

# Result update

## United International Transportation Co

Sector : Vehicle Rental

**BUY**

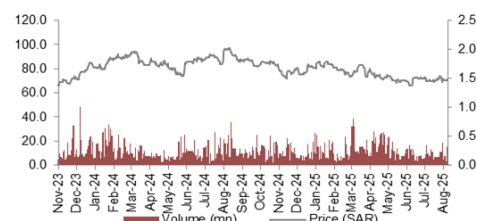
30 November 2025

- **Topline grew 24.5% YoY, driven by higher lease and used car sales revenue.**
- **Strong revenue growth was tempered by margin contraction.**
- **Profit up 11.7% YoY and broadly in line with our forecast.**
- **Increase our revenue, while slightly reduce our profit estimates and reduce our target price to SAR 78 per share with a BUY rating.**

**Target price (SAR) 78.0**

**Current price (SAR) 66.2**

**Return 17.8%**



Exchange Saudi Arabia  
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	5,175	1,379
Enterprise value	7,492	1,997

### Major shareholders

FIRST SUMMIT INVESTM	6%
SAUDI ECONOMIC & DEV	5.0%
Fiera Capital Europe	2.1%
Others	87.0%

### Valuation Summary

PER TTM (x)	14.5
P/Book (x)	1.8
EV/EBITDA (x)	7.5
Dividend Yield (%)	2.3
Free Float (%)	87%
Shares O/S (mn)	78
YTD Return (%)	-19%
Beta	1.1

Key ratios	2022	2023	2024
EPS (SAR)	3.54	3.90	4.25
BVPS (SAR)	24.23	26.14	34.51
DPS (SAR)	1.80	1.50	1.45
Payout ratio (%)	51%	39%	34%

Price performance (%)	1M	3M	12M
United International Tran:	-10%	-4%	-15%
Tadawul All Share Index	-9%	-1%	-9%

52 week	High	Low	CTL*
Price (SAR)	87.80	65.00	1.8

\* CTL is % change in CMP to 52wk low

United International Transportation Co. (Budget Saudi) reported 3Q25 revenue of SAR 630mn, up 24.5% YoY, and 10% above our estimate. Revenue for 9M25 grew 27.5% YoY to SAR 1.72bn. Top-line growth during the quarter was driven by an expanded lease fleet and the consolidation of Autoworld (AW), which significantly boosted long-term lease revenue, alongside stronger revenue from the used car sales segment. Revenue from leasing segment rose 19% YoY, supported by fleet additions following the acquisition. Rental sales increased 16% YoY, while used car sales rose a robust 52% YoY, supported by higher volumes and a more favorable sales mix. Gross profit rose 13% YoY to SAR 177mn, although gross margins declined 290bps YoY to 28.1% in 3Q25, as direct costs increased 30% YoY, outpacing revenue growth. This margin contraction was largely due to higher costs in the used car sales segment in line with rising sales volumes. Net operating costs rose 22% YoY, driven by elevated SG&A expenses remaining high since the acquisition as well as vehicle losses and higher maintenance costs. Consequently, EBIT and EBITDA margins declined 260bps and 90bps YoY to 16.8% and 39.5% respectively in 3Q25. Finance costs were stable YoY, with no significant change in leverage. Overall, net income rose 11.7% YoY to SAR 80mn, while the net margin fell 150bps YoY to 12.7% in 3Q25 from 14.2% in 3Q24, due to elevated direct and operating costs. Net income was in line with our forecast, though margins were weaker than projected. Profit for 9M25 increased 15% YoY to SAR 244mn.

**Valuation and outlook:** Budget Saudi, supported by its diversified offering and multi-brand portfolio, continues to demonstrate compelling growth potential, underpinned by sectoral tailwinds and its leading position in long-term leasing. The recent acquisition of Auto World is generating value through cost synergies. The company plans to increase its capital from SAR 781.67mn to SAR 1bn by issuing bonus shares. Revenue exceeded our expectations and profit was broadly in line with our forecast, although margins underperformed. Top-line growth was tempered by weak used car sales margins despite strong volumes. We expect revenue momentum to remain robust, led by the company's core rental and leasing operations, while the resale segment is likely to remain under pressure with continued margin headwinds. Based on the current results and the margin contraction, we reduce our target price to SAR 78 (vs SAR 80/share) and reiterate our BUY rating. Budget Saudi currently trades at 15.3x its 2025e EPS.

Income statement (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<b>Revenue</b>	<b>988</b>	<b>1,025</b>	<b>1,378</b>	<b>1,971</b>	<b>2,415</b>	<b>2,655</b>	<b>2,795</b>	<b>2,891</b>
Direct Costs	-655	-667	-932	-1,415	-1,709	-1,881	-2,001	-2,058
<b>Gross Profit</b>	<b>334</b>	<b>358</b>	<b>447</b>	<b>556</b>	<b>706</b>	<b>774</b>	<b>794</b>	<b>833</b>
Selling and marketing expenses	-52	-45	-60	-89	-121	-119	-126	-130
General and administrative expenses	-59	-65	-89	-120	-187	-159	-168	-173
Impairment loss on trade receivables	-12	-12	-11	-11	-23	-27	-28	-29
Investments and other	20	31	35	57	70	80	98	101
<b>EBIT</b>	<b>230</b>	<b>268</b>	<b>322</b>	<b>394</b>	<b>445</b>	<b>549</b>	<b>571</b>	<b>602</b>
<b>EBITDA</b>	<b>454</b>	<b>532</b>	<b>642</b>	<b>822</b>	<b>1,005</b>	<b>1,157</b>	<b>1,226</b>	<b>1,303</b>
Finance cost	-2	-9	-37	-72	-99	-92	-95	-98
<b>PBT</b>	<b>228</b>	<b>259</b>	<b>285</b>	<b>323</b>	<b>347</b>	<b>456</b>	<b>476</b>	<b>504</b>
Tax	-8	-7	-8	-11	-9	-16	-17	-18
<b>Net Profit</b>	<b>220</b>	<b>252</b>	<b>277</b>	<b>312</b>	<b>337</b>	<b>440</b>	<b>459</b>	<b>486</b>

Balance Sheet (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
PP&E	1,531	2,131	2,482	3,766	3,981	4,221	4,474	4,734
RUA	28	81	96	247	387	509	599	681
<b>Total non-current assets</b>	<b>1,579</b>	<b>2,233</b>	<b>2,620</b>	<b>4,142</b>	<b>4,498</b>	<b>4,864</b>	<b>5,209</b>	<b>5,554</b>
Current inventories	8	11	35	97	68	75	80	82
Receivables, Net	161	194	288	611	725	797	839	867
Prepayments and other receivables	32	61	36	70	-	-	-	-
Cash and bank balances	105	21	34	86	88	71	82	81
<b>Total current assets</b>	<b>306</b>	<b>287</b>	<b>393</b>	<b>867</b>	<b>881</b>	<b>942</b>	<b>1,001</b>	<b>1,030</b>
<b>TOTAL ASSETS</b>	<b>1,884</b>	<b>2,520</b>	<b>3,013</b>	<b>5,009</b>	<b>5,379</b>	<b>5,806</b>	<b>6,210</b>	<b>6,584</b>
Share capital	712	712	712	782	782	782	782	782
Reserves	887	1,013	224	224	224	224	224	224
Retained earnings	-	-	924	1,137	1,368	1,690	1,996	2,321
<b>Total Equity attributable to shareholders</b>	<b>1,598</b>	<b>1,725</b>	<b>1,860</b>	<b>2,697</b>	<b>2,929</b>	<b>3,251</b>	<b>3,556</b>	<b>3,882</b>
<b>Total equity</b>	<b>1,598</b>	<b>1,725</b>	<b>1,903</b>	<b>2,741</b>	<b>2,969</b>	<b>3,291</b>	<b>3,597</b>	<b>3,922</b>
Long-Term Debt	-	162	295	822	776	826	901	951
Long-term lease liabilities	16	43	54	199	243	259	262	253
Other	63	66	78	103	110	110	110	110
<b>Total non-current liabilities</b>	<b>79</b>	<b>271</b>	<b>427</b>	<b>1,124</b>	<b>1,128</b>	<b>1,195</b>	<b>1,273</b>	<b>1,314</b>
Short-term Debt	-	210	257	598	717	717	717	717
Short-term lease liabilities	9	30	35	48	61	65	66	63
Payables	56	128	151	303	273	301	320	329
Accrued expenses	133	149	231	178	222	222	222	222
Zakat payable	8	8	9	13	9	16	17	18
<b>Total current liabilities</b>	<b>207</b>	<b>524</b>	<b>683</b>	<b>1,144</b>	<b>1,282</b>	<b>1,320</b>	<b>1,341</b>	<b>1,349</b>
<b>Total liabilities</b>	<b>286</b>	<b>796</b>	<b>1,110</b>	<b>2,268</b>	<b>2,410</b>	<b>2,515</b>	<b>2,614</b>	<b>2,662</b>
<b>Total equity and liabilities</b>	<b>1,884</b>	<b>2,520</b>	<b>3,013</b>	<b>5,009</b>	<b>5,379</b>	<b>5,806</b>	<b>6,210</b>	<b>6,584</b>

Cash Flow (in SAR Mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	146	-291	8	83	62	113	125	150
Investing cash flow	-41	-13	-10	-18	-18	-18	-18	-18
Financing cash flow	-146	221	14	-13	-42	-113	-96	-134
Change in cash	-41	-83	13	52	2	-18	12	-2
Beginning cash	146	105	21	34	86	88	71	82
<b>Ending cash</b>	<b>105</b>	<b>21</b>	<b>34</b>	<b>86</b>	<b>88</b>	<b>71</b>	<b>82</b>	<b>81</b>

Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<b>Per Share</b>								
EPS (SAR)	3.090	3.541	3.895	3.988	4.316	5.632	5.876	6.224
BVPS (SAR)	22.461	24.232	26.141	34.507	37.468	41.589	45.495	49.662
DPS (SAR)	1.855	1.799	1.995	1.356	1.511	1.971	2.057	2.178
FCF per share (SAR)	1.468	-4.279	-0.022	0.832	0.569	1.221	1.373	1.696
<b>Valuation</b>								
Market Cap (SAR, Millions)	3,313	3,249	5,622	6,402	5,175	5,175	5,175	5,175
EV (SAR, Millions)	3,233	3,672	6,229	7,983	6,882	6,971	7,038	7,078
EBITDA	454	532	642	822	1,005	1,157	1,226	1,303
P/E (x)	15.1	12.9	20.3	20.5	15.3	11.8	11.3	10.6
EV/EBITDA (x)	7.1	6.9	9.7	9.7	6.8	6.0	5.7	5.4
Price/Book (x)	2.1	1.9	3.0	2.4	1.8	1.6	1.5	1.3
Dividend Yield (%)	4.0%	3.9%	2.5%	1.7%	2.3%	3.0%	3.1%	3.3%
Price to sales (x)	3.4	3.2	4.1	3.2	2.1	1.9	1.9	1.8
EV to sales (x)	3.3	3.6	4.5	4.0	2.8	2.6	2.5	2.4
<b>Liquidity</b>								
Cash Ratio (x)	0.5	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Current Ratio (x)	1.5	0.5	0.6	0.8	0.7	0.7	0.7	0.8
Quick Ratio (x)	1.4	0.5	0.5	0.7	0.6	0.7	0.7	0.7
<b>Returns Ratio</b>								
ROA (%)	11.7%	10.0%	9.2%	6.2%	6.3%	7.6%	7.4%	7.4%
ROE (%)	13.8%	14.6%	14.6%	11.4%	11.4%	13.4%	12.8%	12.4%
ROCE (%)	13.1%	12.6%	11.9%	8.1%	8.2%	9.8%	9.4%	9.3%
<b>Cash Cycle</b>								
Inventory turnover (x)	81	61	26	15	25	25	25	25
Accounts Payable turnover (x)	11.6	5.2	6.2	4.7	6.3	6.3	6.3	6.3
Receivables turnover (x)	5.1	4.0	4.3	2.9	3.3	3.3	3.3	3.3
Inventory days	5	6	13.8	25.1	14.6	14.6	14.6	14.6
Payable Days	31	70	59	78	58	58	58	58
Receivables days	71	91	86	126	110	110	110	110
<b>Profitability Ratio</b>								
Net Margins (%)	22.3%	24.6%	20.1%	15.8%	14.0%	16.6%	16.4%	16.8%
EBITDA Margins (%)	46.0%	51.9%	46.6%	41.7%	41.6%	43.6%	43.9%	45.1%
PBT Margins (%)	23.1%	25.3%	20.7%	16.4%	14.4%	17.2%	17.0%	17.4%
EBIT Margins (%)	23.3%	26.2%	23.4%	20.0%	18.4%	20.7%	20.4%	20.8%
<b>Leverage</b>								
Total Debt (SAR, Millions)	26	444	641	1,667	1,796	1,867	1,945	1,984
Net Debt (SAR, Millions)	-79	423	607	1,581	1,708	1,796	1,863	1,903
Debt/Equity (x)	0.0	0.3	0.3	0.6	0.6	0.6	0.5	0.5
Net Debt/EBITDA (x)	-0.2	0.8	0.9	1.9	1.7	1.6	1.5	1.5
Net Debt/Equity (x)	-0.0	0.2	0.3	0.6	0.6	0.5	0.5	0.5

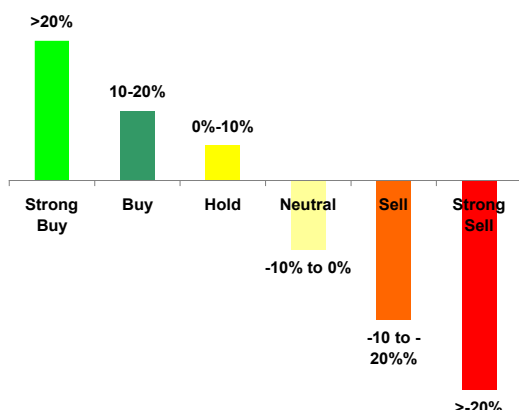
## Key contacts

### Research Team

Joice Mathew	Manna Thomas ACCA	Contact Address
Sr. Manager - Research	Research Associate	P. O Box: 2566; P C 112
E-Mail: joice@usoman.com	Email: manna.t@usoman.com	Sultanate of Oman
Tel: +968 2476 3311	Tel: +968 2476 3347	Tel: +968 2476 3300

## Rating Criteria and Definitions

Rating	Rating Definitions
<b>Strong Buy</b>	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%
<b>Buy</b>	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%
<b>Hold</b>	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%
<b>Neutral</b>	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%
<b>Sell</b>	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%
<b>Strong Sell</b>	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%
<b>Not rated</b>	This recommendation used for stocks which does not form part of Coverage Universe



## Disclaimer

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. Opinion expressed is our current opinion as of the date appearing on this material only. We do not undertake to advise you as to any change of our views expressed in this document. While we endeavor to update on a reasonable basis the information discussed in this material, United Securities, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and are for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company takes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action.

Recipients of this material should rely on their own investigations and take their own professional advice. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. United Securities LLC, and affiliates, including the analyst who has issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the companies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to company/ies mentioned herein or inconsistent with any recommendation and related information and opinions. United Securities LLC and affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.