Riyadh Cables

October 29, 2026

Higher commodity prices and product mix drive revenue and profit growth

Last Price: SAR 98.6 | YoY Performance: -30.6%

3Q26 FIRST TAKE

KEY TAKEAWAYS

- Riyadh Cables delivered SAR 325.1 mn in 3Q26 net profit, up 15.5% YoY and 6.0% QoQ, and 1.1% above our SAR 321.6 mn estimate, on higher commodity prices and product mix.
- Revenue rose 18.2% YoY to SAR 3,228.6 mn, 8.8% above our estimate, driven by higher commodity prices; revenue also grew 10.2% QoQ on commodity prices.
- Gross profit rose 13.9% YoY to SAR 508.2 mn, while gross margin contracted 60 bps YoY to 15.7% in 3Q26, as COGS rose 19.0% YoY to SAR 2,720 mn and outpaced revenue growth. On a QoQ basis, gross profit increased 15.7% as gross margin improved by 70 bps from 15.0% in 2Q26, which we believe reflect mix shift towards aluminum cables, which typically carry higher margins than copper.
- Operating profit rose 20.6% YoY and 17.3% QoQ to SAR 401.8 mn, 11.5% above our estimate, with operating margin at 12.4% vs. 12.2% in 3Q25; operating expenses of SAR 106.4 mn were 5.9% lower YoY but 20.2% above our estimate.
- Net profit rose 15.5% YoY and 6.0% QoQ to SAR 325.1 mn, 1.1% above our SAR 321.6 mn estimate, mainly on product mix. EPS came in at SAR 2.17 vs. our SAR 2.15 estimate.
- Based on our last review, we maintain an 'Overweight' stance on the stock, with a target price of SAR 152.3/share. The stock is currently trading at a 2027f P/E and P/B of 10.1x and 3.4x, respectively.

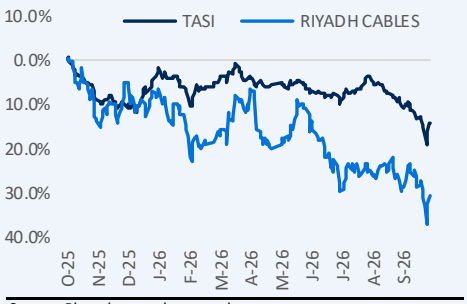
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Issuer Information

Bloomberg Code	**RIYADHCA AB**
Last Price (SAR)	**98.6**
No of Shares (mn)	**150**
Market Cap bn (SAR/USD)	**14.8 / 3.9**
52-week High / Low (SAR)	**143.0 / 88.9**
12-month ADTV (mn) (SAR/USD)	**23.4 / 6.2**
Free Float (%)	**77.4**
Foreign Holdings (%)	**11.6**

Last price as of October 28th, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Revenue	3,228.6	2,967.4	8.8	2,731.6	18.2	2,930.0	10.2
Cost of Revenues (COGS)	2,720.4	2,518.3	8.0	2,285.3	19.0	2,490.8	9.2
Gross Profit	508.2	449.0	13.2	446.3	13.9	439.2	15.7
Gross Margin (%)	***15.7***	***15.1***		***16.3***		***15.0***	
Operating Expenses	106.4	88.6	20.2	113.1	-5.9	96.8	9.9
Operating Profit	401.8	360.4	11.5	333.2	20.6	342.4	17.3
Operating Margin (%)	***12.4***	***12.1***		***12.2***		***11.7***	-
Net Income	325.1	321.6	1.1	281.5	15.5	306.8	6.0
Net Margin (%)	***10.1***	***10.8***		***10.3***		***10.5***	
EPS (SAR)	2.17	2.15		1.88		2.05	

**anbc estimates*
Source: Company Financials, anbc research

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OVERWEIGHT	NEUTRAL	UNDERWEIGHT
Expected return is more than +15%	Expected return is between +15% & -10%	Expected return is lower than -10%

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