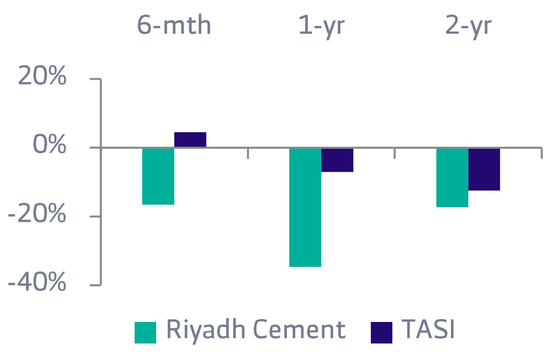
Prices Recover, Earnings Beat

March 09, 2026

Upside to Target Price	5.7%	Rating	Neutral
Expected Dividend Yield	5.5%	Last Price	SAR 23.66
Expected Total Return	11.2%	12-mth target	SAR 25.00

Market Data	
52-week high/low	SAR 37.25/22.10
Market Cap	SAR 2,839 mln
Shares Outstanding	120 mln
Free-float	63.08%
12-month ADTV	231,557
Bloomberg Code	SAWCEM AB



Riyadh Cement	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	223	234	(5%)	149	50%	200
Gross Profit	73	89	(17%)	30	148%	48
Gross Margins	33%	38%		20%		24%
Operating Profit	64	83	(22%)	15	328%	40
Net Profit	60	81	(26%)	15	306%	39

(All figures are in SAR mln)

- Riyadh Cement reported 4Q revenues of SAR 223 mln (-5% Y/Y, +50% Q/Q), above our SAR 200 mln estimate driven by higher-than-expected prices. Y/Y decline reflected lower prices despite volume growth, while the sharp Q/Q increase was supported by both higher prices and volumes. Grey cement sales reached SAR 182 mln (-3% Y/Y, +68% Q/Q), above our SAR 156 mln estimate, while white cement sales declined to SAR 41 mln (-12% Y/Y, +1% Q/Q), slightly below our SAR 44 mln estimate. Average selling prices (ASP) improved sequentially to SAR 221/ton (-11% Y/Y, +18% Q/Q), driven by higher grey cement prices of SAR 181/ton (-9% Y/Y, +33% Q/Q), with both coming in above estimates. Sales volume increased to 1,006k tons (+7% Y/Y, +27% Q/Q), in line with estimates. FY2025 topline was flat Y/Y at SAR 788 mln, with +6% higher volumes and -6% lower ASP.
- Cost per ton edged down to SAR 148/ton (-4% Y/Y, -1% Q/Q), likely on higher production activity, and came in line with estimates. As a result, profitability margins contracted Y/Y but improved sharply Q/Q on prices movements. Gross margin came in at 33%, compared to 38% last year and 20% last quarter, above our 24% estimate.
- Net profit stood at SAR 60 mln (-26% Y/Y, +306% Q/Q), above market consensus of SAR 37 mln and our SAR 39 mln estimate. Y/Y decline was driven by lower pricing and higher fuel costs, while the Q/Q jump reflected stronger pricing. For FY2025, profits dropped by -33% to SAR 208 mln, as margin compression and higher fuel costs weighed. Early 2026, the company announced a notice of higher fuel prices. We tweak our target price to SAR 25.00 from SAR 28.00, and downgrade our rating to Neutral.

Abdulrahman M Barghouth
abdulrahman.barghouth@riyadcapital.com
+966-11-203-6815

الرياض المالية
Riyad Capital

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

الرياض المالية
Riyad Capital