

Daily Bulletin

July 1, 2026

Arabian Pipes Co. signs a SAR 133 mn contract with Saudi Aramco

Last Price: SAR 6.6 | Consensus Target Price: SAR 9.0 | YoY Performance: 4.8%

Arabian Pipes Co. has announced the signing of a contract with Saudi Aramco for the manufacturing and supply of steel pipes. The contract, signed on 30 June 2026 and is valued at SAR 133.0 mn, representing around 15.2% of APC’s 2025 revenue of SAR 874.1 mn. The contract has a duration of nine months, with the financial impact expected to appear in the 1Q27 and 2Q27.

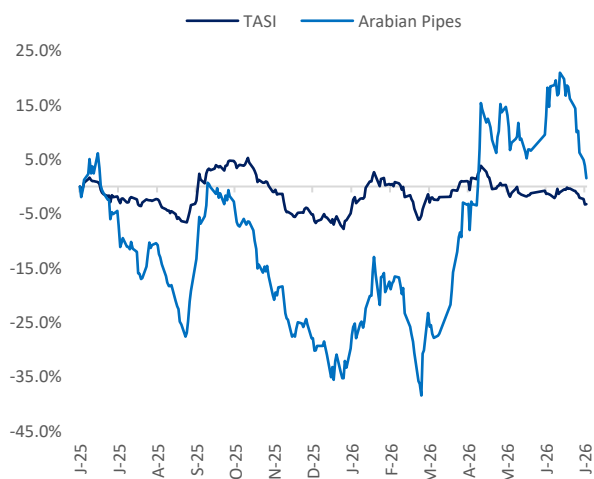
Prior to today’s contract, APC had already signed four contracts with Saudi Aramco in 2026, with a combined value of around SAR 351.0 mn, equivalent to 40.2% of 2025 revenue of SAR 874.1 mn. However, the cumulative value of all five contracts in 2026 is around SAR 484.0 mn including today’s contract which is 55.4% of 2025 revenue. Moreover, in terms of execution timelines, each contract has a different duration and financial impact period. The SAR 94.0 mn contract announced in March 2026 is expected to impact financials in 3Q26 to 4Q26. While the remaining four contracts, with a combined value of around SAR 390.0 mn (excluding the SAR 94.0 mn contract), are expected to contribute gradually from 4Q26 through 2Q27.

In 1Q26, APC reported revenue of SAR 194.6 mn, up 41.6% QoQ from SAR 137.4 mn in 4Q25, driven by higher steel pipe & manufacturing sales, which rose to SAR 191.2 mn. However, revenue declined 21.8% YoY versus SAR 249 mn in 1Q25 due to a higher base and lower execution. The steel pipes & manufacturing segment remained dominant, contributing ~98-99% of total revenue, highlighting strong business concentration.

The company operates through two key facilities: the Riyadh ERW plant (ranging from 6-20-inch pipes with a capacity of around 160k tons) and the Jubail SAW plant (16-48-inch pipes with a capacity of around 300k tons), both fully owned and forming the core production base. Going forward, recently secured Aramco contracts and the existing backlog are expected to support higher utilization and drive growth, with impact gradually flowing from 3Q26 to 1Q27.

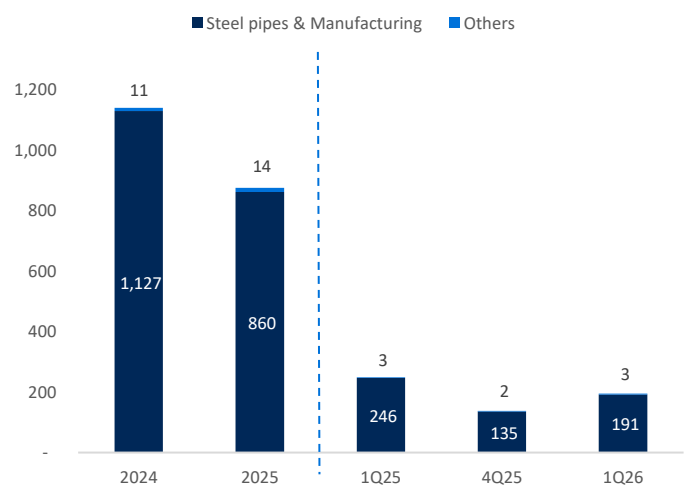
APC’s stock has risen 4.8% YoY, outperforming TASI, which dropped around 3.3% over the same period. The stock is currently trading at 2026e P/E multiple of 11.9x and has a consensus target price of SAR 9.0/sh, implying an upside of around 37.4% from last close of SAR 6.6/sh.

Relative price chart



Source: Tadawul, anbc research

Segment-wise revenue (SAR mn)



Source: Company financials, anbc research

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