

■ First Quarterly Loss Since 2Q2020

February 01, 2023

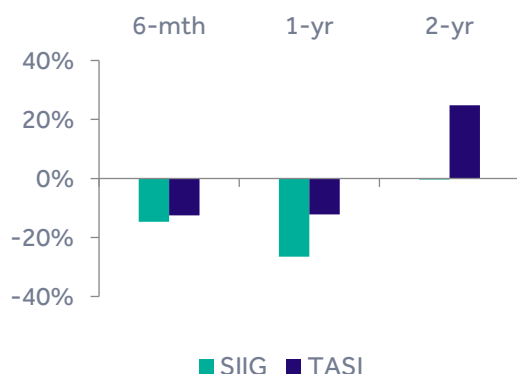
Upside to Target Price	(7.5%)	Rating	Neutral
Expected Dividend Yield	4.2%	Last Price	SAR 23.78
Expected Total Return	(3.7%)	12-mth target	SAR 22.00

Market Data	
52-week high/low	SAR 39.10/18.88
Market Cap	SAR 17,949 mln
Shares Outstanding	7,548 mln
Free-float	81.40%
12-month ADTV	1,633,113
Bloomberg Code	SIIG AB

SIIG	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Gross Margins	-	-	-	-	-	-
Operating Profit	(308)	272	-	58	-	56
Net Profit	(296)	122	-	55	-	51

(All figures are in SAR mln)

- SIIG posted an operating loss of SAR (308) mln for 4Q 2022 versus an operating profit of SAR 272 mln for the same period last year. The decline was driven by lower profit share from jointly managed projects due to the announced scheduled maintenance for Saudi Polymers Company, which started from 1st of October 2022 for 58 days. Since Saudi Polymers Company is the biggest contributor to profits, the effect was substantial.
- In 4Q2022, average product prices fell in addition to continued high feedstock prices which in turn resulted in lower profit margins. Polyethylene and Polypropylene were lower by -11% Q/Q and -6% Q/Q, respectively while styrene went down by -14% Q/Q.
- Net loss was recorded at SAR (296) mln for the quarter. This is the first loss since 2Q2020 (COVID-19 pandemic) as the preceding quarters were positive. The decline was mainly on the back of the shutdown tied with higher feedstock cost in addition to lower product prices. Management has also reported an increase in G&A expenses Q/Q. Bottomline missed both our and market consensus profit forecast.
- For 2H2022, SIIG declared cash dividend at SAR 0.75 per share as compared to SAR 1.25 per share in 1H2022. We reduce our target price to SAR 22.00 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

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