



Q3-25 forecast: Net income to grow 11.1% Q/Q to SAR 95.1bn, driven by ~500 kpbpd higher crude oil production, slight improvement in average oil prices and refining margins.

Saudi Arabian Oil Company's (Aramco) is forecasted to post net income (after minority) of SAR 95.1bn in Q3-25 (-2.5% Y/Y, +11.1% Q/Q), up 2.6% Q/Q from adjusted net income in Q2-25. The sequential net income growth is expected to be helped by higher crude oil production (+4.8% Q/Q; ~500 kpbpd) and slightly higher average crude prices. Revenue is estimated at SAR 426.2bn (-8.3% Y/Y, +4.7% Q/Q). The upstream revenue is expected to increase 8.5% Q/Q primarily attributable to higher crude oil production as OPEC decided to increase output levels significantly. Downstream revenue is expected to rise 2.3% Q/Q with slight improvement in refining margins and persistent pressure on chemical margins. Aramco's EBIT margin is forecasted to improve to 43.4% in Q3-25 from adjusted EBIT margin of 42.8% and reported EBIT margin of 41.0% in Q2-25.

- Aramco's revenue is expected to rise 4.7% Q/Q to SAR 426.2bn. The upstream revenue is projected to grow by 8.5% Q/Q to SAR 172.4bn, driven by 4.8% increase in crude oil sales volume and higher oil prices. Brent crude prices averaged USD 66.5 per barrel in Q3-25 (+0.8% Q/Q). We forecast average realized crude oil price for Aramco in Q3-25 at USD 67.1 per barrel (+0.6% Q/Q). Total hydrocarbon production is anticipated to increase to 13.2 mmbpd in Q3-25 from 12.8 mmbpd in the previous quarter with liquids production growing to 10.9 mmbpd (Q2-25: 10.5 mmbpd), as OPEC+ announced significant unwinding of production cuts from July-September. Gas production is expected to slightly decrease to 11.7 bscf (Q2-25: 11.9 bscf), impacted by seasonality. The downstream revenue is forecasted to increase by 2.3% Q/Q to SAR 253.2bn backed by improving refining margins.
- Operating profit is expected to reach SAR 185.0bn (+10.7% Q/Q) with improved operating margins of 43.4% vs. 41.0% EBIT margin and 42.8% adjusted EBIT margin in Q2-25. The increase in the topline, better refining margins is likely to aid EBIT margin expansion. The EBITDA margin would improve to 49.6% from 47.6% in Q2-25.
- Net income (after minority) is projected to rise by 2.6% Q/Q to SAR 95.1bn from adjusted net income in Q2-25; up 11.1% from reported net income in Q2-25. We expect continued losses from JVs and associates but to be lower compared to previous quarter. Finance costs are likely to be steady as additional debt raised during Q3-25 would have some lag effect.
- 2025 outlook:** We expect Aramco's revenue and earnings to face continued pressure in FY25E due to fall in oil prices, topline is expected to decline 5.6% Y/Y to SAR 1,698bn and net income by 5.1% to SAR 374bn. Our estimates assume an average oil price of around USD 68/bbl, about 14% lower than the prior year. However, the anticipated OPEC+ output increase should drive higher production, with total hydrocarbon output projected at 12.9 mmbpd, including crude oil production of 9.3 mmbpd. The ongoing recovery in refining margins is expected to lend some support to the company's overall operating performance. Aramco is trading at P/E of 16.2x and a dividend yield of 5.3% based on our FY25E estimates.

Q3-25 Forecasts Highlights:

SAR bn	Q3-24	Q2-25	Q3-25E	Change Y/Y	Change Q/Q
Brent crude (USD/bbl)	78.5	65.9	66.5	-15.4%	0.8%
Realized oil price (USD/bbl)	79.3	66.7	67.1	-15.4%	0.6%
Total hydrocarbon prod. (mmbpd)	12.4	12.8	13.2	-	-
Liquid (mmbpd)	NA	10.5	10.9	-	-
Gas (bscfd)	NA	11.9	11.7	-	-
Upstream (SAR bn)	190.3	158.9	172.4	-9.4%	8.5%
Downstream (SAR bn)	273.8	247.6	253.2	-7.5%	2.3%
Revenue	464.6	407.1	426.2	-8.3%	4.7%
EBIT	192.9	167.1	185.0	-4.1%	10.7%
EBIT Margin	41.5%	41.0%	43.4%	-	-
Adj. EBIT	198.0	174.2	185.0	-6.5%	6.2%
Net Profit	97.6	85.6	95.1	-2.5%	11.1%
Adj. Net Profit	104.0	92.7	95.1	-8.5%	2.6%

Source: Company Reports, Aljazira Capital

Recommendation **Overweight**

Target Price (SAR) **29.6**

Upside / (Downside)* **18.2%**

Source: Tadawul *prices as of 21st of October 2025

Key Financials

SAR bn (unless specified)	FY23	FY24	FY25E
Revenue	1,856	1,802	1,698
Growth %	-18.1%	-2.9%	-5.7%
EBIT	868	775	736
EBITDA	965	878	838
Net Income	453	394	374
Growth %	-24.2%	-13.0%	-5.1%
EPS	1.87	1.63	1.54
DPS	1.52	1.93	1.32

Source: Company reports, Aljazira Capital Research

Key Ratios

	FY23	FY24	FY25E
EBIT Margin	46.8%	43.0%	43.3%
EBITDA Margin	52.0%	48.7%	49.4%
Net Margin	24.4%	21.9%	22.0%
ROE	29.5%	27.0%	25.1%
ROA	18.5%	16.4%	15.4%
P/E (x)	17.6	17.2	16.2
P/B (x)	5.2	4.7	4.1
EV/EBITDA (x)	8.2	7.8	7.4
Dividend Yield	4.6%	6.9%	5.3%

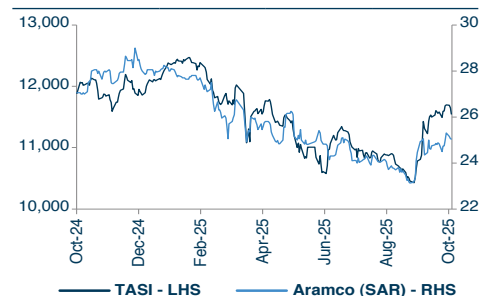
Source: Company reports, Aljazira Capital Research

Key Market Data

Market Cap(bn)	6,060
YTD%	-10.7%
52 week (High)/(Low)	29.00/23.04
Share Outstanding (bn)	242.0

Source: Company reports, Aljazira Capital Research

Price Performance



Source: Bloomberg, AJC Research

Head of Sell-Side Research

Jassim Al-Jubran

+966 11 2256248

j.aljabran@aljaziracapital.com.sa





RESEARCH DIVISION

Head of Sell-Side Research - Director
Jassim Al-Jubran
+966 11 2256248
j.aljabran@aljaziracapital.com.sa

RESEARCH
DIVISION

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RATING
TERMINOLOGY

1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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