



Earnings Release

H1-FY27 Ending 30 Sep 2026

Dammam, Saudi Arabia

October 2026

H1-FY27: Resilient Margins and Record Cash Position Despite Supply Disruptions

Net profit of SAR 200.9M at a 23.2% margin and record cash of SAR 995.2M, with three new Aramco contracts worth SAR 837M (incl. VAT) signed in September

- **Revenue decreased by 9.5% YoY to SAR 865.5M**, as lower second-quarter production and sales volumes, following raw material supply delays, outweighed a strong first quarter (+35% YoY).
- **EBITDA decreased by 15.9% YoY to SAR 241.2M**, with a margin of 27.9%, reflecting lower gross margins as material costs per ton, including higher freight and insurance costs, rose faster than selling prices, partly offset by higher finance income.
- **Net profit decreased 19.3% YoY to SAR 200.9M**, reflecting lower gross profit, partly offset by higher finance income and lower finance costs following full repayment of borrowings in FY26.
- **Record cash and cash equivalents of SAR 995.2M, up from SAR 680.9M at FY26-end after SAR 126.0M in dividend payments**, and no **bank borrowings**, reinforcing financial resilience and strategic flexibility to capitalize on future opportunities.

Key Figures (SAR Mill)	H1-FY27 (Six months ended 30 Sep'26)	H1-FY26 (Six months ended 30 Sep'25)	YoY (% change)
Revenue	865.5	956.1	-9.5%
EBITDA	241.2	287.0	-15.9%
Margin (%)	27.9%	30.0%	-210 bps
Net Profit	200.9	248.8	-19.3%
Margin (%)	23.2%	26.0%	-280 bps
Key Balance Sheet Figures (SAR Mill)	H1-FY27 (As of 30 Sep'26)	FY26 (As of 31 Mar'26)	vs FY26 (% change)
Assets	1,880.8	1,969.9	-4.5%
Liabilities	237.7	406.1	-41.5%
Equity	1,643.1	1,563.8	5.1%

"Our first-half performance reflects lower production volumes amid raw material supply delays, while we maintained healthy margins and generated strong cash flow, closing the period with a record cash position and a balance sheet with no bank borrowings. Demand across water and oil & gas remains strong, and the Saudi Aramco contracts signed in September strengthen our visibility into the second half and beyond. We remain focused on delivery execution, production efficiency and cost discipline as we capture the growing pipeline of opportunities across the Kingdom."

Dr. Mohamed Saleh Ali Darweesh

Acting CEO & CFO



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- **East Pipes Integrated Company for Industry** ("East Pipes" or "the Company", 1321 on the Saudi Exchange), Saudi Arabia's leading manufacturer of Helical Submerged Arc Welded ("HSAW") pipes, today announced its financial results for the six-month period ended 30 September 2026 ("H1-FY27") **reflecting resilient margins** and a record cash position **despite raw material supply disruptions in the second quarter**.
- **Revenues reached SAR 865.5M**, a 9.5% Year-on-Year ("YoY") decrease, mainly due to lower sales volumes in the second quarter, as delays in receiving raw materials amid regional geopolitical developments led to lower production volumes. This was partly offset by a strong first-quarter performance, **in which revenue grew 35% YoY**.
- **EBITDA decreased by 15.9% YoY to SAR 241.2M**, delivering an **EBITDA margin of 27.9%** in H1-FY27. Margins came under pressure as material costs per ton, including higher freight and insurance costs, rose faster than average selling prices. This was partly offset by higher finance income on increased cash balances.
- **Net Profit after zakat and income tax ("Net Profit") decreased 19.3% YoY to SAR 200.9M**, mainly reflecting lower gross profit. This was partly offset by higher finance income and lower finance costs following the full repayment of borrowings in FY26. The net profit margin stood at 23.2%, compared with 26.0% in the prior-year period.
- **Free cash flow amounted to SAR 446.2M in H1-FY27**, with an FCF margin of 51.6%. Net operating cash flow decreased 12.3% to SAR 457.0M, reflecting lower profit and higher zakat and income tax payments (SAR 41.0M vs. SAR 13.4M), while a significant release of working capital of SAR 267.6M, mainly from lower receivables and inventories, continued to support cash generation. The Company has no bank borrowings, highlighting its disciplined capital allocation and financial strength.
- **Cash and cash equivalents increased to a record SAR 995.2M as at 30 September 2026**, up from SAR 680.9M at FY26-end, supported by strong operating cash flow generation and after the payment of SAR 126.0M in dividends. Representing approximately 53% of total assets, the record cash balance and total equity of SAR 1.6B reinforce East Pipes' robust liquidity position and strengthened balance sheet.



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About East Pipes

Established in 2010, East Pipes Integrated Company for Industry (East Pipes) is one of the leading manufacturers of Helical Submerged Arc Welded (HSAW) pipes in Saudi Arabia, which are used in critical infrastructure sectors, predominantly water and oil & gas applications. Thanks to its state-of-the-art manufacturing capabilities and fully integrated business model, which includes a double joining plant and coating mill, the Company is capable of producing more than 500,000 metric tons of spiral pipes per annum, making it one of the largest integrated manufacturers of spiral pipes in the region.

Contact: IR@eastpipes.com

Disclaimer

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Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. East Pipes undertakes no obligation to revise any such forward-looking statements to reflect any changes to its expectations or any change in circumstances, events, strategy, or plans. Because actual results could differ materially from East Pipes' current intentions, plans, expectations, assumptions, and beliefs about the future, you are urged to view all forward-looking statements contained in this presentation with due care and caution and seek independent advice when evaluating investment decisions concerning East Pipes.