Daily Bulletin

September 8, 2026

CHEMANOL 2Q26 net loss narrowed 90% YoY to SAR 35.3 mn

Last Price: SAR 29.8 | YoY Performance: -35.5%

Methanol Chemicals Company (CHEMANOL AB) reported a 2Q26 net loss of SAR 35.3 mn, narrowing 89.5% YoY from a net loss of SAR 337.0 mn in 2Q25, coming in 30.3% below the consensus net loss of SAR 50.6 mn. The improvement in the bottom line was primarily driven by cost optimization initiatives implemented by management, and the absence of the SAR 279.3 mn impairment loss recognized on the assets of subsidiaries, ADDAR Chemicals Company (ACC) and Global Company for Chemical Industries Ltd (GCI), in 2Q25.

Total revenue declined 1.6% YoY to SAR 147.6 mn in 2Q26, from SAR 150.0 mn in 2Q25, due to a 31% YoY drop in selling quantities, despite a 42% YoY increase in average realized prices in the quarter. The volume decline was largely attributed to regional supply chain and logistical challenges. To ensure continuity of supply, the company redirected a significant portion of its international sales, which account for approximately 67% of annual sales, through alternative commercial routes, thereby mitigating the financial impact. Cost of sales reached SAR 131.5 mn in 2Q26, down 13.0% YoY, from SAR 151.1 mn in 2Q25. Company reported a gross profit of SAR 16.1 mn in 2Q26 compared to gross loss of SAR 1.1 mn in 2Q25. Gross margins for the period came in at 10.9%.

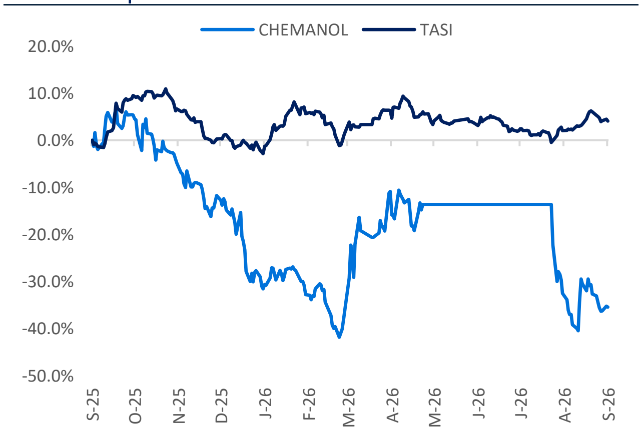
Operating expenses fell 88.9% YoY to SAR 42.3 mn, though the comparison is distorted by the prior-year base, which carried the SAR 279.3 mn subsidiary impairment. Operating expenses, excluding subsidiary impairments and losses, came in at SAR 36.7 mn in 2Q26, down 64.4%, from SAR 103.0 mn in 2Q25, as management implemented cost initiatives across the organization. Operating loss narrowed to SAR 26.2 mn, down 93.2% YoY, from operating loss of SAR 383.4 mn in 2Q25.

On a sequential basis, revenue rose 18.3% QoQ from SAR 124.7 mn in 1Q26, driven mainly by a 32% QoQ increase in selling prices. Gross profit improved to SAR 16.1 mn from SAR 2.2 mn in the previous quarter, and the net loss narrowed 24.0% QoQ from SAR 46.4 mn, with management attributing the reduction in loss to the higher price realization.

For 1H26, revenue declined to SAR 272.3 mn, down 13.7% YoY, from SAR 315.6 mn, primarily attributable to a 27% YoY decline in selling quantities. Gross profit rose 52.2% YoY to SAR 18.3 mn, while the net loss attributable to shareholders narrowed 78.6% YoY to SAR 81.6 mn from SAR 381.7 mn. Subsidiaries accounted for 18% of losses over the period, or SAR 14.8 mn.

Chemanol's stock price has decreased 35.5% YoY, as of last close, underperforming TASI, which increased 4.1% during the same period.

Relative price chart



Trading was suspended from April-26 to July-26.

Source: Bloomberg, anbc research

Key financials (SAR mn)

	2Q26	2Q25	YoY (%)	1Q26	QoQ (%)	Consensus	Var. (%)
Revenue	148	150	*-1.6*	125	*18.3*	150	*-1.6*
COGS	(132)	(151)	*-13.0*	(123)	*7.3*	-	-
Gross profit/(loss)	16	(1)	-	2	*631.8*	-	-
GM (%)	10.9	-	-	1.8	-	-	-
Opex.	(42)	(382)	*-88.9*	(40)	*5.0*	-	-
Op. profit/(loss)	(26)	(383)	*-93.2*	(38)	*-31.2*	(38)	*-30.8*
OM (%)	-	-	-	-	-	-	-
Net income/(loss)	(35)	(337)	*-89.5*	(46)	*-24.0*	(51)	*-30.3*
NM (%)	-	-	-	-	-	-	-
EPS / (LPS)	***(2.4)***	***(22.5)***	-	***(3.1)***	-	***(3.4)***	-

Source: Company financials, anbc research

Disclaimer: