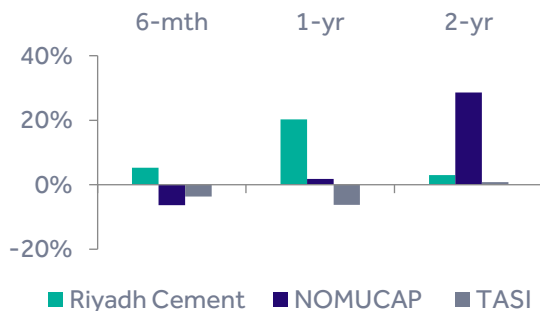


Market Data	
52-week high/low	SAR 37.30/22.64
Market Cap	SAR 3,984 mln
Shares Outstanding	120 mln
Free-float	63.12%
12-month ADTV	340,174
Bloomberg Code	SAWCEM AB



Strong Demand, Cost Pressures Linger

May 13, 2025

Upside to Target Price 5.4%
 Expected Dividend Yield 5.7%
 Expected Total Return 11.1%

Rating Neutral
 Last Price SAR 33.20
 12-mth target SAR 35.00

Riyadh Cement	1Q2025	1Q2024	Y/Y	4Q2024	Q/Q	RC Estimate
Sales	225	189	19%	234	(4%)	215
Gross Profit	86	77	12%	89	(3%)	91
Gross Margins	38%	41%		38%		42%
Operating Profit	77	68	13%	81	(6%)	83
Net Profit	76	70	8%	81	(7%)	79

(All figures are in SAR mln)

- Riyadh Cement reported 1Q revenues of SAR 225 mln (+19% Y/Y, -4% Q/Q), slightly above our SAR 215 mln estimate on better-than-expected sales volumes. Y/Y growth was due to a robust growth in sales volumes, driven by stronger demand, coupled with improved average selling prices, while Q/Q decline reflected typical seasonality impacting volumes. Sales volumes rose +15.3% Y/Y to 904k tons but declined -3.9% Q/Q, ahead of our 875k tons estimate. Average prices improved +3.4% Y/Y and remained flat Q/Q at SAR 249/ton, in line with estimates.
- Cost per ton remained elevated at 154 SAR/ton on higher fuel costs, up +7.8% Y/Y and flat Q/Q, and above our 142 SAR/ton estimate. This led to a gross margin contraction of -252 bps Y/Y, flat Q/Q, to 38.1%, missing our 42.3% estimate. Although 4Q2024 cost per ton was inflated by a SAR 12.7 mln low-quality white clinker write-off, cost per ton remained unchanged in 1Q2025, reflecting continued cost headwinds beyond one-off impacts. OPEX were stable at SAR 9.0 mln, in-line with our SAR 8.5 mln estimate. Operating margin came in at 34.1%, compared to 35.9% last year and 34.8% last quarter.
- Net profit for the quarter of SAR 76 mln (+8% Y/Y, -7% Q/Q), came in line with both market consensus of SAR 77 mln and our SAR 79 mln estimate. We maintain our target price and Neutral 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
For any feedback on our reports, please contact research@riyadcapital.com

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