Theeb Rent a Car Co.

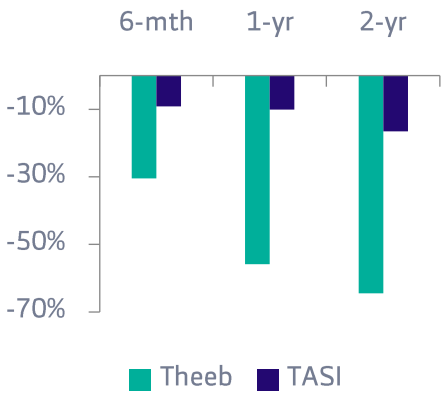
3Q2026 First Look

Results Meet Expectations

November 10, 2026

Upside to Target Price	54.7%	Rating	Buy
Expected Dividend Yield	4.6%	Last Price	SAR 18.75
Expected Total Return	59.3%	12-mth target	SAR 29.00

Market Data	
52-week high/low	SAR 42.6/15.8
Market Cap	SAR 1,237 mln
Shares Outstanding	66 mln
Free-float	72.8 %
12-month ADTV	538,070
Bloomberg Code	THEEB AB



Theeb	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	442	404	10%	425	4%	439
Gross Profit	109	120	(10%)	110	(1%)	114
Gross Margins	25%	30%		26%		26%
Operating Profit	41	74	(44%)	43	(4%)	46
Net Profit	18	50	(65%)	16	7%	18

(All figures are in SAR mln)

- Theeb's revenue increased to SAR 442 mln, up +10% Y/Y and +4% Q/Q, in line with our estimate of SAR 439 mln. The increase was driven by growth in leases and rentals of +10% Y/Y and +5% Q/Q, while used car sales increased by +7% Y/Y and +3% Q/Q.
- Gross profit came in at SAR 109 mln, down -10% Y/Y and -1% Q/Q, in line with our estimate. Cost of sales increased by +18% Y/Y and +6% Q/Q to SAR 333 mln, in line with our estimate of SAR 325 mln, reflecting weakness in used car prices and lower utilization rates. Consequently, the gross margin contracted by 522 bps Y/Y and 129 bps Q/Q to 24.6%, slightly below our estimate of 26.0%
- Operating profit declined by -44% Y/Y and -4% Q/Q to SAR 41 mln, driven by higher expected credit loss provisions. The operating margin contracted to 9%, from 18% in 3Q25 and 10% in the previous quarter, coming in below our estimate of 10.5%.
- Theeb reported net profit of SAR 18 mln, down -65% Y/Y but up +7% Q/Q, in line with our estimate of SAR 18 mln. Theeb's revenue came in at a good level; however, lower utilization rates, higher provisions, weak used car profitability, and higher financing costs weighed on net profit Y/Y, while utilization rates improved and used car profitability saw a slight recovery Q/Q.
- On 5 November 2026, Theeb's board recommended that the EGM approve the Company's purchase of up to 3.98 mln of its own shares (6.037% of share capital), to be held as treasury shares. We maintain our target price and Buy recommendation, as pressures facing the rental market have driven the share price down to levels we view as a buying opportunity.

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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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