Tenaris S.A. (TS)

Updated November 21st, 2025, by Josh Arnold

Key Metrics

Current Price:	$40	**5 Year CAGR Estimate:**	2.3%	**Market Cap:**	$21 B
Fair Value Price:	$35	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	02/20/26[1]
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	02/28/26
Dividend Yield:	4.3%	**5 Year Price Target**	$35	**Years Of Dividend Growth:**	5
Dividend Risk Score:	F	**Sector:**	Energy	**Rating:**	Hold

Overview & Current Events

Tenaris SA is a global manufacturer of steel pipes and related services that is headquartered in Luxembourg and is a majority-owned subsidiary of the Techint Group. Tenaris has significant exposure to oil prices as the majority of its customers operate in the energy sector. Its common stock is traded on three international stock exchanges, but U.S. investors can initiate a stake in the business through ADR shares. The company could produce about $12 billion in revenue this year, and currently has a market capitalization of $21 billion.

Tenaris posted third quarter earnings on October 31st, 2025, and results were better than expected on both the top and bottom lines. Earnings came to 85 cents per share, or 13 cents better than expected. Revenue was up 2.1% to $2.98 billion, beating estimates by $130 million.

EBITDA was $753 million, and free cash flow was $133 million after capex and share repurchases. Net cash ended the quarter at $3.5 billion after $351 million in buybacks. Capex was $185 million, while operating cash flow was $318 million.

The company noted oil prices being weak and remain volatile. Following the increase in tariffs on imports of steel products from 25% to 50% in June, OCTG imports continue to decline, and inventories remain at high levels. Tenaris also noted OCTG prices have yet to reflect the increased cost of tariffs.

The company expects sales to remain close to the level of Q3 in Q4, but costs and margins are going to deteriorate by the full impact of tariffs. We now see $3.50 in adjusted earnings-per-share for 2025.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.08	$0.15	$0.77	$1.48	$1.26	$0.22	$1.90	$4.43	$6.86	$3.61	***$3.50***	***$3.50***
DPS	$0.90	$0.90	$0.82	$0.82	$0.82	$0.14	$0.54	$0.90	$1.08	$1.34	***$1.70***	***$2.17***
Shares[2]	590	590	590	590	590	592	592	592	592	549	***540***	***520***

Tenaris' growth over the last decade has been far from constant, but this is largely due to the prolonged downturn in oil prices that began in 2014. Since the majority of Tenaris' customers operate within the energy sector, this reduces demand for its products and services and causes a decline in its aggregate sales.

Earnings fell sharply in 2024. Oil prices remain a key risk for Tenaris; much lower oil and gas prices significantly impaired the company's ability to produce earnings in 2020. Tenaris is beholden to capital expenditures of oil and gas producers, which generally decline when oil prices remain low for long periods of time. Our estimate of intermediate-term growth is reduced to 0%. Weak oil prices globally are weighing on Tenaris' customers and therefore, demand for Tenaris itself. We think the recovery in earnings peaked in 2023 given this development, and that it will be very difficult for Tenaris to grow from more normalized earnings for 2025, particularly with the uncertainty of tariffs.

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[1] Estimated date

[2] Share count in millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	25.2	---	40.3	22.6	19.3	64.1	11.1	7.9	5.1	10.5	***11.4***	***10.0***
Avg. Yld.	3.3%	3.4%	2.6%	2.5%	3.4%	1.0%	2.6%	2.6%	3.1%	3.5%	***4.3%***	***6.2%***

Tenaris has traded at an average price-to-earnings ratio (P/E) of ~17 over the last decade, if we exclude the years in which its P/E ratio was artificially elevated due to depressed earnings caused by the decline in oil prices. We use 10 times earnings as our estimate of fair value given that the earnings recovery has stalled. Today, shares trade for 11.4 times our earnings estimate of $3.50, which means we expect a slightly negative impact from the valuation if the multiple were to revert to our fair value P/E estimate of 10 over time.

For income investors, we note that the country of Luxembourg imposes a 15% withholding tax on Tenaris' dividend payments. We expect the payout to remain under 70% of earnings by 2030, with the annualized dividend at $2.17 per share currently. We note that Tenaris' unusual dividend policy is very difficult to forecast.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	83%	600%	107%	55%	65%	64%	28%	20%	16%	37%	***49%***	***62%***

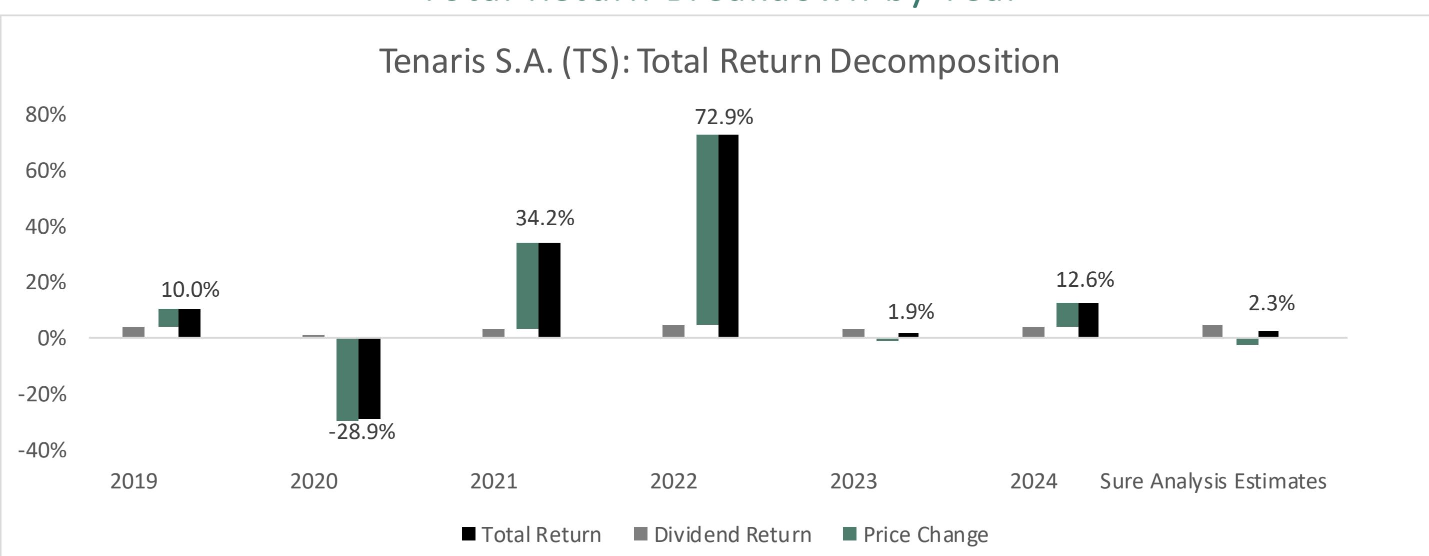
Tenaris has boosted its dividend for five consecutive years now. We see the dividend outlook as murky at the moment, however, as Tenaris' dividend policy is quite variable.

Qualitatively, Tenaris' most compelling competitive advantage is its entrenched position in a technical segment of the energy sector that relies tremendously on strong customer-supplier relationships. As a large company with global operations, Tenaris' services are unlikely to be replaced by newer, smaller industry disruptors. Its leverage to the oil and gas markets has been both a blessing and a curse in recent years. Tenaris is not susceptible to recessions so much as oil prices, so investors should focus on the latter, not the former, when assessing safety.

Final Thoughts & Recommendation

We see Tenaris as struggling to replicate outstanding 2023 results moving forward. With 2.3% total return prospects, we rate Tenaris as a hold, and note that investors are taking on inherent oil price risk by owning shares. The valuation is ahead of fair value today. We see no growth, a 2.6% headwind from the valuation, and 4.3% yield driving total returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6,903	4,294	5,289	7,659	7,294	5,147	6,521	11,763	14,869	12,524
Gross Profit	2,155	1,128	1,603	2,379	2,187	1,059	1,910	4,675	6,200	4,388
Gross Margin	31.2%	26.3%	30.3%	31.1%	30.0%	20.6%	29.3%	39.7%	41.7%	35.0%
SG&A Exp.	1,151	853	994	1,190	1,167	913	1,005	1,396	1,624	1,905
D&A Exp.	659	662	609	664	540	679	595	608	549	633
Operating Profit	569	(54)	340	878	839	(33)	766	2,977	4,274	2,419
Op. Margin	8.2%	-1.3%	6.4%	11.5%	11.5%	-0.6%	11.7%	25.3%	28.7%	19.3%
Net Profit	(80)	55	545	876	743	(634)	1,100	2,553	3,918	2,036
Net Margin	-1.2%	1.3%	10.3%	11.4%	10.2%	-12.3%	16.9%	21.7%	26.4%	16.3%
Free Cash Flow	1,094	100	(580)	261	1,178	1,326	(103)	770	3,776	2,162
Income Tax	234	17	(17)	229	202	23	189	617	675	480

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	14,887	14,003	14,398	14,251	14,843	13,716	14,449	17,550	21,082	20,450
Cash & Equivalents	287	400	330	428	1,554	585	318	1,092	1,638	675
Acc. Receivable	1,135	955	1,214	1,737	1,348	968	1,299	2,494	2,481	2,087
Inventories	1,843	1,564	2,368	2,524	2,266	1,637	2,673	3,987	3,921	3,710
Goodwill & Int.	2,143	1,863	1,661	1,466	1,562	1,429	1,372	1,333	1,377	1,358
Total Liabilities	3,021	2,590	2,817	2,376	2,657	2,270	2,344	3,516	4,051	3,636
Accounts Payable	504	557	751	694	556	462	845	1,179	1,108	880
Long-Term Debt	971	840	966	539	822	619	331	729	583	437
Total Equity	11,713	11,287	11,482	11,783	11,989	11,263	11,961	13,906	16,843	16,593
LTD/E Ratio	0.08	0.07	0.08	0.05	0.07	0.06	0.03	0.05	0.03	0.03

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-0.5%	0.4%	3.8%	6.1%	5.1%	-4.4%	7.8%	16.0%	20.3%	9.8%
Return on Equity	-0.7%	0.5%	4.8%	7.5%	6.2%	-5.5%	9.5%	19.7%	25.2%	12.0%
ROIC	-0.6%	0.4%	4.4%	7.0%	5.8%	-5.1%	9.0%	18.8%	24.2%	11.7%
Shares Out.	590	590	590	590	590	592	592	590	590	542
Revenue/Share	11.69	7.27	8.96	12.97	12.36	8.72	11.05	19.93	25.23	23.10
FCF/Share	1.85	0.17	(0.98)	0.44	2.00	2.25	(0.17)	1.30	6.41	3.99

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.