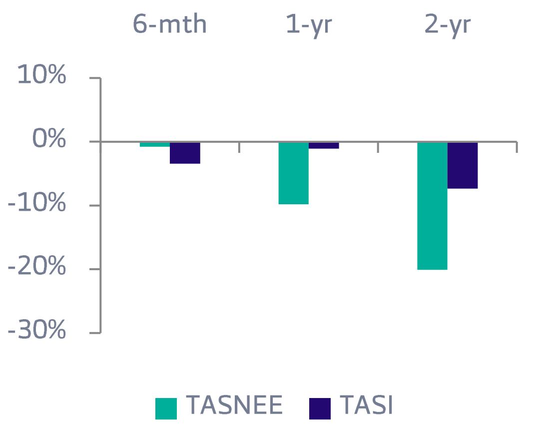
Acrylics Business Under Stress, Rowad Sale Advances

August 10, 2026

Upside to Target Price	6.1%	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 8.48
Expected Total Return	6.1%	12-mth target	SAR 9.00

Market Data	
52-week high/low	SAR 11.94 / 8.05
Market Cap	SAR 5,672 mln
Shares Outstanding	669 mln
Free-float	93.70%
12-month ADTV	1,491,877
Bloomberg Code	NIC AB



Tasnee	2Q2026	2Q2025	Y/Y	1Q2026	Q/Q	RC Estimate
Sales	380	582	(35%)	495	(23%)	327
Gross Profit	(52)	80	-	(20)	(160%)	(103)
Gross Margins	(14%)	14%		(4%)		(31%)
Operating Profit	(825)	(58)	(1,320%)	(430)	(92%)	(197)
Net Profit	(548)	(66)	(732%)	(341)	(60%)	(353)

(All figures are in SAR mln)

- Tasnee generated revenues of SAR 380 mln in 2Q26 (continuing operations; comparatives presented under IFRS 5), a decrease of -35% Y/Y and -23% Q/Q. Revenue came in 16% above our SAR 327 mln estimate as average selling prices rose for most products while volumes fell driven by ongoing operational and supply-chain challenges (per the Company); the gross loss of SAR (52) mln was roughly half our SAR (103) mln estimate. The segment split awaits the financials.
- Operating losses during 2Q26 were SAR (825) mln, significantly wider both Y/Y and Q/Q, and well beyond our estimate for the quarter. Against a gross loss of only SAR (52) mln, this implies roughly SAR 770 mln of below-gross charges, which we attribute primarily to the disclosed impairments at SAMCO (acrylics) and ASIC (Jazan smelter; Furnace One idled).
- Net loss of SAR (548) mln, wider than our estimate of SAR (353) mln, with the deviation concentrated in items we exclude from core earnings (the impairments and the Tronox tax charge). Other notable developments: SEPC restarting, with scheduled maintenance completed 7 June and pilot production at the Ethylene Cracker Expansion commencing 1 July (per Tadawul), placing expansion economics into 2H26. The Rowad sale cleared a key condition precedent with GAC approval on 14 July; completion would bring roughly SAR 700 mln in liquidity, likely used for debt reduction. With the SEPC restart and downstream business exit advancing, but the stock down roughly -12% Y/Y and deleveraging pending the Rowad closing, we maintain our Neutral rating and our target price.

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Disclaimer

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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