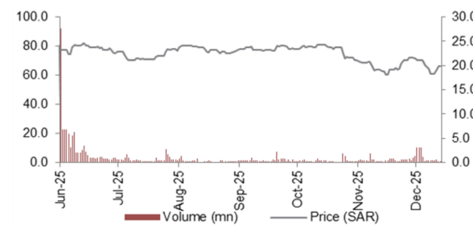
Flynas Company

BUY

Sector : Airlines

8 January 2026

Target price (SAR)	**72.84**
Current price (SAR)	62.90
Return	**15.80%**



Exchange	Saudi Arabia
Index weight (%)	0.2%

(mn)	SAR	USD
Market Cap	10,747	2,866
Enterprise value	16,017	4,271

Major shareholders	
National Aviation Se	27.7%
Kingdom Holding Co	27.4%
Al Kholi Hamza Bin B	1.8%
Others	43.0%

Valuation Summary	
PER TTM (x)	NA
P/Book (x)	3.2
EV/EBITDA (x)	6.2
Dividend Yield (%)	NA
Free Float (%)	43%
Shares O/S (mn)	171
YTD Return (%)	NA
Beta	0.8

Key ratios	2022	2023	2024
EPS (SAR)	1.12	2.62	2.83
BVPS (SAR)	5.47	7.99	10.71
DPS (SAR)	0.00	0.00	0.00
Payout ratio (%)	0%	0%	0%

Price performance (%)	1M	3M	12M
Flynas Co SJSC	5%	-14%	NA
Tadawul All Share Index	-1%	-9%	-13%

52 week	High	Low	CTL*
Price (SAR)	84.10	60.25	9.5

* CTL is % change in CMP to 52wk low

Flynas is Saudi Arabia's pioneering low-cost airline and the country's largest independent carrier. It was launched in 2007 under National Aviation Services Company (NAS Holding) and was subsequently listed on the Saudi Exchange through an IPO in June 2025. The company operates across three key segments, namely, low-cost carriers (LCC), Hajj & Umrah, and general aviation. Flynas currently operates from four bases in Riyadh, Jeddah, Madinah, and Dammam and carried over 11.5mn passengers as of 9M25. It operates a fleet of 68 aircrafts and serves 77 destinations.

Expansion to drive next phase of growth: Flynas expects its fleet to expand to 167 aircraft (c.68) and aims to connect 160 destinations (c.77) by 2030. It has placed the largest aircraft orderbook among regional peers, with 220 aircrafts on order, further strengthening its market position and enhancing its ability to capture significant sector growth both regionally and internationally. In addition, through codeshare and interline partnerships with leading airlines, Flynas provides access to 126 international destinations beyond its own network and generates ancillary revenues. The company also plans to expand by establishing additional operational bases in high-catchment areas, with the objective of covering more than 80% of the Kingdom's population by 2030. The Hajj & Umrah segment caters to religious pilgrim travel, while the general aviation segment provides aircraft management and charter flight services, together offering diversified revenue streams.

Long-term structural drivers create a compelling story for Flynas: Saudi Arabia, the GCC's largest economy, is undergoing rapid economic and demographic transformation that strongly supports aviation growth. Diversification has reduced oil dependence, increased household incomes, and boosted air travel demand. The country has an attractive demographic profile of young, internationally mobile population which underpins sustained demand for domestic and international travel. Further, globally aviation growth is increasingly led by low-cost carriers, a trend mirrored in the Kingdom. Under Vision 2030, massive investments in airports, tourism, and connectivity aim to reach 330mn passengers by 2030, positioning Flynas to benefit significantly as the country's leading low-cost carrier.

Valuation: Flynas benefits from a scalable, cost-efficient business model, expanding fleet, and growing exposure to both domestic and regional international routes. With LCC penetration expected to increase materially and Flynas well placed to capture a significant share of the incremental passenger growth, earnings visibility remains strong. We expect revenue to grow at a CAGR of 13.7% (2024-29e), while net profit is projected to grow at a CAGR of 19.9% over the same period. Flynas also merits premium valuation as the only listed airline in the high growth Saudi market compared to regional peers. We value the company using a combination of DCF and P/E multiples to arrive at a blended target price of SAR 72.84 per share. This implies an upside of 15.8%% from current levels. We therefore initiate coverage on Flynas with a BUY rating.

KSA's largest independent LCC with a wide international network

Flynas leads affordable air travel in KSA

Flynas is a prominent low-cost airline in the Kingdom of Saudi Arabia and also one of the largest independent carrier by both passenger volume and revenue. Established in 2007 as a business unit within the National Aviation Services Company (NAS Holding), Flynas was the first low-cost airline in the Kingdom and has since achieved rapid growth by successfully implementing a cost-efficient model tailored to the Saudi market. The airline operates an extensive domestic and international network, including dedicated services for Hajj and Umrah pilgrims. Flynas aims to play a pivotal role in developing the Kingdom's aviation sector through close collaboration with key stakeholders such as GACA, Matarat Holding Company, airports, service providers, and relevant government ministries to ensure efficient and well-coordinated expansion. The company maintains operational bases in Riyadh, Jeddah, Madinah, and Dammam, serving destinations across the GCC, Middle East, Africa, Europe, Central Asia, and the Indian subcontinent. Flynas serves individual passengers, tour groups, corporate clients, government entities, and private aircraft owners. The company derives revenue from three primary business segments, namely-Low-Cost Carrier (LCC), Hajj & Umrah, and General Aviation. Its LCC segment remains core, contributing 88% of total revenue. As of 9M25, Flynas operates a predominantly narrow-body fleet of 68 aircrafts, serving 150 routes to 77 destinations across 36 countries.

Flynas operates 150 routes, 77 destinations and across 36 countries making it one of the largest LCCs in the region

Source: Company report, US research

Codeshare and interline alliances extend global reach…

Flynas also enhances its network through strategic codeshare and interline partnerships with other airlines, enabling access to 126 international destinations beyond its own network across Europe, Africa, and Asia. These arrangements expand route options, improve connectivity, and offer competitive schedules and pricing, supporting overall network growth. Under codeshare agreements, the company acts as an agent, selling tickets on partner-operated flights and recognizing a predefined net margin per mile flown. In addition, the company generates commission income through partnerships with hotels, car rental providers, duty-free retailers, insurance companies, and other travel-related services.

Virtual interlining unlocks new markets…

Furthermore, the Company is exploring virtual interlining opportunities to expand its global sales reach. Virtual interlining enables the combination of flights operated by airlines without formal interline or codeshare agreements, offering passengers a wider range of connecting options. This allows the airlines to access new customer segments and extend their effective route network without entering into traditional partnership arrangements.

Integrated connectivity via airline partnerships…

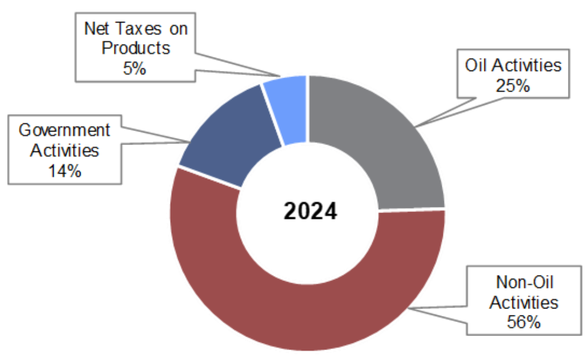
Flynas has codeshare partnerships with Etihad Airways, Pegasus Airlines, and Ethiopian Airlines, allowing partner carriers to sell tickets on each other's flights without operating the services. In addition, the Company maintains interline agreements with Saudia, Turkish Airlines, Philippine Airlines, Pakistan International Airlines, EgyptAir, Emirates, and Uzbekistan Airways, enabling carriers to jointly serve passengers by operating different legs of a single itinerary.

Strong secular growth prospects supported by favorable macro and demographic trend

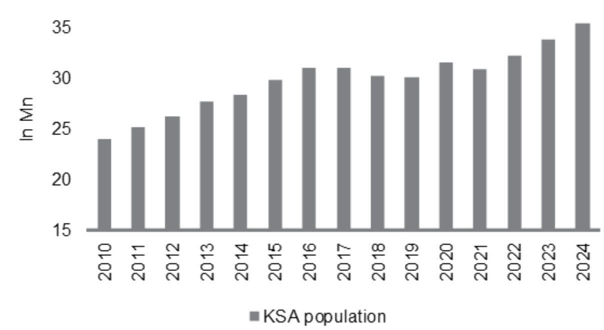
Saudi GDP growth of 3.5% ahead of the world average…

The Kingdom of Saudi Arabia is the largest economy in the GCC, with a GDP of SAR 4.6 trillion in 2024. The economy is projected to grow at a 3.5% CAGR through 2030, compared with an estimated 2.2% growth rate for the rest of the world. Historically, the oil sector was the largest contributor to the national economy, accounting for around 50% of GDP in 2011. However, sustained diversification efforts have significantly reshaped the economic structure with the non-oil sector accounting for the majority share at 56% of GDP in 2024, while oil contributes 25%. In parallel, the proportion of mid- to high-income households increased from 45% of the population in 2018 to 56% in 2023, a trend that has supported stronger spending on air travel.

KSA shifts away from oil dependence



Consistent growth in population over time

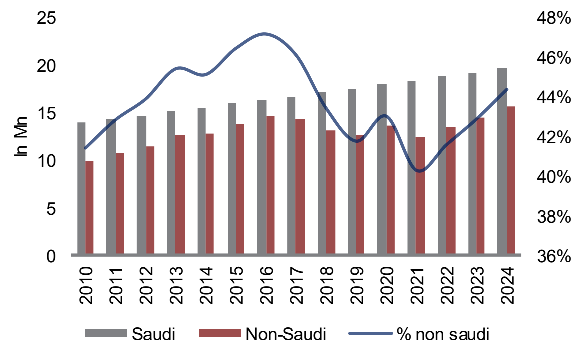


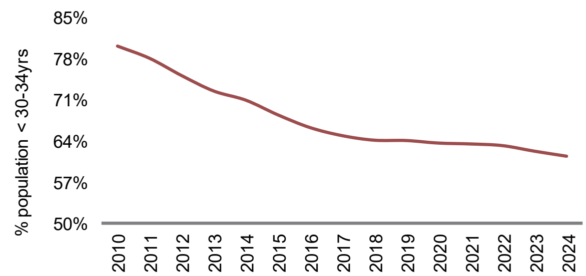
Source: Company report, US research

44% expat population fuels short haul LCC travel demand…

Spanning over 2.1mn square kilometers, KSA is also the largest country in the GCC and has the region's highest population at 35.3mn in 2024, representing about 58% of the total GCC population. The Kingdom is expected to maintain stronger population growth than its regional peers, increasing its share to around 62% by 2030, which should support sustained growth in domestic travel demand. Over 44% of residents are non-Saudis, mainly from the Indian subcontinent and Middle Eastern countries, contributing to short haul international travel demand. Besides, KSA has a young population, with over 61% aged 34 yrs or below, concentrated largely in the Riyadh and Makkah regions, served by the country's primary international airports.

LCC demand in Saudi is driven by the significant expat population(c.44%) along with affluent young Saudis (c61%)



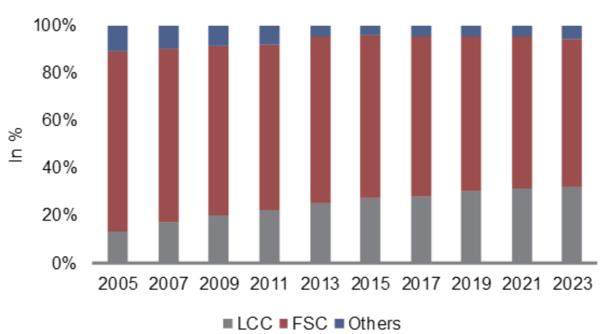


Source: Company report, US research

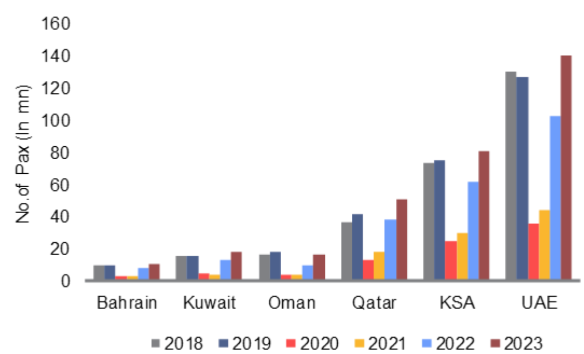
LCCs continue to gain global market share…

The global aviation sector continues to grow despite recurring global shocks. Global PAX is projected to increase at a CAGR of 4.9%, reaching nearly 5.75bn passengers by 2030. Growth is led by Asia-Pacific, with an average annual growth rate of 6.5%, while the Middle East is expected to grow at 3.8%. The industry is clearly shifting from full-service carriers (FSCs) towards low-cost carriers (LCCs), whose market penetration share rose from 13% in 2005 to 32% in 2023. Expanding into medium- and long-haul routes, LCCs are increasingly challenging legacy carriers.

LCCs outpace FSC growth globally



Saudi Arabia ranks second in GCC PAX volumes



Source: Company report, US research

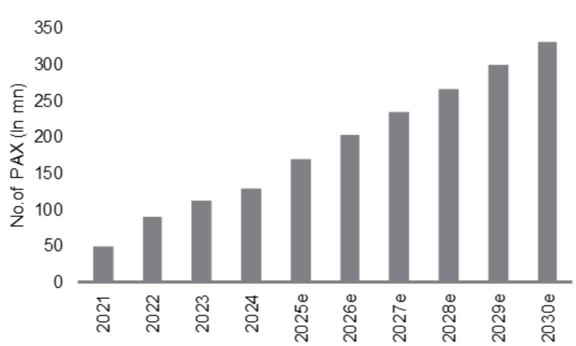
Large-scale airport investments underway…

KSA has emerged as the second-largest contributor to GCC passenger traffic, supported by a nationwide airport network serving major cities and tourism hubs. The Kingdom operates 29 commercial airports, including 12 international, three regional, and 14 domestic facilities, indicating strong potential for further international growth. Under Vision 2030 and the Saudi Aviation Strategy, multiple expansion projects are underway. In 2019 launch of Jeddah's King Abdulaziz International Airport added 30mn passengers annually, with Phase 2 raising capacity to 80mn by 2035. Additionally, a new King Salman International Airport is planned in Riyadh, targeting a capacity of 120mn PAX by 2030 and 185mn by 2050. Besides, several airports are being developed in the new giga-projects, including NEOM International Airport and the Red Sea International Airport.

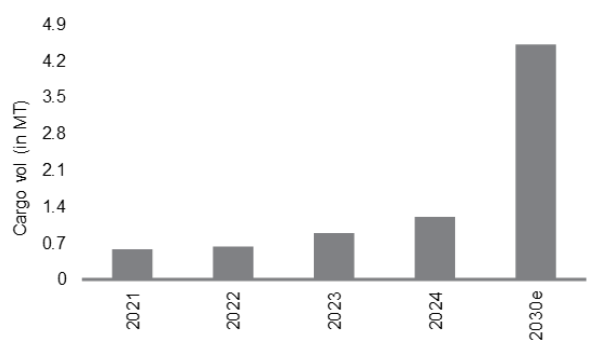
Aviation-driven tourism to reach 15% of GDP…

Saudi government is investing heavily in tourism to increase international travel penetration. By 2030, the Kingdom aims to attract 75mn international visitors, (up from 15mn in 2018), and 120mn overnight visitors, with tourism expected to contribute 15% of GDP through aviation. Major tourism and giga-projects, alongside global events such as the 2027 AFC Asian Cup, FIFA World Cup 2034, and Expo 2030 in Riyadh, are expected to enhance international visibility. Religious tourism is also set to expand significantly, with 30mn international Umrah pilgrims forecast by 2030. Historically, the religious tourists were originating from Asia Pacific (45%) and from the Middle East and Africa (20%), driving international travel for both short- and medium-haul flights. LCC's are well positioned to capture growing leisure demand from Europe and Asia.

KSA targets 330mn PAX volumes by 2030



Cargo throughput to reach 4.5mn tons by 2030



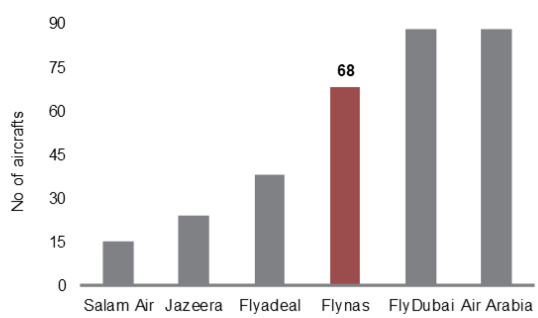
Source: Company report, US research

KSA's PAX traffic to reach 330mn via 250+ destinations by 2030…

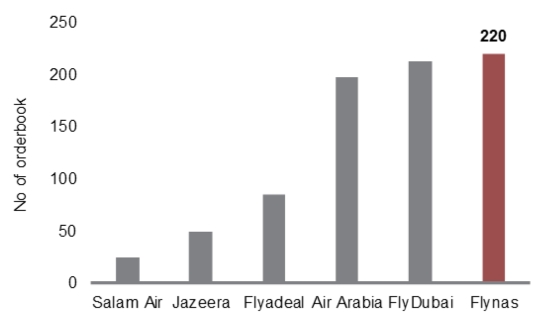
The Saudi Aviation Strategy targets 330mn passengers by 2030, including 30mn transit passengers, by expanding connectivity from the current 172 to over 250 destinations. The strategy is supported by SAR 375bn in investments through 2030. Also, air cargo volumes are expected to reach 4.5mn tons, nearly 4x 2024 levels, driven by expanded warehousing, free zones, and special economic zones to attract global logistics players. LCC's are forecast to exceed 100mn passengers by 2030, having a 60-70% market share on domestic routes, while 45% share among the total KSA traffic. Of the projected 100mn, 49% will be from domestic, around 34% will travel to or from the Middle East and Africa (including the GCC), and 12% will be to or from the Indian subcontinent. As Saudi Arabia's first low-cost carrier, Flynas is well positioned to benefit significantly from this growth.

Amid robust GCC aviation growth, regional LCCs have accelerated fleet expansion, with Flynas leading at 220 aircrafts on order. With a fleet larger than most peers excluding Air Arabia and Flydubai, Flynas is firmly positioned as a leading player in the domestic and regional LCC market.

Flynas outpaces domestic rival; eyes regional giants



Top orderbook across domestic & regional players



Source: Company report, US research

Low-cost carrier operations is at the core of Flynas's revenue base

88% of revenue driven by the core LCC operations…

Flynas's LCC segment is the primary revenue contributor, accounting for 88% of total revenue in 9M25. The segment encompasses the company's core scheduled passenger operations, conducted under a low-cost model across domestic and international routes operated on a pre-published schedule. The airline follows a point-to-point network strategy across short- and medium-haul routes, offering a value-driven product designed to stimulate demand.

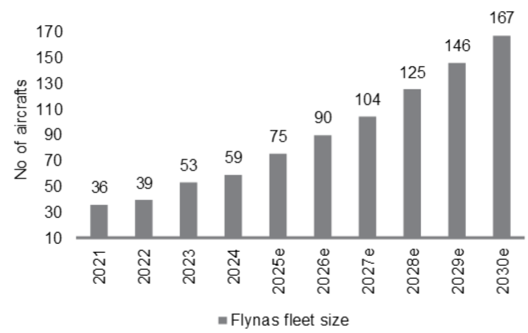
Flynas carried 11.5mn passengers serving 77 destinations in 9M25…

As of 9M25, the Flynas LCC fleet comprised 60 A320neo aircraft,4 A320ceo aircraft, 2 A330ceo and 2 wet-leased aircraft. The fleet remains predominantly narrow-body, with an average age of 4.1 years, providing a modern and efficient platform to support continued growth. During 9M25, the company carried 11.5mn passengers, representing a 5% YoY increase, reflecting ongoing capacity expansion. As of the same period, the route network consisted of 150 routes serving 77 destinations across 36 countries, following the addition of 19 new routes, 9 destinations, and 7 countries during 9M25.

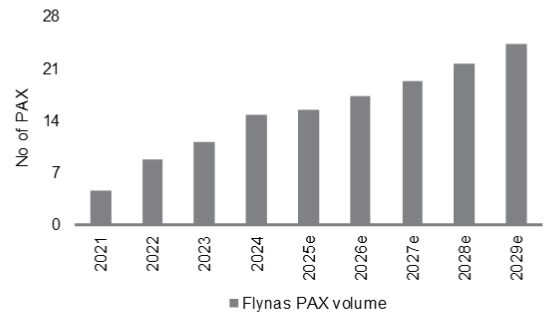
Fleet to reach 167 aircrafts by 2030…

The company currently operates from four operational centers located in Riyadh, Jeddah, Medina, and Dammam. It aims to expand by establishing additional operations centers in high-catchment areas, with the objective of covering more than 80% of the Kingdom's population by 2030. Supported by Saudi Arabia's ambitious passenger targets for 2030, Flynas is well positioned for growth, underpinned by an order for 120 aircraft and a MOU signed with Airbus in July 2025 for an additional 90 aircraft, with a further 70 on option. As of 9M25, deliveries of 60 aircraft had been completed, representing 50% of the initial 120-aircraft Airbus order. Flynas expects its total fleet to reach 75 aircraft by 2025, 104 aircraft by 2027, and 167 aircraft by 2030.

Flynas scales up fleet to capture market growth



PAX volumes to grow at 10.6% CAGR (2024-29e)



Source: Company report, US research

In parallel, the company targets an expanded network of 350 routes connecting 160 points across 55 countries by 2030, enabled by the planned fleet expansion. This growth strategy aligns with Flynas's objective of strengthening domestic route coverage while significantly expanding its international footprint.

Seasonal pilgrim travel forms a complementary revenue segment

The company generates approximately 10% of its total revenue from the Hajj and Umrah segment. This segment primarily comprises non-scheduled flight operations serving religious pilgrims traveling to the Kingdom, particularly to Makkah and Madinah. Operations include a mix of scheduled and charter flights, which are typically not operated on fixed routes or timetables but are instead arranged in line with seasonal demand patterns. Activity in this segment is highly concentrated around seasonal peaks and is generally supported through short-term wet or dry leasing of wide-body aircraft, reflecting the inherently seasonal nature of the business. Hajj and Umrah services cover a diverse range of markets, including Bangladesh, Kazakhstan, the Comoros Islands, Mauritania, Morocco, Algeria, Nigeria, Burkina Faso, Senegal, Côte d'Ivoire, Ghana, India, and Niger.

Flexible leasing strategy supports peak pilgrim travel demand…

Historically, the company has wet-leased up to 12 wide-body aircraft annually, including models such as the A330, B767, and B777. Strong and relatively protected demand for Hajj charter flights, where Saudi carriers are typically entitled to carry 50% of pilgrims on Hajj-specific services together with continued growth in Umrah pilgrim volumes, underpins the attractiveness of this segment.

General aviation provides a low-risk, diversified revenue stream

Asset-light general aviation operations contribute 2% of revenue…

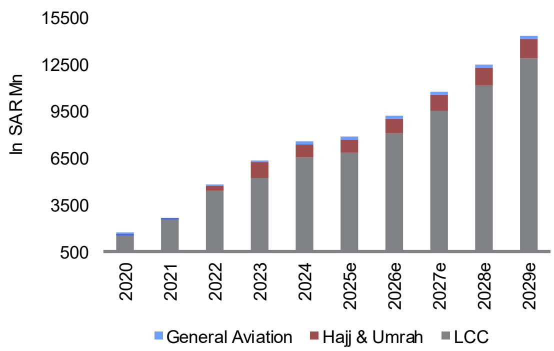
The General Aviation segment comprises services provided to aircraft management clients as well as charter flight operations. These activities offer diversified revenue streams and accounted for a modest 2% of total revenue in 9M25. Under its aircraft management offering, the company provides a comprehensive suite of services, including crew recruitment and training, proactive maintenance, rigorous operational oversight, and comprehensive insurance coverage, delivered through solutions tailored to individual client requirements. Charter flight operations involve the provision of private flights under contractual agreements with specific customers. These agreements are typically priced based on flight duration or total flying hours. The company believes that the risks associated with the general aviation segment are relatively low, as the business model does not involve asset ownership or revenue-sharing arrangements and is primarily structured around cost-plus pricing mechanisms.

Long-term growth supported by fleet expansion and prudent network deployment

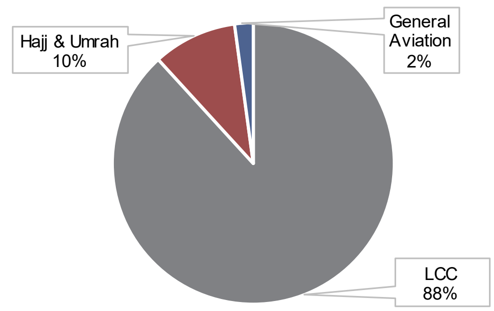
Overall revenue to grow at 13.7% CAGR (2024-29e) …

Flynas delivered strong revenue growth over 2022-24, recording a CAGR of 25.3%, driven by continued capacity expansion in its core LCC segment, rising passenger volumes, and network growth. Revenue increased by 18.8% YoY in 2024, supported by a 32% YoY rise in passenger volumes to 14.7mn. In 9M25, revenue grew by a modest 3% YoY to SAR 6bn, reflecting slower momentum alongside a 5% YoY increase in passenger volumes to 11.5 million. The revenue slowdown during 9M25 was primarily attributable to geopolitical tensions, temporary visa suspensions, and aircraft groundings resulting from delayed CFM spare engine deliveries. As a result, we forecast only a 5% YoY increase in total passenger volumes in 2025. Management has provided revenue growth guidance of 2.5-4.5% for 2025e and 16-18% for 2026e. We broadly concur with this outlook and, considering the softness observed in 9M25, estimate total revenue of SAR 7.86bn in 2025e, representing 4% YoY growth. However, supported by the planned ramp-up of the aircraft fleet to 167 aircraft by 2030e, we expect revenue growth to reaccelerate, delivering a CAGR of 13.7% over 2024-29e.

Revenue supported by robust fleet and network



LCCs revenue is at the core with 88% contribution

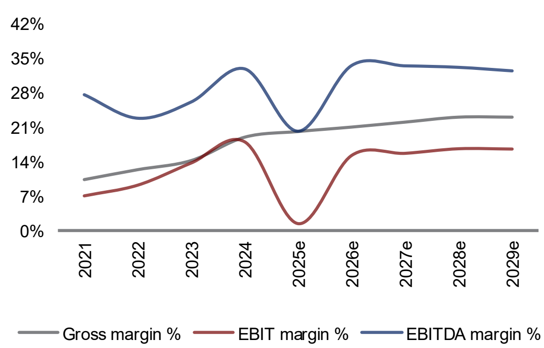


Source: Company report, US research

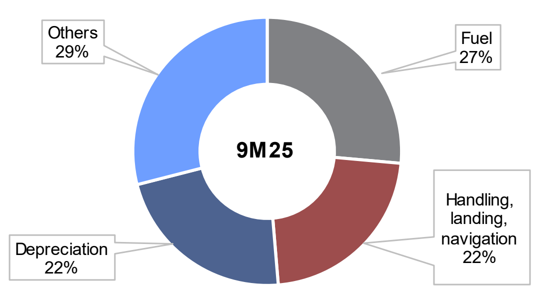
LCC segment projected to rise 5% YoY for 2025e…

During 9M25, revenue from the LCC segment increased by 4% YoY to SAR 5.35bn. Based on this performance trend, we forecast LCC segment revenue growth of 5% YoY in 2025, reaching SAR 6.8bn. In contrast, Hajj & Umrah segment revenue remained broadly flat YoY during 9M25, while general aviation revenue declined by 11% YoY. Assuming these trends persist, we forecast Hajj & Umrah revenue of SAR 850mn in 2025 (+3% YoY) and general aviation revenue of SAR 166mn (-10% YoY).

Margins outlook remains stable over medium term



Fuel is the biggest determinant of margins



Source: Company report, US research

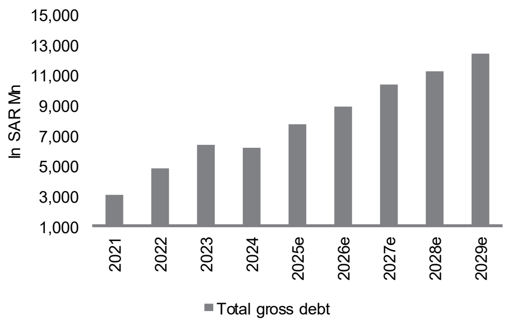
EBITDA margin expected to remain around 32.3%-33.4% over 2026-29e…

Fuel costs, handling, landing and navigation charges, and depreciation constitute the largest direct cost components, together accounting for 71% of total expenses as of 9M25. Fuel costs, the single largest expense declined by 6% YoY, supported by lower average fuel prices despite higher operating volumes. While direct expenses rose 3% YoY in line with revenue, gross profit also increased by 3% YoY, with gross margins remaining broadly stable. SG&A expenses rose sharply to SAR 1.43bn in 9M25 (vs. SAR 338mn in 9M24), primarily due to one-off IPO-related costs of SAR 1.08bn recorded in 2Q25. These comprised SAR 982mn related to the employee share option plan (ESOP) and SAR 101mn in IPO-related fees. As a result, EBITDA declined 47% YoY in 9M25, with EBITDA margins contracting to 15.7% from 30.2% in 9M24. Given the magnitude of these non-recurring expenses, we expect EBITDA to decline to SAR 1.58bn in 2025e (-27.2% YoY), with margins of 20.2%. As the IPO-related costs are non-recurring, we expect margins to recover from 2026e, supported by ongoing capacity expansion, network growth, and rising passenger volumes. Operating and EBITDA margins are projected to normalize to ranges of 15.0-16.5% and 33.4-32.3%, respectively, over 2026-29e.

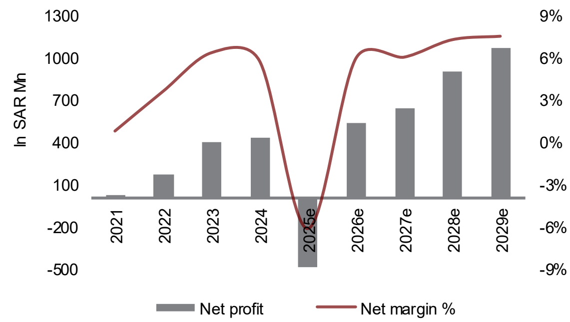
Debt equity at manageable levels…

For Flynas, interest on lease liabilities accounts for 83% of total finance costs, reflecting the predominance of lease liabilities within the company's overall debt structure. Borrowings stood at SAR 425mn in 2024 and increased 3.8x to SAR 1.6bn as of 9M25, primarily to fund fleet expansion. While total debt rose to SAR 7.5bn, adjusting for the SAR 4.6bn cash in the books, net debt reduces to SAR 2.8bn at the end of 9M25. Higher cash balances resulted from the company's IPO, which raised SAR 4.1bn through the offering of 51.26mn shares at SAR 80/share. Of these shares, 66% were sold by existing shareholders, while 34% were newly issued. Notably, net proceeds of SAR 1.4bn from the new shares will be used to finance the company's growth strategy. We expect lease liabilities to increase further with the addition of new aircrafts, while finance cost will remain at manageable levels.

Rise in lease liabilities aligned with fleet expansion plan



Profit to be backed by revenue growth and stable margins



Source: Company report, US research

Profits to grow at a CAGR of 19.9% over 2024-29e…

Flynas's net profit increased by 8% YoY to SAR 434mn in 2024, despite higher finance costs. In 9M25, the company reported a net loss of SAR 594mn, primarily due to non-recurring IPO-related expenses of SAR 1.08bn incurred in 2Q25. As a result, we expect Flynas to post a net loss of SAR 487mn in 2025e. Excluding one-offs, the adjusted profit for 2025e is forecasted at SAR 425mn with a net margin of 6.8%, which is slightly above the past averages. Supported by strong revenue growth and stable margins, we expect net profit to recover and grow at a CAGR of 19.9% over 2024-29e. Flynas has not declared or paid any dividends to date. Accordingly, we have not assumed any dividend payouts in our forecasts.

Valuation

DCF target price of SAR 76.08/share

Flynas is executing a focused strategy centered on fleet and network expansion, disciplined cost control, and operational agility. This strategy positions the company to capture emerging market opportunities while benefiting from Saudi Arabia's aviation and tourism initiatives. We value the company using a combination of the discounted cash flow (DCF) method and peer valuation. Under our DCF approach, we forecast financials over the period 2026e–2029e. We assume a cost of equity of 13.80%, derived from a risk-free rate of 5%, an equity risk premium of 8%, and a beta of 1.10. This results in a WACC of 12.97%. We also assume a terminal growth rate of 1% beyond the forecast period. Based on these assumptions, our DCF valuation yields an intrinsic value of SAR 76.08 per share.

Blended price target of SAR 72.84/share

In addition, we conduct a peer comparison using similar air transport operators from the region and global markets. We apply P/E multiples to estimate an appropriate valuation for Flynas and assign a target multiple of 22x, representing a modest premium to global peers in light of the company's leadership in the LCC segment and stronger growth outlook in Saudi Arabia. We assign equal weights of 50% to both valuation methodologies, resulting in a blended target price of SAR 72.84 per share. This implies a potential upside of 15.8% from current levels. Accordingly, we maintain a BUY recommendation on the stock.

DCF Method (SAR Mn)	FY26e	FY27e	FY28e	FY29e
Post-tax operating profit (NOPAT)	**1,308**	**1,569**	**1,940**	**2,218**
Add: Depreciation & amortization	1,671	1,898	2,063	2,276
Less: Change in working capital	(297)	(339)	(391)	(442)
Less: Capex	(1,833)	(2,139)	(1,873)	(2,149)
Free Cash Flow to Firm	849	988	1,739	1,902
PV of Free Cash Flows	753	777	1,209	1,171
Sum of present values of FCFs				**3,909**
Free cash flow (t+1)				1,940
Terminal value				**19,977**
Present value of terminal value				**12,293**
EV				**16,202**
Less:				
Net debt				2,895
Minorities				308
Equity value				**12,999**
Fair value per share (SAR)				**76.08**

Valuation parameters	
Risk free rate (Rf)	5.0%
Beta	1.10
Equity Risk premium (Rm)	8.0%
Cost of equity (Ke)	13.8%
Terminal growth rate (g)	2.0%
Pretax Cost of Debt	10.2%
Effective Tax rate	5.0%
After tax cost of debt	9.7%
Target Debt/Equity	20.0%
WACC	13.0%

PE valuation	
PE (TTM)	19.88
Target PE	22.00
Fair value (SAR)	**69.59**

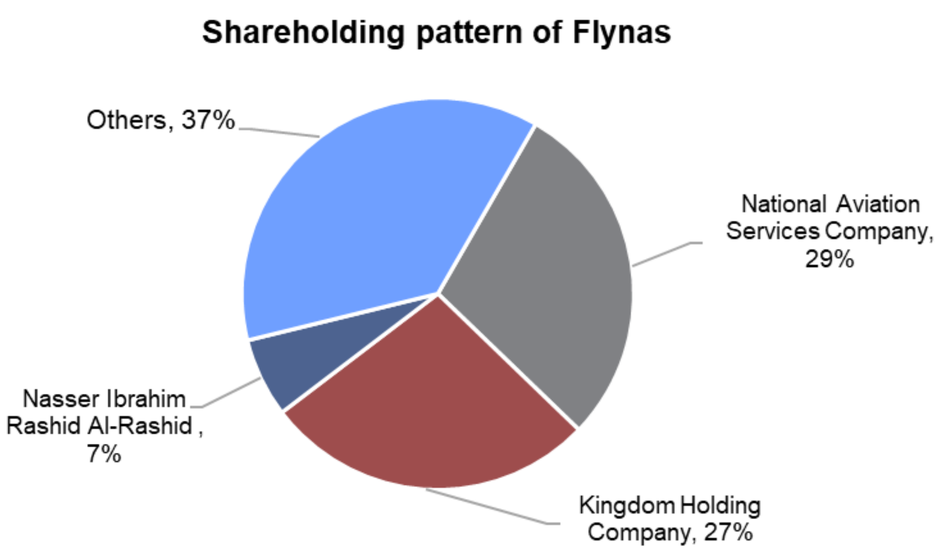
Valuation type	Wtg	Fair value	Wtd value
DCF	50%	76.08	38.04
PE	50%	69.59	34.80
Target price			**72.84**
CMP			62.90
Potential upside			15.8%

Key risks:

1. Sharp slowdown in the economy
2. Reduced influx of population, decline in tourism activities
3. Changes in regulations leading to new entrants
4. Outbreak of infectious diseases
5. High cost of fuel, rendering air transport usage unviable
6. Escalation of regional geopolitical events

Company Profile

Founded in 2007 as a business unit of the National Aviation Services Company (NAS Holding), Flynas has evolved into one of the leading low-cost airlines in the Middle East and North Africa. As Saudi Arabia's first low-cost carrier, it implemented a lean, cost-efficient operating model tailored to local market dynamics. In June 2025, the company completed an initial public offering on the Saudi Exchange, listing 51.26mn shares, or 30% of its issued share capital, at SAR 80 per share. The offering was oversubscribed 100 times, raised SAR 4.1bn, and implied a market capitalization of SAR 13.7bn at listing. Post the offering, NAS Holding held a 29% stake. Flynas operates a domestic and international network, including dedicated services for Hajj and Umrah pilgrims. The airline's main bases are in Riyadh, Jeddah, Madinah, and Dammam, enabling connectivity across the GCC, the Middle East, Africa, Europe, and the Indian subcontinent. Revenue is generated through three core segments: low-cost carrier operations, Hajj and Umrah services, and general aviation. In 9M25, the airline operated 68 aircraft and carried 11.5 million passengers serving 77 destinations.



BOARD OF DIRECTORS

S.NO	NAME	POSITION
1	Ayed Thawab Manea Allah Al Jeaid	Chairman
2	Talal Ibrahim Ali Al Maiman	Vice Chairman
3	Hamza Bahi Adeen Alsayed Al Kholi	Director
4	Mohamed Saleh Mohamed Al Bati	Director
5	Abdullah Fahd Abdulaziz Al Fares	Director
6	Bander Abdulrahman Nasser Al Mohanna	Managing Director

Source: Bloomberg ®, US Research

Income Statement (in SAR Mn)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Revenue	4,809	6,362	7,556	7,861	9,167	10,695	12,484	14,329
Direct Costs	-4,213	-5,456	-6,088	-6,281	-7,242	-8,342	-9,613	-11,034
Gross Profit	**596**	**906**	**1,469**	**1,580**	**1,925**	**2,353**	**2,871**	**3,296**
Selling and marketing expenses	-157	-197	-252	-266	-321	-374	-437	-502
Admin and general expenses	-121	-115	-258	-1,298	-321	-428	-499	-573
Provision for expected credit losses	-8	-0	-26	9	9	9	9	9
Gain on sale of equipment and fixtures	136	283	131	96	106	116	126	136
EBIDTA	**1,096**	**1,660**	**2,178**	**1,586**	**3,063**	**3,567**	**4,127**	**4,635**
EBIT	**443**	**869**	**1,045**	**114**	**1,392**	**1,669**	**2,063**	**2,359**
Finance income	13	52	105	170	80	50	30	30
Finance costs	-278	-503	-693	-737	-897	-1,037	-1,133	-1,248
PBT	178	418	457	-453	575	682	961	1,141
Zakat expense	-6	-17	-23	-33	-34	-41	-58	-68
PAT	**172**	**401**	**434**	**-487**	**540**	**641**	**903**	**1,073**

Balance Sheet (in SAR Mn)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Intangible assets	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Equipment and fixtures	1,078	1,168	1,537	2,628	4,336	6,293	7,935	9,796
Right-of-use assets	5,050	7,676	7,831	8,016	8,762	9,720	10,384	11,263
Deposits for aircraft	54	55	38	34	34	34	34	34
Total non-current assets	**8,182**	**10,899**	**11,406**	**12,678**	**15,132**	**18,047**	**20,354**	**23,093**
Trade receivables	146	300	239	236	275	321	375	430
Cash and cash equivalents	1,188	1,450	1,700	3,904	4,219	4,523	5,378	5,776
Other current assets	132	216	185	229	256	286	322	359
Total current assets	**1,466**	**1,966**	**2,124**	**4,370**	**4,750**	**5,130**	**6,075**	**6,565**
Total Assets	**9,648**	**12,865**	**13,530**	**17,048**	**19,882**	**23,178**	**26,428**	**29,658**
Share capital	1,534	1,534	1,534	1,709	1,709	1,709	1,709	1,709
Reserves	-695	-308	109	813	1,353	1,995	2,898	3,971
Total Equity to shareholders	839	1,226	1,643	2,521	3,062	3,703	4,606	5,679
Total equity	**839**	**1,226**	**1,643**	**2,521**	**3,062**	**3,703**	**4,606**	**5,679**
Loans	845	425	101	1,139	1,239	1,339	1,414	1,489
Employees' end of service benefits liabilities	195	232	268	260	321	428	499	573
Finance Lease liabilities	3,452	5,108	5,306	5,186	6,064	7,086	7,791	8,669
Aircraft related provisions	1,605	2,667	3,099	3,715	4,284	4,935	5,686	6,024
Total non-current liabilities	**6,097**	**8,432**	**8,773**	**10,300**	**11,907**	**13,787**	**15,391**	**16,756**
Trade and other payables	1,626	1,754	1,558	2,198	2,535	2,920	3,365	3,862
Current lease liabilities	401	541	508	915	1,070	1,250	1,375	1,530
Loans	388	419	324	495	595	695	745	795
Other current liabilities	296	492	723	619	713	822	947	1,037
Total current liabilities	**2,712**	**3,207**	**3,113**	**4,227**	**4,913**	**5,687**	**6,431**	**7,224**
Total liabilities	**8,809**	**11,639**	**11,887**	**14,527**	**16,820**	**19,475**	**21,822**	**23,979**
Total equity and liabilities	**9,648**	**12,865**	**13,530**	**17,048**	**19,882**	**23,178**	**26,428**	**29,658**

Cash Flow (in SAR Mn)	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Cash from operations	522	1,305	1,927	2,038	3,297	3,804	4,387	4,941
Investing cash flow	18	74	-342	521	-1,026	-1,192	-233	-870
Financing cash flow	351	-1,117	-1,335	-355	-1,956	-2,308	-3,299	-3,673
Change in cash	891	262	250	2,204	315	304	855	398
Beginning cash	298	1,188	1,450	1,700	3,904	4,219	4,523	5,378
Ending cash	**1,188**	**1,450**	**1,700**	**3,904**	**4,219**	**4,523**	**5,378**	**5,776**

Ratio Analysis	2022	2023	2024	2025e	2026e	2027e	2028e	2029e
Per Share								
EPS (SAR)	1.12	2.62	2.83	-2.85	3.16	3.75	5.29	6.28
BVPS (SAR)	5.47	7.99	10.71	14.76	17.92	21.67	26.96	33.24
DPS (SAR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FCF per share (SAR)	3.52	8.99	10.33	14.98	13.29	15.29	24.31	0.00
Valuation								
Marketcap (SAR Mn)	12,274	12,274	12,274	10,747	10,747	10,747	10,747	10,747
EV (SAR Mn)	15,951	17,193	16,812	14,577	15,495	16,594	16,694	17,453
EBITDA (SAR Mn)	1,096	1,660	2,178	1,586	3,063	3,567	4,127	4,635
P/E (x)	71.5	30.6	28.3	-22.1	19.9	16.8	11.9	10.0
EV/EBITDA (x)	14.6	10.4	7.7	9.2	5.1	4.7	4.0	3.8
Price/Book (x)	14.6	10.0	7.5	4.3	3.5	2.9	2.3	1.9
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Price to sales (x)	2.6	1.9	1.6	1.4	1.2	1.0	0.9	0.7
EV to sales (x)	3.3	2.7	2.2	1.9	1.7	1.6	1.3	1.2
Liqiudity								
Cash Ratio (x)	0.4	0.5	0.5	0.9	0.9	0.8	0.8	0.8
Current Ratio (x)	0.5	0.6	0.7	1.0	1.0	0.9	0.9	0.9
Quick Ratio (x)	0.5	0.6	0.7	1.0	1.0	0.9	0.9	0.9
Returns Ratio								
ROA (%)	1.8%	3.1%	3.2%	-2.9%	2.7%	2.8%	3.4%	3.6%
ROE (%)	20.5%	32.7%	26.4%	-19.3%	17.7%	17.3%	19.6%	18.9%
ROCE (%)	2.5%	4.2%	4.2%	-3.8%	3.6%	3.7%	4.5%	4.8%
Cash Cycle								
Accounts Payable turnover (x)	2.3	2.9	3.9	2.9	2.9	2.9	2.9	2.9
Receivables turnover (x)	33.0	21.2	31.7	33.3	33.3	33.3	33.3	33.3
Payable Days	160	126	93	128	128	128	128	128
Receivables days	11	17	12	11	11	11	11	11
Cash Cycle	-149	-108	-82	-117	-117	-117	-117	-117
Profitability Ratio								
Net Margins (%)	3.6%	6.3%	5.7%	-6.2%	5.9%	6.0%	7.2%	7.5%
EBITDA Margins (%)	22.8%	26.1%	28.8%	20.2%	33.4%	33.4%	33.1%	32.3%
PBT Margins (%)	3.7%	6.6%	6.0%	-5.8%	6.3%	6.4%	7.7%	8.0%
EBIT Margins (%)	9.2%	13.7%	13.8%	1.5%	15.2%	15.6%	16.5%	16.5%
Effective Tax Rate (%)	-3.3%	-4.0%	5.1%	-7.4%	6.0%	6.0%	6.0%	6.0%
Leverage								
Total Debt (SAR Mn)	4,865	6,370	6,239	7,735	8,968	10,371	11,325	12,483
Net Debt (SAR Mn)	3,677	4,919	4,538	3,831	4,749	5,847	5,947	6,707
Debt/Capital (x)	3.2	4.2	4.1	4.5	5.2	6.1	6.6	7.3
Debt/Total Assets (x)	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Debt/Equity (x)	5.8	5.2	3.8	3.1	2.9	2.8	2.5	2.2

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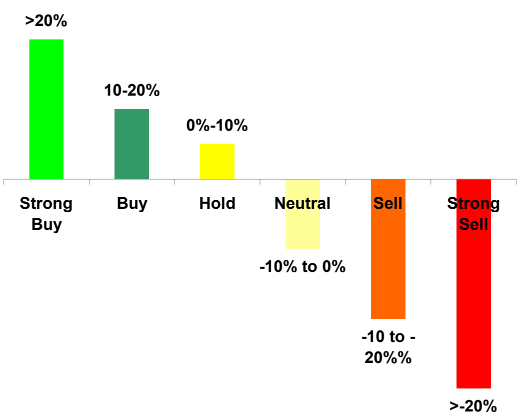
Rating Criteria and Definitions

Rating



Rating Definitions

Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

Disclaimer