

Daily Bulletin

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SSP's reports 6% higher FY25 net profit mainly aided by SAR 54 mn one-off gain

Last Price: SAR 38.0 | Consensus Target Price: SAR 52.2 | YoY Performance: -48.6%

Saudi Steel Pipe Co. (SSP) reported a net profit of SAR 192 mn (up 6.1% YoY) during 2025, exceeding the consensus estimate of SAR 164 mn by 17.1%. The increase in profitability was driven by a SAR 54 mn land settlement compensation recorded in 2025.

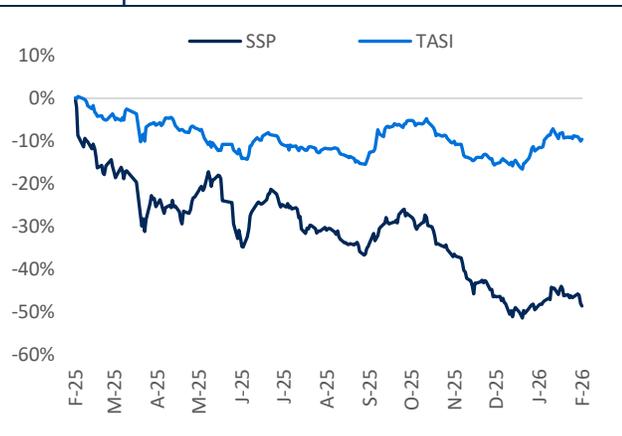
Revenue declined by 13.4% YoY from SAR 1,630 in 2024, primarily due to lower sales volumes, but came mostly in line with the consensus of SAR 1,378 mn, up by 2.5%. Gross profit fell by 13.3% YoY to SAR 346 mn during 2025. Gross margins remained stable on an annual basis, arriving at 24.5% during 2025.

Operating income amounted to SAR 257 mn during 2025, down 16.8%, with operating margins of 18.2%, compared to 19.0% in 2024. The company recorded a decline in finance cost, resulting from a decrease in total debt from SAR 539 mn in 2024 to SAR 268 mn in 2025 and declining interest rates. During 2Q25, the company sold three land plots (which were not part of production facility) in Dammam, recording a gain on SAR 54 mn, resulting in the increase in profitability despite weaker operating performance.

Recently, the company's subsidiary, Global Pipe Company, signed a contract, worth SAR 300 mn, with Subsea Seven (SS7) to supply line pipes for its offshore redevelopment project (announced on 28th Jan-26). The contract is expected to have a positive impact on the company's financials during 4Q26.

Saudi Steel Pipe's stock has declined 48.6% on an annual basis, underperforming TASI which declined 9.6% over the same period. Currently, the stock is trading at a 2026f P/E of 11.0x, with a consensus target price of SAR 52.2/share, implying a potential upside of 37.4% from the last close of SAR 38.0/share.

Relative price chart



Source: Bloomberg, anbc research

Key financials (SAR mn)

	2025	2024	YoY (%)	Consensus	Var (%)
Revenue	1,412	1,630	-13.4	1,378	2.5
COGS	(1,066)	(1,231)	-13.4	-	-
Gross profit	346	399	-13.3	-	-
Gross margin (%)	24.5	24.5	-	-	-
Operating exp.	(89)	(90)	-1.1	-	-
Operating profit	257	309	-16.8	255	0.8
Opt. margin (%)	18.2	19.0	-	18.5	-
Net income	192	181	6.1	164.0	17.1
Net margin (%)	13.6	11.1	-	11.9	-
EPS	3.79	3.57	-	3.25	-

Source: Company financials, anbc research

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