Riyadh Cables Group Co.

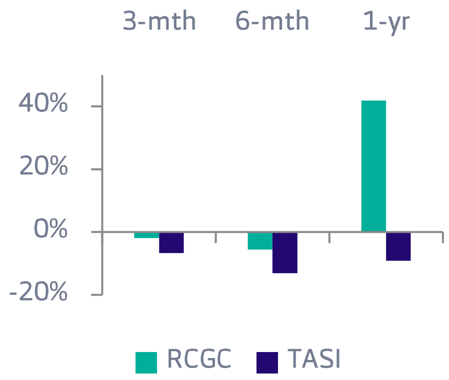
2Q2025 First Look

Backlog and GP/ton Continues to Rise

August 14, 2025

Upside to Target Price	5.9%	Rating	Neutral
Expected Dividend Yield	4.0%	Last Price	SAR 136.90
Expected Total Return	9.9%	12-mth target	SAR 145.00

Market Data	
52-week high/low	SAR 165.0/95.1
Market Cap	SAR20,535 mln
Shares Outstanding	150 mln
Free-float	70.8%
12-month ADTV	293,191
Bloomberg Code	RIYADHCA AB



Riyadh Cables	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	2,715	2,046	33%	2,489	9%	2,501
Gross Profit	443	270	64%	427	4%	388
Gross Margins	16%	13%		17%		16%
Operating Profit	324	198	63%	293	10%	304
Net Profit	279	159	75%	256	9%	263

(All figures are in SAR mln)

- Riyadh Cables reported higher revenues and bottomline as compared to both our and market expectations as both volumes and GP/ton has grown. Revenues of SAR 2.71 bln for the quarter were up +33% Y/Y and +9% Q/Q, beating our SAR 2.50 bln forecast on the back of a +4% quarterly and a +19% half-yearly volume growth. Volumes were recorded at 68k tons in 2Q rising from 65k tone in 1Q due to strong export demand and domestic/utilities demand.
- For 1H2025, Aluminum accounts for 45% of sales versus 43% in 1H2024 while the share of copper has slightly declined from 57% last quarter to 55% for the same period.
- Gross margins have moderated from 17.1% in 1Q to 16.3% in 2Q but much wider than 13.2% in 2Q2024. There was a notable +34% Y/Y rise in Gross Profit per ton largely on better efficiencies and profit mix. Gross Profit per ton now stands at SAR 6,390 for 1H2025
- Net profit of SAR 279 mln, is up a whopping +75% Y/Y and +9% Q/Q, close to our SAR 263 mln forecast and SAR 270 mln market consensus. While gross margins were lower Q/Q, net margins came in flat at 10.3% on better operating performance.
- Backlog has further grown to SAR 5.7 bln in 1H2025, +9% Y/Y. Riyadh Cables has upgraded its guidance for the full year to a net profit increase of 20-25%, which we expect to be exceeded, given its track record. As a result, we raise our target price to SAR 145.00 but maintain a Neutral rating as the stock price currently reflects growth prospects.

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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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