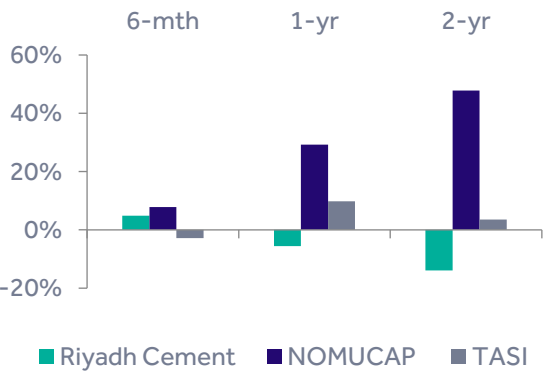


Market Data	
52-week high/low	SAR 38.25/22.64
Market Cap	SAR 3,474 mln
Shares Outstanding	120 mln
Free-float	63.09%
12-month ADTV	246,289
Bloomberg Code	SAWCEM AB



■ Topline and Profits Surge

November 07, 2024

Upside to Target Price	10.5%	Rating	Buy
Expected Dividend Yield	5.4%	Last Price	SAR 28.95
Expected Total Return	15.9%	12-mth target	SAR 32.00

Riyadh Cement	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Sales	203	127	60%	164	24%	204
Gross Profit	84	30	181%	79	6%	97
Gross Margins	41%	23%		48%		48%
Operating Profit	75	21	251%	69	8%	86
Net Profit	95	19	406%	64	47%	83

(All figures are in SAR mln)

- Riyadh Cement reported SAR 203 mln in revenues, up +60% Y/Y and +24% Q/Q, matching our SAR 204 mln estimate. The company recorded 852k tons in grey cement sales volume, up +7.2% Y/Y and +20.0% Q/Q, matching our 850k tons forecast. Blended average selling prices (ASP) also increased sequentially by +3.4% to SAR 238 per ton, also matching our SAR 239 per ton forecast. The annual growth is mainly due to higher ASP, while sequential growth is from volume sales. Furthermore, 9M2024 topline and bottomline showed strong performance, up by +17.7% and +57.6%, respectively.
- Gross margin was lower than our estimate, but rose to 41.3% compared to 23.5% last year (likely on higher ASP) and decline from 48.5% last quarter, on higher cost per ton at SAR 140 versus SAR 119 last quarter.
- This quarter's OPEX remained stable at SAR 9 mln, compared to both comparable periods. Operating margin came in at 36.8% versus 16.7% last year and 42.3% last quarter.
- Net profit surged by +406% Y/Y and +47% Q/Q to SAR 95 mln, driven by higher revenues coupled with a SAR 25 mln withholding tax reversal. As a result, net margin was higher than operating margin at 46.6%. Bottomline came in higher than both our SAR 83 mln estimate and SAR 81 mln market consensus. We maintain our target price 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

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