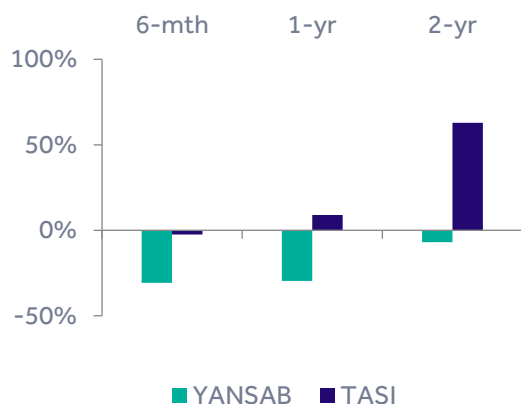


Market Data	
52-week high/low	SAR 86.50 / 44.55
Market Cap	SAR 27,056 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	989,793
Bloomberg Code	YANSAB AB



Feedstock Impacts Profits

July 26, 2022

Upside to Target Price	33.1%	Rating	Buy
Expected Dividend Yield	6.2%	Last Price	SAR 48.10
Expected Total Return	39.3%	12-mth target	SAR 64.00

Yansab	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	2,062	1,983	4%	1,971	5%	1,829
Gross Profit	400	772	(48%)	429	(7%)	334
Operating Profit	277	640	(57%)	296	(7%)	211
Net Profit	289	596	(52%)	283	2%	215

(All figures are in SAR mln)

- Revenues increased both on a yearly and quarterly basis by +4% and +5% respectively to SAR 2,062 mln. According to management, the Company reported a +5% quarterly increase in average selling prices of its products. In addition, sale volumes were flat Q/Q but have increased by +4% Y/Y.
- Gross margin dropped to 19.3% for the quarter as compared to 21.8% in the preceding quarter. Yansab faced a greater rise in average feedstock prices as compared to product prices. Feedstock Propane prices went up by +6% Q/Q and +61% Y/Y. Resultantly, gross profit dropped by -7% Q/Q to SAR 400 mln.
- Net income was reported at SAR 289 mln for the quarter (up +2% Q/Q but down -52% Y/Y), mainly on the back of an increase in production costs. Bottomline beat both our forecast of SAR 215 mln and market consensus estimates of SAR 246 mln. Net margins slightly contracted to 13.9% for the quarter versus 14.4% reported in 1Q2022.
- We maintain our target price of SAR 64.00 and our Buy rating and highlight the attractive dividend yield.

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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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