

Market Data	
52-week high/low	SAR 194.0 / 90.70
Market Cap	SAR 82,735 mln
Shares Outstanding	476 mln
Free-float	49.90%
12-month ADTV	432,269
Bloomberg Code	SAFCO AB

Net Income Surges on High Urea Prices

January 31, 2022

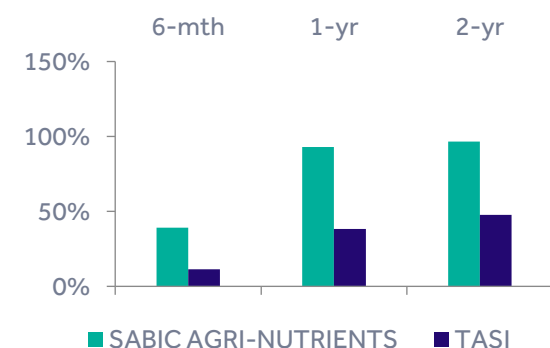
Upside to Target Price	(1.6%)	Rating	Neutral
Expected Dividend Yield	2.0%	Last Price	SAR 173.80
Expected Total Return	0.4%	12-mth target	SAR 171.00

SABIC Agri-Nutrients	4Q2021	4Q2020	Y/Y	3Q2021	Q/Q	RC Estimate
Sales	4,040	768	426%	2,207	83%	3,531
Gross Profit	3,191	358	792%	1,548	106%	2,507
Operating Profit	2,993	282	962%	1,369	119%	2,317
Net Profit	2,764	234	1,083%	1,206	129%	2,081

(All figures are in SAR mln)

- Revenues for the Company went up by +83% Q/Q and +426% Y/Y as urea prices accelerated their increase in the outgoing quarter. Just for the quarter, urea prices inclined by +83% while on a yearly basis they increased by +220% to an average of SAR 855/ton.
- Gross margins continued to expand, rising to a record 79.0% for the quarter versus 70.1% in the previous quarter and 46.6% last year. Net margins also followed a similar pattern and ended the quarter at 68.4% versus 54.7% in the preceding quarter.
- Net income came in at SAR 2.76 billion, more than doubling from 3Q2021 and a more than ten-fold increase over SAR 234 million in 4Q2020. Bottomline beat our SAR 2.08 billion forecast and market consensus estimates of SAR 2.29 billion.
- Urea prices have moderated in 1Q2022 so far. 4Q2021 bottomline would be difficult to beat going forward. We maintain our SAR 171.00 target price and 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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