



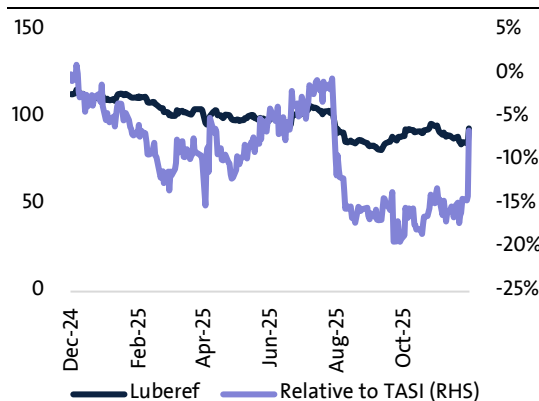
Major milestone achieved in securing feedstock; reiterate Buy

Recommendation	BUY
Market Price	94.7
Target Price	133.0
Upside/Downside	40%

Stock Data

Market Cap Total/FF (USDmn)	4,260/1,278
Shares Total/FF (mn)	168.7/50.5
52 Week Hi-Low(SAR)	117/81
3/6/12 M Volume Traded (mnsh)	0.2/0.22/0.2
3/6/12 M Value Traded (USDmn)	6.0/5.5/6.0
3/6/12 M Relative Performance (%)	14/-2/-6

Luberef Stock Price Performance VS TASI



Source: AC

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Luberef: Major milestones on feedstock supply achieved

In a major positive development, Luberef has announced today it received the approval from the Ministry of Energy (MOE) for the continuation feedstock supply to its Jeddah facility beyond currently agreed expiry in 2026, extending it to Dec-2030. The company has also announced securing MOE approval for additional feedstock supply of 15kbpd for its facility in Yanbu (see announcement here). We had highlighted key reasons for the continuation of production in Jeddah. The latest developments are major milestones in the company's efforts to continue operations at the Jeddah facility and deliver optimal production from Growth II project on Yanbu facility (already reflected in our estimates).

...leading to upgrade in our estimates and TP, reiterate Buy

Based on today's announcement, we lift our earnings estimates by 7-29% over 2026-2030 and raise our TP to SAR134. We reiterate our Buy rating. Luberef trades at CY26/27 P/E of xx and xx. The announcement could not have come at a more appropriate time (the stock price up 10%) as the stock was going through a relatively unexciting phase given the ongoing major turnaround and the delay in commissioning of Growth II project. We highlight future updates on the timeline for the completion of Growth II project, clarity on new investment in Growth III project (we remain optimistic) and timely completion of ongoing major turnaround in Yanbu as key triggers for future stock movement.

Approvals to allow Luberef to conclude negotiations on commercial terms

The approvals will allow Luberef to formalize ongoing negotiations on commercial terms with Aramco, the exclusive feedstock supplier and also a parent company, for extensions and additional allocations for its plants. We rule out the possibility of any major changes relating to feedstock prices, offtake and pricing agreements for byproducts and other terms (land use) and expect the company to conclude the process shortly (likely by 1Q26). We highlight the extension in allocation on Jeddah would be the third such extension, leaving open the possibility of future extension beyond 2030.

Product spreads remain firm in 4Q25

The weighted average spreads for the first two months of 4Q25 have remained firm (+1% QoQ) amid sticky end product prices. The monthly W.A spreads are up 20% from their low of almost 4-year low in Jan-25 and will add to the robust earnings backdrop for 2026.

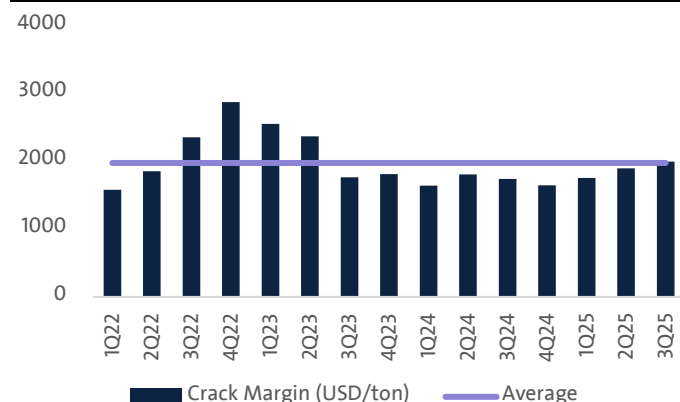
Luberef: Financial Highlights (SARmn)

Year to Dec	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Revenues	9489	10036	7963	9078	10594	10606
Growth	-10.6%	5.8%	-20.7%	14.0%	16.7%	0.1%
PAT	1510	972	878	1113	1715	1698
EPS (SAR)	9.0	5.8	5.2	6.6	10.2	10.1
Growth	-24%	-36%	-10%	27%	54%	-1%
DPS (SAR)	10.0	6.7	2.6	5.5	8.5	9.1
P/E (X)	10.5	16.4	18.1	14.3	9.3	9.4
D/Y (%)	10.6%	7.1%	2.7%	5.8%	9.0%	9.6%
EV/EBITDA (%)	8.1	12.5	13.5	11.1	7.6	7.7

Source: Luberef, ACC Estimates

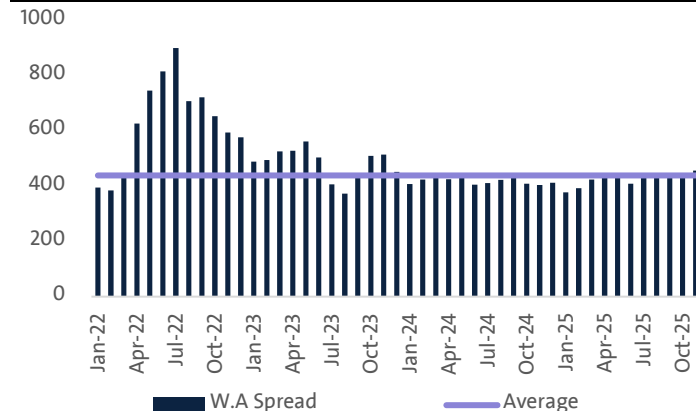
Luberef: Key Quarterly Trends

Luberef: Trend in Crack margin (USD/ton)



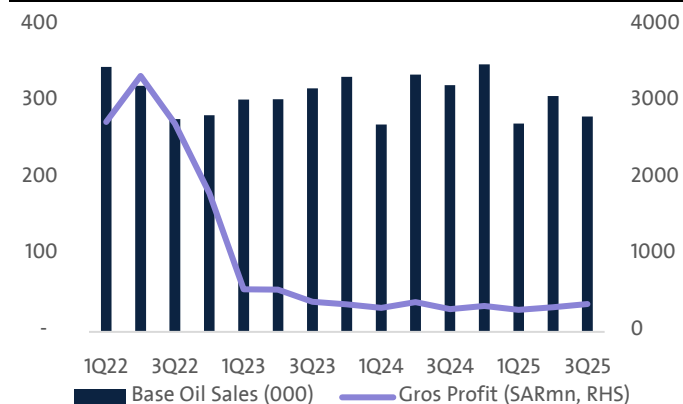
Source: Luberef, AC Estimates

Luberef: Trend in Weighted Average* Spread (USD/ton)



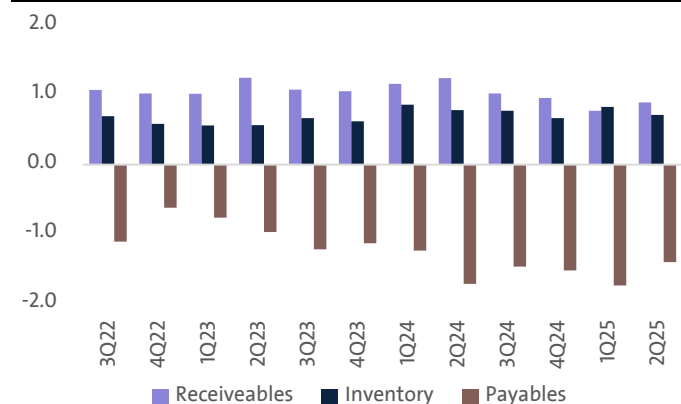
Weight=35% GI, 65% GII Source: Luberef, AC Estimates

Luberef: Base oil sales (000 ton) trend



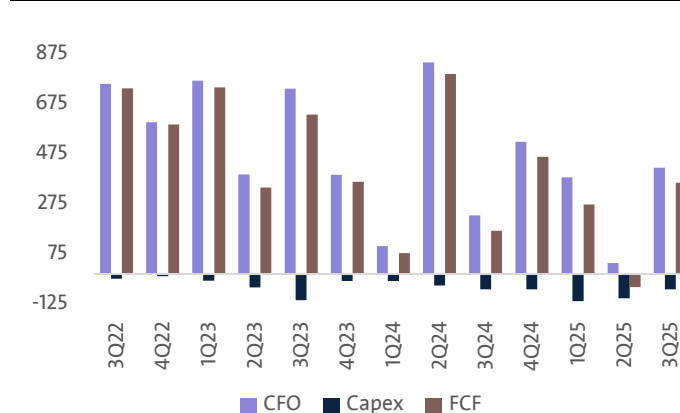
Source: Luberef, AC Estimates

Luberef: Working Capital Changes (SARmn)



Source: Luberef, AC Estimates

Luberef's quarterly FCF trend (SARmn)



Source: Luberef, AC Estimates

Luberef: EBITDA and EBITDA margin trends



Source: Luberef, AC Estimates

Analyst Certification:

I/We, **Muhammad Fawad Khan, CFA**, the author/s of this report, hereby certify that that: (i) views expressed in this report reflect the Research Analyst's personal views about all of the securities and (ii) no part of any of compensation of the author/s was, is, or will be directly or indirectly related to the specific recommendations or views expressed by in this report.

Rating Methodology

Alinma Capital Company (ACC) follow a four-tier rating system based on total return methodology as per following details

>+15% Total Return: Stocks with +15% expected total return (including dividend yield) over the next 12-months are classified as Buy.

5-15%: Stocks with total return between 5-15% can be classified as Buy or Neutral.

>-5%<+5% total return: Stocks with total return between -5%+5% can be classified as Neutral or Underperform

Underperform-Stocks which are expected to have <-5% total return

Not Covered: AIC has not assigned any rating on the stock

Coverage Suspended: AIC has temporarily suspended the coverage of the stock either in compliance with local regulation or other considerations

Price data for the listed securities is based on 04 December, 2025.

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