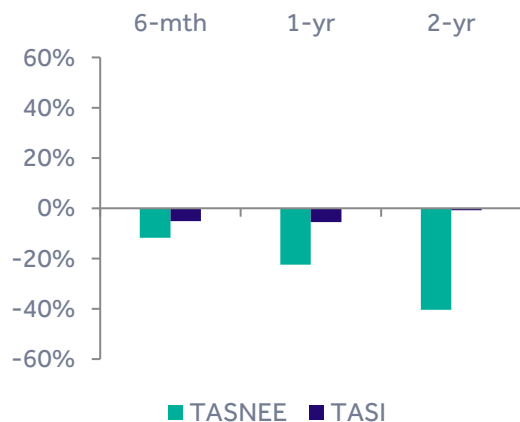


Market Data	
52-week high/low	SAR 12.00 / 8.53
Market Cap	SAR 6,114 mln
Shares Outstanding	669 mln
Free-float	82.54%
12-month ADTV	2,074,856
Bloomberg Code	NIC AB



Cost Of Sales Moves Lower – Optimism Moves Higher

May 29, 2025

Upside to Target Price	14.9%	Rating	Neutral
Expected Dividend Yield	-	Last Price	SAR 9.14
Expected Total Return	14.9%	12-mth target	SAR 10.50

TASNEE	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	863	761	13%	1,103	(22%)	1,096
Gross Profit	69	20	254%	5	1,400%	9
Gross Margins	8%	3%		0%		1%
Operating Profit	(84)	(113)	26%	(68)	(24%)	(49)
Net Profit	896	(72)	-	33	2,617%	(25)

(All figures are in SAR mln)

- Tasnee 1Q25 revenues came in lower Q/Q and higher Y/Y, by -22% and +13%, respectively; at SAR 863 mln. Topline performance was lower than our estimates, however performance overall, was in-line with the direction we believed business segment results to move. The Company's higher Y/Y results were driven via elevated sales volumes, which are apparent across the Chemicals & Metallurgy Segment, up +20% Y/Y, and the Petrochemicals Segment, up +9% Y/Y. According to management, the Company experienced a decrease in cost of sales Y/Y, which is surprising and positive.
- Operating losses during 1Q25 were SAR (84) mln, +26% Y/Y, but down -24% Q/Q. The Y/Y results were driven by higher sales volumes of most products and greater gross margins, which offset the ~15% increase in operating expenses. Q/Q operating results were very similar, when excluding impairments, gains or losses from asset disposals, and share of profits from joint ventures and associates, 1Q2025 operating expenses were still higher. We note, that much higher gross profits being the key differentiator is a positive sign for Tasnee's profitability; we view this factor favorably.
- Net profit of SAR 896 mln was driven by significant changes in post-operating profit items; skewing the profit growth Q/Q by over +1,000%. This result was driven by the completed debt restructuring and rescheduling for the Acrylic Complex, as announced on the Tadawul exchange in February, 2025. Despite this being a positive outcome, given the uncertainty surrounding the industry, we maintain our rating and lower our target price.

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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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