Flynas Co.

August 05, 2026

Fuel shock and proactive capacity cuts drive a quarterly net loss

Last Price: SAR 49.5 | YoY Performance: -30.3%

KEY TAKEAWAYS

- Flynas posted a net loss of SAR 240.6 mn in 2Q26 coming in well below consensus estimates. The swing into a net loss was driven by jet fuel prices more than doubling YoY and a 15% YoY cut in capacity in response to the regional conflict, only partly offset through stronger pricing.
- Revenue rose 3.2% YoY to SAR 2,212.8 mn coming in 6.7% below our SAR 2,370.7 mn estimate. RASK increased 22% YoY to 29.9 halalas on a stronger fare environment and disciplined pricing, more than offsetting a 15% YoY cut in ASK to 5,431 mn - though passenger traffic still fell 27% YoY to 2.6 mn and load factor eased 8.4 ppts to 71.2%. By segment, LCC revenue rose 3% YoY to SAR 1,626 mn, Hajj revenue rose 6% to SAR 547 mn as the full Hajj season fell in 2Q26, while General Aviation declined 11% to SAR 40 mn.
- Gross profit amounted to just SAR 26.1 mn as gross margin fell to 1.2% in 2Q26 from 21.1% in 2Q25, and well below our estimate of 11.7%. COGS rose 29.2% YoY to SAR 2,186.7 mn on the sharply higher fuel bill and the effect of spreading a largely fixed cost base over reduced capacity, taking adjusted CASK up 48% YoY to 34.5 halalas.
- Recurring SG&A rose 30% YoY to SAR 134.0 mn on higher collection charges within selling and marketing and higher professional fees tied to the ongoing strategy refresh. Net loss came in at SAR 240.6 mn (EPS: SAR -1.4) against our SAR 30.2 mn profit estimate.
- Amid the current operating environment, which continues to constrain earnings visibility (FY 2026 management earnings guidance remains suspended), we will recalibrate our estimates following the release of detailed financial statements.

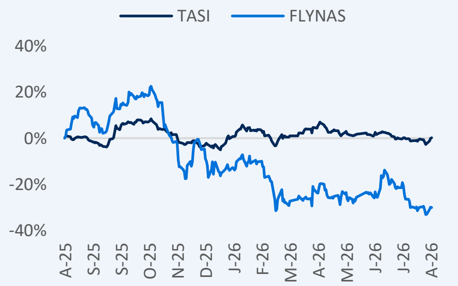
Analyst Contact:
Raed N. Alshalhoub
Analyst - Sell-Side Research
Raed.Alshalhoub@anbcapital.com.sa
+966 11 4062500 Ext. 2677

Issuer Information

Bloomberg Code	**FLYNAS AB**
Last Price (SAR)	**49.5**
No of Shares (mn)	**171.0**
Market Cap bn (SAR/USD)	**8.5 / 2.3**
52-week High / Low (SAR)	**81.7 / 48.2**
12-month ADTV (mn) (SAR/USD)	**36.5 / 9.7**
Free Float (%)	**43.0**
Foreign Holdings (%)	**4.8**

Last price as of August 4th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	2Q26A	2Q26E*	Var (%)	2Q25A	YoY (%)	1Q26A	QoQ (%)
Revenue	2,212.8	2,370.7	-6.7	2,144.3	3.2	2,005.5	10.3
Cost of Revenues (COGS)	2,186.7	2,093.3	4.5	1,692.8	29.2	1,658.3	31.9
Gross Profit	26.1	277.4	-90.6	451.5	-94.2	347.3	-92.5
Gross Margin (%)	***1***	***12***		***21***		***17***	
Operating Expenses	-136	-121.4	12.0	-1,135.9	-88.0	-127.2	6.9
Operating Profit	-109.8	156	nm	-684.5	-84.0	220	nm
Operating Margin (%)	***nm***	***7***		***-32***		***11***	
Net Income/ (Loss)	-240.6	30.2	nm	-862.5	-72.1	117.9	nm
Net Margin (%)	***nm***	***1***		***-40***		***6***	
EPS (SAR)	-1.4	0.2		-5.0		0.7	

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

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Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa