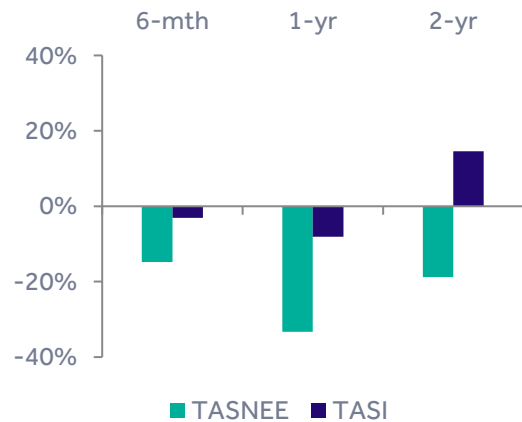


Market Data	
52-week high/low	SAR 15.08 / 8.87
Market Cap	SAR 6,254 mln
Shares Outstanding	669 mln
Free-float	82.91%
12-month ADTV	1,886,850
Bloomberg Code	NIC AB



## Share Buy Back Generates Interest and Return

March 20, 2025

Upside to Target Price	28.3%	Rating	Buy
Expected Dividend Yield	-	Last Price	SAR 9.35
Expected Total Return	28.3%	12-mth target	SAR 12.00

TASNEE	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	1,103	957	15%	1,029	7%	1,019
Gross Profit	5	(50)	-	107	(96%)	95
Gross Margins	0%	(5%)		10%		9%
Operating Profit	(225)	16	-	136	-	94
Net Profit	30	(17)	-	89	(66%)	57

(All figures are in SAR mln)

- Tasnee 4Q24 revenues came in higher Q/Q and Y/Y, by +7% and +15%, respectively; at SAR 1,103 mln. Topline performance was relatively in-line with our estimate as well, with a discrepancy generated from our underestimation of the consolidated SAPCO results. The Company recorded revenues of SAR 3,901 mln in 2024, up +9% Y/Y from SAR 3,567 mln in 2023. Despite these better topline results in 2024, the Company's cost structure experienced increase in cost of sales, distribution, G&A, and higher impairments from non-financial assets in 2024; when compared to 2023.
- According to management, decreases in sales volumes for certain products, along with the addition of the increased cost of sales Y/Y, had an overall negative effect on margins. We also observed these negative effects Q/Q in the Company's 4Q24 results; with gross profit moving lower -96% sequentially. Tasnee generated an operating loss of SAR (225) mln in 4Q24, which we believe was driven by losses from JV's. We also note, the Company had lower 'other income' reported, which likely applied negative pressure on overall operating profits.
- Net profit of SAR 30 mln, which is lower -66% Q/Q, was in our view, unremarkable. However, Tasnee management's announcement of a buyback program for over ~66 mln shares of the Company, based upon their evaluation that the stock is undervalued, provokes our interest. With the buyback in place, we raise our price target and our rating to Buy.

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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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