

# Daily Bulletin

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## LUBEREF 2025 net profit down 12% YoY

**Last Price: SAR 101.9 | Consensus Target Price: SAR 119.3 | YoY Performance: -8.5%**

Saudi Aramco Base Oil Company reported a 12% YoY decline in net income to SAR 855.3 mn in 2025. The result came in line with the consensus net profit of SAR 855.3 mn. The decline was primarily driven by a 19% YoY decline in revenue. Net margin increased to 11% from 10% in 2024.

Revenue stood at SAR 8,103.4 mn, down 19% YoY. The revenue came in line with the consensus estimate of SAR 8,002 mn, up by 1%. The decline was mainly driven by a 15% drop in base oil and by-products sales volumes to 1,102 kmt from 1,295 kmt, resulting from the planned turnaround of the Yanbu facility. However, higher base oil crack margins supported profitability, lifting gross margin to 14.5% in 2025 from 13.3% in 2024.

On a quarterly basis, the company reported a 47.3% YoY decline in net income to SAR 109.8 mn in 4Q25 from SAR 208.2 mn in 4Q24, mainly due to a 39% decline in base oil sales volumes to 223 kmt in 4Q25 from 367 kmt in 4Q24. Net margin declined to 7.0% from 7.9% in 4Q24. Revenue for 4Q25 fell 40.3% YoY to SAR 1,569.0 mn from SAR 2,626.8 mn in 4Q24.

In 2025, capital expenditure reached SAR 444 mn, a substantial increase of 119% from SAR 203 mn in 2024. Of this, sustaining capex amounted to SAR 153 mn, while turnaround capex, including the Yanbu facility maintenance, totaled SAR 144 mn. Capex for the Growth II project was SAR 147 mn in 2025.

Looking ahead, the Growth II project is progressing on schedule and is expected to come online in the 2H26. Once operational, it will enable Luberef to expand into high-value base oils, making it the region’s first producer capable of supplying the full range of Group I, II, and III base oils.

Saudi Aramco Base Oil Company has declined 8.5% YoY, outperforming TASI, which declined 9.9% during the same period. The stock is currently trading at a 2026e P/E of 13.1x, with a consensus target price of SAR 119.3/sh, implying an upside of 17.1%.

### Relative price chart



Source: Tadawul, anbc research

### Luberef’s financials (SAR mn)

	2025	2024	YoY (%)	Consensus	Var. (%)
Revenue	8,103	10,036	(19)	8,002	1
COGS	6,925	8,700	(20)	6,802	2
<b>Gross profit</b>	1,179	1,336	(12)	1,200	(2)
Gross margin (%)	15	13		15	
Operating exp.	288	335	(14)	305	(6)
<b>Operating profit</b>	890	1,001	(11)	895	(1)
Opt. margin (%)	11	10		11	
<b>Net income</b>	855	972	(12)	855	0
Net margin (%)	11	10		11	
<b>EPS</b>	<b>5.1</b>	<b>5.8</b>		<b>5.1</b>	

Source: Company financials, anbc research

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