

# Alujain Corporation

## FY2025 Earnings Release

### Key Highlights

**Total Revenue** amounted to SAR 1,301.5m for 2025, a 16% decline from the previous year due to lower Polypropylene prices and a planned plant turnaround.

**Non-cash (non-tangible) impairment drives reported loss:** Reported net loss of SAR 1,309.9m reflects a one-off, non-cash goodwill impairment of SAR 1,204.9m recognised under IFRS. Excluding this non-cash charge, the Company delivered an underlying net profit.

**Healthy operating cash generation:** Net Cash generated from operating activities amounted to SAR 177.6m in 2025, supporting continued investment and shareholder returns

**Major growth investment in Yanbu:** Capital Work-in-Progress reached SAR 1,022.9m at year-end (up 51% year-on-year), reflecting the Company's most significant capacity expansion commitment — both in basic petrochemicals and downstream PP specialities.

**Shareholder returns:** SAR 154.7m returned to shareholders via dividends, supported by a retained earnings base of SAR 1,527.6m

**Zero-debt balance sheet:** Alujain enters 2026 with no financial debt for the first time in its history, providing full balance sheet flexibility to fund ongoing growth projects

Riyadh, 16 March 2026 – Alujain Corporation posted slightly lower revenue figures for 2025 of SAR 1,301.5m, down from SAR 1,555.3m the previous year. The decline was due to falling average polypropylene prices and lower produced volumes as a result of Natpet scheduled maintenance turnaround

As compared to 2024, the cost of revenue increased by 2% in 2025, impacting gross margins. In line with revenues, raw materials and consumables declined by 15%. However, gross margins were impacted by a one-time impairment charge which increased from SAR 3 million in 2024 to SAR 113.5 million in 2025. This impairment cost was related to the NATPET CGU which added in 2021 as a result of financial consolidation of Natpet in 2021. The combination of reduced revenues and higher cost of revenue, driven by this impairment, resulted in a gross loss for the year. Without the impairment of the NATPET CGU, the Company would have recorded a gross profit of SAR 54 million.

Selling, marketing and distribution expenses represented 2% of revenue (SAR 32.3m) in 2025 vs. 19% (SAR 287.9m) in 2024. The elevated expense level in 2024 was mainly due to a one-time impairment of customer relationships amounting to SAR 156.7m. This impairment arose after the termination of the underlying customer contracts, leading management to recognize the loss for the year ended 31 December 2024. On a more positive note, Finance cost reduced by 80%, totalling SAR 8.9m compared to SAR 43.4m the previous year on account of repayment of long-term debt.

The goodwill impairment reflects a significant shift in global Polypropylene market conditions during 2024-2025, compared with the year 2021. New production capacity additions — predominantly from Chinese petrochemicals — materially increased global PP supply, compressing netback prices by approximately 13% over the period. This pricing pressure is consistent with trends observed across the sector globally. Management and its independent advisers assessed these conditions against the long-term cash flow profile of the NATPET CGU and concluded that the carrying value of goodwill recognised in 2021 was no longer supportable at current market prices. This impairment loss does not reflect a change in the operational performance or competitive position of the underlying assets.

A net loss of SAR 1,309.9m was incurred in 2025, compared to a loss of SAR 100m in 2024. The sharp increase in losses was primarily driven by lower revenues and significant one-off impairment charges related to largely goodwill, property and equipment, as mentioned above. To provide investors with a clear picture of underlying performance, the following reconciliation sets out the adjusted result after removing non-cash, nontangible, non-recurring impairment charges:

- Reported Net Loss (FY2025): SAR (1,309.9m)
- Goodwill impairment (NATPET CGU): SAR 1,204.9m
- PP&E impairment (NATPET CGU): SAR 113.5m
- Adjusted Net Profit (FY2025): SAR 17 m

The adjusted result, while modest, reflects a resilient business that maintained operational stability through a year that included a planned maintenance turnaround and a 16% decline in PP prices.

At the end of December 2025, Alujain was in robust financial condition on account of repayment of long-term debt bringing leverage to zero. The Company completely repaid its long-term debt of SAR 10.8m in 2025. The working capital situation also improved considerably on account of receipts from trade and other receivables of SAR 119.7m, partially offset by a rise in inventories of SAR 30m.

• Cash generated from operating activities in 2025 amounted to SAR 216.6m. However, cash and cash equivalents declined from SAR 589.2m in 2024 to SAR 148.7m in 2025. The cash and cash equivalents were used for:

- Addition to property, plant, and equipment
- Capital Work-in-Progress CWIP on projects under development/construction
- Dividend payments

The addition to property, plant and equipment resulted in a cash outflow of SAR 53.9m in 2025, compared to SAR 60.7m in 2024. Capital Work in Progress also increased from SAR 676.8m in 2024 to SAR 1,022.9m in 2025, primarily due to early construction work for the new plant in Yanbu.

Additionally, in 2025 the shareholders were rewarded by dividend payments of SAR 154.7m.



The Board of Directors declared dividends of SAR 154.7m during 2025, reflecting continued confidence in the underlying operational cash generation of the business. The distribution was made from retained earnings, which stood at SAR 1,527.6m as at 31 December 2025. The 2025 reported net loss reflects non-cash impairment charges and did not impact the Company's reserves position or operating cash flows, which remained positive at SAR 177.6m. The Board will review dividend policy for 2026 in light of ongoing capital commitments to the new projects and will communicate its position in due course.

Commenting on Alujain's 2025 performance, Eng. **Khalid Mohammed Aldawood** stated,

**“FY2025 was a year defined by two parallel realities: a significant non-cash balance sheet adjustment required under IFRS, and continued Capital investment that positions the Company for its most significant growth phase in a decade. The SAR 1,204.9m goodwill impairment — assessed independently by KPMG reflects current Polypropylene market pricing assumptions and carries no cash impact on the business. Strip this out, and the Company generated SAR 177.6m from operations, repaid all outstanding long-term debt, paid SAR 154.7m in dividends, and deployed over SAR 1bn in capital toward new production capacity. Our balance sheet enters 2026 in its strongest structural position: zero financial debt, a strong cash position, and current liabilities of SAR 309.4m fully covered by operating cash generation. The new plant (under site construction and potential EPC award phase) in Yanbu represent a future increase of approx. 150% per annum of additional capacity. We enter 2026 with a clear investment thesis, a debt-free balance sheet, and continued positive cash generation from our existing assets.”**

Income Statement Summary	For the year ended 31 December		
	2025	2024 (Restated)	YoY %
Revenue	1,301,506	1,555,330	-16%
Cost of revenue	-1,351,068	-1,326,810	2%
Gross (loss) / profit	-49,562	228,520	-122%
Selling and marketing expenses	-32,319	-287,894	89%
General and administrative expenses	-71,681	-71,821	0%
Impairment loss on goodwill	-1,204,929	-	
Reversal of accrued liabilities	-	26,992	
Other operating expenses	-1,910	-	
Other operating income	17,251	1,459	1082%
Loss from operations	-1,343,150	-102,744	1207%
Finance cost	-8,880	-43,368	80%
Finance income	16,506	33,859	-51%
Dividend income	4,530	-	
Fair value gain on financial assets at fair value through profit or loss	15,246	49	31014%
Share of net profit of investment accounted for using the equity method	20,915	18,060	16%
Impairment loss on financial assets at fair value through profit or loss	-	-1,969	
Loss before zakat and income tax	-1,294,833	-96,113	1247%
Zakat and income tax expense	-15,048	-4,140	-263%
Net loss for the year	-1,309,881	-100,253	1207%
<b>Other comprehensive income</b>			
Items that will not be reclassified to consolidated statement of profit or loss:			
Re-measurement of employees benefit obligations	6,733	2,492	170%
Share of other comprehensive (loss) / gain of investment accounted for using the equity method	-94	4	-2450%
Other comprehensive income for the year	6,639	2,496	166%
Total comprehensive loss for the year	-1,303,242	-97,757	1233%

Income Statement Summary	For the year ended 31 December		
	2025	2024 (Restated)	YoY %
<b>Net loss for the year attributable to:</b>			
Shareholders of the Parent Company	-833,850	-50,703	1544%
Non-controlling interests	-476,031	-49,550	861%
	<b>-1,309,881</b>	<b>-100,253</b>	<b>1207%</b>
<b>Total comprehensive loss for the year attributable to:</b>			
Shareholders of the Parent Company	-829,743	-49,059	1591%
Non-controlling interests	-473,499	-48,698	872%
	<b>-1,303,242</b>	<b>-97,757</b>	<b>1233%</b>
<b>Loss per share attributable to the shareholders of the Parent Company</b>			
Basic and diluted loss per share (Saudi Riyals / share)	-12.05	-0.73	1551%

Gross Profit decreased 122%, amounting to a loss of SAR 49.6m, compared to a profit of SAR 228.5m in 2024 due to a 16% decline in revenue which amounted to SAR 1,301.5m, coupled with a 2% increase in cost of revenue, which reached SAR 1,351.1m. Additionally, cost of revenue was also severely impacted by one time impairment of property, plant and equipment which increased from SAR 3m in 2024 to SAR 113.5m in 2025.

Loss from Operations amounted to SAR 1,343.2m, compared to a loss of SAR 102.7m in 2024. The year-on-year movement was largely attributable to the recognition of the SAR 1,204.9m goodwill impairment and Other Operating Expenses of SAR 1.9m, partially offset by a reduction in Selling and Marketing Expenses to SAR 32.3m from SAR 287.9m in 2024, a substantial increase in Other Operating Income to SAR 17.3m from SAR 1.5m the previous year, and stable General and Administrative Expenses year-on-year.



2025 saw the Net Loss increase from SAR 100.3m in 2024 to SAR 1,309.8m in 2025 driven by the increase in Loss from Operations and a 51% decrease in Finance income which amounted to SAR 16.5m in 2025, down from SAR 33.9m in 2024 and a SAR 4.5m dividend income in 2025, partially offset by an 80% reduction in Finance Cost to SAR 8.9m, down from SAR 43.4m the previous year, a significant increase in Fair Value Gain on Financial Assets through profit or loss which reached SAR 15.2m, up from SAR 49,000 in 2024, a 16% increase in Share of Net Profit of Investment Accounted for Using the Equity Method, up from SAR 18.1m in 2024 to SAR 20.9m in 2025.

Meanwhile, Other Comprehensive Income for the Year increased 166% to SAR 6.6m in 2025, up from SAR 2.5m, mainly due to a 170% increase in Re-measurement of employees benefit obligations to SAR 6.7m, which meant Total Comprehensive Loss for 2025 stood at SAR 1,303.2m, up from the SAR 97.8m figure posted in 2024.



<b>Balance Sheet Summary</b>				
	<b>As at</b>			<b>YoY %</b>
	<b>31-Dec-25</b>	<b>31-Dec-24</b>	<b>1-Jan-24</b>	
		<b>(Restated)</b>	<b>(Restated)</b>	
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,530,586	1,685,970	1,774,232	-9%
Capital work-in-progress	1,022,923	676,830	177,454	51%
Right-of-use assets	14,050	12,543	13,732	12%
Intangible assets	31,909	1,220,108	1,434,352	-97%
Investment accounted for using the equity method	102,833	80,492	83,930	28%
Financial assets at fair value through profit or loss	122,010	-	1,969	
Non-current portion of advances, prepayments and other assets	-	-	4,447	
<b>Total non-current assets</b>	<b>2,824,311</b>	<b>3,675,943</b>	<b>3,490,116</b>	<b>-23%</b>
<b>Current assets</b>				
Inventories	336,451	306,118	345,159	10%
Advances, prepayments and other assets	77,164	54,279	85,871	42%
Trade and other receivables	368,974	488,770	315,608	-25%
Financial assets at fair value through profit or loss	197,285	330,049	-	-40%
Cash and cash equivalents	148,763	589,250	353,274	-75%
<b>Total current assets</b>	<b>1,128,637</b>	<b>1,768,466</b>	<b>1,099,912</b>	<b>-36%</b>
<b>Total assets</b>	<b>3,952,948</b>	<b>5,444,409</b>	<b>4,590,028</b>	<b>-27%</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	692,000	692,000	692,000	0%
Other reserve	288,075	288,075	288,075	0%
Retained earnings	1,527,614	2,513,057	2,052,066	-39%



<b>Balance Sheet Summary</b>				
	<b>As at</b>			<b>YoY %</b>
	<b>31-Dec-25</b>	<b>31-Dec-24</b>	<b>1-Jan-24</b>	
		<b>(Restated)</b>	<b>(Restated)</b>	
<b>Equity attributable to the shareholders of Alujain Corporation (Parent Company)</b>	<b>2,507,689</b>	<b>3,493,132</b>	<b>3,032,141</b>	<b>-28%</b>
<b>Non-controlling interest</b>	<b>1,021,648</b>	<b>1,495,147</b>	<b>34,423</b>	<b>-32%</b>
<b>Total equity</b>	<b>3,529,337</b>	<b>4,988,279</b>	<b>3,066,564</b>	<b>-29%</b>
<b>Non-current liabilities</b>				
<b>Long-term borrowings</b>	<b>-</b>	<b>-</b>	<b>1,067,603</b>	
<b>Employee benefit obligations</b>	<b>79,143</b>	<b>77,583</b>	<b>74,241</b>	<b>2%</b>
<b>Lease liabilities</b>	<b>15,533</b>	<b>14,434</b>	<b>15,173</b>	<b>8%</b>
<b>Decommissioning provision</b>	<b>14,200</b>	<b>12,647</b>	<b>14,236</b>	<b>12%</b>
<b>Non-current portion of accrued and other liabilities</b>	<b>-</b>	<b>-</b>	<b>27,523</b>	
<b>Deferred tax liabilities</b>	<b>5,365</b>	<b>4,835</b>	<b>-</b>	<b>11%</b>
<b>Total non-current liabilities</b>	<b>114,241</b>	<b>109,499</b>	<b>1,198,776</b>	<b>4%</b>
<b>Current liabilities</b>				
<b>Current portion of long-term borrowings</b>	<b>-</b>	<b>10,872</b>	<b>20,293</b>	
<b>Derivative financial instrument</b>	<b>59</b>	<b>-</b>	<b>-</b>	
<b>Current portion of lease liabilities</b>	<b>567</b>	<b>736</b>	<b>735</b>	<b>-23%</b>
<b>Accrued and other liabilities</b>	<b>141,712</b>	<b>166,924</b>	<b>162,407</b>	<b>-15%</b>
<b>Trade and other payables</b>	<b>145,680</b>	<b>133,478</b>	<b>84,413</b>	<b>9%</b>
<b>Zakat and income tax payable</b>	<b>21,352</b>	<b>34,621</b>	<b>56,840</b>	<b>-38%</b>
<b>Total current liabilities</b>	<b>309,370</b>	<b>346,631</b>	<b>324,688</b>	<b>-11%</b>
<b>Total liabilities</b>	<b>423,611</b>	<b>456,130</b>	<b>1,523,464</b>	<b>-7%</b>
<b>Total equity and liabilities</b>	<b>3,952,948</b>	<b>5,444,409</b>	<b>4,590,028</b>	<b>-27%</b>

With the full repayment of SAR 10.8m in long-term borrowings in 2025, Alujain carries zero financial debt for the first time in its history. Total liabilities of SAR 423.6m against total equity of SAR 3,529.3m imply a leverage ratio of approximately 0.12x — one of the lowest in the GCC petrochemical sector. The reduction in total assets to SAR 3,952.9m from SAR 5,444.4m in 2024 reflects principally the recognition of non-cash goodwill and PP&E impairments, and does not indicate any deterioration in the operational asset base.

Cash and cash equivalents declined from SAR 589.3m to SAR 148.8m, reflecting SAR 154.7m in dividend payments to shareholders, SAR 53.9m in PP&E additions, and sustained CWIP investment toward the future expansion projects. These were active capital allocation decisions, not operational cash deterioration. Operating cash generation remained positive at SAR 177.6m throughout the year.

Intangible assets declined 97% to SAR 31.9m following the full impairment of goodwill recognised on the 2021 NATPET financial consolidation, while tangible fixed assets — Property, Plant and Equipment — remained broadly stable at SAR 1,530.6m and Capital Work-in-Progress grew 51% to SAR 1,022.9m, reflecting active investment in new capacity.

The balance sheet now reflects tangible asset values more closely aligned with current market conditions and future cash flow expectations. Total equity of SAR 3,529.3m provides a robust foundation, with retained earnings of SAR 1,527.6m and non-controlling interest of SAR 1,021.6m both reflecting the underlying earnings capacity of the Group's operating assets.

# Additional Information

## Auditor's Opinion

The consolidated financial statements present fairly, in all material respects, the consolidated financial position of Alujain Corporation (the “Company”) and its subsidiaries (together the “Group”) as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Alujain Corporation's financial statements, earnings release, investor presentation, along with further relevant material are openly available on the IR website.

<https://alujain.sa/en/investor-relations/>

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