Flynas Co.

November 4, 2026

Restored capacity and firmer pricing drive a return to profit, in line with our estimates

Last Price: SAR 39.3 | YoY Performance: -50.2%

3Q26 FIRST TAKE

KEY TAKEAWAYS

- Flynas posted a net profit of SAR 27.0 mn in 3Q26 (EPS: SAR 0.16), down 77.5% YoY but turned positive from a net loss of SAR 240.6 mn in 2Q26. The result came in line with our net profit estimate of SAR 28.2 mn, down 4.1%. On YoY basis, decline in profitability was mainly driven by higher fuel costs and the absence of the SAR 33 mn sale-and-leaseback (SLB) gain booked in 3Q25.
- Revenue recorded at SAR 2,226.1 mn in 3Q26, rose 6.5% YoY and 0.6% QoQ, in line with our estimated revenue of SAR 2,248.8 mn, down 1.0%. LCC revenue grew 9% YoY to SAR 2,170 mn as RASK rose 11% on firmer pricing, with ASK broadly flat (-1% YoY) after a 15% decline in 2Q26. Load factor fell 5.7 ppts YoY to 77.4% but rose 6.2 ppts on QoQ. Hajj revenue dropped 67% YoY to SAR 19 mn as the season concluded in 2Q26.
- Gross margin narrowed to 13.9% from 17.8% in 3Q25 (2Q26: 1.2%). COGS rose 11.5% YoY to SAR 1,915.8 mn, led by fuel cost, which increased 51% YoY to SAR 666 mn, and rental expenses (2.2x to SAR 115 mn as short-term wet leases were expensed), partly offset by lower handling, maintenance and depreciation costs.
- Operating profit clocked in at SAR 164.4 mn, down 36.6% YoY (2Q26: operating loss of SAR 109.8 mn). Operating expenses rose 29.0% YoY, due to the non-recurrence of the 3Q25 SLB gain, while recurring SG&A eased 2%.
- Net finance costs eased 2% YoY to SAR 129 mn in 3Q26. Net margin narrowed to 1.2% from 5.7% in 3Q25. For 9M26, the company posted a net loss of SAR 95.7 mn, compared with a net loss of SAR 594.4 mn in 9M25, which included SAR 1.083 mn of one-off IPO-related expenses.
- Fleet stood at 69 aircraft, with the A320ceo fully phased out, and firm orders rose to 235 aircraft. Net-debt/adjusted-EBITDA rose to 2.1x (3Q25: 1.2x). Management expects 4Q26 to be significantly affected by October airport disruptions, and 2026 guidance remains suspended.
- Based on our last update, we maintain an "Overweight" rating on the stock, with a target price of SAR 57.5/share. The stock is currently trading at a 2027e P/E and P/B of 12.8x and 1.6x, respectively.

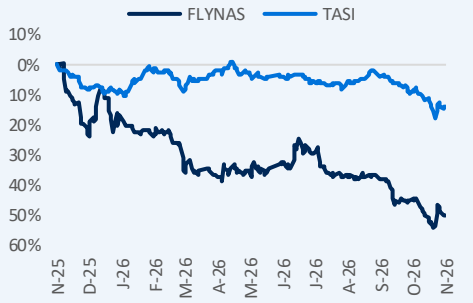
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Issuer Information

Bloomberg Code	**FLYNAS AB**
Last Price (SAR)	**39.3**
No of Shares (mn)	**171**
Market Cap bn (SAR/USD)	**6.7 / 1.8**
52-week High / Low (SAR)	**79.3 / 36.2**
12-month ADTV (mn) (SAR/USD)	**29.2 / 7.8**
Free Float (%)	**43.0**
Foreign Holdings (%)	**5.9**

Last price as of November 3rd, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	2,226	2,249	(1.0)	2,091	6.5	2,213	0.6
Cost of Revenues (COGS)	(1,916)	(1,961)	(2.3)	(1,718)	11.5	(2,187)	(12.4)
Gross Profit	310	288	7.7	372	(16.7)	26	1,087
Gross Margin (%)	***13.9***	***12.8***		***17.8***		***1.2***	
Operating Expenses	(146)	(133)	10.0	(113)	29.0	(136)	7.3
Operating Profit	164	156	5.6	259	(36.6)	(110)	nm
Operating Margin (%)	***7.4***	***6.9***		***12.4***		***(5.0)***	
Net Income	27	28	(4.1)	120	(77.5)	(241)	nm
Net Margin (%)	***1.2***	***1.3***		***5.7***		***(10.9)***	
EPS (SAR)	0.16	0.16	(4.1)	0.70		(1.41)	

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

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