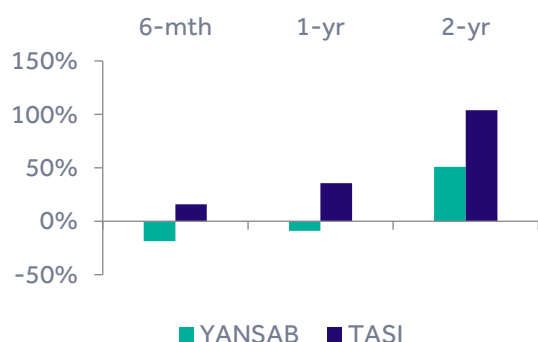


Market Data	
52-week high/low	SAR 86.50 / 63.00
Market Cap	SAR 36,675 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	780,081
Bloomberg Code	YANSAB AB



Net Profits Falls -33% Y/Y

April 18, 2022

Upside to Target Price	12.0%	Rating	Buy
Expected Dividend Yield	4.6%	Last Price	SAR 65.20
Expected Total Return	16.6%	12-mth target	SAR 73.00

Yansab	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	1,971	1,723	14%	1,922	3%	1,826
Gross Profit	429	532	(19%)	507	(15%)	465
Operating Profit	296	414	(28%)	382	(23%)	347
Net Profit	283	420	(33%)	335	(16%)	312

(All figures are in SAR mln)

- Yansab top-line improved, up +3% Q/Q and +14% Y/Y to SAR 1.97 bln. The quarterly increase in top-line was due to the increase in average selling prices despite the decrease in sales volume, which fell by -3% from the preceding quarter. However, sales volume increased by +14% Y/Y. Management has stated that there was a +6% Q/Q increase in average product prices, although they were flat Y/Y.
- Gross margins contracted to 22% in the quarter versus 26% in 4Q2021, and significantly lower than 31% for the same period last year. Feedstock propane prices were down about -3% Q/Q. Furthermore, gross profit dropped by -15% Q/Q and -19% Y/Y to SAR 429 mln.
- Yansab reported a net profit of SAR 283 mln, missing both our SAR 312 mln forecast and market consensus of SAR 338 mln. Bottom-line decreased by -16% Q/Q and -33% Y/Y, on the back of an increase in fixed production costs. Net margins contracted to 14% this quarter versus 17% in 4Q2021. We maintain our target price of SAR 73.00 but upgrade the stock to a Buy.

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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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