

Target Price: SAR29.5/share
Current Price: SAR30.90/share
Upside: -4.4%
Rating: Neutral

Seera Group Holding (SEERA)

Strategic focus on travel and transportation powers growth

- Top-line to grow at a CAGR of 10% over 2024-27e on the back travel & transportation momentum, reaching SAR5.5bn by 2027e.
- EBITDA to grow at a CAGR of 15% over 2024-27e amid margin expansion reaching ~SAR1.3bn by 2027e.
- We update our TP using SOTP valuation to SAR29.5/sh (SAR26.6/sh earlier) and turn our stand to “Neutral” post a 28% return on the stock since initiation.

Seera’s diversified portfolio anchors positive earnings outlook: Seera Group is poised for solid growth, with aggregate revenues projected to reach approximately SAR 4.7bn in 2025e (+14% y/y) and further expand to SAR 5.1bn in 2026e and SAR 5.5bn by 2027e. This reflects a CAGR of 10.3% over 2024–27e. The growth will be primarily supported by strong performance in the travel segment—driven by Almosafer and Portman GBV (combined CAGR of 11.3% during the same period)—and continued expansion in the transportation segment through Lumi (CAGR of 8%). Meanwhile, the Hospitality segment’s subdued performance is expected to have minimal impact, as the travel and transport divisions are projected to contribute over 95% of total revenues. On the profitability front, we estimate gross profit to reach ~SAR1.96bn in 2025e (+11% y/y), with a margin of 41.6%, and to grow to SAR2.4bn by 2027e, with a margin of ~44%. Adjusted EBITDA is forecasted to reach SAR963mn in 2025e (+11.6% y/y, ~20% margin), and SAR1.3bn by 2027e, reflecting a margin of 24% and a CAGR of 15% over 2024–27e. Accordingly, net earnings are expected to reach SAR175mn in 2025e, and further to SAR304mn in 2026e and SAR363mn by 2027e, supported by top-line expansion and margin improvement. It’s worth noting that the bottom line might be subject to one-off impairment impact. While we don’t expect further impairments in Portman Group, the Hospitality segment might be under a moderate risk following conducting asset revaluation.

Almosafer’s consumer segment drives recovery and growth... Almosafer’s gross booking value (GBV) rose by 12% y/y in 1H25, primarily fueled by an 11% increase in its Consumer segment. This growth more than offset the impact of reduced government contracts in 2024. Other segments—including Hajj, Business Travel, DMC, and Online Distribution—also contributed positively, posting a combined 16% y/y growth and accounting for 22% of Almosafer’s total GBV in the period.

Figure 1: Key financial metrics

SARmn	2023a	2024a	2025e	2026e	2027e
Revenue	3,291	4,106	4,701	5,147	5,514
Revenue growth	56%	25%	14%	9%	7%
Gross Profit	1,412	1,768	1,957	2,232	2,437
gross margin	43%	43%	42%	43%	44%
Operating Profit	306	42	399	548	613
Operating margin	9%	1%	8%	11%	11%
Net profit*	226	(199)	175	304	363
Net profit margin	7%	-5%	4%	6%	7%
EPS (SAR)	0.8	(0.7)	0.6	1.0	1.2
P/E	41.1x	NM	52.9x	30.5x	25.6x

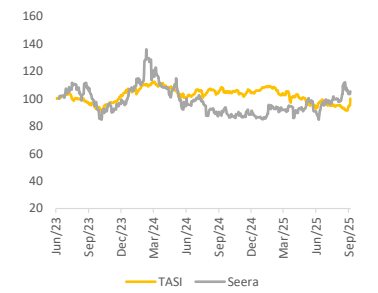
Source: Company data, GIB Capital. *Attributable to equity holders. NM: Not meaningful

Stock data

TASI ticker	1810
Mcap (SARmn)	9,270
Trd. Val (3m) (SARmn)	30.3
Free float	84.8%
QFI holding	8.2%
TASI FF weight	0.34%

Source: Bloomberg

Prices indexed to 100



Source: Bloomberg

Ahmed Almutawah

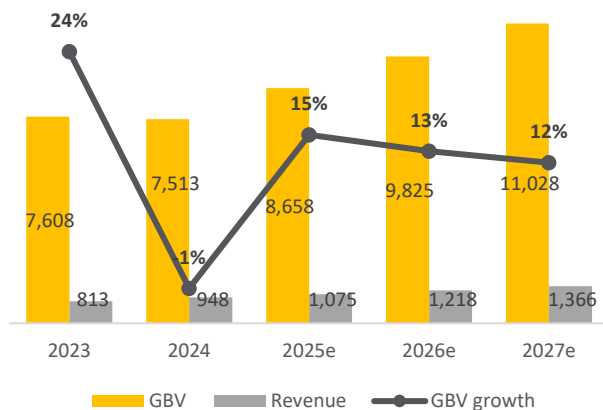
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With commanding market shares of 61-11% in OTA gross air and hotel bookings in KSA, respectively, Almosafer is well-positioned to reinforce Seera’s leadership in the Saudi travel market. This momentum is expected to be supported by strong tourism and aviation activities (e.g., PIF’s Riyadh Air is expected to launch trips as soon as Oct 26th this year). Moreover, Almosafer’s asset-light business model offers a strategic advantage in scalability, enabling expansion with minimal capital investment. Based on conservative estimates, we project Almosafer’s GBV to grow at a CAGR of 13.6% during 2024-27e, reaching approximately ~SAR8.7bn in 2025e and further to ~SAR11bn by 2027e—compared to management’s guidance of SAR12bn. Correspondingly, Almosafer’s revenues are expected to grow at a CAGR of 13% over the same period, reaching around ~SAR1.1bn in 2025e and ~SAR1.4bn by 2027e, compared to ~SAR950mn in 2024

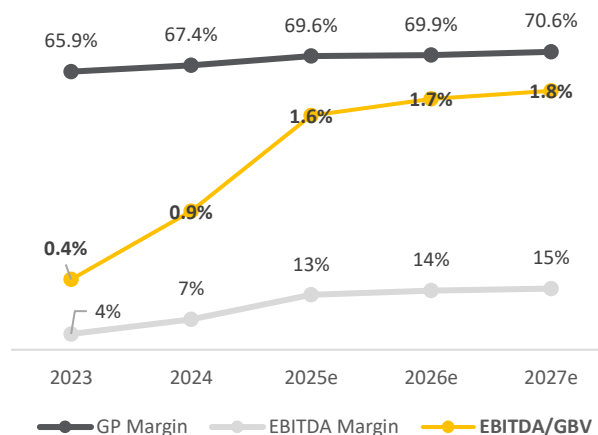
... with profitability upside driven by operational leverage: Almosafer demonstrated strong margin expansion in 1H25, with GP margin rising by ~2pps y/y to 61%. This improvement translated into a significant uplift in EBITDA margin, which doubled to 14% from 7% in 1H24. A more stable profitability indicator—EBITDA as a percentage of GBV—also improved notably, reaching 1.9% in 1H25 compared to 0.9% in the same period last year. This performance is particularly impressive given the absence of high-margin government bookings. The margin expansion is largely attributed to exceptional profitability during Hajj season in 2Q, in addition to operational leverage, as Almosafer is gaining accelerated benefits after surpassing the break-even point back in 2023-24. Looking ahead, we forecast GP margin to rise to approximately 69.6% in 2025e (from 67.4% in 2024e), and to further improve to 70.6% by 2027e. This corresponds to an EBITDA/GBV margin of 1.6% in 2025e (more normalized margins are expected in 2H25) and 1.8% by 2027e—in line with management’s guidance of 1.8% by 2027e.

Figure 2: Almosafer GBV and Revenue trend (SARmn)



Source: Company data, GIB Capital

Figure 3: Almosafer margins trend *



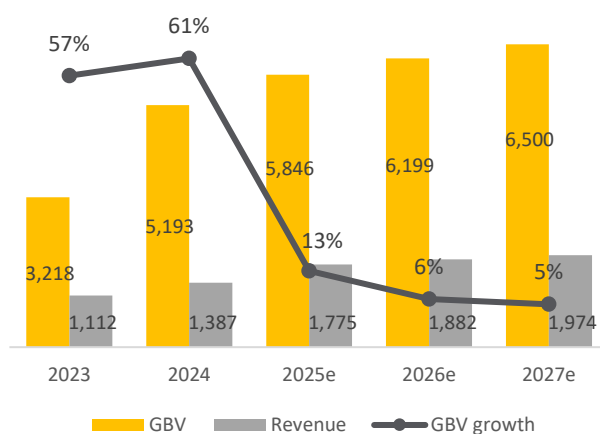
Source: Company Data, GIB Capital. *EBITDA/GBV on different axis scale.

Portman’s growth to normalize following post-expansion surge... Following its late-2023 expansion, Portman Group successfully doubled its pre-expansion business size, achieving robust GBV growth of 57.4% in 2023 and 61.5% in 2024. However, this pace is expected to normalize from 2025e onward, as indicated by a modest 7% growth in 1H25, lifting GBV to approximately ~SAR2.8bn. For the full year 2025e, we project GBV to grow by 12.6%, reaching around SAR5.8bn. We expect this to be driven by stronger performance in 2H25, compared to 1H, which was likely affected by seasonal factors, and the pressure of the +5% hike in employee national insurance costs in the UK on clients’ travel budgets as well. With a solid foothold in the UK travel ecosystem—particularly in the Sports segment—Portman is expected to reach SAR6.5bn in GBV by 2027e, reflecting a CAGR of 7.8% over 2024–27e.

This growth trajectory is anticipated to translate into revenues of SAR1.8bn in 2025e (+28% y/y), supported by improved take rates compared to 2024. By 2027e, revenues are forecast to reach ~SAR2.0bn, representing a CAGR of 12.5% over the same period.

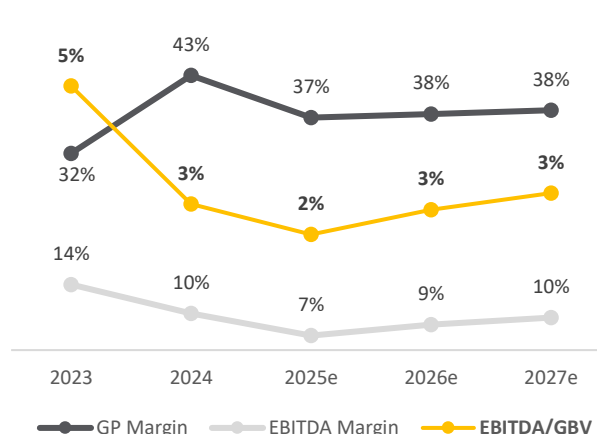
... with synergies to kick in by 2026e, supporting profitability for Portman: Portman Group experienced margin pressure in 1H25, with GP margin declining by 6pps y/y to 36%. EBITDA margin also contracted, falling from 8.7% in 1H24 to 4.2% in 1H25, while EBITDA/GBV margin dropped by 1pps y/y to 1.3%. This decline was primarily attributed to slower-than-anticipated integration of acquired business units and the impact of the increase in the UK's employee national insurance costs that was reflected in Clarity's overheads. While elevated insurance expenses are expected to persist, we anticipate margin recovery driven by operational synergies and full integration of recent acquisitions. Integration is expected to be completed by 2025e, with synergies beginning to materialize in 2026e. As a result, we forecast Portman's GP margin to stabilize at 37% in 2025e (down from 43% in 2024) and gradually improve to 38% by 2027e. EBITDA/GBV margin is also projected to rise to 2.1% in 2025e and reach 2.9% by 2027e, aligning with management's guidance of a sustainable margin range between 2.5% and 3%.

Figure 4: Portman GBV and Revenue trend (SARmn)



Source: Company data, GIB Capital

Figure 5: Portman margins trend *



Source: Company Data, GIB Capital. *EBITDA/GBV on different axis scale.

Lumi revenue growth to normalize amid stabilized fleet expansion: Following a stronger-than-expected performance in 2Q25, we have revised upward our forecast for Lumi's revenue growth in 2025e to 9.3% (from 6.8%), reaching ~SAR1.7bn. Revenues are projected to grow further to SAR1.84bn in 2026e and SAR1.98 bn by 2027e, reflecting a CAGR of 8.4% over 2024–27e (vs. 8.1% earlier). This growth will be primarily driven by core operations (a CAGR of 11.5% for leasing and 9% for rental). In contrast, car sales are likely to be lower due to a weak recovery rate, posting a modest CAGR of 5.4%. On the profitability front, we expect lower interest rates to provide support for the bottom-line expansion; thus, we forecast a 17% y/y increase in net earnings for 2025e, reaching SAR210mn. Earnings are expected to rise further to SAR274mn in 2026e and SAR319mn by 2027e, reflecting a CAGR of 21.2% over 2024–27e (slightly down from 21.8% previously).

Hospitality divestment to resume following temporary pause: Seera's Hospitality segment reported a 6% y/y decline in top-line performance during 1H25, reflecting the company's ongoing strategic divestment from the sector. This was evidenced by a reduction of 228 operational room keys in 2Q25 compared to 1Q25. Despite the revenue contraction, gross profit margin improved to 51% (up from 46.7% in 1H24), likely driven by non-recurring, high-margin sales during the Hajj season. Looking ahead, we expect the Hospitality segment to continue contributing to revenues, albeit on a declining trajectory as the divestment process progresses selectively.

After a temporary delay, we expect management to resume the divestment in the last quarter of 2025. Overall, we remain optimistic about the value Seera can unlock from its Hospitality assets, which is estimated to be at least SAR3bn (including rental properties).

Finance expenses to decrease amid interest rate cuts: Seera's finance expenses decreased by 6% y/y in 1H25 to ~SAR99mn, driven by lower interest rates despite a slight increase in loan balances (net debt/equity reached 0.23x in 2Q25 from 0.18x in 2024). We expect the leverage level to normalize by 2025e to 0.18x and to stay largely sustained at this level during 2025-27e. Looking ahead, with interest rate cuts anticipated to accelerate, we expect finance costs to decline to ~SAR180mn in 2025 (-2% y/y), and further to SAR141mn by 2027.

Valuation and risks:

Travel sector: We use the EV/EBITDA valuation approach to value Almosafer and Portman. We consider EV/EBITDA multiple of 10x for Almosafer and 8x for Portman, on our estimated EBITDA of 2026e, implying an EV of **SAR1,777mn** for Almosafer and of **SAR1,280mn** for Portman.

Lumi: We keep our TP of SAR76/share, using an equally weighted approach using DCF and P/E valuation methods, and then adjusted for net debt (as of June 25) and other adjustments to reach an EV value of SAR6,021mn for the whole company, implying a proportionate EV of **SAR4,215mn** for Seera (70% stake).

Hospitality segment, Kayanat Project, and other investments: We value the hospitality (including property rental) segment at book value (**SAR3,592mn**) as of June 25. We have also included in our valuation the book value of the Kayanat Project (**SAR454mn**) and other investments of the group (**SAR517mn**).

Overall, we derive the total EV of ~SAR11.8bn for Seera using a SOTP valuation method, taking into account the valuations of each segment, and an equity value of SAR9.84bn, leading to a 1Y forward **TP of SAR29.5/share** (SAR26.6 earlier), post applying a 10% conglomerate discount. We turn our stand on the stock into "**Neutral**" post recording a 28% return since our latest recommendation in May 2025.

Figure 6: SOTP Valuation

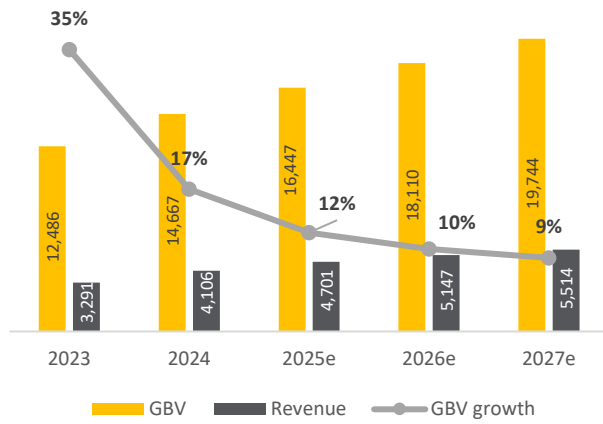
SARmn	Methods	Value	% of EV
Enterprise value			
Almosafer	10x EV/EBITDA based on 2026E	1,777	15%
Portman	8x EV/EBITDA based on 2026E	1,280	11%
Lumi	DCF and P/E (70% stake)	4,215	36%
Hospitality (Inc. property rental)	At book value	3,592	30%
Kayanat Project	At book value	454	4%
Other Investments	At book value	517	4%
Tota Enterprise value		11,836	
Less: Net Debt		(1,441)	
Less: Minority Interest		(411)	
Less: Pension liabilities		(140)	
Seera Equity Value		9,844	
Shares O/S (mn)		300	
Equity value per share (SAR)		32.8	
Conglomerate Discount (%)		10%	
1Y forward TP (SAR)		29.5	

Source: GIB Capital

Key downside risks are revenue volatility & seasonality, changes in regulation and licensing requirements, delay in receivable collection, competitive pricing pressure, macroeconomic and geopolitical uncertainty and pandemics & health crises

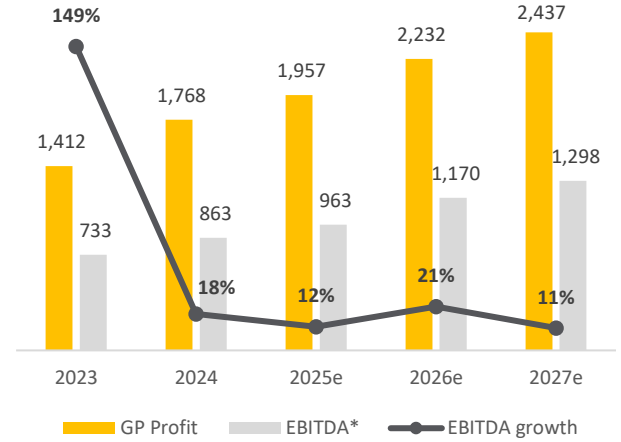
Financial analysis in charts

Figure 7: GBV and revenue trend (SARmn)



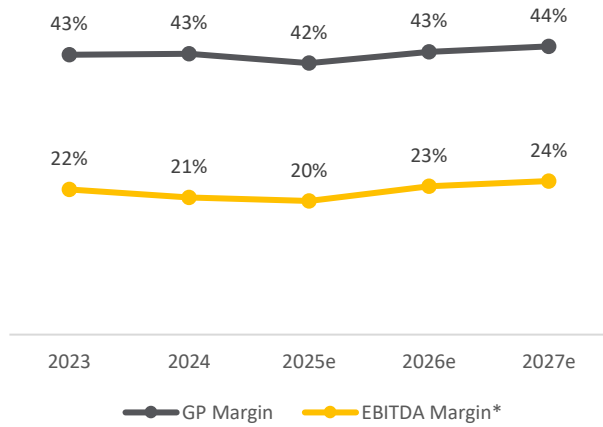
Source: Company data, GIB Capital

Figure 8: Gross profit and EBITDA trend (SARmn)



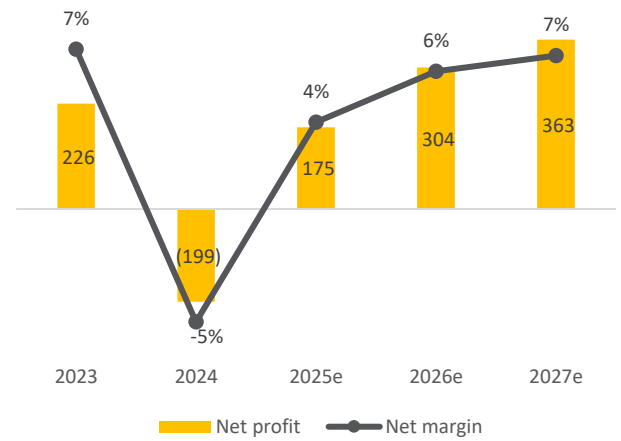
Source: Company Data, GIB Capital. *On an adjusted basis.

Figure 9: Margins Trend



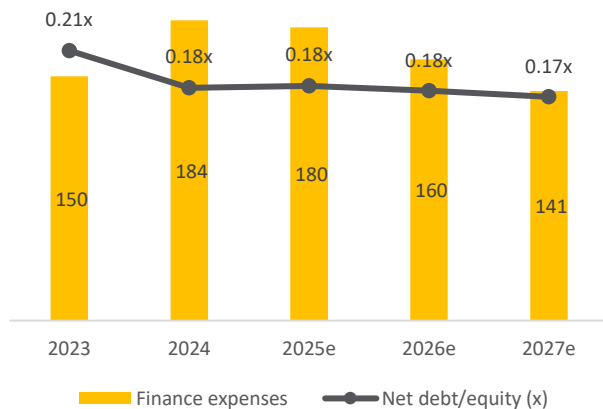
Source: Company Data, GIB Capital. *On an adjusted basis.

Figure 10: Earnings trend (SARmn)



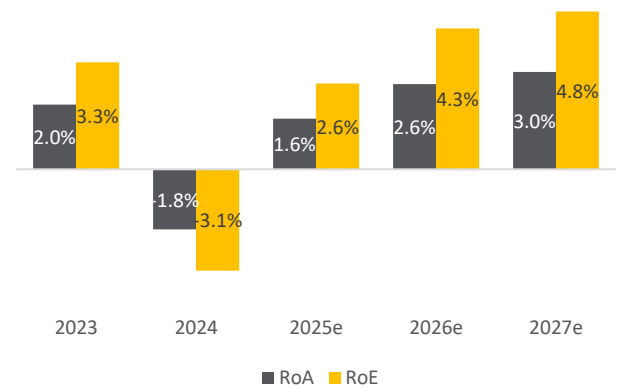
Source: Company Data, GIB Capital

Figure 11: Leverage trend (SARmn)



Source: Company Data, GIB Capital

Figure 12: Profitability trend



Source: Company Data, GIB Capital.

Summarized Financial Statements

Figure 13: Summarized basic financial statements (SARmn)

Income statement	2023a	2024a	2025e	2026e	2027e	2028e
Revenue	3,291	4,106	4,701	5,147	5,514	5,877
revenue y/y	56%	25%	14%	9%	7%	7%
COGS	1,879	2,339	2,744	2,915	3,077	3,227
Gross Profit	1,412	1,768	1,957	2,232	2,437	2,650
Gross Profit Margin	43%	43%	42%	43%	44%	45%
Operating Expenses	1,106	1,726	1,558	1,684	1,823	1,972
Operating profit	306	42	399	548	613	679
Operating margin	9%	1%	8%	11%	11%	12%
Net Finance costs	136	160	142	125	109	91
PBT	264	(116)	268	434	516	599
Zakat/tax	28	22	30	48	57	66
Net income*	226	(199)	175	304	363	421
Net margin	7%	-4.8%	3.7%	5.9%	6.6%	7.2%
y/y	NM	NM	NM	NM	NM	NM
EPS	0.8	(0.7)	0.6	1.0	1.2	1.4
DPS	0.0	0.0	0.0	0.0	0.0	0.0
Payout	0%	0%	0%	0%	0%	0%
EBITDA	733	863	963	1,170	1,298	1,426
Net debt (w/o lease liabilities)	1,110	843	852	861	881	817
Net debt (w/ lease liabilities)	1,426	1,146	1,198	1,240	1,287	1,250

Balance Sheet	2023a	2024a	2025e	2026e	2027e	2028e
Trade and other receivables	1,563	1,447	1,417	1,410	1,450	1,497
Prepayments and advances	612	782	718	563	444	316
Cash and cash equivalents	837	901	892	832	843	907
Total Current Assets	3,014	3,356	3,037	2,816	2,748	2,731
Property and equipment	5,318	5,089	5,868	6,632	7,360	8,018
Investment properties	756	599	599	499	399	349
Investments	1,118	597	609	550	511	473
WIP	888	845	845	845	845	845
Total Non-Current Assets	8,390	7,480	8,233	8,817	9,388	9,943
Total Assets	11,404	10,836	11,270	11,633	12,136	12,674
Current Liabilities	3,041	3,046	3,312	3,417	3,513	3,600
Non-current Liabilities	1,473	1,372	1,302	1,174	1,122	1,040
Equity	6,889	6,418	6,656	7,042	7,501	8,034
Total Equity and Liabilities	11,404	10,836	11,270	11,633	12,136	12,674
BVPS	23.0	21.4	22.2	23.5	25.0	26.8

Cashflow	2023a	2024a	2025e	2026e	2027e	2028e
Cashflow from Operations	(736)	234	(206)	(145)	(124)	14
Cashflow from Investing	(644)	585	154	103	78	23
Cashflow from Financing	1,513	(694)	44	(17)	57	27
Total Cashflows	133	126	(9)	(60)	11	64

Source: Company, GIB Capital, *attributable to equity holders

Figure 14: Key ratios

Key ratios	2023a	2024a	2025e	2026e	2027e	2028e
Profitability ratios						
RoA	2%	-2%	2%	3%	3%	3%
RoE	3%	-3%	3%	4%	5%	5%
Sales/Assets	29%	38%	42%	44%	45%	46%
Net margin	7%	-5%	4%	6%	7%	7%
Liquidity ratios						
Current Assets/ Current Liabilities	1.0	1.1	0.9	0.8	0.8	0.8
Debt to Total Equity (w/ IFRS liab.)	0.3	0.3	0.3	0.3	0.3	0.2
Receivable Days	173	129	110	100	96	93
Inventory Days	-	-	-	-	-	-
Payable days	322	227	227	225	224	222
Cash conversion cycle	-149	-98	-117	-125	-128	-129
Debt ratios						
Net Debt/EBITDA (w/o IFRS liab.)	1.51	0.98	0.88	0.74	0.68	0.57
Net Debt/EBITDA (w/ IFRS liab.)	1.95	1.33	1.24	1.06	0.99	0.88
Debt/Assets (w/o IFRS liab.)	0.17	0.16	0.15	0.15	0.14	0.14
Net Debt/Equity (w/o IFRS liab.)	0.16	0.13	0.13	0.12	0.12	0.10
Net Debt/Equity (w/ IFRS liab.)	0.21	0.18	0.18	0.18	0.17	0.16
Valuation ratios						
P/E	41.1	NM	52.9	30.5	25.6	22.0
P/B	1.3	1.4	1.4	1.3	1.2	1.2
EV/EBITDA	13.8	11.7	10.5	8.7	7.8	7.1
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company, GIB Capital.

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