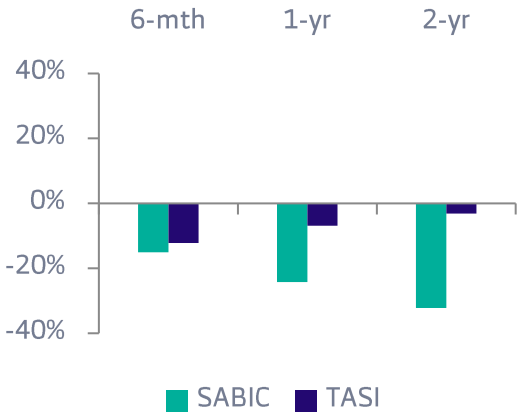


Market Data	
52-week high/low	SAR 76.8 / 53.0
Market Cap	SAR 172,950 mln
Shares Outstanding	3,000 mln
Free-float	30.00%
12-month ADTV	1,804,026
Bloomberg Code	SABIC AB



Portfolio Rationalization Continues, We Continue to Wait

August 7, 2025

Upside to Target Price	4.1%	Rating	Neutral
Expected Dividend Yield	5.2%	Last Price	SAR 57.65
Expected Total Return	9.3%	12-mth target	SAR 60.00

SABIC	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	35.57	35.72	0%	34.59	3%	32.71
Gross Profit	4.42	7.19	(39%)	4.81	(8%)	4.46
Gross Margins	12%	20%		14%		14%
Operating Profit	(1.88)	2.10	-	(0.77)	(144%)	(0.38)
Net Profit	(4.07)	2.18	-	(1.21)	(236%)	(0.66)

(All figures are in SAR bln)

- SABIC reported a topline of SAR 35.57 bln (flat Y/Y and +3% Q/Q), slightly higher than our conservative estimate of SAR 32.71 bln. Management commented on profitability during the quarter, stating that the gross profit in 2Q25 of SAR 4.42 bln, a decrease of -8% Q/Q, was driven by impairments related to the Teesside cracker closure. We also note, gross profit dropped -39% Y/Y, in-line with our estimate. Other KPIs which supported Q/Q results, such as sales volumes, increased +3%, which were offset by lower sales prices in 2Q25. SABIC's Petrochemicals segment (91% of revenues and 75% of EBITDA) revenue increased +3% Q/Q, driven by higher volumes of Oxygenates and Glycols. The AgriNutrients (9% of revenues and 25% of EBITDA) segment's strong performance in 1Q25, was repeated in 2Q25, with revenue increasing by +2% Q/Q, driven by production levels, which translated into higher sales volumes and moreover, higher EBITDA by +15% Q/Q.
- SABIC's operating loss came in at SAR (1.88) bln, a significant drop Y/Y and Q/Q. With some non-recurring items, such as impairment charges and provisions, related to the cracker closure. Moreover, management noted that adjusted EBIT was SAR 1.94 bln, which was a significant increase Q/Q. We also note, that operating margins, after removing these expenses, would be positive, which is in-line with management's adjusted EBIT figure.
- SABIC reported a net loss of SAR (4.07) bln, a significant drop of -236% Q/Q, moreover, much lower than net profits in 2Q24; the net loss was owed to the impairment charges and provisions of SAR 3.78 bln, relating to the closure of the cracker in Teesside, United Kingdom. Management stated in their 2Q25 conference call there was further progress regarding their portfolio, touching on the Teesside cracker closure, as well as the strategic options review regarding National Industrial Gases. We lower our target price and maintain our rating.

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

## ■ 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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