

US\$1.66trn
Market Cap.18.51%
Free FloatUS\$81.88mn
Avg. Daily Value traded
 Research Department
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Overweight

Price Target (SAR): 31.00

 Current (24th April 2025): 25.80

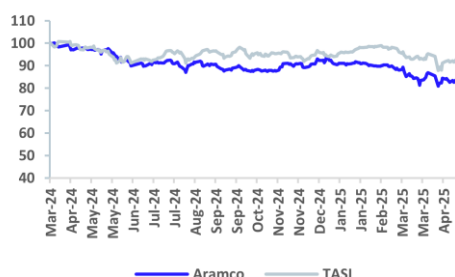
Major Shareholders % Ownership

Kingdom of Saudi Arabia 81.48

Price Performance YTD 3M 1M

Absolute -8.0% -8.2% -0.6%

Relative to TASI -5.8% -3.4% -0.5%



Saudi Arabian Oil Co.

1Q 2025 earnings preview

Oil production in the Kingdom averaged around 8.95mmbpd for 1Q25 while Crude oil prices averaged around \$75.0/bbl vis-à-vis \$74.0/bbl in 4Q24 (company realized prices: \$73.1/bbl) and \$81.2/bbl in 1Q24 (realized: \$83.0/bbl). Brent prices albeit volatile on account of geopolitical tensions edged slightly higher in 1Q25. On the other hand, OPEC+ reaffirmed its decision to roll back the production cut from April'25 onwards with full restoration of production expected in September 2026. Hence, the upstream business is expected to perform marginally better than 4Q24 given the slight rise in expected realized prices despite similar volumes. At the same time, improvement in the chemical product prices should aid the downstream but benefits to be limited due to modest improvement in the refining margins.

In this backdrop, we anticipate 1Q25 revenues to be broadly flat sequentially, but slightly down y-o-y. However, profits (income before minority) is expected to gain almost 14% q-o-q to SAR 95 bn, supported by lower losses in downstream and also lower corporate costs. On a y-o-y basis, profits are expected to be down 7% due to relatively weaker crude oil prices, though offset to some extent by slightly better downstream performance.

Figure 1 1Q 2025 ARC Result Estimates

(SAR bn)	1Q25e	4Q24	1Q24	q-o-q	y-o-y
Average Brent Prices (\$/bbl)	75.0	74.0	81.2	1.4%	-7.6%
Revenue	429.4	428.6	437.8	0.2%	-1.9%
EBITDA	208.1	199.6	225.5	4.3%	-7.7%
EBITDA margin	48.5%	46.6%	51.5%		
Net Profit before minority	95.1	83.8	102.3	13.5%	-7.0%
Net margin	22.1%	19.5%	23.4%		

Source: Company data, Al Rajhi Capital

Earnings

SAR(bn)	2024	2025E	2026E
Revenue	1,802	1,737	1,814
Y-o-Y	-2.9%	-3.6%	4.4%
Operating income	775	755	806
Operating margin	43.0%	43.5%	44.4%
EBITDA	878	864	923
EBITDA margin	48.7%	49.8%	50.9%
Net profit before minority	398	384	406
Net Profit after minority	394	380	402
EPS (SAR)	1.63	1.57	1.66
DPS (SAR)*	1.78	1.32	1.29
Payout ratio	109.1%	84.4%	77.7%
Dividend Yield	6.9%	5.1%	5.0%
P/E (Current)	15.9x	16.4x	15.5x
P/E (Target)	19.0x	19.7x	18.7x

Source: Company data, Al Rajhi Capital, * Base+PLD

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