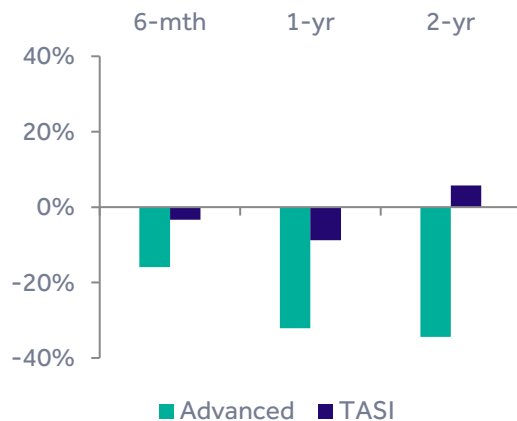


Market Data	
52-week high/low	SAR 45.55 / 25.85
Market Cap	SAR 7,995 mln
Shares Outstanding	260 mln
Free-float	86.21%
12-month ADTV	649,132
Bloomberg Code	APPC AB



Netbacks Lift Revenue - New Capacity Signals Potential

April 15, 2025

Upside to Target Price	(2.4%)	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 30.75
Expected Total Return	(2.4%)	12-mth target	SAR 30.00

ADVANCED	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	614	321	91%	579	6%	638
Gross Profit	107	27	296%	19	463%	108
Gross Margins	17%	8%		3%		17%
Operating Profit	73	(25)	-	(24)	-	62
Net Profit	72	(58)	-	(288)	-	30

(All figures are in SAR mln)

- Advanced generated a topline of SAR 614 mln for the quarter, +91% Y/Y and +6% Q/Q, in-line with our SAR 638 mln revenue forecast. The increase Y/Y was driven by scheduled maintenance in the same period last year, while Q/Q growth in revenues and margins is attributed to a +3% Q/Q increase in sales volumes and a decrease in propane prices of -8% Q/Q. Moreover, management commented that average netbacks increased +4% Q/Q as well, further supporting greater margins. PP prices have lifted slightly in 1Q25, after staying relatively flat, when compared sequentially in 4Q24. We also note, management stated the launch of a new PP production line is scheduled to be active next month, adding production capacity of 800 KTA.
- Gross margins in 1Q25 were 17%, in-line with our forecast, which assumed growth in revenues and PP prices Q/Q, which did materialize. Management also commented that purchased Propane prices increased +8% Y/Y and decreased -8% Q/Q, which we believe supported gross profits. We also note, Propane (Aramco) prices according to Argaam, decreased by -1% Q/Q, further supporting the rationale for our estimate. Gross profit reached SAR 107 mln in 1Q25, a significant increase Q/Q and Y/Y. Notably, Advanced recorded no share in losses on investment from SK Advanced, supporting EBIT of SAR 73 mln.
- Advanced's 1Q25 net profit was SAR 72 mln, a significantly better result both Q/Q and Y/Y, which deviated from our estimates of a more modest profit, based upon SK Advanced, recording no share of losses this quarter; which is unusual. Our previous sentiment on end-product prices is maintained, however, given the macro-market environment for petrochemicals, and now, the uncertainty of tariffs from the United States, we maintain our target price and rating.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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