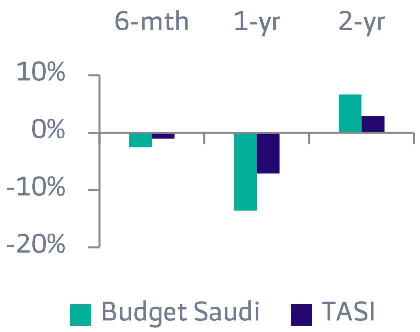
Used Car & Long-Term Segments Drive Topline

November 10, 2025

Upside to Target Price	22.6%	Rating	Buy
Expected Dividend Yield	1.3%	Last Price	SAR 70.95
Expected Total Return	23.9%	12-mth target	SAR 87.00

Market Data	
52-week high/low	SAR 87.8/65.0
Market Cap	SAR 5,546 mln
Shares Outstanding	78 mln
Free-float	94.9%
12-month ADTV	208,698
Bloomberg Code	BUDGET AB



Budget Saudi	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	630	506	25%	545	16%	562
Gross Profit	177	157	13%	169	5%	174
Gross Margins	28%	31%		31%		30%
Operating Profit	106	98	8%	111	(5%)	113
Net Profit	80	72	12%	86	(6%)	85

(All figures are in SAR mln)

- Budget Saudi revenues rose +25% Y/Y and +16% Q/Q to reach SAR 630 mln, exceeding our estimate of SAR 562 mln. This growth was mainly driven by the expansion in the long-term rental segment, the full-quarter contribution of revenues from its subsidiary Auto World (compared to two months in the same quarter last year), an increase in fleet size, and higher used-car sales segment resulting from greater volumes and a shift in sales mix.
- Gross profit reached SAR 177 mln in 3Q25, up +13% Y/Y and +5% Q/Q, broadly in line with our estimate of SAR 174 mln. The gross margin contracted by -286 bps Y/Y and -298 bps Q/Q to 28%, lower than 31% in previous and comparable quarters, as well as our forecast. We attribute this contraction to higher costs of used-car sales in line with rising sales volumes.
- Operating profit increased +8% Y/Y but declined -5% Q/Q, coming close to our estimates. The Q/Q decline was mainly due to a higher number of damaged vehicles and an increase in accident rates, which led to higher maintenance costs. Consequently, the operating margin contracted Y/Y and Q/Q to 17%, below our estimate of 20%.
- Net profit came in at SAR 80 mln, rising +12% Y/Y but decreasing -6% Q/Q, in line with our estimate. Despite strong topline growth, quarterly earnings were affected by operational pressures. Management commentary indicates continued efforts to enhance operational efficiency and cost control in 4Q25, reinforcing our confidence in Budget Saudi's ability to improve margins. Therefore, we maintain our target price and recommendation.

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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

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