

May 10, 2023

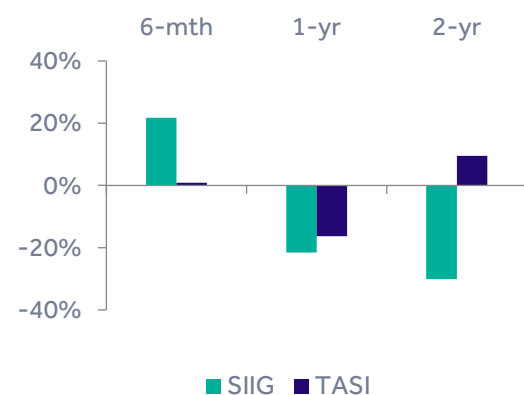
Maintenance Impact Continues in 1Q

Upside to Target Price	(4.6%)	Rating	Neutral
Expected Dividend Yield	4.0%	Last Price	SAR 25.15
Expected Total Return	(0.6%)	12-mth target	SAR 24.00

Market Data	
52-week high/low	SAR 33.15/18.88
Market Cap	SAR 18,983 mln
Shares Outstanding	754.8 mln
Free-float	81.40%
12-month ADTV	1,290,855
Bloomberg Code	SIIG AB

SIIG	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Sales	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Gross Margins	-	-	-	-	-	-
Operating Profit	(237)	372	-	(308)	-	9
Net Profit	(242)	235	-	(296)	-	(5)

(All figures are in SAR mln)



- SIIG reported an operating loss of SAR (237) mln as compared to SAR (308) mln in the preceding quarter. The loss is attributed to the unscheduled turnaround maintenance for Saudi Polymer Company. Selling prices were higher Q/Q but lower Y/Y. We anticipated that the rise in product prices will support operating profit more but the shutdown impact proved to be greater.
- For 1Q2023, feedstock prices declined Q/Q but remain elevated, which did not help profitability. The impact of unscheduled maintenance appeared in 4Q and has also impacted 1Q2023. However, SIIG has pointed towards a decline in G&A expenses.
- SIIG announced it has signed an agreement to buy shares in Unibio International, a leader in bioprotein production technology sector. The approximate investment of USD 70 mln represents 24% ownership.
- Net loss was recorded at SAR (242) mln, the second consecutive quarterly loss. We are positive on SIIG's capabilities; the biggest obstacle during the past two quarters was the maintenance.
- We expect better results for the second quarter on the back of an improvement in PP and PE prices and higher operating capacity. We raise our target price to SAR 24.00 and maintain 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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