Company

Saudi Basic Industries Corp

3Q26 Result Review

Rating

Buy

Bloomberg Ticker

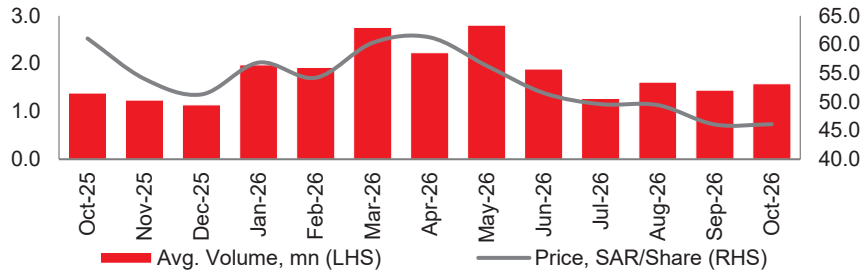
SABIC AB

Date

27 October 2026

Results

Target Price SAR	56.9
Total Return	33.7%



Current Market Price (SAR)	46.1
52-week High | Low	62.50 | 42.64
Price Perf. (1m | 3m)	-2.3% | -11.8%
Mkt. Cap. (USD/SAR bn)	37.3 | 138.3
Free Float	30.0%
3m ADTO (000 shares)	1,522.6
6m ADTO (000 shares)	1,521.7
3m ADTV (SAR 000)	72,327.5
6m ADTV (SAR 000)	85,750.1
P/E 27e	34.0x
P/B 27e	1.1x
DY 27e	3.3%

Lower sales volumes weigh on revenue growth

SABIC reported revenue of SAR 28.2bn (-3% YoY and +14% QoQ), ahead of our estimates. The YoY decline reflected lower volumes amid regional tensions.

Stronger margins and associate contributions drive earnings

SABIC reported net profit of SAR 499mn (+16% YoY), driven by a 260bps improvement in gross margins and a SAR 1.62bn increase in associate and JV results, mainly due to an impairment reversal. These gains were partially offset by a SAR 985mn increase in losses from discontinued operations, higher selling and distribution expenses, and a SAR 358mn decline in net financial results due to a fair value adjustment.

U-Capital view

Global petrochemical prices have remained robust; however, geopolitical tensions continue to pose headwinds for Sabic. Despite these challenges, stronger gross margins drove profitability growth, while sales volumes rose 30% QoQ, supported by successful shipments. Long-term growth will be supported by the Petrokemya MTBE facility and SABIC Fujian complex in China. We expect the growth seen in 3Q26 to continue through the near term. Accordingly, we have a Buy rating on the stock with an updated target price of SAR 56.9/share.

U Capital Research

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Financial Statements

SAR bn	3Q25	4Q25	1Q26	2Q26	3Q26	3Q26e	YoY	QoQ	Var.	9M25	9M26	YoY
P&L												
Revenue	29.1	28.0	26.2	24.8	28.2	26.1	-3%	14%	8%	88.6	79.1	-11%
Gross Profit	5.9	3.9	5.1	4.4	6.4	5.1	10%	48%	27%	17.1	15.9	-7%
Operational Profit	2.3	(0.9)	1.4	0.7	2.1	1.1	-10%	190%	85%	5.2	4.2	-20%
Net Profit	0.4	(20.9)	0.0	(0.8)	0.5	0.3	16%	n.m	76%	(4.8)	(0.3)	-93%
BS												
Sh. Equity	149.4	128.7	123.9	123.5	122.8		-18%	-1%		149.4	122.8	-18%
Ratios												
Gross Margin	20.2%	13.8%	19.6%	17.5%	22.8%	19.5%				19.3%	20.1%	
Operating Margin	7.8%	-3.1%	5.5%	2.9%	7.3%	4.3%				5.9%	5.3%	
Net Profit Margin	1.5%	-74.9%	0.1%	-3.4%	1.8%	1.1%				-5.5%	-0.4%	
TTM RoE (%)					n.m							
TTM P/E (x)					n.m							
Current P/Bv					1.1							

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



Investment Research

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BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

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