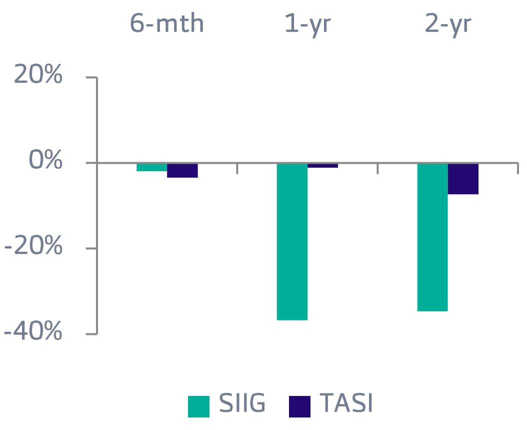
Liquids Grounded: Aromatics Export Near Zero, Driving Losses

August 9, 2026

Upside to Target Price	5.2%	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 12.36
Expected Total Return	5.2%	12-mth target	SAR 13.00

Market Data	
52-week high/low	SAR 20.00 / 11.41
Market Cap	SAR 8,369 mln
Shares Outstanding	679.3 mln
Free-float	81.40%
12-month ADTV	1,049,688
Bloomberg Code	SIIG AB



SIIG	2Q2026	2Q2025	Y/Y	1Q2026	Q/Q	RC Estimate
Sales	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Gross Margins	-	-	-	-	-	-
Operating Profit	(22)	(19)	(16%)	(14)	(51%)	(14)
Net Profit	(58)	20	-	252	-	143

(All figures are in SAR mln)

- SIIG reported an operating loss of SAR (22) mln in 2Q26, both down by -16% Y/Y and -51% Q/Q, wider than our estimate for SAR (14) mln. The Y/Y results are driven by higher feedstock costs, Hormuz shipping lane disruptions continuing for a longer duration into 2Q26, which effectively reduced the aromatics business to domestic sales only (2Q26 financials, note 14).
- SIIG posted a net loss of SAR (58) mln in 2Q26, a strong reversal of positive net profits from Q/Q and Y/Y, driven by the collapse of the aromatic business' exports, which dropped to almost zero during 2Q26 despite efforts to sell more products domestically. Other items did not help, such as the increase in G&A expenses and continued lower income from murabaha financing vehicles, partially offset by lower zakat expenses.
- We maintain our Neutral rating and our target price. During 1H26, shareholders approved a buy-back of up to 10 mln shares to be held as treasury shares, of which 0.7 mln shares (SAR 10 mln) were already purchased, reflecting the Board's view that the shares trade below fair value (2Q26 financials, note 12). We also note that management assessed impairment indicators at SCP, JCP, and SPCo and concluded the disruptions represent temporary conditions rather than deterioration in long-term cash-generating capacity (note 4), consistent with our view of a disruption regime rather than a structural closure. With no dividends received from the JVs during 1H26 (1H25: SAR 195 mln) and cash of SAR 297 mln, we do not expect dividends in the near term.

Brennan Eatough
brennan.eatough@riyadcapital.com
+966-11-203-6808

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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

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