Daily Bulletin

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East Pipes: SAR 771.0 mn Aramco award to lift revenue by 33.6% through 2027-28

Last Price: SAR 208.7 | YoY Performance: 96.0% | Consensus Target Price: SAR 221.0

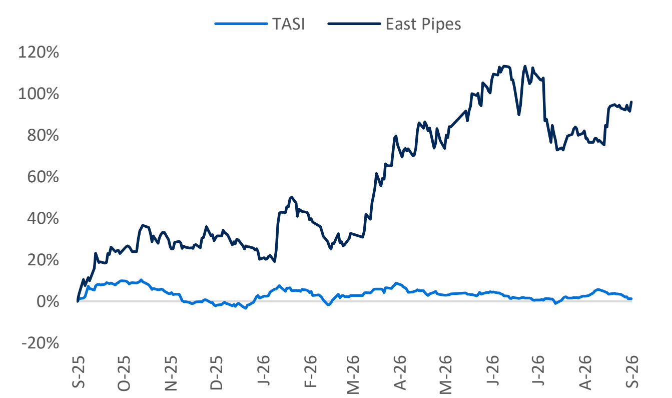
East Pipes Integrated Company for Industry (East Pipes) has entered into contract with Saudi Arabian Oil Co. (Saudi Aramco) with value exceeding SAR 771.0 mn, inclusive of value added tax, for the manufacturing and supply of steel pipes. The contract has a duration of 6 months, and its financial impact is likely to materialize through 4Q of current financial year 2026/2027 and through 1Q of the financial year 2027/2028. The contract is expected to contribute around 33.6% of the 2026 revenue (March 31st year ended) of SAR 2,298 mn.

Earlier, the company had announced another contract sign-off with Saudi Aramco, valued around SAR 20.0 mn, for the manufacturing and supply of steel pipes, inclusive value added tax. The contract duration was 4 months and the financial impact of the contract will be reflected in 4Q of current financial year 2026/2027. This contract is expected to contribute around 0.9% in topline based on the 2026 revenue. Both the contracts combined will contribute around 34.4% to 2026 revenue.

During 1Q27, company recorded a revenue of SAR 520.7 mn, compared to SAR 385.2 mn in similar period last year, up 35.2% YoY, on back of higher sales volume along with an increase in average selling prices per ton. East Pipes booked a net profit of SAR 122.9 mn, compared to SAR 90.2 mn, rising by 36.2% YoY. On a QoQ basis, revenue declined by 25.7%, from SAR 700.9 mn mainly resulting from the change in sales volume in line with scheduled delivery plans, while net profit dropped by 25.4%, from SAR 164.7 mn.

East Pipes' stock price has increased 96.0% YoY, outperforming TASI, which gained 1.4% during the same period. The company is currently trading at a 2027e P/E of 16.34x, with a consensus target price of SAR 221.0/share, implying an upside potential of 5.9% from its last close of SAR 208.7/share.

Relative price chart



Source: Bloomberg, anbc research

Financial highlights (SAR mn)

	1Q27	1Q26	*YoY (%)*	4Q26	*QoQ (%)*
Revenue	520.7	385.2	35.2	700.9	-25.7
COGS	383.9	279.9	37.2	510.9	-24.9
Gross profit	**136.7**	**105.3**	**29.9**	**190.0**	**-28.1**
GM (%)	*26.3*	*27.3*	-	*27.1*	-
Operating exp.	-1.8	0.7		11.4	
Op. profit	**138.5**	**104.6**	**32.5**	**178.6**	**-22.4**
Op. margin (%)	*26.6*	*27.2*	-	*25.5*	-
Net income	**122.9**	**90.3**	**36.2**	**164.7**	**-25.4**
Net margin (%)	*23.6*	*23.4*	-	*23.5*	-
EPS	***3.90***	***2.87***	**36.2**	***5.23***	-25.4

Source: Company financials, anbc research

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