

Cement Sector

Yamama Cement	Hold
12M Price Target (SAR)	35.00
CMP (SAR)	33.52
Potential Upside (%)	4.4%
P/E (2025e)	13.2x
Dividend Yield (2025e)	3.0%

Saudi Cement	Hold
12M Price Target (SAR)	42.00
CMP (SAR)	38.84
Potential Upside (%)	8.1%
P/E (2025e)	15.9x
Dividend Yield (2025e)	6.0%

Southern Cement	Hold
12M Price Target (SAR)	28.00
CMP (SAR)	25.90
Potential Upside (%)	8.1%
P/E (2025e)	45.0x
Dividend Yield (2025e)	1.4%

Yanbu Cement	Hold
12M Price Target (SAR)	17.50
CMP (SAR)	16.39
Potential Upside (%)	6.8%
P/E (2025e)	28.0x
Dividend Yield (2025e)	6.1%

Arabian Cement	Hold
12M Price Target (SAR)	23.00
CMP (SAR)	21.71
Potential Upside (%)	5.9%
P/E (2025e)	23.2x
Dividend Yield (2025e)	4.6%

Riyadh Cement	Hold
12M Price Target (SAR)	33.00
CMP (SAR)	30.18
Potential Upside (%)	9.3%
P/E (2025e)	13.0x
Dividend Yield (2025e)	5.0%

Najran Cement	Hold
12M Price Target (SAR)	8.70
CMP (SAR)	8.23
Potential Upside (%)	5.7%
P/E (2025e)	29.7x
Dividend Yield (2025e)	0.0%

Eastern Cement	Strong Buy
12M Price Target (SAR)	36.00
CMP (SAR)	26.12
Potential Upside (%)	37.8%
P/E (2025e)	10.5x
Dividend Yield (2025e)	4.6%

City Cement	Hold
12M Price Target (SAR)	17.50
CMP (SAR)	16.27
Potential Upside (%)	7.6%
P/E (2025e)	14.5x
Dividend Yield (2025e)	6.9%

Cost continues to increase, denting profit

The 1H25 financial performance of cement companies under our coverage has largely come under pressure. Despite strong volume growth, persistent cost inflation and a decline in realizations have weighed on profitability. Cement volumes remained robust, rising 12.5% YoY for YTD July 2025. Growth has been relatively broad-based, with the Central, Western, and Eastern regions recording strong double-digit increases, while the North remained stable. The South, however, was the only region to report a decline in volumes during the period.

Looking ahead, we expect this trend to broadly continue, though the growth momentum is likely to moderate due to base effects. Notably, 2H24 saw a strong recovery in volumes compared to 1H24. Real estate activity also remains buoyant, with new residential mortgages growing by more than 15% in 1H25. We expect low interest rates and upcoming mega-events, including the Asian Winter Games, Riyadh Expo, and FIFA World Cup, to support infrastructure spending. Overall, we forecast cement volumes to grow by 5–8% in 2025e.

Cement realizations came under pressure in 2Q25, falling to SAR191/ton from SAR198/ton in 1Q25 and SAR200/ton in 2Q24, a decline of c.4% both QoQ and YoY. Persistently high clinker inventories (equivalent to around nine months of production) and rising competition appear to be the key drivers. We expect this trend to continue in 2025 and forecast average realizations for our coverage companies to fall by roughly 2% YoY.

On the cost side, pressure remains elevated as the cost of sales per ton rose 6% YoY for the companies under our coverage, with higher fuel costs likely being the primary factor. Looking forward, we expect this trend to persist, weighing on financial performance. Consequently, with lower realizations and rising costs, we forecast net income for these companies to decline by 15% YoY in 2025e.

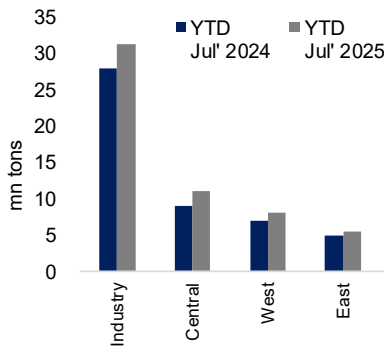
Company	Old	TP	CMP	+/- from TP	Rating	P/E	
						2025e	2026e
Yamama Cement	35.0	35.0	33.5	4.4%	Hold	13.2x	13.5x
Saudi Cement	42.0	42.0	38.8	8.1%	Hold	15.9x	14.9x
Southern Cement	31.0	28.0	25.9	8.1%	Hold	45.0x	35.0x
Yanbu Cement	21.0	17.5	16.4	6.8%	Hold	28.0x	25.6x
Arabian Cement	27.0	23.0	21.7	5.9%	Hold	23.2x	22.2x
Riyadh Cement	36.0	33.0	30.2	9.3%	Hold	13.0x	12.7x
Najran Cement	8.7	8.7	8.2	5.7%	Hold	29.7x	26.3x
Eastern Cement	40.0	36.0	26.1	37.8%	Strong Buy	10.5x	9.6x
City Cement	18.0	17.5	16.3	7.6%	Hold	14.5x	15.1x

Sustained volume growth

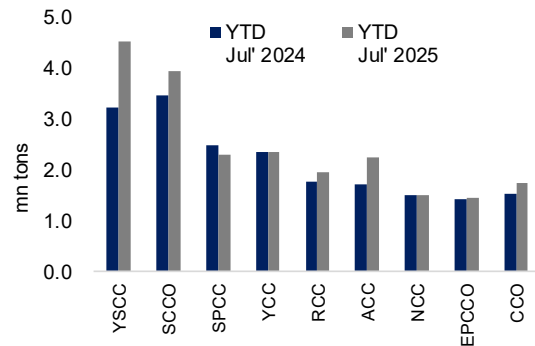
Cement volumes in Saudi Arabia for the seven months ended July 2025 (7M25) rose 12.5% YoY to 31.3mn tons, supported by robust demand. Growth was relatively broad-based, with the Central, Western, and Eastern regions posting strong double-digit increases. In contrast, the Northern region remained flat, while the Southern region recorded a decline. The Central region led performance with a 21.5% YoY increase in 7M25, followed by the Western region at 16.6%. The Eastern region posted a 10.9% improvement, while the North was nearly unchanged, up just 0.8%. Meanwhile, the South underperformed, with volumes down 4.4%. Recovery in the real estate market and higher infrastructure spending, aided by softer interest rates, supported cement demand during the period.

Cement volumes grow by 12.5% YoY for 7M25.

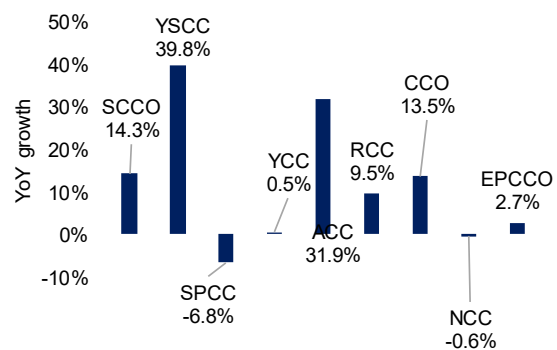
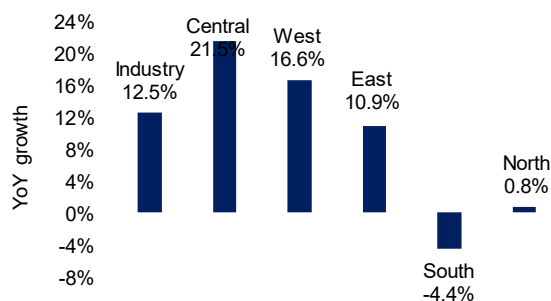
Most regions report growth in cement offtake



Most companies under coverage report growth



Central, West, and East all report double digit growth, while North comes flat and South falls



Source: Yamama Cement, Company filings, US Research (YSCC: Yamama Cement, SCCO: Saudi Cement, SPCC: Southern Province Cement, YCC: Yanbu Cement, RCC: Riyadh Cement, ACC: Arabian Cement, NCC: Najran Cement, EPCCO: Eastern Province Cement, CCO: City Cement)

Companies under coverage largely reported positive performance in 7M25, with YSCC, ACC, SCCO, and CCO outperforming peers and delivering double-digit growth in cement volumes. YSCC led with a 39.8% YoY increase, followed by ACC at 31.9%. SCCO posted 14.3% growth, while CCO rose 13.5%. RCC volumes increased 9.5% in 7M25, though performance lagged the industry average. EPPCO (up 2.7% YoY) and YCC (up 0.5% YoY) saw modest gains, whereas SPCC (-6.8% YoY) and NCC (-0.6% YoY) reported declines.

Monthly new residential mortgage continues to remain higher in 2025



Source: SAMA, US Research

**New residential mortgages
 average SAR7.8bn per
 month for 7M25.**

New residential mortgages averaged SAR7.6bn per month in 2024, while for 1H25 they averaged SAR7.8bn, well above SAR6.7bn per month during the same period in 2024. The 3M-SIBOR averaged 5.4% YTD (as of August 25, 2025), compared with 6.0% in 2024. We expect this downward trend in rates to broadly continue, as moderating inflation and slowing growth in the US create room for further Fed rate cuts. While ongoing tariff wars could slow the pace of easing, we expect the overall stance to remain dovish, supporting the continued recovery in mortgages. New residential mortgages grew 15.7% YoY in 1H25, building on strong momentum from 2024 (+17.1% YoY). In line with this, real estate loans expanded 15.2% YoY in 1Q25, driven largely by corporate lending (+27.5% YoY), while retail loans grew at a more moderate pace (+11.8% YoY). We anticipate performance will remain solid, supported by rising construction activity linked to major upcoming events in Saudi Arabia, including the Asian Winter Games, Riyadh Expo, and FIFA World Cup. This momentum is expected to outweigh pressures from declining oil prices and potential delays in infrastructure projects. That said, growth may ease slightly

in the coming months due to the high base effect. Overall, we forecast volume growth to average 5–8% YoY in 2025e.

Cement prices weaken in 2Q25, as volume growth becomes more broad-based

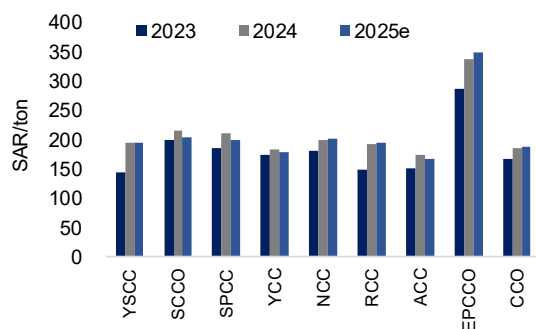
Cement prices weakened in 2Q25, as average realizations for companies under coverage declined both YoY and QoQ. The weakness was driven by elevated clinker inventories, which remained flat YoY at 44.6mn tons as of July 2025, equivalent to roughly nine months of production. In addition, strong volume growth in certain regions likely added further pressure on prices.

Central region leads the fall in realization among peers.

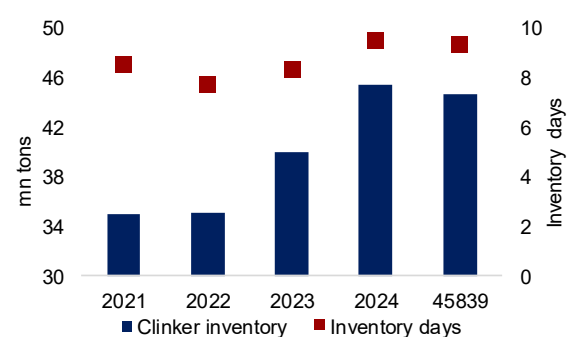
The Central region was the most affected by pricing pressure, recording the steepest sequential decline among its peers. YSCC's 2Q25 average realization fell 10.0% QoQ to SAR188/ton, while CCO's dropped 9.7% QoQ to SAR 182/ton. RCC's average realization, meanwhile, declined 5.1% QoQ to SAR 192/ton.

In the Western region, companies recorded sequential improvement in realizations, although levels remained lower YoY. ACC posted a 2.7% QoQ increase but declined 11.8% YoY to SAR169/ton. YCC's realizations rose 0.9% QoQ but fell 6.8% YoY to SAR179/ton. Among the other regions, SCCO's average realization decreased 9.3% YoY and 3.7% QoQ to SAR202/ton, while EPCCO maintained its premium pricing, rising 3.3% YoY and 1.1% QoQ. Najran Cement, meanwhile, saw marginal declines both sequentially (-1.4%) and YoY (-0.5%), with realizations at SAR 200/ton.

Cement prices likely to be slightly lower YoY



Clinker inventory remains high



Source: Yamama Cement, Company filings, US Research

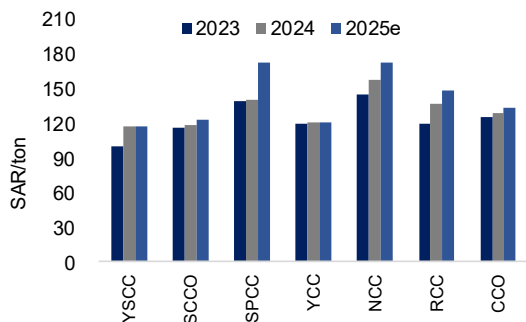
We forecast cement realization to slightly decrease for 2025e YoY.

Looking ahead, we have slightly lowered our price forecast for our coverage companies in 2025e. The sequential decline in cement realizations, coupled with persistently high inventory levels and the industry's historical tendency toward price competition, underpins our cautious stance. Overall, we forecast the average cement realization of companies under our coverage to decline by 2% YoY in 2025e.

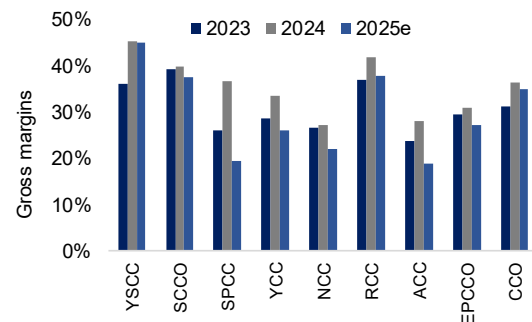
The cost of production continues to increase in the current quarter

The cost of sales per ton for the cement companies under our universe rose 6% YoY in 2Q25, driven primarily by higher fuel costs. We had initially projected an increase of 5–8% and expected a moderation after 1Q25. However, following 2Q25, we have revised our assumptions upward for most companies, as costs are expected to remain firm through the rest of the year. While many companies have joined the Industrial Sector Competitiveness Program, which could help mitigate the impact over the longer term, the near-term pressure remains evident. The rise in costs, combined with weaker pricing, has weighed on profitability, with gross margins contracting YoY across most companies in our coverage. On average, gross margins fell to 30% in 2Q25 versus c.35% in both 2Q24 and 1Q25. We expect this trend to persist, and we forecast a 560 bps YoY decline in gross margins for 2025e for the companies covered by us.

Cost of sales/ton will continue to increase in 2025e



Margins to come under pressure across companies



Source: Yamama Cement, Company filings, US Research

We forecast the net income of companies in our universe to decline by c.15% YoY in 2025e, as pricing and cost pressures are expected to outweigh the benefit of higher volumes.

Companies Under Our Coverage

Companies	CMP	TP	Up/Down	Rating	Volume Sold			Revenue			Net Income		
					7M24	7M25	YoY	2024	2025e	YoY	2024	2025e	YoY
Yamama Cement	33.5	35.0	4.4%	Hold	3,222	4,504	39.8%	1,173	1,419	21.0%	421	514	22.2%
Saudi Cement	38.8	42.0	8.1%	Hold	3,446	3,938	14.3%	1,676	1,640	-2.1%	422	373	-11.6%
Southern Cement	25.9	28.0	8.1%	Hold	2,464	2,297	-6.8%	935	820	-12.3%	244	81	-66.9%
Yanbu Cement	16.4	17.5	6.8%	Hold	2,337	2,348	0.5%	876	1,071	22.2%	157	92	-41.3%
Arabian Cement	21.7	23.0	5.9%	Hold	1,698	2,239	31.9%	858	998	16.4%	160	94	-41.6%
Riyadh Cement	30.2	33.0	9.3%	Hold	1,773	1,941	9.5%	789	861	9.1%	310	278	-10.5%
Najran Cement	8.2	8.7	5.7%	Hold	1,507	1,498	-0.6%	535	545	2.0%	68	47	-31.1%
Eastern Cement	26.1	36.0	37.8%	Strong Buy	1,413	1,451	2.7%	1,211	1,227	1.4%	248	213	-14.1%
City Cement	16.3	17.5	7.6%	Hold	1,518	1,723	13.5%	521	564	8.3%	144	157	9.0%

Saudi Cement Company	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	1,410	1,420	1,462	1,676	1,640	1,673	1,706	1,741
Gross profit	530	569	573	667	615	639	661	682
Operating profit	344	404	362	428	388	407	425	441
Net income	332	399	381	422	373	399	417	435
Total assets	3,392	3,278	3,214	3,137	3,106	3,077	3,048	3,021
Debt	374	348	446	299	249	199	149	99
Cash	81	91	115	121	138	140	151	150
M-Cap	5,943	5,943	5,943	5,943	5,943	5,943	5,943	5,943
EV	6,194	6,149	6,225	6,068	5,900	5,786	5,684	5,594
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	2.2	2.6	2.5	2.8	2.4	2.6	2.7	2.8
BVPS	15.9	15.0	14.1	14.6	14.8	14.9	15.0	15.2
DPS	3.5	3.3	2.5	2.8	2.3	2.5	2.6	2.7
<u>Valuations</u>								
P/E	17.9	14.9	15.6	14.1	15.9	14.9	14.2	13.7
EV/EBITDA	10.8	9.7	10.7	9.4	9.8	9.5	9.2	9.0
Div. yield	9.0%	8.4%	6.4%	7.1%	6.0%	6.4%	6.7%	7.0%
<u>Liquidity</u>								
Cash Ratio	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3
Current ratio	1.2	1.2	1.3	1.6	1.7	1.9	2.1	2.3
Quick ratio	0.6	0.6	0.6	0.8	0.9	0.9	1.1	1.2
<u>Return ratio</u>								
ROA	9.7%	12.2%	11.9%	13.4%	12.0%	13.0%	13.7%	14.4%
ROE	13.6%	17.4%	17.6%	18.8%	16.5%	17.5%	18.1%	18.7%
ROCE	10.1%	12.3%	11.3%	13.7%	12.5%	13.2%	13.9%	14.6%
<u>Profitability ratio</u>								
Gross margins	37.6%	40.1%	39.2%	39.8%	37.5%	38.2%	38.7%	39.2%
EBITDA margins	40.6%	44.7%	39.8%	38.6%	36.7%	36.4%	36.1%	35.8%
Operating margins	24.4%	28.4%	24.8%	25.6%	23.6%	24.3%	24.9%	25.3%
Net margins	23.5%	28.1%	26.1%	25.2%	22.7%	23.8%	24.5%	25.0%
<u>Leverage</u>								
Debt/Capital	13.3%	13.2%	17.1%	11.8%	9.9%	8.0%	6.1%	4.1%
Debt/Total assets	11.0%	10.6%	13.9%	9.5%	8.0%	6.5%	4.9%	3.3%
Debt/Equity	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0
Debt/EBITDA	0.7	0.5	0.8	0.5	0.4	0.3	0.2	0.2
Net debt/EBITDA	0.5	0.4	0.6	0.3	0.2	0.1	(0.0)	(0.1)

Yamama Cement Company	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	736	1,008	935	1,173	1,419	1,422	1,450	1,479
Gross profit	220	409	335	529	638	616	619	621
Operating profit	157	333	264	444	548	524	525	526
Net income	154	356	304	421	514	502	507	508
Total assets	5,923	6,351	6,483	7,317	7,382	7,541	7,758	7,977
Debt	1,181	1,109	1,324	1,793	1,476	1,374	1,374	1,375
Cash	74	76	160	61	70	70	70	70
M-Cap	6,788	6,788	6,788	6,788	6,788	6,788	6,788	6,788
EV	7,306	7,001	7,375	8,025	7,699	7,347	7,047	6,748
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	0.8	1.8	1.5	2.1	2.5	2.5	2.5	2.5
BVPS	21.1	23.0	23.4	23.9	25.5	26.7	27.7	28.7
DPS	0.0	1.0	1.0	1.0	1.0	1.3	1.5	1.5
<u>Valuations</u>								
P/E	44.2	19.1	22.3	16.1	13.2	13.5	13.4	13.4
EV/EBITDA	44.2	19.0	16.7	12.8	10.5	10.4	9.9	9.5
Div. yield	0.0%	3.0%	3.0%	3.0%	3.0%	3.7%	4.5%	4.5%
<u>Liquidity</u>								
Cash Ratio	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Current ratio	1.5	1.0	1.3	1.2	1.8	2.5	3.0	3.5
Quick ratio	0.7	0.7	0.7	0.5	0.8	1.3	1.8	2.3
<u>Return ratio</u>								
ROA	2.6%	5.6%	4.7%	5.7%	7.0%	6.7%	6.5%	6.4%
ROE	3.6%	7.6%	6.4%	8.7%	10.0%	9.3%	9.0%	8.7%
ROCE	2.6%	5.2%	4.1%	6.1%	7.4%	7.0%	6.8%	6.6%
<u>Profitability ratio</u>								
Gross margins	30.0%	40.5%	35.9%	45.1%	44.9%	43.3%	42.7%	42.0%
EBITDA margins	22.4%	36.6%	47.4%	53.5%	51.5%	49.8%	48.9%	48.0%
Operating margins	21.3%	33.0%	28.2%	37.8%	38.6%	36.9%	36.2%	35.6%
Net margins	20.9%	35.3%	32.5%	35.9%	36.2%	35.3%	35.0%	34.4%
<u>Leverage</u>								
Debt/Capital	21.6%	19.2%	21.9%	27.0%	22.3%	20.3%	19.7%	19.1%
Debt/Total assets	19.9%	17.5%	20.4%	24.5%	20.0%	18.2%	17.7%	17.2%
Debt/Equity	0.3	0.2	0.3	0.4	0.3	0.3	0.2	0.2
Debt/EBITDA	7.1	3.0	3.0	2.9	2.0	1.9	1.9	1.9
Net debt/EBITDA	6.7	2.8	2.6	2.8	1.9	1.8	1.8	1.8

Southern Province Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	1,339	1,222	1,070	935	820	835	851	868
Gross profit	505	361	277	343	158	173	188	203
Operating profit	443	298	200	262	89	112	134	156
Net income	429	301	195	244	81	104	127	146
Total assets	4,005	3,872	4,083	4,428	4,469	4,509	4,559	4,454
Debt	328	253	362	649	649	649	649	487
Cash	504	320	363	186	177	182	200	210
M-Cap	3,626	3,626	3,626	3,626	3,626	3,626	3,626	3,626
EV	3,451	3,559	3,625	4,089	3,998	3,823	3,650	3,478
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	3.1	2.1	1.4	1.7	0.6	0.7	0.9	1.0
BVPS	22.8	22.9	23.5	24.1	24.3	24.6	24.9	25.4
DPS	2.5	1.3	1.0	1.2	0.4	0.5	0.6	0.6
<u>Valuations</u>								
P/E	8.4	12.1	18.6	14.9	45.0	35.0	28.7	24.8
EV/EBITDA	5.3	7.0	9.1	8.9	14.5	13.2	12.0	10.9
Div. yield	9.7%	4.8%	3.9%	4.6%	1.4%	1.7%	2.1%	2.5%
<u>Liquidity</u>								
Cash Ratio	1.1	0.9	1.1	0.5	0.6	0.6	0.4	0.4
Current ratio	2.6	3.0	3.9	3.9	4.6	4.7	3.1	3.1
Quick ratio	1.4	1.2	1.6	1.1	1.1	1.2	0.8	0.8
<u>Return ratio</u>								
ROA	10.7%	7.8%	4.8%	5.5%	1.8%	2.3%	2.8%	3.3%
ROE	13.5%	9.4%	5.9%	7.2%	2.4%	3.0%	3.6%	4.1%
ROCE	11.1%	7.7%	4.9%	5.9%	2.0%	2.5%	2.9%	3.5%
<u>Profitability ratio</u>								
Gross margins	37.7%	29.5%	25.8%	36.7%	19.3%	20.7%	22.1%	23.4%
EBITDA margins	48.4%	41.8%	37.0%	49.1%	33.7%	34.8%	35.9%	36.7%
Operating margins	33.1%	24.4%	18.7%	28.0%	10.8%	13.4%	15.8%	17.9%
Net margins	32.0%	24.6%	18.3%	26.1%	9.8%	12.4%	14.9%	16.8%
<u>Leverage</u>								
Debt/Capital	9.3%	7.3%	9.9%	16.1%	16.0%	15.9%	15.7%	12.1%
Debt/Total assets	8.2%	6.5%	8.9%	14.7%	14.5%	14.4%	14.2%	10.9%
Debt/Equity	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1
Debt/EBITDA	0.5	0.5	0.9	1.4	2.3	2.2	2.1	1.5
Net debt/EBITDA	(0.3)	(0.1)	(0.0)	1.0	1.7	1.6	1.5	0.9

Yanbu Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	934	981	827	876	1,071	1,103	1,136	1,171
Gross profit	224	276	236	292	276	289	302	316
Operating profit	176	225	126	180	114	123	131	140
Net income	160	215	120	157	92	101	110	118
Total assets	3,393	3,349	3,368	3,251	3,161	3,076	3,022	2,981
Debt	282	171	417	318	289	260	253	251
Cash	61	101	74	55	49	64	65	76
M-Cap	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581
EV	2,836	2,630	2,839	2,829	2,820	2,777	2,769	2,756
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	1.0	1.4	0.8	1.0	0.6	0.6	0.7	0.7
BVPS	17.7	17.6	16.8	16.5	16.1	15.8	15.5	15.2
DPS	2.3	1.5	1.5	1.3	1.0	1.0	1.0	1.0
<u>Valuations</u>								
P/E	16.2	12.0	21.5	16.4	28.0	25.6	23.5	21.9
EV/EBITDA	7.7	6.7	9.6	8.2	10.0	9.6	9.2	8.9
Div. yield	13.7%	9.2%	9.2%	7.6%	6.1%	6.1%	6.1%	6.1%
<u>Liquidity</u>								
Cash Ratio	0.2	0.3	0.1	0.1	0.2	0.3	0.3	0.4
Current ratio	2.0	2.4	2.0	2.2	4.7	5.3	5.8	6.2
Quick ratio	0.7	0.8	0.7	0.6	1.1	1.3	1.3	1.4
<u>Return ratio</u>								
ROA	4.8%	6.4%	3.6%	4.8%	2.9%	3.3%	3.6%	4.0%
ROE	5.7%	7.8%	4.5%	6.0%	3.6%	4.1%	4.5%	4.9%
ROCE	5.2%	6.7%	3.7%	5.5%	3.6%	4.0%	4.3%	4.7%
<u>Profitability ratio</u>								
Gross margins	23.9%	28.2%	28.5%	33.3%	25.8%	26.2%	26.6%	27.0%
EBITDA margins	39.4%	39.9%	35.7%	39.4%	26.4%	26.4%	26.3%	26.3%
Operating margins	18.8%	22.9%	15.3%	20.5%	10.7%	11.1%	11.6%	12.0%
Net margins	17.1%	22.0%	14.5%	17.9%	8.6%	9.1%	9.7%	10.1%
<u>Leverage</u>								
Debt/Capital	9.1%	5.8%	13.6%	10.9%	10.2%	9.5%	9.4%	9.5%
Debt/Total assets	8.3%	5.1%	12.4%	9.8%	9.1%	8.5%	8.4%	8.4%
Debt/Equity	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Debt/EBITDA	0.8	0.4	1.4	0.9	1.0	0.9	0.8	0.8
Net debt/EBITDA	0.6	0.2	1.2	0.8	0.8	0.7	0.6	0.6

Arabian Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	1,033	971	876	858	998	1,018	1,039	1,059
Gross profit	309	275	207	240	186	193	201	208
Operating profit	195	193	153	174	117	123	129	134
Net income	162	181	140	160	94	98	103	108
Total assets	3,433	3,280	3,136	3,094	3,088	3,091	3,085	3,086
Debt	262	236	151	90	34	33	19	4
Cash	143	264	218	145	96	97	98	103
M-Cap	2,171	2,171	2,171	2,171	2,171	2,171	2,171	2,171
EV	1,959	2,055	2,026	2,047	2,109	2,003	1,893	1,778
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	1.6	1.8	1.4	1.6	0.9	1.0	1.0	1.1
BVPS	27.5	26.4	25.7	25.7	25.6	25.6	25.6	25.7
DPS	2.8	2.2	1.5	1.5	1.0	1.0	1.0	1.0
<u>Valuations</u>								
P/E	13.4	12.0	15.5	13.6	23.2	22.2	21.1	20.0
EV/EBITDA	5.8	6.1	6.7	6.1	7.6	7.1	6.6	6.0
Div. yield	12.7%	10.1%	6.9%	6.9%	4.6%	4.6%	4.6%	4.6%
<u>Liquidity</u>								
Cash Ratio	0.6	1.1	1.0	0.6	0.4	0.3	0.3	0.4
Current ratio	4.2	3.9	4.2	4.2	4.5	4.3	4.3	4.5
Quick ratio	2.4	2.0	2.1	1.6	1.4	1.3	1.3	1.4
<u>Return ratio</u>								
ROA	5.0%	5.6%	4.6%	5.3%	3.1%	3.2%	3.4%	3.6%
ROE	5.9%	6.9%	5.4%	6.2%	3.7%	3.8%	4.0%	4.2%
ROCE	6.3%	6.5%	5.4%	6.3%	4.4%	4.6%	4.8%	5.0%
<u>Profitability ratio</u>								
Gross margins	29.9%	28.3%	23.6%	28.0%	18.7%	19.0%	19.3%	19.6%
EBITDA margins	32.6%	34.8%	34.6%	39.0%	27.8%	27.8%	27.8%	27.8%
Operating margins	18.9%	19.9%	17.5%	20.3%	11.7%	12.1%	12.4%	12.7%
Net margins	15.6%	18.6%	15.9%	18.7%	9.4%	9.6%	9.9%	10.2%
<u>Leverage</u>								
Debt/Capital	8.5%	8.0%	5.4%	3.3%	1.3%	1.2%	0.7%	0.2%
Debt/Total assets	7.6%	7.2%	4.8%	2.9%	1.1%	1.1%	0.6%	0.1%
Debt/Equity	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Debt/EBITDA	0.8	0.7	0.5	0.3	0.1	0.1	0.1	0.0
Net debt/EBITDA	0.4	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)

Riyadh Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	671	598	643	789	861	879	896	914
Gross profit	267	232	237	329	325	334	342	349
Operating profit	229	199	200	293	288	296	303	310
Net income	214	190	189	310	278	285	292	299
Total assets	1,888	1,891	1,839	1,970	2,075	2,181	2,294	2,414
Debt	4	4	4	4	4	4	4	4
Cash	36	90	81	149	159	170	182	195
M-Cap	3,622	3,622	3,622	3,622	3,622	3,622	3,622	3,622
EV	3,590	3,535	3,544	3,477	3,467	3,455	3,444	3,431
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	1.8	1.6	1.6	2.6	2.3	2.4	2.4	2.5
BVPS	13.9	14.0	14.0	14.8	15.7	16.5	17.5	18.5
DPS	1.8	1.5	1.6	2.3	1.5	1.5	1.5	1.5
<u>Valuations</u>								
P/E	16.9	19.1	19.2	11.7	13.0	12.7	12.4	12.1
EV/EBITDA	11.1	12.0	11.6	8.7	8.9	8.8	8.7	8.6
Div. yield	5.8%	5.0%	5.1%	7.5%	5.0%	5.0%	5.0%	5.0%
<u>Liquidity</u>								
Cash Ratio	0.2	0.5	0.6	1.0	1.0	1.0	1.1	1.2
Current ratio	2.9	3.3	4.9	4.9	5.7	6.6	7.5	8.5
Quick ratio	1.4	1.7	2.6	3.0	3.6	4.5	5.4	6.3
<u>Return ratio</u>								
ROA	11.3%	10.0%	10.3%	15.8%	13.4%	13.1%	12.7%	12.4%
ROE	12.9%	11.3%	11.2%	17.4%	14.8%	14.4%	13.9%	13.5%
ROCE	12.1%	10.5%	10.9%	14.9%	13.9%	13.6%	13.2%	12.9%
<u>Profitability ratio</u>								
Gross margins	39.7%	38.7%	36.8%	41.6%	37.7%	38.0%	38.1%	38.2%
EBITDA margins	48.1%	49.4%	47.6%	50.6%	45.2%	44.7%	44.1%	43.6%
Operating margins	34.1%	33.2%	31.0%	37.1%	33.5%	33.7%	33.9%	34.0%
Net margins	31.8%	31.7%	29.3%	39.3%	32.2%	32.5%	32.6%	32.7%
<u>Leverage</u>								
Debt/Capital	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Debt/Total assets	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA	(0.1)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)

Najran Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	582	536	486	535	545	556	567	579
Gross profit	230	171	128	145	119	123	128	132
Operating profit	181	127	83	98	72	75	79	82
Net income	166	113	55	68	47	53	59	65
Total assets	2,398	2,406	2,478	2,477	2,491	2,471	2,453	2,437
Debt	285	283	341	299	262	225	188	150
Cash	82	39	16	16	14	15	23	23
M-Cap	1,399	1,399	1,399	1,399	1,399	1,399	1,399	1,399
EV	1,602	1,642	1,724	1,682	1,597	1,519	1,439	1,357
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	1.0	0.7	0.3	0.4	0.3	0.3	0.3	0.4
BVPS	11.6	11.6	11.6	12.0	12.3	12.4	12.5	12.6
DPS	1.0	0.5	0.0	0.0	0.0	0.2	0.2	0.3
<u>Valuations</u>								
P/E	8.5	12.4	25.4	20.4	29.7	26.3	23.7	21.5
EV/EBITDA	6.3	8.1	9.9	8.6	9.5	8.9	8.2	7.6
Div. yield	12.2%	6.1%	0.0%	0.0%	0.0%	2.7%	2.9%	3.2%
<u>Liquidity</u>								
Cash Ratio	0.5	0.3	0.1	0.1	0.1	0.1	0.2	0.2
Current ratio	2.8	2.9	2.3	2.5	4.1	4.5	4.9	5.2
Quick ratio	1.0	0.8	0.4	0.4	0.9	1.2	1.5	1.9
<u>Return ratio</u>								
ROA	6.9%	4.7%	2.2%	2.8%	1.9%	2.2%	2.4%	2.7%
ROE	8.4%	5.7%	2.8%	3.4%	2.3%	2.5%	2.8%	3.0%
ROCE	7.5%	5.3%	3.4%	4.0%	2.9%	3.0%	3.2%	3.4%
<u>Profitability ratio</u>								
Gross margins	39.6%	31.9%	26.4%	27.2%	21.8%	22.2%	22.5%	22.9%
EBITDA margins	43.8%	37.8%	36.0%	36.4%	30.9%	30.9%	30.9%	30.8%
Operating margins	31.1%	23.8%	17.2%	18.3%	13.2%	13.5%	13.8%	14.2%
Net margins	28.5%	21.1%	11.4%	12.8%	8.7%	9.6%	10.4%	11.3%
<u>Leverage</u>								
Debt/Capital	12.7%	12.5%	14.7%	12.8%	11.1%	9.6%	8.1%	6.6%
Debt/Total assets	11.9%	11.8%	13.8%	12.1%	10.5%	9.1%	7.7%	6.2%
Debt/Equity	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Debt/EBITDA	1.1	1.4	2.0	1.5	1.6	1.3	1.1	0.8
Net debt/EBITDA	0.8	1.2	1.9	1.5	1.5	1.2	0.9	0.7

Eastern Province Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	758	784	996	1,211	1,227	1,245	1,254	1,263
Gross profit	261	248	293	374	334	340	343	347
Operating profit	206	181	225	297	261	266	267	269
Net income	193	143	196	248	213	235	242	243
Total assets	2,785	2,851	2,844	2,764	2,896	3,033	3,173	3,316
Debt	6	7	7	6	6	6	6	6
Cash	402	91	87	155	162	190	191	202
M-Cap	2,246	2,246	2,246	2,246	2,246	2,246	2,246	2,246
EV	1,046	1,190	1,370	1,709	1,829	1,864	1,703	1,542
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	2.2	1.7	2.3	2.9	2.5	2.7	2.8	2.8
BVPS	27.9	27.4	27.8	26.7	27.9	29.5	31.1	32.7
DPS	2.5	2.0	1.6	1.6	1.2	1.2	1.2	1.2
<u>Valuations</u>								
P/E	11.6	15.7	11.4	9.1	10.5	9.6	9.3	9.2
EV/EBITDA	3.4	4.2	4.2	4.2	5.0	5.0	4.6	4.2
Div. yield	9.6%	7.7%	6.1%	6.1%	4.6%	4.6%	4.6%	4.6%
<u>Liquidity</u>								
Cash Ratio	1.6	0.3	0.3	0.5	0.5	0.5	0.5	0.6
Current ratio	4.3	3.1	4.2	4.1	3.9	3.5	3.5	3.5
Quick ratio	2.5	1.6	2.3	2.5	2.3	1.9	1.9	1.9
<u>Return ratio</u>								
ROA	6.9%	5.0%	6.9%	9.0%	7.4%	7.8%	7.6%	7.3%
ROE	8.0%	6.1%	8.2%	10.8%	8.9%	9.3%	9.0%	8.7%
ROCE	8.6%	7.6%	9.4%	12.9%	10.8%	10.5%	10.0%	9.6%
<u>Profitability ratio</u>								
Gross margins	34.4%	31.6%	29.4%	30.9%	27.2%	27.3%	27.4%	27.4%
EBITDA margins	40.8%	36.4%	32.9%	33.7%	29.7%	29.7%	29.5%	29.4%
Operating margins	27.2%	23.1%	22.6%	24.6%	21.2%	21.3%	21.3%	21.3%
Net margins	25.5%	18.3%	19.7%	20.5%	17.4%	18.9%	19.3%	19.3%
<u>Leverage</u>								
Debt/Capital	0.2%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
Debt/Total assets	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA	(1.3)	(0.3)	(0.2)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)







City Cement	2021	2022	2023	2024	2025e	2026e	2027e	2028e
<u>Key Financials (SAR mn)</u>								
Revenue	497	431	356	521	564	575	587	599
Gross profit	208	145	110	189	197	200	200	200
Operating profit	174	111	73	136	140	142	141	139
Net income	160	115	82	144	157	151	150	149
Total assets	1,956	1,941	1,864	1,895	1,902	1,898	1,893	1,887
Debt	5	4	2	2	2	2	2	2
Cash	56	50	43	42	42	48	52	54
M-Cap	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278
EV	1,906	1,878	1,905	1,803	1,748	1,692	1,638	1,587
<u>Key Ratios</u>								
<u>Per Share (SAR)</u>								
EPS	1.1	0.8	0.6	1.0	1.1	1.1	1.1	1.1
BVPS	13.1	13.0	12.7	12.8	12.8	12.8	12.7	12.7
DPS	1.3	0.9	0.8	0.5	1.1	1.1	1.1	1.1
<u>Valuations</u>								
P/E	14.2	19.8	27.8	15.8	14.5	15.1	15.2	15.3
EV/EBITDA	7.4	9.8	12.2	8.0	7.4	7.2	7.0	6.8
Div. yield	7.7%	5.5%	4.9%	3.1%	6.9%	6.9%	6.9%	6.9%
<u>Liquidity</u>								
Cash Ratio	0.6	0.5	0.7	0.6	0.5	0.6	0.6	0.6
Current ratio	5.8	6.6	10.1	9.4	9.5	10.1	10.5	10.8
Quick ratio	4.4	4.9	7.1	7.3	7.4	7.9	8.3	8.7
<u>Return ratio</u>								
ROA	8.2%	5.9%	4.4%	7.6%	8.3%	7.9%	7.9%	7.9%
ROE	8.8%	6.3%	4.6%	8.0%	8.7%	8.4%	8.4%	8.4%
ROCE	9.5%	6.1%	4.1%	7.6%	7.8%	7.9%	7.9%	7.8%
<u>Profitability ratio</u>								
Gross margins	41.8%	33.7%	31.0%	36.2%	34.9%	34.7%	34.0%	33.3%
EBITDA margins	51.7%	44.6%	43.6%	43.5%	42.0%	41.0%	40.0%	39.0%
Operating margins	35.1%	25.7%	20.4%	26.1%	24.8%	24.6%	23.9%	23.3%
Net margins	32.3%	26.7%	23.0%	27.7%	27.8%	26.2%	25.5%	24.8%
<u>Leverage</u>								
Debt/Capital	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Debt/Total assets	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Debt/Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)

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Rating Criteria and Definitions

Rating	Rating Definitions
 Strong Buy	This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
 Buy	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
 Hold	This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
 Neutral	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
 Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
 Strong Sell	This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
Not rated	This recommendation used for stocks which does not form part of Coverage Universe

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