



# Rasan's Earnings Call H1 2024

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August 13, 2024

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# AGENDA

01 | CEO Opening remarks

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02 | Market Dynamics

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03 | Business Update

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04 | Financial performance H1 2024

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05 | Q&A



# CEO OPENING REMARKS

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**MOAYAD AL FALLAJ**

# H1 2024: STRONG BUSINESS PERFORMANCE



Robust growth in sales

**+51%** Y-o-Y in Policies  
**+21%** Y-o-Y in Revenues



Record EBITDA margin

**22.2%**  
(+7.7pp vs H1 23)



Launched 3 new products  
in Health and Motors

- Domestic Helper Contract & Health Ins.
- Motor Add-ons
- Cross-selling facility

# H1 2024: FINANCIAL HIGHLIGHTS

Revenue

**SAR 130 M**

20.7% Y-o-Y

Volumes

**+54.9%**

Motor

**+31.0%**

Treza

**+57.5%**

Health

GWP

**2,8 B**

+0.6% Y-o-Y

Gross Margin

**59.4%**

+2.8pp. Y-o-Y

EBITDA Margin

**22.2%**

+53.2% Y-o-Y

Operating Cashflow

**SAR 74 M**

SAR 5.3M 1H-23

ORGANIC GROWTH AND OUTSTANDING PROFITABILITY

# MARKET DYNAMICS

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NICOLA GARELLI

# STRUCTURAL TAILWINDS ARE CONTINUING TO DRIVE SUSTAINABLE GROWTH IN KSA INSURANCE MARKET



## INCREASING IMPORTANCE OF INSURANCE VIA VISION 2030 TARGETS

GDP growth outlook at **4.4% CAGR** in 2024, with an increased weight of non-oil activities



## CATCH UP OF HISTORIC UNDER PENETRATION OF INSURANCE

Insurance penetration expected to reach **1.7%** of GDP in 2024



## HEALTH INSURANCE GROWTH

Robust expansion driven by government mandates, significant investments by the operators and enhanced service



## REGULATORY DRIVE

Insurance Authority established as a new, unified, & independent regulator for the sector

Domestic Helper contract insurance mandatory since Feb 2024



## INCREASING ROLE OF DIGITAL DISTRIBUTION

E-Commerce expected to grow by **14%** in 2024

**99%** internet penetration

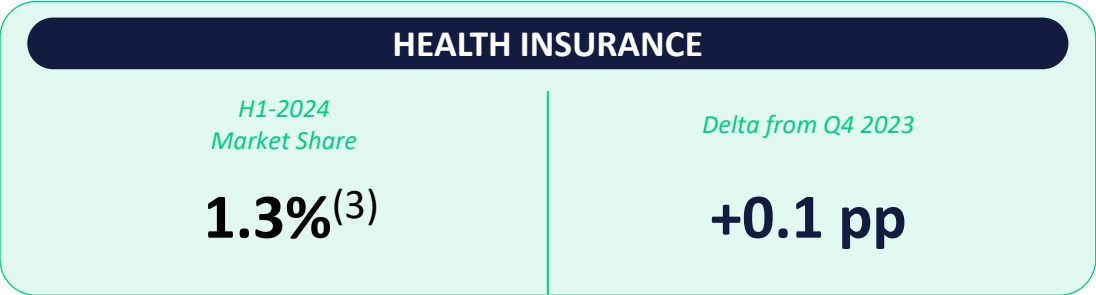
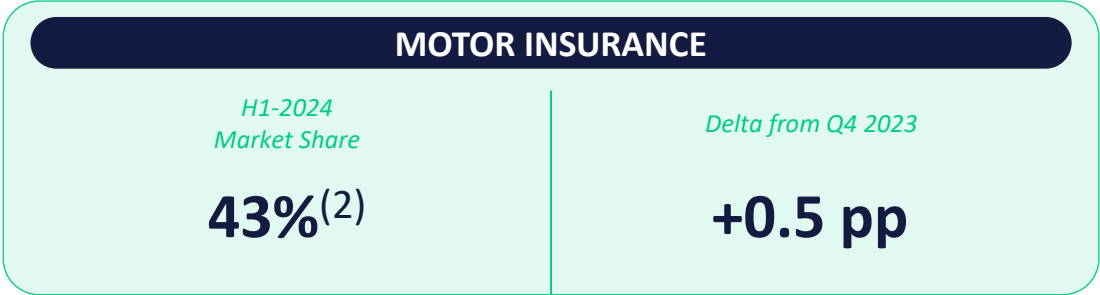
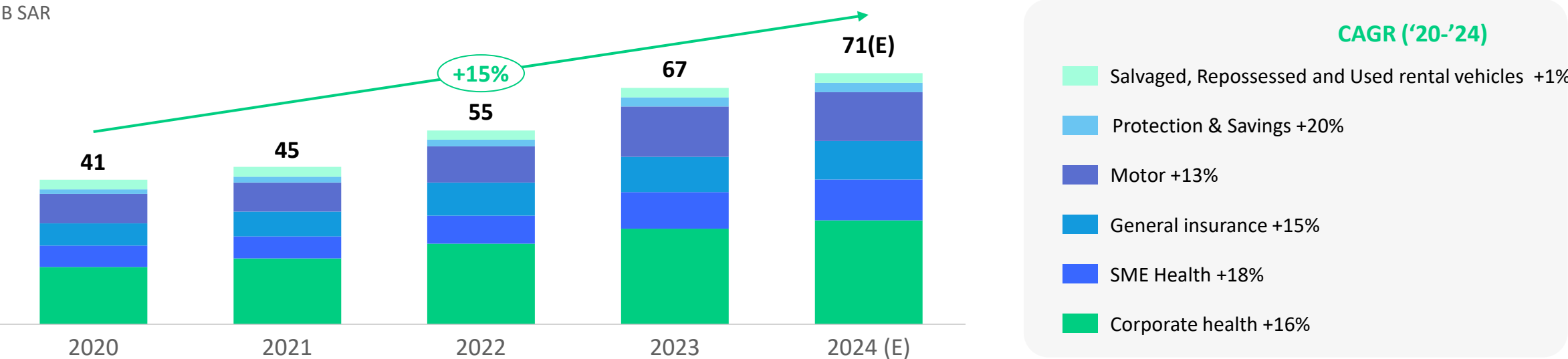
Rapid adoption of AI, data analytics and online platforms



# RASAN IS LEADING IN ITS CORE SEGMENTS AND GROWING FASTER THAN THE MARKET

Rasan is positioned within a double-digit growth market<sup>(1)</sup>

B SAR



# BUSINESS UPDATE

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NICOLA GARELLI

# RASAN STRATEGY IS BASED ON 5 PILLARS AND CLEAR OBJECTIVES

## STRATEGY PILLARS

### Protect



Protect market share, adapt to changes, and focus on high-margin and value-added products.

### Enhance



Build a leading health product, enhance financial efficiency, and leverage data to boost platform usage

### Grow



Expand in the insurance value chain and broaden scope into adjacent insurance verticals

### Innovate



Utilize proprietary Insurtech capabilities to innovate and diversify revenue streams across digital markets

### Diversify



Pursue expansion across Fintech verticals and drive strategic growth through mergers and acquisitions

## KEY OBJECTIVES



**Profitable and efficient  
financial growth**



**At the edge  
of innovation**




**Outstanding customer  
experience**



**Top people**

# PROGRESS ACHIEVED IN H1 2024

STRATEGY PILLARS



**Protect**

- | Substantially increased renewal rate
- | Drove sharp increase in volumes to be positioned at best when prices stabilize
- | Introduced new motor add-ons (e.g. MBI, Motor flex, etc.) and value-added plans



**Enhance**

- | Boosted SME health higher classes
- | Introduced cross-selling facility
- | Led the compliance on KYC and combat illegal distribution



**Grow**

- | Launched new Domestic Helpers Contract and Health products
- | Started growing MMP
- | Started Awalmazad's new yard, showroom & value chain ops.



**Innovate**


- | Introduced end-to-end distribution offering for brokers and banks
- | Progressed in piloting corporate health solutions




**Diversify**

- | Development of financial products progressing in line with expectations
- | Initiated evaluation of M&A opportunities


## KEY OBJECTIVES

**Profitable and efficient financial growth**


Maintained profitable growth across products lines

**At the edge of innovation**

Enhanced innovation edge on market co-opetitors through continued, focused investment

**Outstanding customer experience**

Developed new Tameeni app and revised customer service model

**Top people**

Continued growing and selecting the team with extensive insurtech and fintech experience

# CONTINUED BRAND EXPANSION

**Strengthened the Sports collaborations and launched multiple activations**



**Maintained distinctive positioning**



**Motor - Cashback campaign**  
(15M impressions)

**Boosted awareness on specific verticals (i.e. Motor Comprehensive and Health SME)**

**SME Health – Full product list coverage**  
(25.5M impressions)



**Motor Comprehensive Education**  
(1M impressions)



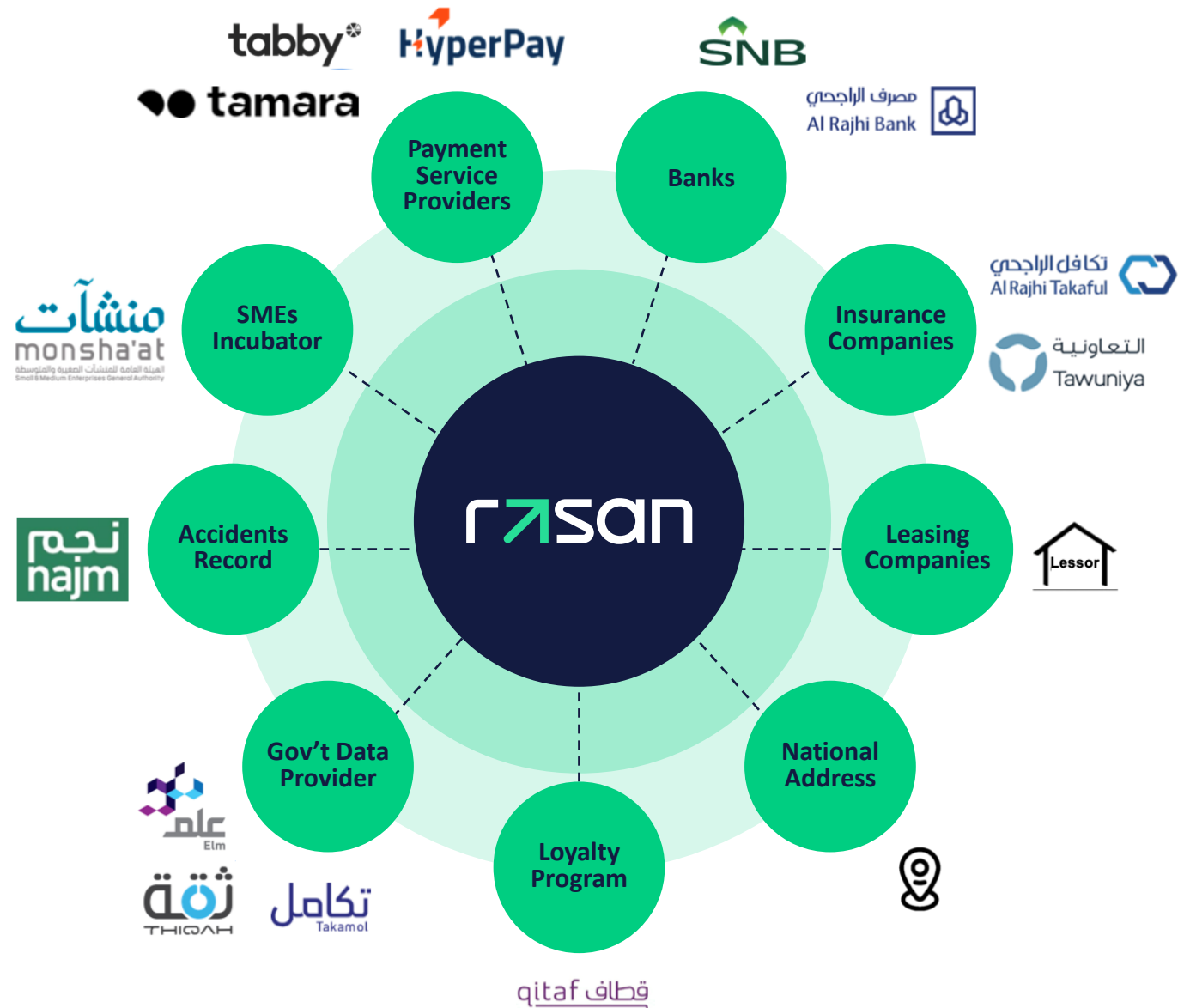
# CONTRIBUTING TO BUILD A ROBUST INSURANCE AND FINANCE ECOSYSTEM

STRENGTHENING RASAN'S ECOSYSTEM WITH ADDITIONAL PARTNERSHIPS

# +20

NEW COLLABORATIONS IN Q2 2024

- | Insurance companies
- | Lessors
- | Banks
- | Value Added Services providers
- | Repair networks
- | Payment service providers
- | Technology providers
- | Data analytics providers



# FINANCIAL PERFORMANCE

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RAJAA KHODER

# H1 2024 SUMMARY P&L: STRONG PERFORMANCE ACROSS THE BOARD

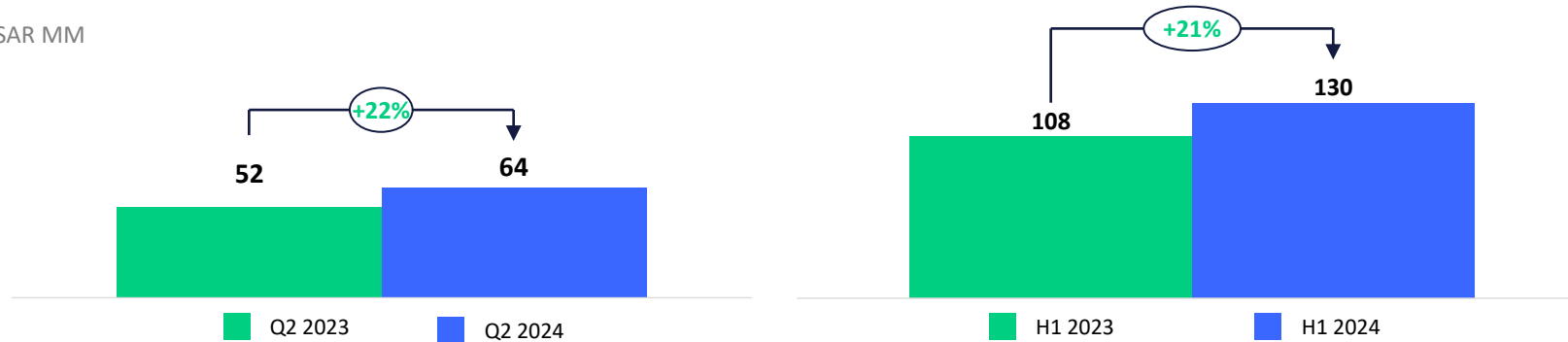
	H1 2023	H1 2024	YoY Var
Revenue	108	130	+20.7%
Gross Profit	62	77	+24.1%
Gross Profit Margin	57.8%	59.4%	+1.6pp.
Opex	53	56	+5.3%
EBITDA	16	29	+84.9%
EBITDA Margin	14.5%	22.2%	+7.7pp.
Net Profit	8	18	+140.7%
EPS	0.11	0.26	+146.7%



# SOLID GROWTH AND CONSISTENT PRODUCT DIVERSIFICATION

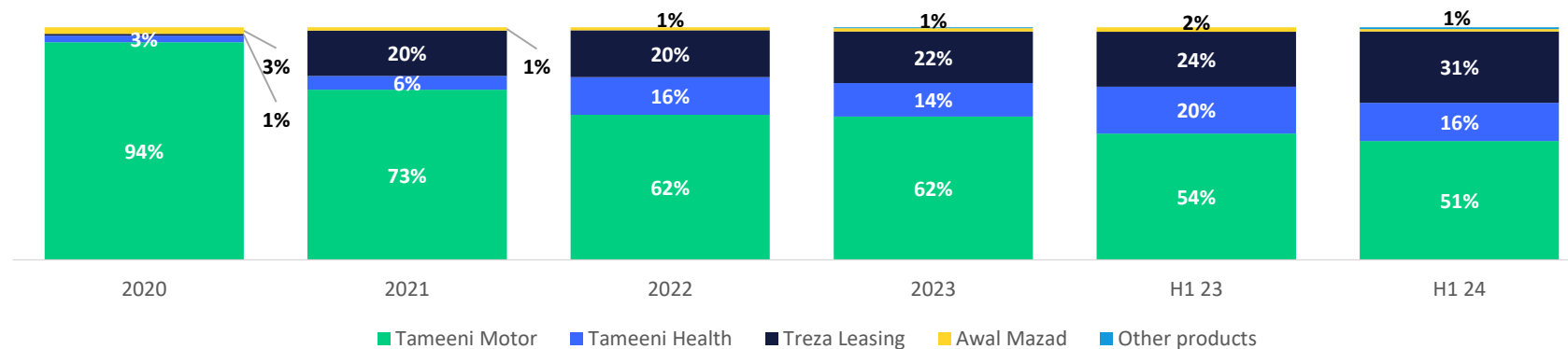
## Group Revenue

SAR MM



## Group Revenue by Product

Revenue contribution (%)

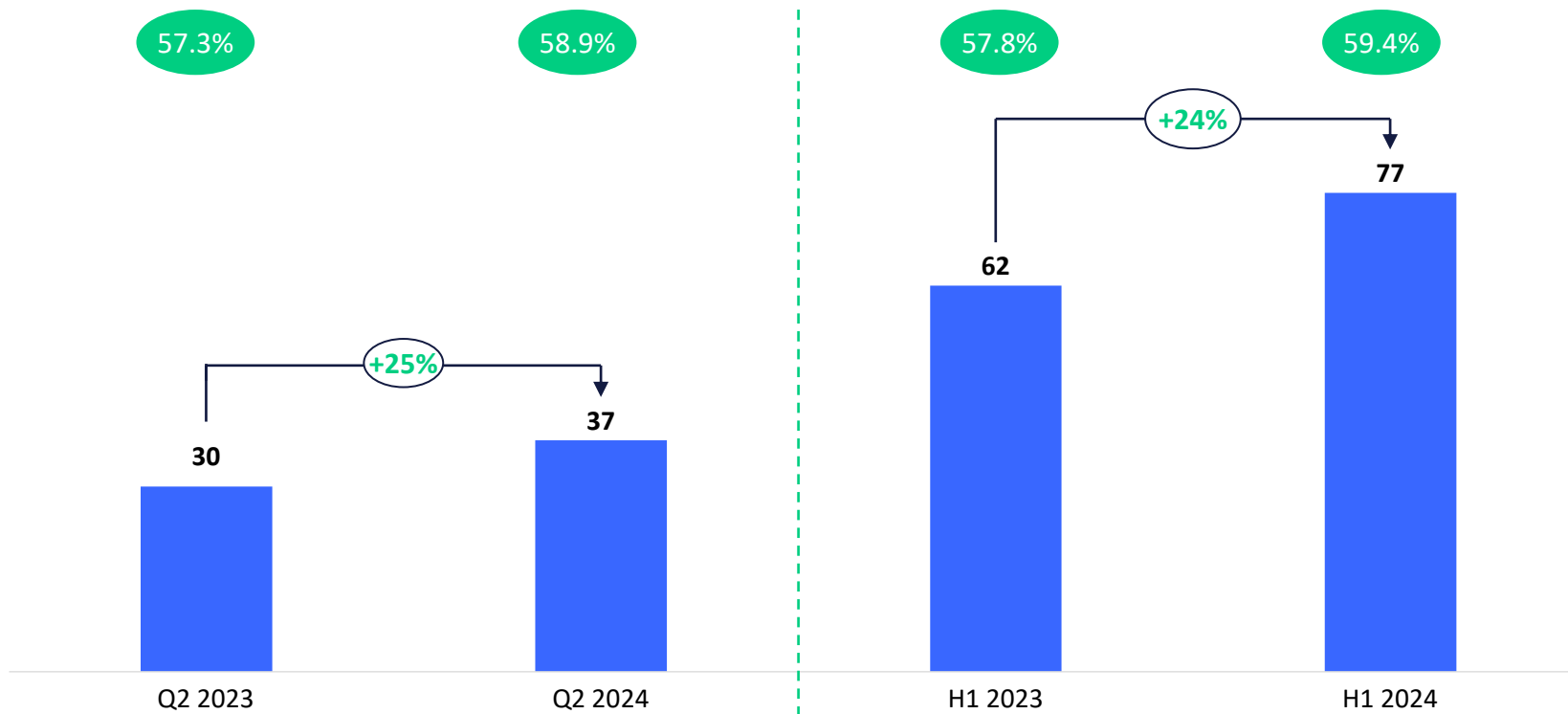


- ✓ Significant growth in Q2 24 compared to Q2 23
- ✓ First half of 2024 Revenue increased by 21% (SAR 22m) compared to H1 23, primarily attributed to increased volumes:
  - | Motors Revenue: + SAR 15M
  - | Treza Revenue: + SAR 10M
- ✓ Q2 24 Revenue remained stable despite seasonal impacts:
  - | Motors Revenue - SAR 5M
  - | Treza Revenue + SAR 2M
- ✓ Balanced mix across business lines
- ✓ Continued to diversify away from Tameeni in H1 24

# SOLID AND ATTRACTIVE GROSS PROFIT AS A RESULT OF AN EFFICIENT COST BASE

## Gross Profit and Margin

SAR MM, %



✓ **First half of 2024 Gross Profit increased by 24% compared to H1 2023**

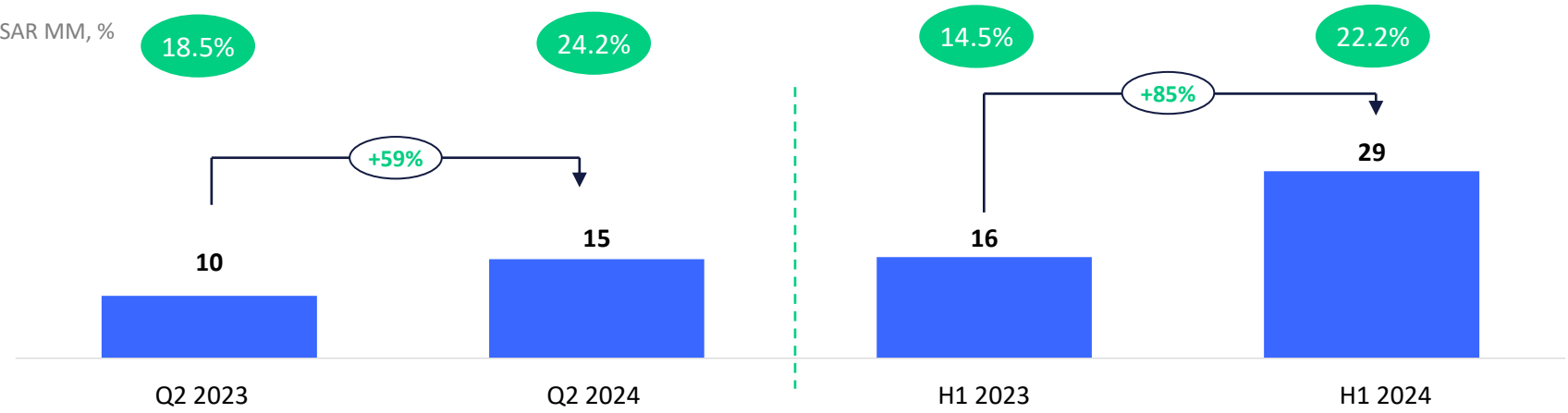
| Margin reached 59.4% due to improved absorption of cost of sales, driven by scalability

✓ **Q2 24 Gross Profit affected by premium drops**

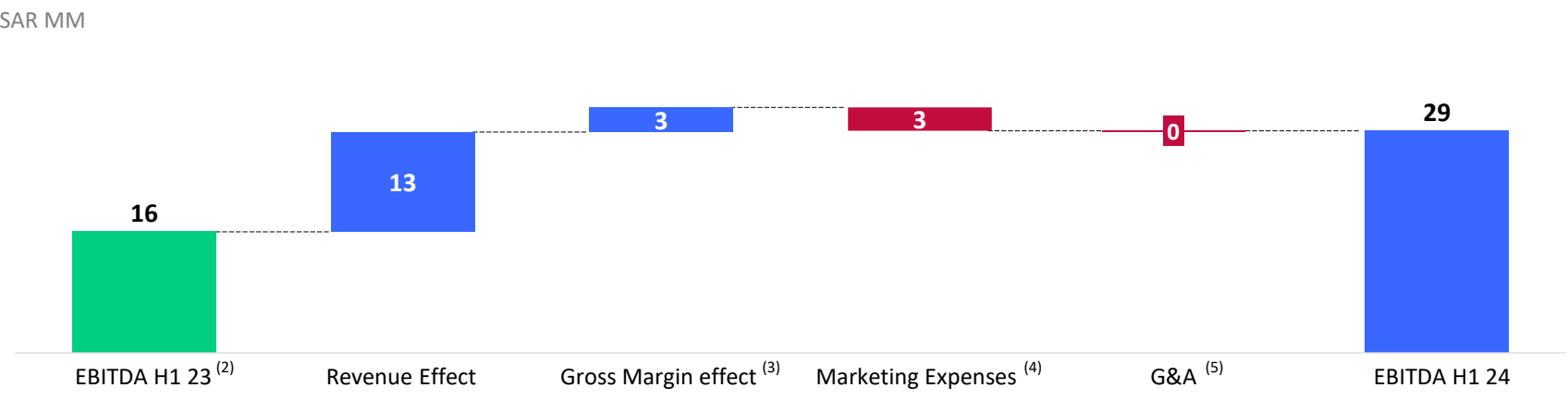
| Despite this, Gross Profit still grew by 25% year-over-year with enhanced profitability

# RESILIENT AND GROWING EBITDA

## EBITDA Evolution and Margin



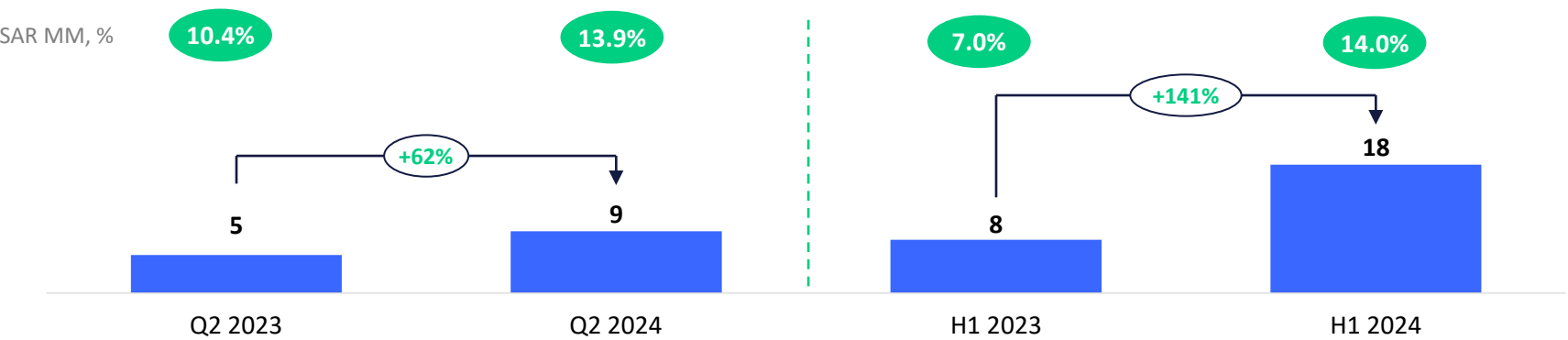
## EBITDA Bridge



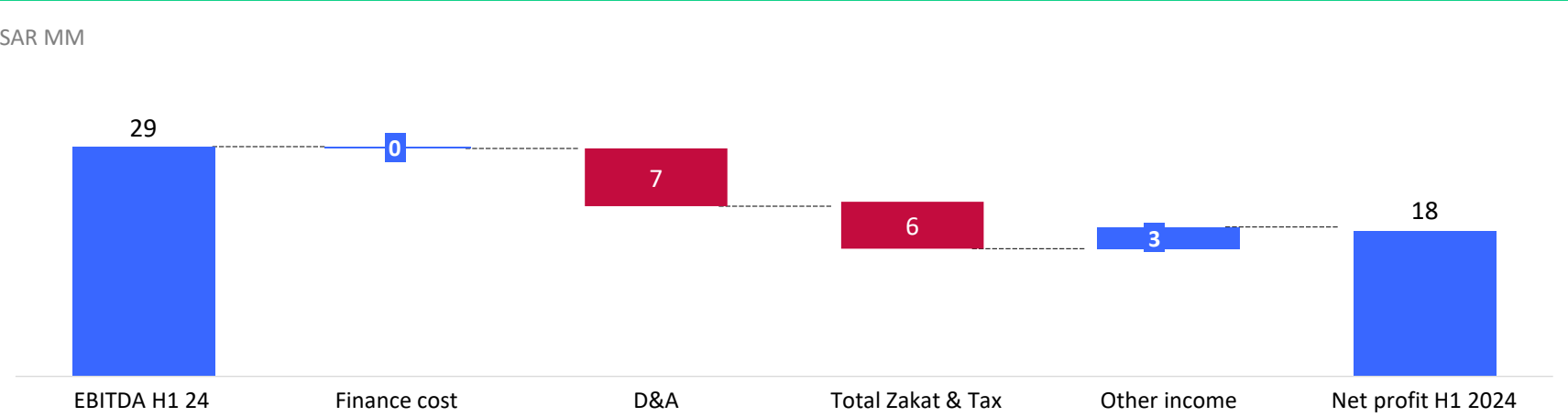
- ✓ Growing EBITDA in Q2 24 and H1 24 driven by
    - | Increase in Revenue (SAR 13M) resulting in healthy absorption of fixed operating costs
    - | Economies of scale
    - | Diversified product base
  - ✓ Reduction in G&A as percentage of Revenues due to disciplined cost control
- Despite:
- ✓ Investment in the Group's Tech stack and launch of new products in line with growth strategy
  - ✓ Increased marketing expenses related to product development and launches

# HIGH CONVERSION RATE FROM EBITDA TO NET PROFIT

## Net Profit and Margin



## Net Profit Bridge



- ✓ Net Profit increased at a higher rate than Revenue (+141% vs 21% revenue increase rate)
- ✓ High conversion rate of EBITDA to Net Profit due to:
  - | Controlled level of D&A expense driven by the level of intangible assets and PP&E
  - | Conservative balance sheet with no debt
- ✓ Q2 24 Net Profit margin strongly improved YoY whilst remained stable on a sequential basis

# QUESTIONS

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Thank You

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