FLYNAS Co.

Rating: Overweight | Target Price: SAR 93.2

November 24, 2025

Earnings growth underpinned by lower operating expense

Market Data	
Last Price (SAR)*	68.9
Target Price (SAR)	93.2
Upside / Downside (%)	35.2
Market Cap (bn) (SAR/USD)	12/3
52 week High / Low (SAR)	84/68
12-month ADTV (mn) (SAR/USD)	88/23
YTD Return (%)**	-14
Bloomberg Code	FLYNAS AB

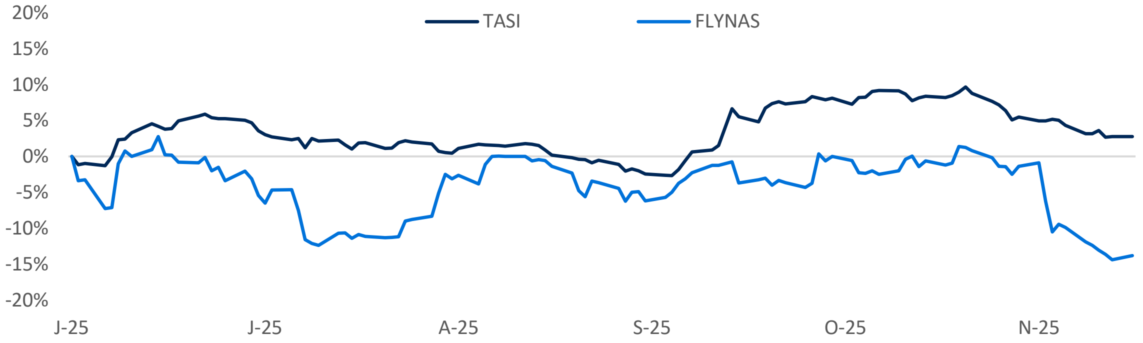
**last price as of 23th November 2025*
***Price Return Since IPO on 18th of June*

Valuations	2024A	2025E	2026F	2027F
Net Income (SAR mn)	434	545	682	791
EPS (SAR)	2.5	3.2	4.0	4.6
PER (x)	29.5	23.5	18.8	16.2
P/BV (x)	7.8	3.7	3.1	2.6
DPS (SAR)	-	-	-	-
Div. Yield (%)	-	-	-	-
RoAE (%)	30.3	21.2	17.7	17.3
RoAA (%)	3.3	3.5	3.6	3.5

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A**	QoQ (%)
Revenue	**2,091**	**2,192**	***-4.6***	**1,969**	***6.2***	**2,144**	***-2.5***
Cost of revenue	(1,718)	(1,739)	*-1.2*	(1,584)	*8.5*	(1,693)	*1.5*
Gross profit	**372**	**453**	***-17.8***	**385**	***-3.2***	**451**	***-17.5***
Gross margin (%)	*17.8*	*20.7*	-	*19.5*	-	*21.1*	-
OPEX	(113)	(96)	*18.1*	(144)	*-21.5*	(53)	*113.5*
Operating profit	**259**	**357**	***-27.4***	**241**	***7.7***	**398**	***-34.9***
Operating margin (%)	*12.4*	*16.3*	-	*12.2*	-	*18.6*	-
Net income	**120**	**150**	***-19.8***	**105**	***14.9***	**220**	***-45.5***
Net margin (%)	*5.7*	*6.8*	-	*5.3*	-	*41.0*	-
EPS	***0.70***	***0.88***	-	***0.61***	-	***1.29***	-
DPS	-	-	-	-	-	-	-

**anbc estimates*
***adjusted for non-recurring IPO related expenses*

Price Performance



Source: Tadawul, Bloomberg and anbc research

FLYNAS Co. (FLYNAS) reported a net profit of SAR 120 mn (EPS: SAR 0.70) in 3Q25, up 14.9% YoY and down 45.5% QoQ. The result fell short of our estimates and consensus estimates by 19.8% and 27.6%, respectively. The YoY increase in profitability is driven by 21.5% YoY decrease in operating expenses and increase in finance income by 3.1x YoY. We maintain our Overweight rating on the stock with a target price of SAR 93.2/share.

- Revenue for the 3Q25 rose 6.2% YoY to SAR 2,091 mn, on back of the capacity expansion and sustained passenger demand. Following the addition of two A320neo aircraft during the quarter, the company's Available Seat Kilometers (ASKs) increased by 22% year-on-year to 7.9 billion, bringing the total fleet size to 68 aircraft. Furthermore, total number of passengers for the company increased to 4.2 mn (+15% YoY), supported by the launch of five new routes, addition of two new international destinations and one new country in 3Q25. The revenue came inline with our estimated revenue of SAR 2,192 mn, down 4.6%.
- Despite top-line growth, gross margins declined to 17.8% (vs. 19.5% in 3Q24) as cost of revenue rose 8.5% YoY, outpacing revenue growth. The margin contraction, despite lower average fuel prices, was primarily driven by a 38% YoY rise in maintenance costs and continued pressure on Revenue per Available Seat Kilometer (RASK), which fell 4% YoY. The RASK decline stemmed from the company's expansion into long-haul international routes and a 30% increase in airport building charges for international passengers (from SAR 130/passenger to SAR 160/passenger). Higher freight and CFM engine costs uplifts the total maintenance expenses during the quarter.
- Operating margins remained stable at 12.4%, up 0.2 percentage points YoY, despite softer gross margins. The stability was supported by a 38% YoY increase in gains from sale and leaseback (SLB) transactions, a gain of SAR 3.8 mn from lease termination, and a 91% YoY decrease in provisions.
- Net profit for 3Q25 increased 14.9% YoY to SAR 120 mn, with steady net margins of 5.7%, slightly up 0.4 percentage points YoY. Improved finance income (+3.1x YoY) and a 21.5% YoY decline in operating expenses offset the impact of lower gross profitability on bottom line. However, company's results came in below our net profit estimate of SAR 150 mn and consensus net profit of SAR 166 mn.
- *Management revised its full-year 2025e guidance, expecting revenue growth of 2.5–4.5% YoY. EBITDA margins are projected at 30.0–32.0%, and net margins at 5.25–5.75% (down from the previous guidance of 6.0–6.5%), with net Debt/EBITDA below 2.0x. For 2026f, Flynas targets revenue growth of 16–18% YoY, with EBITDA margins improving to 30.5–32.5% and net margins expanding by 0.5–1.0 percentage points, while maintaining leverage between 2.0–2.5x. Currently, Flynas is trading at 2026f PE and PBV multiple of 18.8x and 3.1x, respectively. We maintain our 'Overweight' rating on the stock with a target price of SAR 93.2/share.*

Raed N. Alshalhoub
Raed.Alshalhoub@anbcapital.com.sa
+966 11 4062500 Ext. 2677

anbcapital

Disclaimer

anb capital is a Saudi Closed Joint Stock Company with paid up capital of SAR 1,000 million and is licensed by the Capital Market Authority of Saudi Arabia under license number 07072-37 and Unified Number 7001548267, with its head office at 3581 Al Mouyyad Al Jadid, Al Murabba, PO Box 220009, Riyadh 11311, Saudi Arabia, telephone number 800 124 0055.

This report is prepared by anb capital, a full-fledged investment bank providing investment banking, asset management, securities brokerage and research services. anb capital and its affiliates, may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this report. Also, anb capital (or its officers, directors or employees) may have a position in the securities that are the subject of this report.

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report is intended only for the recipient to whom the same is delivered by anb capital and should not be reproduced, redistributed, forwarded or relied on by any other person. The distribution of this report in some jurisdictions may be restricted by law, and persons into whose possession this report comes should inform themselves about, and observe, any such restriction.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Under no circumstance will anb capital nor any of its respective directors, officers or employees be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on the information contained in this report.

All opinions, estimates, valuations or projections contained in this report constitute anb capital's current opinions, assumptions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no guarantee that future results or events will be consistent with any such opinions, estimates, valuations or projections. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions and future actual outcomes and returns could differ materially from what is forecasted.

Past performance is not necessarily indicative of future performance and the value of an investment may fluctuate. Accordingly, any investment made pursuant to this report in any security is neither capital protected nor guaranteed. The value of the investment and the income from it can fall as well as rise as the investment products are subject to several investment risks, including the possible loss of the principal amount invested. No part of the research analysts’ compensation is related to the specific recommendations or views in the research report.

By accepting this report, the recipient agrees to be bound by the foregoing limitations.

Ratings Guidelines

anb capital's investment research is based on the analysis of economic, sector and company fundamentals with the objective of providing a long term (12 month) fair value target for a company.

OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information. anb capital assumes that each recipient would make its own assessment and seek professional advice, including but not limited to, professional legal, financial and accounting advice, before taking any decision in relation to the information provided in the report. Recipients should consider their own investment objectives and financial situation and seek professional advice before making any investment decisions.

Analyst Certification:

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

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