

Daily Bulletin

October 6, 2026

Al Yamamah Steel: SAR 254.3 mn tower contracts to support FY27 earnings

Last Price: SAR 34.3 | YTD Performance: 6.9%

Al Yamamah Steel Industries Co. (Al Yamamah Steel) has secured two contracts from Aljihaz Contracting Co. for the supply of steel towers for 380 kV ultra-high-voltage transmission line projects in the western region, with a combined value of SAR 254.3 mn. The contracts are valued at SAR 135.7 mn and SAR 118.6 mn, respectively, with each contract having a duration of one year. Supply is scheduled to commence in March 2027, with the financial impact expected to begin from 2QFY27 (fiscal year ended in September).

The contracts fall under Al Yamamah Steel's Electricity segment, which generated revenue of SAR 676.7 mn and a net profit of SAR 99.6 mn in FY25, implying a net margin of around 14.7%. The SAR 254.3 mn contracts are equivalent to around 37.6% of FY25 Electricity segment revenue. Assuming a similar net margin, the contracts could generate around SAR 37.4 mn of net profit over their one-year term, equivalent to around 37.6% of the segment's FY25 net profit. During 9MFY26 the segment reported net margin of 20.2%, if we assume similar margins the contracts can contribute SAR 51.5 mn to the bottom line between FY27-28.

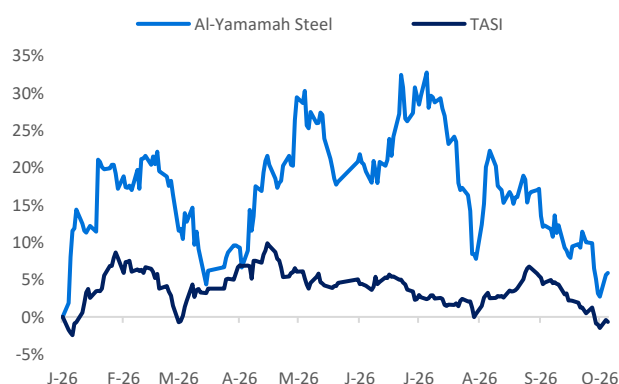
Al Yamamah Steel recently signed another contract of SAR 103.1 mn with a branch of National Power Construction Corp. (NPCC) for the supply of steel towers for a 380 kV ultra-high-voltage transmission line project in the western region. The contract duration is one year, with supply scheduled to begin in February 2027 and financial impact expected from 2QFY27. This contract also relates to the Electricity segment, making it equivalent to around 15.2% of FY25 Electricity segment revenue.

Together, the three recently signed contracts have a combined value of SAR 357.4 mn, equivalent to around 19.0% of Al Yamamah Steel's FY25 revenue and 52.8% of FY25 Electricity segment revenue, with contributions expected from 2QFY27.

The Electricity segment has been the main driver of the earnings recovery in 9MFY26, as the segment's revenue increased 40.9% YoY to SAR 686.3 mn, while net profit rose 132.4% YoY to SAR 138.9 mn. Electricity now accounts for around 43.7% of group revenue in 9MFY26, up from 36% in FY25.

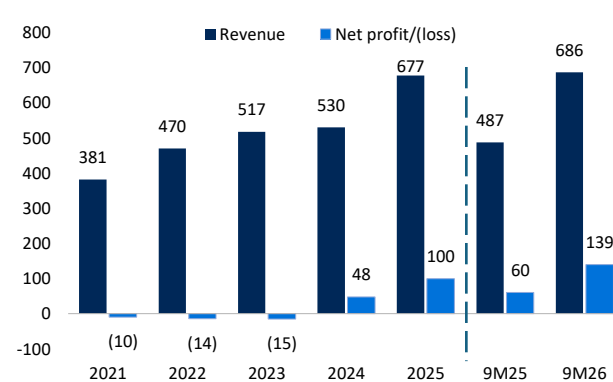
Al Yamamah Steel's stock price has increased around 6.9% YTD, as of last close of SAR 34.3, outperforming TASI, which declined around 0.1% during the same period.

Relative price chart



Source: Tadawul, anbc research

Electricity segment highlights - SAR mn



Source: Company financials, anbc research,
Fiscal year ends in September

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