Daily Bulletin

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Alwasail wins SAR 12.8mn Nesma contract; Short tenor signals near-term earnings upside

Last Price: SAR 2.9 | Performance Since TASI Listing: -16.2%

Alwasail Industrial Company (Alwasail Industrial) has announced the signing of a contract with Nesma & Partners Contracting Co. for the supply of High-Density Polyethylene (HDPE) pipes in various sizes and technical specifications. The contract is valued at SAR 12.8 mn (excluding VAT) and covers the infrastructure works of Phases 2.2 and 2.3 at King Abdullah Economic City (KAEC). The contract runs for a term of two to ten weeks from the signing date, with the financial impact expected to be reflected in the company's revenues from 3Q26.

The contract value represents 2.8% of Alwasail Industrial's total revenue for 2025, which came in at SAR 461.3 mn. At the company's 2025 net margin of 7.3%, the contract would translate into approximately SAR 0.9 mn of incremental net earnings. Since this is a two-to-ten-week contract, the impact is expected to be reflected entirely in 3Q26. Set against Alwasail Industrial's 3Q25 revenue of SAR 102.1 mn, the contract is equivalent to 12.6% of the quarter's total revenue.

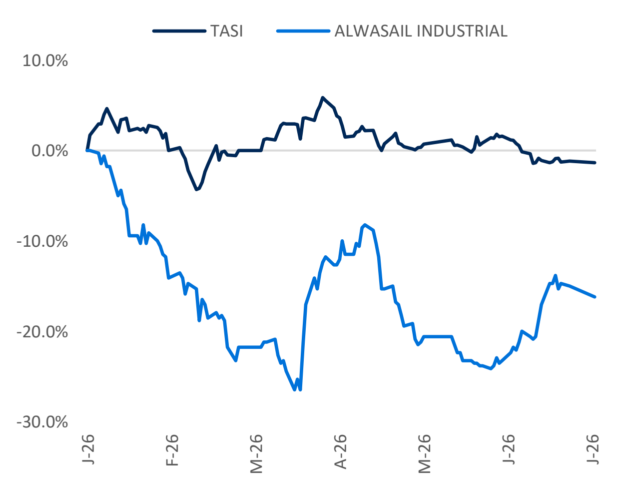
HDPE pipes sit within Alwasail Industrial's pipes sales line, the company's core and largest revenue stream, which generated SAR 341.0 mn in 2025 (73.9% of total revenue, up 0.9% YoY). The contract equals 3.8% of the segment's 2025 revenue.

KAEC is a flagship Vision 2030 economic city on the Red Sea coast. The Phases 2.2 and 2.3 works cover roads, utilities, services and supporting infrastructure for the city's industrial zones and its Special Economic Zone, and also feed the first phase of the King Salman Automotive Cluster and the future expansion of the industrial city.

This contract with Nesma & Partners follows a recent run of commercial activity, including a contract sign-off with Water and Power Projects Contracting Company (WPPCO) in February 2026.

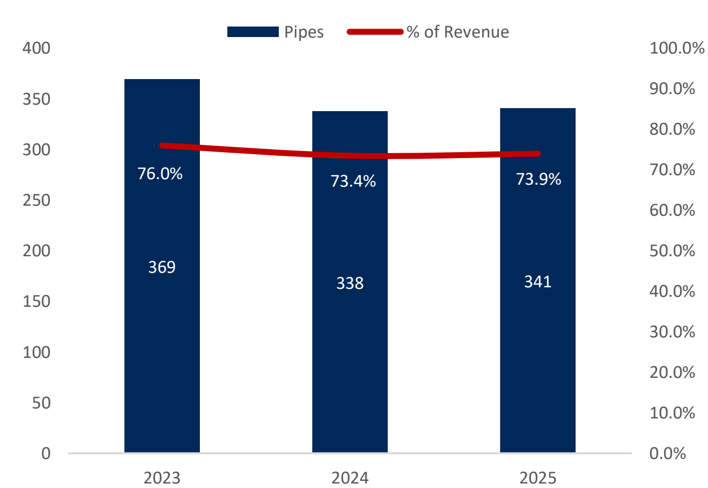
Alwasail Industrial transferred to the Main Market from the Nomu Parallel Market on 21st Jan 2026. The stock has declined 16.2% since listing, underperforming TASI, which is down 1.3% over the same period.

Relative price chart



Source: Tadawul, anbc research

Pipes segment revenue (SAR mn)



Source: Company financials, anbc research

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