

Market Data	
52-week high/low	SAR 84.10/49.10
Market Cap	SAR 8,816 mln
Shares Outstanding	171 mln
Free-float	43.01%
12-month ADTV	910,792
Bloomberg Code	flynas AB



## Earnings Surprise Supported by Lower Interest on Lease

March 29, 2026

Upside to Target Price	39.5%	Rating	Buy
Expected Dividend Yield	0.0%	Last Price	SAR 51.60
Expected Total Return	39.5%	12-mth target	SAR 72.00

flynas	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	1,781	1,665	7%	2,091	(15%)	1,779
Gross Profit	245	270	(9%)	372	(34%)	260
Gross Margins	14%	16%		18%		15%
Operating Profit	104	90	16%	259	(60%)	131
Net Profit	67	(59)	NM	87	(23%)	(50)

(All figures are in SAR mln)

- flynas reported a resilient 4Q25 performance, with revenue increasing +7% Y/Y to SAR 1.78 bln, in line with our estimates. Growth was supported by continued capacity deployment and solid passenger volumes, despite ongoing pressure on unit revenues. On a sequential basis, however, revenue declined -15% Q/Q, primarily driven by lower RASK of SAR 22.8 halalas (-7% Y/Y, -8% Q/Q). Management attributed the weaker unit revenue performance to route and stage-length mix effects, continued absorption of new international capacity, and targeted fare initiatives to stimulate demand. Passenger traffic edged up to 4.3 mln in 4Q25 (+13.2% Y/Y, +2.4% Q/Q), while load factor improved meaningfully to 85.2% from 83.1%, suggesting better demand absorption toward year-end. ASK reached 7.50 bln (+17% Y/Y, -5% Q/Q), broadly in-line with our estimates of 7.49 bln.
- Gross profit came in at SAR 245 mln (-9% Y/Y, -34% Q/Q), below our estimate of SAR 260 mln. Gross margin declined to 13.7% (vs. 17.8% in 3Q25 and 16.2% in 4Q24), slightly below our estimate of 14.6%, primarily reflecting higher cost of revenue due to higher maintenance costs, partially offset by a SAR150 mln supplier credit reimbursement. EBIT reached SAR 104 mln in 4Q25, (up +16% Y/Y, but down -60% Q/Q), with the sequential decline mainly reflecting lower gross profit and the absence of the stronger seasonal mix seen in 3Q. Opex came in at SAR141 mln, (-22% Y/Y, +25% Q/Q) above our estimates of SAR 129 mln.
- flynas reported a stronger-than-expected 4Q25 performance, with net profit of SAR 67 mln, versus a loss of SAR 59 mln in 4Q24, and compared to our and consensus estimates of losses of SAR 50 mln and SAR 57 mln, respectively. The positive variance was primarily driven by a significant decline in interest on lease liabilities and aircraft-related provisions (-71% Y/Y, -73% Q/Q).
- We maintain our Buy recommendation on flynas, supported by its ongoing fleet expansion, which underpins its long-term growth outlook. However, we revise our target price down to SAR 72 from SAR 90, reflecting a more cautious stance amid rising geopolitical risks weighing on travel demand, alongside continued pressure on yields, potential increases in operating costs (particularly fuel), and a higher cost of equity to account for elevated risk.

**Reem Alkhulayfi**  
 reem.alkhulayfi@riyadcapital.com  
 +966-11-486-5680

## ■ 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](mailto:research@riyadcapital.com)

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