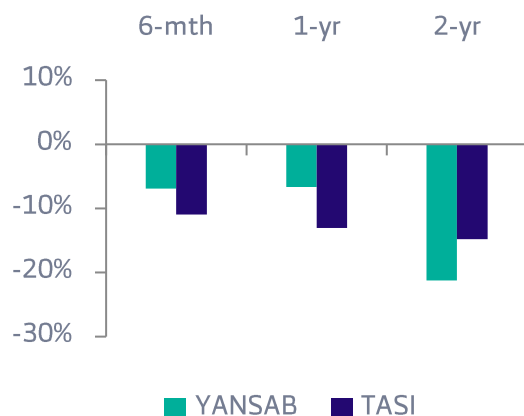


Market Data	
52-week high/low	SAR 38.44 / 24.00
Market Cap	SAR 17,078 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	805,792
Bloomberg Code	YANSAB AB



Higher Volumes Help; Lower Prices Reveal Margin Volatility

October 21, 2026

Upside to Target Price 10.9%
 Expected Dividend Yield 6.6%
 Expected Total Return 17.5%

Rating Buy
 Last Price SAR 30.36
 12-mth target SAR 33.66

Yansab	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	1,677	1,316	27%	1,879	(11%)	1,672
Gross Profit	344	207	66%	534	(36%)	371
Gross Margins	21%	16%		28%		22%
Operating Profit	233	66	253%	274	(15%)	222
Net Profit	237	74	220%	259	(8%)	208

(All figures are in SAR mln)

- Yansab's topline increased +27% Y/Y and decreased -11% Q/Q to SAR 1.7 bln, in line with our SAR 1.7 bln estimate. Management reported average selling prices increased +11% Y/Y and fell -19% Q/Q; with revenue down only -11% Q/Q against prices down -19%, implied sales volumes rose roughly +10% Q/Q (volumes are not quantified by management). 3Q2026 was a lower-price, higher-volume version of the prior quarter, with the West Coast advantage continuing to show in volumes rather than in price.
- Gross profit was SAR 344 mln (vs. SAR 534 mln in 2Q26), +66% Y/Y and -36% Q/Q, with gross margin at 21% versus our 22% estimate and 28% in 2Q26. The Q/Q comparison is clean at gross profit, with no turnaround in either quarter. The question now (which is the same as last quarter) is sustainability: under our medium-term Hormuz disruption scenario The Kingdom's West Coast operators remain structurally advantaged, but the margins of 2Q26 have waned as oil and end-product prices oscillate, and management guides to continued pressure on prices and margins in 4Q26.
- Net profit was SAR 237 mln in 3Q26 (+220% Y/Y and -8% Q/Q), +14% above our SAR 208 mln estimate, with the deviation sitting below gross profit in lower operating costs and a stronger net finance line. Yansab has no borrowings and held ~SAR 1.9 bln of cash and short-term investments at end-2Q26, with the 1H26 dividend paid only in late September, so finance income was likely the swing factor (we will confirm after financials are published). We expect the Company to continue to benefit from chemical market tightness under the current oscillation regime, while elevated freight rates, if they remain sticky, could erode part of that benefit; some pricing mechanisms pass through logistics costs, which partly offsets this. The Q/Q volume increase is impressive and supports our view of the operations. With the shares offering a dividend yield above 6% and Yansab's ability to ship higher volumes into prices that are still up Y/Y, we maintain our target price and Buy rating. We also acknowledge margins mean-reverting from 2Q26 and management's guidance of continued pressure on prices and margins in 4Q26 as risks we will revisit in our next report. Our Hormuz disruption scenario matrix and reassessment bar are unchanged.

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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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