

Daily Bulletin

October 26, 2025

SABIC AN reports a net profit of SAR 1,290 mn for 3Q25, up 56.0% YoY

Last Price: SAR 123.7 | Consensus Target Price: SAR 125.9 | YTD Performance: 11.4%

SABIC Agri-Nutrients Co. (SABIC AN) announced its 3Q25 results, wherein the company posted a net profit of SAR 1,290 mn, depicting an increase of 56% YoY (+22% QoQ). The rise was primarily supported by a 24% YoY surge in revenue, improved gross margins of 41% in 3Q25 vs. 38% in 3Q24, and a 22% YoY reduction in operating expenses. This led to improved net margins of 37% (vs. 29% in 3Q24). The result largely came in line with the consensus net profit of SAR 1,240 mn, up 4%.

In 3Q25, the global Urea prices rose 43% YoY to USD 488/ton (up 22% QoQ). The rise in the prices was influenced by strong demand especially from India and Ethiopia, allowing Urea suppliers to build orderbooks despite the weak farm economics. Supply-side constraints also supported the rally. Production losses from shutdowns and scheduled maintenance in North America and Southeast Asia tightened global availability, though a partial easing of China's export restrictions provided some relief. Looking ahead to 4Q25, demand from India and Ethiopia is expected to remain firm, while Chinese exports are likely to stay limited as domestic needs for the winter and spring agricultural seasons take precedence.

With urea contributing 57% of its total production in 2024, SABIC AN has directly benefited from the recent price uptrend. In 3Q25, its average selling price rose 26% YoY, broadly mirroring global market movements. Revenue for 3Q25 stood at SAR 3,522 mn, 7% above consensus estimates. The increase in average selling prices more than offset a 2% YoY decline in sales volumes, driving a 24% YoY growth in total revenue.

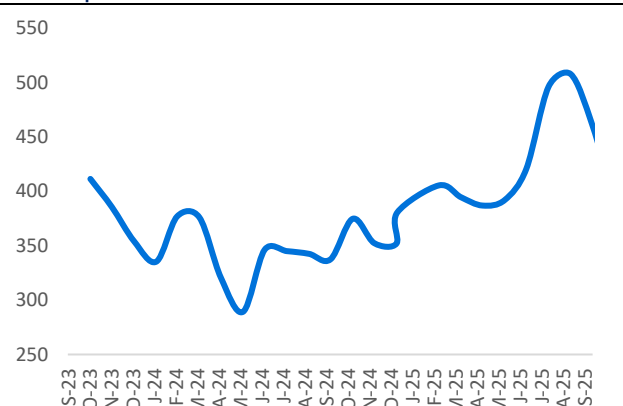
On an annual basis, SABIC AN outperformed the broader market, gaining 6% YoY compared to a 2% decline in TASI over the same period. After recording negative returns through mid-2025, the stock rebounded following the release of its 2Q25 results. At present, the stock trades at a 2025e P/E multiple of 13.7x and 2% below its consensus target price of SAR 125.9/share.

Relative price chart



Source: Bloomberg, anbc research

Urea prices (USD/Ton)



Source: Bloomberg, anbc research

SABIC AN financials (SAR mn)

	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)	Consensus	Variation (%)
Revenue	3,522	2,850	23.6	3,287	7.1	3,306	6.5
COGS	(2,079)	(1,778)	16.9	(2,020)	2.9	(1,921)	8.2
Gross profit	1,443	1,072	34.6	1,267	13.9	1,385	4.2
Gross margin (%)	41	38	-	39	-	42	-
Operating expense	(219)	(282)	-22.3	(239)	-8.4	(279)	-21.5
Operating profit	1,224	790	54.9	1,028	19.1	1,106	10.7
Opt. margin (%)	35	28	-	31	-	33	-
Net income	1,290	827	56.0	1,060	21.7	1,240	4.0
Net margin (%)	37	29	-	32	-	38	-
EPS	2.7	1.7	56.0	2.2	21.7	2.6	4.0

Source: Company financials, Bloomberg, anb research

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