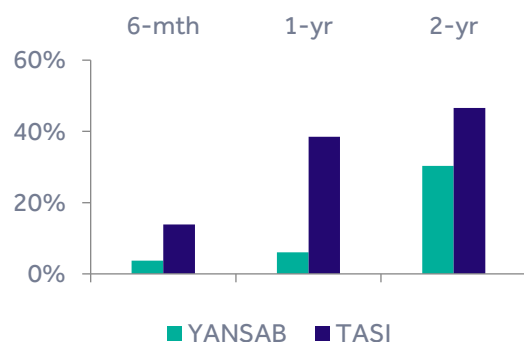


Market Data	
52-week high/low	SAR 86.50 / 61.80
Market Cap	SAR 39,375mln
Shares Outstanding	562.5mln
Free-float	37.93%
12-month ADTV	539,374
Bloomberg Code	YANSAB AB



Higher Feedstock Prices in 4Q

January 23, 2022

Upside to Target Price	4.3%	Rating	Neutral
Expected Dividend Yield	4.3%	Last Price	SAR 70.00
Expected Total Return	8.6%	12-mth target	SAR 73.00

Yansab	4Q2021	4Q2020	Y/Y	3Q2021	Q/Q	RC Estimate
Sales	1,922	1,379	39%	1,780	8%	2,136
Gross Profit	507	475	7%	344	48%	534
Operating Profit	382	371	3%	215	77%	384
Net Profit	335	333	1%	180	86%	359

(All figures are in SAR mln)

- Yansab posted decent revenues of SAR 1.9 billion, up+39% Y/Y and +8% Q/Q but missed our SAR 2.1 billion estimate. Polyethylene and Polypropylene prices increased in the range of 6-16% on a quarterly basis while MEG prices went up by +13% Q/Q.
- Gross margins improved on a quarterly basis to 26.4% in 4Q2021 from 19.3% in 3Q2021 as 3Q was impacted by the shutdown but were significantly lower than 34.5% in 4Q2020. Feedstock propane prices were up +26% Q/Q. Gross profit came in at SAR 507 million, up +7% Y/Y.
- Net income of SAR 335 million for the quarter is almost flat on a yearly basis but nearly doubled Q/Q with 3Q being a shutdown impacted quarter. Bottomline was slightly lower than our SAR 359 million forecast but significantly lower than consensus estimates of SAR 428 million.
- Continued rise in crude oil prices going into 2022 should result in higher petrochemical prices as well. We maintain our target price of SAR 73.00 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

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