Daily Bulletin

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SIPCHEM completes Al Waha PDH-PP expansion, adding 72k mt of propylene and 150k mt of polypropylene capacity

Last Price: SAR 12.1 | Consensus Target Price: SAR 13.7 | YoY Performance: -32.7%

Sahara International Petrochemical Co. (SIPCHEM) completed the SAR 634.0 mn expansion of its 75%-owned Al Waha plants, adding 72k mt of propylene and 150k mt of polypropylene capacity. Annual capacities increased 15.5% and 33.3% to 537k mt and 600k mt, respectively. Energy efficiency upgrades and scheduled maintenance were also completed, with start-up activities commencing on 14 Nov-26 and the turnaround's financial impact to be reflected in 4Q26.

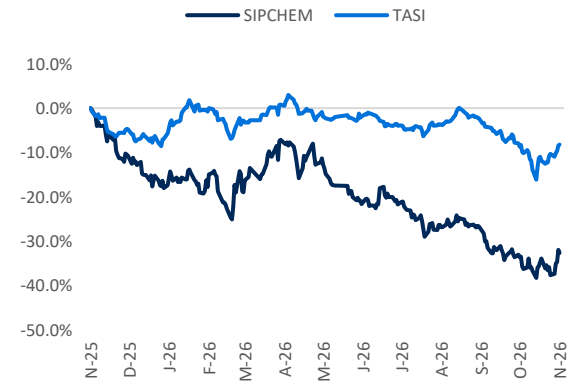
In Jun-26, SIPCHEM secured feedstock approval for a wholly owned 1.8 mn mt/year methanol plant in Jubail, expected to increase overall production capacity by around 45%.

SIPCHEM's 3Q26 net loss narrowed 14.3% YoY to SAR 401.6 mn, wider than the consensus loss estimate of SAR 245.2 mn. Revenue rose 5.1% YoY to SAR 1,435.1 mn as higher selling prices offset lower volumes. While 3Q25 included a SAR 100.0 mn impairment and SAR 91.4 mn provision for discontinued projects, higher feedstock costs and associate/JV losses of SAR 197.1 mn (vs. SAR 14.4 mn in 3Q25) limited the improvement.

Other projects include the SAR 1.9 bn ethylene cracker expansion at its 32.55%-owned Saudi Ethylene and Polyethylene Co., completed in Jul-26 with commercial production underway. The project is expected to increase olefin output by around 18%, with financial impact from 3Q26. The SAR 701.3 mn EVA expansion at International Polymers Co. is expected to add 70k tons/year, taking total capacity to 290k tons/year upon completion in 4Q27. Meanwhile, the 1.2 mn tons/year blue ammonia project remains under construction, with completion expected in 2028.

The stock fell 32.7% YoY versus TASI's 8.2% decline and trades at a 2027f P/E of 27.5x. The consensus target price of SAR 13.7/share implies 13.2% upside from SAR 12.1/share.

Relative price chart



Source: Bloomberg, anbc research

SIPCHEM Projects

Date	Projects	Status	Start	Completion
24/06/2026	New Methanol Plant - Jubail Industrial City	Announced	n/a	-
26/02/2025	Petrochemical Complex -Jubail	Announced	n/a	-
27/08/2024	**Al Waha PDH-PP Expansion**	**Completed**	**2024**	**2026**
24/12/2023	Ethylene Cracker Plant Expansion	Trial production	2023	3Q26
02/07/2024	Ethylene Vinyl Acetate (EVA) plant	Under Construction	2024	2027
27/09/2023	Blue Ammonia Plant	Under Construction	2024	2028

Source: Company financials, anbc research

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