

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.

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■ 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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