Saudi Cement 2026 Outlook

17 June 2026

The 1Q26 financial performance of Saudi cement companies was impacted by a combination of factors, including pressure on volumes and higher production costs. Although cement prices of most of the companies under our coverage improved both YoY and QoQ profitability was impacted by lower cement volumes and higher cost of production. Cement volumes were affected by seasonality, owing to the early onset of Eid in 2026, as well as economic uncertainty stemming from ongoing geopolitical tensions. While we expect offtake to recover in 2H26, we also factor in the relatively high base recorded in 2H25, which was supported by increased supply driven largely by lower pricing. The interest rate environment remained favorable; however, market sentiment has shifted considerably. Driven by higher inflation in the US amid ongoing political uncertainty, we do not expect any cuts in Fed rates this year. Consequently, we expect 3-month SIBOR rates to remain broadly flat. Although real estate lending by banks continues to increase, there has been a noticeable decline in new residential mortgages, which is likely to moderate growth momentum. Overall, we forecast cement volumes for the 7companies under our coverage to decline by c.5-7% YoY for 2026, before recovering in 2027.

Cement realizations, meanwhile, improved in 1Q26 compared with the levels recorded in both 1Q25 and 4Q26. While the pricing environment has improved, the competitive landscape in Saudi Arabia remains unchanged, and we continue to be cautious given persistent price competition and the continued build-up of clinker inventories across the sector. Overall, we expect any improvement in cement prices to remain limited and forecast an c.7% YoY increase in average cement realizations for the companies under our coverage in 2026e. Production costs have continued to rise, driven primarily by higher fuel costs. We expect this trend to broadly persist in the medium term, although participation in the Industrial Sector Competitiveness Program could help mitigate downside risks over the longer term. Overall, we forecast net income for 2026e to increase by c.10% YoY, driven largely by the lower base in 2H25.

Company	Old	TP	CMP	+/- from TP	Rating	P/E	
						2026e	2027e
Yamama Cement	35.0	29.0	26.0	11.4%	Buy	11.3x	10.9x
Saudi Cement	42.0	33.0	32.8	0.6%	Hold	13.1x	13.1x
Southern Cement	28.0	21.0	20.1	4.5%	Hold	79.4x	18.2x
Yanbu Cement	17.5	15.0	15.4	-2.5%	Neutral	18.8x	17.6x
Arabian Cement	23.0	23.0	23.4	-1.7%	Neutral	12.0x	11.8x
Riyadh Cement	33.0	26.0	22.8	14.0%	Buy	11.9x	11.6x
Najran Cement	8.7	6.0	5.7	5.4%	Hold	40.3x	37.3x
Eastern Cement	36.0	32.0	26.3	21.7%	Strong Buy	8.8x	8.5x
City Cement	17.5	12.5	11.8	5.6%	Hold	15.5x	15.3x

Yamama Cement	Buy
12M Price Target (SAR)	29.00
CMP (SAR)	26.04
Potential Upside (%)	11.4%
P/E (2026e)	11.3x
Dividend Yield (2026e)	3.8%

Saudi Cement	Hold
12M Price Target (SAR)	33.00
CMP (SAR)	32.80
Potential Upside (%)	0.6%
P/E (2026e)	13.1x
Dividend Yield (2026e)	5.5%

Southern Cement	Hold
12M Price Target (SAR)	21.00
CMP (SAR)	20.10
Potential Upside (%)	4.5%
P/E (2026e)	79.4x
Dividend Yield (2026e)	2.5%

Yanbu Cement	Neutral
12M Price Target (SAR)	15.00
CMP (SAR)	15.38
Potential Upside (%)	-2.5%
P/E (2026e)	18.8x
Dividend Yield (2026e)	8.1%

Arabian Cement	Neutral
12M Price Target (SAR)	23.00
CMP (SAR)	23.39
Potential Upside (%)	-1.7%
P/E (2026e)	12.0x
Dividend Yield (2026e)	6.4%

Riyadh Cement	Buy
12M Price Target (SAR)	26.00
CMP (SAR)	22.80
Potential Upside (%)	14.0%
P/E (2026e)	11.9x
Dividend Yield (2026e)	7.0%

Najran Cement	Hold
12M Price Target (SAR)	6.00
CMP (SAR)	5.69
Potential Upside (%)	5.4%
P/E (2026e)	40.3x
Dividend Yield (2026e)	0.0%

Eastern Cement	Strong Buy
12M Price Target (SAR)	32.00
CMP (SAR)	26.30
Potential Upside (%)	21.7%
P/E (2026e)	8.8x
Dividend Yield (2026e)	4.6%

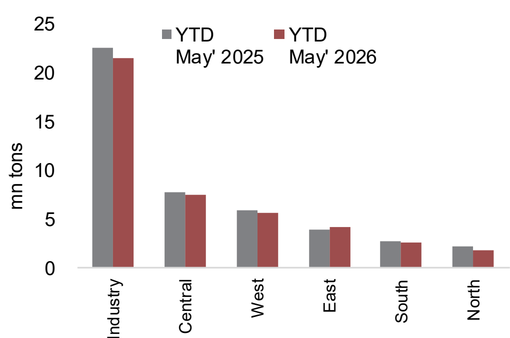
City Cement	Hold
12M Price Target (SAR)	12.50
CMP (SAR)	11.84
Potential Upside (%)	5.6%
P/E (2026e)	15.5x
Dividend Yield (2026e)	9.7%

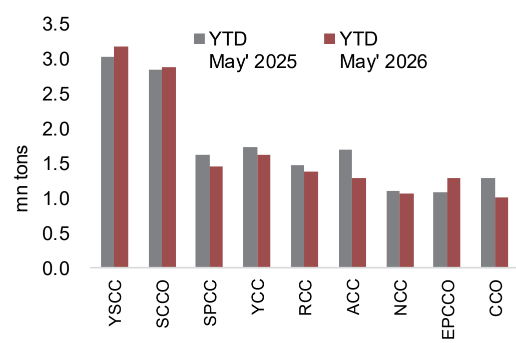
Industry cement volumes decline by 4.3% YoY for 5M25.

Cyclicality and geopolitical tension keep volume growth under check

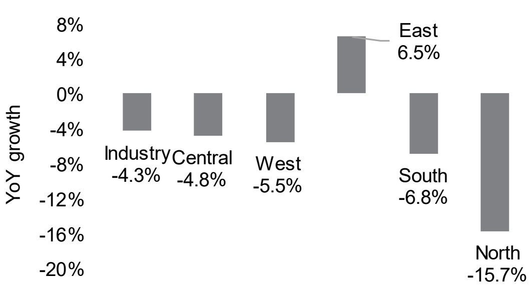
Cement volumes in Saudi Arabia for the five months ended May 2026 (5M26) declined by 4.3% YoY to 21.5mn tons, reflecting weakness across most regions, with the Eastern region being the only geography to record growth during the period. Part of this decline can be attributed to the Eid Al Adha holidays falling in May 2026, compared with June 2025, resulting in a higher comparative base in the previous year. The Northern region was the most affected, with volumes declining by 15.7% YoY in 5M26, followed by the Southern region, which reported a 6.8% YoY decrease. The Western and Central regions also recorded declines of 5.5% and 4.8% YoY, respectively. In contrast, the Eastern region bucked the trend, posting a solid 6.5% YoY increase in volumes, driven by strong performance from EPCCO and a postive turnout by Saudi Cement.

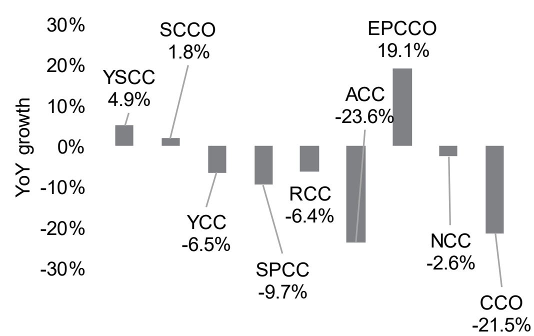
Cement volumes fall across regions, except East, with most companies under our coverage following this trend





YSCC, SCCO, and EPCCO outperform its peers

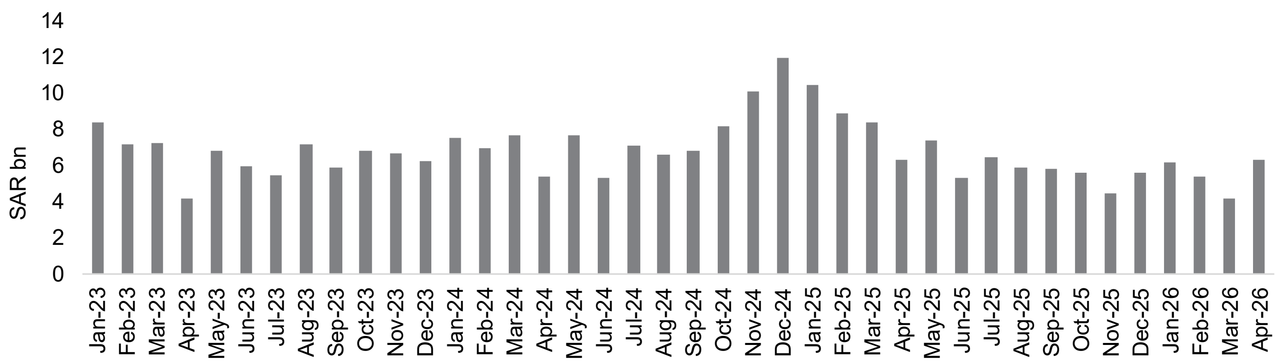




Source: Yamama Cement, Company filings, US Research (YSCC: Yamama Cement, SCCO: Saudi Cement, SPCC: Southern Province Cement, YCC: Yanbu Cement, RCC: Riyadh Cement, ACC: Arabian Cement, NCC: Najran Cement, EPCCO: Eastern Province Cement, CCO: City Cement)

Companies under our coverage largely followed the broader industry trend, reporting weaker offtake during 5M26. ACC was the most affected, recording a 23.6% YoY decline in volumes, followed by CCO, which reported a 21.5% YoY decrease. SPCC's offtake fell by 9.7% YoY, while YCC and RCC reported declines of 6.5% YoY and 6.4% YoY, respectively. NCC recorded a comparatively smaller decline of 2.6% YoY over the same period. In contrast, EPCCO outperformed its peers, with volumes increasing by 19.1% YoY in 5M26. YSCC and SCCO also outperformed, reporting volume growth of 4.9% YoY and 1.8% YoY, respectively.

Mortgages remains steady, though new loans trend lower in 2026



Source: SAMA, US Research

New residential mortgages average SAR5.5bn per month in 4M26.

New residential mortgages averaged SAR6.7bn per month in 2025, while during 4M26 (YTD'April 2026) they averaged SAR5.5bn, significantly below the SAR8.5bn per month recorded during the same period in 2025. Despite the slowdown in the momentum of new loans, the overall lending envornoment for the segment remains attractive, with real estate loans by banks increasing 6.4% YoY and 1.7% QoQ in 1Q26. The sector remains a key growth area for the banks in Saudi and expect consistent flow of funds in the medium-term. The 3M-SIBOR averaged 4.8% YTD (as of June 9, 2026), compared with 5.3% in 2025. The likelihood of any Fed rate cuts in the near term appears limited, given current inflation levels and the risk of further price pressures arising from ongoing geopolitical tensions. As a result, we expect SIBOR to remain broadly flat at around current levels in the short term. We remain positive on the upcoming global events in Saudi Arabia, including the FIFA World Cup, which are likely to provide momentum to construction spending. However we expect cement volumes in the current year to remain under pressure and forecast offtake to fall by c.5-7% YoY for 2026, before improving in 2027.

Cement prices recover in 1Q26 after the pressure witnessed in 2H25

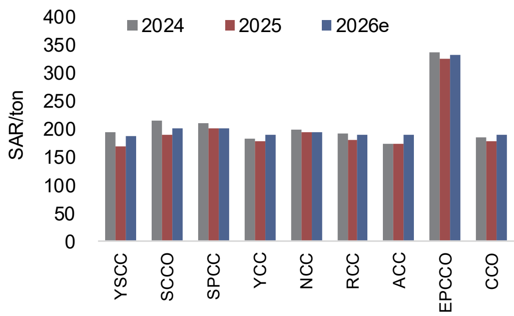
Cement prices improved in 1Q26, with average realizations for the companies under our coverage increasing both YoY and QoQ. The recovery follows the weakness witnessed across the industry in 2H25, particularly in 3Q25, driven by higher supply and intensified price competition. Clinker inventories increased by 4.6% YTD to 44.7mn tons as of May 2026. Inventory levels remained elevated at approximately nine months of production, which is likely to limit further pricing upside going forward.

Prices improve QoQ across regions, though prices in the Central region continues to lag the levels a year back.

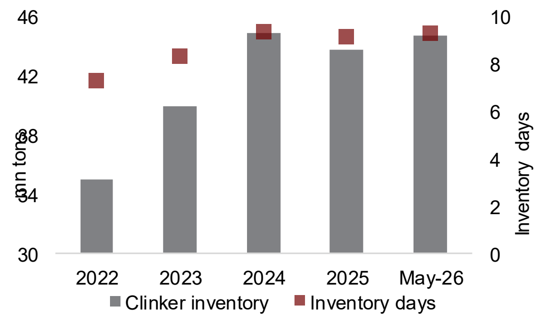
Pricing in the Central region, however, remained under pressure, with companies across the region continuing to report lower average realizations on a YoY basis. YSCC's average realization in 1Q26 declined by 10.1% YoY to SAR187/ton, although it improved by 8.5% QoQ. RCC reported a 4.0% YoY decline in average realization to SAR194/ton, while posting a 7.3% QoQ improvement. Similarly, CCO recorded an average realization of SAR198/ton, representing a 1.9% YoY decline, although it improved by 13.8% QoQ.

In the Western region, companies recorded some of the strongest pricing improvements, both sequentially and on a YoY basis. ACC posted a 26.2% YoY and 21.8% QoQ increase in average realization to SAR207/ton. Similarly, YCC's realizations rose by 8.2% YoY and 9.2% QoQ to SAR192/ton. Among companies in the other regions, SCCO's average realization declined marginally by 1.5% YoY to SAR207/ton. EPCCO, meanwhile, maintained its premium pricing, with average realizations increasing by 2.9% YoY and 20.8% QoQ. Najran Cement on the other hand reported a 5.2% YoY drop in its average realization to SAR193/ton, though the same improved by 8.4% QoQ.

Cement prices to improve on a YoY basis



Clinker inventory remains elevated



Source: Yamama Cement, Company filings, US Research

Realization to continue to improve in 2026e, though the same is likely to remain capped.

Looking ahead, we expect pricing to remain firm during the year, although we remain cautious given the industry's tendency towards price competition. Furthermore, inventory levels across the industry remain elevated at approximately nine months of production, which is likely to limit further upside in pricing. Overall, we forecast average realizations for the companies under our coverage to increase by c.7% YoY in 2026e.

Cost of production remains high and increases on both a YoY and QoQ basis

The cost of sales per ton for the cement companies under our coverage increased by 2% YoY in 1Q26, driven primarily by higher fuel costs. We expect this trend to broadly persist over the medium term. Most of the companies under our coverage have joined the Industrial Sector Competitiveness Program, which could help mitigate the impact of rising costs. However, the benefits of the program are likely to take time to materialize. The increase in costs more than offset the improvement in pricing, resulting in gross margins declining to 32% in 1Q26 from 34% a year earlier. Looking ahead, we expect pressure on gross margins to persist. However, we forecast a 250-300bps YoY improvement in gross margins for 2026e, primarily due to the lower base in 2H25, when cement realizations were adversely affected by pricing pressure.

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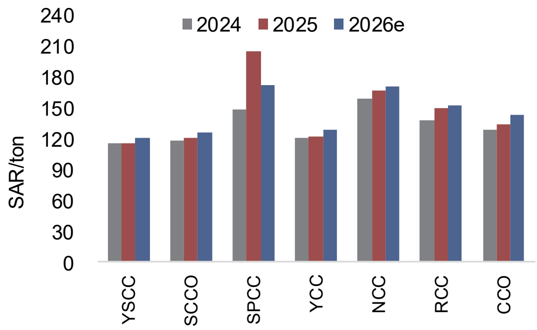
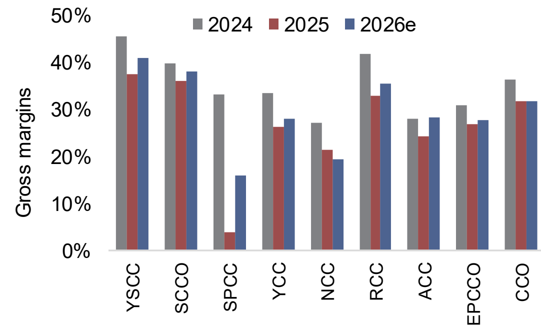
Cost of sales per ton to remain under pressure in the medium term, though 2026e gross margins to improve





Source: Yamama Cement, Company filings, US Research

Driven largely by improved gross margins, a largely under control operating expenses, and a weaker base of 2H25 we forecast net income of the companies under our coverage to increase by c.10% YoY for 2026e. However, we continue to remain largely cautious of the sector's performance on account of its large inventory base and it penchant towards price competition to gain market share in the past. This in turn tempers our outlook for the sector.

Companies Under Our Coverage

Companies	CMP	TP	Up/Down	Rating	Volume Sold			Revenue			Net Income		
					5M26	5M25	YoY	2025	2026e	YoY	2025	2026e	YoY
Yamama Cement	26.0	29.0	11.4%	Buy	3,023	3,172	4.9%	1,423	1,460	2.6%	483	466	-3.5%
Saudi Cement	32.8	33.0	0.6%	Hold	2,833	2,884	1.8%	1,671	1,627	-2.7%	364	383	5.4%
Southern Cement	20.1	21.0	4.5%	Hold	1,613	1,457	-9.7%	867	793	-8.5%	(49)	35	NA
Yanbu Cement	15.4	15.0	-2.5%	Neutral	1,735	1,622	-6.5%	1,084	987	-8.9%	104	129	23.3%
Arabian Cement	23.4	23.0	-1.7%	Neutral	1,696	1,295	-23.6%	1,062	1,012	-4.8%	168	196	16.8%
Riyadh Cement	22.8	26.0	14.0%	Buy	1,464	1,371	-6.4%	788	792	0.5%	208	229	10.4%
Najran Cement	5.7	6.0	5.4%	Hold	1,099	1,070	-2.6%	516	496	-4.0%	37	24	-34.7%
Eastern Cement	26.3	32.0	21.7%	Strong Buy	1,076	1,281	19.1%	1,262	1,416	12.2%	202	256	26.4%
City Cement	11.8	12.5	5.6%	Hold	1,284	1,008	-21.5%	520	459	-11.7%	129	107	-17.0%

Saudi Cement Company	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	1,462	1,676	1,671	1,627	1,663	1,700	1,737	1,776
Gross profit	573	667	603	617	618	618	634	651
Operating profit	362	428	380	396	392	387	399	410
Net income	381	422	364	383	383	382	396	409
Total assets	3,214	3,137	3,082	3,136	3,196	3,255	3,337	3,472
Debt	446	299	230	180	130	80	40	40
Cash	115	121	44	50	51	52	56	63
M-Cap	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
EV	5,322	5,165	5,171	4,993	4,859	4,726	4,580	4,421
Key Ratios								
Per Share (SAR)								
EPS	2.5	2.8	2.4	2.5	2.5	2.5	2.6	2.7
BVPS	14.1	14.6	14.5	15.2	15.9	16.6	17.4	18.3
DPS	2.5	2.8	1.8	1.8	1.8	1.8	1.8	1.8
Valuations								
P/E	13.2	11.9	13.9	13.1	13.2	13.2	12.7	12.3
EV/EBITDA	9.1	8.0	8.7	8.1	7.9	7.7	7.2	6.8
Div. yield	7.6%	8.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Liquidity								
Cash Ratio	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Current ratio	1.3	1.6	1.7	1.8	2.0	2.2	2.4	2.5
Quick ratio	0.6	0.8	0.7	0.8	0.8	0.9	1.0	1.1
Return ratio								
ROA	11.9%	13.4%	11.8%	12.2%	12.0%	11.7%	11.9%	11.8%
ROE	17.6%	18.8%	16.4%	16.5%	15.7%	15.0%	14.9%	14.6%
ROCE	11.3%	13.7%	12.3%	12.6%	12.3%	11.9%	11.9%	11.8%
Profitability ratio								
Gross margins	39.2%	39.8%	36.1%	37.9%	37.2%	36.4%	36.5%	36.7%
EBITDA margins	39.8%	38.6%	35.7%	37.9%	37.1%	36.3%	36.4%	36.5%
Operating margins	24.8%	25.6%	22.7%	24.3%	23.6%	22.8%	22.9%	23.1%
Net margins	26.1%	25.2%	21.8%	23.6%	23.0%	22.5%	22.8%	23.0%
Leverage								
Debt/Capital	17.1%	11.8%	9.4%	7.2%	5.1%	3.1%	1.5%	1.4%
Debt/Total assets	13.9%	9.5%	7.5%	5.7%	4.1%	2.5%	1.2%	1.2%
Debt/Equity	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Debt/EBITDA	0.8	0.5	0.4	0.3	0.2	0.1	0.1	0.1
Net debt/EBITDA	0.6	0.3	0.3	0.2	0.1	0.0	(0.0)	(0.0)

Yamama Cement Company	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	935	1,173	1,423	1,460	1,504	1,543	1,574	1,606
Gross profit	335	534	534	598	620	636	656	677
Operating profit	264	449	419	501	521	535	553	572
Net income	304	421	483	466	486	500	518	537
Total assets	6,483	7,317	7,473	7,728	8,018	8,322	8,590	8,826
Debt	1,324	1,793	1,837	1,837	1,837	1,837	1,837	1,837
Cash	160	61	52	83	90	100	109	115
M-Cap	5,273	5,273	5,273	5,273	5,273	5,273	5,273	5,273
EV	5,860	6,510	6,494	6,090	5,693	5,288	4,914	4,578
Key Ratios								
Per Share (SAR)								
EPS	1.5	2.1	2.4	2.3	2.4	2.5	2.6	2.7
BVPS	23.4	23.9	24.5	25.8	27.2	28.7	30.0	31.2
DPS	1.0	1.0	1.0	1.0	1.0	1.0	1.3	1.5
Valuations								
P/E	17.3	12.5	10.9	11.3	10.9	10.6	10.2	9.8
EV/EBITDA	13.2	10.3	10.6	8.6	7.8	7.2	6.5	6.0
Div. yield	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	4.8%	5.8%
Liquidity								
Cash Ratio	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Current ratio	1.3	1.2	1.4	3.4	4.3	5.2	6.0	6.7
Quick ratio	0.7	0.5	0.7	2.2	3.1	3.9	4.7	5.4
Return ratio								
ROA	4.7%	5.7%	6.5%	6.0%	6.1%	6.0%	6.0%	6.1%
ROE	6.4%	8.7%	9.7%	8.9%	8.8%	8.6%	8.5%	8.5%
ROCE	4.1%	6.1%	5.6%	6.5%	6.5%	6.4%	6.4%	6.5%
Profitability ratio								
Gross margins	35.9%	45.5%	37.5%	40.9%	41.2%	41.2%	41.7%	42.2%
EBITDA margins	47.4%	54.1%	43.1%	48.7%	48.3%	47.7%	47.7%	47.6%
Operating margins	28.2%	38.3%	29.4%	34.3%	34.6%	34.6%	35.2%	35.6%
Net margins	32.5%	35.9%	33.9%	31.9%	32.3%	32.4%	32.9%	33.5%
Leverage								
Debt/Capital	21.9%	27.0%	27.0%	26.0%	25.0%	24.0%	23.2%	22.5%
Debt/Total assets	20.4%	24.5%	24.6%	23.8%	22.9%	22.1%	21.4%	20.8%
Debt/Equity	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Debt/EBITDA	3.0	2.8	3.0	2.6	2.5	2.5	2.4	2.4
Net debt/EBITDA	2.6	2.7	2.9	2.5	2.4	2.4	2.3	2.3

Southern Province Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	1,070	935	867	793	866	883	899	917
Gross profit	277	309	32	126	245	253	270	286
Operating profit	200	227	(41)	53	170	177	191	206
Net income	195	193	(49)	35	154	164	182	199
Total assets	4,083	4,326	4,759	4,499	4,369	4,253	4,154	4,072
Debt	362	657	1,264	1,053	843	632	421	211
Cash	363	186	101	110	118	120	130	168
M-Cap	2,814	2,814	2,814	2,814	2,814	2,814	2,814	2,814
EV	2,813	3,285	3,977	3,667	3,399	3,176	2,936	2,687
Key Ratios								
Per Share (SAR)								
EPS	1.4	1.4	(0.3)	0.3	1.1	1.2	1.3	1.4
BVPS	23.5	23.2	21.9	21.6	22.3	22.9	23.7	24.6
DPS	1.0	1.2	0.5	0.5	0.5	0.5	0.5	0.5
Valuations								
P/E	14.4	14.6	(58.0)	80.3	18.2	17.2	15.5	14.1
EV/EBITDA	7.1	7.6	24.9	14.4	9.4	8.8	8.0	7.2
Div. yield	5.0%	6.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Liquidity								
Cash Ratio	1.1	0.5	0.2	0.2	0.2	0.2	0.2	0.3
Current ratio	3.9	3.5	2.8	1.9	1.8	1.9	1.9	2.0
Quick ratio	1.6	1.0	0.6	0.5	0.6	0.6	0.6	0.7
Return ratio								
ROA	4.8%	4.5%	-1.0%	0.8%	3.5%	3.9%	4.4%	4.9%
ROE	5.9%	6.0%	-1.6%	1.2%	5.0%	5.1%	5.5%	5.8%
ROCE	4.9%	5.3%	-0.9%	1.2%	3.9%	4.2%	4.6%	5.1%
Profitability ratio								
Gross margins	25.8%	33.0%	3.7%	15.8%	28.3%	28.7%	30.0%	31.2%
EBITDA margins	37.0%	46.5%	18.4%	32.1%	41.9%	40.9%	40.9%	41.0%
Operating margins	18.7%	24.3%	-4.7%	6.7%	19.6%	20.0%	21.3%	22.5%
Net margins	18.3%	20.6%	-5.6%	4.4%	17.8%	18.6%	20.2%	21.7%
Leverage								
Debt/Capital	9.9%	16.9%	29.2%	25.8%	21.3%	16.5%	11.3%	5.8%
Debt/Total assets	8.9%	15.2%	26.6%	23.4%	19.3%	14.9%	10.1%	5.2%
Debt/Equity	0.1	0.2	0.4	0.3	0.3	0.2	0.1	0.1
Debt/EBITDA	0.9	1.5	7.9	4.1	2.3	1.8	1.1	0.6
Net debt/EBITDA	(0.0)	1.1	7.3	3.7	2.0	1.4	0.8	0.1

Yanbu Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	827	877	1,084	987	1,019	1,045	1,064	1,082
Gross profit	236	293	283	277	289	294	303	312
Operating profit	126	180	128	150	159	161	168	174
Net income	120	157	104	129	138	140	145	151
Total assets	3,368	3,251	3,043	2,941	2,876	2,818	2,767	2,713
Debt	417	318	156	128	121	119	119	119
Cash	74	55	75	83	107	143	162	184
M-Cap	2,416	2,416	2,416	2,416	2,416	2,416	2,416	2,416
EV	2,674	2,664	2,492	2,461	2,430	2,391	2,373	2,351
Key Ratios								
Per Share (SAR)								
EPS	0.8	1.0	0.7	0.8	0.9	0.9	0.9	1.0
BVPS	16.8	16.5	16.0	15.5	15.1	14.8	14.5	14.1
DPS	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Valuations								
P/E	20.1	15.4	23.1	18.8	17.6	17.3	16.6	16.0
EV/EBITDA	9.1	7.7	8.4	7.7	7.4	7.2	7.0	6.9
Div. yield	9.8%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.5%
Liquidity								
Cash Ratio	0.1	0.1	0.2	0.3	0.4	0.6	0.7	0.7
Current ratio	2.0	2.2	2.6	4.3	4.7	5.1	5.5	5.8
Quick ratio	0.7	0.6	0.7	1.1	1.2	1.4	1.5	1.6
Return ratio								
ROA	3.6%	4.8%	3.4%	4.4%	4.8%	5.0%	5.2%	5.6%
ROE	4.5%	6.0%	4.2%	5.3%	5.8%	6.0%	6.4%	6.8%
ROCE	3.7%	5.5%	4.2%	5.1%	5.5%	5.7%	6.1%	6.4%
Profitability ratio								
Gross margins	28.5%	33.4%	26.1%	28.0%	28.4%	28.1%	28.5%	28.8%
EBITDA margins	35.7%	39.4%	27.5%	32.3%	32.2%	31.6%	31.6%	31.7%
Operating margins	15.3%	20.5%	11.8%	15.2%	15.6%	15.4%	15.8%	16.1%
Net margins	14.5%	17.9%	9.6%	13.1%	13.5%	13.4%	13.7%	13.9%
Leverage								
Debt/Capital	13.6%	10.9%	5.9%	5.0%	4.8%	4.9%	5.0%	5.1%
Debt/Total assets	12.4%	9.8%	5.1%	4.3%	4.2%	4.2%	4.3%	4.4%
Debt/Equity	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt/EBITDA	1.4	0.9	0.5	0.4	0.4	0.4	0.4	0.3
Net debt/EBITDA	1.2	0.8	0.3	0.1	0.0	(0.1)	(0.1)	(0.2)

Najran Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	486	535	516	496	511	526	534	542
Gross profit	128	145	110	96	99	101	103	104
Operating profit	83	98	64	49	51	53	53	54
Net income	55	68	37	24	26	28	28	30
Total assets	2,478	2,477	2,435	2,458	2,486	2,515	2,545	2,575
Debt	341	299	262	262	262	262	262	262
Cash	16	16	7	16	23	24	28	36
M-Cap	967	967	967	967	967	967	967	967
EV	1,292	1,250	1,223	1,123	1,042	960	872	783
Key Ratios								
Per Share (SAR)								
EPS	0.3	0.4	0.2	0.1	0.2	0.2	0.2	0.2
BVPS	11.6	12.0	12.0	12.1	12.3	12.4	12.6	12.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuations								
P/E	17.5	14.1	26.3	40.3	37.3	34.8	34.1	32.8
EV/EBITDA	7.4	6.4	7.5	7.6	7.0	6.4	5.8	5.1
Div. yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity								
Cash Ratio	0.1	0.1	0.1	0.2	0.3	0.3	0.3	0.4
Current ratio	2.3	2.5	3.8	7.0	8.0	8.9	9.9	10.9
Quick ratio	0.4	0.4	0.4	1.8	2.7	3.6	4.6	5.6
Return ratio								
ROA	2.2%	2.8%	1.5%	1.0%	1.0%	1.1%	1.1%	1.1%
ROE	2.8%	3.4%	1.8%	1.2%	1.2%	1.3%	1.3%	1.4%
ROCE	3.4%	4.0%	2.6%	2.0%	2.1%	2.1%	2.1%	2.1%
Profitability ratio								
Gross margins	26.4%	27.2%	21.3%	19.4%	19.3%	19.3%	19.2%	19.3%
EBITDA margins	36.0%	36.4%	31.4%	29.8%	29.3%	28.7%	28.4%	28.1%
Operating margins	17.2%	18.3%	12.4%	10.0%	10.0%	10.0%	9.9%	9.9%
Net margins	11.4%	12.8%	7.1%	4.8%	5.1%	5.3%	5.3%	5.4%
Leverage								
Debt/Capital	14.7%	12.8%	11.4%	11.3%	11.2%	11.0%	10.9%	10.8%
Debt/Total assets	13.8%	12.1%	10.8%	10.7%	10.5%	10.4%	10.3%	10.2%
Debt/Equity	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Debt/EBITDA	2.0	1.5	1.6	1.8	1.8	1.7	1.7	1.7
Net debt/EBITDA	1.9	1.5	1.6	1.7	1.6	1.6	1.6	1.5

Riyadh Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	643	789	788	792	809	827	845	864
Gross profit	237	329	258	281	288	294	309	323
Operating profit	200	293	216	239	245	250	264	277
Net income	189	310	208	229	235	240	253	266
Total assets	1,839	1,970	1,897	1,934	1,977	2,026	2,087	2,161
Debt	4	4	2	2	2	2	2	2
Cash	81	149	62	66	71	76	81	87
M-Cap	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736
EV	2,658	2,591	2,676	2,671	2,667	2,662	2,656	2,651
Key Ratios								
Per Share (SAR)								
EPS	1.6	2.6	1.7	1.9	2.0	2.0	2.1	2.2
BVPS	14.0	14.8	14.3	14.6	15.0	15.4	15.9	16.5
DPS	1.6	2.3	1.6	1.6	1.6	1.6	1.6	1.6
Valuations								
P/E	14.5	8.8	13.2	11.9	11.6	11.4	10.8	10.3
EV/EBITDA	8.7	6.5	8.2	7.7	7.7	7.7	7.5	7.3
Div. yield	6.8%	9.9%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Liquidity								
Cash Ratio	0.6	1.0	0.4	0.5	0.5	0.5	0.6	0.6
Current ratio	4.9	4.9	4.7	5.5	6.2	6.9	7.7	8.5
Quick ratio	2.6	3.0	2.3	3.1	3.8	4.5	5.2	6.0
Return ratio								
ROA	10.3%	15.8%	11.0%	11.9%	11.9%	11.9%	12.1%	12.3%
ROE	11.2%	17.4%	12.1%	13.1%	13.1%	13.0%	13.3%	13.4%
ROCE	10.9%	14.9%	11.4%	12.4%	12.4%	12.4%	12.6%	12.8%
Profitability ratio								
Gross margins	36.8%	41.6%	32.7%	35.5%	35.6%	35.6%	36.5%	37.4%
EBITDA margins	47.6%	50.6%	41.7%	43.6%	42.7%	41.8%	42.0%	42.1%
Operating margins	31.0%	37.1%	27.5%	30.2%	30.3%	30.3%	31.2%	32.1%
Net margins	29.3%	39.3%	26.4%	29.0%	29.1%	29.0%	29.9%	30.7%
Leverage								
Debt/Capital	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Debt/Total assets	0.2%	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	(0.3)	(0.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)

Arabian Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	876	858	1,062	1,012	1,032	1,052	1,073	1,095
Gross profit	207	240	256	287	289	291	300	308
Operating profit	153	174	184	214	215	216	223	229
Net income	140	164	168	196	198	200	205	212
Total assets	3,136	3,094	3,055	3,075	3,109	3,145	3,195	3,251
Debt	151	90	25	24	14	5	5	5
Cash	218	145	115	174	197	219	257	299
M-Cap	2,339	2,339	2,339	2,339	2,339	2,339	2,339	2,339
EV	2,194	2,215	2,243	2,121	2,078	2,037	1,988	1,935
Key Ratios								
Per Share (SAR)								
EPS	1.4	1.6	1.7	2.0	2.0	2.0	2.1	2.1
BVPS	25.7	25.7	25.8	26.2	26.7	27.2	27.8	28.4
DPS	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Valuations								
P/E	16.8	14.2	14.0	12.0	11.8	11.7	11.4	11.1
EV/EBITDA	7.2	6.6	6.7	6.5	6.3	6.2	5.9	5.6
Div. yield	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Liquidity								
Cash Ratio	1.0	0.6	0.5	0.8	0.9	1.0	1.2	1.3
Current ratio	4.2	4.2	4.7	5.0	5.1	5.4	5.6	5.8
Quick ratio	2.1	1.6	1.8	2.1	2.2	2.4	2.5	2.7
Return ratio								
ROA	4.6%	5.1%	5.3%	6.1%	6.1%	6.1%	6.2%	6.2%
ROE	5.4%	6.4%	6.5%	7.5%	7.4%	7.3%	7.4%	7.5%
ROCE	5.4%	6.3%	6.8%	7.8%	7.8%	7.7%	7.8%	7.9%
Profitability ratio								
Gross margins	23.6%	28.0%	24.1%	28.3%	28.0%	27.7%	27.9%	28.1%
EBITDA margins	34.6%	39.0%	31.3%	32.4%	31.9%	31.3%	31.3%	31.3%
Operating margins	17.5%	20.3%	17.3%	21.2%	20.9%	20.5%	20.7%	21.0%
Net margins	15.9%	19.1%	15.8%	19.3%	19.2%	19.0%	19.1%	19.3%
Leverage								
Debt/Capital	5.4%	3.3%	0.9%	0.9%	0.5%	0.2%	0.2%	0.2%
Debt/Total assets	4.8%	2.9%	0.8%	0.8%	0.5%	0.2%	0.2%	0.2%
Debt/Equity	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt/EBITDA	0.5	0.3	0.1	0.1	0.0	0.0	0.0	0.0
Net debt/EBITDA	(0.2)	(0.2)	(0.3)	(0.5)	(0.6)	(0.6)	(0.7)	(0.9)

Eastern Province Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	996	1,211	1,262	1,416	1,465	1,516	1,569	1,623
Gross profit	293	374	339	391	403	415	448	482
Operating profit	225	297	262	310	320	331	362	394
Net income	196	248	202	256	265	274	302	330
Total assets	2,844	2,764	3,244	3,439	3,617	3,804	4,010	4,246
Debt	7	6	373	373	373	373	373	373
Cash	87	155	207	221	248	275	322	388
M-Cap	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262
EV	1,386	1,522	1,945	1,931	1,904	1,877	1,830	1,764
Key Ratios								
Per Share (SAR)								
EPS	2.3	2.9	2.4	3.0	3.1	3.2	3.5	3.8
BVPS	27.8	26.7	27.2	29.0	30.9	32.9	35.2	37.8
DPS	1.6	1.6	1.2	1.2	1.2	1.2	1.2	1.2
Valuations								
P/E	11.5	9.1	11.2	8.8	8.5	8.2	7.5	6.8
EV/EBITDA	4.2	3.7	5.2	4.6	4.4	4.3	3.9	3.5
Div. yield	6.1%	6.1%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
Liquidity								
Cash Ratio	0.3	0.5	0.5	0.5	0.6	0.6	0.7	0.8
Current ratio	4.2	4.1	3.6	3.4	3.5	3.5	3.6	3.7
Quick ratio	2.3	2.5	2.3	2.2	2.2	2.2	2.3	2.5
Return ratio								
ROA	6.9%	9.0%	6.2%	7.4%	7.3%	7.2%	7.5%	7.8%
ROE	8.2%	10.8%	8.6%	10.3%	10.0%	9.7%	10.0%	10.2%
ROCE	9.4%	12.9%	9.6%	10.8%	10.6%	10.3%	10.6%	10.9%
Profitability ratio								
Gross margins	29.4%	30.9%	26.9%	27.6%	27.5%	27.4%	28.5%	29.7%
EBITDA margins	32.9%	33.7%	29.4%	29.6%	29.3%	29.0%	29.9%	30.9%
Operating margins	22.6%	24.6%	20.7%	21.9%	21.9%	21.8%	23.1%	24.3%
Net margins	19.7%	20.5%	16.0%	18.1%	18.1%	18.1%	19.2%	20.4%
Leverage								
Debt/Capital	0.3%	0.3%	13.7%	13.0%	12.3%	11.7%	11.0%	10.3%
Debt/Total assets	0.2%	0.2%	11.5%	10.8%	10.3%	9.8%	9.3%	8.8%
Debt/Equity	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1
Debt/EBITDA	0.0	0.0	1.0	0.9	0.9	0.8	0.8	0.7
Net debt/EBITDA	(0.2)	(0.4)	0.4	0.4	0.3	0.2	0.1	(0.0)

City Cement	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Key Financials (SAR mn)								
Revenue	356	521	520	459	468	480	487	497
Gross profit	110	189	164	145	147	149	152	157
Operating profit	73	136	113	95	96	98	99	103
Net income	82	144	129	107	108	109	110	114
Total assets	1,864	1,895	1,949	1,884	1,833	1,784	1,734	1,688
Debt	2	2	1	1	1	1	1	1
Cash	43	42	14	19	24	31	40	47
M-Cap	1,658	1,658	1,658	1,658	1,658	1,658	1,658	1,658
EV	1,285	1,183	1,102	1,073	1,061	1,049	1,035	1,018
Key Ratios								
Per Share (SAR)								
EPS	0.6	1.0	0.9	0.8	0.8	0.8	0.8	0.8
BVPS	12.7	12.8	13.1	12.7	12.3	12.0	11.6	11.3
DPS	0.8	0.5	1.2	1.2	1.2	1.2	1.2	1.2
Valuations								
P/E	20.2	11.5	12.9	15.5	15.3	15.2	15.0	14.6
EV/EBITDA	8.3	5.2	5.4	5.7	5.7	5.6	5.5	5.3
Div. yield	6.8%	4.2%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Liquidity								
Cash Ratio	0.7	0.6	0.2	0.2	0.3	0.4	0.5	0.6
Current ratio	10.1	9.4	8.6	9.8	9.8	9.7	9.8	9.9
Quick ratio	7.1	7.3	7.0	8.2	8.2	8.1	8.2	8.3
Return ratio								
ROA	4.4%	7.6%	6.6%	5.7%	5.9%	6.1%	6.4%	6.7%
ROE	4.6%	8.0%	7.0%	6.0%	6.3%	6.5%	6.8%	7.2%
ROCE	4.1%	7.6%	6.2%	5.4%	5.6%	5.8%	6.1%	6.5%
Profitability ratio								
Gross margins	31.0%	36.2%	31.5%	31.6%	31.4%	31.1%	31.2%	31.5%
EBITDA margins	43.6%	43.5%	39.6%	41.0%	40.0%	39.3%	39.0%	38.9%
Operating margins	20.4%	26.1%	21.8%	20.8%	20.6%	20.4%	20.3%	20.7%
Net margins	23.0%	27.7%	24.8%	23.3%	23.1%	22.7%	22.7%	22.9%
Leverage								
Debt/Capital	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Debt/Total assets	0.1%	0.1%	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	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)

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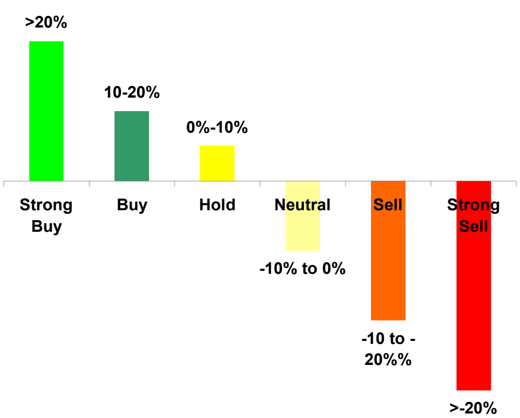
Rating Criteria and Definitions

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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