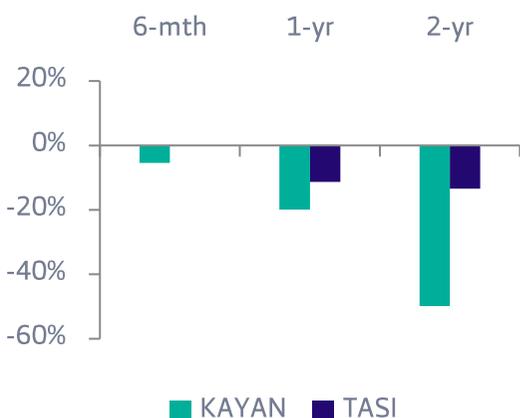


Market Data	
52-week high/low	SAR 6.41 / 4.46
Market Cap	SAR 7,695 mln
Shares Outstanding	1,500 mln
Free-float	65.00%
12-month ADTV	5,443,798
Bloomberg Code	KAYAN AB



■ Don't Go Chasing Falling Feedstock Prices

February 26, 2026

Upside to Target Price	(15.0%)	Rating	Sell
Expected Dividend Yield	-	Last Price	SAR 5.13
Expected Total Return	(15.0%)	12-mth target	SAR 4.36

SAUDI KAYAN	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	2,013	2,245	(10%)	2,153	(6%)	1,968
Gross Profit	(305)	(397)	23%	(88)	(246%)	(186)
Gross Margins	(15%)	(18%)		(4%)		(9%)
Operating Profit	(525)	(523)	(1%)	(278)	(89%)	(395)
Net Profit	(685)	(686)	0%	(336)	(104%)	(561)

(All figures are in SAR mln)

- Saudi Kayan posted a decrease in sales of -6% Q/Q and -10% Y/Y, coming in at SAR 2.0 bln, in-line with our estimate. According to management's press release, Kayan's annual results were mixed, with average sales prices for the year dipping -10% Y/Y, while sales volumes increased +8% Y/Y. Based on these numbers, we estimate that the Company had sales volumes of ~2,885 kmt, as compared to ~2,671 kmt in 2024. These results are not surprising, given the current market conditions, which we touched on in our most recent Petchem Pulse report; which tracks key market prices.
- Gross margins came in at (15%), lower than (4%) in 3Q25, and higher than (18%) in 4Q24. We believe the improvement Y/Y is driven by increases in sales volumes, coupled with butane prices falling over -23% Y/Y and -6% Q/Q. Despite this, our estimates for gross margins deviated, likely because of a concept we touched on in our latest market price report, of 'spread elasticity breakdown'; which is happening faster than we projected. With ethylene capacity increasing in 2026, the question is not about ethylene-chain prices; it is now only about the cost of producing ethylene-based chemicals.
- Net losses were SAR (685) mln in 4Q25, compared to losses of SAR (336) mln in 3Q25, despite lower butane prices. The ethane allocation announcement, likely dependent on Aramco's Jafurah project, is promising, but until that cavalry arrives, the lower free cash flow (negative) Q/Q and Y/Y supports us maintaining our rating and lowering our target price.

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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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