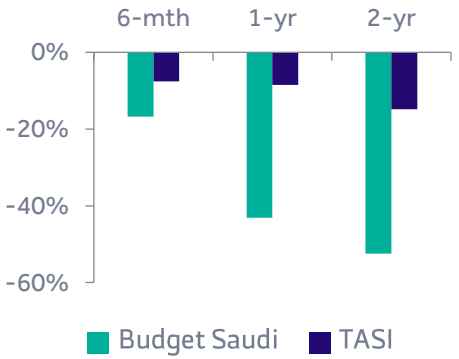
United International Transportation Co. (Budget Saudi) 3Q2026 First Look

Margins Remain Under Pressure

November 12, 2026

Upside to Target Price	41.3%	Rating	Buy
Expected Dividend Yield	4.2%	Last Price	SAR 29.72
Expected Total Return	45.5%	12-mth target	SAR 42.00

Market Data	
52-week high/low	SAR 59.0/22.2
Market Cap	SAR 3,107mln
Shares Outstanding	105 mln
Free-float	99.9%
12-month ADTV	445,986
Bloomberg Code	BUDGET AB



Budget Saudi	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	717	630	14%	638	12%	685
Gross Profit	162	177	(9%)	169	(4%)	185
Gross Margins	23%	28%		26%		27%
Operating Profit	98	106	(8%)	120	(19%)	98
Net Profit	72	80	(11%)	93	(23%)	70

(All figures are in SAR mln)

- Budget Saudi reported 3Q26 revenue of SAR 717 mln, up +14% Y/Y and +12% Q/Q, in line with our estimate of SAR 685 mln. Growth on both a Y/Y and Q/Q basis was driven by higher sales in the used-car and logistics segments, while leases remained broadly stable, reflecting slower contract renewals and customers opting for lower-tier vehicles upon renewal (rental: -7% Y/Y and +8% Q/Q; leases: -0% Y/Y and -1% Q/Q; used cars: +19% Y/Y and +29% Q/Q; logistics: +144% Y/Y and +28% Q/Q).
- Cost of sales increased +23% Y/Y and +18% Q/Q to SAR 555 mln, in line with our estimate of SAR 500 mln, exceeding revenue growth and leading to a decline in gross profit. Gross margin contracted by 552 bps Y/Y and 390 bps Q/Q to 22.6%, below our estimate of 27.0%, due to a change in revenue mix and lower utilization rates in rental.
- Operating profit came in at SAR 98 mln, in line with our estimate of SAR 98 mln, down -8% Y/Y and -19% Q/Q. Operating expenses declined -10% Y/Y and increased +32% Q/Q, as the company recorded one-off operating income of SAR 25 mln in the previous quarter, which widened the Q/Q decline. The operating margin was 13.6%, down from 16.8% in 3Q25 and 18.8% in the previous quarter.
- Budget Saudi reported net profit of SAR 72 mln, down -11% Y/Y and -23% Q/Q, in line with our estimate of SAR 70 mln. The performance reflects lower utilization rates and a slowdown in leases amid regional conditions. We maintain our target price and Buy recommendation, as we believe Budget is well positioned to benefit from the long-term drivers of the rental sector.

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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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