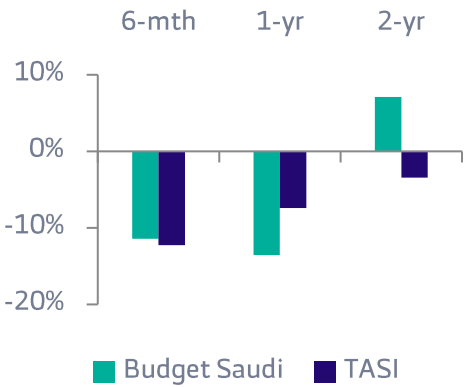


Market Data	
52-week high/low	SAR 98.6/65.3
Market Cap	SAR 5,644 mln
Shares Outstanding	78 mln
Free-float	94.9%
12-month ADTV	231,535
Bloomberg Code	BUDGET AB



Operational Efficiency Supports Q/Q Results

August 11, 2025

Upside to Target Price	20.5%	Rating	Buy
Expected Dividend Yield	1.3%	Last Price	SAR 72.20
Expected Total Return	21.8%	12-mth target	SAR 87.00

Budget Saudi	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	545	425	28%	543	0.2%	553
Gross Profit	169	120	41%	174	(3%)	163
Gross Margins	31%	28%		32%		30%
Operating Profit	111	83	35%	107	4%	108
Net Profit	86	71	21%	83	3%	82

(All figures are in SAR mln)

- Budget Saudi reported revenues of SAR 545 mln, increasing by +28% Y/Y and by a marginal +0.2% Q/Q, in line with our estimate of SAR 553 mln. The Y/Y and Q/Q increase was driven by growth in both the short-term and long-term rental segments, in addition to the contribution from consolidating the results of its subsidiary, Auto World, which was not included in the same quarter last year. Despite the Q/Q growth in both the short-term and long-term rental segments, used car sales recorded a slight Q/Q decline, limiting overall growth.
- Gross profit came in at SAR 169 mln, up +41% Y/Y and down -3% Q/Q, in line with our estimate of SAR 163 mln. The Q/Q decline was mainly due to higher depreciation expenses resulting from the fleet size expansion. Gross margin expanded by +291 bps Y/Y, but contracted by -95 bps Q/Q, reaching 31% in 2Q25, in line with our expectations.
- Operating profit stood at SAR 111 mln, up on both Y/Y and Q/Q, in line with our estimate of SAR 108 mln. Operating margin expanded by +103 bps Y/Y and +73 bps Q/Q, reaching 20.4% in 2Q25 compared to 19.4% in 2Q24 and 19.7% in 1Q25, driven by improved operating efficiency.
- Net profit came in at SAR 86 mln, up +21% Y/Y and +3% Q/Q, in line with our estimate of SAR 82 mln. This growth was driven by revenues and improved operational efficiency.
- The company announced a SAR 0.50 DPS for 1H25. We reaffirm our positive outlook on the company, supported by margin improvement and the contribution from its subsidiary, Auto World. Accordingly, we maintain our Buy recommendation and target price.

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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

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

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