Daily Bulletin

August 4, 2026

62% higher oil prices drive Aramco 2Q26 net profit, ahead of consensus estimates.

Last Price: SAR 27.1 | Consensus Target Price: SAR 30.5 | YoY Performance: 13.0%

Saudi Arabian Oil Co. (Saudi Aramco) reported 2Q26 net profit of SAR 121.5 bn, up 41.9% YoY and 5.8% above consensus of SAR 114.8 bn. Earnings were driven by a 19.0% YoY increase in revenue to SAR 450.8 bn, supported by a 150.9% YoY surge in other income related to higher reference equalization prices. Adjusted net profit for the quarter came in at SAR 125.3 bn, up 33% YoY.

Upstream external revenue rose 17.9% YoY to SAR 175.2 bn, while total segment revenue increased 18.9% YoY to SAR 285.9 bn, supported by a 62.1% YoY rise in realized crude prices. This was partly offset by a 26.0% YoY decline in production. Upstream adjusted EBIT increased 14.1% YoY to SAR 191.0 bn, although the margin narrowed to 66.8% from 69.6%.

Downstream external revenue increased 19.8% YoY to SAR 275.0 bn, with total segment revenue rising 31.5% YoY to SAR 337.6 bn. Adjusted EBIT climbed 93.8% YoY to SAR 23.4 bn, driven by stronger refining margins, while the adjusted EBIT margin improved to 6.9% from 4.7%.

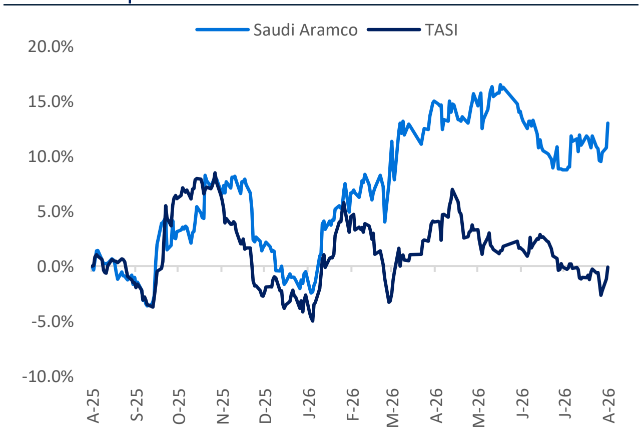
On a consolidated basis, operating expenses rose 27.3% YoY to SAR 305.6 bn, mainly due to higher oil purchase costs and royalties. Even so, operating income increased 29.4% YoY to SAR 216.2 bn, resulting in the strong net profit growth.

Sequentially, net income increased 1.1% QoQ to SAR 121.5 bn, supported by an 11.7% QoQ rise in revenue and higher other income, partly offset by a 24.9% QoQ increase in operating costs. Average realized crude oil prices were also 40.6% higher than 1Q26.

The Board declared a 2Q26 base dividend of SAR 0.34/share (SAR 82.1 bn). Total base dividends paid during 1H26 reached SAR 164.2 bn, implying a 67.9% payout ratio. On an annualized basis, the current base dividend represents a 5.0% dividend yield.

Aramco's stock has gained 13.0% YTD, outperforming TASI (-0.1%). The stock currently trades at 13.8x 2026E P/E, below the consensus target price of SAR 30.5/share, implying 12.3% upside from the last close of SAR 27.1/share.

Relative price chart



Source: Company financials, anbc research

Key financials (SAR bn)

	2Q26	2Q25	*YoY (%)*	1Q26	*QoQ (%)*	Consensus	*Var. (%)*
Revenue*	522	407	*28.2*	467	*11.7*	472	*10.5*
Opex.	(306)	(240)	*27.3*	(245)	*24.9*	(242)	*26.5*
Op. profit	**216**	**167**	*29.4*	**223**	*(2.9)*	**231**	*(6.3)*
OM (%)	41	41	-	48	-	49	-
Net income	**122**	**86**	*41.9*	**120**	*1.1*	**115**	*5.8*
NM (%)	23	21	-	26	-	24	-
EPS	***0.5***	***0.4***	-	***0.5***	-	***0.5***	-
DPS	0.34	0.33	-	0.34	-	0.34	-

**Revenue and other income related to sales*
Source: Company financials, anbc research

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