

Company

City Cement

2Q25 Result Review

Rating

Buy

Bloomberg Ticker

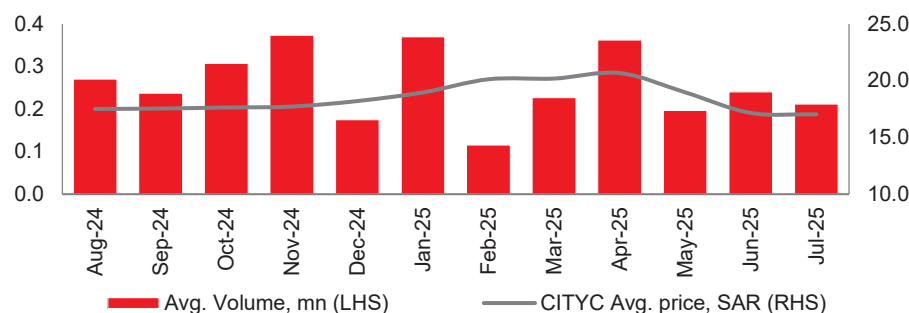
CITYC AB

Date

30 July 2025

Results

Target Price SAR	20.5
Upside/ Downside	22.4%

**Revenue increased 25% YoY in 2Q25, in line with our estimates**

For 2Q25, City Cement's revenue increased 25% YoY to SAR 139.5mn, in line with U-Capital's estimate. For 1H25, revenue increased 25% YoY to SAR 288.8mn, driven by an increase in average selling price and sales volume.

Net income increased 31% YoY in 2Q25, in line with our estimate

For 2Q25, net income increased by 31% YoY to reach SAR 36.4mn, in line with our estimate. However, net income declined sequentially due to a decrease in average selling prices. For 1H25, net income increased 27% YoY to SAR 87.9mn.

U-Capital view

City Cement delivered a robust financial performance in 1H25, underpinned by higher average selling prices and increased sales volumes, which supported strong bottom-line growth. The company declared a cash dividend of SAR 91mn for the period, translating to a DPS of SAR 0.65. In the latest update on the Umm Al Qura acquisition, the CMA Board has rejected City Cement's offer document, citing non-compliance with governance requirements under the Capital Market Law. City Cement, however, remains committed to meeting all regulatory standards and is considering resubmitting the offer. The stock is trading at a 2025e P/E multiple of 14.5x compared to the historical average 1-year forward P/E of 17.6x.

Current Market Price (SAR)	16.75
52wk High / Low (SAR)	21.88/15.86
12m Average Vol. (mn)	0.254
Mkt. Cap. (USD/SAR bn)	0.62/2.3
Shares Outstanding (mn)	139.6
Free Float	75%
3m ADTV (SAR mn)	3.8
6m ADTV (SAR mn)	4.3
P/E'25e (x)	14.5
EV/EBITDA'25e (x)	9.5
Dividend Yield '25e	7.2%
Price Perf. (1m/3m) (%)	-4.3/-18.8

Research DepartmentEmail: ubhar-research@u-capital.netFor our
last report**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
P&L												
Revenue	111.3	130.1	159.6	149.3	139.5	133.1	25%	-7%	5%	231.1	288.8	25%
Gross profit	39.4	45.9	54.7	63.1	45.5	46.6	15%	-28%	-2%	88.0	108.8	24%
Operating profit	24.8	31.7	41.1	47.3	32.6	32.9	32%	-31%	-1%	63.0	80.0	27%
Net profit (loss)	27.8	33.7	41.1	51.5	36.4	36.2	31%	-29%	0%	69.4	87.9	27%
BS												
Shareholder's Equity	1,789.0	1,752.6	1,795.1	1,846.5	1,882.6		5%	2%		1,789.0	1,882.6	5%
Ratios												
Gross margin	35.4%	35.3%	34.2%	42.3%	32.6%	35.0%				38.1%	37.7%	
Operating margin	22.3%	24.4%	25.8%	31.7%	23.4%	24.7%				27.3%	27.7%	
NPM	25.0%	25.9%	25.7%	34.5%	26.1%	27.2%				30.0%	30.4%	
EPS, SAR	0.20	0.24	0.29	0.37	0.26	0.26				0.50	0.63	
ROE, TTM					8.9%							
PE, TTM					14.4							

Source: Financials, Tadawul Disclosure, 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

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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

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