



East Pipes Integrated Company for Industry
Earnings Release for the Nine Month Period
Ending

31 December 2024

East Pipes achieves robust financial performance in 3Q-FY25, supported by net profit growth

Dammam, Saudi Arabia, 30 January 2025: 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 third quarter and nine-month period ending 31 December 2024 (“3Q and 9M-FY25”), reporting continued growth in both revenues and net profit in 9M.

Financial highlights for 3Q and 9M-FY25

- **Revenues** amounted to SAR 528 million in 3Q-FY25, thus decreasing 4% when compared to the similar quarter of last year (2Q-FY25: SAR 540 million; 3Q-FY24: SAR 552 million). Meanwhile, for 9M-FY25, revenues amounted to SAR 1,432 million, increasing 74% year-on-year.
 - **EBITDA** amounted to SAR 135 million in 3Q-FY25 (2Q-FY25: SAR 134 million; 3Q-FY24: SAR 112 million), in line with the revenue performance during the period. For 9M-FY25, EBITDA increased 158% to reach SAR 362 million.
- EBITDA margin** was 26% in 3Q-FY25 (2Q-FY25: 25%; 3Q-FY24: 20%), and 25% for 9M-FY25, compared to 17% for 9M-FY24.
- **Net profit after zakat and income tax** reached SAR 112 million in 3Q-FY25, thus increasing 31% when compared to the similar quarter of last year (2Q-FY25: SAR 113 million; 3Q-FY24: SAR 86 million), as a result of a decrease in average cost of production, compared to last year. For 9M-FY25, net profit amounted to SAR 297 million, compared to SAR 88 million in 9M-FY24, as a result of a decrease in average cost of production and finance charges.
 - **Cash and cash equivalents** increased substantially by 208% YTD to SAR 203 million (31 March 2024: SAR 66 million), while **total borrowings** declined 53% YTD from SAR 288 million to SAR 136 million.

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

“As we conclude another successful quarter, I take pride in highlighting the strength of East Pipes in delivering a robust performance during the period. This achievement is indeed a reflection of the dedication of our team and our ability to navigate a rapidly changing and competitive operating environment. Our investments in cutting-edge manufacturing technology and production capabilities have strongly positioned us to meet the rising demand for our high-quality products, across a number of critical infrastructure projects.

Our focus remains on driving our long-term strategic growth plans, through capitalizing on the resilience of our business model, which is enabling us to capture emerging opportunities for further growth, while optimizing operational efficiencies. With a solid foundation centered on

sustainability, innovation, and customer-centricity, we are excited about the prospects for our company in 2025 and beyond, as we continue to lead with purpose and commitment to excellence in everything we do."

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

"We are pleased to report another quarter of remarkable financial and operational results, characterized by solid revenue growth and a significant increase in net profit, which is a testament to the successful execution of our rapidly growing backlog.

At East Pipes, we remain committed to reinforcing our balance sheet through the substantial reduction of leverage during the period, and we also continued to adopt a disciplined approach to capital management and financial costs. Furthermore, we witnessed a substantial improvement in cash flow from operations, supported by our effective working capital management and a continued focus on delivering high-quality, sustainable products, that cater to the unique requirements of our valued customers.

Looking ahead, we are targeting to maintain this strong momentum by strategically investing in our manufacturing capabilities, expanding our market reach, and enhancing our competitiveness."

Ali Al Makrami, Vice President – Commercials at **East Pipes** commented:

"East Pipes has achieved a robust performance during the period, which reflects our forward-thinking strategy, and ability to meet the expectations of our clients who have continued to place trust in us.

We continued to reinforce our market position effectively, as we remain focused on adopting the highest standards of quality through delivering innovative, advanced and customized products to our rapidly growing customer base. This has largely enabled us to maintain our competitive edge, while fostering long-term relationships with our business partners.

As we continue to focus on optimizing our operations, we remain dedicated to driving sustainable growth, enhancing our marketing activities, and strengthening our positioning as a trusted brand in the market."

Summary of Financial Statements

Balance sheet (SAR million)		
	As of 31 December 2024	As of 31 March 2024
Total assets	1,644	1,487
Total equity	1,050	852
Total liabilities	594	635

Income statement (SAR million)						
	3Q-FY25	3Q-FY24	% Change	9M-FY25	9M-FY24	% Change
Revenue	528	552	-4%	1,432	821	74%
EBITDA	135	112	21%	362	141	158%
Net profit	112	86	31%	297	88	237%

Cash flow statement (SAR million)			
	9M-FY25	9M-FY24	% Change
Net cash flow from operating activities	356	-488	--
Net cash flow from investing activities	-8	-6	28%
Net cash flow from financing activities	-211	443	--
Net change in cash and cash equivalents	137	-51	--

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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 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.

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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.