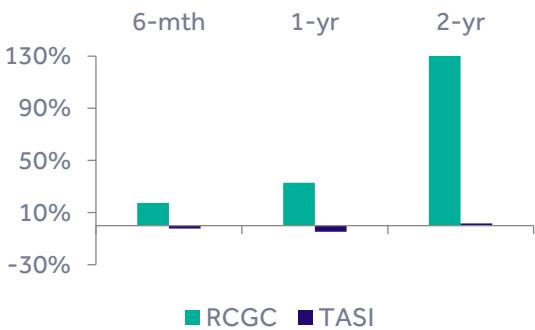


Market Data	
52-week high/low	SAR 165.00/83.80
Market Cap	SAR 20,940 mln
Shares Outstanding	150 mln
Free-float	70.8%
12-month ADTV	304,317
Bloomberg Code	RIYADHCA AB



■ Margin Expansion Aides Bottomline Surge

May 15, 2025

Upside to Target Price	0.3%	Rating	Neutral
Expected Dividend Yield	4.0%	Last Price	SAR 139.60
Expected Total Return	4.3%	12-mth target	SAR 140.00

Riyadh Cables	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	2,489	2,032	23%	2,497	0%	2,546
Gross Profit	427	283	51%	332	29%	341
Gross Margins	17%	14%		13%		13%
Operating Profit	293	204	44%	286	2%	262
Net Profit	256	169	52%	254	1%	237

(All figures are in SAR mln)

- Riyadh Cables beat market expectations by reporting a +52% Y/Y growth in net profit on the back of margin expansion. 1Q topline of SAR 2.49bln, +23% Y/Y and flat Q/Q, was slightly below our SAR 2.55bln forecast. Volumes were recorded at 65k tons, +8% Y/Y, due to a rise in transmission products, strong exports and energy transition products. Both domestic and exports market performed well in the quarter.
- On a sequential basis, product mix shifted with Aluminum accounting for 46% of sales in 1Q2025 versus 30% in the previous quarter while the share of Copper declined from 70% last quarter to 54% this quarter.
- We were surprised to observe gross margins exceeding 17% in 1Q, one of the best in recent history. There was a notable +36% Y/Y rise in Gross Profit per ton largely on better efficiencies and profit mix. Gross Profit per ton stands at SAR 6,330 as of 1Q-end versus SAR 5,550 at year end 2024. Operational efficiencies due to high utilization, higher demand in transmission products, product mix and cost efficiencies have helped.
- Net profit came in at SAR 256mln, +52% Y/Y and +1% Q/Q beating our SAR 237mln forecast and SAR 232mln market consensus.
- Riyadh Cables hedging mechanism has been effective in protecting profitability despite volatile commodity prices. Backlog stands at SAR 5.2bln. We maintain a Neutral rating but adjust our target price to SAR 140.00.

Muhammad Faisal Potrik
muhammed.faisal@riyadcapital.com
+966-11-203-6807

■ 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.