Daily Bulletin

September 15, 2026

Riyadh Cement signs three contracts worth SAR 207 mn for plant digitalization, logistics automation and a 25-year solar PPA

Last Price: SAR 22.5 | YoY Performance: -19.3% | Target Price: SAR 25.2

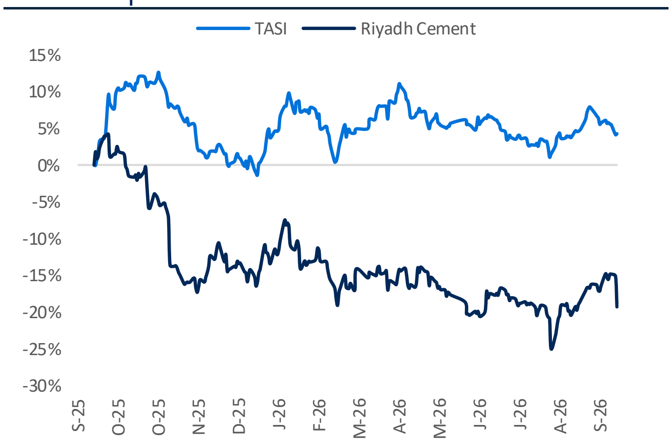
Riyadh Cement Co. (Riyadh Cement) signed three contracts with a combined value of approximately SAR 207.1 mn. Among the three, the largest contract is signed with Tianjin Cement Industry Design & Research Institute for a total value of SAR 55.9 mn (USD 14.9 mn) excluding VAT, over a 24-month term. The scope covers digital transformation, automation, and process optimization across the company's plants. The financial impact is expected to materialize in line with implementation phases, with benefits realized progressively throughout the two-year period.

Company also entered into two additional contracts to support its automation and renewable energy initiatives. The first, a one-year contract worth SAR 1.2 mn with Cachapuz Weighing & Logistics Systems, covers the implementation of Cement Logistics IT solutions, along with safety and compliance systems, to automate cement dispatching and minimize human intervention. In addition, Riyadh Cement entered into a 25-year solar power purchase agreement (PPA) with SAMANA Energy, with average annual payments of around SAR 6.0 mn and a total contract value of approximately SAR 150.0 mn over the contract period of 25 years. Power generation is expected to commence in 4Q27, with cost savings expected to materialize gradually from the first year of operations.

In 2025, Riyadh Cement's performance remained under pressure, with revenue broadly flat at SAR 787.6 mn (-0.2% YoY) as higher volumes were offset by lower average selling prices. Net profit declined 26.7% YoY to SAR 219.4 mn, with net margin contracting to 27.9% from 37.9% in 2024, mainly due to higher fuel costs. However, from funding perspective, the contracts amount to SAR 207 mn, equivalent to 85.2% of 2025 operating cash flow of SAR 243.1 mn. The three contracts also advance the lighthouse program outlined in the company's 2025 sustainability report, which targets the transformation of its production facilities into integrated smart plants through centralized systems covering mining, production, quality control and logistics.

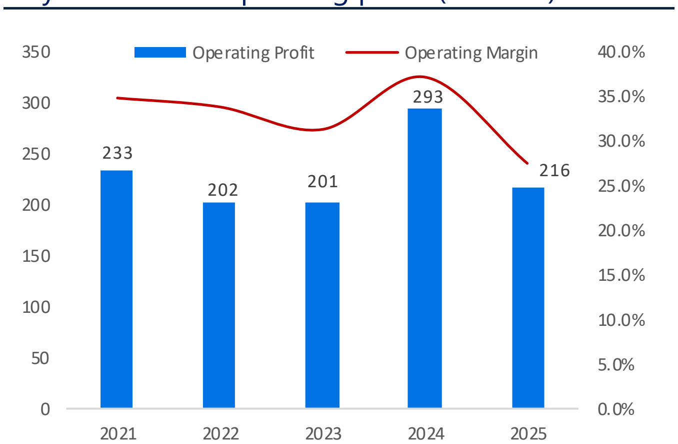
Riyadh Cement's stock price has declined 19.3% YoY, underperforming TASI, which gained 4.3% during the same period. The company is currently trading at a 2026e P/E of 11.6x, with a consensus target price of SAR 25.2/share, implying an upside potential of 12.2% from its last close of SAR 22.5/share.

Relative price chart



Source: Bloomberg, anbc research

Riyadh Cement operating profit (SAR mn)



Source: Company financials, anbc research

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