

US\$1.51bn  
Market Cap.

98.97%  
Free Float

US\$12.33mn  
Avg. Daily Value traded

# Saudi Reinsurance Co.

## Momentum to continue, target price raised

### Neutral

#### Price Target (SAR): 53.0

CMP as of 20<sup>th</sup> May: 48.90  
Upside/Downside: 8.4% above current

Valuation Multiples	24A	25E	26E
P/E (x)	40.1	33.3	25.1
P/B (x)	2.7	2.6	2.3
ROE (%)	7.9	8.9	9.8

#### Major Shareholders % Ownership

Public Investment Fund	23.1
------------------------	------

Price Performance	1M	3M	YTD
Absolute	15.5%	-5.8%	-9.3%
Relative to TASI	17.1%	1.9%	-4.3%

### Earnings

(SAR mn)	2024	2025E	2026E	2027E
<b>GWP</b>	2,360	3,452	4,598	5,837
Growth	48%	46%	33%	27%
<b>Reinsurance Revenue</b>	1,130	1,522	2,066	2,735
Reinsurance service result	143	203	291	390
Margins	12.6%	13.3%	14.1%	14.2%
<b>Net Reins. &amp; Inv. results</b>	545	282	373	465
Adj. Net Reins. & Inv. results*	179	282	373	465
Adj. Growth	23%	57%	32%	25%
<b>Profit Before Tax</b>	506	211	280	349
Adj. Profit Before Tax*	140	211	280	349
Adj. Growth	-12%	51%	33%	25%
<b>Net Profit</b>	475	170	226	282
Adj. Net Profit*	109	170	226	282
Adj. Growth	-13%	56%	33%	25%
<b>ROE*</b>	7.9%	8.9%	9.8%	11.0%
<b>P/E*</b>	40.1x	33.3x	25.1x	20.1x
<b>P/B*</b>	2.7x	2.6x	2.3x	2.1x

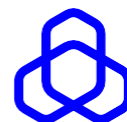
Source: Company data, Al Rajhi Capital. \*Numbers for 2024 are adjusted for one-off gain on sale of investment of SAR 365.9mn.

- **Solid Q1 earnings reflect benefits from local cessation regulation**
- **We estimate Saudi Re to reach 2.5x GWP growth target by 2027, one year before the guidance**
- **Even in a stagnant market, we see minimal risks to growth as current market share of Saudi Re in KSA's reinsurance is less than 15%**
- **The growing mix of KSA should be margin accretive given that the average margins in the KSA are much better than its international business**
- **Stable investment income to offset bulk of the increase in G&A**
- **We raise our target price to SAR 53/share, but turn neutral after the solid rally (~35%) since local cessation announcement.**

**Local cessation mandate and its benefits:** The solid growth in Q1 GWP indicates the benefits of local cession policy that is effective since January 2025. As per the regulation, local insurance companies are now mandated to offer at least 30% of the reinsurance cession, including facultative, to a local reinsurer on a first right of refusal condition. In the KSA, there are total six insurance companies with reinsurance license, of which there is only one pure play reinsurance company, that is Saudi Re. On the back of increased capital in 2024 supported by new share issuance to PIF and stake sale in Probitas, Saudi Re is in a solid position to capture this market. Even in 2024, the company's KSA exposure (GWP) grew by 76% y-o-y supported by the existing mandate of local cessation, that was applicable only on treaty reinsurance. The regulation now includes facultative reinsurance, which is estimated to be more than 2/3rd of the total reinsurance market in the KSA.

**Momentum to continue despite weak oil prices:** On the back of regulatory catalysts and sufficient capital, we believe GWP to almost double by 2026 and grow by almost 2.5x times (from 2024 base) by 2027, one year before the company's target (2.5x by 2028). We believe bulk of the growth to be driven by the KSA, that saw a solid 76% growth in 2024. However, given the nature of the reinsurance business, where claims could be lumpy, the company would be cognizant that the geographical diversification remains. Thus, we estimate the share of KSA to peak around 70% in 2027 and any growth beyond 2027 in the KSA could be in line with the overall growth.

Although there are risks to the growth potential of the overall P&C industry due to weak oil prices and economic activity, we take comfort from the fact that the company could achieve this even if the total industry size remains flat. Overall, the size of the reinsurance market in the KSA is SAR 11bn, of which SAR 9bn pertains to the P&C market. Of this SAR 11bn, Saudi Re's 2024 GWP in the KSA was just SAR 1.4bn, which is less than 15%. Thus, even if there is any slowdown in the overall reinsurance market, the existing market is big enough for Saudi Re to maintain its current momentum. Moreover, this fact should also provide respite to investors, those are concerned about the expected launch of a new reinsurance company by one of the existing primary insurance providers.



**KSA growth to boost margins:** On reinsurance service margins, the growing mix of KSA should be margin accretive given that the average margins in the KSA are much better than its international business. Over the last three years, the margin difference in the KSA versus international has hovered in the range of 12-18% (ex-2023, in 2024 KSA margins: 23% vs. 5% for international). This is primarily due to the business model in the KSA, where reliance on brokers is much less compared to its international business. Moreover, the competition in the reinsurance market in the KSA for Saudi Re is primarily from the international players, which are subject to withholding taxes, that forces them to keep the pricing elevated. Nevertheless, we prefer to be conservative and assume average 20% reinsurance service margin in the KSA during 2025-2027E versus 23% in 2024. On the other hand, in the international business, we assume slight improvement in the margins in 2025 and beyond, as 2024's margins were impacted by the unusual floods in the UAE. Overall, we expect net reinsurance service margin to hover around 13-14% in the next three years. Key upside risks remain the possibility of underwriting more facultative reinsurance business in the KSA, that could have higher margins.

**Investment income to offset expected rise in opex:** The company would be investing notably in the IT systems and workforce to set itself for the growth. Moreover, the company also needs to invest in developing capabilities to capture the growth in the facultative reinsurance. Thus, we estimate unallocated opex to rise notably in the next three years and average ~5% of reinsurance service revenue during 2025-2027 versus 4.3% in 2024. However, on the positive side, the recent capital infusion from PIF and the proceeds from stake sale in Probitas have boosted its investment book to SAR 2.4bn at the end of 2024 from SAR 1.8bn at the end of 2023. The bulk of the investments are done in the safe assets, money market and fixed income, thus the predictability of the investment income is high. Overall, we expect net income margin of 11.2% in 2025 and average margin of 10.8% during 2025-27E. On an adjusted basis (2024 adjusted for one off capital gains), we estimate net income to grow by 56% in 2025 and 37% CAGR during 2025-27E.

**View and valuations:** Currently, the stock is trading at a trailing price to book of 2.8x versus its 5-yr historical average of 1.7x. Bulk of the rerating happened in 2024 supported by solid growth in GWP as well as the announcement related to mandatory cessation. Despite the growth story, the stock trades at about 10% discount to primary insurance companies such as Tawuniya, GIG, Walaa and Al Rajhi Takaful, compared to bigger players such as Tawuniya and Al Rajhi Takaful, the discount is even higher at over 40%. This is mainly due to the nature of the business, reinsurance being relatively risky as well as the low ROE level. Nevertheless, we are expecting ROEs to improve to 11.0% by 2027 from about ~8.0% (adjusted) in 2024. Further, we are not capturing the potential of the company resorting to leveraging its balance sheet through sukuk/bond issuance, that could further improve the ROEs. In the backdrop of solid growth potential, we believe the stock should trade at a much higher price to book than in the past. As the net income is poised to grow more than 2.5x to SAR 282mn in 2027E from SAR 109mn in 2024 (adjusted), we are considering the 2027 book value and earnings to value the stock (adjusted). We believe the high growth phase will extend beyond 2027, though normalize a bit. We are assigning a forward multiple of 2.75x P/B on book value of 2027. We are also using P/E multiple and assigning a multiple of 25x on 2027E EPS. Further we have discounted the fair value at a cost of equity of 10.5%. On equal weighted (P/B and P/E) method, our fair value, which is also our target price, is SAR 53/share. Given that the stock has rallied ~35% since the local cessation announcement, we turn Neutral on the name.

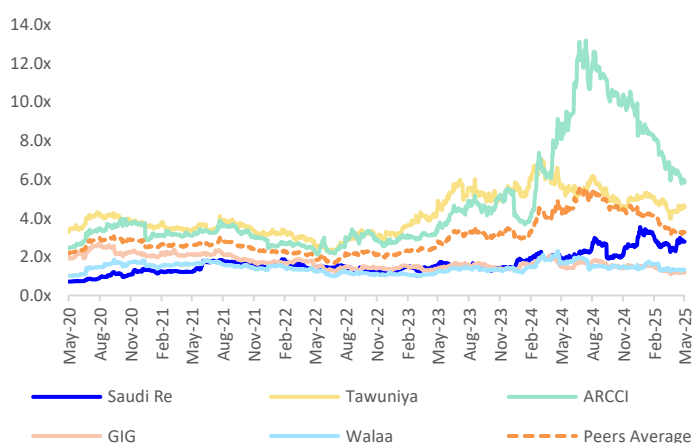
	P/B	P/E
Target Multiple	2.75x	25.0x
2027E BVPS/EPS	23.4	2.4
Fair Value	64.0	61.0
Present fair value (Discounted)	54.0	52.0
Weights	50%	50%
<b>Weighted Fair Value</b>	<b>27.0</b>	<b>26.0</b>
<b>Target Price (P/B + P/E)</b>	<b>53.0</b>	
Current Price	48.90	
<b>Upside</b>	<b>8.4%</b>	

Source: Al Rajhi Capital estimates Given that our target multiple is one year forward, we are discounting the fair value by 1.5 years to arrive at our target price.

Figure 1 Saudi Re trading above 5yr average



Figure 2 Saudi Re and peers



Source: IA, Company Data, Al Rajhi Capital

Source: Company Data, Al Rajhi Capital

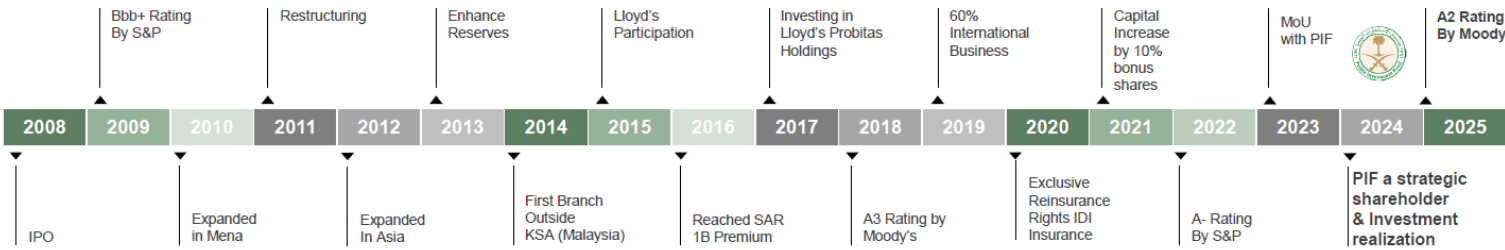
Figure 3 Comps Table

Region	Peers	Market Cap (\$ mn)	EV (\$ mn)	TTM	P/B 2025	2026	TTM	P/E 2025	2026	ROE	DVD
International	Swiss RE AG	56,204	59,866	2.3x	2.2x	2.1x	16.1x	11.7x	10.8x	14.3	4.09
	Hannover Rueck SE	37,829	42,560	2.8x	2.6x	2.3x	15.0x	13.4x	12.5x	19.9	3.22
	Scor SE	5,754	7,464	1.1x	1.0x	0.9x	NA	6.9x	6.4x	0.2	6.31
	Talanx AG	32,871	44,149	2.4x	2.2x	2.0x	14.6x	13.1x	12.1x	34.8	2.38
	Everest Group Ltd	14,784	16,804	1.0x	1.0x	0.8x	44.3x	7.6x	5.7x	6.2	2.30
	Renaissancere Holdings Ltd	12,070	20,631	1.3x	1.2x	1.0x	6.8x	11.7x	6.9x	19.9	0.63
	Muenchener Rueckver AG-REC	85,015	86,092	2.3x	2.2x	2.0x	16.6x	12.3x	11.5x	14.4	3.45
	Enstar Group Ltd	4,988	6,239	0.9x	NA	NA	8.7x	NA	NA	12.1	NA
	Siriuspoint Ltd	2,291	2,440	1.2x	1.1x	1.0x	5.7x	8.4x	7.4x	24.4	NA
	International General	1,069	914	1.6x	1.4x	1.3x	8.0x	8.9x	7.8x	24.4	4.01
	<b>Average</b>	<b>13,427</b>	<b>18,717</b>	<b>1.7x</b>	<b>1.7x</b>	<b>1.5x</b>	<b>16.0x</b>	<b>10.6x</b>	<b>9.2x</b>	<b>16.2</b>	<b>3.20</b>
	<b>Median</b>	<b>13,427</b>	<b>18,717</b>	<b>1.3x</b>	<b>1.7x</b>	<b>1.5x</b>	<b>14.8x</b>	<b>11.7x</b>	<b>9.1x</b>	<b>14.4</b>	<b>3.22</b>

Region	Peers	Market Cap (\$ mn)	EV (\$ mn)	P/B TTM	P/E TTM	ROE	DVD
Local Comparable	Tawuniya	5,823	5,439	4.6x	20.0x	25.4	0.69
	Walaa	643	497	1.4x	NA	-3.9	NA
	Al Rajhi Takaful	3,199	3,021	5.5x	38.5x	15.6	NA
	GIG SA	363	338	1.2x	9.3x	13.4	5.79
	<b>Average</b>	<b>2,507</b>	<b>2,324</b>	<b>3.2x</b>	<b>22.6x</b>	<b>12.6</b>	<b>3.24</b>
	<b>Median</b>	<b>1,921</b>	<b>1,759</b>	<b>3.0x</b>	<b>20.0x</b>	<b>14.5</b>	<b>3.24</b>

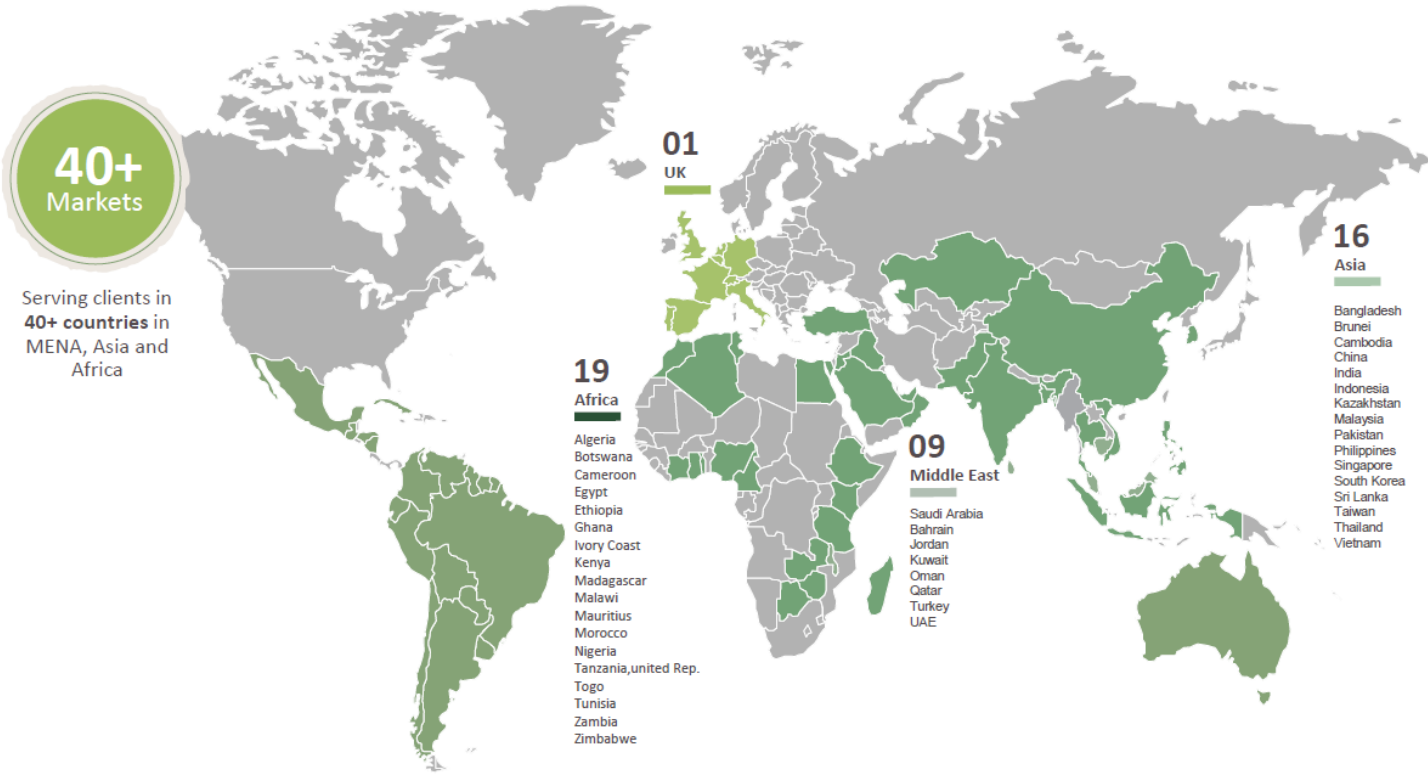
Source: Bloomberg, Al Rajhi Capital

Figure 4 Saudi Re Growth Journey



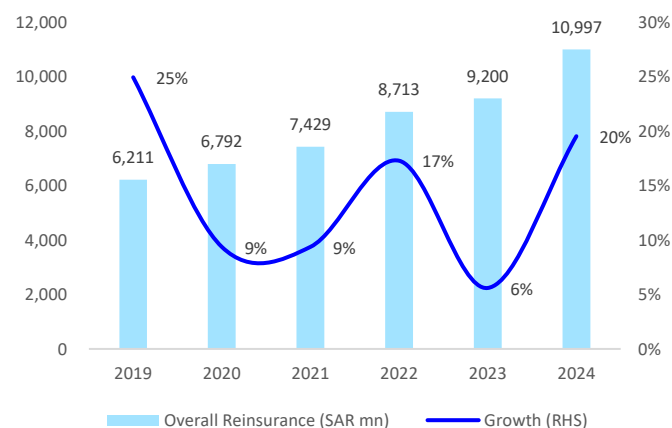
Source: Company Data, Al Rajhi Capital

Figure 5 Saudi Re Geographical presence

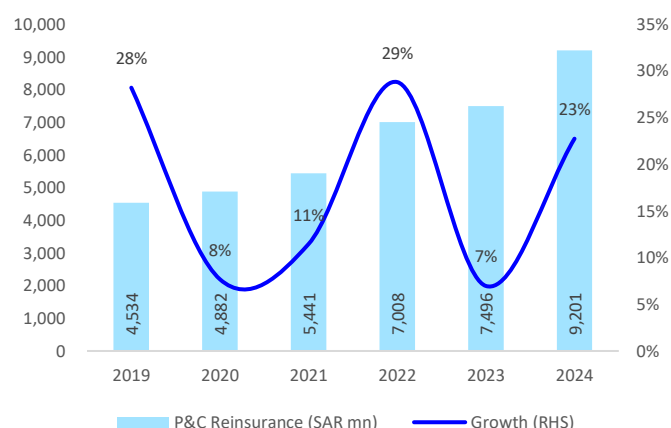


Source: Company Data, Al Rajhi Capital

**Figure 6 Overall Reinsurance market (Sector level)**



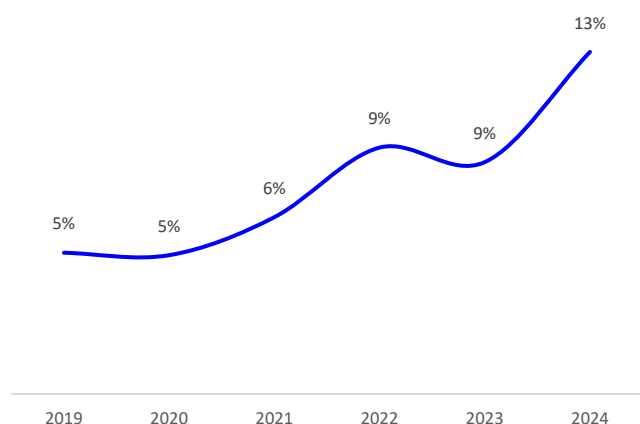
**Figure 7 P&C Reinsurance market (Sector Level)**



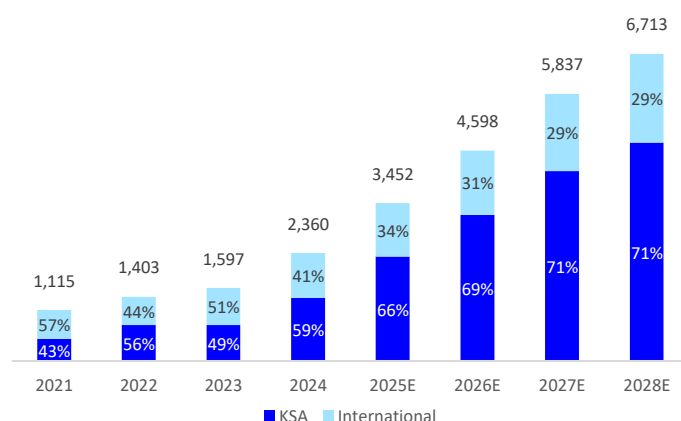
Source: IA, Al Rajhi Capital

Source: IA, Al Rajhi Capital

**Figure 8 Saudi Re's Reinsurance market share (KSA)**



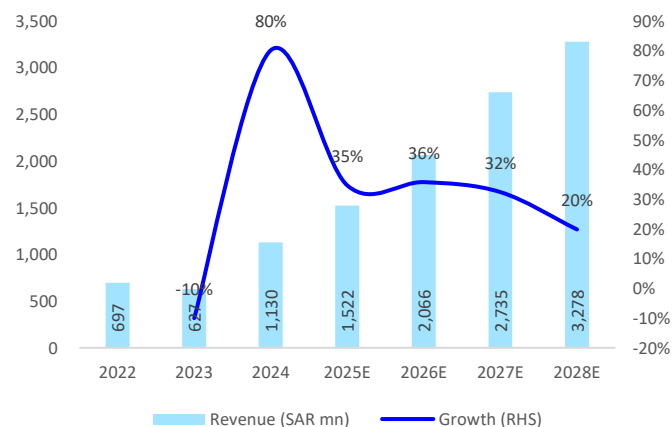
**Figure 9 Saudi Re's GWP by geography (SAR mn)**



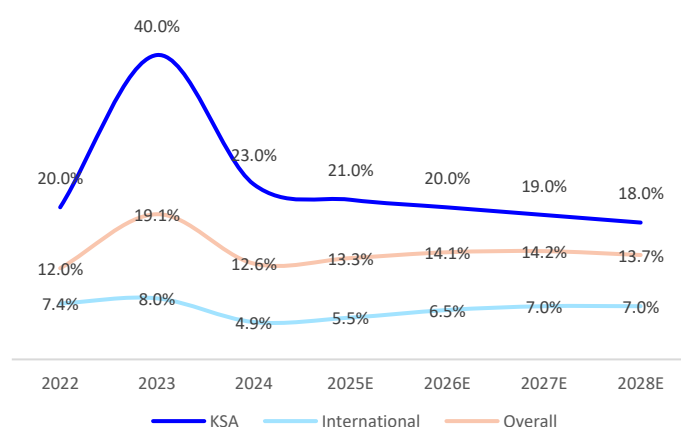
Source: IA, Company Data, Al Rajhi Capital. Note: Saudi Re's KSA GWP/ Overall Reinsurance

Source: Company Data, Al Rajhi Capital

**Figure 10 Saudi Re revenue trend**

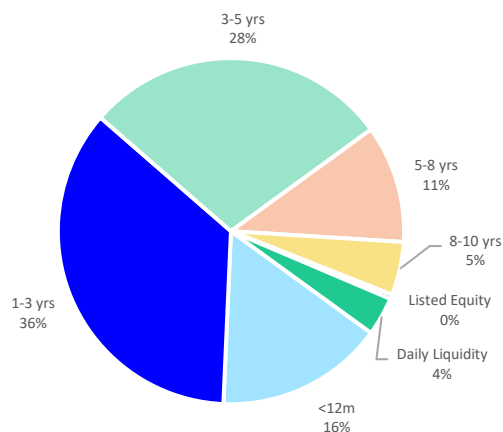
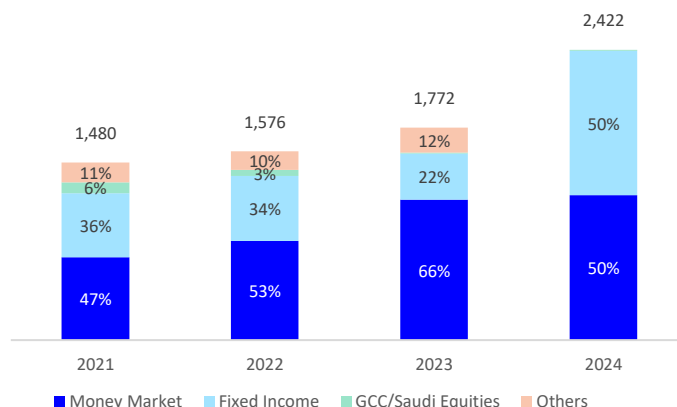


**Figure 11 Saudi Re Net Reinsurance results margins trend**



Source: Company Data, Al Rajhi Capital

Source: Company Data, Al Rajhi Capital

**Figure 12 Saudi Re Investment profile (FY24)**

**Figure 13 Saudi Re Investment trend (SAR mn)**


Source: Company Data, Al Rajhi Capital.

Source: Company Data, Al Rajhi Capital

**Figure 14 Income Statement**

(SAR mn)	2024	2025E	2026E	2027E	2028E
<b>GWP</b>	<b>2,360</b>	<b>3,452</b>	<b>4,598</b>	<b>5,837</b>	<b>6,713</b>
<i>Growth</i>	48%	46%	33%	27%	15%
<b>Reinsurance Revenue</b>	<b>1,130</b>	<b>1,522</b>	<b>2,066</b>	<b>2,735</b>	<b>3,278</b>
<i>as % of GWP</i>	48%	44%	45%	47%	49%
<b>Reinsurance service result</b>	<b>143</b>	<b>203</b>	<b>291</b>	<b>390</b>	<b>450</b>
<i>Margins</i>	12.6%	13.3%	14.1%	14.2%	13.7%
Net Investment Income	440	124	144	157	182
Net Financial result	(37)	(46)	(62)	(82)	(98)
<b>Net Reinsurance &amp; Investment result</b>	<b>545</b>	<b>282</b>	<b>373</b>	<b>465</b>	<b>533</b>
<i>Growth</i>	275%	-48%	32%	25%	15%
Other operating expenses	(49)	(80)	(105)	(131)	(151)
Other Income	9	9	12	16	19
<b>Profit Before Tax</b>	<b>506</b>	<b>211</b>	<b>280</b>	<b>349</b>	<b>402</b>
<i>Growth</i>	219%	-58%	33%	25%	15%
Zakat & taxes	(31)	(40)	(54)	(67)	(77)
<b>Net Profit</b>	<b>475</b>	<b>170</b>	<b>226</b>	<b>282</b>	<b>325</b>
<i>Growth</i>	282%	-64%	33%	25%	15%
<b>Adj. Net Profit*</b>	<b>109</b>	<b>170</b>	<b>226</b>	<b>282</b>	<b>325</b>
<i>Growth</i>	-13%	56%	33%	25%	15%
<i>Adj. Margins</i>	9.6%	11.2%	10.9%	10.3%	9.9%

Source: Company data, Al Rajhi Capital. \*Numbers for 2024 are adjusted for one-off gain on sale of investment of SAR 365.9mn

## IMPORTANT DISCLOSURES FOR U.S. PERSONS

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.



## Disclaimer and additional disclosures for Equity Research

### Disclaimer

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.

### 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

#### 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](mailto:research@alrajhi-capital.com)

Al Rajhi Capital is licensed by the Saudi Arabian Capital Market Authority, License No. 07068/37



## Notice to US Investors:

### Rule 15a6 Disclosure

This research report ("**Report**") was prepared, approved, published, and distributed by **Al Rajhi Capital**, a company located outside of the United States (the "**Foreign Counterparty**"). Avior Capital Markets US LLC ("**Avior US**"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "**Exchange Act**") may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("**FINRA**") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

### Analyst Certification

In connection with the companies or securities that; each analyst identified in this Report certifies that:

The views expressed on the subject companies and securities in this Report reflect their personal views

No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

### Important US Regulatory Disclosures on Subject Companies

Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/>, and Investors are strongly encouraged to review this information before investing.

## Notice to UK Investors:

This Report, prepared by the Foreign Counterparty, is distributed in the United Kingdom ("UK") by Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), on behalf of the Foreign Counterparty. This Report, including any recommendations in respect thereof, may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned herein may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior UK does not assume any responsibility, or liability of any nature whatsoever, arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

**Avior Capital Markets US, LLC** is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

**Avior Capital Markets International Limited** is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 4th Floor, 17 St Swithin's Lane, London, EC4N 8AL.

**Al Rajhi Capital** is a Saudi Arabian Registered broad-scoped financial services company. Its registered address is Unit No 1, 8467 King Fahd Road, Al Muruj Dist., Riyadh 12263 – 2743, SA.