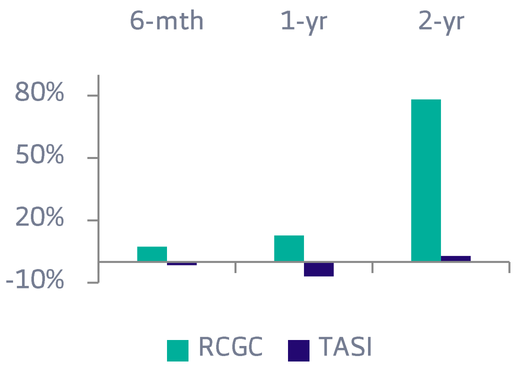
Financials Almost Flat Q/Q

November 06, 2025

Upside to Target Price	7.4%	Rating	Neutral
Expected Dividend Yield	4.1%	Last Price	SAR 135.00
Expected Total Return	11.5%	12-mth target	SAR 145.00

Market Data	
52-week high/low	SAR 165.00/105.40
Market Cap	SAR 20,250 mln
Shares Outstanding	150 mln
Free-float	77.43%
12-month ADTV	276,004
Bloomberg Code	RIYADHCA AB



Riyadh Cables	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	2,732	2,434	12%	2,715	1%	2,878
Gross Profit	446	402	11%	443	1%	489
Gross Margins	16%	17%		16%		17%
Operating Profit	333	280	19%	324	3%	350
Net Profit	282	235	20%	279	1%	302

(All figures are in SAR mln)

- Riyadh Cables posted a +12% Y/Y growth in revenues to SAR 2.7bln, however, topline was flat Q/Q and slightly below our forecast. Volumes continued to grow sequentially, clocking in at 70k tons in 3Q2025 versus 68k tons in 2Q on the back of strong export demand coupled with solid domestic demand.
- In terms of Aluminum/Copper split, sequentially, Aluminum still accounts for 43% of sales and Copper 57%. However, in 9m2025, Aluminum's share of the pie has grown to 44% versus 40% last year.
- Gross margins continue to moderate with 16.3% in 3Q, matching Q/Q but marginally down from 16.5% last year. Gross Profit per ton for 9M2025 has risen by +19% Y/Y to SAR 6,393 as higher utilization resulted in better operating efficiencies and higher demand from transmission products while the change in profit mix also helped. Despite volatile commodity prices, the Company's hedging mechanism (in addition to pricing strategy) has enabled it to protect and grow profitability.
- Net profit witnessed a +20% Y/Y growth to SAR 282 mln, although we were expecting a higher bottomline at SAR 302 mln.
- Backlog stands at SAR 5.2 bln in 9m 2025, lower than SAR 5.7 bln as of 1H but up +6% Y/Y while capacity utilization is at 97% for the 9M. The Company has raised its guidance for the full year net profit increase to 25-30%. Acquisition of 51% stake in AAK Uzbekistan coupled with an MOU for the setup of a Cable's Company in Syria points towards inorganic expansion plans for the future. We maintain our SAR 145.00 target price and Neutral rating.

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Disclaimer

Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

For any feedback on our reports, please contact research@riyadcapital.com

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