

Saudi Steel Pipe Company
Results For The Three-Month Period Ending March 31st, 2026

The financial and operational information herein highlights the main results of the period based on unaudited consolidated condensed interim financial statements presented in Saudi Riyals and prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Certified Public Accountants (SOCPA). Additionally, this summary includes non-IFRS alternative performance measures i.e., EBITDA, Net cash (debt) and Free Cash Flow. See “Exhibit I” for more details on these alternative performance measures.

Summary of The Results

(Comparison with 1Q 2025 and 4Q 2025)	Three-month Period				
	1Q 2026	1Q 2025		4Q 2025	
Net sales (ﷲ Millions)	385	454	(15%)	381	1%
Operating income (ﷲ Millions)*	88	81	8%	78	13%
Net income (ﷲ Millions)	78	69	13%	66	19%
Shareholders' net income (ﷲ Millions)	52	50	4%	44	18%
Earnings per share (ﷲ)	1.04	0.99	5%	0.88	19%
EBITDA (ﷲ Millions)*	109	101	7%	99	10%
EBITDA margin (% of net sales)	28%	22%		26%	
Free Cash Flow (ﷲ Millions)	1	210		188	
Net cash/(debt) (ﷲ Millions)	(29)	(155)		(34)	
Total equity to net debt	43.1x	7.6x		34.3x	

* 1Q 2025 and 4Q 2025 figures are affected by minor reclassifications between “cost of revenue”, “administrative expenses” and “financial charges” to conform with the current period presentation. These reclassifications do not affect previously reported net profit or results of the periods.

1Q 2026 compared with 1Q 2025:

- SSP recorded a positive EBITDA of ﷲ 109 million, 28% margin, compared to a positive EBITDA of ﷲ 101 million, 22% margin in 1Q 2025.
- Due to the increase in working capital associated with the operating activities and the higher capital expenditure, SSP recorded a positive free cash flow of ﷲ 1 million in 1Q 2026 compared to a positive free cash flow of ﷲ 210 million in 1Q 2025.
- Net debt decreased to ﷲ (29) million at the end of 1Q 2026 from ﷲ (155) million at the end of 1Q 2025.

1Q 2026 compared with 4Q 2025:

- SSP recorded a positive EBITDA of ﷲ 109 million, 28% margin, compared to a positive EBITDA of ﷲ 99 million, 26% margin in 4Q 2025.
- Due to the increase in working capital associated with the operating activities and the higher capital expenditure, SSP recorded a positive free cash flow of ﷲ 1 million in 1Q 2026 compared to a positive free cash flow of ﷲ 188 million in 4Q 2025.
- Net debt decreased to ﷲ (29) million at the end of 1Q 2026 from ﷲ (34) million at the end of 4Q 2025.

Exhibit I – Alternative performance measures

Alternative performance measures should be considered in addition to, not as a substitute for or superior to, other measures of financial performance prepared in accordance with IFRS

EBITDA, Earnings before interest, tax, depreciation, and amortization.

EBITDA provides an analysis of the operating results, excluding depreciation and amortization, and impairments being non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is an approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. EBITDA is widely used by investors when evaluating businesses (multiple valuations), as well as by rating agencies and creditors to evaluate the level of debt, comparing EBITDA with net debt.

EBITDA is calculated as follows:

EBITDA= Operating results + Depreciation and amortization + Impairment charges/(reversals).

	Three-month period Ending	
	Mar 31,	
(All amounts in Millions of ٬)	2026	2025
Net sales	385	454
Operating income	88	81
Depreciation and amortization	21	20
EBITDA	109	101
EBITDA%	28%	22%

SSP recorded a positive EBITDA margin of 28% in 1Q 2026 compared with the 22% recorded in 1Q 2025. This improvement mainly resulted from the mix of products sold, despite the decrease in volume.

Free Cash Flow

Free cash flow is a measure of financial performance, calculated as operating cash flow less capital expenditures. FCF represents the cash that a company is able to generate after spending the money required to maintain or expand its asset base.

Free cash flow is calculated in the following manner:

Free cash flow= Net cash (used in) provided by operating activities – Capital expenditures.

(All amounts in Millions of ₪)	Three-month period Ending Mar 31,	
	2026	2025
Net cash (used in) provided by operating activities	20	217
Capital expenditures	(19)	(7)
Free cash flow	1	210

Due to the increase in working capital associated with the operating activities and the higher capital expenditure, SSP recorded a positive Free Cash Flow of ₪ 1 million in 1Q 2026 compared to a positive Free Cash Flow of ₪ 210 million in 1Q 2025.

Net Cash (Debt)

This is the net balance of cash and cash equivalents, other current investments, and non-current investments less total borrowings. It provides a summary of the financial solvency and liquidity of the company. Net cash (debt) is widely used by investors and rating agencies and creditors to assess the company's leverage, financial strength, flexibility, and risks.

Net cash (debt) is calculated in the following manner:

Net cash= Cash and cash equivalents + Other investments (Current and Non-Current) +/- Derivatives hedging borrowings and investments – Borrowings (Current and Non-Current)

(All amounts in Millions of ₪)	At March 31,	
	2026	2025
Cash and cash equivalents	114	207
Current Borrowings	(143)	(334)
Non-current Borrowings	-	(28)
Net cash / (Debt)	(29)	(155)
Equity	1,242	1,172
Total equity to net debt	43.1x	7.6x

Net Debt decreased to ₪ 29 million in 1Q 2026 from ₪ 155 million in 1Q 2025. Total equity to net debt has significantly improved to 43.1x at the end of 1Q 2026 compared to 7.6x at the end of 1Q 2025.