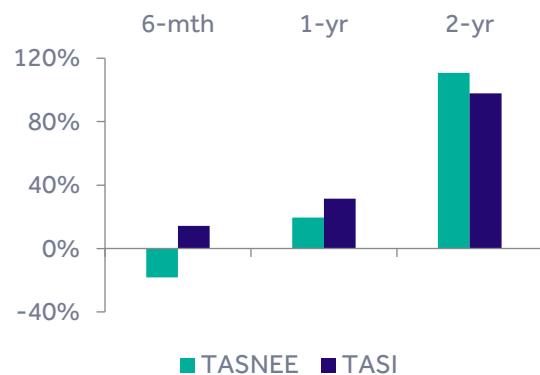


Market Data	
52-week high/low	SAR 27.40/17.36
Market Cap	SAR 13,860 mln
Shares Outstanding	669 mln
Free-float	82.95%
12-month ADTV	5,733,194
Bloomberg Code	NIC AB



Net Income declines 9% Q/Q

April 27, 2022

Upside to Target Price 11.0%
 Expected Dividend Yield -
 Expected Total Return 11.0%

Rating Neutral
 Last Price SAR 20.72
 12-mth target SAR 23.00

TASNEE	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	979	725	35%	1,163	(16%)	1,186
Gross Profit	288	187	54%	331	(13%)	297
Operating Profit	543	562	(3%)	818	(34%)	739
Net Profit	309	328	(6%)	339	(9%)	356

(All figures are in SAR mln)

- Tasnee posted revenues of SAR 979 mln, up +35% Y/Y but down -16% Q/Q. The decrease on quarterly basis is led by lower average price of its products and lower sales volume. Polypropylene price was down by -3% Q/Q.
- Gross margins came in at 29.4%, higher than 25.7% last year and 28.5% in the preceding quarter. As a result, gross profit increased +54% Y/Y but still decreased -13% Q/Q to come in at SAR 288 mln for the quarter. Feedstock Propane price was lower by -3% Q/Q.
- Operating profit went down by -3% Y/Y and -34% Q/Q to SAR 543 mln for the quarter. The company has witnessed a decrease in share of profit from investments in associates and JVs, on the back of lower average prices. At the same time, general administrative and marketing expenses were also higher Q/Q.
- Net income went down by -6% Y/Y and -9% Q/Q to SAR 309 mln. Bottomline missed both our forecast of SAR 356 mln and market consensus of SAR 371 mln. Net margins were reported at 32% for the quarter. We maintain our target price at 23.00 and Neutral recommendation.

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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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