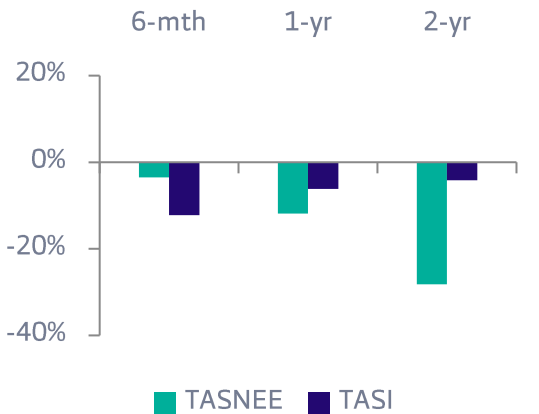


Market Data	
52-week high/low	SAR 11.64 / 8.53
Market Cap	SAR 6,555 mln
Shares Outstanding	669 mln
Free-float	88.54%
12-month ADTV	2,078,059
Bloomberg Code	NIC AB



Greater Margins, Greater Intrigue

August 10, 2025

Upside to Target Price	12.2%	Rating	Neutral
Expected Dividend Yield	-	Last Price	SAR 9.80
Expected Total Return	12.2%	12-mth target	SAR 11.00

Tasnee	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	809	1,007	(20%)	863	(6%)	784
Gross Profit	122	95	29%	69	76%	63
Gross Margins	15%	9%		8%		8%
Operating Profit	(44)	(68)	34%	(84)	47%	(51)
Net Profit	(66)	53	-	896	-	(263)

(All figures are in SAR mln)

- Tasnee 2Q25 revenues came in lower both Q/Q and Y/Y, by -6% and -20%, respectively, at SAR 809 mln; in-line with our estimate. The Company’s results for both Q/Q and Y/Y changes were driven by lower average sales prices for the majority of the Company’s products, as well as lower sales volumes; as noted by management. Q/Q changes in segment results were particularly disappointing, as the Metallurgy segment and Petrochemical segment sales both dropped, by -20% and -14%, respectively. We also note, that the Downstream segment, which includes Taldeen, the largest factory in this segment (which builds HDPE piping), experienced an increase in sales Q/Q of +8%; which was impressive, but not enough to lift sales overall.
- Operating losses during 2Q25 were SAR (44) mln, +47% Q/Q and +34% Y/Y. The higher operating income was driven by lower sales volumes and lower average prices, offset by higher margins, which boosted both Y/Y and Q/Q results. Despite higher gross margins of 15% in 2Q25 vs. 9% in 2Q24, and even 8% in 1Q25, this was not enough to generate a net profit. Moreover, a significantly lower share of losses from joint ventures and associates Q/Q (-96%), also supported results. We also note, gross margins in 1Q25 were impacted by impairments due to restructuring.
- Net loss of SAR (66) mln was driven by lower sales, which cascaded through to operating losses, which ultimately generated a net loss which was significantly lower Y/Y and Q/Q. With the Petrochemical industry still experiencing oversupply, we slightly raise our target price and remain Neutral. We also highlight the Company’s investment holdings as a particular point of intrigue.

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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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