



Expect a weak 4Q15 on soft product prices

No obvious standout candidate in a sequentially weak quarter

KSA petrochemical companies should start reporting 4Q15 earnings in the coming days. For the 10 companies under our coverage, we expect a combined 4Q15E net profit of SAR5.0bn implying 23% q/q and 14% y/y declines. While 9 out of 10 companies should post sequential declines of varying magnitude, decline for Advanced/Petrochem at 16% q/q is expected to be at the lower end in the sector. While we expect Kayan to generate net profit after three consecutive losses, net profit of SAR73mn on a revenue base of SAR2.1bn is largely inconsequential. Given a volatile product price environment, while earnings volatility is unsurprising, it can be exacerbated by plant shutdowns in case of SIIG, Sipchem and Chemanol. Furthermore, due to decline in crude price over the previous 6 months, balance sheets may be carrying some higher cost inventory. Since this is the last quarter of the year, we would not be surprised to see some inventory write-downs (not included in our estimates). In this note, while we maintain **Buy rating** on SABIC, Advanced, Yansab, Sipchem and SIIG, we maintain **Hold rating** on Petrochem, Sahara, Tasnee and Kayan and **Sell rating** on Chemanol (TP revised to SAR6.8/share).

Advanced is the best KSA petrochemical play in a low price environment

We see Advanced as the best positioned among KSA petchem players in a low oil price environment. It has a resilient pass-through model as 100% of its feedstock is oil based (30% discount to market) meaning a fall in crude oil price lowers its feedstock cost (around 85% of cash cost base) and to a large extent offsets the decline in product prices. According to our estimates, while +/-5% change in crude price impacts valuation by +/-7% at the sector level, it impacts Advanced's valuation by only 2.5%. At CMP, the stock is one of the cheapest (2015E P/E 9.5x, KSA 13.6x) in the sector with the highest dividend yield (2015E 6.9% vs. KSA petchem 5.5%).

Tracking lower crude price, 4Q15 product prices down 13% q/q

Our analysis suggests that in 4Q15, tracking 13% decrease in Brent crude price (4Q15 average of USD47/bbl vs. USD54/bbl in 3Q15), prices of 12 key petrochemical products (mostly in Asia) on average decreased 13% q/q and 25% y/y, respectively. While propylene and MTBE saw maximum decrease of 25% each, PVC/HDPE/LDPE/Benzene/Methanol/Polypropylene decreased 7%/7%/7%/10%/11%/12%. Asian Ethylene price remained largely flat q/q.

Tadawul petchem outperformed Tadawul but underperformed most global peers

After an underperformance in 3Q15, petrochemical stocks outperformed Tadawul in 4Q15 despite lower crude price and lower product prices. While Tadawul decreased 5% in 4Q15, Tadawul petrochemical index was largely flat. Comparing Tadawul petchem with global peers, we see KSA petrochemical stocks largely underperformed global peers by varying magnitude. While Tadawul petrochemical index was largely flat, North American, European and Asian peers were up 9%, 9%, and 13%, respectively.

KSA petchem sector is pricing in long term oil price of USD51/bbl

On our 2015 numbers, Tadawul Petchem is trading at 13.6x P/E (EM 14.0x, global 13.9x) which seems broadly in line with EM and global peers. However, in a volatile earnings environment, near term multiples mean little and instead we choose to focus on what LT crude price the petrochemical stocks are pricing in. Assuming all else equal and if our earnings estimates hold up, our analysis suggests KSA petrochemical sector is pricing in a LT crude price of USD51/bbl while our Buy rated stocks are pricing in USD46/bbl. Key risks for the sector include lower oil prices, weaker product prices, demand slowdown in Asia, upward revision of feedstock costs and unscheduled plant shutdowns.

Rating Summary

Company	Rating	Price	Target Price	Upside
Sabic	Buy	86.3	105.0	22%
Yansab	Buy	40.9	56.0	37%
Advanced	Buy	43.2	61.0	41%
SIIG	Buy	14.5	27.0	86%
Sipchem	Buy	16.0	30.0	88%
Sahara	Hold	10.9	12.5	14%
Tasnee	Hold	11.4	14.0	23%
Petrochem	Hold	19.6	21.0	7%
Kayan	Hold	7.3	8.5	16%
Chemanol	Sell	7.6	6.8	-11%

Valuation Summary 2015E

Company	P/E (x)	EV/EBITDA (x)	Dividend Yield (%)
Sabic	13.0	8.6	6.4%
Yansab	21.9	9.9	6.1%
Advanced	9.5	8.9	6.9%
SIIG	7.8	Nm	6.9%
Sipchem	19.7	11.0	6.3%
Sahara	29.3	Nm	4.6%
Tasnee	Nm	8.1	0.0%
Petrochem	9.4	9.7	2.6%
Kayan	Nm	15.2	0.0%
Chemanol	Nm	19.5	0.0%

Sources: Company, Saudi Fransi Capital, Nm implies data is not comparable

1-Year Share Performance



Source: Bloomberg

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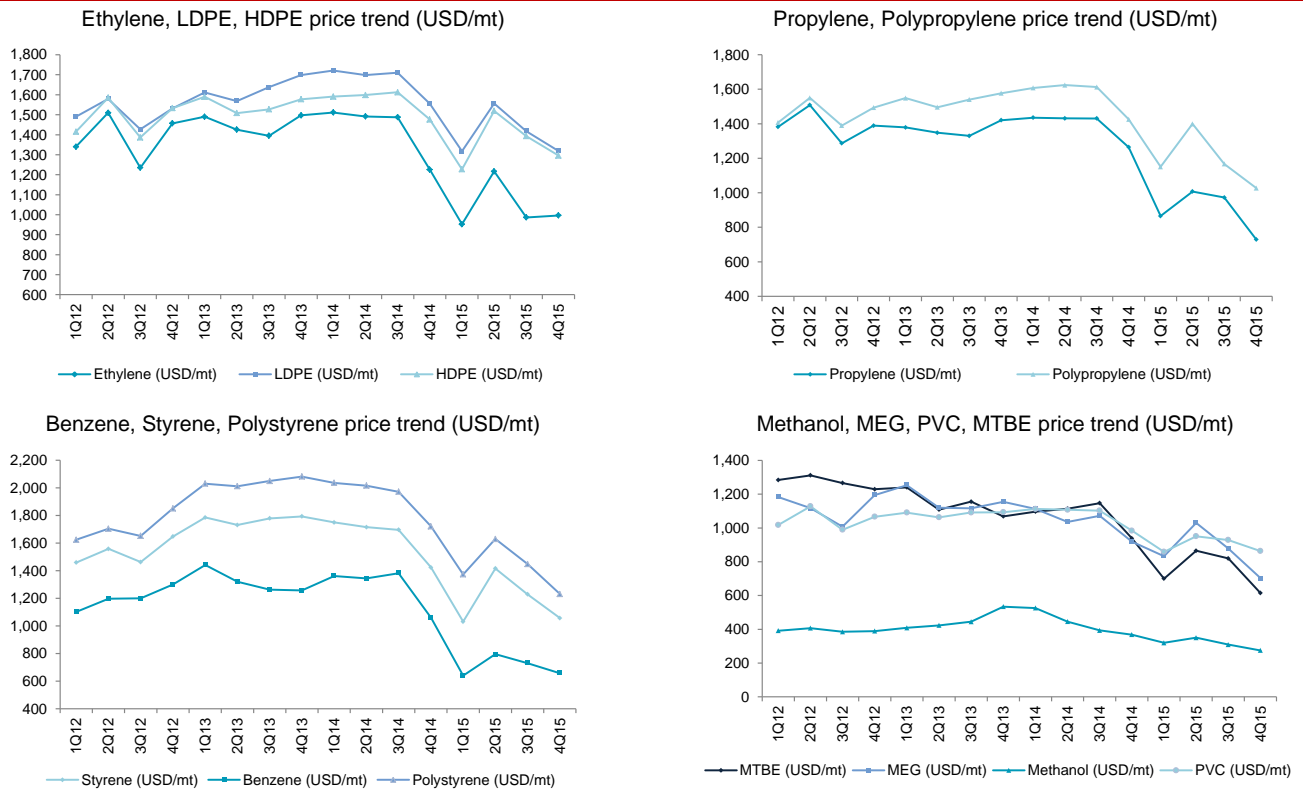
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4Q15 product prices -13% q/q and -25% y/y on average

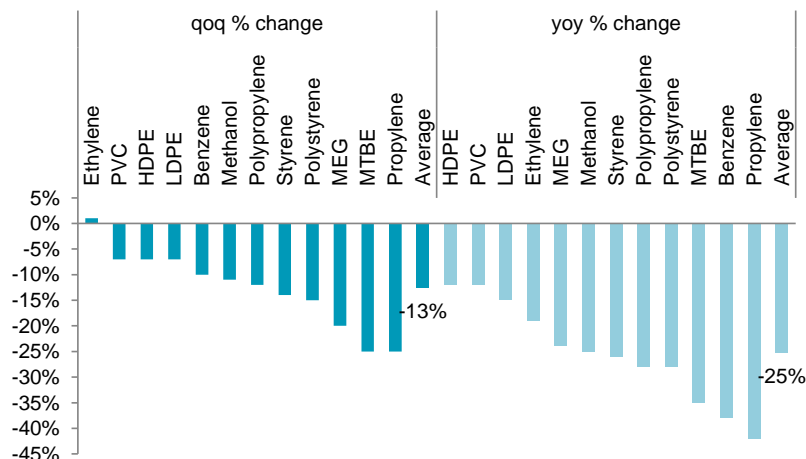
Our analysis suggests that in 4Q15, tracking 13% decrease in Brent crude price (4Q15 average of USD47/bbl vs. USD54/bbl in 3Q15), prices of 12 key petrochemical products (mostly in Asia) on an average decreased 13% q/q and 25% y/y, respectively. While propylene and MTBE saw the maximum decrease of 25% each, PVC/HDPE/LDPE/Benzene/Methanol/Polypropylene decreased 7%/7%/7%/10%/11%/12%. Asian ethylene price remained largely flat q/q.

Fig. 1: Petrochemical product price trend



Sources: Bloomberg, Saudi Fransi Capital

Fig. 2: Price change across major petrochemical products



Sources: Bloomberg, Saudi Fransi Capital

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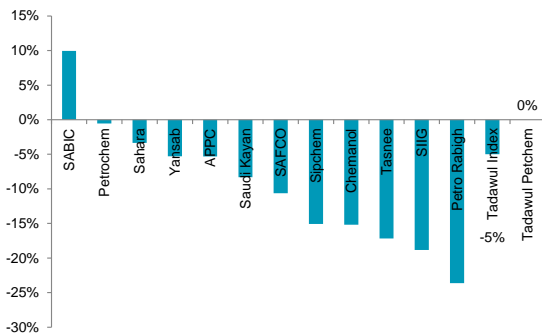
Expect a weak 4Q15 on soft product prices

Petrochemical stocks outperformed Tadawul in 4Q15; Ytd, Advanced and SABIC are outperformers which also happened to be our top picks

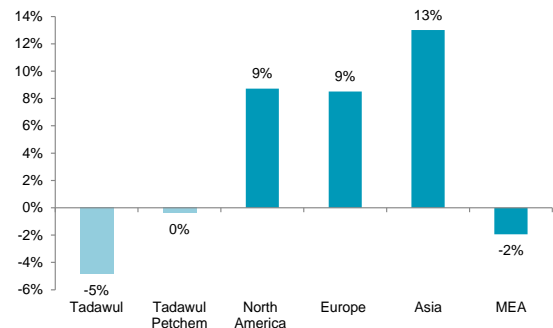
After an underperformance in 3Q15, petrochemical stocks outperformed Tadawul in 4Q15 despite lower crude price and lower product prices. While Tadawul decreased 5% in 4Q15, Tadawul petrochemical index was largely flat. Comparing Tadawul petchem with global peers, we see KSA petrochemical stocks largely underperformed global peers by varying magnitude. While Tadawul petrochemical index was largely flat, North American, European and Asian peers were up 9%, 9%, and 13%, respectively.

Fig. 3: 4Q15 KSA petrochemical stock performance vs Tadawul and global petrochemical stocks

KSA petrochemical stocks' performance vs. Tadawul – 4Q15



KSA vs. global petrochemical stocks – 4Q15

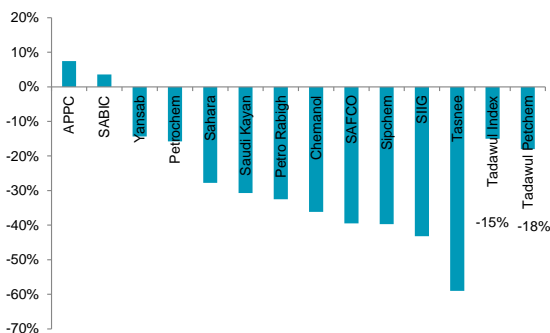


Sources: Saudi Fransi Capital, Bloomberg, Tadawul

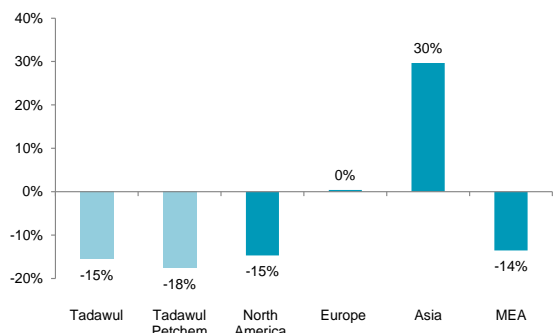
Ytd, while Tadawul was down 15%, Tadawul petrochemical index was down 18%. In our coverage universe, Advanced (+7%) and SABIC (+4%) were relative outperformers which also happened to be our top picks in the beginning of the year. Comparing Tadawul petrochemical stocks with global peers, we note North American peers (similar to Tadawul petchem as they primarily use cheap gas as feedstock) were down 15% while European peers were largely flat and Asians increased 30% on average.

Fig. 4: Ytd KSA petrochemical stock performance vs Tadawul and global petrochemical stocks

KSA petrochemical stocks' performance vs. Tadawul - Ytd



KSA vs. global petrochemical stocks - Ytd



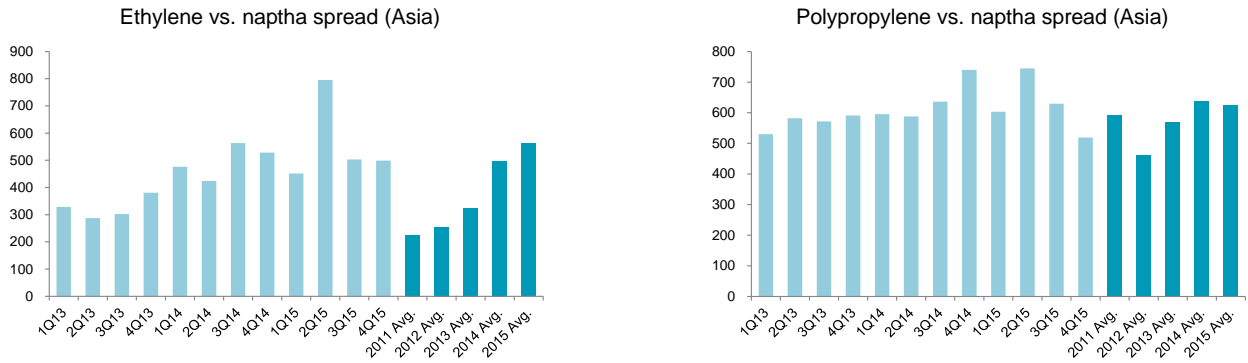
Sources: Saudi Fransi Capital, Bloomberg, Tadawul

Asian petrochemical players strongly benefitted from increasing ethylene naphtha spreads due to tighter demand supply balance in the ethylene chain, a trend we expect to continue. On the other hand, polypropylene naphtha spread remained at elevated levels despite expectations of disproportionate capacity additions in 2015 which we think is largely due to delays in new capacities coming on-stream.

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Fig. 5: Ethylene vs. naphtha spread (Asia) and Polypropylene vs. naphtha spread (Asia)

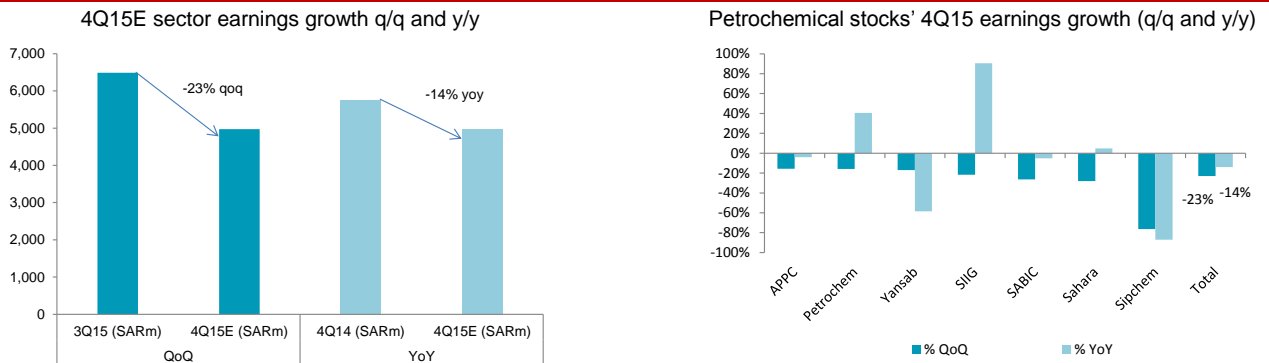


Sources: Saudi Fransi Capital, Bloomberg

Expect a sequentially weak 4Q15 with 23% q/q sector earnings decline

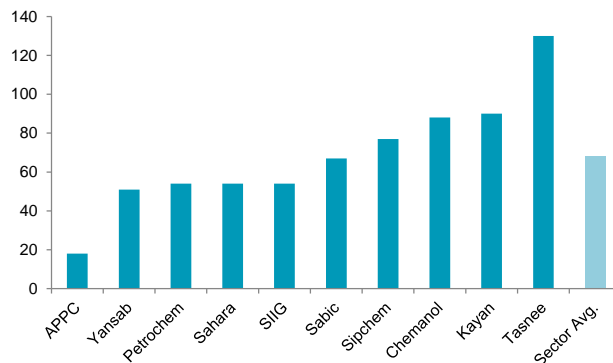
For the 10 companies under our coverage, we expect a combined 4Q15E net profit of SAR5.0bn implying -23% q/q and -14% y/y. While 9 out of 10 companies should post sequential declines of varying magnitude, decline for Advanced/Petrochem at 16% q/q is expected to be at the lower end among KSA petrochemical names. While we expect Kayan to generate a net profit of SAR73m after three consecutive losses, a net profit of SAR73m on a revenue base of SAR2.1bn is largely inconsequential. Given a volatile environment of product prices, while earnings volatility is unsurprising, it can be exacerbated by plant shutdowns in case of SIIG, Sipchem and Chemanol. Furthermore, due to decline in crude price over the last 6 months, balance sheets may be carrying some higher cost inventory. Since this is the last quarter of the year, we would not be surprised to see some inventory write-downs (not included in our estimates).

Fig. 6: KSA petrochemical sector's 4Q15E earnings growth



Sources: Saudi Fransi Capital, Companies' data

Fig. 7: Inventory across companies (no. of sales days)



Sources: Companies' data, Saudi Fransi Capital

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KSA Petrochemical Sector – 4Q15 Earnings Preview

December 22, 2015

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Petchem sector	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	47,634	50,904	-6%	58,789	-19%
Gross Profit (SAR mn)	12,621	15,084	-16%	15,086	-16%
EBITDA (SAR mn)	13,974	16,487	-15%	16,022	-13%
EBITDA Margin (%)	29%	32%		27%	
EBIT (SAR mn)	8,254	10,756	-23%	10,228	-19%
Net Profit (SAR mn)	4,973	6,489	-23%	5,759	-14%

SABIC	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	34,983	37,352	-6%	43,435	-19%
Gross Profit (SAR mn)	9,680	11,816	-18%	11,240	-14%
EBITDA (SAR mn)	9,980	12,174	-18%	11,453	-13%
EBITDA Margin (%)	28.5%	32.6%		26.4%	
EBIT (SAR mn)	6,380	8,564	-25%	7,558	-16%
Net Profit (SAR mn)	4,130	5,604	-26%	4,356	-5%

Yansab	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	1,655	1,800	-8%	2,290	-28%
Gross Profit (SAR mn)	394	435	-9%	773	-49%
EBITDA (SAR mn)	604	647	-7%	966	-37%
EBITDA Margin (%)	37%	36%		42%	
EBIT (SAR mn)	339	381	-11%	712	-52%
Net Profit (SAR mn)	251	302	-17%	618	-59%

Advanced*	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	587	632	-7%	740	-21%
Gross Profit (SAR mn)	211	248	-15%	232	-9%
EBITDA (SAR mn)	251	294	-14%	271	-7%
EBITDA Margin (%)	43%	46%		37%	
EBIT (SAR mn)	199	241	-17%	216	-8%
Net Profit (SAR mn)	195	234	-16%	201	-3%

Petrochem	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	1,792	1,912	-6%	2,230	-20%
Gross Profit (SAR mn)	666	758	-12%	613	9%
EBITDA (SAR mn)	715	798	-10%	626	14%
EBITDA Margin (%)	40%	42%		28%	
EBIT (SAR mn)	509	592	-14%	406	25%
Net Profit (SAR mn)	270	321	-16%	192	40%

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Sipchem	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	709	810	-13%	1,046	-32%
Gross Profit (SAR mn)	147	209	-30%	369	-60%
EBITDA (SAR mn)	279	335	-17%	415	-33%
EBITDA Margin (%)	39%	41%		40%	
EBIT (SAR mn)	101	157	-36%	261	-61%
Net Profit (SAR mn)	35	72	-51%	132	-73%

Kayan	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	2,105	2,195	-4%	2,526	-17%
Gross Profit (SAR mn)	339	269	26%	280	21%
EBITDA (SAR mn)	874	820	7%	656	33%
EBITDA Margin (%)	42%	37%		26%	
EBIT (SAR mn)	234	175	34%	156	50%
Net Profit (SAR mn)	73	-14	Nm	12	535%

Chemanol	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	148	174	-15%	210	-30%
Gross Profit (SAR mn)	-12	12	-199%	24	-148%
EBITDA (SAR mn)	10	8	20%	49	-79%
EBITDA Margin (%)	7%	5%		23%	
EBIT (SAR mn)	-34	-36	Nm	-7	Nm
Net Profit (SAR mn)	-39	-43	Nm	-18	Nm

SIIG	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	1,792	1,912	-6%	2,230	-20%
Gross Profit (SAR mn)	707	758	-7%	613	15%
EBITDA (SAR mn)	715	794	-10%	621	15%
EBITDA Margin (%)	39.9%	41.5%		27.8%	
EBIT (SAR mn)	510	590	-14%	401	27%
Net Profit (SAR mn)	162	207	-22%	85	89%

Sahara	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	424	503	-16%	504	-16%
Gross Profit (SAR mn)	148	178	-17%	177	-16%
EBIT (SAR mn)	123	151	-18%	137	-10%
Net Profit (SAR mn)	87	121	-28%	83	5%

Tasnee	4Q15E	3Q15	% QoQ	4Q14	% YoY
Revenue (SAR mn)	3,439	3,614	-5%	3,578	-4%
Gross Profit (SAR mn)	478	401	22%	765	-38%
EBIT (SAR mn)	31	-59	Nm	388	-92%
Net Profit (SAR mn)	-171	-310	Nm	98	Nm

Source: Company, Saudi Fransi Capital, * For Advanced, net profit is reported before tax

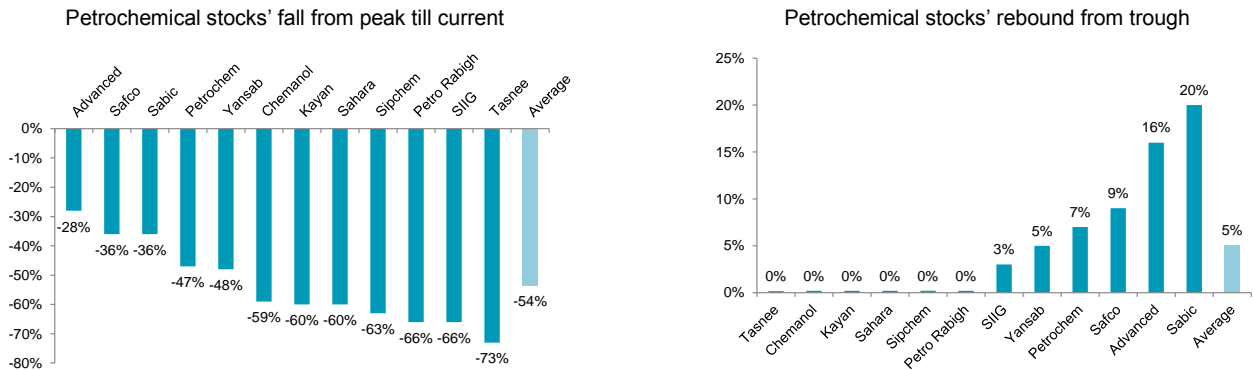
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Valuation

Petrochemical stocks corrected 54% from Sept '14 peak and are trading close to 52 week lows

Fig. 8: Petrochemical stocks' fall from peak and rebound from trough

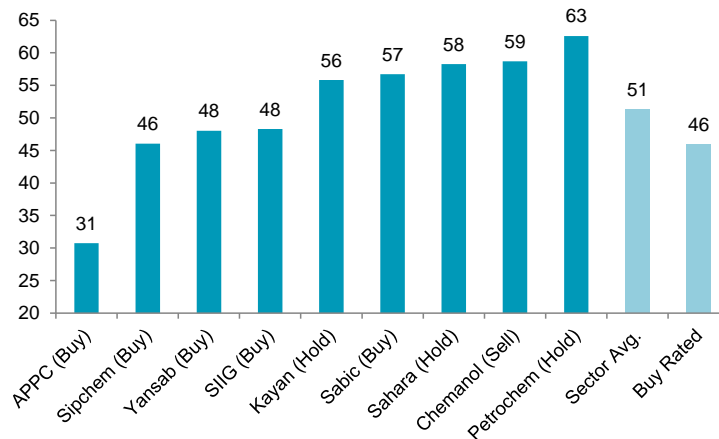


Sources: Saudi Fransi Capital, Bloomberg, Tadawul

On average, Buy rated stocks are pricing in LT crude price of USD46/bbl

According to our analysis, albeit with differences across stocks, at the sector level, on average, our Buy rated stocks are pricing in a long term crude price of USD46/bbl.

Fig. 9: What crude price petrochemical stocks are pricing in?



Sources: Bloomberg, Saudi Fransi Capital

Valuation of petrochemical companies impacted by changes in prices of crude oil; every 5% change in crude oil price affects valuation by 7%

Our analysis indicates naphtha (a derivative of crude) accounts for 50% of global ethylene production, whereas ethane makes up 35%. However, marginal Asian producers (30% of global ethylene production) have limited access to cheap ethane, and therefore, are compelled to use high-priced naphtha as feedstock. Consequently, marginal producers tend to become price makers, whereas cheap ethane-based producers act as price takers. In line with this trend, changes in product prices and feedstock costs affect the valuation of petrochemical companies. According to our analysis, for the 10 companies under coverage, every 5% change in crude oil price results in a 7% change in target prices, on average, albeit with differences across companies.

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Fig. 10: Sensitivity analysis – Impact of change in crude oil price on our target price

Impact on Target price	% change in crude oil price from base						
	-15%	-10%	-5%	Base	5%	10%	15%
SABIC	-24%	-16%	-8%	0%	8%	16%	24%
Yansab	-20%	-13%	-7%	0%	7%	13%	20%
Advanced	-8%	-5%	-3%	0%	3%	5%	8%
SIIG	-27%	-18%	-9%	0%	9%	18%	27%
Sipchem	-24%	-16%	-8%	0%	8%	16%	24%
Sahara	-18%	-12%	-6%	0%	6%	12%	18%
Tasnee	-21%	-14%	-7%	0%	7%	14%	21%
Kayan	-15%	-10%	-5%	0%	5%	10%	15%
Chemanol	-24%	-16%	-8%	0%	8%	16%	24%
Petrochem	-27%	-18%	-9%	0%	9%	18%	27%
Sector Average	-21%	-14%	-7%	0%	7%	14%	21%

Sources: Saudi Fransi Capital

KSA petchem stocks trading in line with EM/Global peers on 2015E P/E

Fig. 11: KSA petrochemical sector peer comparison

Company	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
SABIC (Buy)	13.0	13.2	8.6	8.5	6.4%	6.1%	30%	27%	13%	12%
Yansab (Buy)	21.9	12.8	9.9	7.6	6.1%	7.3%	37%	39%	7%	12%
Advanced (Buy)	9.5	9.7	8.9	9.1	6.9%	7.5%	41%	36%	30%	27%
SIIG (Buy)	7.8	7.2	12.6	13.4	6.9%	6.9%	36%	33%	12%	12%
Sipchem (Buy)	19.7	8.4	11.0	7.5	6.3%	6.3%	40%	43%	5%	11%
Sahara (Hold)	29.3	14.4	15.9	15.1	4.6%	6.8%	31%	25%	3%	6%
Tasnee (Hold)	nm	13.3	8.1	7.3	0.0%	6.9%	15%	18%	nm	5%
Saudi Kayan (Hold)	nm	30.0	15.2	11.8	0.0%	0.0%	32%	36%	nm	3%
Petrochem (Hold)	9.4	10.0	9.7	10.3	2.6%	3.8%	37%	33%	18%	15%
Chemanol (Sell)	nm	nm	19.5	12.0	0.0%	0.0%	13%	19%	nm	nm
PetroRabigh (NR)	nm	9.7	22.6	10.1	4.1%	5.1%	7%	13%	nm	12%
Saudi Arabia	13.6	10.7	12.0	10.5	5.5%	6.2%	29%	29%	13%	13%

Sources: Saudi Fransi Capital

Fig. 12: KSA vs. global peer comparison

Region	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
KSA	13.6	10.7	12.0	10.5	5.5%	6.2%	29%	29%	13%	13%
North America	13.4	12.1	7.4	7.2	2.9%	3.0%	20%	20%	25%	25%
Europe	16.2	13.9	8.6	8.1	2.6%	2.9%	17%	17%	16%	17%
Asia (Developed)	14.9	12.2	7.6	7.2	1.8%	2.1%	11%	11%	9%	10%
Asia (Emerging)	16.0	13.7	9.8	8.7	2.3%	2.3%	15%	15%	11%	12%
MEA	10.4	9.1	6.4	6.4	5.4%	5.9%	24%	25%	19%	20%
Others	11.9	10.4	7.9	7.1	4.3%	4.0%	15%	15%	31%	42%
Emer. Mkt (ex-KSA)	14.0	12.0	8.5	7.8	3.3%	3.6%	18%	17%	17%	19%
Global (ex-KSA)	13.9	12.8	8.4	7.8	3.2%	3.3%	18%	18%	17%	19%

Sources: Saudi Fransi Capital, Bloomberg



Fig. 13: Global peer comparison

North America	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Du Pont	22.3	19.9	12.1	11.8	2.7%	2.5%	20%	21%	23%	28%
Dow Chemical Co	15.3	14.8	8.1	8.2	3.5%	3.6%	19%	19%	18%	17%
Lyondellbasell-A	8.2	8.9	5.5	6.0	3.5%	3.7%	24%	22%	63%	64%
Eastman Chemical	9.1	8.7	7.3	7.2	2.4%	2.4%	23%	23%	28%	24%
Celanese Corp-A	10.4	10.4	7.9	7.7	1.8%	1.9%	27%	26%	29%	26%
Westlake Chemical	10.7	11.5	5.5	5.6	1.3%	1.3%	27%	27%	20%	16%
Ashland Inc	13.6	12.4	7.9	7.5	1.6%	1.7%	21%	21%	16%	19%
Huntsman Corp	6.0	5.4	5.9	5.5	4.8%	4.8%	12%	12%	25%	27%
Axiall Corp	25.2	17.2	6.7	5.7	4.8%	4.8%	9%	11%	2%	4%
North America	13.4	12.1	7.4	7.2	2.9%	3.0%	20%	20%	25%	25%
Europe	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Basf Se	14.3	13.6	7.3	7.3	4.1%	4.2%	15%	17%	16%	16%
Akzo Nobel	15.5	14.5	8.1	7.7	2.5%	2.7%	14%	15%	16%	16%
Solvay Sa-A	13.5	10.8	5.0	4.2	3.5%	3.6%	18%	19%	8%	9%
Ems-Chemie Hldg	27.5	25.5	19.2	18.4	3.1%	3.4%	26%	26%	28%	29%
Clariant Ag-Reg	18.3	16.0	9.1	8.6	2.3%	2.5%	15%	15%	11%	13%
Lanxess Ag	19.2	14.3	5.9	5.3	1.4%	1.9%	11%	12%	8%	11%
Wacker Chemie Ag	25.6	22.3	5.4	5.1	1.8%	1.9%	19%	19%	8%	8%
Europe	16.2	13.9	8.6	8.1	2.6%	2.9%	17%	17%	16%	17%
Asia Developed	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Mitsubishi Chemicals	16.3	11.8	6.6	6.4	1.9%	2.2%	11%	12%	7%	9%
Sumitomo Chemicals	13.2	11.4	7.7	7.4	2.1%	2.3%	13%	13%	11%	11%
Mitsui Chemicals	15.2	13.5	8.5	7.9	1.5%	1.7%	9%	9%	20%	22%
Asia Developed	14.9	12.2	7.6	7.2	1.8%	2.1%	11%	11%	9%	10%
Asia Emerging	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Lg Chem Ltd	17.0	13.8	7.4	6.7	1.2%	1.2%	15%	15%	10%	12%
Nan Ya Plastics	12.7	13.4	12.9	13.0	4.5%	4.6%	13%	12%	11%	10%
Formosa Plastic	15.7	15.7	23.1	22.7	3.6%	3.8%	11%	10%	10%	9%
Lotte Chemical C	7.6	7.4	7.1	6.4	0.5%	0.5%	17%	16%	15%	14%
Wanhua Chemic-A	16.2	12.7	10.1	8.1	1.7%	2.3%	29%	25%	7%	9%
Indorama Venture	18.9	15.7	9.8	8.4	2.1%	2.1%	7%	8%	11%	11%
Hanwha Chem Corp	20.0	13.2	11.1	9.6	0.7%	0.9%	10%	11%	20%	22%
Kumho Petro Chem	11.5	8.5	9.5	7.9	2.9%	3.0%	9%	10%	8%	9%
Petronas Chemicals	20.6	18.1	10.4	9.2	2.6%	2.9%	33%	32%	5%	7%
Asia Emerging	16.0	13.7	9.8	8.7	2.3%	2.3%	15%	15%	11%	12%
MEA	P/E		EV/EBITDA		Dividend Yield		EBITDA margin		ROE	
	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Sasol	11.6	9.2	5.2	4.4	0.0%	0.0%	27%	28%	11%	13%
Industies Qatar	12.4	11.4	nm	nm	6.7%	6.9%	21%	23%	15%	15%
Petkim	10.3	14.9	9.6	10.8	2.6%	2.6%	12%	9%	15%	11%
Sidi Kerir	7.3	6.5	4.3	4.1	12.3%	13.8%	43%	44%	32%	32%
MEA	10.4	9.1	6.4	6.4	5.4%	5.9%	24%	25%	19%	20%

Sources: Saudi Fransi Capital, Bloomberg



Research and Advisory Department

Rating Framework

BUY

Shares of the companies under coverage in this report are expected to outperform relative to the sector or the broader market.

HOLD

Shares of the companies under coverage in this report are expected to perform in line with the sector or the broader market.

SELL

Shares of the companies under coverage in this report are expected to underperform relative to the sector or the broader market.

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