

Daily Bulletin

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ALWASAIL INDUSTRIAL: New contracts of SAR 20.8 mn to support 4Q26–2027 earnings

Last Price: SAR 2.8 | YTD Performance: -30.3%

Alwasail Industrial Co. (Alwasail Industrial) announced the signing of a contract with Al-Sabq Al-Arabi Trading and Contracting Company, valued at SAR 12.0 mn, inclusive of VAT. The contract includes the manufacturing and supply of materials for National Water Company's wastewater network projects. The contract has a duration of 12 months from the date of supply, and financial impact is expected from 4Q26 to the end of 2027. This contract accounts for ~2.6% of the 2025 revenue of SAR 461.3 mn.

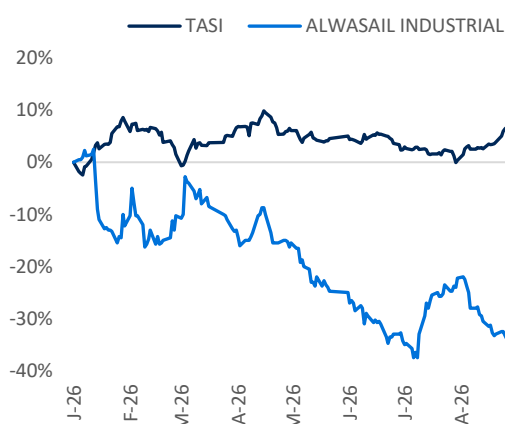
The pipes segment accounts for the largest share of revenue, i.e., 73.9% and 71.3% of total revenue in 2025 and 1H26, respectively. The contract with Al-Sabq Al-Arabi Trading and Contracting Company is expected to contribute around 3.5% of 2025 pipes segment revenue.

The company also recently signed a contract with Almagbani General Contractors Company, with a total value of SAR 8.8 mn, inclusive of VAT. The contract includes the manufacturing and supply of materials for the Sports Boulevard Project in Riyadh. The contract's financial impact is expected from 4Q26 to 1H27. The contract accounts for 1.9% of the 2025 revenue. Both contracts are linked to government projects and together represent around 4.5% of 2025 revenue.

The company's revenue for 1H26 declined 23.2% YoY, from SAR 223.3 mn in 1H25 to SAR 171.6 mn, due to delayed project timelines, raw material price fluctuations tied to regional geopolitical conditions, and the company's sole reliance on cash sales. Net profit for 1H26 fell to SAR 13.2 mn, down 21.5% YoY. However, management highlights growing demand for high-density polyethylene (HDPE) pipes, driven largely by government infrastructure and water projects. Demand is also supported by local content initiatives and the expanding use of HDPE pipes across the irrigation, telecommunications, and sewage sectors.

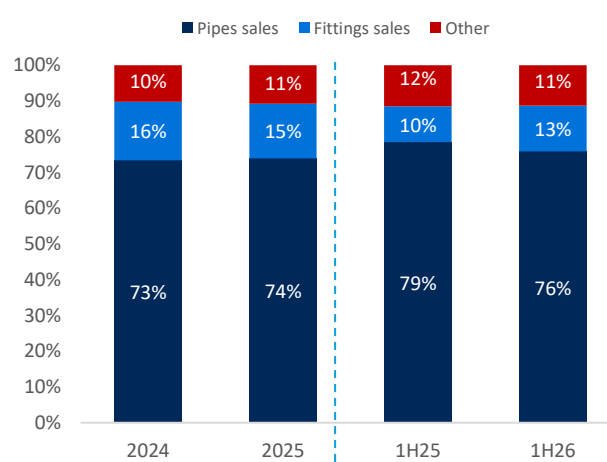
Alwasail Industrial's stock price has declined 30.3% YTD, underperforming TASI, which declined 10.2% during the same period.

Relative price chart



Source: Bloomberg, anbc research

Revenue composition (%)



Source: Company financials, anbc research

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