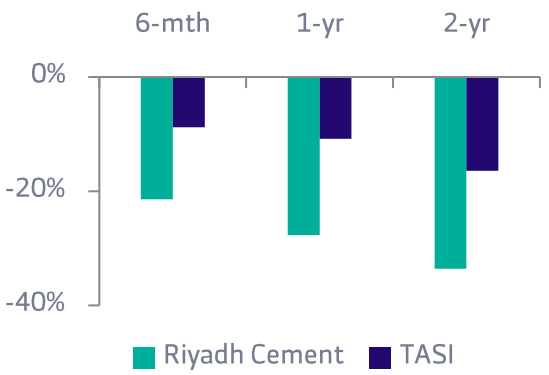
Low Base Drives Y/Y Recovery

November 8, 2026

Upside to Target Price	7.2%	Rating	Neutral
Expected Dividend Yield	7.0%	Last Price	SAR 18.66
Expected Total Return	14.1%	12-mth target	SAR 20.00

Market Data	
52-week high/low	SAR 25.88/18.00
Market Cap	SAR 2,239 mln
Shares Outstanding	120 mln
Free-float	63.04%
12-month ADTV	165,650
Bloomberg Code	SAWCEM AB



Riyadh Cement	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	169	149	13%	193	(12%)	169
Gross Profit	41	30	37%	58	(29%)	31
Gross Margins	24%	20%		30%		18%
Operating Profit	29	15	93%	49	(41%)	22
Net Profit	26	15	73%	50	(48%)	21

(All figures are in SAR mln)

- Riyadh Cement reported 3Q2026 revenues of SAR 169 mln (+13% Y/Y, -12% Q/Q), in line with our SAR 169 mln estimate. Y/Y growth was supported by higher volumes of both grey and white cement and higher grey cement prices, despite lower white cement prices, while the Q/Q decline reflected lower selling prices for both grey and white cement, despite higher volumes. Grey cement sales rose to SAR 125 mln (+15% Y/Y, -13% Q/Q), while white cement sales reached SAR 44 mln (+9% Y/Y, -13% Q/Q). ASP came in at SAR 202/ton (+8% Y/Y, -16% Q/Q), in line with our SAR 202/ton estimate. Grey cement volumes increased to 838k tons (+5% Y/Y, +4% Q/Q), in line with estimates. 9M2026 revenue was broadly flat (-0.5% Y/Y) at SAR 562 mln, as lower grey cement volumes and prices offset higher white cement volumes and prices.
- Cost per ton eased to SAR 153/ton (+2% Y/Y, -8% Q/Q), well below our SAR 165/ton estimate, bringing cost of sales to SAR 128 mln (+8% Y/Y, -5% Q/Q), despite continued fuel cost pressure. As a result, gross margin recovered to 24.5% from a low of 20.0% last year, though it remained below 30.2% last quarter, above our 18.3% estimate. Gross profit rose +39% Y/Y to SAR 41 mln (-29% Q/Q), exceeding our SAR 31 mln estimate. OPEX came in at SAR 12 mln (vs. SAR 15 mln last year and SAR 9 mln last quarter), slightly above our SAR 9 mln estimate. Operating margin improved to 17.3% from 10.1% last year, but fell from 25.5% last quarter, above our 13.2% estimate.
- Net profit came in at SAR 26 mln (+78% Y/Y, -47% Q/Q), broadly in line with market consensus of SAR 29 mln and our SAR 21 mln estimate. Y/Y earnings growth was driven by higher grey cement prices and higher overall volumes, against a weak 3Q2025 base, despite higher fuel costs, while the Q/Q decline reflected lower revenue. 9M2026 earnings declined -8% to SAR 136 mln, on softer topline and higher fuel costs. We maintain a Neutral rating and trim our target price to SAR 20.00 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

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