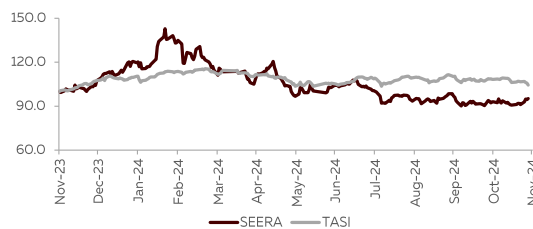


Seera Group Holding (SEERA)

Recommendation	Buy
Current Market Price (SAR)	23.6
52wk High / Low (SAR)	35.8/22.1
Mkt. Cap. (USD/SAR Mn)	1,893/7,104
Shares Outstanding (mn)	300.0
Free Float (%)	98.7%
3m Average Vol. (000)	2,148.1
3m Avg Daily Turnover (SAR'000)	49,740
P/E'24e (x)	28.8
EV/EBITDA'24e (x)	9.5

Source: Bloomberg

Relative Price Performance



Key Indicators

SAR (mn)	2022	2023	2024e	2025e
Revenue	2,271	3,291	4,176	4,767
Gross profit	904	1,412	1,876	2,141
Gross margin (%)	40%	43%	45%	45%
EBIT	3	305	407	425
EBIT margin (%)	0%	9%	10%	9%
EBITDA	450	681	947	1,015
EBITDA margin (%)	20%	21%	23%	21%
Net Income	(46)	265	253	268
Net margin (%)		8%	6%	6%
EPS (SAR)	-0.16	0.86	0.82	0.87
RoE (%)	-7%	-1%	4%	3%

Source: Company Reports, Yaqeen Capital

Major Shareholders (%)

Nasser Aqeel Abdullah Al Tayyar	6.06%
Seera Holding Group	5.81%

Source: Bloomberg, Yaqeen Capital

Earnings surge YoY amid revenue growth

- SEERA reported a net income of SAR 31mn in 3Q2024, a 27.9% YoY increase driven by revenue growth, enhanced gross margins supported by a favorable product mix, and improved margins in the travel platform and UK-based travel investment businesses, alongside stable operating costs. QoQ, net income fell by 43.7%, tempered by reduced Umrah demand from key markets due to geopolitical issues and the lunar calendar's shift of the Hajj season to 2Q2024. The net income margin improved by 0.1ppts YoY but declined by 2.2ppts QoQ, reaching 3.1%.
- Revenue surged 24.3% YoY to SAR 995mn in 3Q2024, fueled by strong growth in car rentals, acquisitions in UK-based travel investments, and a robust performance in consumer travel on the platform. However, QoQ revenue declined by 3.2%, impacted by weaker Umrah demand and the Hajj season shift.
- Gross profit rose 24.2% YoY to SAR 442mn, supported by higher revenue. QoQ increased by 1.9% due to lower cost of sales. The gross profit margin remained flat YoY but improved by 2.2ppts QoQ, reaching 44.4%.
- Operating income increased by 55.7% YoY to SAR 93mn, reflecting higher gross profit despite elevated SG&A expenses. On a QoQ basis, it declined by 15.7% due to reduced other operating income and higher SG&A expenses. The operating margin grew by 1.9ppts YoY but fell 1.4ppts QoQ to 9.4%.
- In 9M2024, net income decreased 11.5% YoY to SAR 131mn, with the net income margin declining 2.3ppts YoY to 4.2%.
- Revenue in 9M2024 rose 36.4% YoY to SAR 3,101mn, driven by strategic acquisitions at Portman, Lumi's expansion, robust consumer travel growth, and Almosafer's direct Hajj operations.

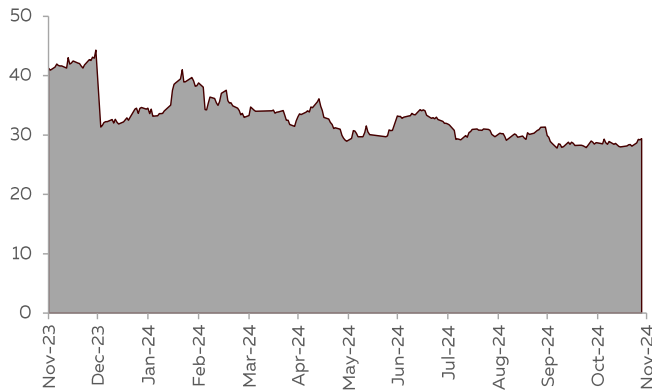
Outlook & Valuation: Saudi Arabia's travel industry is poised for significant growth, driven by key developments. The introduction of e-visas has expanded opportunities for international tourists to explore the country's rich cultural and natural offerings, boosting the sector. Additionally, Saudi Arabia's 2025 budget aims to attract 127mn tourists and achieve SAR 346.6bn in tourism spending, further enhancing the sector's prospects. As a leading player in the market, Seera is well positioned to leverage this growth. Its extensive network and tailored services align with the increasing travel demand, setting the stage for improved financial performance. Based on DCF valuation, we arrive at a fair value of SAR 30.0/share, offering a strong upside of 27.1% from the current level. Hence, we recommend a Hold rating on the stock.

Financial Summary

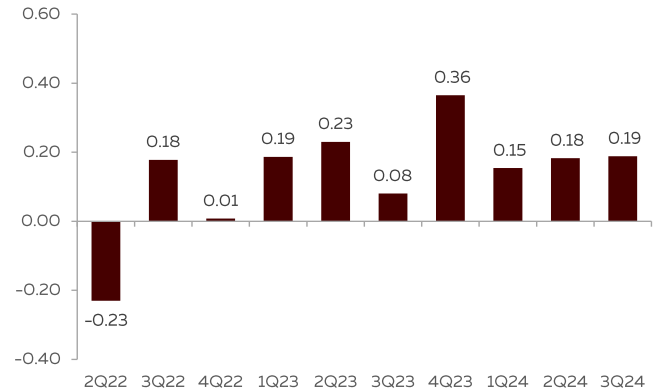
SAR (mn)	3Q2024	3Q2023	YoY	2Q2024	QoQ
Revenue	995	801	24%	1,028	-3%
Gross profit	442	356	24%	434	2%
Gross margin (%)	44%	44%		42%	
EBIT	93	60	56%	110	-16%
EBIT margin (%)	9%	7%		11%	
EBITDA	214	168	27%	240	-11%
EBITDA margin (%)	21%	21%		23%	
Net Income	31	24	28%	54	-44%
Net margin (%)	3%	3%		5%	
EPS (SAR)	0.10	0.08	28%	0.18	-44%

Source: Company Reports, Yaqeen Capital

Price to Earnings Ratio Trend



EPS (SAR) Trend



Rating Methodology

Buy: The Target share price exceeds the current share price by $\geq 10\%$

Hold: The Target share price is either more or less than the current share price by 10%

Sell: The Target share price is less than the current share price by $\geq 10\%$

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