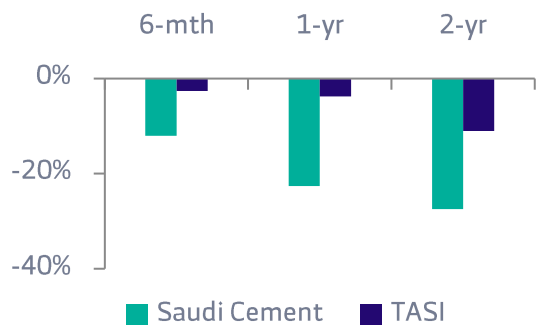


Market Data	
52-week high/low	SAR 42.60/29.74
Market Cap	SAR 5,058 mln
Shares Outstanding	153 mln
Free-float	42.7%
12-month ADTV	160,313
Bloomberg Code	SACCO AB



Volume Weakness Overshadows Price Recovery

May 06, 2026

Upside to Target Price	2.8%	Rating	Neutral
Expected Dividend Yield	5.1%	Last Price	SAR 33.06
Expected Total Return	8.0%	12-mth target	SAR 34.00

Saudi Cement	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	383	418	(8%)	458	(16%)	335
Gross Profit	157	173	(9%)	168	(7%)	114
Gross Margins	41%	41%		37%		34%
Operating Profit	109	117	(7%)	116	(6%)	60
Net Profit	100	109	(8%)	107	(6%)	51

(All figures are in SAR mln)

- Saudi Cement reported 1Q sales of SAR 383 mln (-8% Y/Y, -16% Q/Q), above our SAR 335 mln estimate due to higher-than-expected prices. Sales declined as a result of volume weakness, despite the price recovery. Total sales volumes (cement and clinker) dipped to 1.84 mln tons (-12% Y/Y, -27% Q/Q), driven by lower local demand of 1.63 mln tons (-3% Y/Y, -24% Q/Q) and sharply lower exports of 0.22 mln tons (-49% Y/Y, -45% Q/Q), in line with estimates. However, blended average selling price (ASP) improved to SAR 208/ton (+4% Y/Y, +14% Q/Q), well above our SAR 182/ton forecast.
- Cost per ton for the quarter increased to SAR 123/ton (+5% Y/Y, +7% Q/Q), in line with our SAR 120/ton estimate. Gross margin stood at 40.9%, compared to 41.3% last year and 36.6% last quarter, coming in above our 34.0% estimate. OPEX came in slightly lower-than-expected at SAR 48 mln, compared to SAR 56 mln last year and SAR 52 mln last quarter. As a result, operating margin improved marginally to 28.4%, compared to 28.0% last year and 25.3% last quarter, above our estimate.
- Bottomline of SAR 100 mln (-8% Y/Y, -6% Q/Q) was above both market consensus of SAR 70 mln and our SAR 51 mln estimate. Earnings decline was driven by softer sales volume, as well as a lower share of profit from associate, despite lower finance costs and higher other income. We maintain our target price and a Neutral rating.

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

■ 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

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.