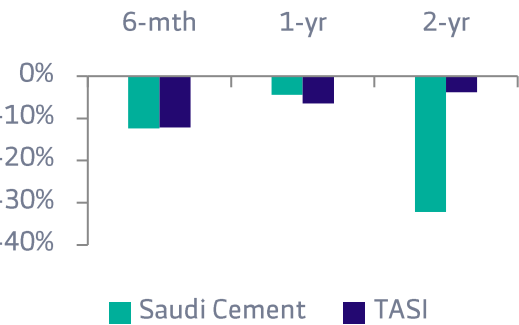


Market Data	
52-week high/low	SAR 46.70/37.95
Market Cap	SAR 5,924 mln
Shares Outstanding	153 mln
Free-float	95.0%
12-month ADTV	190,259
Bloomberg Code	SACCO AB



Volumes Support, and Pricing Weigh on Margins

August 06, 2025

Upside to Target Price5.9%

Expected Dividend Yield5.8%

Expected Total Return11.7%

RatingLast Price12-mth target

NeutralSAR 38.72SAR 41.00

Saudi Cement	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	432	378	14%	418	3%	447
Gross Profit	155	144	8%	173	(10%)	183
Gross Margins	36%	38%		41%		41%
Operating Profit	105	97	8%	117	(10%)	123
Net Profit	96	87	9%	109	(12%)	118

(All figures are in SAR mln)

- Saudi Cement reported 2Q sales of SAR 432 mln (+14% Y/Y, +3% Q/Q), in line with our SAR 447 mln estimate. Y/Y growth was driven by higher local sales volumes due to stronger demand, while Q/Q increase was supported by higher clinker exports. Total sales volumes (cement and clinker combined) rose +16.0% Y/Y and +7.9% Q/Q to 2.26 mln tons, closely matching our 2.23 mln tons estimate. The blended average selling price (ASP) came in below expectations at SAR 191/ton (-1.6% Y/Y, -4.4% Q/Q), impacted by lower local pricing, and below our SAR 201/ton estimate.
- Cost per ton for the quarter stood at SAR 122/ton, up +1.8% Y/Y and +4.3% Q/Q, in line with estimates. As a result of the lower ASP, gross margin contracted to 35.9%, a 3-year low, down from 38.1% last year and 41.3% last quarter, and below our 41.0% estimate. OPEX was relatively neutral at SAR 50 mln, between SAR 47 mln last year and SAR 56 mln last quarter, better than estimates. Margin pressure continued to the operating level, with operating margin at 24.3%, down from 25.7% last year and 28.0% last quarter, also below estimates.
- Bottomline came in at SAR 96 mln (+9% Y/Y, -12% Q/Q), slightly below market consensus of SAR 103 mln and well below our SAR 118 mln estimate. Y/Y growth was driven by higher topline, while Q/Q decline reflected weaker margins. We maintain a Neutral stance, and revise our target price from SAR 44.00 to SAR 41.00 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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