Company

Sahara International Petrochemical Co.

3Q26 Result Review

Rating

Under Review

Bloomberg Ticker

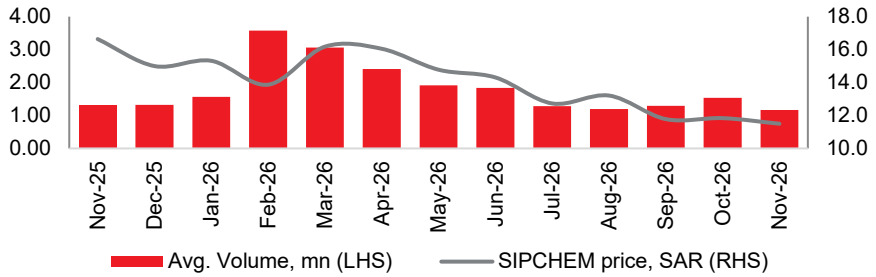
SIPCHEM AB

Date

5 November 2026

Results

Target Price SAR	UR
Total Return	



Current Market Price (SAR)	11.90
52-week High | Low	18.25 | 10.90
Price Perf. (1m | 3m)	-0.8% | -9.9%
Mkt. Cap. (USD/SAR mn)	2,356 | 8,727
Free Float	89.2%
3m ADTO (000 shares)	1,459.6
6m ADTO (000 shares)	1,581.0
3m ADTV (SAR 000)	17,098.6
6m ADTV (SAR 000)	19,061.3
P/E 27e	18.0x
P/B 27e	0.7x
DY 27e	3.3%

Higher realized prices drive top line despite volume pressure

Sipchem reported revenue of SAR 1,435mn (+5% YoY, +67% QoQ). The YoY growth was driven by higher average selling prices, despite a 36% decline in sales volumes amid ongoing supply chain challenges.

Higher feedstock costs and impairment weigh on profitability

Sipchem posted a net loss of SAR 402mn in 3Q26, pressured by higher feedstock prices for ethylene and propane. Results were further weighed down by a higher share of loss from equity-accounted investments, driven by lower sales volumes at associates and a SAR 171mn impairment on an associate's plant.

U-Capital view

Petrochemical prices eased from elevated 2Q26 levels in 3Q26, while supply chain disruptions in the Strait of Hormuz and Bab al-Mandab continued to weigh on volumes and logistics costs. Sipchem has continued to report losses, driven by lower sales volumes, higher feedstock costs, and impairments at its associates. Looking ahead, we expect margins to recover gradually as supply chains normalize. We are placing the stock under review and will update our investment case shortly.

U Capital Research

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Financial Statements

SAR mn	3Q25	4Q25	1Q26	2Q26	3Q26	3Q26e	YoY	QoQ	Var.	9M25	9M26	YoY
P&L												
Revenue	1,366	1,568	1,227	861	1,435	919	5%	67%	56%	5,242	3,523	-33%
Gross Profit	(212)	16	78	(26)	(29)	32	n.m	n.m	n.m	241	23	-90%
Operational Profit	(403)	(157)	(69)	(187)	(178)	(119)	n.m	n.m	n.m	(372)	(434)	n.m
Net Profit	(469)	(418)	(215)	(592)	(402)	(161)	n.m	n.m	n.m	(443)	(1,209)	n.m
BS												
Sh. Equity	14,416	13,632	13,418	12,821	12,417		-14%	-3%		14,416	12,417	-14%
Ratios												
Gross Margin	-15.5%	1.0%	6.4%	-3.0%	-2.0%	3.5%				4.6%	0.7%	
Operating Margin	-29.5%	-10.0%	-5.6%	-21.7%	-12.4%	-13.0%				-7.1%	-12.3%	
Net Profit Margin	-34.3%	-26.6%	-17.5%	-68.8%	-28.0%	-17.5%				-8.4%	-34.3%	
TTM RoE (%)					n.m							
TTM P/E (x)					n.m							
Current P/Bv					0.7							

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



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Greater than 10%	Between 0% and +10%	Lower than 0%

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