

## Company

Advanced  
Petrochemical Co.  
1Q26 Result Review

## Rating

Buy

## Bloomberg Ticker

APPC AB

## Date

30 April 2026

## Results

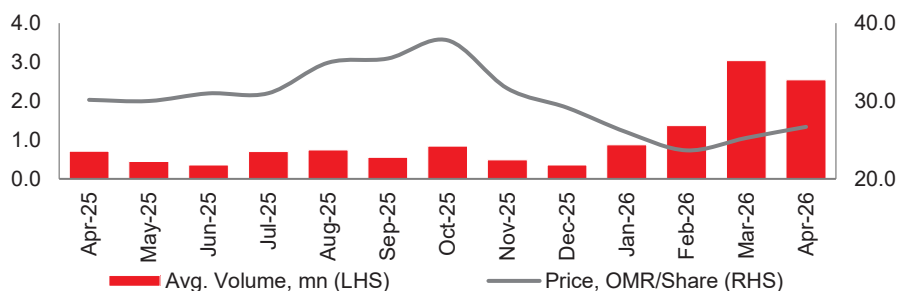
Target Price (SAR)	28.9
Total Return	12.4%

Current Market Price (SAR)	26.7
52wk High / Low (SAR)	38.64/21.55
12m Average Vol. (m)	955.3
Mkt. Cap. (USD/SAR bn)	1,849/6,937
Shares Outstanding (mn)	260.0
Free Float (%)	83.4%
3M ADTV (SAR mn)	52.8
6M ADTV (SAR mn)	34.3
P/E'26e (x)	26.8
P/B'26e (x)	1.9
Dividend Yield '26e (%)	0.0%
Price Perf. (1m/3m) (%)	5.6/2.7

## Research Department

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## Strong volume-led growth drives 1Q26 revenue expansion

APPC reported 1Q26 revenue of SAR 1,079mn, up 76% YoY, driven by a 94% increase in volumes following the commencement of Advanced Polyolefins Industry Company in 3Q25, offsetting a 10% YoY decline in netback prices.

## Earnings pressured by post-commissioning cost ramp-up

APPC reported a net profit of SAR 30mn in 1Q26 compared to SAR 72mn in 1Q25, with the decline driven by higher depreciation, fixed costs and finance charges following the commencement of commercial operations at Advanced Polyolefins Industry Company in 3Q25.

## U-Capital view

Following the PDH-PP line commencement in 3Q25, APPC's topline strengthened on higher volumes, though netback prices remained under pressure. We expect net margins to improve ahead as efficiencies normalize. The swap of its 30% stake in SK Advanced for an additional 15% stake in Advanced Polyolefins Industry Company, along with SAR 485mn cash, reflects a strategic shift toward domestic consolidation. We have a Buy rating with a TP of SAR 28.9/share.

## Financial Summary

SAR mn	1Q25	2Q25	3Q25	4Q25	1Q26	1Q26e	YoY	QoQ	Var.
<b>P&amp;L</b>									
Revenue	614	698	1,018	1,172	1,079	824	76%	-8%	31%
Gross profit	107	134	235	194	178	174	66%	-8%	3%
Operating profit	73	92	182	128	124	103	70%	-3%	20%
Net profit	72	82	72	1	30	24	-58%	2630%	23%
<b>BS</b>									
Shareholders' Equity	2,915	3,006	3,139	3,091	2,993		3%	-3%	
<b>Ratios</b>									
Gross profit margin	17.5%	19.2%	23.1%	16.6%	16.5%	21.1%			
Operating profit margin	11.9%	13.2%	17.8%	10.9%	11.5%	12.5%			
Net profit margin	11.7%	11.7%	7.1%	0.1%	2.8%	3.0%			
RoE (TTM)					6.0%				
P/E (TTM)					37.6				
Current P/B					2.3				

Source: Financials, Tadawul Disclosure, Bloomberg, U Capital Research

# Investment Research

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### Recommendation

BUY

Greater than 10%

HOLD

Between  
0% and +10%

SELL

Lower than 0%

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