

Daily Bulletin

August 12, 2025

- > *FLYNAS announces 2Q25 results*
- > *Methanol Chemicals Co. announces 2Q25 result*

FLYNAS 2Q25 adjusted net profit down 3% YoY

Flynas reported an adjusted net profit of SAR 191 mn in 2Q25, excluding one-off IPO charges, ESOP expenses, and sale and leaseback gains. This represents a 3% YoY decline and a 29% QoQ increase. The YoY decrease was driven by the temporary and early suspension of visit visas ahead of the Hajj season, the grounding of aircraft due to global delays in CFM spare engine deliveries, and higher depreciation expenses. However, despite these headwinds, the company maintained a resilient performance, with its adjusted net margin at 8.9% versus 9.0% in 2Q24, supported by increased capacity and a strong Hajj season.

Flynas reported 2Q25 revenue of SAR 2,144 mn, down 1% YoY (+17% QoQ), as a 13% YoY drop in LCC RASK, driven by the quarter's headwinds, offset capacity growth to 71 aircraft from 59 in Dec-24, strong Hajj demand, and a 3% YoY increase in passenger traffic. LCC segment revenue fell 10% YoY to SAR 1,581 mn, whereas Hajj and Umrah revenue rose 41% YoY to SAR 518 mn, supported by accommodating 110,000 pilgrims. General aviation revenue declined 10% YoY to SAR 45 mn.

Due to lower fuel prices during the quarter and reduced maintenance and handling costs, adjusted LCC CASK declined 9% YoY to SAR 23.8 halalas, helping stabilize the cost of revenue on a YoY basis. However, this benefit was partially offset by higher depreciation, which contracted gross margins to 21% from 22% last year. The reduction in handling costs was driven by the company's negotiation of lower unit rates with all providers, particularly in KSA, leveraging increased volumes and scale.

Going forward, the company projects 2025e revenue growth at 6–18%, and expects 2H25 ASK to be 30% higher than 1H25 ASK, supported by the addition of 7 wet leased aircraft and increased utilization of its own fleet. EBITDA margins are forecasted at 30–32% for the year, while net margins (excluding ESOP charges) are expected in the range of 6–6.5%, with potential upside given the company's Brent budget assumption of USD 80/bbl versus the consensus range of USD 60–65/bbl. Net debt to EBITDA is projected to normalize to 2.0x in 2025.

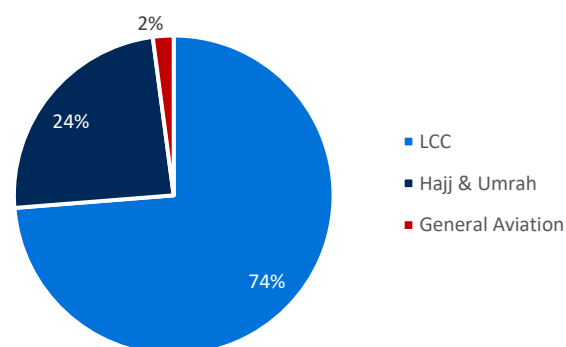
Flynas is trading at SAR 75.9/sh, down 2%, since its IPO in Jun-25. The stock is trading at a 2025e P/E of 28.3x, with a consensus target price of SAR 92.7/sh, translating into an upside potential of 22%.

FLYNAS financials (SAR bn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)
Revenue	2.14	2.18	1	1.83	17
COGS	1.69	1.69	0	1.41	20
Gross profit	0.45	0.48	-6	0.41	9
Gross margin (%)	21	22		23	
Operating exp.	1.14	0.08	1,307	0.12	841
Operating profit	-0.68	0.40	-	0.29	-
Opt. margin (%)	-	18		16	
Net income	-0.86	0.24	-	0.15	-
Net margin (%)	-	11		8	
EPS	-5.05	1.40	-	0.87	-

Source: Company financials, anbc research

Revenue Mix – 2Q25



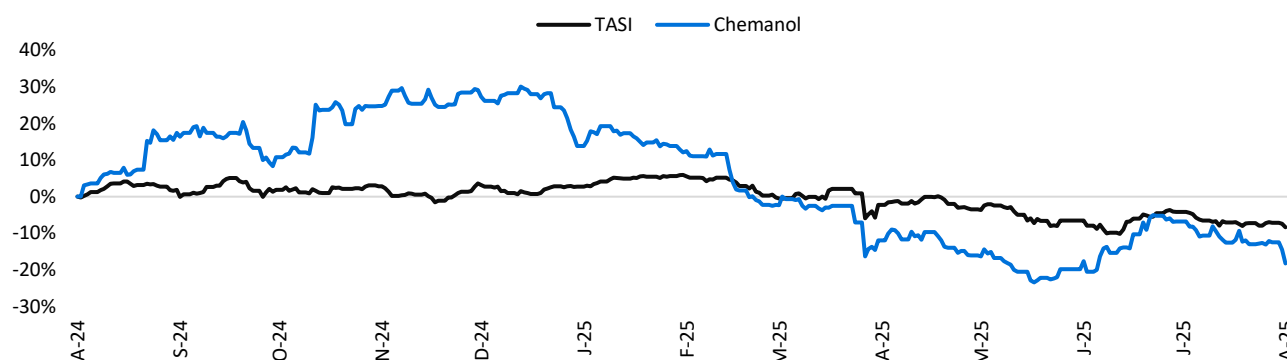
Source: Company financials, anbc research

Methanol Chemicals Co. recorded a loss of SAR 427.3 mn in 2Q25

Methanol Chemicals Co. reported a net loss of SAR 427.3 mn in 2Q25, compared to a net loss of SAR 28.3 mn in 2Q24 and SAR 40.5 mn in 1Q25. The reported loss was 12.4x higher than the consensus estimates of SAR 34.5 mn, pushing the company's accumulated losses to 79.4% of its share capital.

According to management, the sharp decline was driven by an 18% YoY drop in selling prices and higher feedstock (natural gas) costs, which increased production expenses. These factors resulted in a loss of SAR 41.4 mn. However, the majority of the net loss (90.3% or SAR 386 mn) stemmed from the financial performance of the subsidiaries, Addar Chemicals Company (ACC) and Global Company for Chemical Industries (GCI). The company recorded an impairment charge of SAR 279.3 mn related to the assets of these subsidiaries (ACC and GCI). Additionally, Methanol Chemicals booked a provision of SAR 94.5 mn on amounts due from subsidiaries in 2Q25. Methanol Chemical Co. recorded a return of -18.2% YoY whereas TASI fell by 8.3% during the same period.

Relative price chart



Source: Bloomberg, anbc research

Methanol Chemicals financials (SAR mn)

	2Q25	2Q24	YoY(%)	1Q25	QoQ(%)	Consensus	Variation (%)
Revenue	152	169	-10	168	-9	173	-12
COGS	151	145	5	152	-1	-	-
Gross profit	1	25	-95	15	-92	-	-
Gross margin (%)	1	15	-14	9	-8	-	-
Operating expense	477	44	987	46	944	-	-
Operating profit	-476	-19	2,359	-30	1,473	-	-
Net income	-427	-28	1,411	-40	956	-35	1,138
EPS	-6.3	-0.4	1,411	-0.6	956	-0.5	1,138

Source: Company financials, Bloomberg, anbc research

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