FLYNAS Co.

19 October 2025

INITIATION OF COVERAGE

We initiate coverage on Flynas Co. with an 'Overweight' rating and a target price of SAR 93/share. As the Middle East's leading low-cost carrier (LCC) with one of the largest aircraft order books and the youngest fleets globally, Flynas is well positioned to capture the structural rise in demand for affordable air travel both regionally and internationally. Backed by strong sector tailwinds, a disciplined expansion strategy, and efficiency gains. We forecast net profit to grow at a 2024–2029f CAGR of 20.1%, supported by revenue growth.

Set for growth in aviation expansion. Flynas is well-positioned to capitalize on the structural shift toward low-cost travel in both global and domestic markets. With global LCC capacity growing at an 8.5% 2005-2023 CAGR and Saudi LCC penetration rising from 20% in 2015 to 39% in 2023 (vs GCC average of 31%), the Kingdom's aviation strategy targets 44% LCC share and over 100 mn PAX annually by 2030f. Backed by strong demand, Flynas is set to benefit from continued LCC led growth.

Well-timed expansion strategy. Flynas is leveraging strong LCC demand and sector tailwinds with a robust expansion strategy. Backed by one of the region's largest order books, it plans to grow its fleet to 167 by 2030f. The airline currently operates 146 routes across 34 countries, and 74 destinations. It further aims to expand to 350 routes between 160 points across 55 countries by 2030f, while covering 80% of the Kingdom's population through new hubs. Under its "Blue Ocean Strategy", Flynas continues to capture underserved routes to strengthen its domestic leadership and expand international connectivity. Flynas launched 15 new routes and 7 destinations across 6 countries in 1H25, reflecting the execution of its Blue Ocean Strategy.

Expansion to support a 2024-2029f CAGR of 20.1% in net profit. Flynas revenue is projected to rise at a 15.2% CAGR from 2024–2029f, driven by a 16.8% LCC revenue CAGR supported by fleet growth, over the same period. We expect EBITDA margins to improve from 29% in 2024 to 31.6% by 2029f, supported by operating leverage, lower fuel costs, and recurring gains from sale and leaseback (SLB) transactions. Accordingly, we forecast net profit to reach SAR 1,084 mn by 2029f.

Competitive edge in regional and global landscape. Flynas maintains a strong competitive position among regional and global LCC and ULCC. In 2023, it reported 32% EBITDAR margin, the second highest in the region and the highest globally, outperforming peers such as IndiGo, Wizz Air, Air Arabia, and Jazeera. The airline also operates one of the youngest fleets, with an average age of 3.9 years as of Jun-25. Regionally, Flynas also benefits from a balanced ASK mix of 33% domestic and 67% international, in contrast to competitors that rely mostly on either domestic or international routes. During 1H25, the Flynas's domestic presence strengthened, with domestic passengers accounting for 52% of total traffic.

Valuation: We issue an 'Overweight' stance on Flynas, based on target price of SAR 93.4/share. Our valuation on Flynas is based on an equal-weighted blend of EV/EBITDA based relative valuation and a DCF (FCFF) approach. We apply a blended EV/EBITDA multiple of 7.2x, derived from peer LCCs in developed and emerging markets and Saudi tourism-linked stocks to derive a SAR 93.8/share value. The DCF valuation, based on a WACC of 10.2% and a terminal growth rate of 2.5%, yields a value of SAR 92.9/share. Assigning equal weight to the both the approaches, we arrive at a blended target price of SAR 93.4/share.

Risk: The key risks to our thesis are stronger-than-expected competition leading to market share loss, delay in delivery of new planes, weaker than expected tourism growth and air travel demand, higher oil prices, widening crack spreads, regulatory changes, and regional developments.

RATING SUMMARY	OVERWEIGHT
Target Price (SAR)	93.4
Upside/Downside	19.7%
Div. Yield (%)	0%
Total Exp. Return	19.7%

Source: Company financials, anbc research

ISSUER INFORMATION	
Bloomberg Code	FLYNAS AB
Last Price (SAR)	78.0
No of Shares (mn)	171
Market Cap bn (SAR/USD)	13.3/3.6
52-week High / Low (SAR)	84.1/69.0
12-month ADTV (mn) (SAR/USD)	103.5/27.6
Free Float (%)	35.4%
Foreign Holdings (%)	2.5%

Last price as of October 16th, 2025

VALUATIONS

	2024	2025e	2026f	2027f
EPS (SAR)	2.5	3.2	4.0	4.6
PER (x)	30.7	24.4	19.5	16.8
PBV (x)	8.1	3.8	3.2	2.7
DPS (SAR)	-	-	-	-
Div. Yield (%)	-	-	-	-
RoAE (%)	30.3	21.1	17.6	17.2
RoAA (%)	3.3	3.5	3.6	3.5

Source: Company financials, anbc research

FINANCIALS (SAR bn)

	2024	2025e	2026f	2027f
Revenue	7.6	8.3	9.7	11.3
Gross Profit	1.5	1.7	2.0	2.4
EBITDA	2.2	2.7	3.1	3.6
Net Income	0.4	0.5	0.7	0.8

Source: Company financials, anbc research

RELATIVE PRICE PERFORMANCE

Source: Bloomberg, anbc research

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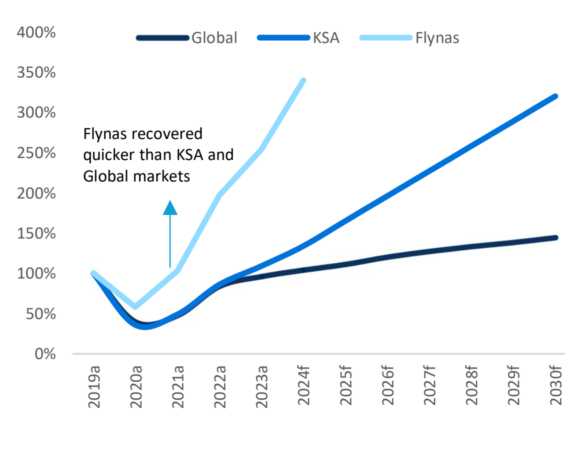
Investment Thesis

Poised for growth in aviation expansion

The number of air passengers in the Kingdom is projected to grow from 129 mn in 2024 to 330 mn by 2030f, reflecting a robust 17% CAGR. Within this, the low-cost carrier (LCC) segment is expected to outpace overall growth with an 18% CAGR, driving LCC market share higher from 39% in 2023 to 44% by 2030f.

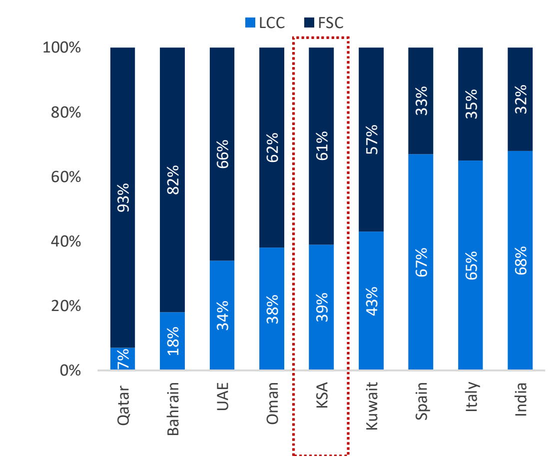
The Saudi LCC segment remains relatively underpenetrated compared to global peers, offering considerable room for expansion. Countries such as Kuwait, Spain, Italy, and India demonstrate far higher LCC penetration levels, suggesting significant upside potential as the Saudi market matures. The broader global airline industry has already undergone a structural transformation over the past two decades, led by the consistent rise of LCCs. From 2005 to 2023, global LCC capacity expanded at a CAGR of 8.5%, substantially outperforming full-service carriers (FSCs), which grew at just 2.3%. This shift pushed the LCC global market share from 13% in 2005 to 32% in 2023.

Chart 54: Global and KSA Pax forecast



Source: IATA, Kearney analysis, anbc research
% of 2019 PAX Volume

Chart 55: LCC penetration as % of seats

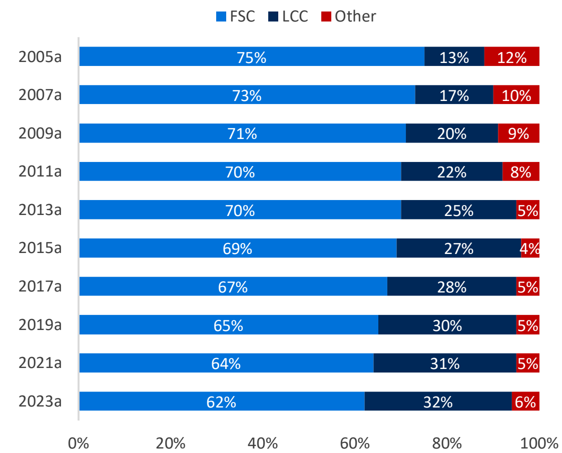


Source: Kearney analysis, anbc research
2023, % of seats

In Saudi Arabia, LCC penetration increased from 20% in 2015 to 39% in 2023, surpassing the GCC average of 31%. As outlined in the Saudi Aviation Strategy, LCCs are expected to transport more than 100 mn passengers annually by 2030f, representing around 60% to 70% of total domestic traffic. This policy emphasis on affordability and accessibility is expected to further accelerate LCC growth across the Kingdom.

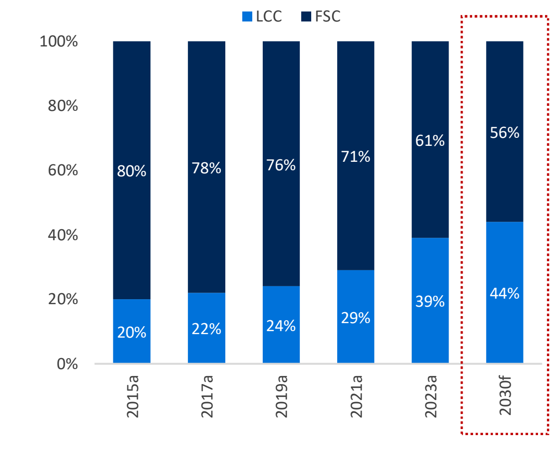
Flynas, as Saudi Arabia's leading LCC, is well positioned to benefit from this expansion. The company has consistently gained market share, rising from 10% in 2019 to 15% in 2024. In 2024, Flynas carried approximately 15 mn passengers, reflecting its growing dominance in the domestic market. Going forward, the company targets a 22% to 23% market share by 2030f, supported by capacity expansion, route diversification, and growing acceptance of low-cost travel in the Kingdom.

Chart 56: Global seat distribution by carrier type



Source: Flynas Prospectus, Ciricum, Kearney analysis, anbc research

Chart 57: KSA's LCC share to reach 44% in 2030f



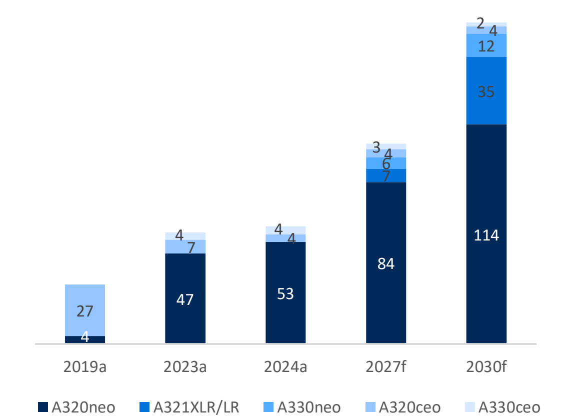
Source: Kearney analysis, anbc research

Well-timed expansion strategy

Flynas is undertaking a major expansion phase at a strategically opportune time, coinciding with the rapid growth of Saudi Arabia's aviation sector and increasing demand for low-cost carriers. The company's expansion strategy focuses on scaling its fleet, strengthening its international presence, launching direct international routes from secondary Saudi cities, and broadening its overall network coverage to capture untapped travel demand.

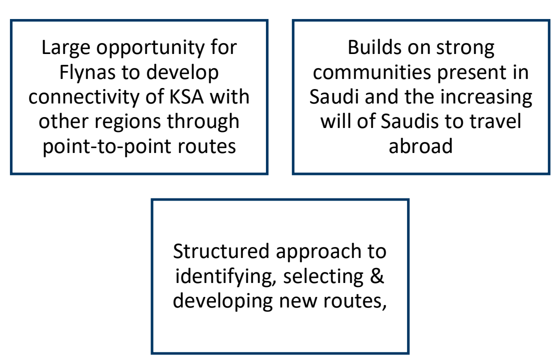
Flynas currently maintains one of the largest aircraft order books in the Middle East, totaling 220 aircraft, which includes 150 firm orders and 70 options. As of June 2025, the fleet stood at 68 aircraft, including 2 wet leases, 2 wide-body A330 Ceos, 4 A320 Ceos, and 60 A320 Neos, of which 3 are owned and the remainder leased. One additional delivery is expected in 4Q25, taking the total fleet size to 69 by year-end. By 2030f, Flynas plans to expand its fleet to 167 aircraft, comprising 153 narrow-body and 14 wide-body units, reinforcing its capacity to support both domestic and international growth ambitions.

Chart 58: Fleet count to increase to 167 by 2030f



Source: Flynas Prospectus, anbc research

Chart 59: Blue Ocean Strategy

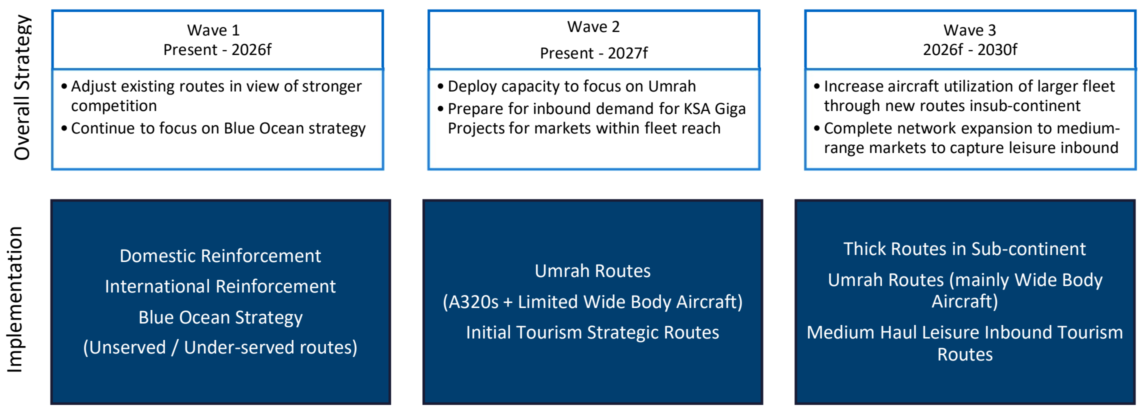


Source: Flynas Prospectus, anbc research

Flynas currently operates from four main bases: Riyadh, Jeddah, Madinah, and Dammam. It plans to add more bases by 2030f, aiming to cover over 80% of the Kingdom's population. The airline currently operates 146 routes to over 74 destinations across 34 countries, with more than 2,000 weekly flights. Since its inception in 2007, Flynas has carried over 80 mn passengers and targets expanding network to 350 routes between 160 points across 55 countries by 2030f.

As part of its ongoing network expansion, Flynas aims to strengthen its share on key domestic routes while scaling operations in high-potential international markets, particularly across the GCC and MENA regions. Under its Blue Ocean Strategy, the airline seeks to enter unserved global markets to gain first-mover advantage and reduce competition by tapping into untapped travel demand. In line with this strategy and to advance its 2030 targets, Flynas launched 15 new routes in 1H25, covering 7 destinations across 6 countries. Over the past six years, the company has introduced more than 35 new routes, reinforcing its position as one of the fastest-growing low-cost carriers in the region.

Chart 60: Flynas has structured network strategy across three waves



Source: Flynas Prospectus, anbc research

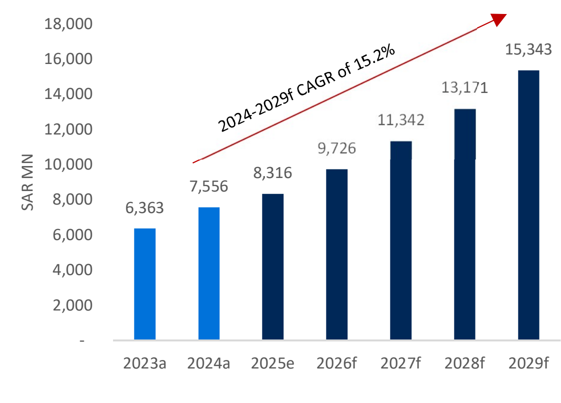
Revenue to grow at a 2024-2029f CAGR of 15.2%

Flynas continues to solidify its leadership as the region's premier low-cost carrier, having been recognized as the Middle East's best low-cost airline for eight consecutive years and ranked among the Top 10 Global LCCs by Skytrax. The airline's strong operational model, cost efficiency, and expanding route network have translated into robust financial performance over recent years. Between 2019 and 2024, Flynas achieved a revenue CAGR of 12.3%, underscoring its resilience and sustained growth momentum within Saudi Arabia's rapidly evolving aviation market.

Looking ahead, we forecast Flynas's revenue to grow at a 2024–2029f CAGR of 15.2%, rising from SAR 7,556 mn in 2024 to SAR 15,343 mn by 2029f. This growth will be driven primarily by the LCC segment, which is expected to post a 16.8% CAGR, supported by a 19.1% CAGR in available seat kilometers (ASK) as the airline expands its fleet and network coverage. Additionally, revenues from the Hajj and Umrah segment are projected to grow modestly at a 2.3% CAGR, while general aviation revenue is expected to rise at a similar rate during the forecast period.

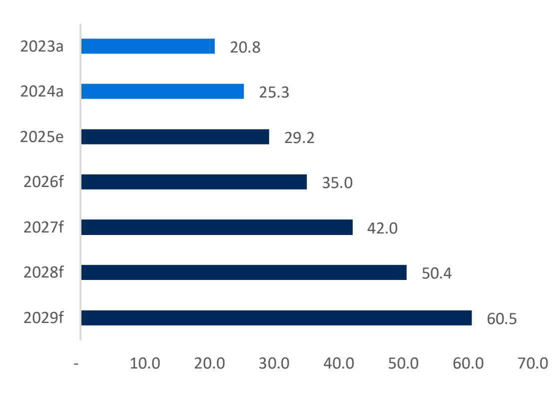
In 1H25, Flynas reported revenue growth of 1.3% YoY, supported by stronger Hajj and Umrah performance, and full-year 2025e revenue is forecast to increase by 10.1% YoY, reaching SAR 8,316 mn, driven by a 15.4% YoY increase in LCC ASK.

Chart 61: Revenue to increase going forward



Source: Company financials, anbc research

Chart 62: LCC ASK by company's guidance (bn)

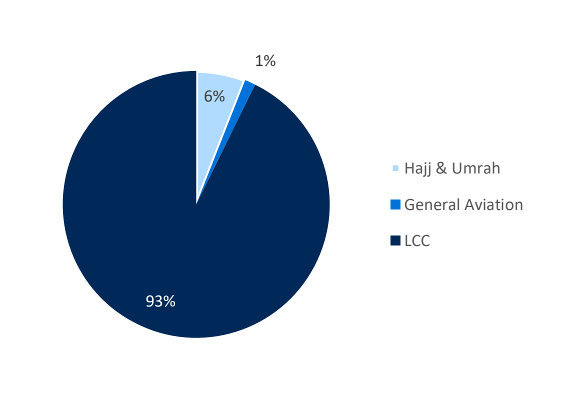


Source: Flynas Prospectus, anbc research

The Hajj and Umrah segment accounted for 11% of total revenue in 2024, with management guiding this share to decline to 8% in 2025e and gradually fall by 0.5–0.7 percentage points annually through 2029f. In 1H25, Hajj and Umrah revenue surged 41% YoY to SAR 518 mn, supported by the transport of 110,000 pilgrims, taking the segment's contribution to 13% of total revenue.

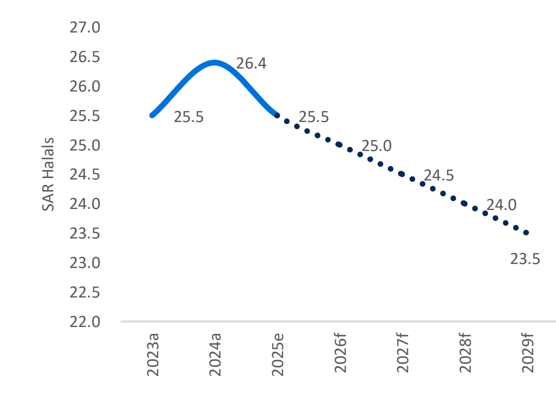
Meanwhile, the general aviation segment remains a minor contributor, representing 2% of revenue in 2024 and 1H25. Management expects its share to remain between 2–2.5% in 2025e, gradually declining by 0.3–0.4 percentage points per year to reach 1.3% by 2029f. Overall, Flynas's LCC operations will remain the core driver of growth, underpinned by expanding capacity, market share gains, and strategic network diversification.

Chart 63: Expected revenue share in 2029f



Source: Company financials, anbc research

Chart 64: Revenue per available seat km



Source: Flynas Prospectus, anbc research

EBITDA margins to settle at 32% in 2029f

Fuel remains one of the largest cost components in the airline industry, and Flynas's profitability is highly sensitive to changes in global oil prices. For 2025e, we assume an average Brent oil price of USD 69/bbl, down from USD 80/bbl in 2024, and a jet fuel cost of USD 88/bbl, implying a crack spread of USD 19/bbl. Looking ahead, Brent is projected to decline further to USD 62/bbl in 2026f. Based on our sensitivity analysis, a 5% increase in oil prices would reduce Flynas's 2026f EBITDA by 0.9%, and vice versa. The company is currently exploring fuel hedging options to take advantage of the recent decline in prices, although no formal hedging policy has been announced. Historically, Flynas has not hedged its fuel exposure.

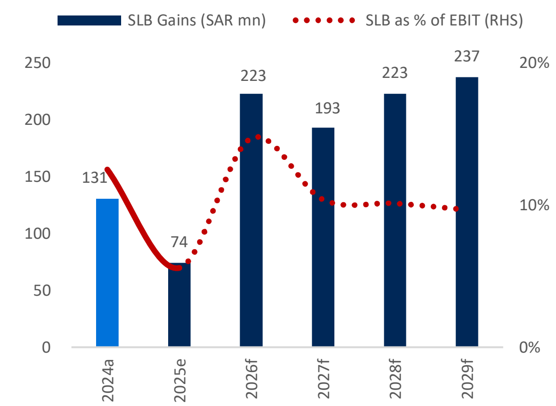
Another key driver of Flynas's profitability is the gain from sale and leaseback (SLB) transactions of newly delivered aircraft, which management includes in EBITDA, consistent with industry practice. We estimate SLB gains to account for around 10% of operating profit by 2029f. The contribution of SLB gain in operating income reduces going forward, due to company's plan to own 15% of its fleet. Currently, Flynas owns 3 aircraft.

Chart 65: EBITDA sensitivity to oil prices change

Oil price change	2026f EBITDA
-10% move in oil prices	1.8%
-5% move in oil prices	0.9%
-1% move in oil prices	0.2%
Current Base Case Scenario	
+1% move in oil prices	-0.2%
+5% move in oil prices	-0.9%
+10% move in oil prices	-1.8%

Source: Company financials, anbc research

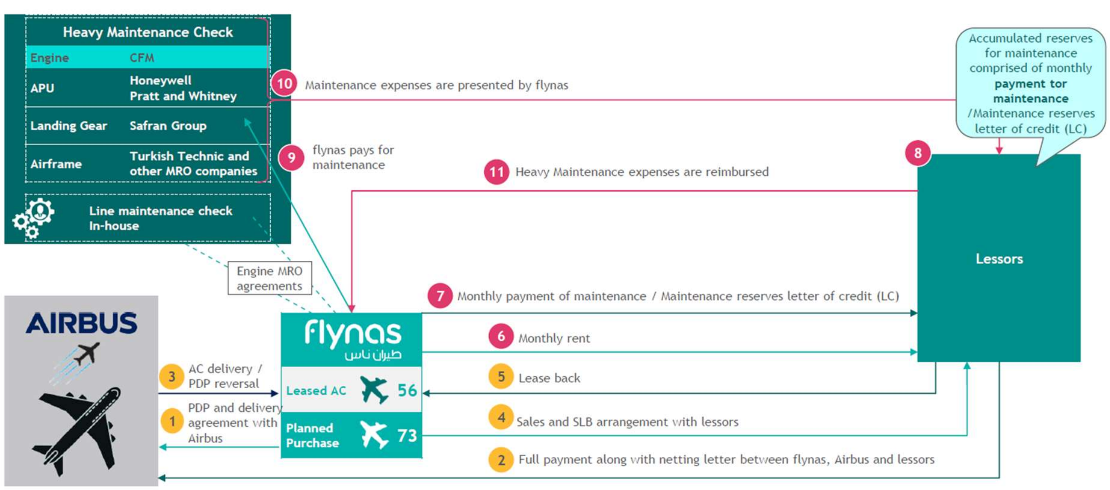
Chart 66: Earnings booked from SLB agreements



Source: Company financials, anbc research

Under the SLB structure, Flynas purchases aircraft from Airbus under pre-delivery payment (PDP) agreements that follow specific milestones. These payments are recognized as assets until the aircraft is delivered. Once the PDP is completed, Flynas sells the aircraft to lessors and leases them back for operational use, allowing the company to recover the full PDP amount and generate additional income through SLB gains. This arrangement provides Flynas with an efficient financing mechanism and liquidity flexibility while expanding its fleet base. The airline's main lessors include Lion Air, Avion, CMB, and Avilease.

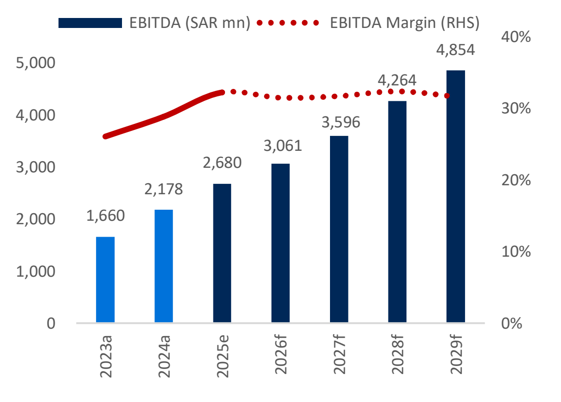
Chart 67: Sale and Leaseback Arrangements



Source: Company information, anbc research estimates

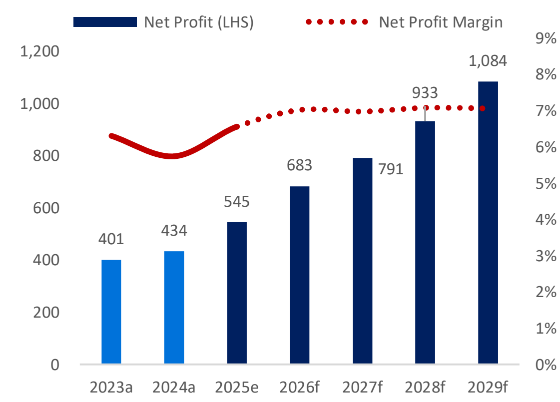
Overall, Flynas's EBITDA margin is expected to improve from 29% in 2024 to 32% by 2029f, supported by continued LCC growth, disciplined cost management, and incremental gains from SLB transactions. As a result, net profit is projected to grow at a 2024–2029f CAGR of 20%, reaching SAR 1,084 mn by 2029f, with net margins stabilizing at around 7%, in line with management guidance.

Chart 68: EBITDA margins expected to improve



Source: Company financials, anbc research

Chart 69: Net profit (SAR mn)



Source: Company financials, anbc research

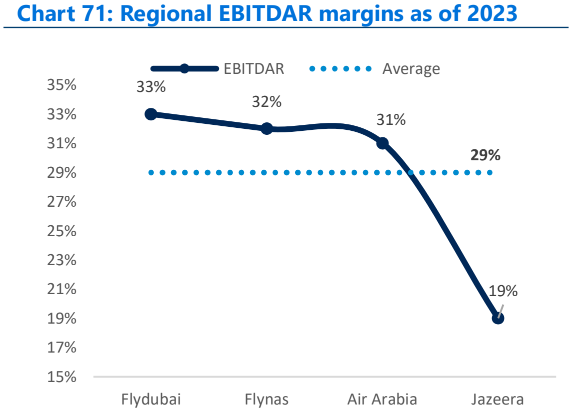
Competitive edge in regional and global LCC landscape

We believe Flynas holds a competitive advantage among regional low-cost, ultra-low-cost, and hybrid carriers (ULCCs). Within the region, Air Arabia, Salam Air, and Jazeera operate as LCCs, while Flyadeal is classified as a ULCC and Flydubai as a hybrid carrier. Excluding Salam Air and Flyadeal, Flynas recorded the second-highest EBITDAR margin at 32% in 2023, trailing only Flydubai.

Chart 70: Regional competitors

Source: Flynas Prospectus, anbc research

Chart 71: Regional EBITDAR margins as of 2023



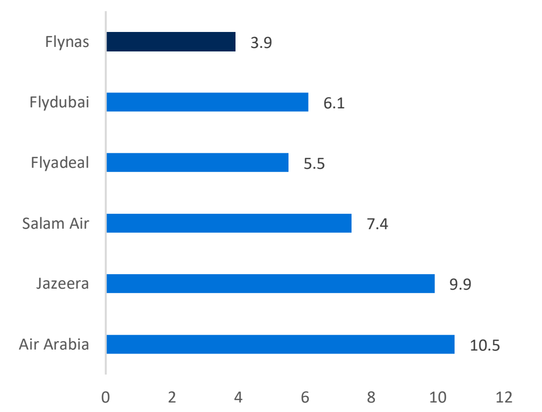
Source: Flynas Prospectus, anbc research

**EBITDAR excludes rental revenues*

*** Flynas data includes scheduled flights only*

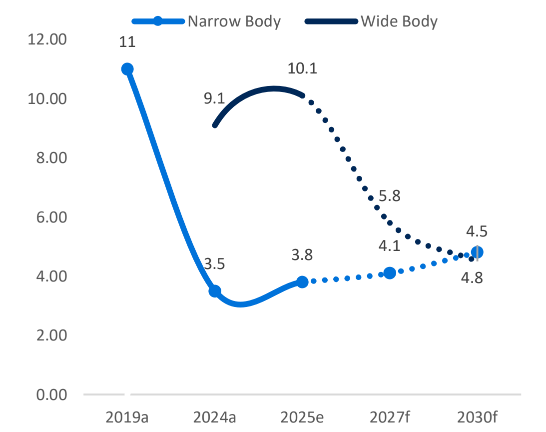
In addition to strong margins, Flynas holds the largest aircraft order book in the region and operates the youngest fleet, with an average age of 3.9 years as of Jun-25. Management expects the average age of narrow-body aircraft to reach 4.8 years and wide-body aircraft 4.5 years by 2030f.

Chart 72: Fleet age (years)



Source: Earnings Call, airfleets, anbc research

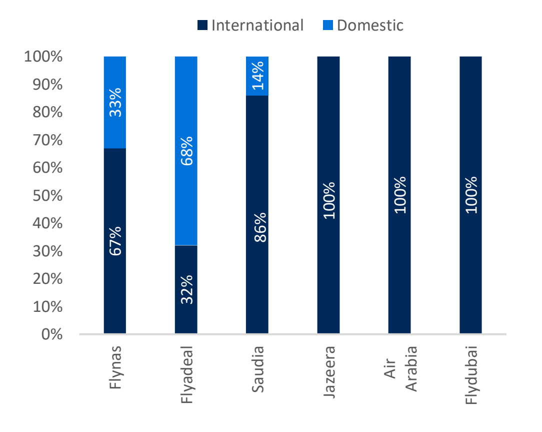
Chart 73: Flynas fleet age going forward (years)



Source: Earnings Call, anbc research

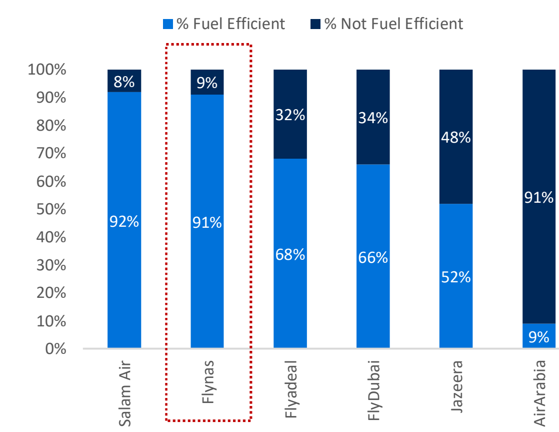
Flynas ranks second in fuel efficiency among regional carriers, just behind Salam Air, giving it a clear competitive edge. Flynas also benefits from a well-balanced ASK mix, with 33% domestic and 67% international. This contrasts with peers like Flydubai, Air Arabia, and Jazeera, which rely entirely on international ASKs, and Flyadeal, which is more domestically focused with 68% of its ASK in the local market. During 1H25, the Flynas's domestic presence strengthened, with domestic passengers accounting for 52% of total traffic.

Chart 74: Regional airlines ASK mix



Source: Prospectus, anbc research

Chart 75: Share of fuel-efficient aircrafts in fleet



Source: Prospectus, anbc research

Moreover, Flynas has developed a mature product offering which includes services and strategies for maximizing its RASK. It uses a sophisticated, AI-based pricing system and charges for ancillary services such as seat selection, checked baggage, meals, airport lounges, and premium check-in.

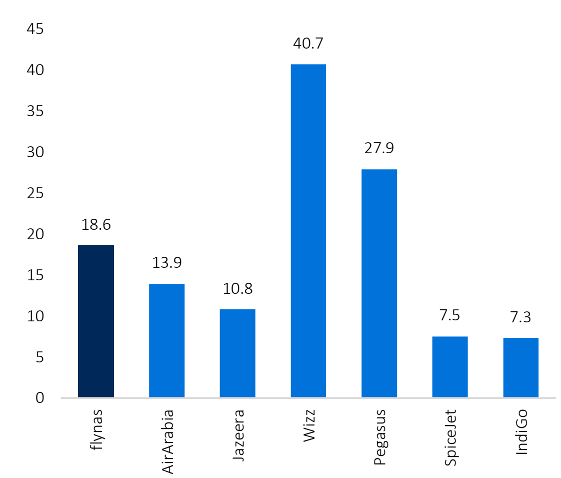
Flynas as a differentiated and wide ancillary offering compared to its peers

	Flynas	Flyadeal	Jazeera	AirArabia	SalamAir	Flydubai
Checked baggage	Available	Available	Available	Available	Available	Available
Seat selection	Available	Available	Included in base fare	Available	Available	Available
Meals	Available	Available	Available	Available	Available	Available
Cancellation, Change, Insurance	Available	Available	Available	Available	Available	Available
Lounge	Available	Unavailable	Available	Unavailable	Unavailable	Unavailable
Airport check-in	Available	Available	Included in base fare	Included in base fare	Included in base fare	Included in base fare
Priority Offering	Available	Unavailable	Unavailable	Unavailable	Unavailable	Available
Hotels/ Rental cars	Available	Available	Available	Available	Unavailable	Available
Holiday packages	Available	Unavailable	Available	Available	Unavailable	Available

Source: Company information, Kearney analysis, anbc research

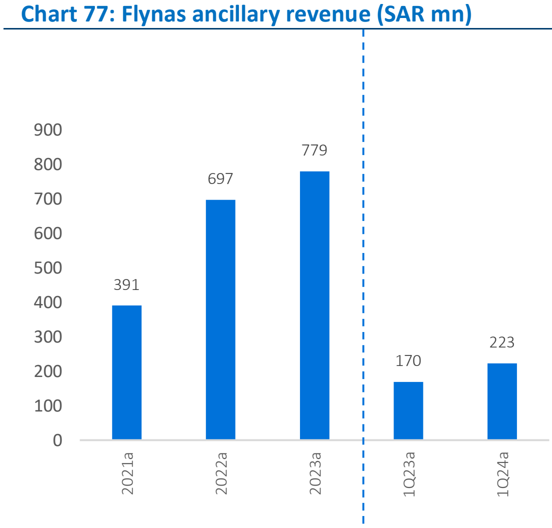
Flynas has the highest ancillary revenue passenger when compared to other MENA LCCs. In 2023, it had ancillary revenues of USD 18.6 per passenger (which translates into SAR 779 mn for the full year). Ancillary revenues increased by 32% YoY in 1Q24. The management is also planning to offer additional services such as holiday packages, hotels, rental cars as a part of its booking package. This strategy can help Flynas capture a greater portion of the spending by travelers.

Chart 76: Ancillary revenue (USD/PAX)



Source: Company information, Kearney analysis, anbc research

Chart 77: Flynas ancillary revenue (SAR mn)



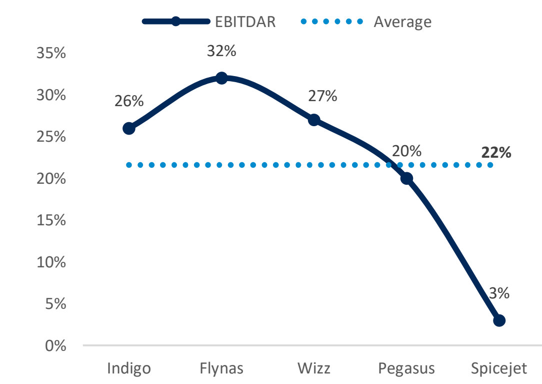
Source: Company information, Kearney analysis, anbc research

Among global LCC and ULCCs, we believe Flynas holds a strong competitive position. Globally, carriers such as IndiGo, SpiceJet, and Pegasus fall under the LCC category, while Wizz Air operates as a ULCC. In comparison, Flynas recorded the highest EBITDAR margin among these players at 32% in 2023, outperforming the average of 22%.

Chart 78: Global competitors

Source: Prospectus, anbc research

Chart 79: Global players EBITDAR margins of 2023

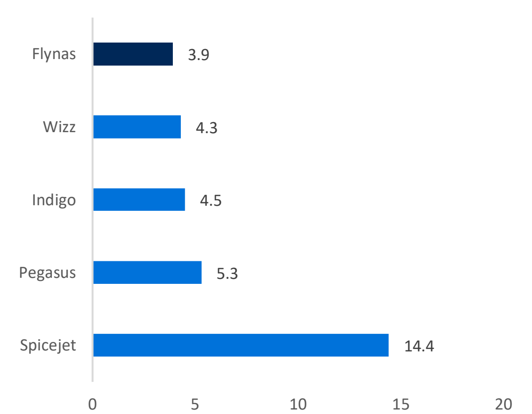


Source: Prospectus, anbc research

** Flynas data includes scheduled flights only*

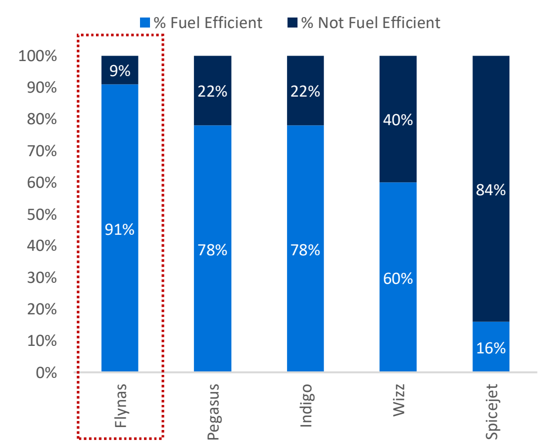
Alongside strong margins, Flynas operates the youngest fleet among global peers, with an average age of 3.9 years as of Jun-25. It also leads in fuel efficiency, further strengthening its competitive position.

Chart 80: Fleet age (years)



Source: Earnings presentation, airfleet, anbc research

Chart 81: Share of fuel-efficient aircrafts in fleet



Source: Prospectus, anbc research

Valuation

We initiate coverage on Flynas with an Overweight rating and a target price of SAR 93.4/share. Our valuation is derived using an equal-weighted blend of the EV/EBITDA relative valuation and the DCF approach.

Under the relative valuation method, we apply an EV/EBITDA multiple of 7.2x, based on the trading multiples of comparable low-cost carriers (LCCs) in both developed and emerging markets, as well as tourism-linked stocks listed on the Tadawul. We assign a 45% weighting to global LCC peers and a 10% weighting to Saudi tourism-related companies to reflect the rapid expansion of the Kingdom's tourism sector.

Currently, LCCs in developed markets trade at an average forward EV/EBITDA multiple of 5.9x, while emerging market peers trade around 7.3x. In comparison, Saudi tourism-linked companies command a higher average multiple of 12.3x. Based on these parameters, we derive a blended target multiple of 7.2x. Applying this multiple to our 2026f EBITDA forecast of SAR 3,061 mn and adjusting for net debt of SAR 5,970 mn, we arrive at an target price of SAR 93.8/share.

EV/EBITDA target multiple estimate

	Weights	Multiple (x)
Developed Countries	45%	5.9
Developing Countries	45%	7.3
Saudi Tourism Stocks	10%	12.3
Weighted Average Multiple		**7.2**

Source: anbc research

Target price

EBITDA 2026f (SAR mn)	3,061
Target Multiple (x)	**7.2**
Enterprise Value (SAR mn)	21,999
Net Debt (SAR mn)	5,970
Equity Value (SAR mn)	16,029
No. of Shares (mn)	171
Target Price	**93.8**

Source: anbc research

For our DCF valuation, we use the FCFF approach, incorporating a terminal growth rate of 2.5% and a WACC of 10.2%. Leading us to an enterprise value SAR 21,847 mn, after adjusting for net debt, we derive a target price of SAR 92.9/share.

Valuation Table:

SAR MN	2027f	2028f	2029f	2030f	2031f
FCFF	(434)	998	1,928	2,330	2,080
Terminal Value					27,789
FCFF + Terminal	(434)	998	1,928	2,330	29,868
Discounted FCFF	**(394)**	**822**	**1,441**	**1,581**	**18,397**

Enterprise Value	21,847
Cash	3.409
Debt	(9,379)
Equity Value	15,877
Target Price	**92.9**

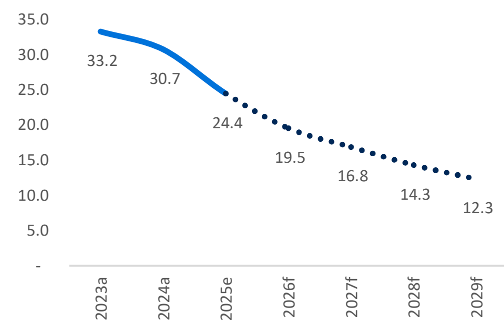
To derive the blended target price for Flynas, we have assigned equal weights (50% each) to both the approaches yielding a target price of SAR 93.4/share. Based on our blended target price, we have an 'Overweight' rating on the stock, with an upside potential of 19.7%, from the current levels. Currently, Flynas is trading at a 2026f P/E of 19.5x, depicting a significant discount from its three-year historic P/E of 29.5x. Similarly, the 2026f P/BV of 3.2, remains at a discount to its three-year historic ratio of 7.6x.

Blended target price

	Weights	Price (SAR/sh)
EV/EBITDA	50%	93.9
FCFF Valuation	50%	92.9
Weighted Average Price		**93.4**

Source: anbc research

Chart 82: Forward P/E



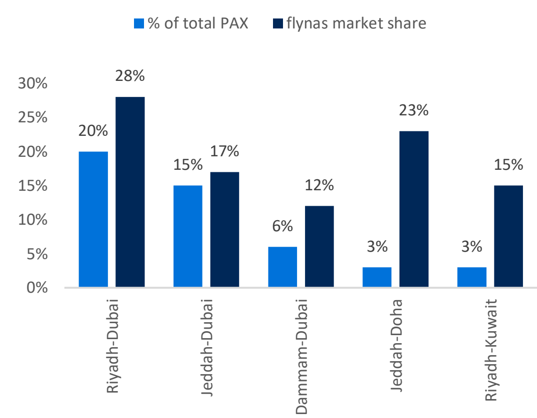
Source: anbc research

Flynas Company Overview

Flynas is the leading LCC in MENA, based in Saudia Arabia. It started its operations in 2007 as Saudi Arabia's first low-cost carrier as NAS Air with an all-dry-lease fleet. It was rebranded as Flynas in 2013. The company's operations include passenger flights, cargo handling, repairing transport equipment, and travel agencies, tour operators, and other support services for air travel.

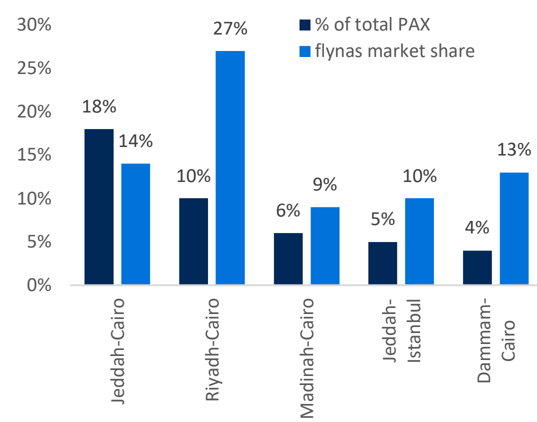
The airline operates 146 routes to over 74 domestic and international destinations across 34 countries, with more than 2,000 weekly flights. Since its launch in 2007, Flynas has transported over 80 mn passengers. As part of its growth and expansion strategy, and in alignment with the goals of Vision 2030, the company aims to increase its network to 350 routes between 160 points across 55 countries by 2030f. Flynas served 3.6 mn passengers in 2Q25, up 3% YoY.

Chart 83: Top LCC on 5 busiest KSA-GCC routes (2023)



Source: Kearney analysis, anbc research

Chart 84: Leading KSA connectivity with MENA (2023)



Source: Kearney analysis, anbc research

Business Segments:

The company's business model is based on three revenue segments:

Low-Cost Carrier (LCC)

The Flynas Low-Cost Carrier (LCC) segment comprises the company's core scheduled passenger services operated under a low-cost model, serving domestic and international routes on a pre-published schedule. In 1H25 LCC revenues accounted for 85% of total revenues.

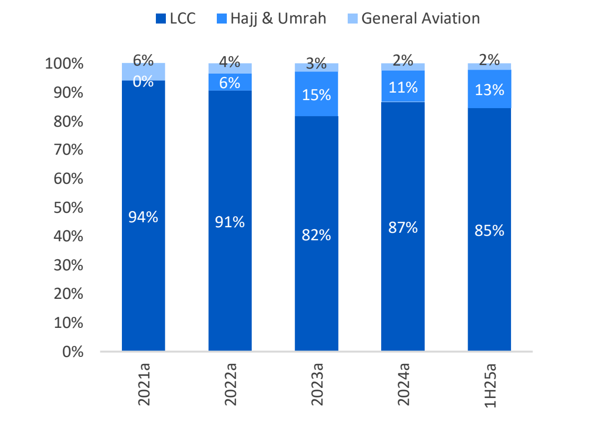
Hajj and Umrah

The Flynas Hajj and Umrah segment includes mainly non-scheduled flight operations that cater to religious pilgrims traveling to the Kingdom, concentrated around seasonal peaks. This is usually operated using short-term wide-body leases due to the seasonal nature of the business. In 1H25, the segment contributed to 13% of total revenue.

General Aviation Services

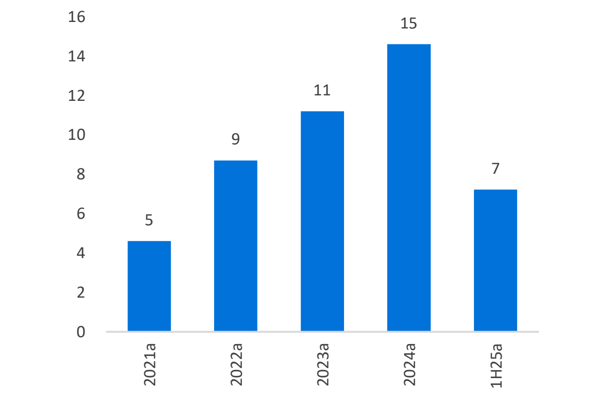
The Flynas General Aviation segment includes services offered to aircraft management clients, including crew and maintenance support and charter flight operations. In 1H25 the segment contributed to 2% of total revenue.

Chart 85: Revenue mix



Source: Company financials, anbc research

Chart 86: Total passengers (mn)



Source: Earnings call, Flynas prospectus, anbc research

Flynas currently operates from four main bases: Riyadh, Jeddah, Medina, and Dammam. The planned expansion of these airports will further provide support to the company's growth trajectory.

Company's expected base capacity growth

Existing/Planned operations base	2023 capacity (mn passenger)	2030f capacity (mn passenger)
KKIA in Riyad	36	150
KAIA in Jeddah	36	135
KFIA in Dammam	13	20
PMIA in Medina	9	16

Source: Flynas Prospectus, anbc research

Code share & interline agreement

The company has also partnered with other airlines through codeshare and interline agreements, expanding its network to 126 international destinations. Codeshare agreements allow each partner to sell tickets on the other's flights without operating them, while interline agreements enable carriers to cooperate by operating different legs of a passenger's journey under a single itinerary.

Chart 87: Interline partners

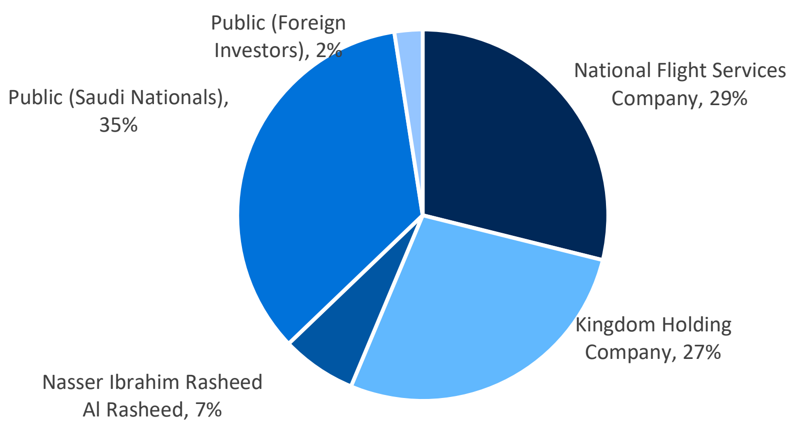
Source: Flynas Prospectus, anbc research

Chart 88: Codeshare partners

Airline	Base	Tenor
PEGASUS AIRLINES	Abu Dhabi	Since 2012
ETHIOPIAN AIRLINES	Istanbul	Since 2015
الاتحاد ETIHAD AIRWAYS	Addis Ababa	Since 2020

Source: Flynas Prospectus, anbc research

Shareholding pattern:



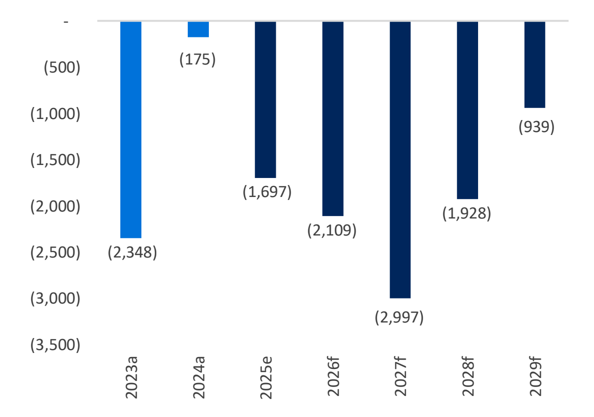
Source: Prospectus, Tadawul, anbc research

History of FLYNAS:

Year	Event
1999	•NAS Holding was established
2007	•NAS Holding awared the first Saudi Air Operator Certificate by GACA to start scheduled flights as a low-cost carrier unde rthe "NasAir" brand
2010	•NAS Holding established the company as a subsidiary
2013	•The Company rebranded from "NarAir" to "flynas".
2015	•Transfer of GACA Air Operator certificate from NAS Holding to the Company
2016	•An aircraft purchase agreement was signed with Airbus for 120 Airbus A320neo aircrafts, including a purchase option for 40 aircrafts
2017	•The company converted into a closed joint stock company
2018	•The Company recieved the first delivery of A320neo aircraft
2019	•Exercised the purchase option for 10 Airbus A321XLR aircrafts (as alternatives to the A320 aircraft) pursuant to the Airbus Purchase Agreement
2020	•CFM agreement signed for LEAP-1A engines maintenance.
2022	•Syndicated facility agreement was signed with 4 banks for SAR 2.25 bn
2023	•Exercised the purchase option for 30 aircrafts. Carried over 10 mn passengers. Carried over 100K Hajj pilgrims, for the first time since the COVID-19 pandemic. Received 19 A320neo aircrafts.
2024	•Received 6 A320neo aircrafts. Entered into a new agreement with Airbus to purchase 30 wide body aircraft Signed an amendment to the Airbus Aircraft Purchase Agreement, bringing the total number of firm aircraft purchase orders to 195 aircraft.
2025	•In 1H25, Flynas launched 15 new routes and 7 destinations across 6 countries. Flynas has expanded its total fleet size to 68, with plans to take it to 69 by year end.

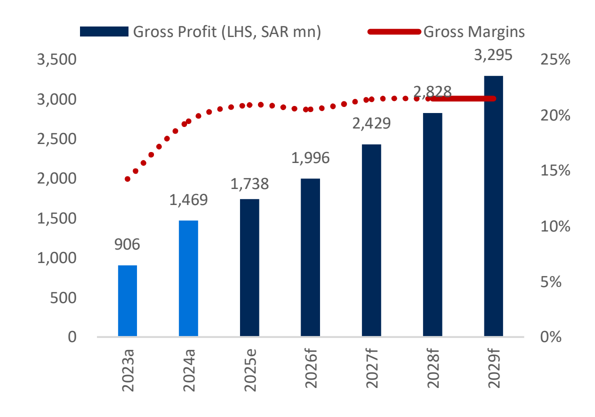
Flynas's chart bank:

Chart 89: Free Cash flow generation, (SAR mn)



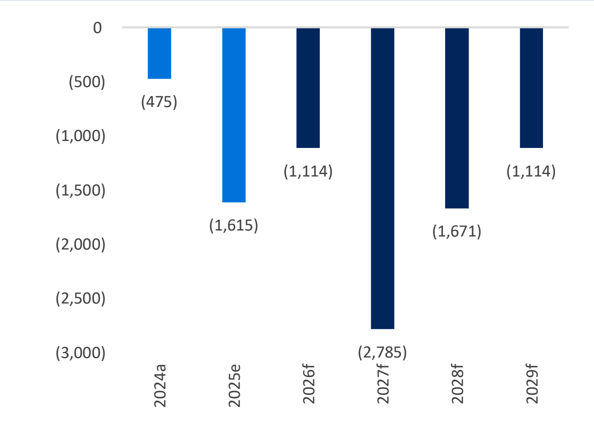
Source: Company financials, anbc research

Chart 90: GM to settle around 21%



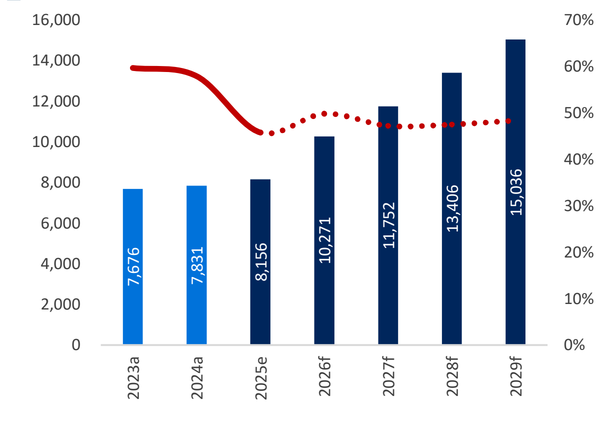
Source: Company financials, anbc research

Chart 91: Capex cash outflows, (SAR mn)



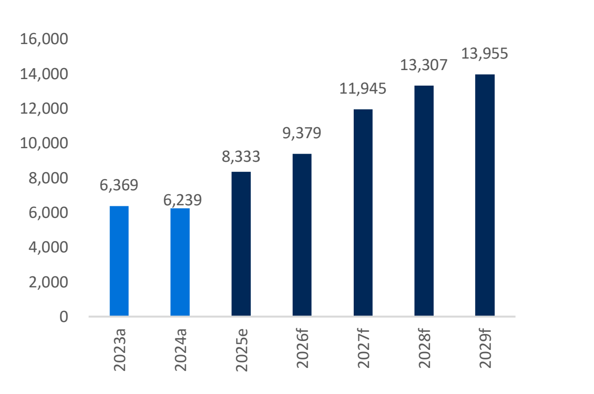
Source: Company financials, anbc research

Chart 92: RoU assets



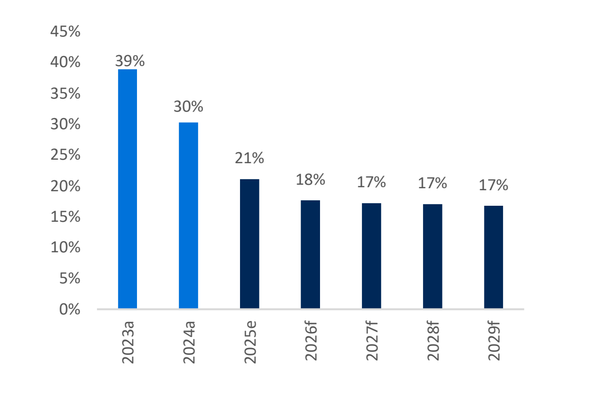
Source: Company financials, anbc research

Chart 93: Total Debt



Source: Company financials, anbc research

Chart 94: ROE to settle at 17%



Source: Company financials, anbc research

Financial Summary

Income statement (SAR mn)	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**	**CAGR 2024-2029f**
Revenue	6,362	7,556	8,316	9,726	11,342	13,171	15,343	15%
Cost of Revenue	(5,456)	(6,087)	(6,577)	(7,731)	(8,913)	(10,344)	(12,048)	15%
Gross Profit	**906**	**1,469**	**1,738**	**1,996**	**2,429**	**2,828**	**3,295**	**18%**
SLB Gain/Loss	283	131	74	223	193	223	237	13%
Operating Expenses	(320)	(554)	(484)	(702)	(762)	(856)	(1,123)	15%
EBIT	**869**	**1,046**	**1,329**	**1,516**	**1,860**	**2,194**	**2,409**	**18%**
Dep & Amort	791	1132	1351	1546	1736	2070	2445	17%
EBIDTA	**1,660**	**2,178**	**2,680**	**3,061**	**3,596**	**4,264**	**4,854**	**17%**
Net Finance Cost	(451)	(588)	(750)	(804)	(1,035)	(1,222)	(1,279)	17%
Profit Before Tax	**418**	**457**	**578**	**712**	**825**	**972**	**1,130**	**20%**
Zakat Expense	(17)	(23)	(33)	(29)	(34)	(40)	(46)	15%
PAT	**401**	**434**	**545**	**683**	**791**	**933**	**1,084**	**20%**
Number of Share	171	171	171	171	171	171	171	
EPS	2.35	2.54	3.19	4.00	4.63	5.46	6.34	
Balance Sheet	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**	**2024-2029f**
Property and equipment	1,168	1,537	3,186	4,180	6,824	8,331	9,178	43%
Right to use asset	7,676	7,831	8,156	10,271	11,752	13,406	15,036	14%
Others	55	38	38	47	55	64	74	15%
Intangible asset	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0%
Non-current assets	**10,899**	**11,406**	**13,380**	**16,497**	**20,631**	**23,801**	**26,288**	**18%**
Trade receivables	300	239	306	353	410	549	639	22%
Cash and Cash equivalents	1,450	1,700	3,762	3,352	3,375	3,333	3,540	16%
Others	215	185	380	430	491	561	644	28%
Current Asset	**1,965**	**2,124**	**4,448**	**4,135**	**4,276**	**4,442**	**4,823**	**18%**
Total Assets	**12,864**	**13,530**	**17,827**	**20,632**	**24,907**	**28,243**	**31,112**	**18%**
Share capital	1,534	1,534	1,709	1,709	1,709	1,709	1,709	2%
Share Premium	0	0	1,191	1,191	1,191	1,191	1,191	-
Retain earnings	(308)	109	634	1,317	2,108	3,041	4,125	107%
Total Equity	**1,226**	**1,643**	**3,533**	**4,216**	**5,008**	**5,940**	**7,024**	**34%**
Loan and borrowings	425	101	1,128	803	1,512	1,209	896	55%
Lease liabilities	4,984	5,306	5,808	7,321	8,501	9,826	11,067	16%
Aircraft Related Provisions	2,667	3,099	3,389	3,985	4,399	4,877	5,331	11%
Others	356	268	384	472	582	709	864	26%
Non-current Liabilities	**8,432**	**8,773**	**10,709**	**12,582**	**14,995**	**16,620**	**18,157**	**16%**
Trade payables	1,754	1,558	1,644	1,945	2,257	2,602	3,030	14%
Lease liabilities	541	508	472	595	691	799	900	12%
Others	911	1,047	1,469	1,293	1,956	2,282	2,000	14%
Current Liabilities	**3,206**	**3,113**	**3,585**	**3,834**	**4,904**	**5,683**	**5,930**	**14%**
Total liabilities & Equity	**12,864**	**13,530**	**17,827**	**20,632**	**24,906**	**28,243**	**31,111**	**18%**

Source: Company financials, anbc research

Valuation Ratios	2023a	2024a	2025e	2026f	2027f	2028f	2029f
EPS (SAR)	2.3	2.5	3.2	4.0	4.6	5.5	6.3
DPS (SAR)	-	-	-	-	-	-	-
BVPS (SAR)	7.2	9.6	20.7	24.7	29.3	34.8	41.1
PER (x)	33.2	30.7	24.4	19.5	16.8	14.3	12.3
DY (%)	-	-	-	-	-	-	-
PBV (x)	10.9	8.1	3.8	3.2	2.7	2.2	1.9
EV/Sales (x)	2.9	2.4	2.1	2.0	1.9	1.8	1.5
Price/Sales (x)	2.1	1.8	1.6	1.4	1.2	1.0	0.9
EV/EBITDA (x)	11.0	8.2	6.7	6.3	6.1	5.5	4.9
Price/CF (x)	11.0	9.1	8.2	5.2	4.6	4.0	3.3
EV/Gross Profit (x)	20.1	12.1	10.3	9.7	9.0	8.2	7.2
Margins	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Gross Margins	14.2%	19.4%	20.9%	20.5%	21.4%	21.5%	21.5%
EBITDA Margins	26.1%	28.8%	32.2%	31.5%	31.7%	32.4%	31.6%
Operating Margins	13.7%	13.8%	16.0%	15.6%	16.4%	16.7%	15.7%
Pretax Margins	6.6%	6.1%	7.0%	7.3%	7.3%	7.4%	7.4%
Net Margins	6.3%	5.7%	6.6%	7.0%	7.0%	7.1%	7.1%
Returns	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
ROA	3.6%	3.3%	3.5%	3.6%	3.5%	3.5%	3.7%
ROTA	7.7%	7.9%	8.5%	7.9%	8.2%	8.3%	8.1%
ROE	38.8%	30.3%	21.1%	17.6%	17.2%	17.0%	16.7%
Health Ratios	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Cash/share	8.8	10.3	22.3	20.0	20.1	19.8	21.0
Cash as a % of Market Cap	11.3%	13.2%	28.7%	25.6%	25.7%	25.4%	27.0%
Debt to Asset	49.5%	46.1%	46.7%	45.5%	48.0%	47.1%	44.9%
Debt to Equity	519.5%	379.7%	235.8%	222.4%	238.5%	224.0%	198.7%
Debt to Capital	83.9%	79.2%	70.2%	69.0%	70.5%	69.1%	66.5%
EBIT/ Interest (x)	1.7	1.5	1.6	1.7	1.7	1.7	1.8
Activity Ratio	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Current Ratio	0.6	0.6	1.2	0.8	0.8	0.7	0.8
Days Sales Outstanding	17.2	11.5	13.4	13.2	13.2	15.2	15.2
Days Sales in Inventory	-	-	-	-	-	-	-
Days Payable Outstanding	8.3	-	3.8	3.7	3.9	3.9	3.9
Cash Conversion Cycle	8.9	11.5	9.6	9.5	9.3	11.3	11.3
Growth Ratios	**2023a**	**2024a**	**2025e**	**2026f**	**2027f**	**2028f**	**2029f**
Revenue Growth	32.3%	18.8%	11.2%	16.6%	16.6%	16.5%	16.5%
Gross Profit Growth	52.0%	62.2%	3.0%	14.0%	21.4%	17.0%	14.1%
EBITDA Growth	51.3%	31.1%	17.0%	17.5%	22.8%	16.0%	13.7%
Operating Profit Growth	96.2%	20.3%	27.0%	14.1%	22.7%	18.0%	9.8%
Pretax Profit Growth	134.8%	9.4%	26.4%	23.1%	15.9%	17.8%	16.2%
Net Profit Growth	133.1%	8.3%	25.6%	25.2%	15.9%	17.9%	16.2%

Source: Company financials, anbc research

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