Theeb Rent a Car Co.

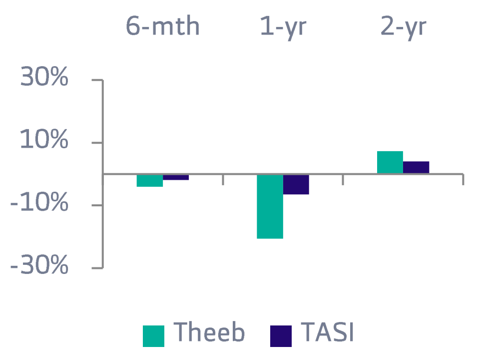
3Q2025 First Look

Growth Across All Segments

November 12, 2025

Upside to Target Price	28.4%	Rating	Buy
Expected Dividend Yield	3.8%	Last Price	SAR 63.85
Expected Total Return	32.2%	12-mth target	SAR 82.00

Market Data	
52-week high/low	SAR 81.5/58.1
Market Cap	SAR 2,746 mln
Shares Outstanding	43 mln
Free-float	67.5 %
12-month ADTV	88,338
Bloomberg Code	THEEB AB



Theeb	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	404	337	20%	365	11%	380
Gross Profit	120	107	13%	118	2%	124
Gross Margins	30%	32%		32%		33%
Operating Profit	80	71	12%	75	6%	79
Net Profit	50	46	8%	48	5%	50

(All figures are in SAR mln)

- Theeb Rent a Car revenues increased +20% Y/Y and +11% Q/Q, reaching SAR 404 mln, slightly above our estimates of SAR 380 mln. Growth was driven by both the short and long-term rental segments, which rose +18% Y/Y and +6% Q/Q, Furthermore, used-car sales segment recorded strong growth, exceeding our expectations, increasing +24% Y/Y and +25% Q/Q.
- Gross profit reached SAR 120 mln, increasing +13% Y/Y and +2% Q/Q, in line with our expectations. Gross margin contracted by -176 bps Y/Y and -253 bps Q/Q to 30% in 3Q25, below our estimates and lower than 32% in both the previous and comparable quarters. We attribute this to higher cost of used-car sales, consistent with the strong sales growth.
- Operating profit grew +12% Y/Y and +6% Q/Q to SAR 80 mln, matching our estimate of SAR 79 mln. The increase on both Y/Y and Q/Q was supported by improvement in certain operating cost items. However, operating margin slightly contracted to 20% in 3Q25, below our estimate of 21%.
- Theeb reported a net profit of SAR 50 mln for 3Q25, up +8% Y/Y and +5% Q/Q, in line with our expectations. The performance was supported by higher revenues and improved operating cost efficiency. The company announced a cash dividend of SAR 0.58 per share for 3Q25.
- In September 2025, Theeb announced signing an agreement with Al-Wallan Trading Co. to supply over 2,300 vehicles of various 2026 models, becoming the first car rental company to secure such a deal, which represents approximately 6% of the total fleet size. Based on the solid 3Q25 results and the company's expanding customer base, despite cost pressures, we maintain our rating and target price.

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Disclaimer

Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

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