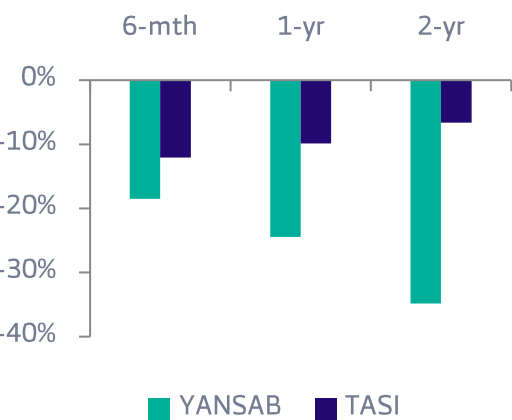


Market Data	
52-week high/low	SAR 43.00 / 28.25
Market Cap	SAR 17,190 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	513,022
Bloomberg Code	YANSAB AB



■ Lower Average Prices Outclassed By Cheaper Propane

July 31, 2025

Upside to Target Price	4.7%	Rating	Neutral
Expected Dividend Yield	6.5%	Last Price	SAR 30.56
Expected Total Return	11.3%	12-mth target	SAR 32.00

Yansab	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	1,394	1,657	(16%)	1,512	(8%)	1,401
Gross Profit	185	332	(44%)	154	20%	69
Gross Margins	13%	20%		10%		5%
Operating Profit	48	207	(77%)	8	495%	(57)
Net Profit	45	225	(80%)	14	225%	(45)

(All figures are in SAR mln)

- Yansab’s topline decreased by -8% Q/Q and -16% Y/Y, to SAR 1.4 bln, approximately equal to our forecast. The Q/Q decrease in sales was driven by lower average prices (-1%) and lower sales volumes (-7%). While price and volume results Y/Y were similar, with prices down -10% and volumes lower -6%. Gross margins increased over +300 bps Q/Q, coming in at 13%, but down from 20% in 2Q24. Unsurprisingly, gross margins fell Y/Y after price increases of Ethane (+20%) and Propane (+3%) were observed.
- Yansab generated gross profits of SAR 185 mln in 2Q25, an increase of +20% Q/Q, despite this, we reiterate our cautious view to investors regarding the pricing environment for the Company’s products. Based on management’s commentary, average prices decreased -1% Q/Q, however, they also decreased -10% on average Y/Y. Our own observations in the market hold these factors to be true, as the prices of HDPE and LLDPE, both decreased Y/Y, by -11% and -9%, respectively.
- Net profit of SAR 45 mln was recorded for the quarter, a significant increase of +225% Q/Q, from a net profit of SAR 14 mln in the preceding quarter. With lower sales prices and volumes Q/Q, these net profit results were surprising, as the increase in gross margins Q/Q and the cascade into net profits showcases the influence of lower Propane prices. Although we view this as muted, as we observed free cash flow of SAR 154 mln in 2Q25, a solid -32% decrease Q/Q from SAR 227 mln in 1Q25. With free cash flow steadily declining, despite the lower Propane prices, we maintain our skepticism, rating, and lower 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](mailto:research@riyadcapital.com)

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