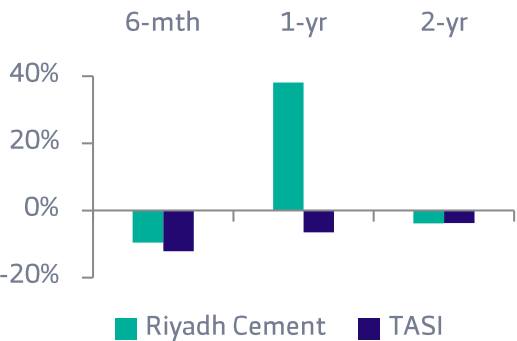


Market Data	
52-week high/low	SAR 37.30/22.68
Market Cap	SAR 3,876 mln
Shares Outstanding	120 mln
Free-float	63.10%
12-month ADTV	330,369
Bloomberg Code	SAWCEM AB



■ Cost Pressures Linger; Earnings In Line

August 06, 2025

Upside to Target Price2.2%

Expected Dividend Yield5.9%

Expected Total Return8.0%

Rating

Last Price

12-mth target

Neutral

SAR 32.30

SAR 33.00

Riyadh Cement	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	191	164	17%	225	(15%)	198
Gross Profit	69	79	(13%)	86	(20%)	74
Gross Margins	36%	48%		38%		37%
Operating Profit	60	69	(13%)	77	(22%)	64
Net Profit	57	64	(11%)	76	(24%)	62

(All figures are in SAR mln)

- Riyadh Cement reported 2Q revenues of SAR 191 mln (+17% Y/Y, -15% Q/Q), in line with our SAR 198 mln estimate. Y/Y growth was driven by strong demand, which supported higher sales volumes, coupled with improved average selling prices (ASP). Q/Q decline was dragged by lower ASP and volumes. Sales volumes rose +11.4% Y/Y to 791k tons, but declined -12.3% Q/Q, slightly below our 832k tons estimate. ASP came in at SAR 241/ton (+4.7% Y/Y, -3.1% Q/Q), in line with estimates.
- Cost per ton remained elevated at SAR 154/ton, unchanged for the third consecutive quarter, reflecting sustained pressure from higher fuel costs, up +30.0% Y/Y and flat Q/Q, and above our SAR 149/ton estimate. This led to a significant drop in gross margin Y/Y to 36.0%, down from 48.5% last year (on higher cost per ton) and from 38.1% last quarter (on lower pricing), and came in below our 37.3% estimate. OPEX remained stable at SAR 8.9 mln, in line with estimates. Operating margin stood at 31.4%, compared to 42.3% last year and 34.1% last quarter, also in line with estimates.
- Net profit for the quarter of SAR 57 mln (-11% Y/Y, -24% Q/Q), came in line with both market consensus of SAR 63 mln and our SAR 62 mln estimate. Y/Y decline was primarily due to higher cost per ton, while Q/Q drop reflected the softer topline. The company announced a SAR 1.00 DPS for 1H2025. We maintain a Neutral stance, and trim our target price from SAR 35.00 to SAR 33.00 per share.

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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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