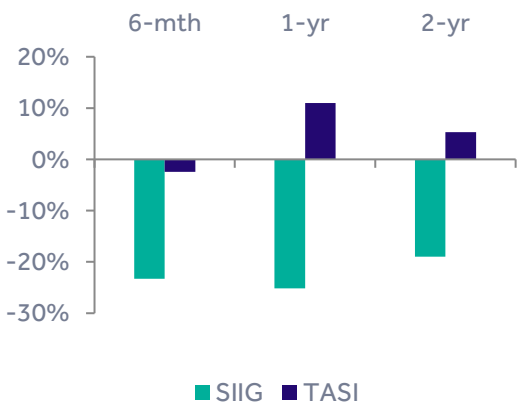


| Market Data | |
|--------------------|-------------------|
| 52-week high/low | SAR 24.66 / 17.56 |
| Market Cap | SAR 13,360 mln |
| Shares Outstanding | 754.8 mln |
| Free-float | 81.40% |
| 12-month ADTV | 1,030,570 |
| Bloomberg Code | SIIG AB |



■ Profits Move Q/Q, Feedstock Prices Weigh Y/Y

November 4, 2024

| | | | |
|-------------------------|-------|---------------|-----------|
| Upside to Target Price | 7.3% | Rating | Neutral |
| Expected Dividend Yield | 5.6% | Last Price | SAR 17.70 |
| Expected Total Return | 12.9% | 12-mth target | SAR 19.00 |

| SIIG | 3Q2024 | 3Q2023 | Y/Y | 2Q2024 | Q/Q | RC Estimate |
|------------------|--------|--------|-------|--------|-----|-------------|
| Sales | - | - | - | - | - | - |
| Gross Profit | - | - | - | - | - | - |
| Gross Margins | - | - | - | - | - | - |
| Operating Profit | 106 | 219 | (52%) | 62 | 71% | 69 |
| Net Profit | 98 | 222 | (56%) | 64 | 53% | 65 |

(All figures are in SAR mln)

- SIIG reported operating profits of SAR 106 mln, higher than our estimate of SAR 69 mln and a decline of -52% Y/Y, but an increase of +71% versus the preceding quarter. The Y/Y declines are most likely driven by increases in feedstock costs, such as Propane (+21% Y/Y), Methane (+40% Y/Y), Butane (+21% Y/Y), Benzene (+10% Y/Y), and Naphtha (+5% Y/Y). For 3Q24, sequential feedstock price changes were mixed, with decreases in Butane (-1%), Naphtha (-2%), and Butane (-1%), while there was a slight increase in Propane (+1%). We also note that Q/Q prices of PP and PE (average) both fell, by -3% and -0.7%, respectively, implying that feedstock prices and volumes were the key driver Q/Q.
- SIIG posted a net profit of SAR 98 mln in 3Q24, an increase of +53% Q/Q, driven by higher sales volumes and lower feedstock costs; while other factors influencing Q/Q results such as increased zakat and G&A expense, did not offset these positive results. The decrease Y/Y was driven by lower income from JV's and Murabaha financing vehicles.
- As previously stated, dividends per share are still in-line with our expectations for SIIG, while we also note the recent development (announced on October 14), could prove to have a negative effect on 4Q24 results. The power outage at SCP, could have a negative financial impact of SAR 28 mln on 4Q24 results, as per management. Our skepticism of the current environment continues, given increased feedstock costs Y/Y, we trim our target price to maintain our rating.

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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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