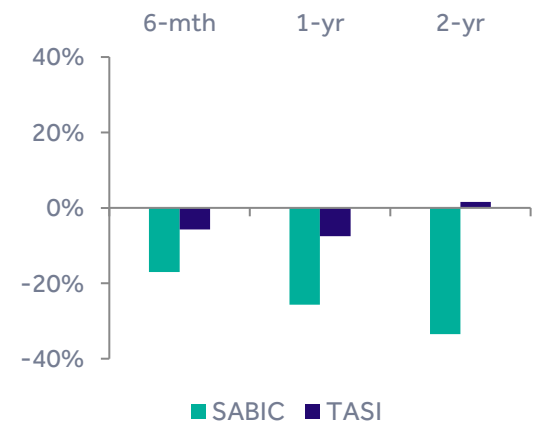


Market Data	
52-week high/low	SAR 83.4 / 58.2
Market Cap	SAR 180,000 mln
Shares Outstanding	3,000 mln
Free-float	30.00%
12-month ADTV	1,773,630
Bloomberg Code	SABIC AB



Agrinutrients Carry Petrochemical Segment

May 7, 2025

Upside to Target Price	8.3%	Rating	Neutral
Expected Dividend Yield	5.7%	Last Price	SAR 60.00
Expected Total Return	14.0%	12-mth target	SAR 65.00

SABIC	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	34.59	32.69	6%	34.70	0%	34.62
Gross Profit	4.81	5.86	(18%)	5.57	(14%)	5.88
Gross Margins	14%	18%		16%		17%
Operating Profit	(0.77)	1.21	-	(0.05)	(1,440%)	1.04
Net Profit	(1.21)	0.25	-	(1.89)	36%	0.13

(All figures are in SAR bln)

- SABIC reported a topline of SAR 34.59 bln (+6% Y/Y and flat Q/Q), in-line with our SAR 34.62 bln estimate. Management commented on profitability during the quarter, stating the gross profit decrease of -14% Q/Q was driven by lower sales volumes and higher feedstock costs, which were not offset by higher overall sales prices Q/Q (+1%). Major KPIs which supported Y/Y results, such as sales volumes, increased +11% Y/Y; whilst average sales prices for 1Q25 decreased -5% Y/Y. SABIC's Petrochemicals segment (91% of revenues and 57% of EBITDA) revenue decreased -1% Q/Q, driven by lower demand in Polymers, such as PP and PC. The Agri-Nutrients (9% of revenues and 43% of EBITDA) segment's strong performance in 4Q24, was repeated again in 1Q25, with revenue further increasing by +2% Q/Q, on the back of a +6% Q/Q increase in prices, offsetting a -4% Q/Q drop in volumes.
- SABIC's operating loss came in at SAR (0.77) bln, a significant drop Y/Y and Q/Q. With some non-recurring items, such as one-time operating expenditures of SAR 1.07 bln, that was related to a strategic restructuring initiative, caused our estimates to further deviate. We also note, that operating margins, after removing these expenses, would be positive. According to management, these expenditures will drive strategic changes to increase efficiencies, which will net an estimated SAR 345 mln of savings annually.
- SABIC reported a net loss of SAR (1.21) bln, improving by +36% Q/Q, but still lower than the net profits made in 1Q24, owed to one-time expenses, such as the strategic restructuring costs this quarter. However, the increase in fixed feedstocks from Aramco in early 2025, such as Methane and Ethane, definitely weighed on margins. Management stated in their 1Q25 conference call there was progress made on their growth projects, such as Petrokemya, which will deliver greater supply of MTBE, while also highlighting the opportunity to capture greater synergies from its integration with Aramco. We maintain our target price and 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](mailto:research@riyadcapital.com)

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