

Daily Bulletin

December 8, 2025

East Pipes signs SAR 485 mn contract with Saudi Water Authority

Last Price: SAR 138.8 | Consensus Target Price: SAR 165.0 | YTD Performance: -1.1%

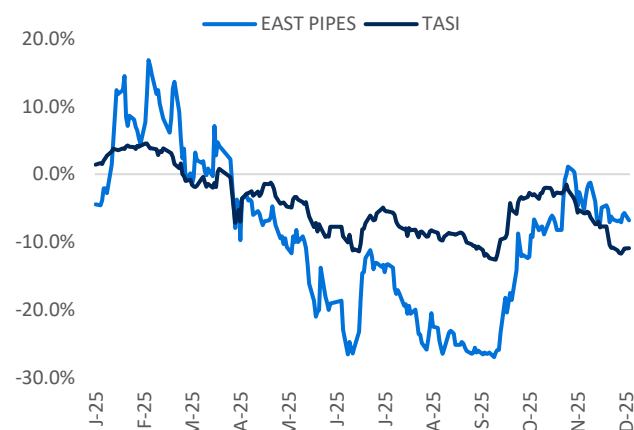
East Pipes Integrated Co. for Industry signed a contract with the Saudi Water Authority (SWA) valued at over SAR 485 mn, VAT inclusive. Under the six-month agreement, the company will manufacture and supply steel pipes. The financial impact is expected to be reflected in 4Q26¹ (Mar'26) and 1Q27¹ (Jun'26). The contract represents 26.5% of 2025 revenue (SAR 1,833 mn). Additionally, the company signed two more contracts with Abdullah Ibrahim Alsayegh & Sons Company, with a cumulative value of SAR 70 mn including VAT over the past six months, which will also impact 4Q26¹ (Mar'26) results.

Building on this momentum, broader sector dynamics continue to support East Pipes' growth outlook. The global energy sector is driving strong demand for helically welded pipes (HSAW), which are essential for long-distance transmission. In KSA, major initiatives, including the Jafurah gas development, the Master Gas System expansion, and emerging Carbon Capture, Utilization, and Storage (CCUS) projects, are creating extensive requirements for new pipeline infrastructure. These developments have positioned KSA as the region's central hub for HSAW demand under Vision 2030, accounting for nearly 60% of total GCC demand. Within this expanding pipeline ecosystem, East Pipes remains the dominant player, holding a 55-60% market share supported by its integrated manufacturing capabilities and consistent execution on large-scale projects.

To capitalize on rising demand and reinforce its market leadership, East Pipes, already holding the largest HSAW production capacity in the region, is expanding its annual output from 400,000 MT to 500,000 MT through a new ~100,000 MT line. The SAR 48 mn expansion will enter pilot production in 4Q26¹ (Mar'26) and begin commercial operations in 1Q27¹ (Jun'26). The company's low debt levels further enhance its flexibility to participate in upcoming energy, water, and CCUS infrastructure opportunities.

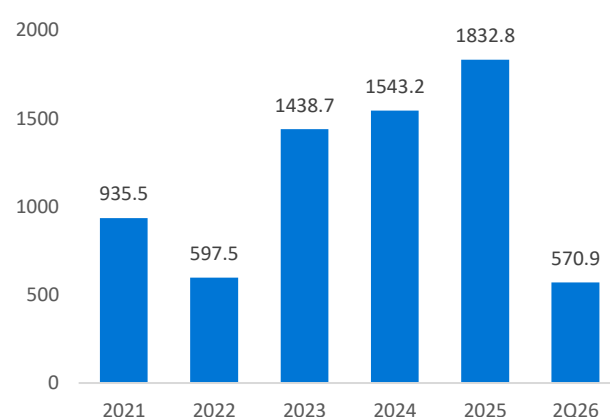
East Pipes' share price is down 1.1% YTD, outperforming the TASI, which has declined 11.7% over the same period. Since the announcement, the stock has risen 3.6% to SAR 138.8 per share. East Pipes is currently trading at a forward P/E of 10.8x, with a consensus target price of SAR 165.0 per share, implying a potential upside of 18.9% from the December 8, 2025 close.

Relative price chart



Source: Bloomberg, anbc research

East Pipes' revenue (SAR mn)



Source: Company financials, anbc research

¹ The company's financial year-end is 31 March.

Disclaimer:

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.