المتقدمة
Advanced

Advanced Petrochemical

Announces Estimated Interim Financial Results for Q2 2026

Financial Press Release | Q2, 2026

Jubail, Kingdom of Saudi Arabia – July 12, 2026: Advanced Petrochemical Company (Tadawul: 2330) "Advanced", a leading petrochemical company in the Kingdom of Saudi Arabia, announced its estimated interim financial results for the second quarter ended June 30, 2026.

Advanced highlights that the netback-to-propane spread improved during Q2 2026 compared to the previous quarter. Despite the improvement in market conditions, the Company recorded a net loss during the current quarter due to non-recurring factors, resulting from lower Propane supply in April and May 2026, which led to a decrease in sales volume and production of 46٪ and 57٪, respectively, compared to Q1 2026.

The net loss for Q2 2026 was also impacted by one-time non-cash depreciation expenses of approximately SR 20 million, resulting from the preponement of some of the scheduled periodic maintenance activities in 2027 during the shortage of Propane supply in April and May 2026. These maintenance activities were successfully completed and are expected to reduce approximately 50٪ of the periodic maintenance work planned for the next year, thereby enhancing operational efficiency, and supporting the expected increase in production volumes in H2 2026 and year 2027.

Beginning of June 2026, Propane supply was back to normal and the Company reached full production capacity across all its plants during June, including those that are owned by its wholly owned subsidiary, Advanced Polyolefins Industry Company ("APOC"). **Additionally, APOC commenced producing value-added polypropylene grades (Copolymer grades),** using advanced industrial technologies for polypropylene production. Management expects that those specialty grades will enhance the Company's product slate diversification, broaden market reach, and expand the range of applications for its products. The Company has also begun marketing these specialty grades in higher-netback markets, including Europe, which is expected to contribute higher netback starting from the second half of the current year.

Looking ahead, the polymer selling prices started softening in late June and early July compared with the previous few months, mainly due to lower demand. However, the recently observed reduction in propane prices and logistics costs are expected to help maintain the netback-to-propane spread in Q3 at levels close to those observed in Q2. The Company will continue to monitor these rapidly evolving developments resulting from the geopolitical conditions, while seeking to maximize its profit margins going forward.

The Company reaffirms its commitment to continue executing its previously announced strategy, which aim to maintain operational stability, improve plant reliability to maximize production levels, expand the production of copolymer grades, maximize the revenues by accessing markets with higher netbacks, and optimize cost. This strategy and its underlying plans are expected to generate additional operating cash flows, support the reduction of borrowing levels and financing costs, and contribute to the improvement of the Company's net profit in the future. The Company will also consider resuming dividend distributions to shareholders should markets stabilize, while continuing to evaluate the growth projects and investment opportunities that maximize the shareholders' value.

Financial Overview:

All amounts are in SAR Millions	YTD 2026	YTD 2025
Revenue	1,906	1,313
Gross Profit	251	241
Operating Profit	141	166
Earnings before interest, Depreciation & income Tax (EBITDA)	452	268
Net (Loss) Income	(69)	153

The absolute figures and percentages included in this document have been adjusted for rounding.