

The United International  
Transportation Company (Budget)



# QUARTERLY EARNINGS RELEASE



For the Three-Month Period  
Ended March 31, 2026.

Ticker: 4260 | TASI Main Market

# Financial Results Overview

All figures are in ﷲ Millions unless otherwise stated

▼ **58.9%**

**Net profit** decreased from ﷲ80.6M (Q1 2025) to ﷲ33.2M (Q1 2026), primarily reflecting margin compression driven by lower utilization levels and higher operating costs. Despite this, the Company maintained stable revenue growth, reflecting the resilience of its core operations and continued demand across key segments.

## Key Highlights (All Numbers in Millions of ﷲ, unless otherwise stated)

	Q1 2026	Q1 2025	%
<b>Revenue</b>	552.4	543.4	▲ 1.7%
<b>Operating Profit</b>	58.5	107.1	▼ 45.4%
<b>Net Profit</b>	33.2	80.6	▼ 58.9%
<b>Basic EPS (ﷲ)</b>	0.33	0.79	▼ 58.2%
<b>EBITDA</b>	215.7	245.2	▼ 12.0%



# CEO Message

## Dear Esteemed Shareholders,

I am pleased to present to you the results for the first quarter of 2026, which we consider a natural phase in absorbing the recent fleet expansion. During this period, the resilience of our core revenue base was evident, alongside temporary pressure on margins that was anticipated within the investment cycle.

We are happy to report that our revenue reached SAR 552.4 million, representing a 1.7% year-on-year increase. This performance reaffirms the strength of our long-term leasing contracts. These contracts serve as the "backbone" of our business, providing a defensive shield against market volatility and ensuring revenue stability even during challenging cycles.

## Navigating the Profitability Gap

Despite the growth in revenue, our Net Profit experienced a contraction to SAR 33.2 million. This decline is the result of a "double-edged effect": a temporary softening in short-term rental demand occurring simultaneously with a spike in operating expenses. We have categorized these drivers into two distinct areas:

- **Fleet Strategy & Asset Valuation (Non-Cash Impacts):** We took the proactive step of adjusting our asset valuations to reflect current market realities. This resulted in a SAR 20 million increase in depreciation due to more conservative assumptions on vehicle useful life and residual values. Furthermore, we increased our account receivable provisions by SAR 6 million to remain prudent regarding collection timelines.
- **Operational & External Headwinds (Cash Impacts):** Our short-term rental segment faced seasonal and geopolitical headwinds. Utilization rates dipped below 50% in key regions—reaching 25% in the Eastern Region—during the Ramadan period, leading to higher idle fleet costs. Additionally, we absorbed an SAR 8 million increase in insurance premiums and SAR 7 million in costs related to total loss incidents and a softened pre-owned vehicle market.

Perhaps the clearest indication of the strength of our operating model this quarter is the substantial improvement in net cash generated from operating activities, which rose to SAR 40.9 million compared to SAR 18.5 million in the same period last year. This cash performance, moving counter to accounting profit, underscores the leasing model's ability to generate cash flows independently of depreciation effects and reinforces our confidence in funding growth while maintaining financial flexibility.

Operationally, we added approximately 5,500 vehicles to the fleet over the past twelve months, bringing the total fleet size to over 59,000 vehicles. This expansion is guided by a disciplined capital allocation approach that prioritizes the quality of return on invested capital over sheer scale.

Looking ahead, and subject to market conditions and contract execution pace, we expect a gradual improvement in fleet utilization rates starting from mid-Q2 2026, accompanied by a progressive recovery in margins as the absorption cycle of new assets is completed. Our priorities remain clear: expanding the long-term leasing portfolio, maintaining discipline in cost and capital management, and preserving our competitive advantage in the local market.

I extend my sincere thanks to our valued shareholders for their continued trust, and to the Budget Saudi Arabia team for their commitment and perseverance. Our management mission remains to translate this trust into consistent performance and sustainable long-term value.



**Fawaz Abdullah Danish**  
President & Group CEO

# Financial Performance Summary

## Balance Sheet (All Numbers in Millions of ﷻ)

	Q1 2026	Dec 2025	%
Cash & Equivalents <sup>1</sup>	32.3	56.6	▼ 42.9%
Working Capital <sup>2</sup>	-454.2	-397.5	▼ 14.3%
Total Assets	5,377.6	5,288.0	▲ 1.7%
Non- Controlling Interests	38.4	39.6	▼ 3.2%
Total Liabilities	2,362.8	2,306.4	▲ 2.4%
Total Equity	3,014.8	2,981.7	▲ 1.1%

## Income Statement (All Numbers in Millions of ﷻ)

	Q1 2026	Q1 2025	%
Revenue	552.4	543.4	▲ 1.7%
Gross Profit	122.6	174	▼ 29.5%
Operating Profit	58.5	107.1	▼ 45.4%
Net Profit	33.2	80.6	▼ 58.9%
EBITDA	215.7	245.2	▼ 12.0%

## Cash Flows Statement (All Numbers in Millions of ﷻ)

	Q1 2026	Q1 2025
Net Cash from Operating Activities	40.9	18.5
Net Cash from Investing Activities	-4.2	-5.8
Net Cash from Financing Activities	-61	-60.8
Free Cash Flow <sup>3</sup>	169.1	133.9

[1] Cash and cash equivalents [2] Working capital = Current assets - Current liabilities [3] Free cash flow = Net Cash from Operating Activities + NBV of Vehicles Sold at disposal.

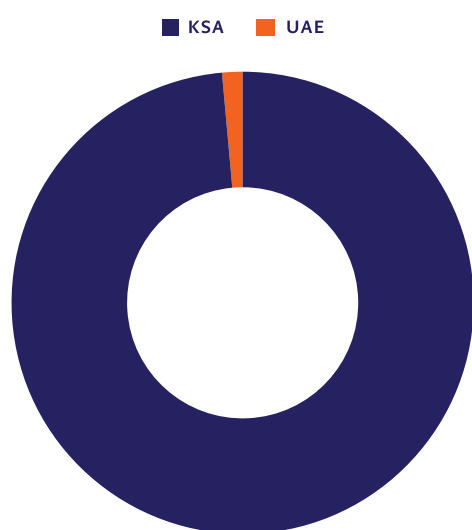
# Business Line Performance

All figures in ﷲ Millions (M)

## Revenue based on Business Line



## Revenue based on Geography



**KSA: ﷲ 544.4M (98.6%)**  
**UAE: ﷲ 7.9M (1.4%)**

# Operational & Strategic Highlights

## Strategic Highlights

- During Q1 2026, Budget Saudi remained focused on disciplined volume growth, aligned with the Board's strategic direction. Management continued to expand the fleet while maintaining strong oversight on pricing, utilization, and value creation to protect margins and support sustainable growth.
- The Company's fleet increased by nearly 5,500 units year-on-year and by approximately 500 units since the beginning of 2026, reflecting continued demand and steady execution of its expansion strategy. Budget Saudi's growth was achieved despite mid-quarter geopolitical disruptions, with management maintaining confidence in the sustainability of the current growth trajectory.

## Operational Highlights

- Revenue remained resilient at ₪552.4 million, increasing 1.7% year-on-year, supported by the stability of the Company's core leasing and rental operations. This performance demonstrates the underlying strength of the business despite external market disruptions during the quarter.
- Profitability was impacted by geopolitical headwinds and related market conditions, with net profit reaching ₪33.2 million. However, the Company delivered a strong improvement in cash generation, with operating cash flow increasing to ₪40.9 million in Q1 2026, compared with ₪18.5 million in Q1 2025, reflecting improved working capital discipline and the cash-generative nature of the business.
- Free cash flow also increased sharply during the quarter, reinforcing Budget Saudi's ability to fund fleet growth while maintaining financial flexibility.

## About Budget Saudi

United International Transportation Company (Budget Saudi) is a leading mobility solutions provider in Saudi Arabia and one of the largest franchisee of Budget International globally. With over four decades of operating experience, the Company has established a strong market position supported by a diversified customer base and a fleet exceeding 59,000 vehicles.

Budget Saudi offers a comprehensive suite of services, including short- and long-term vehicle rentals and used car sales, underpinned by a modern fleet and a commitment to service excellence. Leveraging its scale, brand strength, and operational capabilities, the Company is well-positioned to capitalize on growing demand for mobility services in the Kingdom and deliver sustainable long-term value for shareholders.

For further information, please visit: [www.budgetsaudi.com/en/Investor-Relations](http://www.budgetsaudi.com/en/Investor-Relations)  
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The financial information contained herein is derived from the Company's reviewed interim consolidated financial statements for the three-month period ended 31 March 2026, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards issued by SOCPA. Readers should refer to the fully audited financial statements and accompanying notes for complete information. All amounts are presented in Saudi Riyals (ﷲ) unless otherwise stated.

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