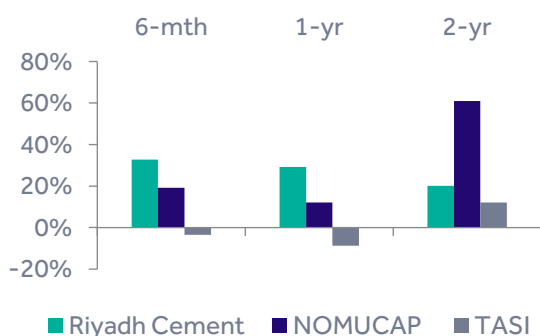


Market Data	
52-week high/low	SAR 37.30/22.64
Market Cap	SAR 4,398 mln
Shares Outstanding	120 mln
Free-float	63.13%
12-month ADTV	329,012
Bloomberg Code	SAWCEM AB



■ Topline Flourishes, Costs Drag

March 23, 2025

Upside to Target Price	(4.5%)	Rating	Neutral
Expected Dividend Yield	5.2%	Last Price	SAR 36.65
Expected Total Return	0.7%	12-mth target	SAR 35.00

Riyadh Cement	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	234	171	36%	203	15%	214
Gross Profit	89	55	61%	84	6%	89
Gross Margins	38%	32%		41%		42%
Operating Profit	81	46	77%	75	9%	79
Net Profit	81	43	87%	95	(14%)	76

(All figures are in SAR mln)

- Riyadh Cement reported 4Q2024 revenues of SAR 234 mln, up +36% Y/Y and +15% Q/Q, slightly higher than our SAR 214 mln estimate. This increase was driven by higher average prices, which reached SAR 249/ton (+27% Y/Y, +4% Q/Q), and sales volumes rising to 941k tons (+7% Y/Y, +10% Q/Q), exceeding our SAR 235/ton average price and 911k tons forecast. For the full year, revenues grew 23% to SAR 789 mln due to a +22% increase in average prices to SAR 240/ton.
- Despite higher prices, gross margin for the quarter came in lower than expected at 38%, driven by higher cost per ton, which rose to a concerning level of SAR 154 versus our SAR 137 estimate. The increase in costs was likely due to a SAR 12.7 mln inventory write-off in 4Q related to low-quality white clinker, and excluding this, the cost per ton would have been SAR 141. This quarter's OPEX improved to SAR 7 mln, down from SAR 9 mln in both comparable periods, beating estimates. However, this didn't support the operating margin on a Q/Q basis, which declined to 35% from 37% in last quarter.
- Net profit for the quarter of SAR 81 mln, came in higher than market consensus of SAR 72 mln and our SAR 76 mln estimate. Net profits surged +87% Y/Y but declined -14% Q/Q, as 3Q2024 included a SAR 25 mln withholding tax reversal. Excluding this reversal, the Q/Q decline would instead reflect a +17% Q/Q growth. Net margin matched our estimate at 35%, improving from 25% last year and aligning with a 34% normalized margin last quarter. Full year profits surged +64% to SAR 310 mln, driven by higher revenues, other income, and the SAR 25 mln tax reversal. In January, the company announced a SAR 1.25 DPS for 2H2024, bringing full year DPS to SAR 2.25, an 87% payout, higher than SAR 1.55 DPS in 2023. We increase our target price from SAR 32.00 to SAR 35.00 but downgrade our rating to Neutral, as the stock is trading close to our target.

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 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.