

Daily Bulletin

May 14, 2026

East Pipes' net profit rose 50% YoY to SAR 573 mn, beating consensus by 39%.

Last Price: SAR 192.1 | Consensus Target Price: SAR 175.0 | YoY Performance: 50.9%

East Pipes Integrated Company for Industry (East Pipes) reported 2026 net profit of SAR 573 mn, up 50% YoY from SAR 382 mn, exceeding consensus estimates of SAR 411 mn, up by 39%. The increase in net profitability was mainly driven by stronger gross margins, which expanded 304bps to 28% in 2026 from 25% in 2025, supported by a higher average selling price per ton. The growth was further supported by improved time deposit yield, and lower financing expenses following a reduction in total debt. Notably, the company reduced its debt by SAR 104 mn YoY, bringing its debt-to-equity ratio down to zero in 2026.

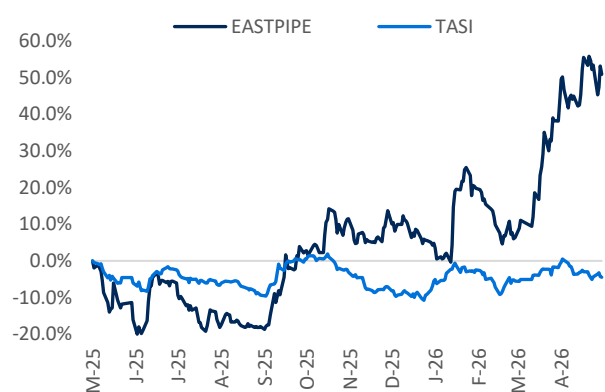
Revenue rose to an all-time high of SAR 2,298mn in 2026, up 25% YoY from SAR 1,833mn in 2025. The growth in revenue was driven by increased sales volume from contract wins and a rise in average selling price, coupled with solid execution in both Water and O&G segments.

Operating income rose 43% YoY to SAR 615 mn in 2026, from SAR 430 mn in 2025. The company was able to sustain the strong profitability momentum as EBITDA rose 41% YoY to SAR 656 mn in 2026 from SAR 466 mn in 2025, with margins increasing 300 bps to 29%.

Net operating cash flow increased to SAR 973 million, reflecting disciplined execution alongside ongoing strategic investments. East Pipes announced a number of investments including a new HSAW production line, external coating facility development, and upgrades to materials handling infrastructure.

East Pipes' stock has increased 51% YoY, outperforming TASI which slipped 4% over the same period. The company is currently trading at a 2027f P/E of 13.4x, with a consensus target price of SAR 175/share, offering a potential downside of 8.9%, from the last close of SAR 192/share.

Relative price chart



Source: Tadawul, anbc research

East Pipes' financials (SAR mn)

	2026	2025	YoY (%)	Consensus	Var (%)
Revenue	2,298	1,833	25	1,905	21
COGS	(1,651)	(1,373)	20	(1,407)	17
Gross profit	647	460	41	498	30
Gross margin (%)	28	25		26	
Operating exp.	(32)	(30)	6	(29)	10
Operating profit	615	430	43	469	31
Opt. margin (%)	27	23		25	
Net income	573	382	50	411	39
Net margin (%)	25	21		22	
EPS	18.20	12.13	50	13.05	39

Source: Company financials, anbc research

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