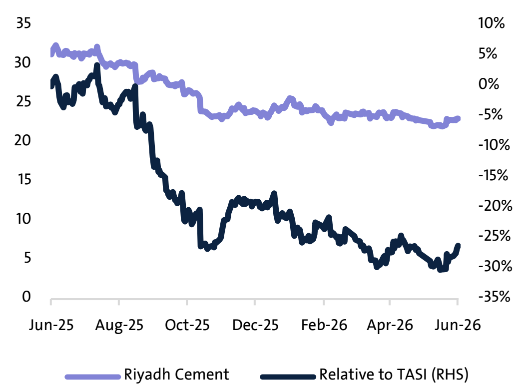
Diversified product mix & cost efficiency initiatives to sustain margins

Recommendation	BUY
Market Price	23.11
Target Price	30.0
Upside/Downside	30%

Stock Data

Market Cap Total/FF (SARmn)	2,772/1,747
Shares Total/FF (mn)	120/47.8
52 Week Hi-Low (SAR)	32.5/22.0
3/6/12 M Volume Traded (mnsh)	0.25/0.27/0.22
3/6/12 M Value Traded (USDmn)	2.0/2.0/1.6
3/6/12 M Relative Performance (%)	-2/-5/-26

Riyadh Cement Stock Price Performance VS TASI



Source: AC

Abdulrahman Yusef Alnafia
Research Analyst (Sell-Side)
aynafia@alinmacapital.com

Muhammad Fawad Khan, CFA
Head of Research (Sell-Side_
mfkqadri@alinmacapital.com

Alinma Capital Company
Al Anoud Tower 2, King Fahad Road,
Riyadh 11544, Kingdom of Saudi
Phone: 011 494 8899
Website: www.alinmacapital.com

Riyadh Cement: Diversified product mix & Cost efficiency initiatives

We initiate coverage on Riyadh Cement Company (RCC), a diversified cement player in the central region of KSA, with a Buy rating and set a DCF-based target price of SAR30. We believe Riyadh Cement maintains a solid investment case, supported by a diversified product portfolio, heightened focus on improving cost efficiency, company's strategic location and potential capacity expansion. RCC is the only stock among its peers, which continues to trade very close to its 52-week low despite having a solid investment case.

Key Reasons for Our Buy Rating

I-Diversified revenue base: RCC benefits from diversified revenue streams across grey and superior-margin white cement. This supports greater flexibility across different market conditions, provides a cushion against occasional volatility in grey cement prices and offers additional growth opportunities beyond the local market.

II-Cost optimization: RCC is set to benefit from a slew of ongoing cost optimization initiatives, which are expected to enhance cost competitiveness, particularly in grey cement, and support margin sustainability in the face of future hikes in energy prices.

III-Location advantage: We believe RCC is strategically positioned to benefit from its factory's location in the central region of Saudi Arabia, where a significant portion of the Kingdom's cement demand and several mega and giga projects are concentrated.

IV-Potential for Expansion and Acquisition: We believe RCC's strong balance sheet and financial flexibility due to healthy FCF generation provide the company with the ability to pursue potential expansion in the near future.

Valuations are wide-open post a steep correction

RCC's valuation is wide open following a 31% correction in the stock price from its 52-week peak. RCC trades at 2026E P/E of 12.6x and EV/EBITDA of 7.8, representing a 8% and 26% discount to its respective averages since listing. A healthy dividend yield of 7.0% remains a key standout feature of Riyadh Cement.

Key Risks

I-Time & cost overruns on key projects for cost saving, II-volatility in grey cement prices, III-future increase in cost of energy input (electricity, gas)

Riyadh Cement: Financial Highlights (SARmn)

Year to Dec	CY25	CY26E	CY27E	CY28E	CY29E	CY30E
Revenues	788	800	842	876	912	950
Growth	-0.2%	1.5%	5.3%	4.1%	4.1%	4.1%
PAT	208	218	229	232	241	250
EPS (SAR)	1.7	1.8	1.9	1.9	2.0	2.1
Growth	-33%	5%	5%	2%	4%	4%
DPS (SAR)	2.3	1.5	1.7	1.7	2.0	2.1
P/E (X)	13.2	12.6	12.0	11.8	11.4	11.0
D/Y (%)	10%	6%	7%	8%	9%	9%
EV/EBITDA	8.3	7.8	7.5	7.2	6.9	6.6
P/BV	1.60	1.56	1.54	1.52	1.52	1.52

Source: Riyadh Cement, AC Estimates

Riyadh Cement Company-Investment Case

We initiate coverage on Riyadh Cement with a Buy rating and set FCFE-based Target Price of SAR 30/share

We initiate coverage on Riyadh Cement Company (RCC), a significant Saudi cement player with over 28 years of operational history, with a Buy rating and a DCF-based target price of SAR30/share. We believe RCC's investment case remains attractive despite a 31% correction in stock from its 52-week high, supported by (i) a diversified product portfolio, (ii) heightened focus on improving cost efficiency, (iii) company's current location advantage and (iv) potential capacity expansion supported by solid financial position and healthy FCF generation.

Key Reasons for our Buy Rating

I. Diversified revenue base

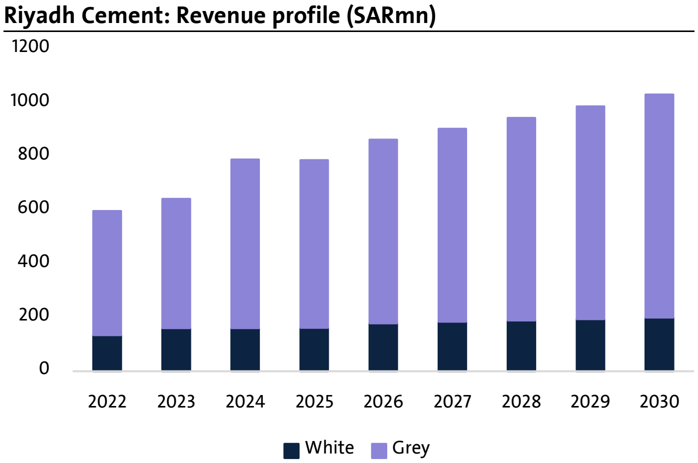
RCC benefits from diversified revenue streams across grey and superior-margin white cement.

RCC benefits from diversified revenue streams across grey and superior-margin white cement. This supports greater flexibility across different market conditions, provide a cushion against occasional volatility in grey cement prices, and support additional growth opportunities beyond the local market and supports margin sustainability.

White cement contributes 21% to RCC's top line but an estimated 30-35% to the company's gross profit. Unlike grey cement where the company is merely a price taker, given the presence of a number of players and the relative size of the company, RCC enjoys greater pricing dynamics in white cement with a dominant market position (50-55% market share in 2025 according to RCC) in a segment with limited number of players, high utilization of the company's white cement plant and export opportunities. White cement remains the primary contributor to export sales, with white cement revenue expected to increase from SAR 162mn in 2025 to SAR 187mn by 2030.

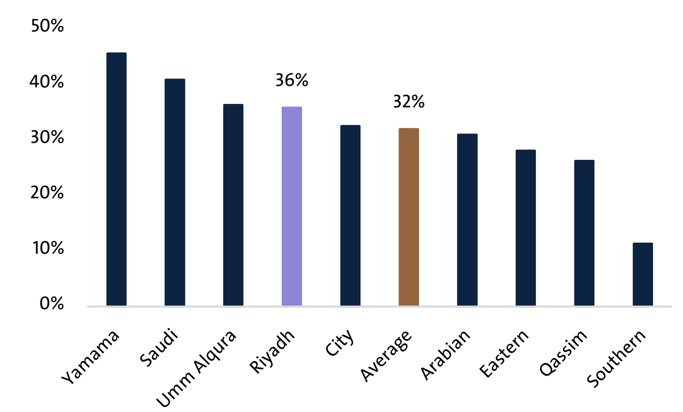
In grey cement, RCC's initiative to continue optimizing the production from its existing cement plants (better energy efficiency, replacement of parts, use of technology for optimizing maintenance schedule), coupled with inventory drawdowns, will likely allow the company to lift its sales volume by 3-4% from its existing capacities. Overall, we expect RCC's revenue is poised to grow at a CAGR of 4% over 2026–2030. We expect

Riyadh Cement: Revenue profile (SARmn)



Source: AC

Riyadh Cement: Gross margins across the cement firms (1Q2026)



Source: Company Reports, AC

grey cement revenue to increase from SAR625mn in 2025 to SAR772mn by 2030, supported by higher sales volumes, and relatively stable prices.

II. Cost optimization initiatives to support margin in medium-term

Riyadh Cement is expected to benefit from ongoing cost optimization initiatives.

RCC is expected to benefit from ongoing cost optimization initiatives, mainly through the transition from HSFO (High Sulfur Fuel Oil) to gas-powered kilns, the Waste Heat Recovery (WHR) project, and connection to the electricity grid. These initiatives are expected to minimize fuel and electricity costs, improve energy efficiency, and support margin improvement over the medium term.

Waste Heat Recovery (WHR)

RCC has already started trial production from its 12.6 MW WHR plant. With an estimated capex of SAR 130.5mn, the WHR could potentially replace 20-30% of the plant's electricity demand, directly reducing the monthly energy bill. Beyond energy savings, WHR lowers carbon emissions, supports Saudi Vision 2030 sustainability targets, and shields operations from future grid tariff increases, in our view. RCC has installed WHR only on cement lines used for grey cement production. We believe the possibility of installing WHR on the remaining uncovered line remains high in future, which can entail further cost saving estimated at SAR3-6mn, subject to conversion to gas and unit cost of gas.

Electrical Grid

Another important energy cost-saving initiative is switching to a dedicated electrical grid connection to power RCC plants, instead of relying on Heavy Fuel Oil (HFO) generators. Grid electricity offers a significantly lower cost per kWh compared to HFO self-generation, which carries high fuel, maintenance, and emissions-compliance expenses. At current HSFO prices and industrial tariff of electricity, we estimate cost saving of SAR120-160mn annually from the switch, assuming no change in grid prices. The estimated capital expenditure for the project is SAR85mn. RCC has already awarded the project to Chengdu Design & Research Institute and expects to complete the project by late 2026.

Natural Gas Conversion

RCC is also seeking to convert its liquid fuel usage to lower-cost natural gas to optimize kiln operating costs, with an estimated capex of SAR 59.4mn and delivery date of early 2027. The upcoming conversion to natural gas at Riyadh Cement will deliver significant cost optimization across kiln operations in the near future. We estimate cost saving of SAR16-22mn annually from the switch. Natural gas offers a lower cost per thermal unit compared to Heavy Fuel Oil.

Solar energy

Another clean energy initiative RCC has come up with is installation of solar power with gross capacity of 30 MW. The project is targeted under Power Purchase Agreement (PPA) mode. We have not incorporated the project due to lack of details on the project.

III. The strategic location as part of the investment case

Riyadh Cement's strategic location and exposure to major project remain a strong competitive advantage over its peers

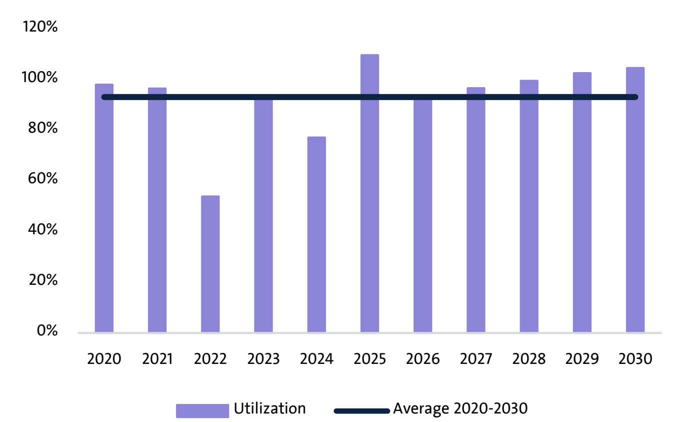
Riyadh Cement's strategic location and exposure to major project remain a strong competitive advantage over its peers. The proximity to high-demand center ensures consistent above-peer capacity utilization of the plant, lower transportation costs, and faster delivery times. Riyadh Cement is active across 29 projects in Riyadh spanning cultural landmarks, entertainment districts, housing programs, transport corridors, and sports venues. The portfolio is staggered across execution, excavation, and design phases, providing multi-year demand visibility. The 10 most prominent projects are highlighted below.

Riyadh Cement: Top 10 Key Projects in the central region

Project names:	Project Cost (SARbn)
Diriyah Gate	236
King Salman Park	64
Qiddiya City	150
Sports Boulevard	86
New Murabba / Mukaab	188
King Salman International Airport	113
FIFA 2034 Stadiums	68
Riyadh Metro Line 7	13
MiSK City	20
Al Fursan Suburb	75

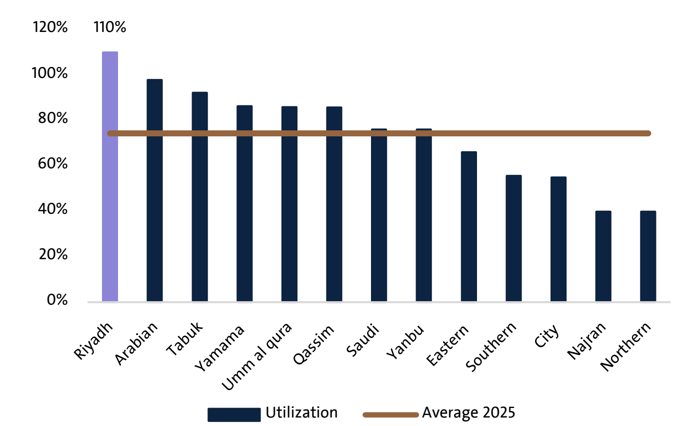
Source: Riyadh Cement, AC Estimates

Riyadh Cement: Utilization levels expected to remain elevated



Source: AC

Riyadh Cement: Utilization of peers (2025)



Source: Company Reports, AC

IV. Potential for Expansion and Acquisition

We believe Riyadh Cement is well-positioned for future expansion

With solid financial position, company's current level of utilization of two grey cement lines, and expected demand growth, particularly in the central region, we believe Riyadh Cement is well-positioned for future expansion. Completion of ongoing initiative on optimizing its energy consumption, switch to more feasible energy source, and reduction in the company's carbon footprint, coupled with sustained elevated utilization on its existing line make for a strong case for capacity expansion in grey line, in our view.

Riyadh Cement: Summary of Production Capacity (in 000 tons):

	Type	Capacity*	Capacity**
Line 1	Grey/White	1.7	0.66
Line 2	Grey	1.7	1.70
Line 3	White	0.32	0.32
Total		3.72	2.68

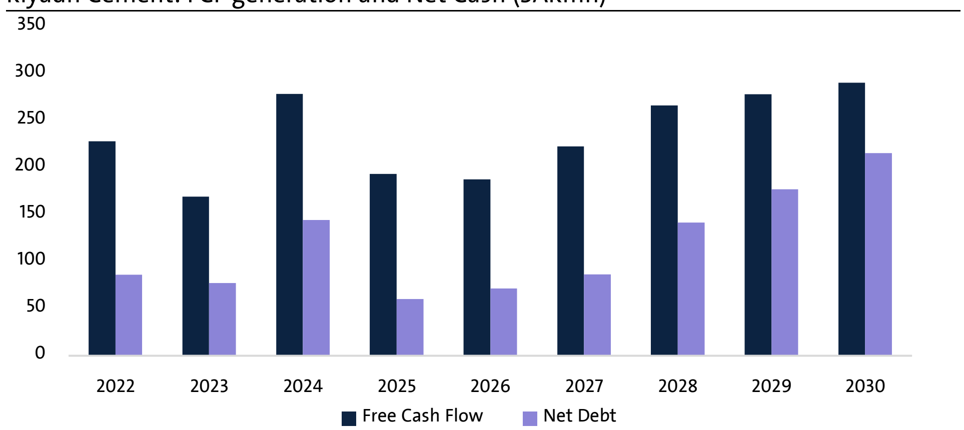
Source: Riyadh Cement , AC

(*) assumes Line 1 is fully utilized for grey clinker production, with no white clinker production from the dual-process line, resulting in total clinker capacity of 3.72mn tons annually.

(**) assumes Line 1 is fully utilized for white clinker production, with no grey clinker production from the dual-process line, resulting in total white clinker capacity of 2.68mn tons annually.

The current production capacity and expected FCF generation provides the company with a strong base to support future growth opportunities. The estimated capex for future expansion may range between SAR 0.95–1.2bn, depending on the size of the expansion. RCC can meet the funding requirement for expansion from its own resources (re-leveraging balance sheet and FCF generation).

Riyadh Cement: FCF generation and Net Cash (SARmn)



Source: Riyadh Cement, ACC Estimates

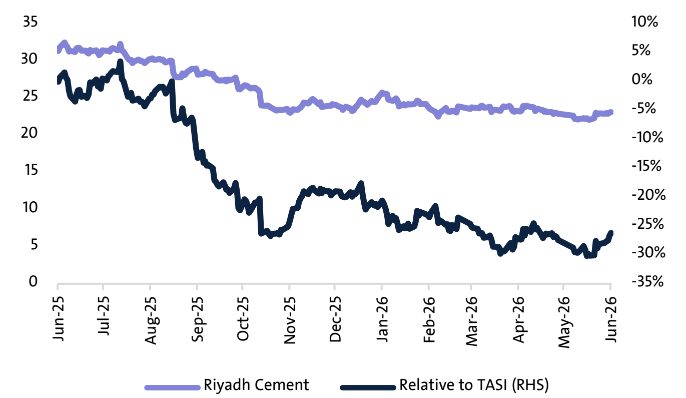
V. Valuations are wide open post a steep correction

In our view, Riyadh Cement's valuation appears attractive following a 31% share price correction from its 52- week high. The recent underperformance of RCC's stock coincided with intensified pricing competition among cement producers in 2Q2025, unlike the recovery in stock prices from 52-week lows observed among other listed players, from the central region, RCC's stock price continues to trade close to its 52-week low.

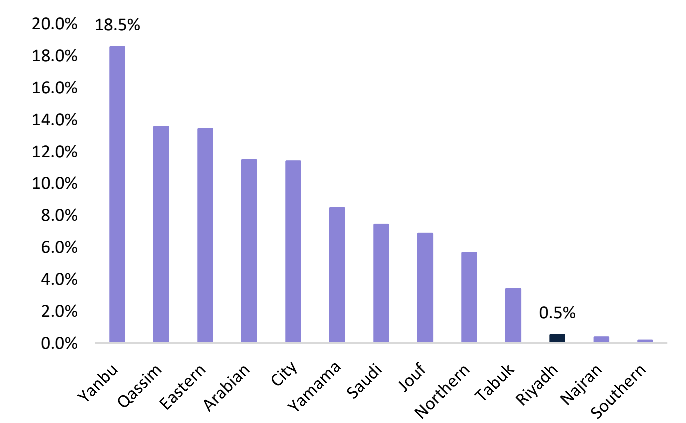
We highlight four key factors:

- Riyadh Cement currently trades at 2026E EV/EBITDA of 7.8x, down from its average of 10.6x since listing.
- Riyadh Cement currently trades at P/BV of 1.7x, down from its average of 2.2x since.
- In terms of relative valuation, Riyadh Cement's P/E and EV/EBITDA trades at 20% and 4% discounts to peers
- A healthy dividend yield of 7.0% is a key standout feature for Riyadh Cement among its peers. We believe RCC can sustain high payout ratio.

Riyadh Cement Stock Price Performance vs TASI

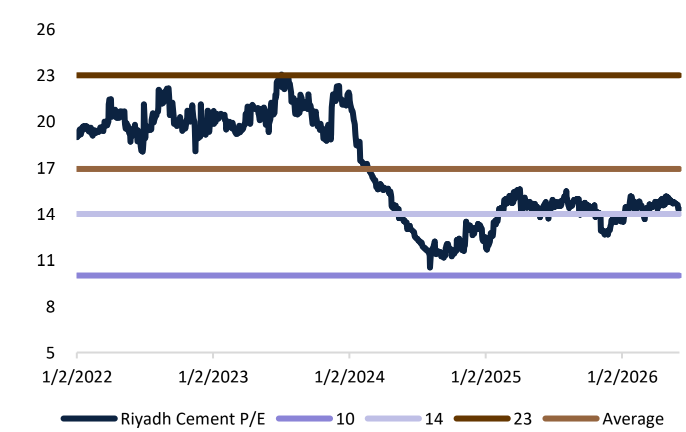


Riyadh Cement still trades close to its 52-week low



Riyadh Cement's EV/EBITDA is at 26% discount to historical average

Riyadh Cement's P/E is at 8% discount to historical average



Source: Bloomberg, AC

Source: Company Accounts, Yamama, Bloomberg, AC

Key catalysts to track

We identify several project-related catalysts for Riyadh Cement, which can unlock the valuation discount in the stock price:

- Completion of the trial phase of the Waste Heat Recovery (WHR) project, which should support energy cost savings and efficiency improvements
- Progress on grid connectivity, potentially reducing energy costs and improving operational reliability
- Progress on gas conversion initiatives, which could lower fuel costs and improve margins
- Potential merger & acquisition activities, which could strengthen market positioning and create synergies

Valuation

We arrive at a valuation of ~SAR30/sh for Riyadh Cement based on FCFE by using a COE of 9.1% and a terminal growth rate of 2%

We have elected to use Free Cash Flow to Equity (FCFE) as a benchmark valuation method for RCC. Given the company's current capital structure, and the nature of business make FCFE an ideal valuation method. Our key assumptions for FCFE include:

- Cost of Equity of 9.1% based on Risk Free Rate of 4.5%, Market Risk Premium of 5% and Terminal Growth of 2%.
- Beta of 0.92, based on 5-year average beta of its peers in the central region

Riyadh Cement: Basic Valuation Assumptions	
Risk Free rate	4.5%
Market Risk Premium	5.0%
Adjusted Beta (5-year, x)	0.92
Cost of Equity	**9.1%**

Source: AC

Riyadh Cement: DCF Valuation

SARmn	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Net income	218	229	232	241	250
Depreciation & amortization	112	112	117	120	122
Change in NWC	28	-76	-21	-23	-23
Capital expenditure	-169	-98	-62	-63	-63
Net borrowing	2	0	0	0	0
Free Cash Flows	191	167	266	275	287
PV of Future Cash flows	175	140	205	194	186
Summary of Valuation					
Sum of Forecast Cash Flows	900				
Terminal value	4,120				
PV of Terminal Cash Flows	2,665				
Value of FCFE	3,565				
Outstanding Shares	120				
Per Share Value	29.7				

Source: AC Estimates

The valuation of Riyadh Cement's FCFE is modestly sensitive to changes in the assumptions for terminal growth and Cost of Equity.

Sensitivity Analysis on Terminal Growth and Cost of Equity

The valuation of Riyadh Cement's FCFE is modestly sensitive to changes in the assumptions for terminal growth and Cost of Equity. Based on the sensitivity of 25bps changes in the respective assumptions, we obtain a valuation range of SAR26.3-34.2/sh assuming ranges of terminal growth of 1.5-2.5% and COE of 8-9% respectively. On an average basis, RCC's FCFE valuation moves by 2.8% for every 25bps change in terminal growth rate and by 3.8% for 25bps change in COE, respectively.

Riyadh Cement sensitivity of DCF-FCFE valuation to terminal growth and cost of capital

		Terminal Growth				
		1.5%	**1.75%**	**2%**	**2.25%**	**2.50%**
CoE	8.0%	30.2	31.1	32.1	33.1	34.2
	8.3%	29.1	30.0	30.8	31.8	32.8
	8.5%	28.1	28.9	29.7	30.6	31.5
	8.8%	27.2	27.9	28.7	29.5	30.3
	9.0%	26.3	27.0	27.7	28.4	29.2

Source: AC Estimates

3-Relative Valuation

We have carried out a comparison of Riyadh cement's relative valuation with a sample of 16 listed peers at TASI and other regional markets. We have limited our analysis to P/E and EV/EBITDA of the sample, given the nature of Riyadh Cement business, and earnings profile.

- Riyadh Cement presents the highest catch-up potential in the sector, having yet to reflect the broad recovery seen across its peers from their 52-week lows
- Riyadh Cement's 2026E P/E of 12.6x trades at a significant 20% discount to domestic peers' average.
- Riyadh Cement's 2026E ROA of 10.9% stands approximately 400bps and 300bps ahead of domestic peers and the broader sample average, respectively. Similarly, Riyadh Cement's ROE of 12.2% remains comfortably above both peer group averages, supporting the company's premium valuation.
- Riyadh Cement's 2026E dividend yield of 7% is above both KSA peers' and the global average, supported by its consistent history of annual dividend payments.

Riyadh Cement: Relative Valuation

Stock name	Country	Market	Price	P/E		P/BV		D/Y		EV/EBITDA	
		SARm	Local	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Qassim	KSA	4,869	44.4	17.8	16.6	1.7	1.7	5.0%	5.2%	10.4	13.0
Saudi	KSA	4,813	31.5	13.1	12.9	2.4	2.4	7.3%	8.1%	9.1	8.3
Southern	KSA	2,827	20.2		36.4	1.0	0.9	3.3%	3.6%	26.8	24.9
Yamama	KSA	5,087	25.1	10.5	10.4	1.0	1.0	4.5%	4.2%	10.2	10.8
Yanbu	KSA	2,616	16.6	23.5	15.5	0.9	1.0	8.5%	7.9%	7.9	8.5
Eastern province	KSA	2,296	26.7	8.2	8.5	1.0	0.8	20.3%	14.7%	5.2	4.1
Northern	KSA	1,204	22.5	12.4	11.4	0.9	0.9	6.8%	7.5%	6.7	6.6
Riyadh	**KSA**	**2,736**	**22.8**	**12.7**	**12.1**	**1.6**	**1.5**	**7%**	**8%**	**7.8**	**7.5**
KSA mean				**12.4**	**12.7**	**1.2**	**1.1**	**6.1%**	**5.9%**	**8.6**	**8.2**
UltraTech	IND	134,727	11,430	34.8	32.8	3.9	3.5	1.1%	1.1%	17.8	18.0
Anhui Conch	CNY	39,520	18	11.3	10.0	0.5	0.5	4.7%	5.5%	3.7	3.3
Siam	THA	32,390	241	24.4	19.7	0.8	0.8	2.2%	2.5%	12.8	11.8
Holcim Maroc	MAR	16,730	1,785	18.0	16.1	NM	NM	5.7%	6.2%	9.2	8.2
GCC, S.A.B.	MEX	14,513	202	12.5	11.2	1.5	1.4	1.0%	8.6%	7.1	6.5
Qatar cement	QAT	1,905	3	11.4	10.7	0.6	0.6	9.1%	10.5%	5.7	5.7
Titan	BEL	18,169	53	11.5	10.3	2.0	1.8	2.5%	2.9%	6.9	6.2
Oyak	TUR	8,167	21	14.5	14.4	1.9	1.9			7.5	7.6
Ambuja	IND	42,204	427	36.0	33.0	1.6	1.5	2.4%	0.5%	15.8	15.0
Peer Average				**15.9**	**14.4**	**1.1**	**1.1**	**2.2%**	**1.9%**	**8.1**	**7.6**

Key Risks to Our Investment Case

The following are key downside risks to our investment case for Riyadh Cement:

I-Time & cost overruns on projects

Riyadh Cement's future production efficiency enhancement projects in grey and white cement are heavily dependent on the successful execution of future capex projects.

II-Price war

Riyadh Cement operates within the central region, where the market leader maintains significant pricing power. Aggressive pricing actions by competitors may force RCC to reduce realized prices to preserve market share, potentially compressing margins and adversely impacting profitability.

III- Energy / fuel risk

Riyadh Cement remains exposed to energy and fuel risks, given that energy represents a key input cost in cement production. Any increase in fuel prices over and above our estimates (10% for HSFO, 7.5% for gas p.a) could compress margins further and negatively impact profitability.

IV- Overcapacity Risk

The cement sector is structurally prone to periods of overcapacity due to cyclical capacity additions during economic upswings. When supply exceeds demand, inventory build-up across producers may occur, leading to aggressive pricing strategies to clear excess stock. This dynamic results in pricing pressure, lower utilization rates, and margin compression. For Riyadh Cement, future capacity additions in the central region could further constrain pricing power.

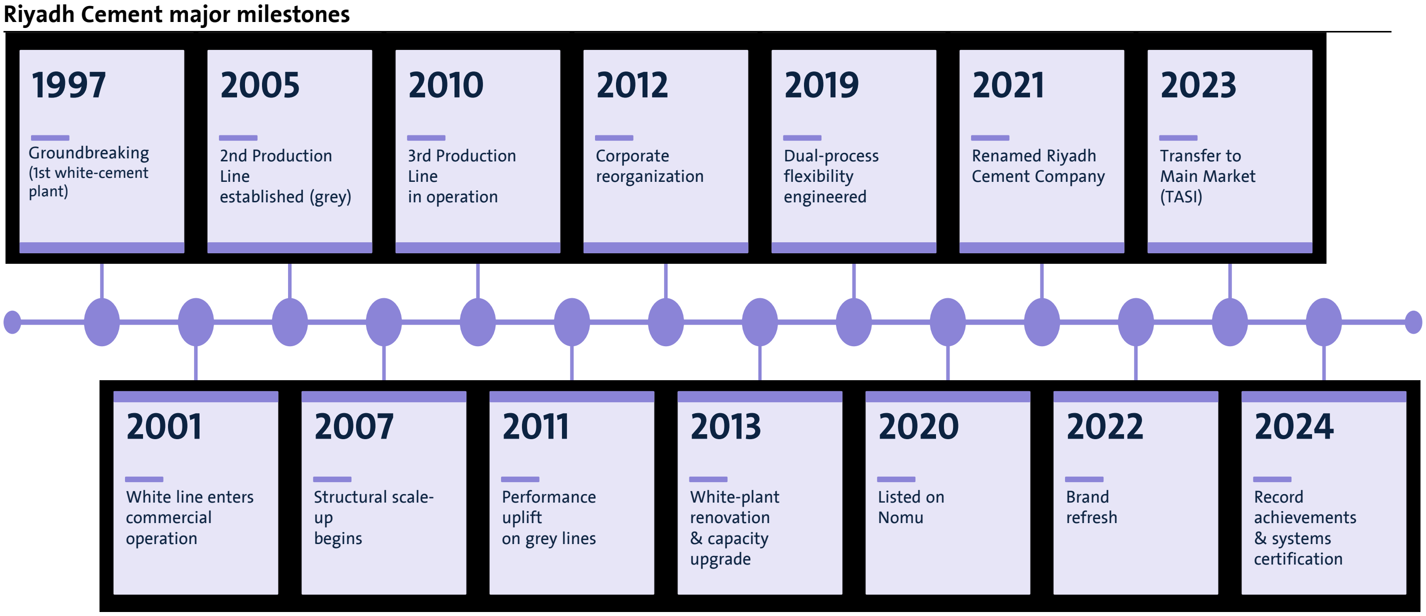
Overview of the Company

About the company

Over the years, Riyadh Cement evolved from a white cement-focused producer into a company operating in both grey and white cement segments.

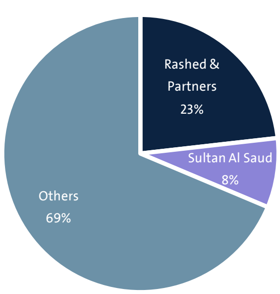
Riyadh Cement was established in 1997 as Saudi White Cement Co., with the foundation of the Kingdom's first white cement plant. The company later changed its name to Riyadh Cement Company as part of its broader operational and strategic expansion into grey cement production. Riyadh Cement currently operates with a total clinker production capacity of approximately 3.7mn tons annually, supported by three production lines. The company was listed on the Parallel Market (Nomu) in 2020 before transferring to the Main Market (TASI) in 2023, marking a key milestone in its capital market journey and enhancing its position within the Saudi cement sector.

Riyadh Cement major milestones



Shareholding Details

Riyadh Cement Shareholding: (May-26)



Source: TASI

Riyadh Cement was listed on Nomu in 2020, marking a new entrant in the Saudi cement sector. In 2023, the company transitioned to the Main Market (TASI), representing a key milestone in its capital markets journey. Rashed and Partners Ltd is the largest shareholder, holding a 23% stake. Of the 64% free float, approximately 8% is held by Prince Sultan bin Salman Al Saud, with the remainder owned by local institutional and retail investors. Foreign ownership stands at 5.4% of the free float. The stock demonstrates solid liquidity, with 3M/6M traded values of SAR 3.7mn / 3.5mn and volumes of 0.6mn / 0.7mn, respectively.

Riyadh Cement-SWOT Analysis

Strengths

- Strong balance sheet supported by low leverage and healthy cash flow generation
- Strategically positioned in the central region, providing exposure to Vision 2030 giga and mega projects
- Specialized product offering, particularly in white cement, supported by an established customer base
- Strong brand recognition provides competitive advantages relative to other cement producers

Opportunities

- Growing population in the kingdom and urbanization could support cement demand growth
- Vision 2030 projects could create long-term demand growth
- Current low fuel oil cost
- Capacity expansion and potential acquisitions provide opportunities to increase market share and strengthen competitive positioning

Weaknesses

- Central region location limits export competitiveness and proximity to export channels, particularly for grey cement
- Limited production capacity constrains growth and expansion opportunities

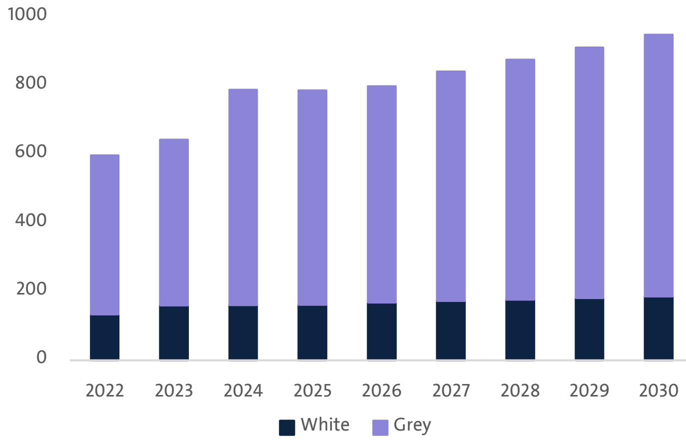
Threats

- Weak construction activity or delays in contract awards could reduce sales volumes
- Competition and presence of heavy inventories with a few players pose risk to realized prices in grey cement
- Increase in energy cost over and above our expectations

Source: AC

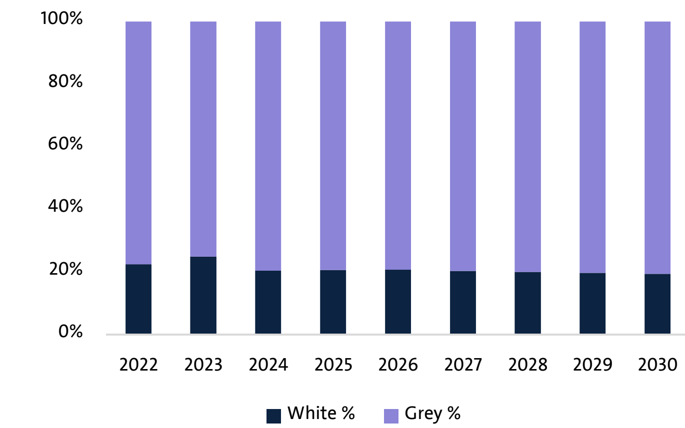
Riyadh Cement in Charts

Riyadh Cement: Revenue profile (SARmn)



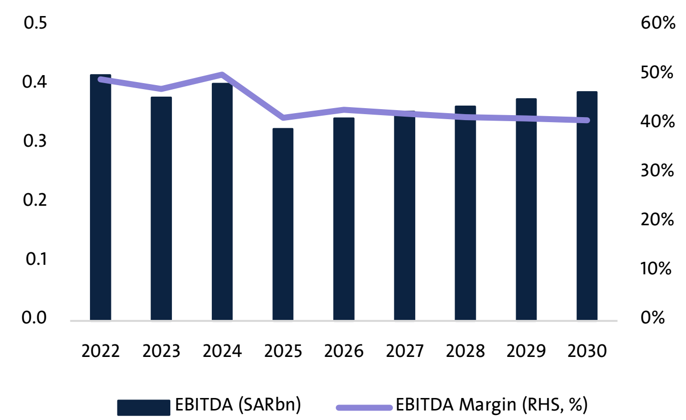
Source: Riyadh Cement, AC Research

Riyadh Cement: Revenue Profile (%)



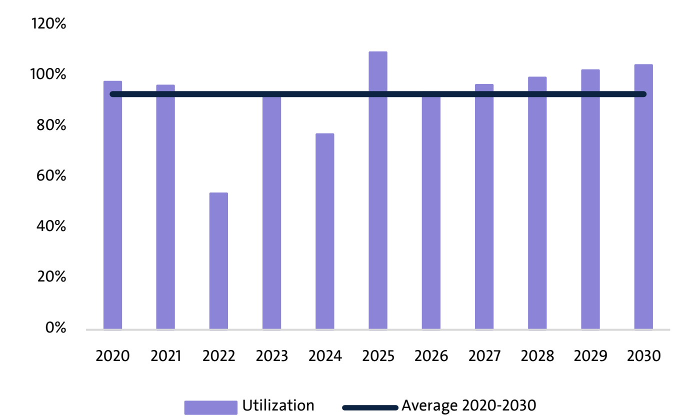
Source: Riyadh Cement, AC Research

Riyadh Cement: Trends in EBITDA and EBITDA margins



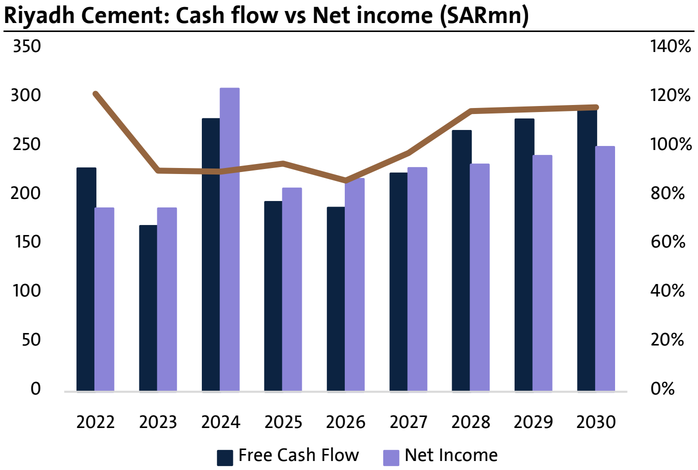
Source: Riyadh Cement, AC

Riyadh Cement: Grey cement;s utilization is expected to remain elevated



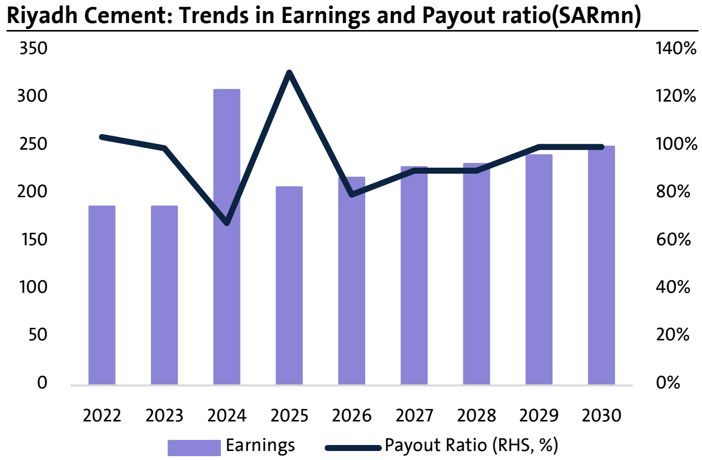
Source: Riyadh Cement, AC Research

Riyadh Cement: Cash flow vs Net income (SARmn)



Source: Riyadh Cement, AC

Riyadh Cement: Trends in Earnings and Payout ratio(SARmn)



Source: Riyadh Cement, AC Research

Riyadh Cement-Key Financial Highlights

Riyadh Cement: Profit & Loss Account (SARmn)

	2024	2025	2026E	2027E	2028E	2029E	2030E
Revenue	**789**	**788**	**800**	**842**	**876**	**912**	**950**
Local	785	785	802	840	870	902	925
Exports	4	3	3	3	4	4	4
Grey cement	628	625	634	669	696	724	744
White cement	161	162	171	175	178	181	185
Cost of Sales	**-461**	**-530**	**-532**	**-563**	**-593**	**-620**	**-647**
Gross Income	**328**	**258**	**268**	**279**	**283**	**293**	**303**
General and administrative	-32	-38	-32	-32	-32	-32	-32
Selling and marketing	-4	-4	-4	-4	-4	-5	-5
EBIT	**292**	**216**	**232**	**243**	**247**	**256**	**265**
EBITDA	**402**	**326**	**344**	**355**	**364**	**376**	**388**
Finance income	6	5	0	0	0	0	0
Finance costs	-4	-3	-3	-2	-2	-2	-2
Other income	4	1	0	0	0	0	0
Profit before Zakat	**299**	**219**	**229**	**241**	**244**	**254**	**263**
Zakat (refund) & Tax	11	-12	-11	-12	-12	-13	-13
Profit after Tax	**310**	**208**	**218**	**229**	**232**	**241**	**250**
EPS	2.6	1.7	1.8	1.9	1.9	2.0	2.1
DPS	1.8	2.3	1.5	1.7	1.7	2.0	2.1

Source: Riyadh Cement, AC Estimates

Riyadh Cement: Cash flow Highlights (SARmn)

	2024	2025	2026E	2027E	2028E	2029E	2030E
Cash Flows from Operating	**367**	**323**	**357**	**321**	**328**	**341**	**354**
Depreciation	103	109	112	112	117	120	122
Changes in Working Capital	-37	-3	28	-23	-24	-23	-22
Cash Flows from Investing	**-89**	**-129**	**-169**	**-98**	**-62**	**-63**	**-63**
Capex	-89	-129	-169	-98	-62	-63	-63
Cash Flows from Financing	**-214**	**-278**	**-174**	**-208**	**-211**	**-243**	**-252**
Inc (dec) in borrowing	0	-2	2	0	0	0	0

Source: Riyadh Cement, AC Estimates

Riyadh Cement - Balance Sheet Highlights (SARmn)	2024	2025	2026E	2027E	2028E	2029E	2030E
Assets	**1,970**	**1,897**	**1,932**	**1,995**	**2,048**	**2,053**	**2,061**
Non-Current Assets	**1,212**	**1,232**	**1,289**	**1,275**	**1,220**	**1,163**	**1,103**
Property, Plant and Equipment	1,211	1,231	1,288	1,274	1,219	1,162	1,102
Current Assets	**758**	**665**	**643**	**720**	**828**	**891**	**958**
Cash & Cash Equivalents	149	62	75	118	191	225	263
Receivables, Net	217	221	225	243	251	260	270
Inventory	294	338	335	351	378	397	415
Short-term deposit	86	10	0	0	0	0	0
Advances, prepayments and	12	34	8	8	8	8	8
Equity	**1,781**	**1,718**	**1,763**	**1,810**	**1,855**	**1,855**	**1,855**
Share capital	120	120	120	120	120	120	120
Retained earnings & Others	581	518	563	610	655	655	655
Liabilities	**189**	**179**	**169**	**185**	**193**	**198**	**206**
Non-Current Liabilities	**33**	**37**	**33**	**33**	**33**	**33**	**33**
Other non-current liabilities	32	36	32	32	32	32	32
Current Liabilities	**156**	**141**	**136**	**152**	**160**	**165**	**173**
Trade payables and other	124	117	120	135	142	146	153
Borrowings	0	0	0	0	0	0	0
Total Equity & liabilities	**1,970**	**1,897**	**1,932**	**1,995**	**2,048**	**2,053**	**2,061**

Source: Riyadh Cement, AC Estimates

Riyadh Cement- Key Ratios								
Revenue Profile (% of total)	**Units**	**2024**	**2025**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Grey cement	%	80%	79%	79%	79%	80%	80%	80%
White cement	%	20%	21%	21%	21%	20%	20%	20%
Local	%	99%	100%	100%	100%	100%	100%	100%
Exports	%	1%	0%	0%	0%	0%	0%	0%
Turnover Ratios								
DSO	x	100	102	102	105	105	105	105
DPO	x	33	15	28	34	32	30	30
DIO	x	171	152	154	159	153	151	148
CCC	x	**239**	**239**	**229**	**230**	**226**	**226**	**223**
Capital Structure Ratios								
Debt to Equity	%	11%	10%	11%	10%	10%	11%	11%
Debt to Assets	%	10%	9%	10%	9%	9%	10%	10%
Net Cash / EBITDA	X	0.0	-0.2	-0.2	-0.1	0.1	0.2	0.2
Cash to EBITDA	X	0.4	0.2	0.3	0.3	0.5	0.6	0.7
Profitability Ratios								
GP Margin	%	42%	33%	34%	34%	31%	30%	29%
Operating Margin	%	37%	27%	29%	30%	27%	26%	25%
EBITDA Margin	%	51%	41%	43%	43%	41%	40%	38%
NP Margin	%	39%	26%	27%	27%	26%	26%	26%
Return Ratios								
ROE	%	17%	12%	13%	13%	12%	12%	12%
ROA	%	16%	11%	12%	12%	11%	11%	11%
Return Ratios								
Market Price	SAR	23.1	23.1	23.1	23.1	23.1	23.1	23.1
PE	X	8.9	13.2	12.6	12.0	11.8	11.4	11.0
Dividend Yield	%	7.7%	9.9%	6.3%	7.5%	7.6%	8.8%	9.1%
BVPS	SAR	14.8	14.3	14.7	14.9	15.1	15.1	15.1
PB	X	1.54	1.60	1.56	1.54	1.52	1.52	1.52
EV/EBITDA	X	6.5	8.3	7.8	7.5	7.2	6.9	6.6

Source: Riyadh Cement, AC Estimates

Analyst Certification:

I/We, **Abdulrahman Yusef Alnafia and Muhammad Fawad Khan, CFA** the author/s of this report, hereby certify that that: (i) views expressed in this report reflect the Research Analyst's personal views about all of the securities and (ii) no part of any of compensation of the author/s was, is, or will be directly or indirectly related to the specific recommendations or views expressed by in this report.

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Alinma Capital Company (ACC) follow a three-tier rating system based on total return methodology as per following details

>+15% Total Return: Stocks with +15% expected total return (including dividend yield) over the next 12-months are classified as Buy.

5-15%: Stocks with total return between 5-15% can be classified as Buy or Neutral.

>-5%<+5% total return: Stocks with total return between -5+5% can be classified as Neutral or Underperform

Underperform-Stocks which are expected to have <-5% total return

Not Covered: ACC has not assigned any rating on the stock

Coverage Suspended: ACC has temporarily suspended the coverage of the stock either in compliance with local regulation or other considerations

Price data for the listed securities is based on 24 June, 2026.

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