



H1 2025 Investor Presentation



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-  **Market outlook**

-  **Executive summary**

-  **Investment highlights and strategic priorities**

-  **Financial and operational performance**

-  **ESG**

MARKET OUTLOOK



Market Outlook – Sector Demand

Saudi & Regional Cement Market Overview

Demand Drivers

Vision 2030 Giga-Projects

PIF-funded mega developments driving record cement demand; construction well underway. (NEOM, Red Sea Global, Qiddiya and Diriyah Gate, ROSHN and other infrastructural updates).

Sustainability – low-carbon cement increasingly required.

Export Strategy – critical to offload domestic surplus.

Efficiency Focus – margin gains via cost control and supply chain optimization.

Supply & Capacity

>85M tons annually

Industry capacity >85M tons annually; still exceeds demand
[Read More](#)

High clinker inventories (~40+ million tons) keep prices competitive.
[Read More](#)

No significant new capacity planned; focus on maximizing current assets.

Pricing Environment

Average SAR 180–220/ton

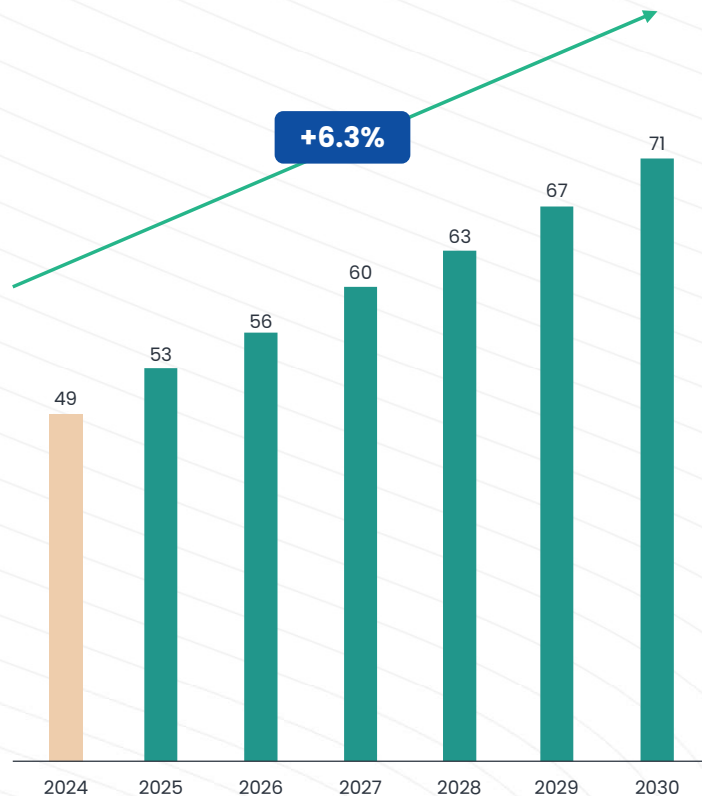
Prices balanced between strong demand and oversupply pressures.

Average SAR 180–220/ton; stronger in Western/Northwestern regions (NEOM/Red Sea).
[Read More](#)

Central region remains most competitive on price.

Market consolidation/alliances likely; smaller players face scale challenges.

Cement Market Outlook



Saudi Arabia Project Outlook

Saudi Arabia's population will grow by 12% to 40 million by 2031 from the current 36 million. This growth in population will increase demand for basic infrastructure. A significant investment in infrastructure is underway, driven by its vision to diversify away from its oil dependence. As a result, there are projects in Saudi Arabia worth over US\$1.6 trillion.

Construction Projects in Saudi Arabia

Construction is the largest sector with active projects worth roughly over \$1.2 trillion. The construction market in Saudi Arabia looks promising as the government continues to focus on developing new infrastructure to meet the demand of a growing population.

Executive Summary: Key Financial Highlights



Revenue

H1 2025	H1 2024	
416.1 M	352.5 M	+18%▲

Strong revenue growth driven by increased market demand



Net Profit

H1 2025	H1 2024	
133.2 M	134.5 M	-1%▼

Stable profit margin despite increased operational costs



EPS

H1 2025	H1 2024	
1.10	1.12 B	-1.12%▼

EPS saw a marginal decline though revenue growth helped mitigate further impact.



Total Equity

H1 2025	H1 2024	
1.76 B	1.72 B	+2.2%▲

Sustained equity growth showing financial stability



Current Assets

H1 2025	H1 2024	
707 M	703 M	+0.57%▲

Stable operating assets covering Current Liability



Total Assets

H1 2025	H1 2024	
1.94 B	1.89 B	+2.43%▲

Strategic asset growth supporting long-term expansion

H1 2025 Overview: Key achievements/highlights



Industry 4.0

Riyadh Cement was nominated by the Ministry of Industry and Minerals as one of the top 10 national companies—out of 1,300 contenders—that excelled in meeting the requirements of the Industrial Transformation initiative

ESG

Significant progress has been made in the Million Tree Program, with 75,000 trees planted so far, in support of our mutual commitments. Launched our materiality assessment and will produce our first report in 2025

Growth amid Headwinds

Achieved SAR 416.1 million Riyals in revenue, marking an 18% increase from SAR 352.5 million in H1 2024, despite seasonality and price fluctuations

Dividend Distribution

Distribution of SAR 1 Per Share with total SAR 120M to be paid in September 2025, to keep payout at an attractive level for shareholders

Riyadh Cement at a Glance

Market Ranking

Top 6

Saudi Arabia Cement Producers

Production Capacity

3.6+ Million

Tons of Gray Clinker Per Annum

Market Share

6.59%

of Saudi Arabia Cement Market

Key Competitive Strengths

01 Strategic Location

Positioned in Riyadh with excellent access to key Vision 2030 mega- projects including Qiddiya and central Saudi infrastructure developments

02 Sustainability Leadership

Riyadh Cement is launching its comprehensive Sustainability Roadmap and Materiality Assessment to set ambitious carbon reduction targets.

03 Modern Production Facilities

State-of-the-art equipment and technology enabling production at 115% of rated capacity, demonstrating exceptional efficiency while maintaining our unwavering commitment to quality and reliability.

04 Strategic Partnerships

Key supplier relationships with major Ready-Mix companies, cement distributors and approved cement supplier in strategic government infrastructure projects



HI 2025 Revenue of SAR:

416 million



Employees

774



Export Markets

8 Countries

INVESTMENT HIGHLIGHTS AND STRATEGY



Investment Highlights



Market Leadership

One of the largest cement producers in Saudi Arabia with 6.59% market share and 3.6+ million tons of annual production Capacity and dominates white cement market by more than 50% of market share



Vision 2030 Alignment

Strategic positioning in mega-projects including Al Murabba , Qiddiya, and King Salman Park, with long-term growth opportunities like Expo 2030.



Operational Excellence

Industry-leading efficiency with SAR 136.79 Million EBIT and continuous optimization of production costs and energy usage.



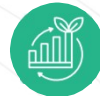
Financial Strength

Strong balance sheet with SAR 46 million in free cash flow, 7.6% Return on Equity, and consistent shareholder returns.



Product Diversification

Riyadh Cement stands out for its diversified product portfolio, being among the few companies in the Kingdom that manufacture both grey and white cement, supported by a large dual kiln capable of producing both types



Sustainability Leadership

Invested SAR 249.8 million in energy efficient clinker. Riyadh Cement is committed to leading the industry toward a greener future by launching its comprehensive sustainability roadmap and committing to innovative green cement technologies and circular economy practices. The company will publish its first ESG report within the next six months, demonstrating transparency and accountability in its environmental and social initiatives.

Key Investment themes



Underserved KSA market

In parts of Saudi (especially project-heavy regions), demand can temporarily outpace local supply. Cement is heavy and costly to haul long distances, so regional shortages create pricing and volume tailwinds for nearby producers.

Proximity to central KSA projects lowers freight, speeds delivery, and supports better pricing/asset utilization. Multi-year supply agreements with contractors become easier to win.



Product/service diversification

Grey Cement: Ordinary Portland, Sulfate-Resisting, and eco-friendly Finishing Cement – covering structural, high-sulfate, and plastering/masonry needs.

White Cement: High-whiteness Type I and CEM II grades – for decorative, architectural, and specialty finishes.

Quality & Service: SASO and ISO-certified systems (5 ISO certificates) with digital RFQ platform for efficient, reliable customer service.



Favorable partnerships and joint ventures

Energy & Efficiency: SEC & Aramco agreements under the Liquid Fuel Displacement Program; ORC waste-heat recovery with Turboden (Japan).

Sustainability: Circular-economy projects with Rassas & NCWM; iron-slag recycling; 3,000-seedling afforestation.

Talent & R&D: Training programs with Ministry of Industry, Imam University, SIDF, MCIT, Saudi Institute for Electronics, and KACST collaboration.

Global Cooperation: Partnerships with Sinoma, CNBM (China), VDMA/AHK (Germany), and JICE/METI (Japan) on technology and sustainability.

Strategic Priorities

We have a clear purpose – to deliver high-quality cement products that support Saudi Arabia's construction and infrastructure needs – in an efficient, safe, and ethical manner. We achieve this through our strategic pillars:



Profitable Growth

Expand market presence and revenue through strategic investments and Vision 2030 projects

Operational Excellence

Apply Lean Principles and continuous improvement to streamline production, enhance efficiency, reduce costs, and sustain high quality.



Digital Transformation

Leverage Industry 4.0 technologies to optimize operations, reduce production costs, and support the development of advanced cement solutions.

Sustainability

Integrate eco-efficient practices and low-carbon technologies to minimize environmental impact, conserve energy, utilize waste materials, and support circular economy initiatives for long-term resource sustainability.



Human Capital

Invest in talent development and foster an inclusive culture to drive organizational success

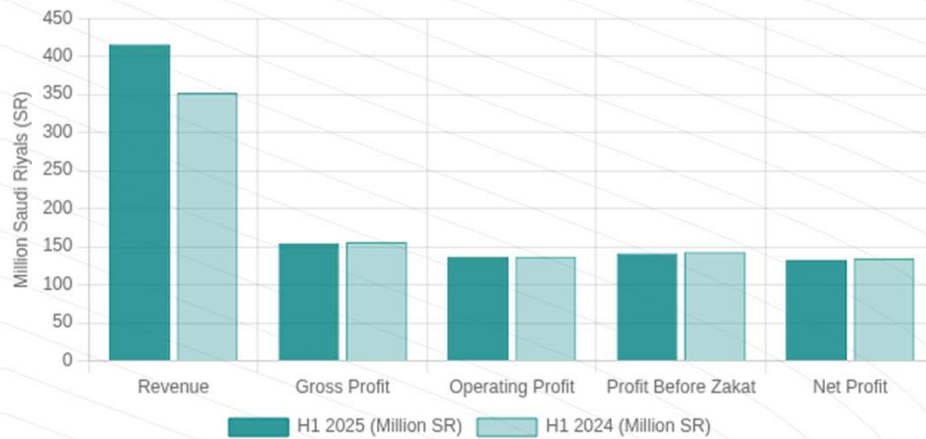
These strategic priorities form the foundation of our business plan and guide our decision-making across all operations

FINANCIALS & OPERATIONAL PERFORMANCE



Revenue & Profitability Analysis

H1 2025 vs H1 2024
Performance Comparison



Revenue & Profit Comparison



Profit Margins

Gross Profit Margin:	37.2%	(44.3% in H1 2024)
Operating Margin:	32.9%	(38.9% in H1 2024)
Net Profit Margin:	32.0%	(38.2% in H1 2024)



Key Insights

18% revenue growth to 416.1M SR driven by increased market demand

Cost of revenue increased to **261.5M SR** (vs 196.5M SR in H1 2024)

Net profit maintained stable at **133.2M SR** despite higher costs

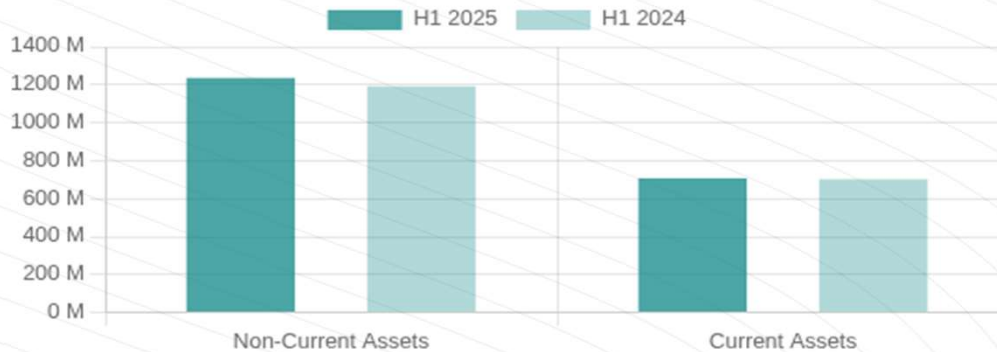
EBIT of **SAR 136.79 million**, slightly down 0.24% YoY from SAR 137.11 million in H1 2024.

Balance Sheet Strength



Total Assets

H1 2025 **1.94 B SR** H1 2024 1.89 B SR **+2.43% ▲**



Financial Stability Indicators

Equity Ratio
91%

Return on Asset
6.9%

Return on Equity
7.6%



Total Equity

H1 2025 **1.76 B SR** H1 2024 1.72 B SR **+2.26% ▲**

Share Capital: 1.2 B SR

Reserve: 360 M SR

Retained Earnings: 202.8 M SR (2025) | 164.3 M SR (2024)

Liquidity Analysis



Current Liabilities

HI 2025

HI 2024

142.1 M SR 136.1 M SR **+4.4% ▲**



Current Assets
+0.5% ▲



Current Liabilities
+4.4% ▲

Current Assets vs Liabilities **HI 2025**

Key Liquidity Metrics (in Saudi Riyals)

Current Ratio

5.17 → 4.97

Ability to pay short-term obligations

-3.73% ▼

Debt-to-Equity

0.09 → 0.10

+2.34% ▲

Working Capital

SR → SR

Operational liquidity

567M 564M

-0.5% ▼



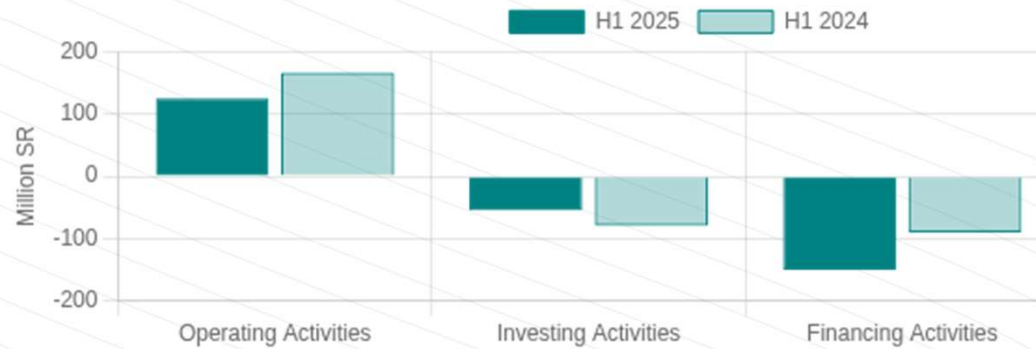
Key Insights

Strong Liquidity: Current ratio at 4.97, still very healthy despite a slight dip.

Low Leverage: Debt-to-equity at 0.10, showing minimal reliance on debt.

Stable Working Capital: SR 564M, down just 0.5% year-over-year.

Cash Flow & Operational Efficiency



Cash Flow Component Comparison



Operating Cash Flow

H1 2025
125.4 M
 -24.4% ▼



Investing Activities

H1 2025
-54.5 M
 30.4% ▲



Financing Activities

H1 2025
-150.1 M
 -66.8% ▼



Free Cash Flow

H1 2025
45 M



Key Insights

24.4% decrease in operating cash flow despite 18% revenue growth

Reduced capital expenditures in H1 2025 vs H1 2024

12% decline in ending cash position year-over-year

Dividends & Capital Allocation



Average Dividend Payout Ratio (2020-2025)

92%

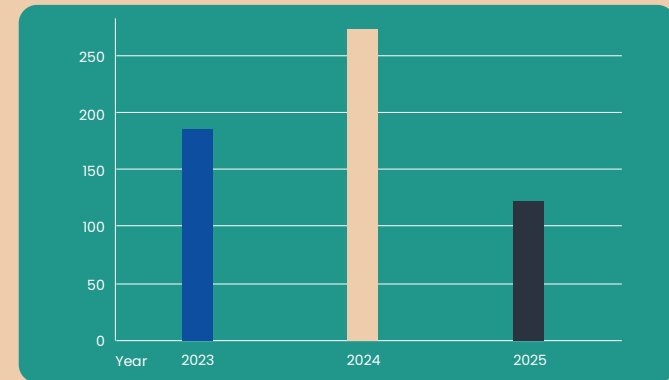


Dividends Distribution (H1 2025)

SAR 120M

Year	Dividend Distribution (SAR)	Payout Ratio
2023	186,000,000	99%
2024	270,000,000	87%
2025	120,000,000	92%

Dividend Distribution (In M SAR)



Recent Policy Updates

By-laws Amended for interim dividend distributions

Semi-annual dividend payments initiated in H1 2025

Shareholder value enhancement through consistent returns

Segment Results

Product Segment	Revenue (SAR MM)	Growth YoY
Gray Cement	337M	+19.5%
White Cement	80M	+12.7%

Performance Highlights

- Gray Cement remains our strongest product line with SAR 337 million in revenue
- 19.5% year-over-year growth in 5 Cement products



Key Projects

Riyadh Cement is actively involved in 29 major infrastructure and development projects across Riyadh, spanning cultural, residential, transportation, and recreational domains.

These initiatives range from expansive urban revitalization efforts like Diriyah Gate and King Salman Park to groundbreaking architectural feats such as the Tuwaiq Tower and monumental transportation networks including the Riyadh Metro (Line 7).

Projects are in various stages—from excavation and design to full execution.

Most Prominent & Key Projects

Urban Landmark & Cultural

Diriyah Gate – Revitalizing 1.5M m² of historic district; Phase I worth ~75B SAR (*Execution phase*).

King Salman Park – 13M m² green space, 5x Hyde Park; valued at ~50B SAR (*Execution phase*).

Entertainment & Mixed-Use

Qiddiya Project – 45 entertainment projects over 340K m²; ~40B SAR investment (*Execution phase*).

Al Murabba – 25M m² residential, hospitality, commercial & entertainment hub (*Excavation phase*).

Iconic Architecture & Public Spaces

Tuwaiq Tower – 305m landmark skyscraper; ~1.5B SAR (*Execution phase*).

Sports Boulevard – 135 km tree-lined corridor linking Wadi Hanifa to Wadi Al-Sulai (*Execution phase*).

Sports & Events Infrastructure

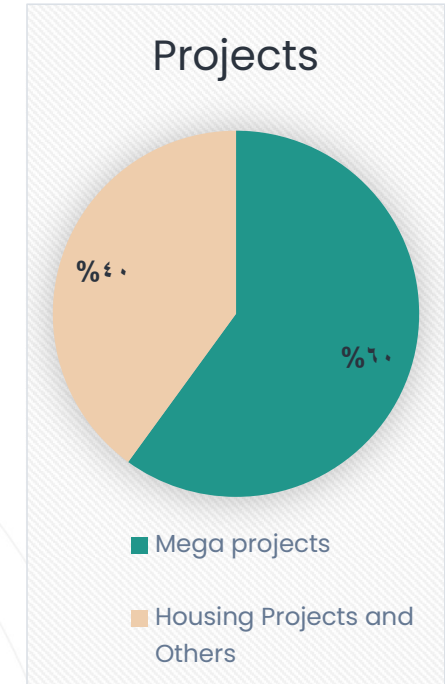
King Fahd Stadium Expansion – Capacity increased to 70K+ seats for AFC 2027 & FIFA 2034 (*Execution phase*).

Prince Mohammed Bin Salman Stadium – Cutting-edge venue for FIFA 2034 (*Design phase*).

Transport & Mobility

Suspension Bridge Expansion – Additional bridges & lanes; capacity for 400K vehicles/day (*Execution phase*).

Riyadh Metro (Line 7) – 85 km linking King Salman Airport, Diriyah Gate & Qiddiya (*Design phase*).



Key Highlights

13% increase in projects in H1 2025

Market share is 6.6%

Operational Excellence: Cost Optimization



Capacity Unlock

Production increase 10% comparing 2024 & 2023, and 15% since 2021.

Digital Plant Projects

- Smart manufacturing implementation will be at the 3 plants
- Real-time production monitoring reducing waste
Predictive quality control systems
- Digital twin technology optimizing plant operations



Maintenance Efficiency

Predictive maintenance reducing downtime by 5%

Energy Optimization

- 4% reduction in energy consumption per ton of cement
- Expected Waste Heat Recovery systems generating Gross 12.7 MW (Under Construction)

ESG



ESG

Carbon Emissions Reduction Target

- Achieve carbon neutrality across all operations by 2050
- At the factory: 4,500 seedlings planted, 2,500 m² of green areas, and 34 palm trees.
- Nursery: current number of trees planted: 75,000.
- Housing area: number of trees planted: 1,500.

Energy Efficiency

- SAR 249.8 million invested in energy-efficient clinker production
- Waste heat recovery systems under construction to be implemented at 67% of facilities

Circular Economy

- 5% substitution of natural raw materials with alternative materials
- Industrial waste utilization increased by 1% year-on-year
- Reduction of clinker factor to 20% by 2030

Biodiversity & Rehabilitation

- Supporting Saudi Green Initiative with the one million tree initiatives

Employee Diversity & Development

- Workforce diversity: 40% Saudi nationals
- Number of Nationalities: 15
- 15 average training hours per employee annually
- Currently training 70 Saudi talent, continuing Riyadh Cement's investment in national talent development.
- Increase female participation

Health & Safety

- 2,963,279 million Accumulated safe man hours up to the end of Q2 2025 (now exceeding 3m)
- Zero Lost Time Injury LTI

Thank You

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