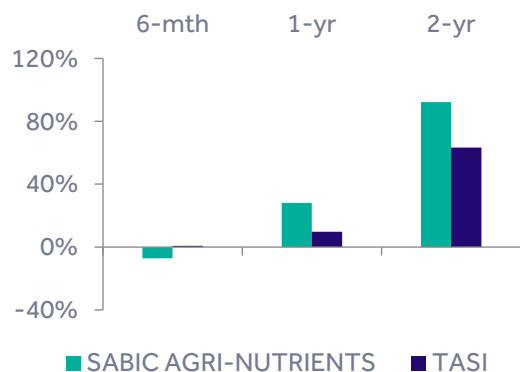


Market Data	
52-week high/low	SAR 202.4 / 119.2
Market Cap	SAR 73,119 mln
Shares Outstanding	476 mln
Free-float	49.90%
12-month ADTV	1,094,691
Bloomberg Code	SAFCO AB



## Net Profit Tops SAR 3 Billion

August 09, 2022

Upside to Target Price	4.2%	Rating	Neutral
Expected Dividend Yield	2.3%	Last Price	SAR 153.60
Expected Total Return	6.5%	12-mth target	SAR 160.00

SABIC Agri-Nutrients	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	5,700	1,839	210%	4,657	22%	4,378
Gross Profit	3,473	1,123	209%	3,025	15%	2,539
Operating Profit	3,120	951	228%	2,614	19%	2,173
Net Profit	3,025	836	262%	2,513	20%	2,080

(All figures are in SAR mln)

- SABIC Agri-Nutrients topline climbed up by +22% Q/Q and +210% Y/Y to SAR 5.7 bln. Topline increase was on the back of an increase in quantities sold. Average prices of Urea and Ammonia slightly fell by -1% Q/Q.
- Gross margins contracted to 61% for the quarter versus 65% in the preceding quarter but stabilized compared to 61% in 2Q2021. Gross profit went up by +15 Q/Q and +209% Y/Y to SAR 3.5 bln. Net margins followed a similar pattern and ended the quarter at 53% versus 54% in the preceding quarter.
- Management has reported an increase in selling and distribution expenses for the quarter but despite this increase, operating profit rose by +19% Q/Q and +228% Y/Y to SAR 3.1 bln.
- SABIC Agri-Nutrients reported a net profit of SAR 3.0 bln (+20% Q/Q, +262% Y/Y), which is the highest quarterly net profit for the company. This came on the back of higher product prices as well as higher volumetric sales. Bottomline beat our SAR 2.1 bln estimate and market consensus of SAR 2.3 bln.
- We reduce our target price to SAR 160.00 but maintain 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](mailto:research@riyadcapital.com)

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