

Company

Saudi Cement Co.
2Q25 Result Review

Rating

Accumulate

Bloomberg Ticker

SACCO AB

Date

6 August 2025

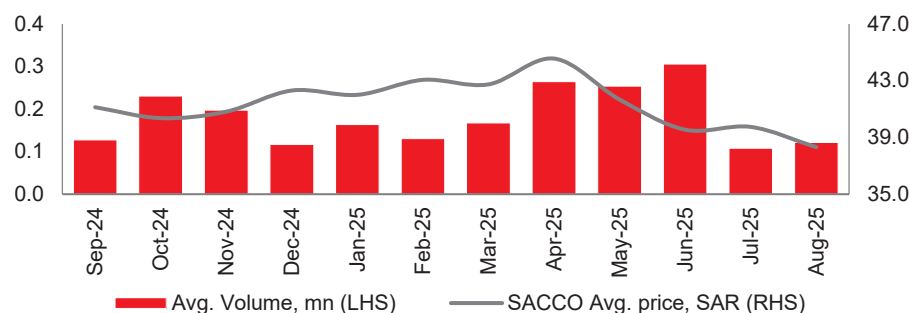
Results

Target Price SAR	45.7
Upside/ Downside	18.0%

Current Market Price (SAR)	38.7
52wk High / Low (SAR)	46.7/38.0
12m Average Vol. (000)	189.2
Mkt. Cap. (USD/SAR mn)	1,579/5,924
Shares Outstanding (mn)	153.0
Free Float	96%
3m ADTV (SAR mn)	8.7
6m ADTV (SAR mn)	8.6
P/E'25e (x)	13.8
EV/EBITDA'25e (x)	9.6
Dividend Yield '25e	7.5%
Price Perf. (1m/3m) (%)	-2.0/-8.1

Research Department

Email: ubhar-research@u-capital.net

**Revenue increased in 2Q25, ahead of U-Capital estimates**

For 2Q25, Saudi Cement's revenue grew 14% YoY and 3% QoQ to SAR 432mn, ahead of U-Capital's estimate of SAR 398mn, driven by an increase in sales volume despite lower average selling prices.

Net profit increased 9% YoY in 2Q25

Net profit increased 9% on a YoY basis (-12% QoQ) to reach SAR 96mn in 2Q25, surpassing our estimate of SAR 90mn. The YoY growth is primarily driven by higher revenue, lower selling and distribution expenses, and reduced finance charges. For 1H25, net income grew marginally to SAR 204mn (+1% YoY).

U-Capital view

Despite reporting a sequential decline in the bottom line due to seasonal fluctuations, Saudi Cement fared better than our conservative estimate. We remain optimistic about the sector's growth momentum led by major projects such as NEOM, Qiddiya, the Red Sea development, and Riyadh Metro, etc. Consequently, we retain our target price of SAR 45.7 and maintain an accumulate rating on the stock.

For our
last report

**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
P&L												
Sales/Revenue	378	387	484	418	432	398	14%	3%	8%	805	850	6%
Gross profit	144	154	194	173	155	146	8%	-10%	6%	319	328	3%
Operating Profit	97	112	130	117	105	99	8%	-10%	6%	221	222	0%
Net profit (loss)	87	100	121	108	96	90	9%	-12%	7%	201	204	1%
BS												
Shareholder's Equity	2,016	2,116	2,241	2,349	2,062		2%	-12%		2,016	2,062	2%
Ratios												
Gross margin	38.1%	39.9%	40.1%	41.3%	35.9%	36.6%				39.6%	38.6%	
Operating Profit Margin	25.7%	29.0%	26.8%	28.0%	24.3%	24.8%				27.4%	26.1%	
Net Margin	23.1%	25.9%	24.9%	25.9%	22.1%	22.5%				25.0%	24.0%	
EPS, SAR	0.6	0.7	0.8	0.7	0.6	0.6				1.3	1.3	
ROE, TTM					19.4%							
PE, TTM					13.9							

Source: Financials, Tadawul, Bloomberg, U Capital Research



Investment Research

Ubhar-Research@u-capital.net

Head of Research

Tahir Abbas

+968 2494 9036 | tahir@u-capital.net

Research Team

Ahlam Al-Harhi

+968 2494 9024 | ahlam.harhi@u-capital.net

Sandesh Shetty

+968 2494 9059 | sandesh@u-capital.net

Amira Al Alawi

+968 2494 9012 | amira.alalawi@u-capital.net

Dua Al Mawali

+968 2494 9021 | dua@u-capital.net

Head of Brokerage

Talal Al Balushi

+968 2494 9051 | talal@u-capital.net

Disclaimer

Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

Ubhar Capital SAOC (U Capital)

Website: www.u-capital.net

PO Box 1137, PC 111, Sultanate of Oman

Tel: +968 2494 9036 | **Fax:** +968 2494 9099 | **Email:** research@u-capital.net

Disclaimer: This report has been prepared by Ubhar Capital (U Capital) Research and is provided for information purposes only. Under no circumstances is it to be used or considered as an offer to sell or solicitation of any offer to buy. While all reasonable care has been taken to ensure that the information contained therein is not untrue or misleading at the time of publication, we make no representation as to its accuracy or completeness and it should not be relied upon as such. The company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. All opinions and estimates included in this document constitute U Capital Research team's judgment as at the date of production of this report and are subject to change without notice. This report may not be reproduced, distributed or published by any recipient for any other purpose.