2Q26 FIRST TAKE

United International Transportation Co.

August 9, 2026

2Q26 net profit comes ahead of estimates on sequential operational recovery and a one-off settlement gain

Last Price: SAR 27.7 | YoY Performance: -48.9%

KEY TAKEAWAYS

- United International Transportation Co. (Budget) delivered a 2Q26 net profit of SAR 93.4 mn (EPS: SAR 0.90), up 9.1% YoY and 171.1% QoQ. Earnings came in well above our SAR 43.5 mn estimate, supported by a SAR 25 mn one-off settlement gain related to the AutoWorld acquisition and lower-than-expected operating costs.
- Revenue rose 17.2% YoY to SAR 638.4 mn, mainly driven by higher used-car sales volumes, while leasing remained resilient and logistics continued to scale. Rental revenue remained weak due to lower fleet utilization and slower contract conversions. It is worth noting that the rental platform experienced disruptions following a cybersecurity incident, which was subsequently resolved.
- Gross margin stood at 26.5% in 2Q26 vs. 31.1% in 2Q25, but still came ahead of our 24.7% estimate. Gross profit was broadly flat YoY at SAR 169.0 mn, while operating profit rose 8.1% to SAR 120.3 mn, supported by a 16.0% decline in operating expenses. Accordingly, operating margin improved to 18.8% from 18.4%, while net margin stood at 14.6% vs. 15.7% in 2Q25.
- For 1H26, revenue increased 9.4% YoY to SAR 1,190.8 mn, driven by 29% growth in used-car sales and 70% growth in logistics, while leasing revenue increased marginally. Rental revenue declined 9.0% YoY to SAR 204.5 mn.
- 1H26 net profit declined 24.1% YoY to SAR 127.8 mn, with gross and operating profit down 15.0% and 18.2%, respectively. The decline was mainly attributable to lower short-term rental utilization, higher insurance costs and increased receivable provisions.
- Along with the results, Budget announced a cash dividend of SAR 0.5/share for 1H26.

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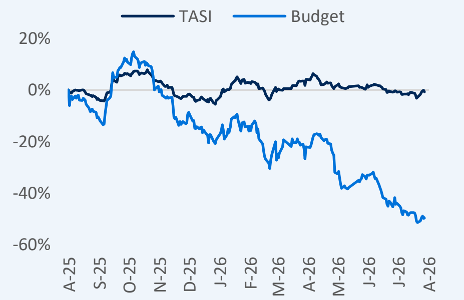
Issuer Information

Bloomberg Code	**BUDGET AB**
Last Price (SAR)	**27.7**
No of Shares (mn)	**104.5**
Market Cap bn (SAR/USD)	**1.5 / 0.4**
52-week High / Low (SAR)	**2.9 / 0.77**
12-month ADTV (mn) (SAR/USD)	**14.1 / 3.8**
Free Float (%)	**100.0**
Foreign Holdings (%)	**15.9**

Last price as of August 6, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	638.4	554.5	15.1	544.7	17.2	552.4	15.6
Cost of Revenues (COGS)	469.5	417.4	12.5	375.4	25.1	429.7	9.3
Gross Profit	169.0	137.1	23.2	169.2	-0.2	122.6	37.8
Gross Margin (%)	***26***	***25***		***31***		***22***	
Operating Expenses	48.7	70.6	-31.0	57.9	-16.0	64.1	-24.1
Operating Profit	120.3	66.6	80.8	111.3	8.1	58.5	105.7
Operating Margin (%)	***19***	***12***		***20***		***11***	
Net Income	93.4	43.5	114.8	85.6	9.1	34.5	171.1
Net Margin (%)	***15***	***8***		***16***		***6***	
EPS (SAR)	0.9	0.4		0.8		0.3	
DPS (SAR)	0.5	0.1		0.4		0.8	

**anbc estimate*
Source: Company Financials, anbc research

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