

Daily Bulletin

September 27, 2026

National Gypsum Co. topline surges 46% on Riyadh expansion, but fixed cost drag widens net loss

Last Price: SAR 12.6 | YoY Performance: -39.7%

National Gypsum Co. reported a net loss of SAR 4.03 mn, down 34.3% YoY from a net loss of SAR 3.0 mn in 2Q25. This was due to cost of revenue rising faster than revenue growth, as a result of higher production input prices and insufficient absorption of the new Riyadh line's fixed costs during the production ramp-up phase.

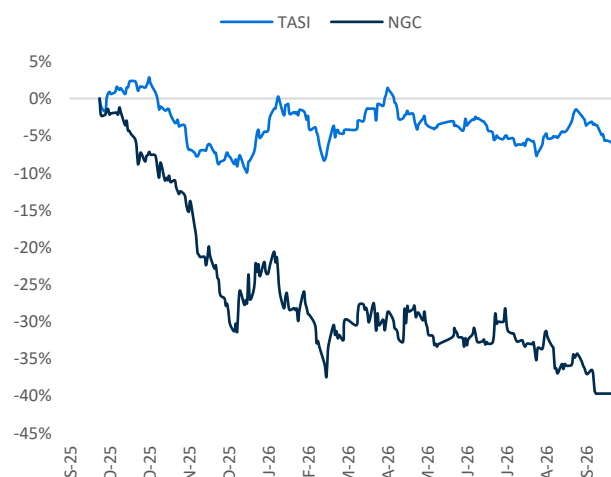
Revenue rose 46.1% YoY to SAR 23.6 mn in 2Q26, from SAR 16.2 mn in 2Q25. The growth in revenues was mainly attributable to growth in gypsum board volumes sold, which more than doubled, resulting in a revenue increase of 30.8%. On a QoQ basis, sales rose 21.3%, from SAR 19.5 mn, due to the continued growth in gypsum board sales and the operational expansion of the new Riyadh line, with an increase of 21.41%.

The company reported a gross loss of SAR 2.0 mn, as compared to a gross profit of SAR 0.97 mn in same quarter last year. As disclosed in Note 4 to the condensed interim financial statements, accumulated impairment losses on PP&E amounted to SAR 46.7 mn as at 2025 and 2Q26. The Company advises that the valuation of the recoverable amount with an accredited valuer is still in progress, and it will disclose any impact upon its completion.

The Company also changed its accounting policy for the measurement of land from the cost model to the revaluation model in accordance with IAS 16, effective from the end of March 2026. This resulted in the recognition of a revaluation gain of SAR 233.3 mn within other comprehensive income in the 1Q26. Secondly, during the period, the entire statutory reserve balance of SAR 95.0 mn was transferred to extinguish accumulated losses. Accordingly, accumulated losses as at 2Q26 amounted to SAR 699,494, representing 0.22% of share capital.

NGC's stock price has fallen 39.7% YoY, underperforming TASI, which is down 7.2% over the same period.

Relative price chart



Source: Bloomberg, anbc research

Key Financials (SAR Mn)

	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)
Revenue	23.6	16.2	46.1	19.5	21.4
COGS	25.7	15.2	68.8	20.0	28.1
Gross profit	-2.0	1.0	nm	-0.6	256.1
GM (%)	nm	6.0		nm	
Opex.	2.7	2.5	6.0	2.5	7.7
Op. profit	-4.7	-1.6	203.2	-3.1	54.1
OM (%)	nm	nm		nm	
Net income	-4.0	-3.0	34.3	-2.9	41.4
NM (%)	nm	nm		nm	
EPS	-0.1	-0.1		-0.1	

Source: Company financials, anbc research

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