FAB SECURITIES أبوظبي الأول للأوراق المالية

First Look Note | 3Q25

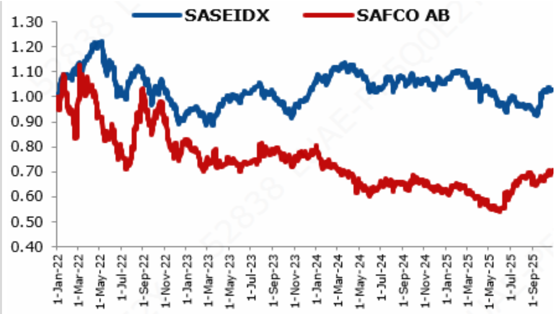
Saudi Equity Research | Sector: Basic Material | Market: Tadawul

SABIC Agri-Nutrients Co

Substantial growth in average selling prices drove the bottom line

Current Price	Target Price	Upside/Downside (%)	Rating
SAR 123.00	SAR 130.00	+5.7%	HOLD

- Revenue grew 23.6% YOY to SAR 3.5 Bn in 3Q25, driven by an increase in average selling prices.
- Average selling price increased 26% on a YOY basis and 14% QOQ basis in 3Q25, however, sales volumes declined by 2% on a YOY basis and 6% QOQ basis during 3Q25.
- Capex increased 19.5% QOQ to SAR 184 Mn in 3Q25.
- Free cash flow increased from SAR 1,123 Mn in 3Q24 to SAR 1,677 Mn in 3Q25.
- EBITDA rose 41.5% YOY to SAR 1,434 Mn in 3Q25, while EBITDA margin increased from 35.5% in 3Q24 to 40.7% in 3Q25.
- Distributed an interim cash dividend of SAR 3.5 per share for 1H25, amounting to a total dividend of SAR 1.67 Bn.



Stock Information	
Market Cap (SAR, Mn)	59,361.61
Paid Up Capital (Mn)	4,760.35
52 Week High	125.70
52 Week Low	94.70
3M Avg. daily value (SAR)	70,391,470

3Q25 Result Review (SAR, Mn)	
Revenue	3,522
EBITDA	1,434
Net Profit	1,290
Shareholder Equity	19,702

Financial Ratios	
Dividend Yield (12m)	5.21
Dividend Pay-out (%)	85.84
Price-Earnings Ratio(x)	13.84
Price-to-Book Ratio (x)	2.95
Book Value (SAR)	42.34
Return-on Equity (%)	20.29

Stock Performance	
5 Days	1.05%
1 Months	6.04%
3 Months	5.41%
6 Months	21.78%
1 Year	5.86%
Month to Date (MTD%)	4.61%
Quarter to Date (QTD%)	4.61%
Year to Date (YTD%)	12.34%

3Q25 Net Profit higher than our estimate

Sabic Agri-Nutrients Co ("SABIC AGRI-NUTRIENTS", "The Company") reported a 56.1% YOY growth in net profit to SAR 1,290 Mn in 3Q25, higher than our estimate of SAR 1,034 Mn. The growth in net profit is mainly driven by higher urea sales prices and lower depreciation and amortisation expenses, partially offset by higher cost of sales.

P&L Highlights

The Company's revenue grew 23.6% YOY to SAR 3,522 Mn in 3Q25, primarily driven by an increase in average selling prices, which rose by 26% YOY, partially offset by a contraction in volume sold by 2% on a YOY basis during 3Q25. While the Company's selling prices rose 14% on QOQ, however sales volume decreased 6% on a QOQ basis in 3Q25. The Company supplied globally 7 Mn MT during 9M25 with an installed plant capacity of 9 Mn in 3Q25. The rise in urea prices during 3Q25 was driven by strong demand created by governmental purchase tenders from countries like India and Ethiopia. Additionally, production disruptions and planned maintenance activities in North America and Southeast Asia created constraints for the supply side, further pushing prices upward during 3Q25. On the other hand, the cost of sales increased 16.9% YOY to SAR 2,079 Mn in 3Q25, attributed to a rise in feedstock prices. As a result, gross profit boosted significantly 34.6% YOY to SAR 1,443 Mn in 3Q25, while the gross profit margin expanded from 37.6% in 3Q24 to 41.0% in 3Q25. The Company's operating profit increased significantly from SAR 790 Mn in 3Q24 to SAR 1,224 Mn in 3Q25, with an operating profit margin of 34.8% in 3Q25 compared to 27.7% in 3Q24. SABIC AGRI-NUTRIENTS EBITDA rose 41.5% YOY to SAR 1,434 Mn in 3Q25. Additionally, EBITDA margin increased from 35.5% in 3Q24 to 40.7% in 3Q25.

Balance Sheet Highlights

SABIC AGRI-NUTRIENTS total shareholders equity (after deducting minority equity) increased 5.8% YOY to SAR 19.7 Bn in 3Q25. The Company's capex increased 19.5% YOY but reduced 9.4% QOQ to SAR 184 Mn in 3Q25. Similarly, free cash flow increased substantially from SAR 1,123 Mn in 3Q24 to SAR 1,677 Mn in 3Q25.

Target Price and Rating

We revise our rating on SABIC AGRI NUTRIENTS from ACCUMULATE to HOLD with an unchanged target price of SAR 130.00. The Company's share price increased 5.8% YOY since our previous rating (July 2025). SABIC Agri-Nutrients delivered strong profitability growth in 3Q25, driven by a sharp increase in average selling prices. This was supported by robust demand from successive government purchase tenders in regions such as India and Ethiopia, which enabled urea suppliers to secure healthy order books despite weak grain prices and high interest rates weighing on farm economics. Additionally, global supply tightness, caused by production disruptions and maintenance shutdowns in North America and Southeast Asia, supported prices, although the gradual return of Chinese exports, which helped ease supply pressures later in the quarter. As a result, The Average selling prices increased 26% YOY and 14% QOQ in 3Q25. However, sales volumes declined 6% QOQ and 2% YOY during 3Q25, with the supply at 7 Mn MT in 9M25. The management expects market dynamics to remain stable; however, China's recently imposed restriction on urea exports and imports is likely to drive selling prices higher in the fourth quarter. Despite constrained supply conditions, India and Ethiopia are expected to maintain urea procurement through the end of 2025. Overall, the outlook for 4Q25 remains steady, with prices expected to stay firm amid sustained demand from multiple countries, including continued purchases by India and Ethiopia. The Company distributed an interim cash dividend of SAR 3.5 per share for 1H25, amounting to SAR 1.67 Bn, resulting in an annual dividend yield of 5.7%. Thus, we assign a HOLD rating on the stock.

SABIC Agri-Nutrients - Relative valuation

(at CMP)	2020	2021	2022	2023	2024	2025F
P/E	45.3	11.2	5.8	16.0	17.6	13.2
P/B	7.2	3.8	2.9	3.3	3.2	3.1
EV/EBITDA	26.0	7.4	4.4	10.6	12.3	9.4
BVPS	17.143	32.667	41.791	37.271	38.807	40.346
EPS	2.719	10.982	21.084	7.687	6.989	9.295
DPS	1.875	4.250	12.000	6.000	6.000	7.000
Dividend yield	1.5%	3.5%	9.8%	4.9%	4.9%	5.7%

FABS Estimates & Co Data

SABIC Agri-Nutrients – P&L

SAR Mn	3Q24	2Q25	3Q25	3Q25F	Var.	YOY Ch	QOQ Ch	2024	2025F	Change
Sales	2,850	3,287	3,522	3,343	5.4%	23.6%	7.1%	11,061	13,254	19.8%
Cost of Sales	-1,778	-2,021	-2,079	-2,052	1.3%	16.9%	2.9%	-6,986	-7,919	13.4%
Gross profit	**1,072**	**1,267**	**1,443**	**1,291**	**11.8%**	**34.6%**	**13.9%**	**4,076**	**5,335**	**30.9%**
Operating profit	**790**	**1,028**	**1,224**	**1,020**	**20.0%**	**55.0%**	**19.0%**	**3,048**	**4,282**	**40.5%**
D&A	223	229	210	231	-9.2%	-6.0%	-8.5%	936	928	-0.9%
EBITDA	**1,013**	**1,258**	**1,434**	**1,251**	**14.6%**	**41.5%**	**14.0%**	**3,985**	**5,210**	**30.7%**
Profit attributable	**827**	**1,060**	**1,290**	**1,034**	**24.8%**	**56.1%**	**21.7%**	**3,327**	**4,425**	**33.0%**

FABS estimate & Co Data

SABIC Agri-Nutrients - Margins

	3Q24	2Q25	3Q25	YOY Ch	QOQ Ch	2024	2025F	Change
Gross Profit	37.6%	38.5%	41.0%	335	243	36.8%	40.2%	340
EBITDA	35.5%	38.3%	40.7%	517	245	36.0%	39.3%	328
Operating Profit	27.7%	31.3%	34.8%	704	347	27.6%	32.3%	475
Net Profit	29.0%	32.2%	36.6%	763	439	30.1%	33.4%	330

FABS estimate & Co Data

Valuation:

We use Discounted Free Cash Flow (DCF) and Relative Valuation (RV) method to value SABIC Agri-Nutrients. We have assigned 70% weight to DCF, and 30% to RV method.

Valuation Method	Target	Weight	Weighted Value
DCF Method	133.40	70.0%	93.38
Relative Valuation (RV)	122.08	30.0%	36.62
Weighted Average Valuation (SAR)			**130.00**
Current market price (SAR)			123.00
Upside/Downside (%)			+5.7%

1) DCF Method:

SABIC Agri-Nutrients is valued using free cash flow to equity. We have discounted the cash flow using the cost of equity of 8.7%. Cost of equity is calculated by using 10-year government bond yield of 4.8%, beta of 0.85 and equity risk premium of 4.6%. Government bond yield is calculated after adding KSA 10-year CDS spread over 10-year US risk free rate. Also, assumed a terminal growth rate of 2.0%.

Sum of PV (SAR, Mn)	14,627
Terminal value (SAR, Mn)	48,874
FV to Common shareholders (SAR, Mn)	**63,501**
No. of share (Mn)	476
Current Market Price (SAR)	123.00
Fair Value per share (SAR)	**133.40**

DCF Method

(All Figures in SAR Mn)	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Net profit	4,425	3,878	4,080	4,278	4,430	4,633
D&A	928	930	928	926	941	937
Working Capital	-158	79	-41	-43	-33	-22
Capex	-941	-869	-841	-875	-833	-858
Free Cash Flow to Equity (FCFE)	**4,253**	**4,018**	**4,126**	**4,286**	**4,505**	**4,690**
Discounting Factor	0.99	0.91	0.84	0.77	0.71	0.65
Discounted FCFE	**1,048**[1]	**3,645**	**3,445**	**3,294**	**3,188**	**3,055**

Source: FAB Securities, [1]Adjusted for the partial year

2) Relative Valuation: -

We have used local as well as international peers to value SABIC Agri-Nutrients and it is valued using the EV/EBITDA multiple. It is valued at an EV/EBITDA multiple of 13.0x compared to the peer multiple of 7.6x. We have applied a premium to the median valuation multiple as the Company enjoys a feedstock advantage over its peers.

Company	Market	EV/EBITDA (x)		P/E (x)	
	(USD Mn)	2025F	2026F	2025F	2026F
Abu Qir Fert & Chemical Indus Co.	1,305	4.8	3.6	6.2	7.0
Yara International ASA	9,696	4.8	5.3	8.9	10.7
Misr Fertilizer Production Co	1,779	5.2	5.9	8.8	10.1
CF Industries Holdings	14,006	6.6	7.8	9.9	12.1
Nutrien Ltd	28,227	6.6	6.7	12.7	12.8
OCI N.V.	867	NM	NM	NA	NA
Coromandel International Limited	7,265	23.9	18.3	36.8	27.8
Fertiglobe	5,693	7.8	7.8	22.4	17.8
Average		**8.5x**	**7.9x**	**15.1x**	**14.0x**
Median		**6.6x**	**6.7x**	**9.9x**	**12.1x**
Max		**7.2x**	**7.8x**	**17.6x**	**15.3x**
Min		**5.0x**	**5.6x**	**8.9x**	**10.4x**

Source: FAB Securities

FAB SECURITIES
أبوظبي الأول للأوراق المالية

Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

FAB Securities Contacts:

Research Analyst		
Ahmad Banihani	+971-2-6161629	ahmad.banihani@Bankfab.com
Sales & Execution		
Abu Dhabi Head Office		
Trading Desk	+971-2-6161700/1 +971-2-6161777	Online Trading Link
Institutional Desk	+971-4-4245765	

DISCLAIMER