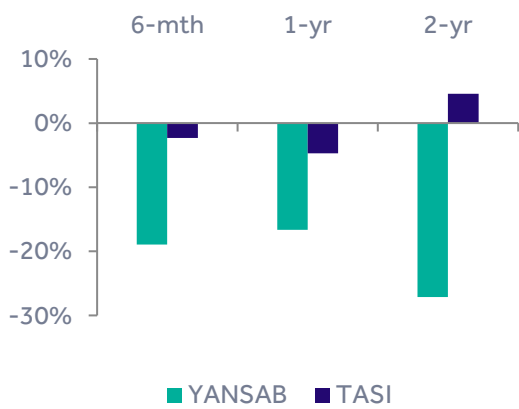


| Market Data        |                   |
|--------------------|-------------------|
| 52-week high/low   | SAR 43.00 / 30.00 |
| Market Cap         | SAR 18,281 mln    |
| Shares Outstanding | 562.5 mln         |
| Free-float         | 49.00%            |
| 12-month ADTV      | 612,410           |
| Bloomberg Code     | YANSAB AB         |



Greater Volumes Make Up For Lower Prices Y/Y

April 29, 2025

| Upside to Target Price  | 7.7%   | Rating        |       |        | Neutral   |             |
|-------------------------|--------|---------------|-------|--------|-----------|-------------|
| Expected Dividend Yield | 6.2%   | Last Price    |       |        | SAR 32.50 |             |
| Expected Total Return   | 13.9%  | 12-mth target |       |        | SAR 35.00 |             |
| Yansab                  | 1Q2025 | 1Q2024        | Y/Y   | 4Q2024 | Q/Q       | RC Estimate |
| Sales                   | 1,512  | 1,391         | 9%    | 1,486  | 2%        | 1,407       |
| Gross Profit            | 154    | 229           | (33%) | 103    | 50%       | 111         |
| Gross Margins           | 10%    | 16%           |       | 7%     |           | 8%          |
| Operating Profit        | 8      | 101           | (92%) | (43)   | -         | (14)        |
| Net Profit              | 14     | 100           | (86%) | (35)   | -         | 6           |

(All figures are in SAR mln)

- Yansab’s topline increased by +2% Q/Q and +9% Y/Y, to SAR 1.5 bln, higher than our forecast. The Q/Q increase in revenue was driven by higher average prices (+2%), as sales volumes were flat. While price and volume results Y/Y were mixed, with sales prices down -4% and sales volumes increasing +13%. Q/Q changes in topline occurred post-maintenance shutdowns, making these results more comparable. Gross margins increased over +300 bps Y/Y, coming in at 10%, but down from 16% in 1Q24. Notably, these gross margins were generated after the effect from the price increase in Ethane (+20%), from Aramco.
- With Yansab’s gross profits recorded at SAR 154 mln in 1Q25, an increase of +50% Q/Q, we reiterate our cautious lens to investors, regarding the pricing environment for the Company’s products. Based on management’s own commentary, average prices increased only +2% Q/Q, however, they also decreased -4% 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 -8% and -1%, respectively.
- Net profit of SAR 14 mln was recorded for the quarter, a significant increase Q/Q, from a net loss of SAR (35) mln in the preceding quarter. With average sales prices offsetting flat volumes Q/Q, these results are not unexpected, however, the subtle decrease in average prices Y/Y, does not go unnoticed. Free cash flow of SAR 227 mln in 1Q25 improved Y/Y, but only because of maintenance in 2024, we believe the Q/Q drop from SAR 436 mln to be a reliable signal of performance; we maintain our target price and rating.

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## ■ Stock Rating

| Buy  | Neutral  | Sell                                 | Not Rated                |
|--|--|--------------------------------------|--------------------------|
| Expected Total Return<br>Greater than +15% | Expected Total Return<br>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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