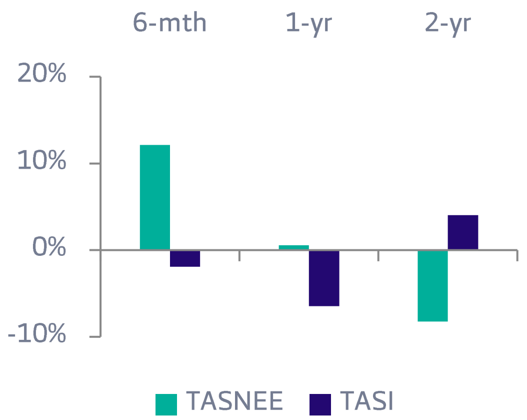
Lower Cost Inputs; Lower Margins, Tronox Drags

November 12, 2025

Upside to Target Price	0.9%	Rating	Neutral
Expected Dividend Yield	-	Last Price	SAR 10.90
Expected Total Return	0.9%	12-mth target	SAR 11.00

Market Data	
52-week high/low	SAR 11.94 / 8.53
Market Cap	SAR 7,291 mln
Shares Outstanding	669 mln
Free-float	88.75%
12-month ADTV	2,088,470
Bloomberg Code	NIC AB



Tasnee	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	860	1,029	(16%)	809	6%	780
Gross Profit	47	107	(56%)	122	(61%)	117
Gross Margins	5%	10%		15%		15%
Operating Profit	(657)	136	-	(47)	(1,292%)	(29)
Net Profit	(559)	89	-	(66)	(749%)	25

(All figures are in SAR mln)

- Tasnee 3Q25 revenues came in lower Y/Y and slightly higher Q/Q, by -16% and +6%, respectively, at SAR 860 mln; higher than our more conservative estimate, driven by Q/Q volumes being greater than expected. The Company's results for both Q/Q and Y/Y changes were driven mostly by lower average sales prices for the majority of the Company's products. While sales volumes were lower Y/Y, we note some products experienced higher sales volumes Q/Q. In our view, sales moving up Q/Q is not very indicative of the current market performance, given that it was driven by intense sales volumes; we also speculate, that gross margins could bely true performance, given the impairments this quarter.
- Operating losses during 3Q25 were SAR (657) mln, significantly lower Q/Q and Y/Y. The operating loss, which was lower than our estimate of SAR (29) mln, was driven by lower sales prices and higher volumes Q/Q, which were dwarfed by a SAR 464 mln impairment of investment; specifically related to Tronox plc. Despite the lower price of propane in 3Q25, higher margins did not materialize; as evidenced by higher margins in 2Q25 (15%) and 3Q24 (10%).
- Net loss of SAR (559) mln was driven by the aforementioned investment impairment, lower sales prices, and lower gross margins, both Q/Q and Y/Y. With the petrochemical industry still experiencing oversupply, despite some indicators showing improvement, we maintain our target price and our Neutral 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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