

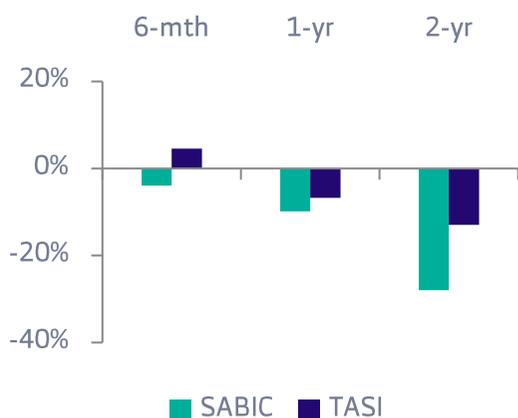
■ Portfolio Rationalization Continues; Global Market Oversupply Persists March 12, 2026

Upside to Target Price	4.3%	Rating	Neutral
Expected Dividend Yield	5.2%	Last Price	SAR 57.50
Expected Total Return	9.5%	12-mth target	SAR 60.00

Market Data	
52-week high/low	SAR 65.8 / 48.2
Market Cap	SAR 172,500 mln
Shares Outstanding	3,000 mln
Free-float	30.00%
12-month ADTV	1,723,257
Bloomberg Code	SABIC AB

SABIC	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	27.95	29.65	(6%)	29.08	(4%)	31.77
Gross Profit	5.67	5.30	7%	6.11	(7%)	5.92
Gross Margins	20%	18%		21%		19%
Operating Profit	0.45	1.18	(62%)	2.34	(81%)	1.21
Net Profit	(20.94)	(1.89)	(1,008%)	0.44	-	(17.78)

(All figures are in SAR bln)



- SABIC reported a topline of SAR 27.95 bln (-6% Y/Y and -4% Q/Q), lower than our estimate of SAR 31.77 bln. Management commented on profitability during the quarter, stating that the gross profit in 3Q25 of SAR 6.11 bln, in-line with our estimate, represented an increase of -7% Q/Q, and we speculate this was driven by lower liquid feedstock costs offsetting lower overall product prices. We also note, gross margins decreased roughly -71 bps, in-line with our estimates for slightly weaker margins Q/Q. SABIC's Petrochemicals segment (90% of revenues and 63% of EBITDA) revenue decreased -2% Q/Q, driven by lower prices of MEG and a continued downward trend in methanol. The AgriNutrients (10% of revenues and 37% of EBITDA) segment's strong performance in 3Q25, made 4Q25 look muted in comparison; with revenue decreasing by -14% Q/Q and -4% Y/Y. We also note, 4Q25 urea prices fell -15% Q/Q, which was combined with (estimated) lower sales volumes in 4Q25.
- SABIC's adjusted EBIT came in at SAR 0.45 bln, a drop of -62% Y/Y and -81% Q/Q. With the lack of impairments, other charges, and provisions from 3Q25, SABIC had a more normalized operational performance. However, given the structural changes from the recent asset sale related transaction (European and Americas businesses), when compared to other quarters historically, 4Q2025 will be noisy in general.
- SABIC reported a net loss of SAR (20.94) bln, a significant drop of -1,008% Y/Y, mostly driven by the non-cash losses derived from the sale of the ETP business in Europe and the Americas (SAR 7.5 bln) and the Europe B.V. business (SAR 10.8 bln). Management stated in their 4Q25 conference call this was in-line with their portfolio optimization strategy, and based on the locations of these assets, we agree; as the European petrochemical industry is struggling. We maintain our target price and our 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

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