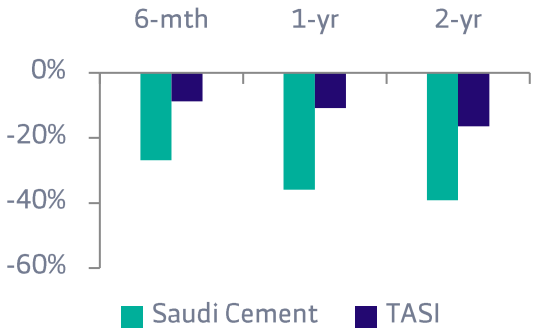
Local Strength Drives Earnings Beat

November 5, 2026

Upside to Target Price	7.6%	Rating	Neutral
Expected Dividend Yield	7.0%	Last Price	SAR 24.17
Expected Total Return	14.6%	12-mth target	SAR 26.00

Market Data	
52-week high/low	SAR 37.80/23.84
Market Cap	SAR 3,698 mln
Shares Outstanding	153 mln
Free-float	37.7%
12-month ADTV	155,465
Bloomberg Code	SACCO AB



Saudi Cement	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	378	364	4%	435	(13%)	360
Gross Profit	127	108	17%	169	(25%)	93
Gross Margins	33%	30%		39%		26%
Operating Profit	81	65	25%	111	(27%)	42
Net Profit	71	53	34%	102	(30%)	32

(All figures are in SAR mln)

- Saudi Cement reported 3Q sales of SAR 378 mln (+4% Y/Y, -13% Q/Q), broadly in line with our SAR 360 mln estimate. Blended ASP rose to SAR 186/ton (+10% Y/Y, -6% Q/Q), driven by higher prices and a higher share of local cement in the sales mix, above our SAR 177/ton estimate. Local cement volumes rose to 1.58 mln tons (+9% Y/Y, +4% Q/Q), while export volumes (cement and clinker) dropped to 0.46 mln tons (-35% Y/Y, -33% Q/Q), in line with estimates. As a result, total volumes declined to 2.04 mln tons (-5% Y/Y, -8% Q/Q). The Q/Q decline in sales reflected both lower total volumes and lower ASP. 9M2026 sales slipped -1% to SAR 1.20 bln, as -6% lower volumes on weaker exports offset +5% higher blended ASP.
- Cost per ton came in at SAR 124/ton (+4% Y/Y, +2% Q/Q), better than our SAR 131/ton estimate. Gross margin improved to 33.5%, compared to 29.7% last year but down from 38.8% last quarter, well above our 25.9% estimate. As a result, gross profit rose +17% Y/Y to SAR 127 mln (-25% Q/Q), exceeding our SAR 93 mln estimate. OPEX increased to SAR 46 mln (+6% Y/Y, -20% Q/Q), on higher G&A expenses and lower other income Y/Y, below our SAR 51 mln estimate. Operating margin stood at 21.3%, up from 17.8% last year but down from 25.5% last quarter, well above our 11.6% estimate.
- Bottomline came in at SAR 71 mln (+34% Y/Y, -30% Q/Q), beating both market consensus of SAR 59 mln and our SAR 32 mln estimate. Y/Y earnings growth was driven by higher prices and local volumes, while Q/Q decline reflected lower volumes and prices. 9M2026 profits increased +6% to SAR 274 mln, supported by higher prices and lower costs despite softer sales. We trim our target price to SAR 26.00 per share, reflecting a more cautious outlook on export volumes, and maintain our Neutral rating.

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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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