TenarisSaudiSteelPipes

Saudi Steel Pipe Company

Highlights 2Q 2026

Results for The Three Months and Six Months Period Ending June 30, 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 2Q 2025; 1Q 2026 and 6M 2025)

	Three-month Period					Six-month Period		
	2Q 2026	2Q 2025		1Q 2026		6M 2026	6M 2025	
Net sales (⃁ Millions)	306	336	-9%	385	-21%	692	790	-12%
Operating income (⃁ Millions) *	47	52	-10%	88	-47%	134	133	1%
Net income (⃁ Millions)**	38	93	-59%	78	-51%	116	162	-28%
Shareholders' net income (⃁ Millions)**	30	71	-58%	52	-43%	82	121	-32%
Earnings per share (⃁)**	0.59	1.40	-58%	1.04	-43%	1.63	2.40	-32%
EBITDA (⃁ Millions) *	68	73	-7%	109	-38%	176	174	1%
EBITDA margin (% of net sales)	22%	22%		28%		25%	22%	
Free Cash Flow (⃁ Millions)	205	1		1		206	211	
Net cash/(debt) (⃁ Millions)	175	(141)		(29)		175	(141)	
Gearing Ratio (Equity/Net Debts)	N/A	7.6x		43.1x		N/A	7.6x	

*2Q 2025 and 6M 2025 figures are affected by minor reclassifications between "cost of revenue", "administrative expenses" and "financial charges" to conform with the current year presentation. These reclassifications do not affect previously reported net profit or results of the period.

**The comparable 2Q 2025 and 6M 2025 periods for these line items include the effect of the recorded non-operating lands settlement compensation amounting to ⃁ 54 million as explained in note 16 of the interim condensed consolidated financial statements.

2Q 2026 compared with 2Q 2025:

- SSP recorded a positive EBITDA of ⃁ 68 million, 22% margin in 2Q 2026, compared to a positive EBITDA of ⃁ 73 million, 22% margin in 2Q 2025.

- As a result of the effective working capital management and the profitability recorded, SSP generated a positive Free Cash Flow of ⃁ 205 million in 2Q 2026, compared to a positive Free Cash Flow of ⃁ 1 million in 2Q 2025.

- SSP achieved a historical net cash position of ⃁ 175 million at the end of 2Q 2026, compared to a net debt position of ⃁ (141) million at the end of 2Q 2025, as a result of the profitability recorded and the effective cash flow management.

2Q 2026 compared with 1Q 2026:

- SSP recorded a positive EBITDA of ⃁ 68 million, 22% margin in 2Q 2026, compared to a positive EBITDA of ⃁ 109 million, 28% margin in 1Q 2026.

- As a result of the effective working capital management and the profitability recorded, SSP generated a positive Free Cash Flow of ⃁ 205 million in 2Q 2026, compared to a positive Free Cash Flow of ⃁ 1 million in 1Q 2026. Consequently, SSP achieved a net cash position of ⃁ 175 million at the end of 2Q 2026, compared to a net debt position of ⃁ (29) million at the end of 1Q 2026.

6M 2026 compared with 6M 2025:

- SSP recorded a positive EBITDA of ⃁ 176 million, 25% margin in 6M 2026, compared to a positive EBITDA of ⃁ 174 million, 22% margin in 6M 2025.

- As a result of the continued effective working capital management and the profitability recorded, despite the higher capital expenditure, SSP recorded a positive Free Cash Flow of ⃁ 206 million in 6M 2026, compared to a positive Free Cash Flow of ⃁ 211 million in 6M 2025.

- SSP achieved a net cash of ⃁ 175 million at the end of 6M 2026, compared to a net debt position of ⃁ (141) million as at the end of 6M 2025, as a result of the profitability recorded and the effective cash flow management.

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 (multiples valuation), 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 June 30,		Six-month period ending June 30,	
(All amounts in Millions of ⃁)	**2026**	**2025**	**2026**	**2025**
Net sales	306	336	692	790
Operating income	47	52	134	133
Depreciation and amortization	21	21	42	41
EBITDA	**68**	**73**	**176**	**174**
EBITDA%	22%	22%	25%	22%

SSP recorded a positive EBITDA margin of 22% in 2Q 2026, at the same level of 2Q 2025, and a positive EBITDA margin of 25% in 6M 2026 compared to 22% in 6M 2025. The improvement in the 6M period mainly resulted from the mix of products sold and efficiencies, 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. It 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.

	Three-month period ending June 30,		Six-month period ending June 30,	
(all amounts in Millions of ⃁)	**2026**	**2025**	**2026**	**2025**
Net cash (used in) provided by operating activities	216	10	236	227
Capital expenditures	(11)	(9)	(30)	(16)
Free cash flow	**205**	**1**	**206**	**211**

As a result of the effective working capital management and the profitability recorded, SSP generated a positive free cash flow of ⃁ 205 million in 2Q 2026 compared to ⃁ 1 million in 2Q 2025, and a positive Free Cash Flow of ⃁ 206 million in 6M 2026 compared to a positive Free Cash Flow of ⃁ 211 million in 6M 2025 despite the higher capital expenditure.

Net Cash (Debt)

Net Cash (Debt) 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. It 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)

	At June 30,	
(all amounts in Millions of ⃁)	**2026**	**2025**
Cash and cash equivalents	225	127
Current Borrowings	(50)	(252)
Non-current Borrowings	-	(16)
Net cash / (Debt)	**175**	**(141)**
Equity	1,243	1,065
Gearing Ratio (Equity/Net Debts)	**N/A**	**7.6x**

SSP achieved a historical net cash position of ⃁ 175 million at the end of 2Q 2026 compared to net debt position of ⃁ (141) million at the end of 2Q 2025, as a result of the profitability recorded and the effective cash flow management. Consequently, the gearing ratio is not applicable at the end of 2Q 2026.