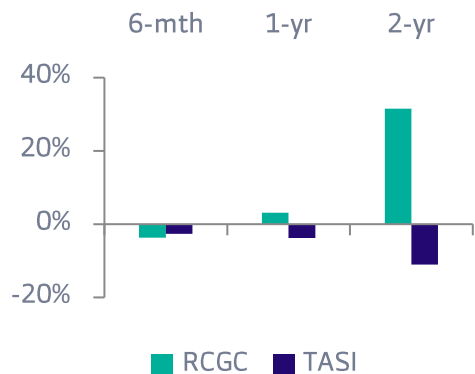


Market Data	
52-week high/low	SAR 147.7/106.1
Market Cap	SAR 19,455 mln
Shares Outstanding	150 mln
Free-float	77.4%
12-month ADTV	207,015
Bloomberg Code	RIYADHCA AB



Revenues Jump, Opex Falls

May 06, 2026

Upside to Target Price 4.1%
 Expected Dividend Yield 3.5%
 Expected Total Return 7.6%

Rating Neutral
 Last Price SAR 129.70
 12-mth target SAR 135.00

Riyadh Cables	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	2,768	2,489	11%	2,738	1%	2,694
Gross Profit	431	427	1%	416	3%	436
Gross Margins	16%	17%		16%		16%
Operating Profit	327	293	12%	317	3%	303
Net Profit	282	256	10%	263	7%	261

(All figures are in SAR mln)

- Riyadh Cables topline grew by +11% Y/Y and +1% Q/Q to SAR 2.8 bln in 1Q2026, close to our forecast of SAR 2.7 bln. We expect volumes to have witnessed a decent growth in 1Q2026 with a utilization rate in excess of 95%.
- We believe the Aluminum to Copper mix to have been similar in 1Q2026 versus 4Q2025.
- Gross margins contracted by 160 bps Y/Y to 15.6% but expanded by 30 bps as compared to the gross margins recorded in 4Q2025. The Y/Y decline in margins is likely due to a change in product mix versus a more consistent product mix Q/Q. Gross profit came in at SAR 431 mln (+1% Y/Y, +3% Q/Q) in line with our SAR 436 mln forecast. Total operating expenses were kept in check at SAR 103 mln, leading to a higher +12% Y/Y growth in operating profit to SAR 327 mln. We expect lower impairment losses in 1Q2026 versus the SAR 59 mln recorded in 1Q2025 to have driven the Y/Y decline in operating expenses.
- Net profit at SAR 282 mln (+10% Y/Y, +7% Q/Q) beat market consensus as well as our SAR 261 mln forecast largely on better operating efficiencies.
- The stock has run up by +12% since our last report on 25th March, outperformed the TASI and now trades close to our SAR 135.00 target price. Although we maintain our long-term positive view on Riyadh Cables, we downgrade the rating to Neutral on stock price performance.

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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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