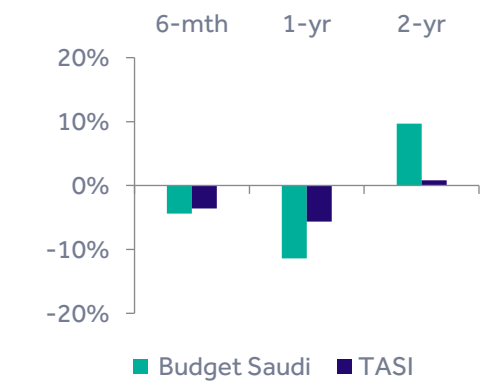


Market Data	
52-week high/low	SAR 98.6/69.4
Market Cap	SAR 5,581 mln
Shares Outstanding	78 mln
Free-float	94.9%
12-month ADTV	234,344
Bloomberg Code	BUDGET AB



Gross Margin Expands

May 20, 2025

Upside to Target Price	21.8%	Rating	Buy
Expected Dividend Yield	1.7%	Last Price	SAR 71.40
Expected Total Return	23.6%	12-mth target	SAR 87.00

Budget Saudi	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	543	417	30%	623	(13%)	671
Gross Profit	174	129	35%	150	16%	161
Gross Margins	32%	31%		24%		24%
Operating Profit	107	82	31%	132	(19%)	142
Net Profit	83	70	18%	102	(19%)	109

(All figures are in SAR mln)

- Budget Saudi reported revenues of SAR 543 mln, rising by +30% Y/Y but declining by -13% Q/Q, below our optimistic estimate of SAR 671 mln. Q/Q decline was mainly due to softer demand following the peak season in 4Q24, especially in the short-term rental and logistics segments.
- Gross profit reached SAR 174 mln in 1Q25, increasing on both Y/Y and Q/Q by +35% and +16% respectively, reflecting a gross margin of 32%, which expanded by approximately +800 bps Q/Q, exceeding our estimate of 24%. This was driven by better-than-expected cost control and improved operational efficiency.
- Operating profit increased by +31% Y/Y but declined -19% Q/Q to SAR 107 mln, missing our expectations. The Q/Q decline was driven by higher operating expenses. The operating margin slightly improved Y/Y from 19.6% in 1Q24 to 19.7% in 1Q25.
- Net profit stood at SAR 83 mln, up +18% Y/Y and down -19% Q/Q, below our estimate due to higher-than-expected operating and financing costs. However, the Y/Y growth was achieved despite increased financing expenses and losses recorded by its logistics subsidiary (Overseas Development) during the quarter.
- After adjusting our estimates, we lower our target price to SAR 87.00 per share but maintain our Buy rating. Our positive view on Budget Saudi remains intact, supported by the performance of its recent acquisition, Auto World.

Raghad Saleh Aljumah
raghad.s.aljumah@riyadcapital.com
+966-11-203-6816

■ 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
For any feedback on our reports, please contact research@riyadcapital.com

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