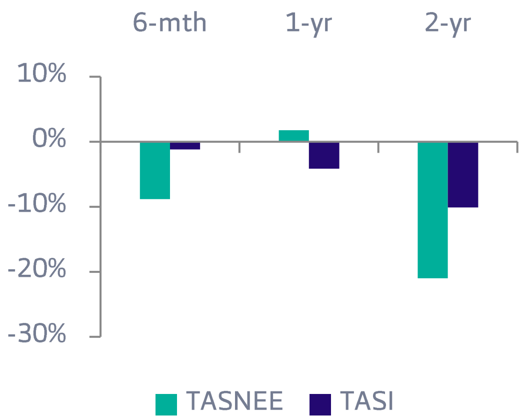
Acrylics Under Pressure; Defensive Position Still Strong

May 19, 2026

Upside to Target Price	(9.1%)	Rating	Neutral
Expected Dividend Yield	-	Last Price	SAR 9.90
Expected Total Return	(9.1%)	12-mth target	SAR 9.00

Market Data	
52-week high/low	SAR 11.94 / 8.05
Market Cap	SAR 6,622 mln
Shares Outstanding	669 mln
Free-float	88.75%
12-month ADTV	1,707,618
Bloomberg Code	NIC AB



Tasnee	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	495	648	(24%)	613	(19%)	585
Gross Profit	(20)	34	-	(41)	51%	29
Gross Margins	(4%)	5%		(7%)		5%
Operating Profit	(131)	(96)	(37%)	(922)	86%	(47)
Net Profit	(341)	896	-	(2,037)	83%	(152)

(All figures are in SAR mln)

- Tasnee generated total revenues of SAR 495 mln in 1Q26, a decrease of -24% Y/Y and -19% Q/Q. Results came in lower than our estimate of SAR 585 mln, driven by weaker-than-expected acrylic business performance. Net loss attributable to parent was SAR (341) mln vs net profit of SAR 896 mln in 1Q25. However, we also note that the Y/Y comparison is distorted by a SAR 2,029 mln one-off debt-restructuring gain booked in 1Q25; ex this, 1Q25 was also a loss period.
- Operating losses during 1Q26 were SAR (131) mln (excl. JV share of losses), an improvement of +86% Q/Q and a decrease of -37% Y/Y. The petrochemicals segment drove the deterioration, with sales of SAR 277 mln, -33% Y/Y, and segment EBITDA swinging from SAR 117 mln to SAR (190) mln on a SAR (185) mln share of loss from JVs (vs SAR 65 mln in 1Q25). The key driver is the SEPC shutdown effective January 2, 2026, for planned maintenance and the ethylene cracker expansion, which management flagged continues into 2Q26.
- Tasnee recorded a net loss of SAR (341) mln, wider than our estimate of SAR (152) mln, driven by the SAR 299 mln share of loss from associates and JVs. Offsetting the operational weakness: a commercial-bank refinancing term sheet for the SAR 2.0 bln current portion of LT borrowings, extending maturity by 7 years beyond November 2026; the RITC SPA signed in 1Q26 with Tahweel for SAR 700 mln; and the initiation of idling of Furnace One at Jazan. We also highlight risks: 2Q26 JV continuation, and JV corporate guarantees nearly doubling Q/Q to SAR 1,394 mln (from 4Q25 of SAR 728 mln). With current negative macro factors and Hormuz shipping exposure, but ample cash and several impairments in the rear-view mirror, we maintain our Neutral rating and raise 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

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