,000
Restaurants	480	529
Venue catering	20	200
Shopping	100	500
Other revenues	50	100
Total	1,450	3,329

Source: IMF Al Rajhi Capital

Sectoral Linkages in KSA Tourism Sector (% of 100)



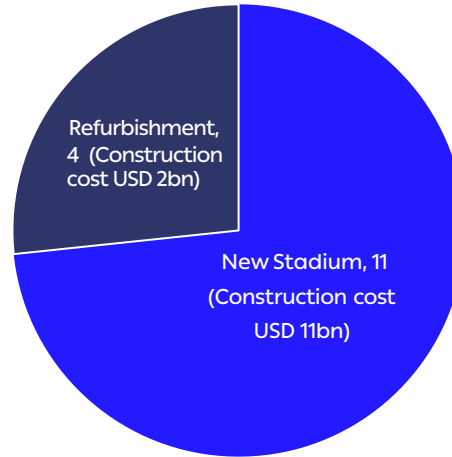
Source: GASTAT, Al Rajhi Capital



SECTORAL IMPACT

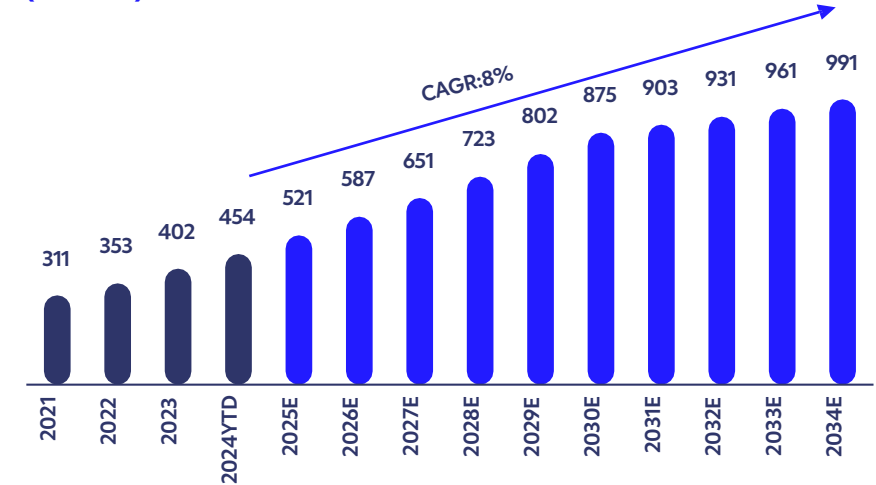
- FIFA World Cup 2034 is set to significantly boost the Saudi construction sector. The development of stadiums, fan festival sites, team & referee facilities, and upgraded transportation & hospitality infrastructure can be expected to drive a surge in construction activities.
- We estimate that the cost of construction /refurbishment of 15 stadiums alone will cost approximately SAR 50bn (we base our analysis on cost of refurbishment/development of stadiums globally as well as based on contracts awarded in recent years for construction of stadiums in the Kingdom). Since the games would be organized across the Kingdom (five host cities and ten other cities for team and referee facilities) we opine the entire cement, steel, cables, and other construction related industry is poised to benefit from this development.
- Furthermore, FIFA World Cup 2034 and other global events is set to boost corporate loans, with an expected 8% CAGR through 2034.
- The P&C insurance sector is also poised to benefit significantly from the global events (Riyadh Expo 2030 and FIFA World Cup 2034), driven by demand for coverage of major construction projects. Pre-Event premiums, typically ~1% of property value, could add SAR 1.2bn (0.7 – Expo, 0.5 – WC). Travel insurance is another key beneficiary and is expected to generate revenue in the range SAR 200-300mn (assuming SAR 86 per policy). Among insurers, Tawuniya, Gulf Insurance Group, Al Rajhi Company for Cooperative Insurance, Walaa Cooperative Insurance, and Malath Cooperative Insurance are expected to be key beneficiaries

Estimated Construction Cost of Stadium



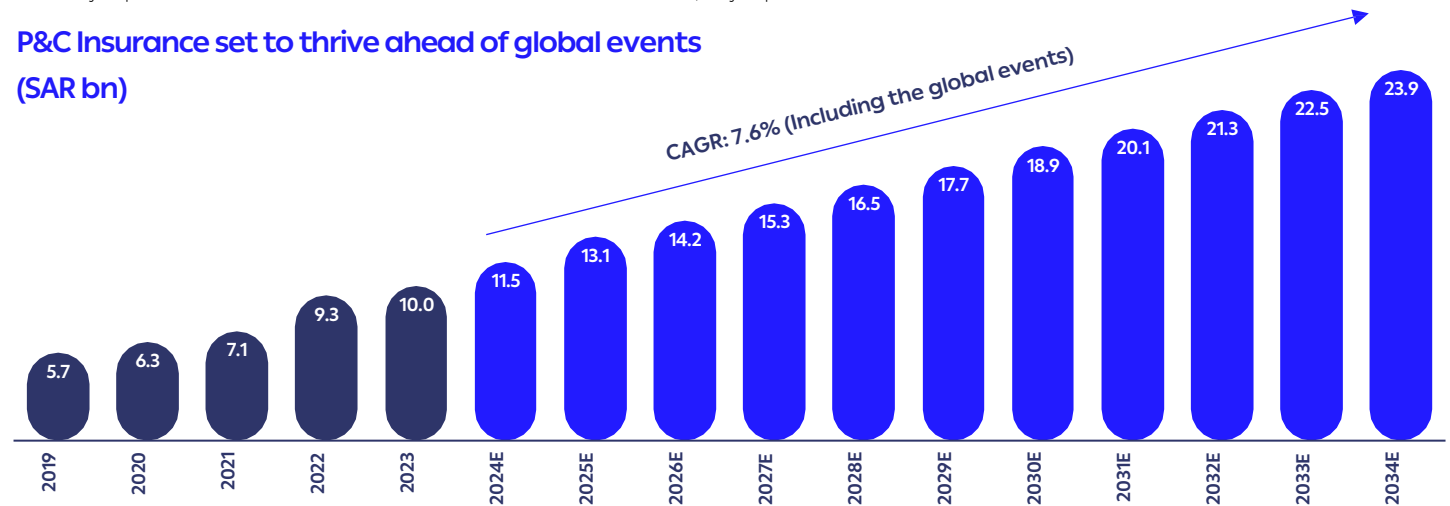
Source: Al Rajhi Capital

Global Events to fuel 8% CAGR in Corporate Loans by 2034 (USD bn)



Source: SAMA, Al Rajhi Capital estimates

P&C Insurance set to thrive ahead of global events (SAR bn)



Source: SAMA, Al Rajhi Capital estimates (Insurance reported dated 30 Nov. 2023)



BIDDING NATION
SAUDI ARABIA

FOOD AND TELECOM

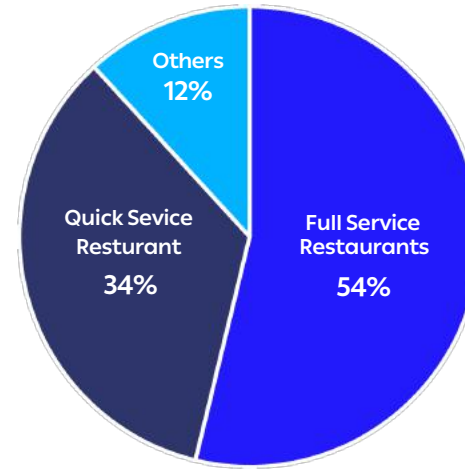
Prince Faisal bin Fahad Sports City Stadium

الراجحي المالية
alrajhi capital



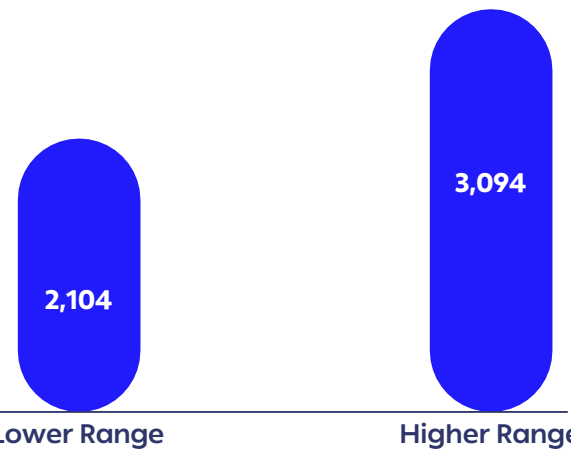
- FIFA World Cup 2034 is also expected to benefit the domestic food industry. During the tournament itself, an estimated 5.1-7.5 million visitors are expected to spend approximately USD 480-529/person (SAR1,800-1,984/person) on restaurants and on an average of USD 110/person (SAR 413/person) on venue catering. As a result, we expect total spend on food to be in the range of SAR 11.3-18.0bn. We opine that listed players such as Americana, Alamar Foods, Almarai, SADAFCO, NADEC, SAVOLA and Tanmiah are poised to benefit from this increased economic activity.
- Similarly, telecom companies are expected to see significant benefits during the 104 matches of the FIFA World Cup 2034. We estimate approximately 2.6-3.8mn foreign visitors will utilize telecom services, with an average spend of SAR 100 per person, totaling SAR 260-380mn revenue impact for telecom companies.
- We anticipate all telecom companies will experience a revenue boost, however, STC being the market leader is expected to benefit the most.

Distribution of Foodservice spend during FIFA World Cup 2034



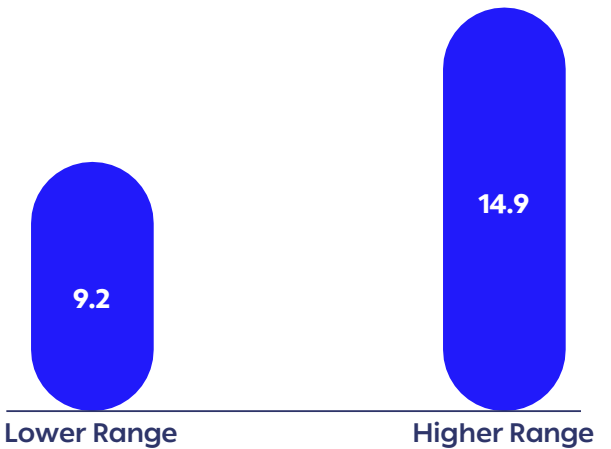
Source: Mordor Intelligence, Al Rajhi Capital

Venue catering revenue range (SAR mn)



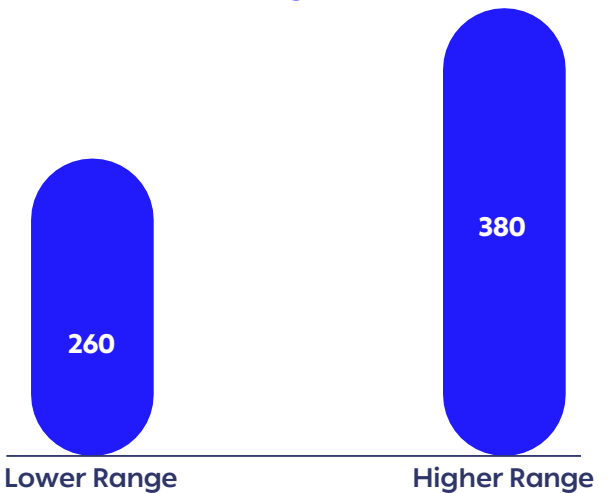
Source: Al Rajhi Capital

Restaurant revenue range (SAR bn)



Source: Al Rajhi Capital

Telecom revenue range (SAR mn)



Source: Al Rajhi Capital estimates



**BIDDING NATION
SAUDI ARABIA**

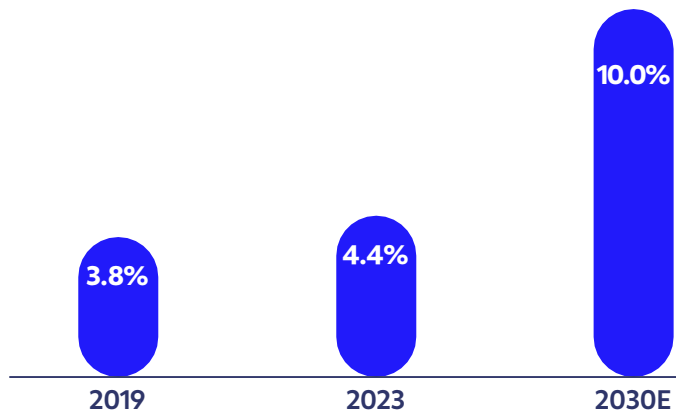
CAR RENTAL & AIRLINES

الراجحي المالية
alrajhi capital



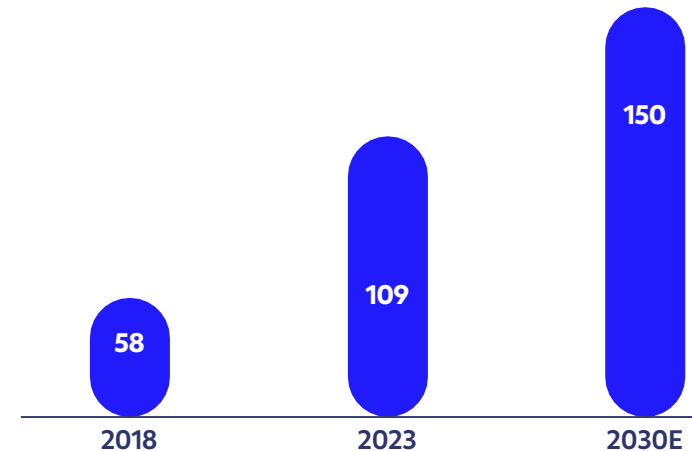
- The car rental market in KSA comprise of around 800 companies operating nationwide or regionally. The three listed players namely Budget, Lumi and Theeb account for around 1/3rd of the rental car market and are well-positioned to capitalize on the anticipated surge in tourism during the FIFA World Cup 2034.
- Similarly, airlines and related service providers are expected to benefit from the FIFA World Cup 2034 as annual air traffic of host cities is expected to double by 2034.
- Other than rental car companies & airlines, other travel and tourism focused companies should also benefit from this mega event. One such listed player is Seera, whose online platform Almosafer is poised to greatly benefit for FIFA World Cup 2034. Furthermore, we opine Almosafer can also benefit from technical knowledge in providing sports travel, team travel, and fan travel services.

Tourisms & Travel Sector's Direct Contribution to GDP



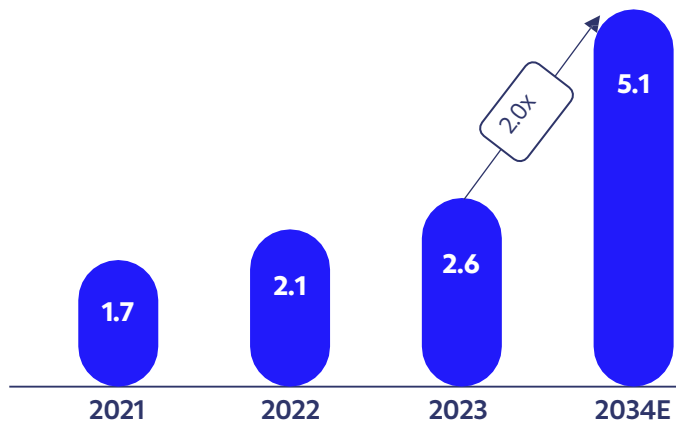
Source: Saudi Arabia FIFA World Cup 2034 Bid Book, Al Rajhi Capital

International & Domestic tourists to Saudi Arabia (mn)



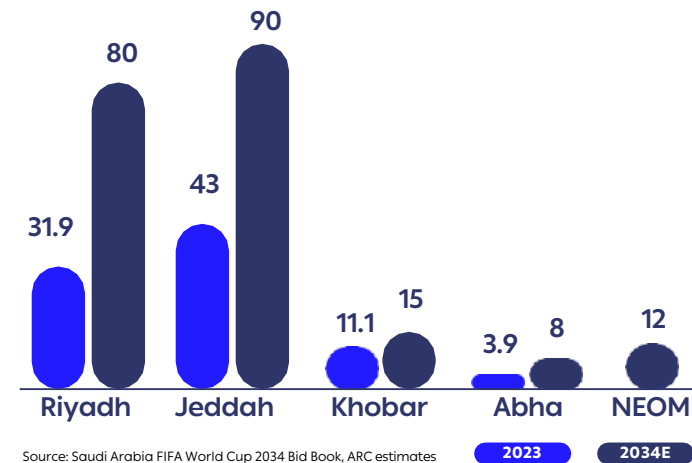
Source: Saudi Arabia FIFA World Cup 2034 Bid Book, Al Rajhi Capital

Rental & Leasing Car Market of Major Players (SAR bn)



Source: Company Data, ARC estimates

Annual Traffic to see over 2x growth in the host cities



Source: Saudi Arabia FIFA World Cup 2034 Bid Book, ARC estimates



**BIDDING NATION
SAUDI ARABIA**



MEDIA AND ADVERTISING

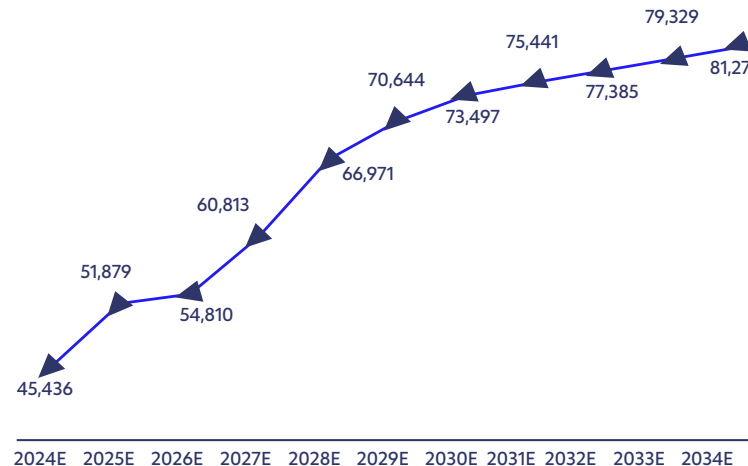
- Al Arabia being the market leader in outdoor advertisements is positioned to benefit significantly from the increased advertising activity around the FIFA World Cup 2034. The company is expected to have over 3,500 new billboards in operation by 2030, thanks to three new contracts, with the FIFA World Cup 2034 potentially driving further expansion in key locations by 2034.
- While billboard numbers may stabilize after 2030 due to static billboard lease expirations, the shift to digital billboards will likely lead to an increase in "faces," as digital billboards have nearly 10 faces compared to only 2 faces per billboard for static.
- Apart from traditional advertisement firms like Al-Arabia, influencer marketing companies like YKONE (owned by Bin Dawood) are also expected to benefit from FIFA World Cup 2034 in our opinion.
- Furthermore, the ICT sector is also set to benefit from the FIFA World Cup 2034, with Elm as a key beneficiary due to its apps providing services like visa processing, international driver authorization, and trade facilitation. Solutions, an STC subsidiary generating 35% of its revenues from its parent, may also benefit indirectly as STC (telecom sector) capitalize on the event. Additionally, 2P and TAM are expected to grow, leveraging their strengths in customer experience and digital consulting, respectively ahead of the 2034 event.

Billboards from new projects growth trajectory



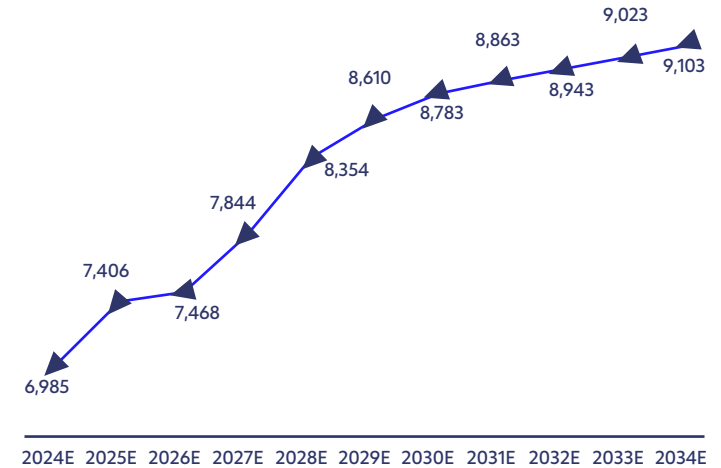
Source: Company Data, ARC estimates. Note: KKIA denotes King Khalid International Airport

Total faces growth Trajectory



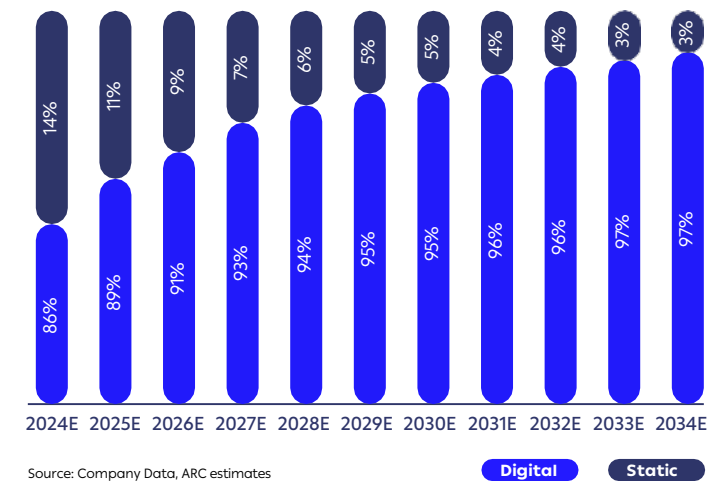
Source: Company Data, ARC estimates

Total Number of Billboards



Source: Company Data, ARC estimates

Digital faces to account for nearly 97% by 2034



Source: Company Data, ARC estimates



**BIDDING NATION
SAUDI ARABIA**

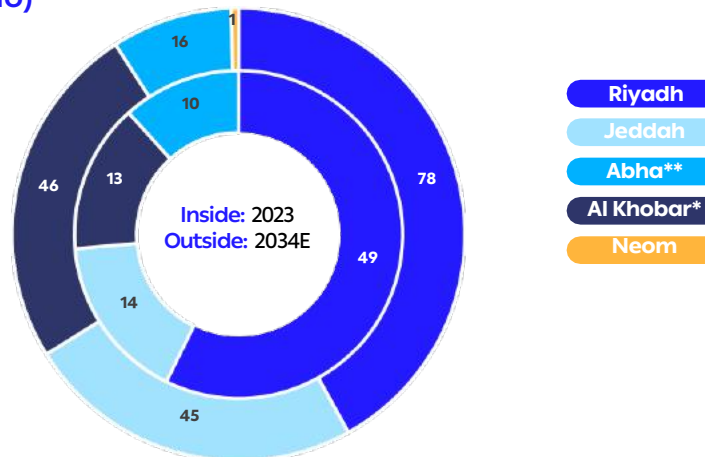
HEALTHCARE & MANPOWER

الراجحي المالية
alrajhi capital



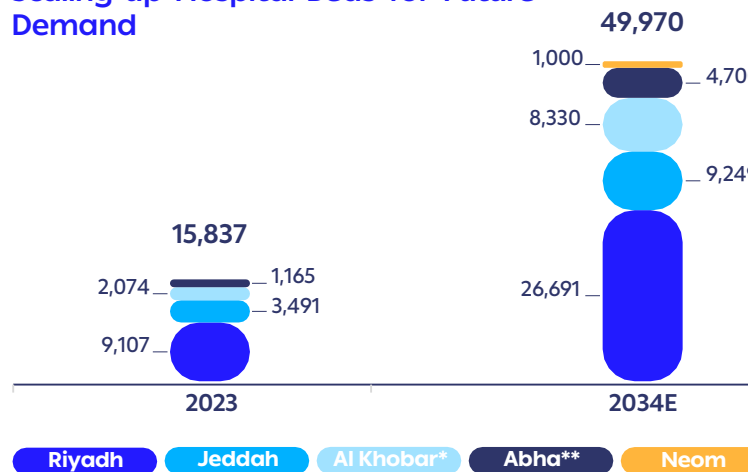
- To accommodate the influx of millions of visitors and address the rising healthcare needs of residents, hospitals in the host cities are expected to increase from 86 in 2023 to 186. As a result, the number of hospital beds are projected to increase from 15,837 in 2023 to 49,970 in 2034, ensuring enhanced capacity for providing care during the tournament and beyond.
- At the same time, the event can also support the demand for primary/emergency clinics. Given that Al-Habib and Fakeeh Hospital has experience in providing such services during Riyadh Season, we see Al-Habib and Fakeeh Hospital as one of the major beneficiaries of the FIFA World Cup 2034.
- Similarly, the business services sector in KSA is poised for significant growth, driven by the surge in demand for skilled labor and support staff to cater to the large-scale infrastructure, hospitality, and event management needs of Expo 2030 and FIFA World Cup 2034. We see SMASCO, Al Mawarid, Maharah, and Tamkeen to be the beneficiaries of FIFA World Cup 2034.

Hospitals to see an increased ahead of Global Events (Mo)



Source: Saudi Arabia FIFA World Cup 2034 Bid Book, MoH Booklet (2023), Al Rajhi Capital. Note: Have assumed proxy for 2023 numbers for Khobar (60% of Eastern region) and Abha (50% of Aseer).

Scaling up Hospital Beds for Future Demand



Source: Saudi Arabia FIFA World Cup 2034 Bid Book, MoH Booklet (2023), Al Rajhi Capital. Note: Have assumed proxy for 2023 numbers for Khobar (60% of Eastern region) and Abha (50% of Aseer).

Listed players have presence in the FIFA World Cup 2034 cities

	Riyadh	Jeddah	Al Khobar	Abha
 مستشفى السعودي الألماني Saudi German Hospital General Hospital	✓	✓		✓
 د. سليمان بن الحبيب DR SULAIMAN AL HABIB	✓	✓	✓	
 الموسادة Al Mawarid	✓		✓	
 دالة الصحة Dallah Health	✓			
 Al Hammadi Holding	✓			
 فقيه مجموعة فقيه للرعاية الصحية Fakeeh Care Group	✓	✓		
 الموسى الصحة Almoosa Health			✓	
 رعاية الطبية CARE MEDICAL	✓	✓		

Source: Company Data, Al Rajhi Capital

We believe the Saudi Arabia FIFA World Cup 2034 is poised to become a tremendous growth catalyst for the Saudi economy. The infrastructure investments undertaken in the years leading-up to the event is expected to have a significant fiscal multiplier and have positive long-term implications for the economy. Furthermore, we opine that the Kingdom shall also benefit from the influx of tourists attracted by this event.

Key Sector-wise Beneficiaries

- Construction: The entire cement, cable, steel & other construction related industry
- Banking & Insurance: All banks, Tawuniya, Gulf Insurance Group, Al Rajhi Company for Cooperative Insurance, Walaa Cooperative Insurance, & Malath Cooperative Insurance
- Food: Americana, Alamar Foods, Almarai, SADAFCO, NADEC, SAVOLA, & Tanmiah
- Telecom: STC, Zain, & Mobily
- Car Rental Companies: Budget, Lumi, & Theeb
- Airline and related service providers: Catrion, & Saudi Ground Services
- Other travel and tourism focused companies: Seera, & Dur Hospitality
- Media, Advertising, & ICT: Al Arabia, Elm, Solutions, 2P, & TAM
- Healthcare: Al-Habib, & Fakeeh Hospital
- Manpower: SMASCO, Al Mawarid, Maharah, & Tamkeen

King-Abdullah-Economic-City



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.

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.

Prince Faisal bin Fahd Sports City Stadium, Riyadh



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

King Saud University Stadium, Riyadh



capitalize on capital



BIDDING NATION
SAUDI ARABIA

الراجحي المالية
alrajhi capital

