

SABIC Agri-Nutrients Co

Higher average selling prices drive the top-line despite market uncertainty

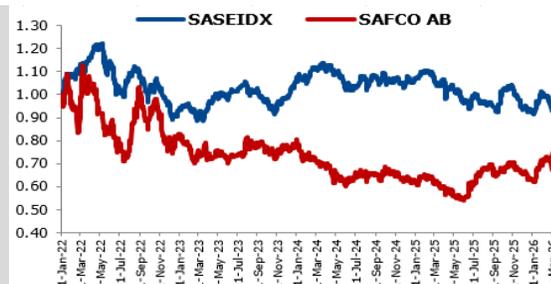
Current Price
SAR 129.80

Target Price
SAR 138.00

Upside/Downside (%)
+6.3%

Rating
HOLD

- Average selling prices increased 16% YOY, while the sale volumes increased 2% YOY in 2025.
- Capex increased 16.7% YOY and 89.7% QOQ to SAR 349 Mn in 4Q25.
- Approved the merger of its wholly owned subsidiary, National Chemical Fertilizer Company (Ibn Al-Baytar), into the parent company, subject to regulatory and shareholder approval. The subsidiary will be dissolved upon completion, with no material financial impact expected.
- Approved an interim cash dividend of SAR 3.5 per share for 2H25, amounting to a total dividend of SAR 1.67 Bn.



4Q25 Net Profit higher than our estimate

Sabic Agri-Nutrients Co ("SABIC AGRY-NUTRIENTS", "The Company") reported a 3.5% YOY growth in net profit to SAR 988 Mn in 4Q25, higher than our estimate of SAR 933 Mn. The growth in net profit is mainly driven by increase in sales, higher profit share from associates & finance income coupled with lower G&A expenses, depreciation & amortization expenses, partially offset by increase in cost of sales, S&D expenses, other operating expenses, finance cost, tax charges and higher share of NCI holders.

P&L Highlights

The Company's revenue grew 5.9% YOY to SAR 3,194 Mn in 4Q25, primarily driven by an increase in average selling prices. The Company supplied globally 7 Mn Metric Tons (MT) during 2025, with an installed plant capacity of 9 Mn MT in 2025. Ammonia market remained constrained due to supply disruptions in the Middle East and Trinidad, keeping availability limited causing the ammonia prices to rise in 4Q25. In contrast, Urea prices declined in 4Q25, as supply increased, with production facilities rebuilding inventories after recovering from mid-year shutdowns. The situation was further amplified by Chinese authorities approving additional export quotas, adding more product to the global market. On the other hand, the cost of sales increased 4.5% YOY to SAR 1,990 Mn in 4Q25, attributed to a rise in feedstock prices. As a result, gross profit rose 8.2% YOY to SAR 1,204 Mn in 4Q25, while the gross profit margin expanded 80 bps YOY to 37.7% in 4Q25. The Company's operating profit increased 7.4% YOY to SAR 913 Mn in 4Q25, with an operating profit margin of 28.6% in 4Q25 compared to 28.2% in 4Q24. SABIC AGRY-NUTRIENTS EBITDA rose 4.4% YOY to SAR 1,136 Mn in 4Q25. However, EBITDA margin decreased from 36.1% in 4Q24 to 35.6% in 4Q25. The Company's share of results from associate grew substantially from SAR 44 Mn in 4Q24 to SAR 81 Mn in 4Q25.

Stock Information

Market Cap (SAR, Mn)	63,360.31
Paid Up Capital (Mn)	4,760.35
52 Week High	134.40
52 Week Low	94.70
3M Avg. daily value (SAR)	69,322,730

4Q25 Result Review (SAR, Mn)

Revenue	3,194
EBITDA	1,136
Net Profit	988
Total Assets	27,003
Shareholder Equity	21,203

Financial Ratios

Dividend Yield (12m)	4.88
Dividend Pay-out (%)	77.09
Price-Earnings Ratio(x)	14.66
Price-to-Book Ratio (x)	2.99
Book Value (SAR)	44.54
Return-on Equity (%)	21.79

Stock Performance

5 Days	7.51%
1 Months	6.14%
3 Months	14.74%
6 Months	13.57%
1 Year	22.33%
Month to Date (MTD%)	7.51%
Quarter to Date (QTD%)	20.23%
Year to Date (YTD%)	20.23%

SABIC AGRI-NUTRIENTS finance income rose 7.1% YOY to SAR 162 Mn in 4Q25, while finance expense increased 17.8% YOY to SAR 21 Mn in 4Q25. Zakat and Income tax expenses more than doubled from SAR 51 Mn in 4Q24 to SAR 119 Mn in 4Q25. The Company's share of NCI increased 26.6% to SAR 29 Mn in 4Q25.

Balance Sheet Highlights

SABIC AGRI-NUTRIENTS' total shareholders' equity (before NCI) increased 14.8% YOY and 7.6% QOQ to SAR 21.2 Bn in 4Q25. The Company's capex increased from SAR 184 Mn in 3Q25 to SAR 349 Mn in 4Q25. Free cash flow decreased 25.2% YOY to SAR 1,254 Mn in 4Q25.

Target Price and Rating

We maintain our HOLD rating on SABIC AGRI NUTRIENTS with a revised target price of SAR 138.00. The Company's share price increased 4.9% YOY since our previous rating (October 2025). SABIC Agri-Nutrients profitability remained resilient in 4Q25, driven by a sharp increase in average selling prices. The Company's production volume declined from 8.52 Mn MT in 2024 to 8.42 Mn MT in 2025. However, the company's sales volume from 7.2 Mn MT in 2024 to 7.3 Mn MT in 2025. The higher marketable supply influenced market prices, even as demand remained supported by government-backed tenders in eastern markets, particularly from India and Ethiopia. In Western markets, trade flows were also shaped by policy developments. European buyers accelerated nitrogen purchases ahead of the January 2026 implementation of the Carbon Border Adjustment Mechanism (CBAM), while US import activity strengthened after urea and other fertilizers were granted exemption from import tariffs. As a result, for 2025 the Company's average selling prices increased 16% YOY, while the sale volumes increased 2% YOY. Looking ahead to 1Q26, the Company expects seasonal gas restrictions across several countries, along with war-related disruptions at certain Russian plants, to outweigh the impact of newly commissioned urea capacity in other regions. Market availability is expected to tighten further as China maintains export restrictions to prioritize domestic agricultural demand. Meanwhile, ammonia supply is anticipated to gradually improve later in the quarter as operational issues are resolved and new US production facilities commence operations. In addition, the Company's Board recently approved the integration of its wholly owned subsidiary, National Chemical Fertilizer Company (Ibn Al-Baytar), into the parent entity, subject to shareholder and regulatory approvals. Following completion, Ibn Al-Baytar will cease to exist as a separate legal entity. The transaction is expected to streamline the corporate structure, improve operational efficiency, and reduce costs, with no material impact anticipated on the Company's financial statements. Furthermore, the Company also announced an interim cash dividend of SAR 3.5 per share for 2H25, amounting to SAR 1.67 Bn, resulting in an annual dividend yield of 5.4%. Thus, based on the above-mentioned factors we maintain our HOLD rating on the stock.

SABIC Agri-Nutrients - Relative valuation

(at CMP)	2021	2022	2023	2024	2025	2026F
PE	11.7	6.1	16.8	18.5	14.2	12.0
PB	3.9	3.1	3.5	3.3	2.9	2.8
EV/EBITDA	8.6	4.4	11.2	12.8	10.1	8.6
BVPS	32.667	41.791	37.271	38.807	44.542	46.555
EPS	10.982	21.084	7.687	6.989	9.079	10.754
DPS	4.250	12.000	6.000	6.000	7.000	7.782
Dividend yield	3.3%	9.2%	4.6%	4.6%	5.4%	6.0%

FABS Estimates & Co Data

SABIC Agri-Nutrients – P&L

	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch	QOQ Ch	2024	2025	Change
SAR Mn										
Sales	3,017	3,522	3,194	3,136	1.8%	5.9%	-9.3%	11,061	13,077	18.2%
Cost of Sales	-1,904	-2,078	-1,990	-1,795	10.9%	4.5%	-4.2%	-6,986	-7,997	14.5%
Gross profit	1,113	1,443	1,204	1,342	-10.2%	8.2%	-16.6%	4,076	5,080	24.6%
Selling & Dist. exp	-61	-76	-107	-146	-26.8%	NM	40.7%	-328	-317	-3.3%
G&A exp	-191	-142	-158	-199	-20.5%	-17.5%	11.5%	-609	-591	-3.1%
Other op. inc/ (exp)	-11	-2	-26	7	NM	NM	NM	-90	-150	NM
Operating profit	850	1,224	913	1,004	-9.0%	7.4%	-25.4%	3,048	4,022	31.9%
D&A	237	211	223	263	-15.3%	-6.2%	5.7%	936	887	-5.3%
EBITDA	1,088	1,434	1,136	1,267	-10.3%	4.4%	-20.8%	3,985	4,909	23.2%
Share of result of assoc.	44	66	81	65	25.3%	NM	22.2%	161	287	NM
Finance income	151	156	162	116	39.7%	7.1%	3.9%	604	622	2.9%
Finance cost	-18	-12	-21	-23	-10.0%	17.8%	NM	-68	-68	-0.4%
Profit before zakat	1,029	1,434	1,136	1,161	-2.2%	10.4%	-20.8%	3,746	4,863	29.8%
Zakat & Income Tax	-51	-88	-119	-191	-37.7%	NM	34.9%	-303	-396	30.4%
Profit before NCI	977	1,346	1,017	970	4.8%	4.0%	-24.4%	3,442	4,468	29.8%
NCI	23	56	29	38	-23.6%	26.6%	-48.2%	115	146	26.8%
Profit attributable	954	1,290	988	933	5.9%	3.5%	-23.4%	3,327	4,322	29.9%

FABS estimate & Co Data

SABIC Agri-Nutrients - Margins

	4Q24	3Q25	4Q25	YOY Ch	QOQ Ch	2024	2025	Change
Gross Profit	36.9%	41.0%	37.7%	80	-329	36.8%	38.8%	200
EBITDA	36.1%	40.7%	35.6%	-49	-516	36.0%	37.5%	151
Operating Profit	28.2%	34.8%	28.6%	41	-615	27.6%	30.8%	320
Net Profit	31.6%	36.6%	30.9%	-71	-570	30.1%	33.1%	297

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	135.94	70.0%	95.16
Relative Valuation (RV)	142.81	30.0%	42.84
Weighted Average Valuation (SAR)			138.00
Current market price (SAR)			129.80
Upside/Downside (%)			+6.3%

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 9.0%. Cost of equity is calculated by using 10-year government bond yield of 5.5%, beta of 0.85 and equity risk premium of 4.1%. 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)	19,053
Terminal value (SAR, Mn)	45,659
FV to Common shareholders (SAR, Mn)	64,712
No. of share (Mn)	476
Current Market Price (SAR)	129.80
Fair Value per share (SAR)	135.94

DCF Method

(All Figures in SAR Mn)	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E
Net profit	5,119	4,658	4,495	4,529	4,675
D&A	874	875	871	870	871
Working Capital	179	61	31	11	2
Capex	-879	-817	-801	-811	-823
Free Cash Flow to Equity (FCFE)	5,294	4,775	4,596	4,599	4,724
Discounting Factor	0.93	0.85	0.78	0.72	0.66
Discounted FCFE	4,931	4,082	3,606	3,312	3,122

Source: FAB Securities

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 a 2026 EV/EBITDA multiple of 9.8x compared to the peer multiple of 7.8x. We have applied a premium to the median valuation multiple as the Company enjoys a feedstock advantage over its peers.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Abu Qir Fert & Chemical Indus Co.	1,971	7.4	7.6	10.2	11.5
Yara International ASA	12,863	5.8	6.1	11.2	12.4
Misr Fertilizer Production Co	2,214	8.0	7.5	10.6	9.9
CF Industries Holdings	16,335	8.2	9.3	12.3	15.2
Nutrien Ltd	35,760	7.8	8.0	15.2	15.3
OCI N.V.	870	NM	NM	NA	NA
Coromandel International Limited	7,016	18.9	15.3	29.4	23.1
Fertiglobe	6,052	7.8	8.1	NA	NA
Average		9.1x	8.8x	14.8x	14.6x
Median		7.8x	8.0x	11.8x	13.8x
Max		8.1x	8.7x	14.5x	15.3x
Min		7.6x	7.5x	10.8x	11.7x

Source: FAB Securities

