Daily Bulletin

July 23, 2026

Saudi Steel Pipe Co. signs a SAR 92.7 mn contract with Saudi Aramco

Last Price: SAR 46.7 | YoY Performance: -15.1% | Consensus Target Price: SAR 58.7

Saudi Steel Pipe Co. (SSP) has signed a contract with Saudi Aramco for the supply of oil & gas steel coated pipes. The contract is signed for a duration of 10 months, valued at approximately SAR 92.7 mn. The contract value is equivalent to 6.6% of SSP's 2025 revenue of SAR 1,412.3 mn. The financial impact is expected to materialize in 1H27.

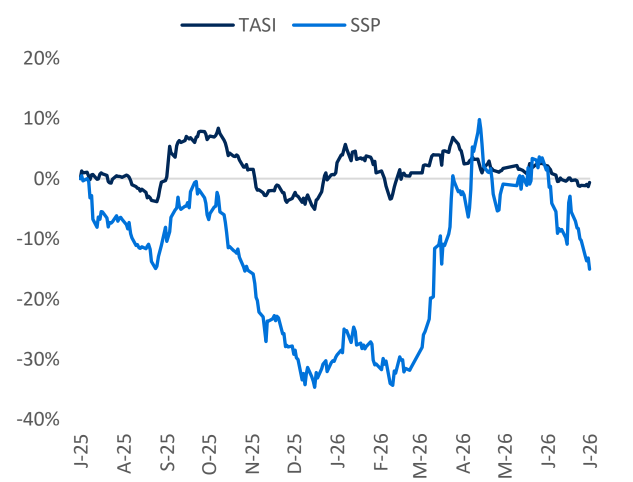
The contract falls under the company's Saudi Arabia operations, which remain the core revenue driver, contributing SAR 1,360.8 mn, or 96.4% of the 2025 revenue.

Notably, during 1H26, SSP signed two other contracts with Saudi Aramco for the supply of oil & gas steel pipes. The combined value of three contracts secured from Saudi Aramco during 2026 YTD reaches approximately SAR 284.7 mn, representing roughly 20.2% of the company's 2025 revenue. Applying SSP's 2025 net profit margin of 13.6%, the SAR 284.7 mn contracts value would imply approximately SAR 38.6 mn in incremental earnings, providing a meaningful pipeline of future revenue and improving earnings visibility.

While the contract pipeline remains encouraging, customer concentration continues to be a key risk. In 2025, approximately 84.0% of SSP's revenue was generated from two major customers and one related party, highlighting the company's reliance on a concentrated customer base.

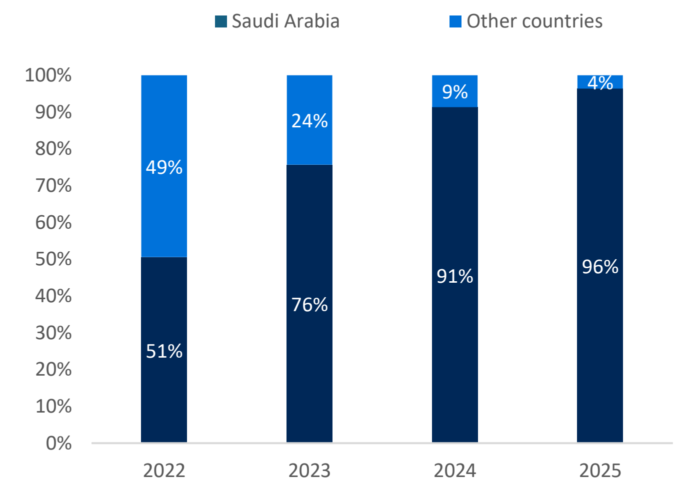
SSP's stock price has fallen 15.1% YoY as of yesterday's close, underperforming TASI, which is down 0.6% over the same period. The stock is currently trading at a 2026e P/E of 15.9x, with a consensus target price of SAR 58.7/share, implying an upside of 25.6% from last close of SAR 46.7/share.

Relative price chart



Source: Tadawul, anbc research

Revenue by geographical segment



Source: Company financials, anbc research

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