Company
Saudi Cement Co.
2Q26 Result Review

Rating

Buy

Bloomberg Ticker

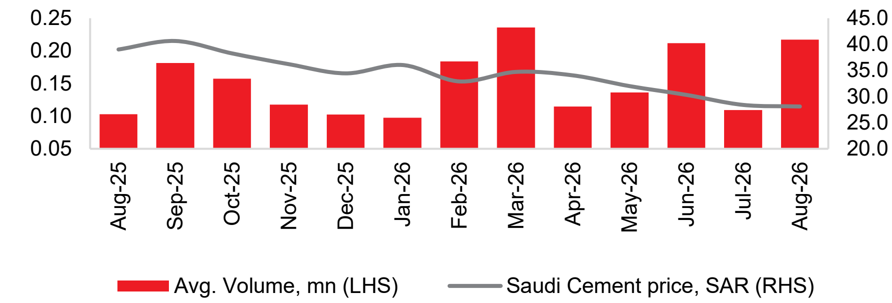
SACCO AB

Date

11 August 2026

Results

Target Price (SAR)	34.9
Total Return	31.3%



Current Market Price (SAR)	28.2
52-week High | Low	41.6 | 28.0
Price Perf. (1m | 3m)	-6.2% | -15.4%
Mkt. Cap. (USD/SAR mn)	1,164 | 4,312
Free Float	97.3%
3m ADTO (000 shares)	160
6m ADTO (000 shares)	165
3m ADTV (SAR 000)	4,948
6m ADTV (SAR 000)	5,368
P/E 27e	12.3x
P/B 27e	1.9x
DY 27e	7.5%

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Revenue increased 1% YoY in 2Q26, in line with our estimates

Saudi Cement delivered 2Q26 revenue of SAR 434.4mn (1% YoY and 13% QoQ), in line with our estimates. Revenue performance was supported by a 13% YoY increase in domestic cement volumes, which offset the impact of weaker average selling prices.

Improved gross margins drive earnings growth

Profitability for 2Q26 stood at SAR 102.0mn (7% YoY and 2% QoQ), driven lower selling and distribution expenses and finance costs, despite the increase in general and administrative expenses and decrease in other revenues.

U-Capital View

The cement sector has entered into an expansion cycle, with high inventory levels expected to weigh on prices. While industry-wide pricing remains a key headwind, Saudi Cement's well-developed logistics network, including road and rail infrastructure, offers greater flexibility to shift volumes across its operating regions. The stock currently trades at 12.3x FY27 P/E and offers an attractive 7.5% dividend yield. We maintain our Buy rating with a target price of SAR 34.9/share.

Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Revenue	431.5	363.9	457.5	382.8	434.4	444.2	1%	13%	-2%	849.8	817.5	-4%
Gross profit	155.0	107.9	167.5	156.5	168.7	183.0	9%	8%	-8%	327.6	325.2	-1%
Operating profit	104.9	64.6	115.7	108.6	110.8	130.7	6%	2%	-15%	221.8	219.4	-1%
Net profit	95.5	53.2	106.5	100.2	102.0	121.4	7%	2%	-16%	204.0	202.2	-1%
BS												
Shareholders' Equity	2,062.0	2,115.2	2,219.9	2,320.0	2,146.7		4%	-7%		2,062.0	2,146.7	4%
Ratios												
Gross margin	35.9%	29.6%	36.6%	40.9%	38.8%	41.2%				38.5%	39.8%	
Operating margin	24.3%	17.7%	25.3%	28.4%	25.5%	29.4%				26.1%	26.8%	
Net profit margin	22.1%	14.6%	23.3%	26.2%	23.5%	27.3%				24.0%	24.7%	
RoE (TTM)					16.4%							
P/E (TTM)					11.9x							
Current P/B					2.0x							

Source: Financials, Tadawul, Bloomberg, U Capital Research. n.m – not meaningful

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BUY	HOLD	SELL
Greater than 10%	Between 0% and +10%	Lower than 0%

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