United International Transportation Co.

November 9, 2026

Record revenue on vehicle sales and logistics, but margin squeeze drives profit miss

Last Price: SAR 26.1 | YoY Performance: -43.8%

KEY TAKEAWAYS

- Budget posted 3Q26 net profit of SAR 71.8 mn (EPS: SAR 0.69), down 10.6% YoY and 23.2% QoQ. The result missed our estimate of SAR 81.3 mn by 11.7%, mainly because gross margin was weaker. The QoQ decline reflects the high base in 2Q26, which included a SAR 25 mn one-off settlement gain.
- Revenue reached a record SAR 716.8 mn, up 13.8% YoY and 12.3% QoQ, and 10.2% above our estimate. Growth came from higher used-car sales and stronger logistics income through the subsidiary, while long-term lease revenue stayed broadly stable. Short-term rental remained under pressure from lower utilization and a smaller fleet amid regional conditions.
- Gross margin contracted to 22.6% in 3Q26, from 28.1% in 3Q25 and 26.5% in 2Q26, below our estimate of 27.9%. Pressure came from lower short-term rental utilization, slower long-term lease renewals and customers downgrading to lower-tier vehicle categories. A higher share of low-margin vehicle sales in the revenue mix added to the pressure. Gross profit fell 8.6% YoY to SAR 161.8 mn.
- Operating profit declined 7.7% YoY and 18.9% QoQ to SAR 97.6 mn, with operating margin easing to 13.6% from 16.8% in 3Q25. Operating expenses rose 31.6% QoQ to SAR 64.2 mn, but came in 11.1% below our estimate. Net margin narrowed to 10.0% from 12.7% in 3Q25.
- Net profit came in at SAR 71.8 mn, down 23.2% QoQ. profit was still down 10.6%, and 9M26 net profit is 19.3% lower at SAR 197.0 mn, so a full recovery depends on short-term rental utilization picking up.
- Based on our last update, we maintain an 'Overweight' stance on the stock. The stock is currently trading at a 2027e P/E and P/B of 8.2x and 0.8x, respectively.

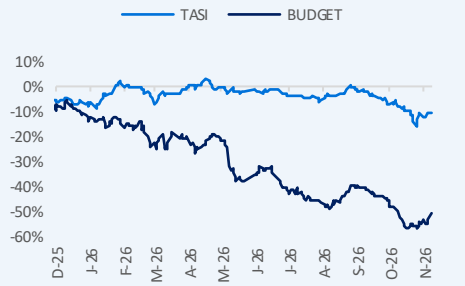
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Issuer Information

Bloomberg Code	**BUDGET AB**
Last Price (SAR)	**26.1**
No of Shares (mn)	**105.0**
Market Cap bn (SAR/USD)	**2.7 / 0.7**
52-week High / Low (SAR)	**53.32 / 22.2**
12-month ADTV (mn) (SAR/USD)	**15.6 / 4.2**
Free Float (%)	**100.0**
Foreign Holdings (%)	**15.2**

Last price as of November 8th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	717	651	10.2	630	13.8	638	12.3
Cost of Revenues (COGS)	(555)	(469)	18.4	(453)	22.5	(469)	18.2
Gross Profit	162	182	(11.0)	177	(8.6)	169	(4.3)
Gross Margin (%)	***22.6%***	***27.9%***		***28.1%***		***26.5%***	
Operating Expenses	64	72	(11.1)	71	(9.9)	49	31.8
Operating Profit	98	110	(10.9)	106	(7.7)	120	(18.9)
Operating Margin (%)	***13.6%***	***16.8%***		***16.8%***		***18.8%***	
Net Profit	72	81	(11.7)	80	(10.6)	93	(22.1)
Net Margin (%)	***10.0%***	***12.5%***		***12.7%***		***14.6%***	
EPS (SAR)	0.69	0.78		0.77		0.90	

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

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

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