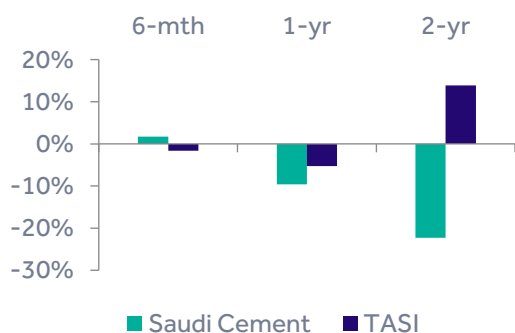


Market Data	
52-week high/low	SAR 48.25/39.65
Market Cap	SAR 6,395 mln
Shares Outstanding	153 mln
Free-float	93.54%
12-month ADTV	157,215
Bloomberg Code	SACCO AB



4Q Volumes Boost Profits

March 06, 2025

Upside to Target Price	0.5%	Rating	Neutral
Expected Dividend Yield	5.4%	Last Price	SAR 41.80
Expected Total Return	5.9%	12-mth target	SAR 42.00

Saudi Cement	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	484	381	27%	387	25%	457
Gross Profit	194	138	41%	154	26%	178
Gross Margins	40%	36%		40%		39%
Operating Profit	162	84	92%	98	65%	118
Net Profit	121	104	16%	100	20%	127

(All figures are in SAR mln)

- Saudi Cement’s 4Q sales were recorded at SAR 484 mln (+27% Y/Y, +25% Q/Q), better than estimates, on higher-than-expected sales volumes. Sales volumes surged by +20.9% Y/Y and +25.1% Q/Q to 2.51 mln tons (for both cement and clinker), better than our 2.35 mln tons estimate. The realized blended average selling prices (ASP) came in flat Q/Q at SAR 193/ton, and up +5.1% Y/Y, in-line with our SAR 195/ton estimate. Full-year topline grew by +14.6% to SAR 1.68 bln on better sales volumes, up +10.2% to 8.63 mln tons, and prices, up +4.1% to 194 SAR/ton.
- Operating leverage improved COGS per ton to 115 SAR/ton, compared with 117 SAR/ton last year and 116 SAR/ton last quarter. This resulted in +28 bps marginally higher gross margin Q/Q to 40.1% vs 39.9% last quarter, and our 38.9% estimate. OPEX significantly declined by -39% Y/Y and -42% Q/Q to SAR 33 mln, lower than our SAR 60 mln estimate likely on a reversal or reclassification to non-operating. Operating margin came in better than estimates at 33.4% versus 22.1% last year and 25.3% last quarter.
- Given the topline growth, the Company recorded SAR 121 mln in 4Q net profit (+16% Y/Y, +20% Q/Q), in-line with our SAR 127 mln estimate but higher than SAR 114 mln market consensus. However, net margin contracted by -96 bps Q/Q to 24.9%, driven by higher other net expenses of SAR (41) mln versus other net income in both comparable periods. The Company announced 2H2024 DPS of SAR 1.50, bringing 2024 DPS to SAR 2.75 at 99.7% payout. We maintain our target price and recommendation.

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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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