



**East Pipes Integrated Company for Industry
Earnings Release for the First Quarter Ending
30 June 2024**

East Pipes achieves solid revenues and profit in 1Q-FY25, with Aramco multi contract win expected to boost future performance

Dammam, Saudi Arabia, 31 July 2024: 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 pipes, today announced its financial results for the first quarter ending 30 June 2024 (“1Q-FY25”), reporting a good position in both revenues and net profit.

Financial highlights for 1Q-FY25

- **Revenues** amounted to SAR 364 million in 1Q-FY25, thus witnessing a substantial rise from SAR 39 million in 1Q-FY24, as a result of an increase in both volumes and average sales prices.
- **EBITDA** amounted to SAR 93 million in 1Q-FY25 (1Q-FY24: EBITDA loss of SAR 5 million), in line with the marked improvement in the top line performance. **EBITDA margin** thus amounted to 26% in 1Q-FY25, compared to -14% in 1Q-FY24.
- **Net profit after zakat and income tax** surged to SAR 71 million in 1Q-FY25, marking a significant turnaround from a net loss of SAR 18 million, as a result of the continued improvement in both sales volume and average sales prices as well as enhanced margins.
- **Cash and cash equivalents** increased more than 2-fold to SAR 200 million at the end of June 2024 (31 March 2024: SAR 66 million), while **total short-term borrowings** substantially declined from SAR 189 million to SAR 72 million, due to the repayment of short-term loans before due date.

Mohammed Al Shaheen, Chief Executive Officer at **East Pipes** said:

“East Pipes has continued to prove the resilience and agility of its business model, enabling the company to make great strides. We are delighted to be initiating this fiscal year on a strong footing, and building a solid momentum for our business, as demonstrated by our robust operational and financial performance during this quarter.

We have continued to leverage our production capacity and premium market positioning to provide innovative products that are specifically tailored to meet the evolving needs of our customers. Through these ongoing enhancements of our product offering, and manufacturing capabilities, complemented with thriving market conditions, we are certainly ready to serve a growing number of customers, and capitalize on several significant opportunities ahead of us.”

Mohamed Darweesh, Chief Financial Officer at **East Pipes** commented:

“At East Pipes, we continue to maintain healthy margins and resilient profitability, through implementing tactical pricing strategies and ensuring industry-leading manufacturing

efficiencies, which have resulted in a solid set of financial results during the first quarter of the year.

Operating with a strong capital position and through the deleveraging of our balance sheet, we are indeed well positioned to execute our strategic growth objectives, while maintaining a balanced capital allocation strategy that continues to provide solid returns to our investors.

In line with this unwavering commitment to provide sustainable value to shareholders, the Board of Directors is recommending the distribution of cash dividends amounting to SAR 1.5 per share for FY24.”

Ali Al Makrami, Vice President – Commercial at **East Pipes** said:

“East Pipes’ commitment to operational excellence remains steadfast, and we are proud of the high level of trust and confidence that our customers have placed in us. A key milestone for us in 1Q, was the award of multiple contracts from Aramco for a total value exceeding SAR 1.65 billion, which are expected to contribute to our financial performance starting in 4Q-FY25.

Our focus remains on expanding our business further, through reinforcing our brand name in the market and accelerating our sales and marketing efforts, whilst continuing to cultivate long-term relationships with various stakeholder groups, whom we consider to be our partners in success.”

Summary of Financial Statements

Balance sheet (SAR million)		
	As of 30 June 2024	As of 31 March 2024
Total assets	1,467	1,487
Total equity	923	852
Total liabilities	544	635

Income statement (SAR million)			
	1Q-FY25	1Q-FY24	% Change
Revenue	364	39	838%
EBITDA	93	-5	NM
Net profit	71	-19	NM

Cash flow statement (SAR million)			
	1Q-FY25	1Q-FY24	% Change
Net cash flow from operating activities	294	54	444%
Net cash flow from investing activities	-1	-1	13%
Net cash flow from financing activities	-160	41	-490%
Net change in cash and cash equivalents	134	94	43%

- Ends -

About East Pipes:

Established in 2010, East Pipes Integrated Company for Industry (East Pipes) is one of the leading manufacturers of Helical Spiral 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@eastppipes.com

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