



Extra posted a strong result driven by financing business; reiterate **Overweight**

Extra posted net income of SAR 142.8mn in Q3-25, down 8.7% Y/Y (up 34.0% Q/Q), the decline is owed to sale of ~30% stake in Tasheel through IPO; on a pre-minority interest basis net profit is up 7.0% Y/Y (up 34.3% Q/Q). The result is largely in line with AJC estimate (+0.8% deviation). The company recorded revenue of SAR 1,792.3mn, up 11.8% Y/Y (-15.6% Q/Q) (-3.2% deviation). Gross profit improved by 15.6% Y/Y down 0.9% Q/Q to SAR 451.1mn (+5.4% deviation), the increase is attributable to 0.83bps increase in gross margins to 25.2%, driven by growing share of high margin consumer finance business. Despite a 44bps Y/Y increase in OPEX to sales to 14.4%, operating margins improved by 39bps Y/Y, benefiting from improvement in gross margins. Tasheel posted net income of SAR 81.6mn up 38.4% Y/Y (up 36.4% on a sequential basis), and 16.2% above AJC research expectation. The deviation to our estimate is mainly due to lower provision expense. Extra's investment case is supported by (1) partnership with Panda, (2) growing brick & mortar stores, (3) continued migration to e-commerce, (4) renewed momentum in consumer finance business and (5) Tasheel's fintech venture with Nowpay. At 2025E PE of 14.2x and offering a DY of 5.6% we see room for re-rating in the stock. We reiterate our **"Overweight"** recommendation on Extra, with a TP of **SAR 107.4/share**.

- Extra posted net income of SAR 142.8mn in Q3-25 down 8.7% Y/Y (up 34.0% Q/Q), the decline is owed to sale of ~30% stake in Tasheel through IPO on a pre-minority interest basis net profit is up 7.0% Y/Y (up 34.3% Q/Q). The result is largely in line with AJC estimate (+0.8% deviation). Adjusting for one-off reversals made in Q3-24 pre and post minority net income is up 19.4% Y/Y and 2.0% Y/Y, respectively.
- Extra recorded revenue of SAR 1,792.3mn up 11.8% Y/Y (-15.6% Q/Q) deviation of -3.2% from AJC estimate, the improvement in revenue is owed to strong performance of both retail and consumer finance business, recording 10.5% Y/Y and 23.2% Y/Y growth respectively. In retail segment all three channels (showroom, clix and online) saw good growth, driven by national day and back to school campaigns.
- Gross profit improved by 15.6% Y/Y down 0.9% Q/Q to SAR 451.1mn (5.4% above AJC estimate), the increase is attributable to 0.83bps increase in gross margins to 25.2%, driven by growing share of high margin consumer finance business.
- The company underwent a 16.0% Y/Y and 28.7% Q/Q increase in operating income to SAR 192.2mn (-4.5% deviation to AJC estimate). Despite a 44bps Y/Y increase in OPEX to sales to 14.4%, operating margins improved by 39bps Y/Y, benefiting from improvement in gross margins.
- Tasheel posted net income of SAR 81.6mn in Q3-25 up 38.4% Y/Y (up 36.4% on a sequential basis), and 16.2% above AJC research expectation. The deviation to our estimate is mainly due to lower provision expense. Revenues for Q3-25 grew by 23.2% Y/Y (3.5% Q/Q), 2.1% below AJC research expectation, driven by 29% Y/Y increase in financing portfolio. Gross profit (net funded income) improved by 23.7% Y/Y (+3.4% Q/Q), -2.2% deviation to AJC estimate; driven by portfolio expansion despite likely contraction in NIMS. According to the management earnings growth was supported by improving operating expense efficiency in addition to decline in expected credit loss percentage.

AJC view and valuation: Extra posted net income of SAR 142.8mn in Q3-25 down 8.7% Y/Y (up 34.0% Q/Q), the decline is owed to sale of ~30% stake in Tasheel through IPO; on a pre-minority interest basis net profit is up 7.0% Y/Y (up 34.3% Q/Q). Tasheel posted net income of SAR 81.6mn in Q3-25 up 38.4% Y/Y, driven by robust growth in loan portfolio and likely lower CoR and C/I. Extra's investment case is supported by (1) partnership with Panda, (2) growing brick & mortar stores, (3) continued migration to e-commerce, (4) renewed momentum in consumer finance business and (5) Tasheel's fintech venture with Nowpay. At 2025E PE of 14.2x and offering a DY of 5.6% we see room for re-rating in the stock. We reiterate our **"Overweight"** recommendation on Extra, with a TP of **SAR 107.4/share**

Results Summary

SAR mn	Q3-24	Q2-25	Q3-25	Change Y/Y	Change Q/Q	Deviation
Revenue	1603.4	2124.7	1792.3	11.8%	-15.6%	-3.2%
Gross Profit	390.2	455.2	451.1	15.6%	-0.9%	5.4%
Gross Margin	24.3%	21.4%	25.2%	-	-	-
EBIT	165.6	149.3	192.2	16.0%	28.7%	-4.5%
Net Profit	156.3	124.5	167.2	7.0%	34.3%	-1.4%
Net Profit for owners of Extra	156.3	106.5	142.8	-8.7%	34.0%	0.8%
EPS	1.95	1.33	1.78	-	-	-

Source: Company Report, Aljazira Capital Research

Recommendation **Overweight**

Target Price (SAR) **107.4**

Upside / (Downside)* **19.3%**

Source: Tadawul *prices as of 6th of October 2025

Key Financials

SARmn (unless specified)	FY22	FY23	FY24	FY25E
Revenues	6,031	6,200	6,781	7,584
Growth %	3.4%	2.8%	9.4%	11.8%
Gross profit	1,265	1,361	1,559	1,779
EBIT	522	480	639	694
Net Income	440	389	534	590
Growth %	10.9%	-11.5%	37.2%	10.3%
Net income - Adj for minority	440	389	528	507
Growth %	10.9%	-11.5%	35.5%	-4.0%
EPS - Adj for minority	5.50	4.87	6.60	6.34
DPS	3.9	3.3	10.0	5.0

Source: Company reports, Aljazira Capital Research

Key Ratios

	FY22	FY23	FY24	FY25E
Gross Margin	21.0%	22.0%	23.0%	23.5%
EBIT margin	8.7%	7.7%	9.4%	9.1%
Net Margin*	7.3%	6.3%	7.8%	6.7%
P/E*(x)	11.8	18.2	13.2	14.2
P/B (x)	4.9	5.5	3.5	3.3
EV/EBITDA (x)	11.3	15.0	11.2	11.5
Dividend Yield	5.7%	3.7%	11.3%	5.6%

Source: Company reports, Aljazira Capital Research, * - Adj for minority

Key Market Data

Market Cap(bn)	7.25
YTD%	-0.22%
52 week (High)/(Low)	105.0/83.4
Share Outstanding (mn)	80.0

Source: Company reports, Aljazira Capital Research

Price Performance



Source: Bloomberg, AJC Research

Senior Equity Analyst

Fahad Qureshi, CFA

+966 11 2256315

f.iran@aljaziracapital.com.sa





RESEARCH DIVISION

Head of Sell-Side Research - Director
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

RESEARCH
DIVISION

AlJazira Capital, the investment arm of Bank AlJazira, is a Shariaa Compliant Saudi Closed Joint Stock company and operating under the regulatory supervision of the Capital Market Authority. AlJazira Capital is licensed to conduct securities business in all securities business as authorized by CMA, including dealing, managing, arranging, advisory, and custody. AlJazira Capital is the continuation of a long success story in the Saudi Tadawul market, having occupied the market leadership position for several years. With an objective to maintain its market leadership position, AlJazira Capital is expanding its brokerage capabilities to offer further value-added services, brokerage across MENA and International markets, as well as offering a full suite of securities business.

RATING
TERMINOLOGY

1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

Disclaimer

The purpose of producing this report is to present a general view on the company/economic sector/economic subject under research, and not to recommend a buy/sell/hold for any security or any other assets. Based on that, this report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, may not be suitable for all clients depending on their financial position and their ability and willingness to undertake risks. It is advised that every potential investor seek professional advice from several sources concerning investment decision and should study the impact of such decisions on his/her financial/legal/tax position and other concerns before getting into such investments or liquidate them partially or fully. The market of securities, macroeconomic or microeconomic variables are of a volatile nature and could witness sudden changes without any prior warning, therefore, the investor in securities or other assets might face some unexpected risks and fluctuations. All the information, views and expectations and fair values or target prices contained in this report have been compiled or arrived at by Al-Jazira Capital from sources believed to be reliable, but Al-Jazira Capital has not independently verified the contents obtained from these sources and such information may be condensed or incomplete. Accordingly, no representation or warranty, express or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. Al-Jazira Capital shall not be liable for any loss as that may arise from the use of this report or its contents or otherwise arising in connection therewith. The past performance of any investment is not an indicator of future performance. Any financial projections, fair value estimates or price targets and statements regarding future prospects contained in this document may not be realized. The value of the security or any other assets or the return from them might increase or decrease. Any change in currency rates may have a positive or negative impact on the value/return on the stock or securities mentioned in the report. Some securities maybe, by nature, of low volume/trades, or may become so, unexpectedly in special circumstances, and this might increase the risk on the investor. Some fees might be levied on some investments in securities. AlJazira Capital, its employees, one or more of its board members, its affiliates, or its clients may have investments in the securities or assets referred to in this report. This report has been produced independently and separately by the Research Division at Al-Jazira Capital and no party (in-house or outside) who might have interest whether direct or indirect have seen the contents of this report before its publishing, except for those whom corporate positions allow them to do so, and/or third-party persons/institutions who signed a non-disclosure agreement with Al-Jazira Capital. No part of this report may be reproduced whether inside or outside the Kingdom of Saudi Arabia without the written permission of Al-Jazira Capital. Persons who receive this report should make themselves aware, of and adhere to, any such restrictions. By accepting this report, the recipient agrees to be bound by the foregoing limitations.