

May 19, 2025

Capital Cut, Lots of Cash, And Dividends Too

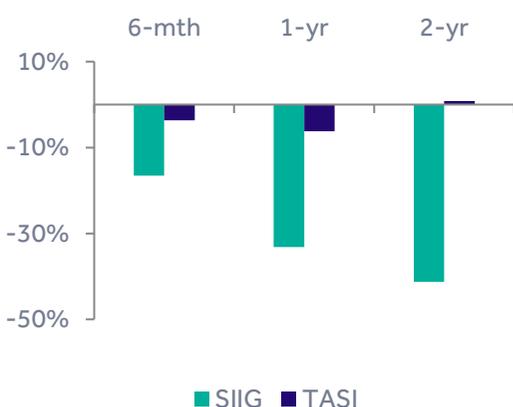
Upside to Target Price	11.2%	Rating	Buy
Expected Dividend Yield	6.7%	Last Price	SAR 14.84
Expected Total Return	17.9%	12-mth target	SAR 16.50

Market Data	
52-week high/low	SAR 22.38 / 13.80
Market Cap	SAR 11,201 mln
Shares Outstanding	754.8 mln
Free-float	81.40%
12-month ADTV	1,088,925
Bloomberg Code	SIIG AB

SIIG	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	-	-	-	-	-	-
Gross Profit	-	-	-	-	-	-
Gross Margins	-	-	-	-	-	-
Operating Profit	(12)	(12)	1%	(21)	45%	5
Net Profit	18	28	(34%)	11	62%	9

(All figures are in SAR mln)

- SIIG reported an operating loss of SAR (12) mln (+1% Y/Y, +45% Q/Q), lower than our operating profit estimate of SAR 5 mln. These Y/Y results are likely driven by some feedstock costs remaining relatively stable or moving lower, such as Propane (+0% Y/Y) and Butane (-12% Y/Y). For 1Q25, sequential feedstock price changes were mixed, with decreases in Propane (-1%) and Benzene (-2%) observed, while there was a strong increase in Ethane (+20%). We also note, that Q/Q prices of PP increased +5% Q/Q, while PE (average) fell by -2% Q/Q.
- SIIG posted a net profit of SAR 18 mln in 1Q25, an increase of +62% Q/Q, driven by higher sales volumes, driven by an unscheduled turnaround for Saudi Polymers Company and higher selling prices of Styrene during the quarter. We also note, that according to Argaam, prices of Styrene did appear to remain level, if not slightly decline (-1% Q/Q). Other factors, such as lower G&A expenses and higher income from Murabaha financing vehicles, also supported better results sequentially.
- SIIG ended the quarter with SAR 986 mln in cash and equivalents, dividends also appear to be well-covered, making SIIG, given its recent share performance, a more catalyst-rich opportunity than previously. Based on the Company's posturing towards a capital cut, buyback, and well-covered dividends, we upgrade our rating and 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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