U Capital
Ubhar Capital

Research

Company

Saudi Basic Industries Corp

2Q26 Result Review

Rating

Under Review

Bloomberg Ticker

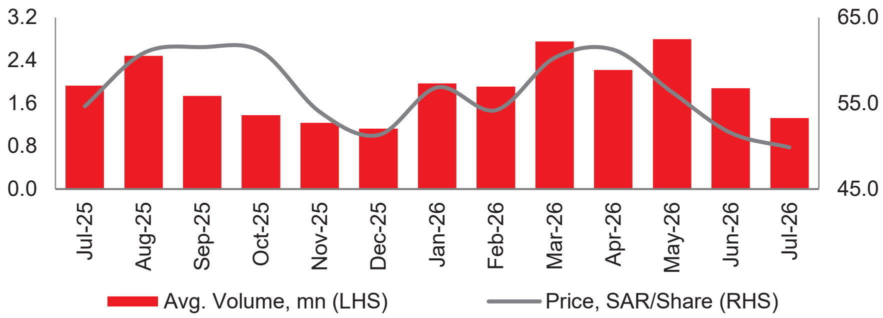
SABIC AB

Date

30 July 2026

Results

Target Price (SAR)	Under Review
Total Return	-



Current Market Price (SAR)	49.9
52-week High | Low	64.0 | 48.2
Price Perf. (1m | 3m)	-3.3% | -18.6%
Mkt. Cap. (USD/SAR mn)	40.3 | 149.6
Free Float	30.0%
3m ADTO (000 shares)	1,749.8
6m ADTO (000 shares)	1,967.0
3m ADTV (SAR 000)	97,328.4
6m ADTV (SAR 000)	111,764.5
P/E 27e	34.4x
P/B 27e	1.2x
DY 27e	2.9%

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Revenue declined 18% YoY in 2Q26

SABIC's 2Q26 revenue declined 18% YoY to SAR 24.8bn, driven by lower sales volumes, while higher average selling prices partially mitigated the decline.

Lower revenue weighed on profitability

SABIC reported a net loss of SAR 0.8bn in 2Q26 versus a net profit of SAR 13.2mn in 1Q26, primarily due to lower revenue sequentially. However, on a YoY basis, results improved from a net loss of SAR 4.1bn in 2Q25, largely reflecting the absence of impairment charges related to the Teesside cracker closure booked last year, alongside SAR 732mn higher contributions from associates and joint ventures and SAR 380mn lower finance costs

U-Capital View

Global petrochemical prices remained resilient during 2Q26 despite supply chain disruptions limiting Middle East exports. As logistics normalize, we expect trade flows and margins to recover. Meanwhile, growth initiatives, including the Petrokemya MTBE project and the SABIC Fujian complex, should provide incremental earnings support. We are placing the stock under review and will update our investment case shortly.

Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Revenue	30.2	34.3	28.0	26.2	24.8	29.1	-18%	-5%	-15%	59.5	51.0	-14%
Gross profit	6.2	6.1	3.9	5.1	4.4	6.3	-30%	-15%	-31%	11.3	9.5	-16%
Operating profit	2.7	1.7	(0.9)	1.4	0.7	2.1	-73%	-51%	-67%	3.0	2.2	-27%
Net profit	(4.1)	0.4	(20.9)	0.0	(0.8)	1.3	-80%	n.m	n.m	(5.3)	(0.8)	-85%
BS												
Shareholders' Equity	153.9	149.4	128.7	123.9	123.5		-20%	0%		153.9	123.5	-20%
Ratios												
Gross margin	20.6%	17.8%	13.8%	19.6%	17.5%	21.8%				18.9%	18.6%	
Operating margin	8.8%	4.8%	-3.1%	5.5%	2.9%	7.3%				5.0%	4.2%	
Net profit margin	-13.5%	1.3%	-74.9%	0.1%	-3.3%	4.5%				-8.9%	-1.6%	
RoE (TTM)					n.m							
P/E (TTM)					n.m							
Current P/B					1.2x							

Source: Financials, Tadawul, Bloomberg, U Capital Research. n.m – not meaningful

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