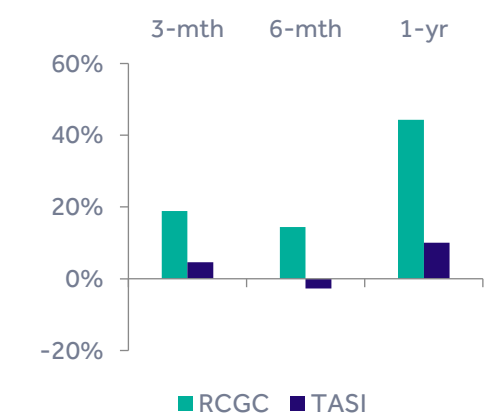


Market Data	
52-week high/low	SAR 122.0/70.7
Market Cap	SAR 16,410 mln
Shares Outstanding	150 mln
Free-float	70.8 %
12-month ADTV	316,137
Bloomberg Code	RIYADHCA AB



■ Revenue and Profitability Surges

November 05, 2024

Upside to Target Price	10.6%	Rating	Neutral
Expected Dividend Yield	2.7%	Last Price	SAR 109.40
Expected Total Return	13.3%	12-mth target	SAR 121.00

Riyadh Cables	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Sales	2,433	2,081	17%	2,046	19%	2,169
Gross Profit	401	279	44%	270	49%	297
Gross Margins	16%	13%		13%		14%
Operating Profit	280	164	71%	201	40%	223
Net Profit	235	133	77%	159	47%	181

(All figures are in SAR mln)

- Riyadh Cables posted brilliant results with a record topline above SAR 2.4 bln (+17% Y/Y, +19% Q/Q) and comfortably above our SAR 2.2 bln estimate on the back of strong volumes. Sales volume inclined by +2% Y/Y for 9M2024 to 170k tons with a 92% utilization rate while volumes were up +12% Q/Q to 58k tons in 3Q. Both the local and export demand was strong in addition to postponed volumes from 2Q, but volumes from local utilizes were lower.
- The proportion of aluminum products declined further to 35% in 3Q from 40% in 2Q due to the slowdown in utilities.
- After a slight contraction in 2Q, gross margins widened to 16.5% in 3Q versus 13.2% in 2Q and 13.4% last year. While we were expecting better margins, we had penciled in almost 14% gross margins, our expectations were exceeded. Gross profit per ton is up +26% Y/Y in 9M2024 to elevated levels of SAR 5,387 on better efficiencies and high demand on transmission products, which is likely to be sustained in the final quarter.
- Net profit surged to SAR 235 mln (up +77% Y/Y, +47% Q/Q) beating both our SAR 181 mln estimate and SAR 177 mln market consensus on strong volumes and margins in the quarter.
- Backlog is at SAR 4.9 bln, slightly lower than SAR 5.2 bln in 1H2024, due partially to seasonality. Given 3Q and upgraded guidance from management, we raise our target price to SAR 121.00 but maintain a Neutral rating.

Muhammad Faisal Potrik
muhammed.faisal@riyadcapital.com
+966-11-203-6807

■ 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 SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

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.