National Industrialization Co. (Tasnee)

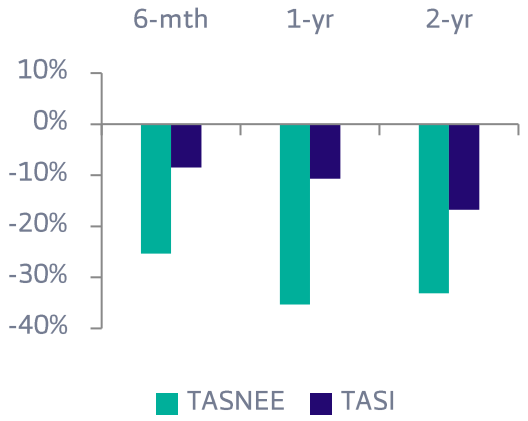
3Q2026 First Look

Volumes Return While One-Offs Dominate

November 9, 2026

Upside to Target Price	9.0%	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 7.34
Expected Total Return	9.0%	12-mth target	SAR 8.00

Market Data	
52-week high/low	SAR 11.25 / 6.89
Market Cap	SAR 4,910 mln
Shares Outstanding	669 mln
Free-float	93.70%
12-month ADTV	1,141,947
Bloomberg Code	NIC AB



Tasnee	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	444	646	(31%)	380	17%	409
Gross Profit	(2)	12	-	(52)	96%	(35)
Gross Margins	(0%)	2%		(14%)		(8%)
Operating Profit	(679)	(665)	(2%)	(825)	18%	(157)
Net Profit	(439)	(559)	21%	(548)	20%	(247)

(All figures are in SAR mln)

- Tasnee generated revenues of SAR 444 mln in 3Q26, down -31% Y/Y and up +17% Q/Q, above our SAR 409 mln estimate, as higher sales volumes outweighed continuing operational and supply-chain disruptions (per the Company). The gross loss narrowed to SAR (2) mln from SAR (52) mln in 2Q26, against our SAR (35) mln estimate.
- The operating loss of SAR (679) mln (including the share of JVs and associates) widened -2% Y/Y and narrowed +18% Q/Q, far wider than our SAR (157) mln, as the quarter carried SAR 351 mln of one-off items (Tasnee share): impairments at SAMCO and the Slagger, an impairment of the investment in Tronox, Tronox tax and restructuring charges, and the Rowad disposal loss, of which we carried only the last at about SAR 100 mln. We also note that total EBITDA excluding one-offs was SAR (24) mln (versus 3Q25: SAR (31) mln).
- We are watching for SEPC's cracker expansion reaching full capacity after pilot production began on 1 July (Tadawul), the Tronox carrying value after the impairment, the SAMCO impairment, and the share buyback disclosed in the release. Net loss of SAR (439) mln, narrowing +21% Y/Y and +20% Q/Q, was wider than our SAR (247) mln estimate, driven by one-offs and partly offset by a smaller gross loss than we anticipated; excluding one-offs the loss was SAR (88) mln against our comparable SAR (146) mln. The Rowad divestment closed on 31 August (SAR 631 mln net proceeds), the SAR 2.0 bln facility was rescheduled by seven years, cutting current borrowings to SAR 369 mln, and cash and liquid investments reached SAR 2.8 bln against borrowings of SAR 5.2 bln. We maintain our Neutral rating and lower our target price to SAR 8.00 from SAR 9.00 on the Tronox impairment and continued drag, and on margins that stayed negative despite higher volumes, a full quarter from SEPC and lower feedstock costs Q/Q.

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Disclaimer

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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