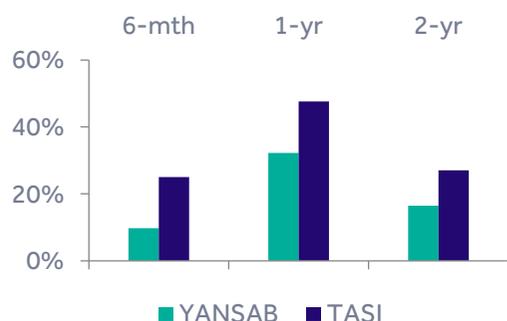


Market Data	
52-week high/low	SAR 75.00 / 51.70
Market Cap	SAR 38,363 mln
Shares Outstanding	562.5 mln
12-month ADTV	423,174
Bloomberg Code	YANSAB AB



## Net Income Teases SAR 600 mln

August 02, 2021

Upside to Target Price	(0.3%)	Rating	Neutral
Expected Dividend Yield	4.4%	Last Price	SAR 68.20
Expected Total Return	4.1%	12-mth target	SAR 68.00

Yansab	2Q2021	2Q2020	Y/Y	1Q2021	Q/Q	RC Estimate
Sales	1,983	1,021	94%	1,723	15%	1,895
Gross Profit	772	137	463%	532	45%	644
Operating Profit	640	53	1,109%	414	55%	512
Net Profit	596	45	1,231%	420	42%	496

(All figures are in SAR mln)

- Revenues almost doubled Y/Y to SAR 1.98 billion and were up +15% Q/Q from SAR 1.7 billion due to a rise in some product prices especially MTBE and Benzene. Polyethylene and Polypropylene prices were up in the range of 40%-60% Y/Y while they were almost flat on a quarterly basis. MTBE prices were up more than +17% Q/Q while Benzene increased by +28% Q/Q.
- Gross margin at 39% witnessed a significant expansion over 31% in the preceding quarter. Feedstock propane prices were down about -10% Q/Q. However, higher gross profit and gross margins Q/Q was due to a plant shutdown last quarter, which depressed 1Q2021 numbers.
- Net income came in at SAR 596 million, +42% Q/Q and a multiple of SAR 45 million posted last year. Bottomline beat both our forecast of SAR 496 million and market consensus of SAR 534 million with net margins at 30%. This is the highest net income since 3Q2018 and continues the rising trend for the past three consecutive quarters. We believe petchem prices in the short term are likely to be stable.

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 riyad capital

## ■ 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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