

## **IMPACT OF OIL PRICES ON REVENUE GROWTH AND PROFITABILITY OF SAUDI LISTED COMPANIES IN NON-FINANCIAL SECTORS**

**UPENDRA LELE**

Director (Academic Development & Collaborations), College of Business and Economics,  
Qassim University, KSA

### **ABSTRACT**

This study examines the impact of declining global crude oil prices on the profitability of Saudi listed companies in non-financial sectors. It was a longitudinal study conducted over the period 2010 to 2015, which was divided into two groups: from 2010 to 2013 when the global oil prices were rising, and from 2013 to 2015 when there was a drastic decline in the prices. Annual financial data of the companies was collected from Saudi stock exchange portal. The financial performance of industrial sectors was examined in terms of three indicators, namely, Revenue Growth rate, Net Margin and Return on Equity. The results indicated a strong correlation between global oil prices with Revenue Growth, Net Margin and Return on Equity. It was also observed that there was an overall reduction of 141.5% in Revenue Growth rate, 15.1% in Net Margin and 25.2% in Return on Equity in Saudi non-financial sectors after the year 2013, i.e. after the decline of oil prices started, which indicates a significant impact of oil prices on the revenue growth and profitability of Saudi non-financial sectors. This study assumes significance due to its focus on Saudi Arabian industries in a comprehensive way, which is not addressed by the available literature.

**KEYWORDS:** Oil Prices, Revenue Growth, Profitability, Saudi Listed Companies, Non-Financial Sectors