

Daily Bulletin

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SABIC Agri-Nutrients 3Q26 net profit down 62% YoY; beats consensus

Last Price: SAR 113.0 | Consensus Target Price: SAR 138.6 | YoY Performance: -9.5%

SABIC Agri-Nutrients reported a 62% YoY decline in net income to SAR 484 mn in 3Q26, beating the consensus estimate of SAR 389 mn by 24%. The decline was driven by lower sales volumes and higher selling, distribution and shipping expenses amid ongoing supply-chain challenges, along with a lower share of results from an associate and a joint venture. On a sequential basis, net income rose 28% QoQ from SAR 379 mn in 2Q26, supported by higher sales volumes and a higher share of results from the associate and joint venture.

Revenue for the quarter came in at SAR 3,220 mn, down 9% YoY but up 34% QoQ, exceeding the consensus estimate of SAR 2,260 mn by 42%. The sequential increase was driven by higher sales volumes as the company maximized shipments through its West Coast ports, partly offset by lower average selling prices, while the YoY decline reflects lower volumes amid regional supply-chain disruption. The gross margin narrowed to 25% from 41% in 3Q25 and 30% in 2Q26. Operating profit declined 67% YoY and 4% QoQ to SAR 408 mn, taking the operating margin to 13% from 35% a year earlier.

Urea prices retreated from their 2Q26 highs as cargoes stranded in the Arabian Gulf were able to reach the market, while China's increase in urea export quotas added further pressure. The Strait of Hormuz disruption continued to restrict exports from the Gulf; however, SABIC Agri-Nutrients introduced new shipping routes through the Red Sea ports of Yanbu, Neom and Rabigh, capitalizing on the Kingdom's infrastructure and resilient supply chain.

Management expects urea prices to remain broadly stable in 4Q26, supported by buyers restocking ahead of the spring season and stronger European imports. Supply is also expected to tighten as China pauses exports due to seasonal domestic demand. However, any sudden reopening of the Strait of Hormuz may release additional volumes, which could affect the market direction. With alternative routes through the Red Sea in place, the company positions itself as a sustainable supplier and expects to meet market demand.

SABIC Agri-Nutrients' stock has declined 9.5% YoY, outperforming TASI, which declined 13.4% during the same period. The stock is currently trading at a 2027e P/E of 12.0x, with a consensus target price of SAR 138.6/share, implying a potential upside of 23% from its last close of SAR 113.0/share.

Relative price chart



Source: Tadawul, anbc research

SABIC Agri-Nutrients key financials (SAR mn)

	3Q26	3Q25	YoY (%)	2Q26	QoQ (%)	Consensus	Var (%)
Revenue	3,220	3,522	(9)	2,411	34	2,260	42
COGS	2,417	2,079	16	1,699	42	1,558	55
Gross profit	803	1,443	(44)	712	13	702	14
GM %	25	41		30		31	
Operating exp.	395	219	80	289	37	-	-
Operating profit	408	1,224	(67)	423	(4)	593	(31)
OM %	13	35		18		26	
Net income	484	1,290	(62)	379	28	389	24
Net margin (%)	15	37		16		17	
EPS	1.02	2.71		0.80		0.82	

Source: Company financials, anbc research

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