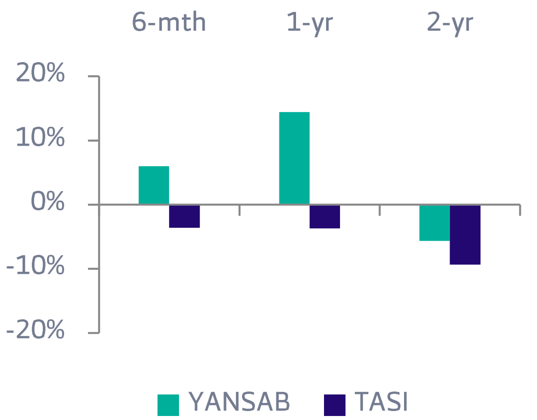
The Volume Question Dominates; Better Prices Have Nuance

April 30, 2026

Upside to Target Price	(12.5%)	Rating	Neutral
Expected Dividend Yield	5.5%	Last Price	SAR 36.56
Expected Total Return	(7.0%)	12-mth target	SAR 32.00

Market Data	
52-week high/low	SAR 38.44 / 24.00
Market Cap	SAR 20,565 mln
Shares Outstanding	562.5 mln
Free-float	49.00%
12-month ADTV	674,896
Bloomberg Code	YANSAB AB



Yansab	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	1,320	1,512	(13%)	1,379	(4%)	1,257
Gross Profit	153	154	0%	101	52%	143
Gross Margins	12%	10%		7%		11%
Operating Profit	12	8	53%	(59)	-	26
Net Profit	11	14	(18%)	(53)	-	31

(All figures are in SAR mln)

- Yansab's topline decreased by -4% Q/Q and -13% Y/Y, which is surprising, but not for the usual reasons, this time we are surprised by the Company performing a shutdown and having such strong revenue generation. With Yansab's sales coming in at SAR 1.3 bln, in-line with our estimate, we are impressed and further speculate that pricing helped support the 1Q26 results. Indeed, management commented that the decrease in sales was attributed to lower sales volumes resulting from the Ethylene Glycol plant turnaround, which leaves us in an optimistic predicament as we look at prices; which management also stated increased on average Q/Q.
- Yansab generated gross profits of SAR 153 mln in 1Q26, an increase of +52% Q/Q. Despite material uncertainty we have managed to remain sober in our estimated balance between the lower volumes and higher realized prices. Additionally, regarding prices, we note that MEG (37% of FY2025 sales) prices in the beginning of 2Q26 have moved up +22% Q/Q but were flat Y/Y. While polyolefins prices and spreads have performed better, MEG holds significant weight, potentially cancelling out the polymer gains.
- Net profit was SAR 11 mln in 1Q26, a decrease of -18% Y/Y, but significantly higher than the net loss of SAR (53) mln in 4Q25. While we acknowledge good net profits and the better pricing environment Q/Q, we must also consider nuance. In our view, the 2Q26 setup is a margin vs. volume tradeoff with limited net upside. With Brent oil roughly at $100/bbl, we estimate propane prices will be around $750–$770 in May. Additionally, OPEC's monthly report (April) showed Aramco's production cut (-23% M/M) in March, further tightening NGL fundamentals and potentially weighing on cracker utilization. Despite some positive fundamentals, such as strong pricing for PE and PP, we still believe the stock price has this baked in, and we raise our target price and maintain Neutral.

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Disclaimer

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

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