

Daily Bulletin

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ARAMCO 4Q25 Results – below expectation amid weaker crude prices and higher costs

Last Price: SAR 26.9 | Consensus Target Price: SAR 28.7 | YoY Performance: 2.3%

Aramco announced its 4Q25 results, posting a net income of SAR 66.6 bn, down 20% YoY, 25.5% below the consensus estimate of SAR 89.5 bn. The YoY decline was mainly attributable to lower revenue and higher operating costs. Overall, net income reached SAR 350.2 bn in 2025, declining 12% YoY due to lower sales.

Revenue came in at SAR 416.3 bn, down 3% YoY in 4Q25 and largely stable QoQ, mainly due to lower crude oil prices as well as weaker prices of refined and chemical products. Operating costs increased 2% YoY and 16% QoQ to SAR 261.4 bn, primarily due to higher impairment and held-for-sale remeasurement losses, along with increased purchases. The impairment and remeasurement losses were largely linked to fair value losses recognized following the reclassification of certain assets and liabilities as held for sale related to SABIC’s plans to divest specific petrochemicals and engineering thermoplastics businesses. The increase in purchases reflects higher crude oil volumes acquired. Consequently, operating income declined to SAR 154.8 bn in 4Q25.

Free cash flow rose to SAR 103 bn, up 27% YoY in 4Q25, driven by stronger operating cash flows, while capital expenditure remained broadly stable both YoY and QoQ at SAR 50.1 bn. The gearing ratio improved significantly to 3.8% in 4Q25 (vs. 6.3% in 3Q25 and 4.5% in 4Q24), mainly reflecting stronger operating cash inflows and proceeds from the sale of a non-controlling equity interest in JMGC.

Upstream Performance

Aramco’s total hydrocarbon production stood at 13.2 mmoed, down 1% QoQ but up 8% YoY. Adjusted EBIT reached SAR 179.6 bn, down 5% YoY and 7% QoQ, mainly due to lower realized crude oil prices (USD 64.1/bbl in 4Q25 vs. USD 70.1/bbl in 3Q25 and USD 73.1/bbl in 4Q24). Capital expenditure remained stable YoY but increased 6% QoQ to SAR 35.8 bn, mainly due to the phasing of strategic gas projects and crude oil capacity increments. Aramco also revised its sales gas production capacity growth target to 80% above 2021 production levels (from the previous 60%), supported by the start of production at Jafurah and the commencement of operations at the Tanajib Gas Plant.

Downstream Performance

Downstream earnings remained strong, with adjusted EBIT at SAR 11.3 bn, up 12.1x YoY and 9% QoQ, supported by robust refining margins that offset weaker chemical spreads. Capital expenditure declined 14% YoY due to the phasing of spending but increased 12% QoQ to SAR 13 bn, mainly driven by progress on major projects, including the refinery-integrated petrochemical steam cracker under development by S-OIL. Downstream utilization stood at 53% of crude production, while supply reliability remained strong at 99.9%.

Aramco’s stock has increased 2.3%, outperforming TASI which declined 6.9% over the same period. The stock is trading at a 2026f P/E of 17.9x, with a consensus target price of SAR 28.7/share. The company has a potential upside of 7%.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR bn)

	4Q25	4Q24	YoY (%)	3Q25	QoQ (%)	Consensus	Variation (%)
Revenue	416	429	-3%	418	0%	439	-5%
Operating exp.	-261	-255	2%	-225	16%	-252	4%
Operating Profit	155	173	-11%	194	-20%	187	-17%
Opt. margin (%)	37.2%	40.4%		46.3%		42.6%	
Net income	67	84	-20%	101	-34%	89	-26%
Net margin (%)	16.0%	19.5%		24.2%		20.4%	
EPS	0.28	0.35	-20%	0.42	-34%	0.37	-26%

Source: Company financials, anbc research

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