

Company

**Advanced
Petrochemical
Company**
2Q25 Result Review

Rating**UR****Bloomberg Ticker****APPC AB****Date**

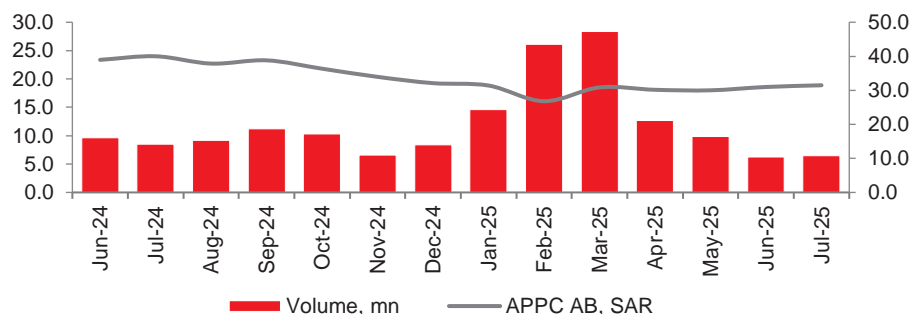
14 July 2025

Results**Target Price SAR** **UR****Upside/ Downside** **-**

Current Market Price (SAR)	31.48
52wk High / Low (SAR)	41.05/25.85
12m Average Vol. (000)	608.2
Mkt. Cap. (USD/SAR mn)	2,182.1/8,184.5
Shares Outstanding (mn)	260.0
Free Float	86%
3m Avg. Daily Value Traded (SAR mn)	13.3
6m Avg. Daily Value Traded (SAR mn)	23.6
P/E'25e (x)	18.4
EV/EBITDA'25e (x)	26.6
Dividend Yield '25e	4.3%
Price Perf. (1m/3m) (%)	10.1/2.4

Ubhar Research

Email: ubhar-research@u-capital.net

**Revenue increased 8% YoY, 14% QoQ basis**

APPC reported 2Q25 revenue of SAR 698mn (8% YoY and 14% QoQ), mainly due to increase in the sales volume by 20% as the company underwent trial operation at one of its production lines in the new project. For 1H25, the revenue grew 35% YoY to SAR 1,312mn.

Net income increased in 2Q25

APPC reported an increment of 95% YoY to reach a net profit of SAR 82mn in 2Q25 mainly due to the increase in sales volume and reduction in feedstock prices. Also, this turnaround is attributed to the absence of losses on investment in SK Advanced.

Target price Under Review (UR)

APPC' bottom line has improved both on YoY and QoQ basis. The company started with trial operation at the new PDH-PP plant in 2Q25 while the full impact of the same is expected to be seen from 3Q25 onwards. However, the netback prices declined both on YoY and QoQ basis during 2Q25. Further, we expect the petrochemical sector to remain under pressure in the short-term amid the ongoing trade wars and weak macroeconomic conditions. The stock is currently under review and will update our investment case shortly.

Financial Summary

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
Income Statement												
Revenue	649	643	579	614	698	627	8%	14%	11%	970	1,312	35%
Gross Profit	123	119	19	107	134	108	9%	25%	24%	150	241	61%
Operational Profit/(loss)	75	76	(24)	73	92	74	23%	26%	24%	50	166	nm
Net Profit/(loss)	42	46	(288)	72	82	73	95%	14%	12%	(17)	153	nm
BS												
Sh. Equity	3,162	3,212	2,873	2,915	3,006	2,988	-5%	3%	1%	3,162	3,006	-5%
Ratios (%)												
Gross Margin	19%	18%	3%	17%	19%	17%						
Operating Profit margin	12%	12%	-4%	12%	13%	12%						
Net Profit margin	6%	7%	-50%	12%	12%	12%						
ROE					-3%							

Source: Financials, Tadawul Disclosure, Bloomberg, U Capital Research; nm=not meaningful

For our
last report



Investment Research

Ubhar-Research@u-capital.net

Head of
Research

Tahir Abbas

+968 2494 9036 | tahir@u-capital.net

Research
Team

Ahlam Al-Harhi

+968 2494 9024 | ahlam.harhi@u-capital.net

Sandesh Shetty

+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi

+968 2494 9012 | amira.alalawi@u-capital.net

Dua Al Mawali

+968 2494 9021 | dua@u-capital.net

Head of
Brokerage

Talal Al Balushi

+968 2494 9051 | talal@u-capital.net

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Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

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