Tenaris S.A. (TS)

Updated March 12th, 2026, by Josh Arnold

Key Metrics

Current Price:	$54	**5 Year CAGR Estimate:**	-3.7%	**Market Cap:**	$27 B
Fair Value Price:	$35	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	05/20/26[1]
% Fair Value:	157%	**5 Year Valuation Multiple Estimate:**	-8.6%	**Dividend Payment Date:**	05/28/26
Dividend Yield:	3.3%	**5 Year Price Target**	$35	**Years Of Dividend Growth:**	6
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 $27 billion.

Tenaris posted fourth quarter and full-year earnings on February 18th, 2026, and results were better than expected on both the top and bottom lines. Earnings were 87 cents per share, which was a dime ahead of estimates. Revenue was $3 billion, up 5.3% year-over-year, and beating expectations by $40 million. Sales were up 1% from the third quarter.

EBITDA was $717 million, or 24% of revenue, which was down 5% sequentially.

Cash flow from operations came to $787 million, and net cash at the end of the quarter was $3.3 billion after the dividend, share repurchases, and $123 million in capex.

For the year, sales were $12 billion, EBITDA was $2.9 billion, net income was $2 billion, and free cash flow was $2 billion.

The company noted the forecast for this year would be "difficult" so there was no specific guidance provided. We start the year at $3.45 in adjusted earnings-per-share for 2026 and note significant volatility in earnings is possible.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.15	$0.77	$1.48	$1.26	$0.22	$1.90	$4.43	$6.86	$3.61	$3.66	***$3.45***	***$3.45***
DPS	$0.90	$0.82	$0.82	$0.82	$0.14	$0.54	$0.90	$1.08	$1.34	$1.70	***$1.78***	***$2.27***
Shares[2]	590	590	590	590	592	592	592	592	549	506	***490***	***450***

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 0% based on the level of earnings we've seen for the past couple of years.

Oil prices have exploded higher on the Iran conflict, but it has thus far not translated into higher earnings for oil companies, and their willingness to spend on Tenaris' products. That may change, but for now, we don't see cause for a lot of optimism.

[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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	40.3	22.6	19.3	64.1	11.1	7.9	5.1	10.5	10.5	***15.7***	***10.0***
Avg. Yld.	3.4%	2.6%	2.5%	3.4%	1.0%	2.6%	2.6%	3.1%	3.5%	4.4%	***3.3%***	***6.6%***

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 15.7 times our earnings estimate of $3.45, which means we expect a sizable 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 2031, with the annualized dividend at $1.78 per share currently. We note that Tenaris' unusual dividend policy is very difficult to forecast.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	600%	106%	55%	65%	64%	28%	20%	16%	37%	46%	***52%***	***66%***

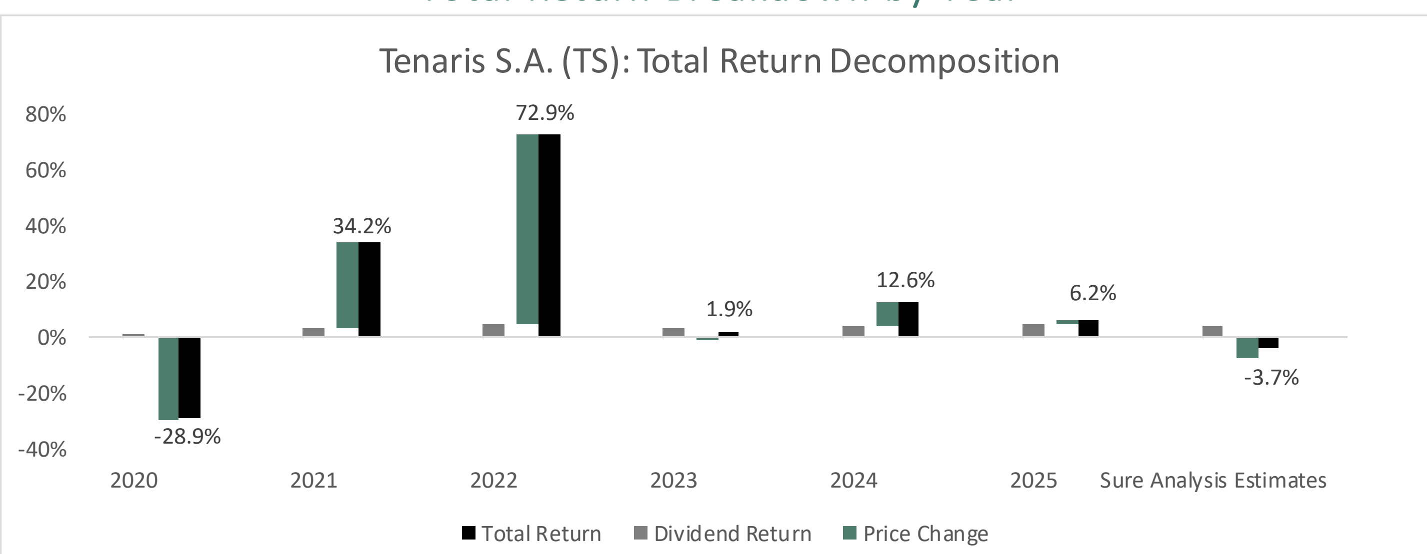
Tenaris has boosted its dividend for six consecutive years now. We see the dividend outlook as murky at the moment, however, as Tenaris' dividend policy is quite variable.

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 -3.7% 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, an 8.6% headwind from the valuation, and 3.3% yield driving total returns.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	4,294	5,289	7,659	7,294	5,147	6,521	11,763	14,869	12,524	12,018
Gross Profit	1,128	1,603	2,379	2,187	1,059	1,910	4,675	6,200	4,388	4,109
Gross Margin	26.3%	30.3%	31.1%	30.0%	20.6%	29.3%	39.7%	41.7%	35.0%	34.2%
SG&A Exp.	853	994	1,190	1,167	913	1,005	1,396	1,624	1,905	1,834
D&A Exp.	662	609	664	540	679	595	608	549	633	618
Operating Profit	(54)	340	878	839	(33)	766	2,977	4,274	2,419	2,302
Op. Margin	-1.3%	6.4%	11.5%	11.5%	-0.6%	11.7%	25.3%	28.7%	19.3%	19.2%
Net Profit	55	545	876	743	(634)	1,100	2,553	3,918	2,036	1,979
Net Margin	1.3%	10.3%	11.4%	10.2%	-12.3%	16.9%	21.7%	26.4%	16.3%	16.5%
Free Cash Flow	100	(580)	261	1,178	1,326	(103)	770	3,776	2,162	2,051
Income Tax	17	(17)	229	202	23	189	617	675	480	502

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	14,003	14,398	14,251	14,843	13,716	14,449	17,550	21,082	20,450	20,072
Cash & Equivalents	400	330	428	1,554	585	318	1,092	1,638	675	2,879
Acc. Receivable	955	1,214	1,737	1,348	968	1,299	2,494	2,481	2,087	1,956
Inventories	1,564	2,368	2,524	2,266	1,637	2,673	3,987	3,921	3,710	3,644
Goodwill & Int.	1,863	1,661	1,466	1,562	1,429	1,372	1,333	1,377	1,358	1,357
Total Liabilities	2,590	2,817	2,376	2,657	2,270	2,344	3,516	4,051	3,636	3,243
Accounts Payable	557	751	694	556	462	845	1,179	1,108	880	873
Long-Term Debt	840	966	539	822	619	331	729	583	437	144
Total Equity	11,287	11,482	11,783	11,989	11,263	11,961	13,906	16,843	16,593	16,599
LTD/E Ratio	0.07	0.08	0.05	0.07	0.06	0.03	0.05	0.03	0.03	0.03

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.4%	3.8%	6.1%	5.1%	-4.4%	7.8%	16.0%	20.3%	9.8%	9.8%
Return on Equity	0.5%	4.8%	7.5%	6.2%	-5.5%	9.5%	19.7%	25.2%	12.0%	11.8%
ROIC	0.4%	4.4%	7.0%	5.8%	-5.1%	9.0%	18.8%	24.2%	11.7%	11.4%
Shares Out.	590	590	590	590	592	592	590	590	542	528
Revenue/Share	7.27	8.96	12.97	12.36	8.72	11.05	19.93	25.23	23.10	22.76
FCF/Share	0.17	(0.98)	0.44	2.00	2.25	(0.17)	1.30	6.41	3.99	3.88

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