

Daily Bulletin

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APC posts SAR 110.5 mn net profit in 2025; 4Q25 declines 35% to SAR 8.1 mn

Last Price: SAR 5.0 | Consensus Target Price: SAR 6.9 | YoY Performance: -46.0%

Arabian Pipes Co. (APC) reported a net profit of SAR 110.5 mn in 2025, down 34.3% YoY, primarily due to a 23.2% YoY decline in revenue and an approximately 300 bps contraction in gross margins. The weaker performance was driven by changes in customer supply schedules, and an unfavorable shift in sales mix.

Revenue declined to SAR 874 mn in 2025, down 23.2% YoY from SAR 1,138 mn in 2024, mainly reflecting adjustments in customer supply schedules. As a result, gross profit fell 32.3% YoY to SAR 192 mn, while gross margins declined by approximately 300 bps to 21.9%, with changes in sales mix also contributing to the margin pressure. Consequently, operating profit decreased to SAR 137 mn, down 41.2% YoY, with operating margins narrowing to 15.7% from 20.5% in 2024.

Finance costs declined to SAR 29 mn in 2025, compared to SAR 59 mn in 2024, supported by higher reliance on internal financing and early loan repayments following improved collections. During the year, APC fully repaid its SAR 61 mn short-term facility from the Saudi National Development Fund in June 2025, originally obtained for documentary credit purposes.

Performance remained weak in 4Q25, with net profit declining to SAR 8 mn, down 35.0% YoY. Revenue for the quarter fell 13.5% YoY to SAR 137 mn, while gross margins contracted by approximately 300 bps.

Arabian pipe’s stock has declined 46.0% over the past year, underperforming TASI which declined 11.1% over the same period. The stock has a consensus target price of SAR 6.9/share, implying a potential upside of 37.2% from the last close of SAR 5.0/share.

Relative price chart



Source: Bloomberg, anbc research

Key financials (SAR mn)

	2025	2024	YoY (%)	4Q25	4Q24	YoY (%)
Revenue	874	1,138	-23.2	137	159	-13.5
COGS	(682)	(855)	-20.2	(116)	(129)	-10.3
Gross profit	192	283	-32.3	22	30	-27.5
Gross margin (%)	21.9	24.9	-	15.7	18.8	-
Operating exp.	(54)	(50)	9.5	(7)	(-1)	499.6
Operating profit	137	233	-41.2	15	29	-47.4
Opt. margin (%)	15.7	20.5	-	11.0	18.1	-
Net income	110	168	-34.3	8	12	-35.0
Net margin (%)	12.6	14.8	-	5.9	7.8	-
EPS	0.55	0.84	-34.3	0.04	0.06	-35.0

Source: Company financials, anbc research

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