

■ Lower Feedstock Costs, Reiterate Losing Luster

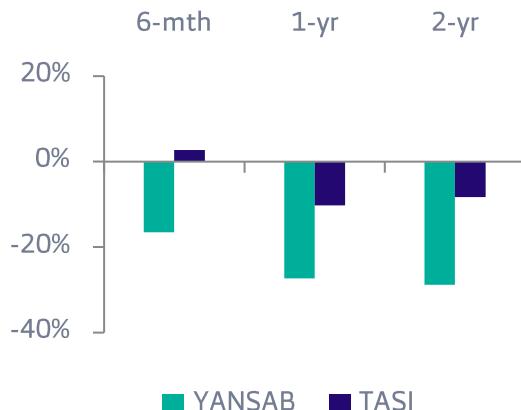
February 10, 2026

Upside to Target Price	(18.3)	Rating	Neutral
Expected Dividend Yield	7.4%	Last Price	SAR 26.92
Expected Total Return	(10.9%)	12-mth target	SAR 22.00

Market Data	
52-week high/low	SAR 37.60 / 26.08
Market Cap	SAR 15,143 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	466,126
Bloomberg Code	YANSAB AB

Yansab	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	1,379	1,486	(7%)	1,316	5%	1,253
Gross Profit	101	103	(2%)	207	(51%)	203
Gross Margins	7%	7%		16%		16%
Operating Profit	(59)	(43)	(37%)	64	-	63
Net Profit	(53)	(35)	(54%)	74	-	70

(All figures are in SAR mln)



- Yansab's topline increased by +5% Q/Q (-7% Y/Y), which is remarkable, given where the prices have moved sequentially; reaching SAR 1.4 bln, higher than our estimate. The Q/Q increase in sales, given the lack of sequential related commentary from management, when combined with decreases in sales prices, supports our speculation that these topline results were driven by significantly higher sales volumes. With sales prices down, gross margins decreased over -800 bps Q/Q, coming in at 7%, but when compared Y/Y to 4Q24, margins were up by +39 bps. These margin results are concerning, given lower feedstock prices.
- Yansab generated gross profits of SAR 101 mln in 4Q25, a decrease of -51% Q/Q, we are vindicated this quarter, as despite previously stronger profits in 3Q25 we reiterated our cautious view to investors regarding the pricing environment for the Company's products. Based on our observations in the market, some of these price decreases are nearly double-digits, as the prices of MEG and LLDPE, both decreased Q/Q, by -8% and -5%, respectively.
- Net loss of SAR (53) mln was recorded for the quarter, a decrease of -54% Y/Y, down from a net profit of SAR 74 mln in the preceding quarter. With higher sales Q/Q, these net profit results were once again driven by gross margin fluctuations, which were not typical; given the drop in propane prices Q/Q (-9%). With prices continuing to decline Q/Q and margins now following despite feedstock prices, we lower our target price and maintain our Neutral rating.

Brennan Eatough

brennan.eatough@riyadcapital.com
+966-11-203-6808

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

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.