Riyadh Cables Group Co.

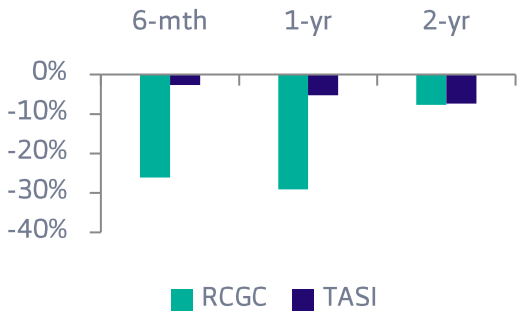
3Q2026 First Look

Better Prices & Efficiencies Drive Profits

November 04, 2026

Upside to Target Price	38.5%	Rating	Buy
Expected Dividend Yield	4.6%	Last Price	SAR 97.45
Expected Total Return	43.1%	12-mth target	SAR 135.00

Market Data	
52-week high/low	SAR 140.9/88.9
Market Cap	SAR 14,618 mln
Shares Outstanding	150 mln
Free-float	77.4%
12-month ADTV	198,830
Bloomberg Code	RIYADHCA AB



Riyadh Cables	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	3,229	2,732	18%	2,930	10%	3,010
Gross Profit	508	446	14%	439	16%	452
Gross Margins	16%	16%		15%		15%
Operating Profit	402	333	21%	342	17%	345
Net Profit	325	281	16%	307	6%	310

(All figures are in SAR mln)

- Riyadh Cables posted a strong set of results for the quarter. Topline witnessed a +18% Y/Y and +10% Q/Q growth to SAR 3.2 bln, beating our SAR 3.0 bln estimates, largely on better metal prices. Volumes were up +1.2% Y/Y to 206k tons for 9M2026 despite geopolitics (down -1% for 3Q). Utilization rate slightly dropped to 93% at Sept-end versus 95% at June-end.
- Aluminum to Copper mix was recorded at 44:56. Growth in non-KSA markets compensated for domestic market challenges.
- While gross margins contracted by 60bps Y/Y to 15.7%, we were expecting even more pressure on margins. Notably, they widened slightly by 10bps Q/Q, a positive indicator pointing to better product pricing. Gross profit came in at SAR 508 mln (+14% Y/Y, +16% Q/Q) and beat our 452 mln forecast. Gross profit per ton was up +0.7% Y/Y to SAR 6,436. Weak activity in the local Utilities sector continued.
- Net profit was healthy at SAR 325 mln (+16% Y/Y, +6% Q/Q) driven mainly by better operating performance and product mix, largely in-line with our SAR 310 mln forecast. Backlog remains strong at SAR 5.5 billion (+5% Y/Y). Free Cash Flows were positive at SAR 183 mln for the nine months.
- Management has repeated its cautious outlook given challenges related to raw material shortages, supply chain disruptions and logistics. The Company has managed to weather the challenges admirably so far. We reiterate our long-term positive outlook, maintain our target price and Buy rating.

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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

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