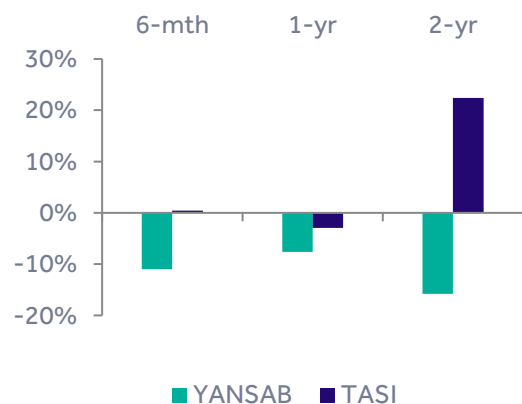


Market Data	
52-week high/low	SAR 43.00 / 34.85
Market Cap	SAR 19,659 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	697,107
Bloomberg Code	YANSAB AB



## ■ Waiting For The Feedstock Shoe To Drop

March 2, 2025

Upside to Target Price	0.1%	Rating	Neutral
Expected Dividend Yield	5.7%	Last Price	SAR 34.95
Expected Total Return	5.8%	12-mth target	SAR 35.00

Yansab	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	1,486	1,445	3%	1,628	(9%)	1,612
Gross Profit	103	138	(26%)	291	(65%)	274
Gross Margins	7%	10%		18%		17%
Operating Profit	(54)	24	-	138	-	135
Net Profit	(35)	18	-	131	-	142

(All figures are in SAR mln)

- Yansab's topline decreased by -9% Q/Q, while also increasing +3% Y/Y, to SAR 1.5 bln, close, but still below our optimistic forecast. On an annual basis, the Y/Y increase in revenue for 2024 was driven by significantly higher Y/Y sales volumes of +25%, which were further coupled with higher sales prices (+9% Y/Y). Annual results further impressed, with SAR 6,160 mln in revenues also generating SAR 954 mln in gross profits. It is also worth noting, all results in 2023 included periods of scheduled and unscheduled maintenance shutdowns, making Q/Q results more comparable. Gross margin in 4Q24 was 7%, falling over -900 bps Q/Q. Notably, these margins are also lower than 4Q23 (10%), and with the increases in Ethane and Methane feedstocks announced earlier this year, yet to come.
- With Yansab's shutdowns in 2023 no longer effecting financial performance to the same degree, we use 4Q24 as an example of when to take pause. Given the market environment for prices, and fixed feedstock prices being raised in 2024 and again in 2025, we believe our thesis of a sea change in the global market could be nascent. Based on our estimates and chemical price data (Argaam, Bloomberg, etc.), we suspect that these Q/Q results were driven by increases in Propane prices and decline in MEG prices.
- Net loss of SAR (35) mln was recorded for the quarter, a significant drop Q/Q, from a net income of SAR 131 mln in the preceding quarter. With global capacity continuing to outstrip demand and feedstock prices steadily rising, we are unsurprised by the direction of these 4Q24 results. With price improvement observed in some chemicals, while others trade flat or move down, we maintain our neutral stance with confidence. We trim our target price and 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](mailto:research@riyadcapital.com)

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