

### Q4-25 forecast: Net income weighed down by lower crude oil prices and higher OPEX, better refining margins and higher volumes to lend some support

Saudi Arabian Oil Company's (Aramco) is forecasted to post net income (after minority) of SAR 91.9bn in Q4-25 (+5.9% Y/Y, -5.5% Q/Q), down 9.2% Q/Q from adjusted net income in Q3-25. The sequential decline in adjusted net income is expected to be due to decline in crude oil prices (-7.4% Q/Q), partly offset by increased production (+4.3% Q/Q; ~400 kbbpd). Revenue is estimated at SAR 406.9bn (-5.1% Y/Y, -2.7% Q/Q). The upstream revenue is expected to decrease by 7.5% Q/Q. Downstream revenue is expected to rise 1.0% Q/Q with improvement in refining margins, while chemical margins are likely to be under pressure. Aramco's EBIT margin is forecasted to contract to 44.7% in Q4-25 from adjusted EBIT margin of 47.5% and reported EBIT margin of 46.2% in Q3-25, impacted by revenue decline and OPEX seasonality. Saudi Aramco FY26E earnings seen stabilizing despite lower oil prices, supported by higher volumes and improving refining margins, with attractive 5.1% dividend yield.

- **Aramco's revenue** is expected to fall 2.7% Q/Q to SAR 406.9bn. **The upstream revenue** is projected to decline by 7.5% Q/Q to SAR 167.6bn, driven by decrease in crude oil prices. Brent crude prices averaged USD 63.1 per barrel in Q4-25 (-7.4% Q/Q). We forecast average realized crude oil price for Aramco in Q4-25 at USD 64.1 per barrel (-8.5% Q/Q). Nevertheless, total hydrocarbon production is anticipated to increase to 13.8 mmoed in Q4-25 from 13.3 mmoed in the previous quarter with liquids production growing to 11.2 mmbpd (Q3-25: 10.8 mmbpd), amid OPEC+'s continued unwinding of production cuts during the quarter. Gas production is expected to increase to 12.9 bscf (Q3-25: 12.6 bscf), driven by startup of Jafura production. **The downstream revenue** is forecasted to increase by 1.0% Q/Q to SAR 238.7bn with improved refining margins but tighter chemical margin.
- **Operating profit** is expected to reach SAR 181.9bn (-5.8% Q/Q) owing to lower topline and higher OPEX due to seasonality. Operating margins are forecasted at 44.7% vs. 46.2% EBIT margin and 47.5% adjusted EBIT margin in Q3-25. The EBITDA margin is estimated to be at 51.2% compared to 53.0% in Q3-25.
- **Net income** (after minority) is projected to decline by 9.2% Q/Q to SAR 91.9bn from adjusted net income in Q3-25 (down 5.5% from reported net income in Q3-25). We expect losses from JVs and associates to be around the Q3-25 level, while finance costs are likely to edge up slightly with additional debt raised in the recent past.

**2026 outlook:** We expect Saudi Aramco's revenue and earnings to broadly stabilize in FY26E, as the impact of lower oil prices is largely offset by higher production volumes and improved refining margins. Revenue is projected to increase marginally by 0.5% Y/Y to SAR 1,666bn, while net income is expected to remain broadly flat at SAR 371bn. Our FY26E estimates are based on an average oil price assumption of USD 62.4/bbl, representing an c.8% Y/Y decline. Despite the softer pricing environment, total hydrocarbon production is forecast to reach 13.8 mmoed, including crude output of 10.1 mmbpd (+6.7% Y/Y), partially mitigating the impact on earnings. In addition, the continued recovery in refining margins should provide incremental support to overall operating performance. On our FY26E estimates, Saudi Aramco is trading at 16.7x P/E, offering a dividend yield of 5.1% based on an expected DPS of SAR 1.32/share

SAR bn	Q4-24	Q3-25	Q4-25E	Change Y/Y	Change Q/Q
Brent crude (USD/bbl)	74.0	68.1	63.1	-14.7%	-7.4%
Realized oil price (USD/bbl)	73.1	70.1	64.1	-12.3%	-8.5%
Total hydrocarbon prod. (mmoed)	12.2	13.3	13.8	-	-
Liquid (mmbpd)	NA	10.8	11.2	-	-
Gas (bscfd)	NA	12.6	12.9	-	-
Upstream revenue	183.7	181.2	167.6	-8.8%	-7.5%
Downstream revenue	245.7	236.4	238.7	-2.9%	1.0%
<b>Revenue</b>	<b>428.6</b>	<b>418.2</b>	<b>406.9</b>	<b>-5.1%</b>	<b>-2.7%</b>
EBIT	171.0	193.1	181.9	6.4%	-5.8%
EBIT Margin	39.9%	46.2%	44.7%	-	-
Adj. EBIT	180.0	198.5	181.9	1.0%	-8.4%
<b>Net Profit</b>	<b>86.8</b>	<b>97.3</b>	<b>91.9</b>	<b>5.9%</b>	<b>-5.5%</b>
<b>Adj. Net Profit</b>	<b>97.7</b>	<b>101.2</b>	<b>91.9</b>	<b>-5.9%</b>	<b>-9.2%</b>

Source: Company Reports, Aljazira Capital

#### Recommendation **Overweight**

Target Price (SAR) **29.6**Upside / (Downside)\* **15.6%**Source: Tadawul \*prices as of 18<sup>th</sup> of February 2026

#### Key Financials

SARmn (unless specified)	FY23	FY24	FY25E
Revenue	1,856	1,802	1,662
Growth %	-18.1%	-2.9%	-7.8%
EBIT	868	775	734
EBITDA	965	878	838
Net Income	453	394	371
Growth %	-24.2%	-13.0%	-5.9%
EPS	1.87	1.63	1.53
DPS	1.52	1.93	1.32

Source: Company reports, Aljazira Capital Research

#### Key Ratios

	FY23	FY24	FY25E
EBIT Margin	46.8%	43.0%	44.2%
EBITDA Margin	52.0%	48.7%	50.4%
Net Margin	24.4%	21.9%	22.3%
ROE	29.5%	27.0%	24.9%
ROA	18.5%	16.4%	15.4%
P/E (x)	17.6	17.2	16.7
P/B (x)	5.2	4.7	4.2
EV/EBITDA (x)	8.2	7.8	7.5
Dividend Yield	4.6%	6.9%	5.2%

Source: Company reports, Aljazira Capital Research

#### Key Market Data

Market Cap(bn)	6,195
YTD%	7.4%
52 week (High)/(Low)	27.80/23.04
Share Outstanding (bn)	242.0

Source: Company reports, Aljazira Capital Research

#### Price Performance



Source: Bloomberg, Aljazira Capital Research

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