



RIYADH CABLES GROUP

Earnings Presentation Q1-25



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Disclaimer

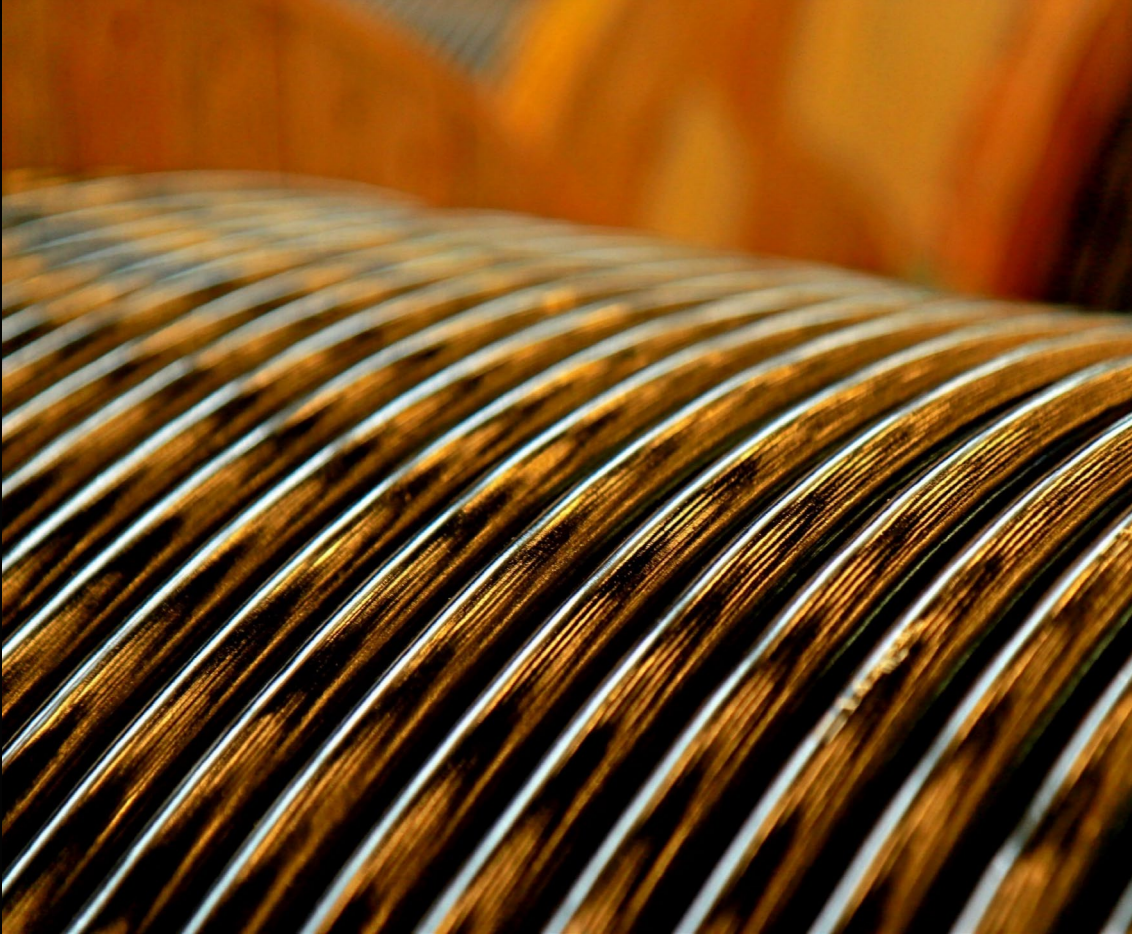


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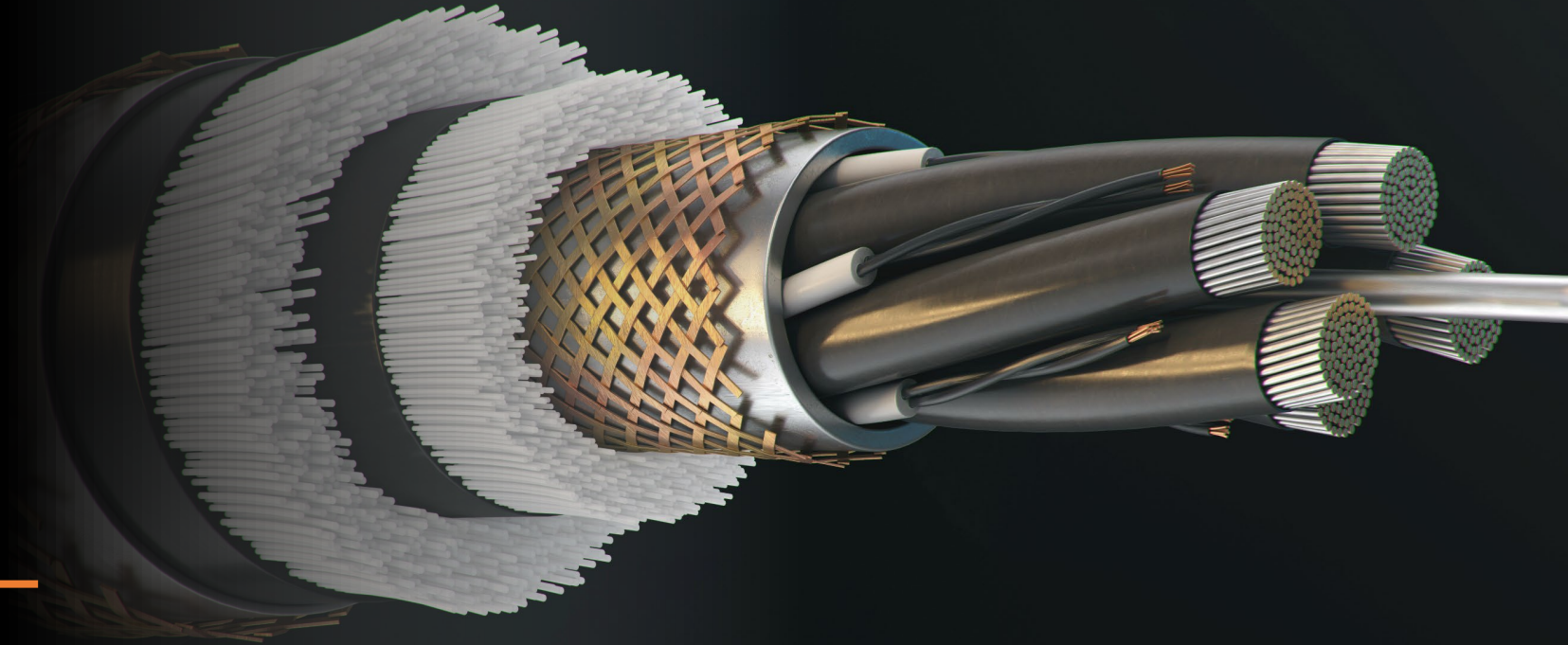
In Today's Meeting



- 01** Welcome Remarks
- 02** Company Overview
- 03** Q1-25 Performance Highlights
- 04** Financial Review
- 05** Business Strategy Refresh & Market Update
- 06** 2025 Outlook



Company Overview



Cables are the backbone of the economy, touching every segment

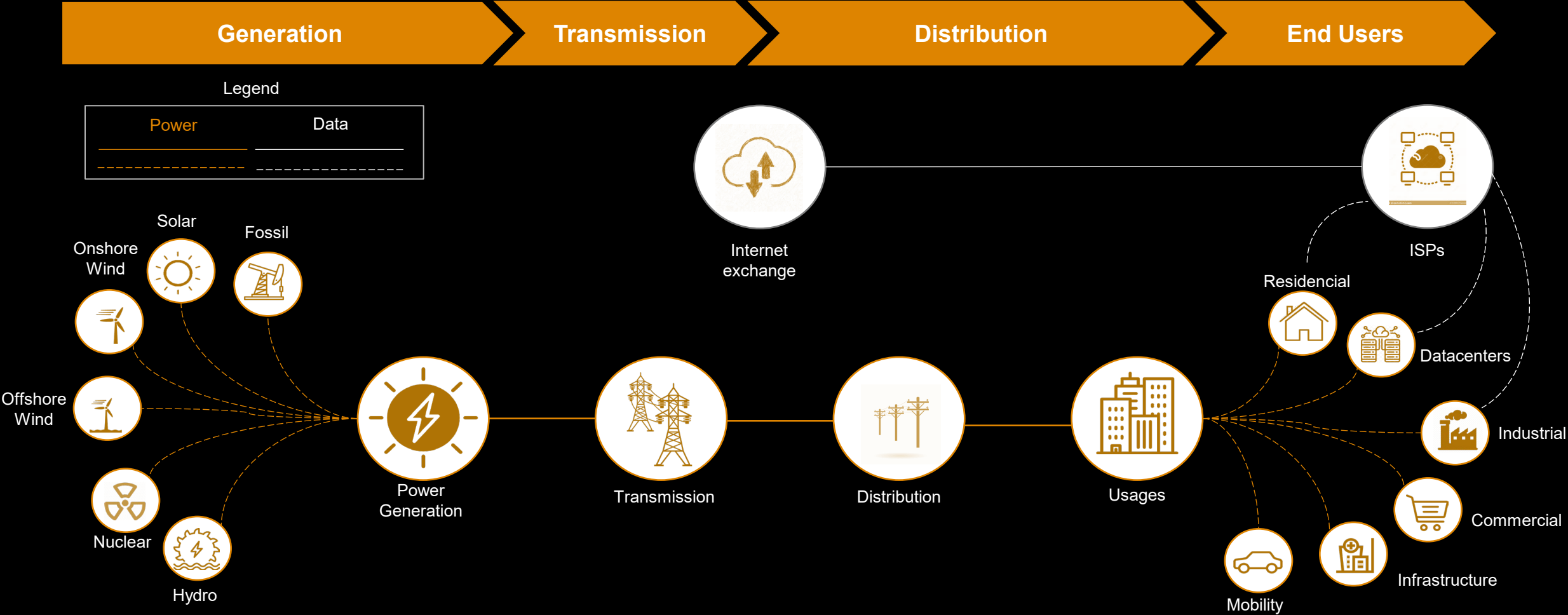
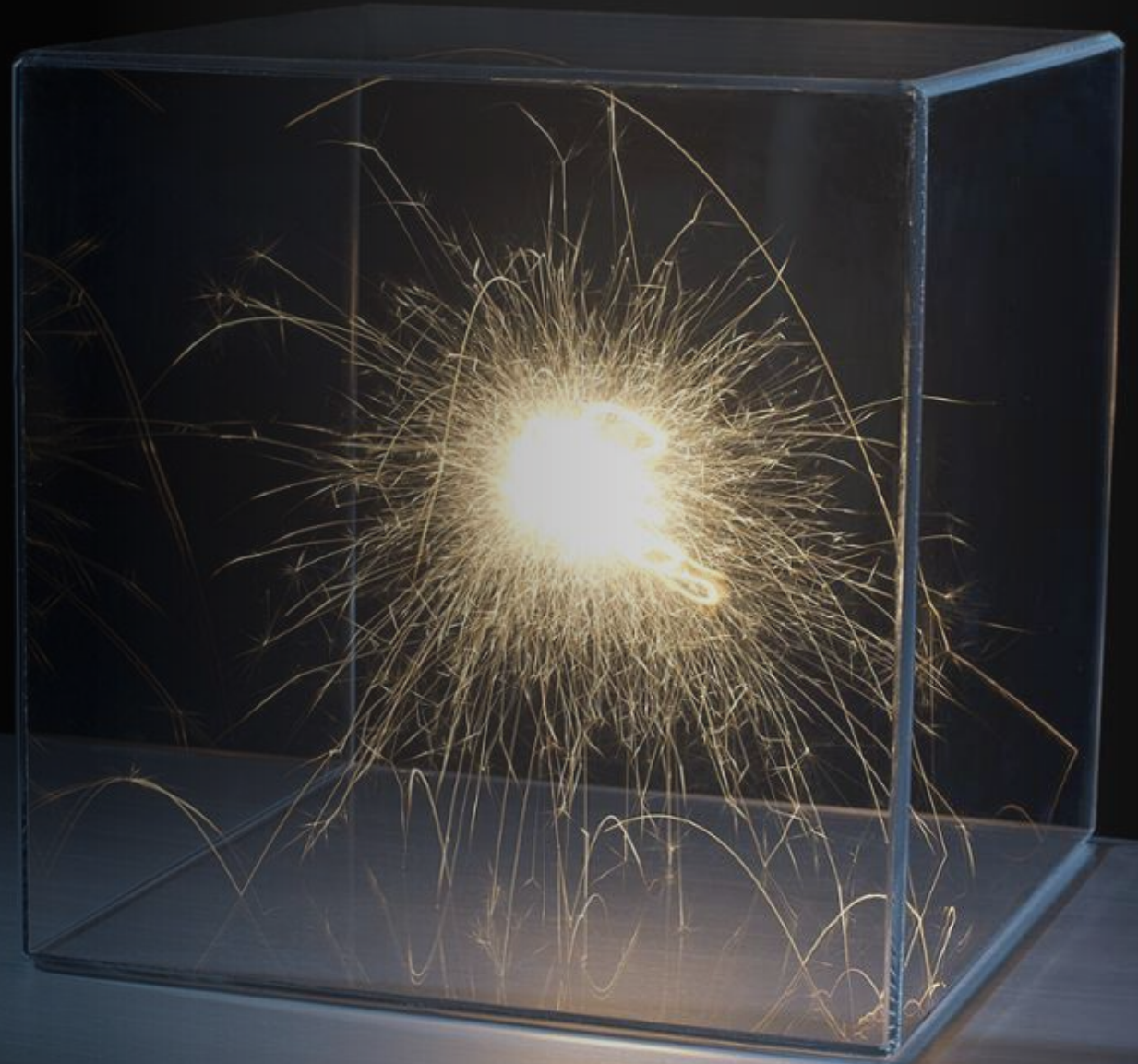


Illustration not exhaustive



Q1-25 Performance Highlights



Q1-25 Financial and Operational Performance Snapshot

Percentage changes refer to YoY change

SARm 2,489

Revenue
+ 22.5%

Kt 65

Sales Volume
+ 8.4%

% 95%

Utilization Rate

SAR 6,330

Gross Profit Per Ton
+ 35.6%

SARm 311

EBITDA
+ 38.0%

SARm 256

Net Profit
+ 52%

SARm 48

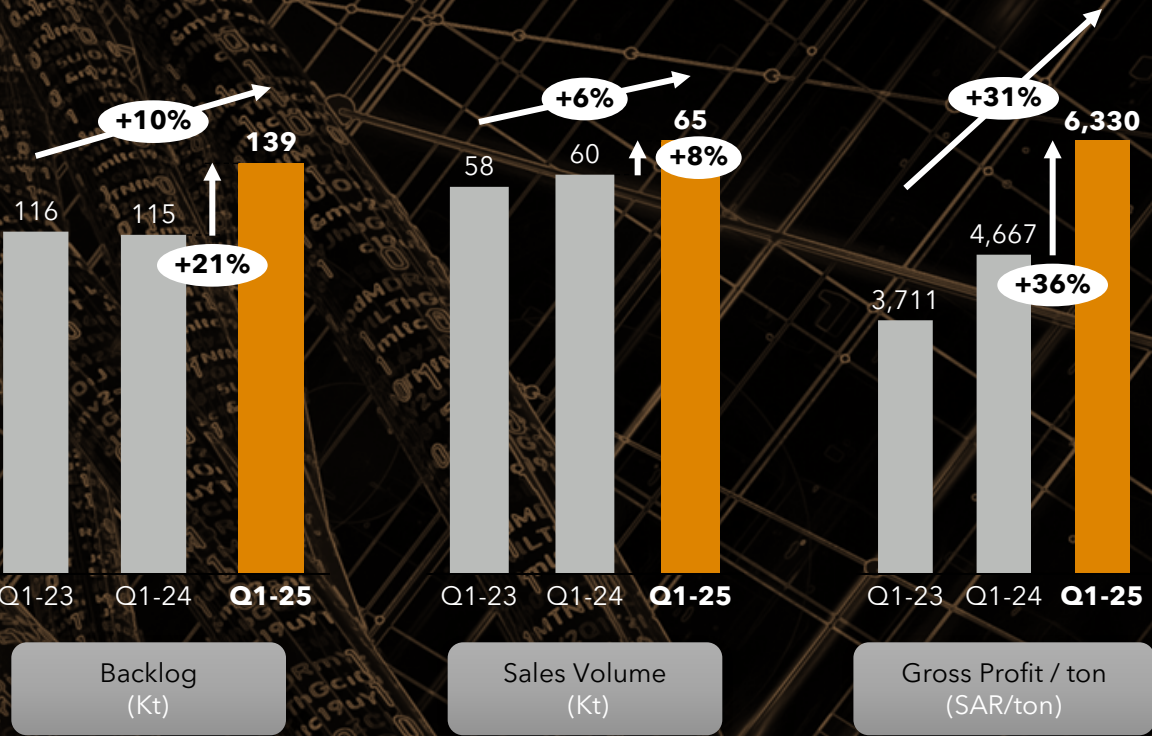
CAPEX (spent)
+ 228%

SARm 55

FCF
0%

X 0.12

Net D/E
-43%



Ton = 1,000 KG



Q1-25 Key Performance Drivers

Percentage changes refer to YoY change



Sales Volume

8% increase in sales volume, increase in Transmission products, strong Export and Energy Transition products



Revenue

Good demand-driven revenue increased by **23%**. Strong performance in both Domestic and Export markets



Gross Profit per tonne

Excellent growth, with an increase of **36%** due to better mix and operational efficiencies



Net Profit

Increased sharply by **52%** backed by stronger operating income driven by good efficiencies and firm control on SG&A



Free Cash Flow

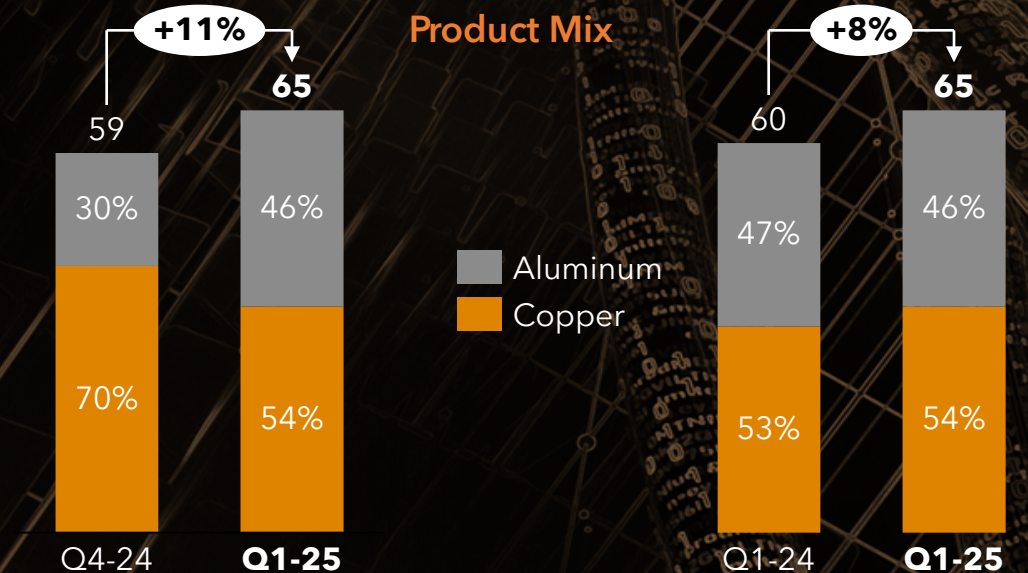
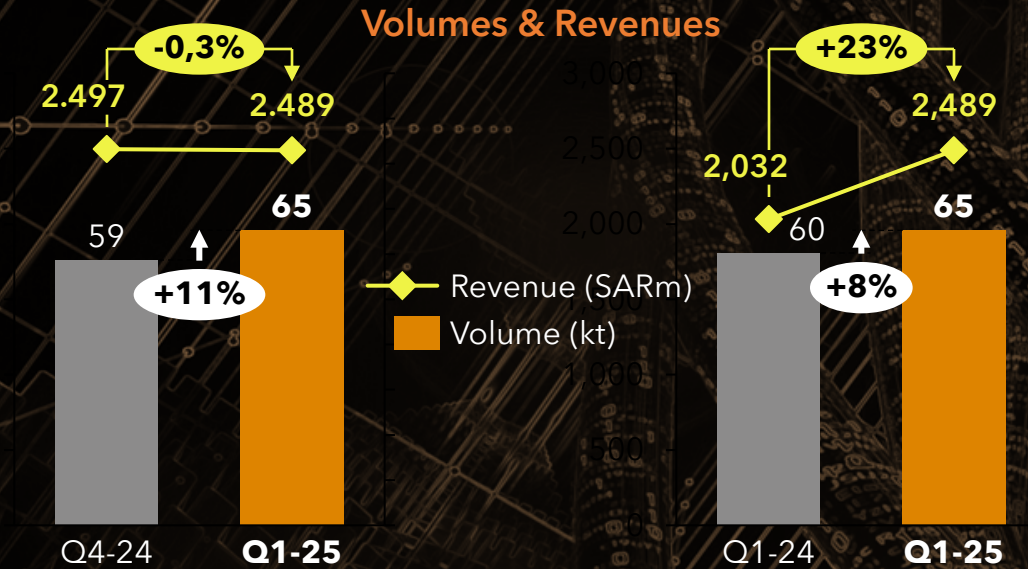
Free Cash Flow SAR **55** million, good control on working capital



Financial Review



Q1-25 Financial and Operational Performance



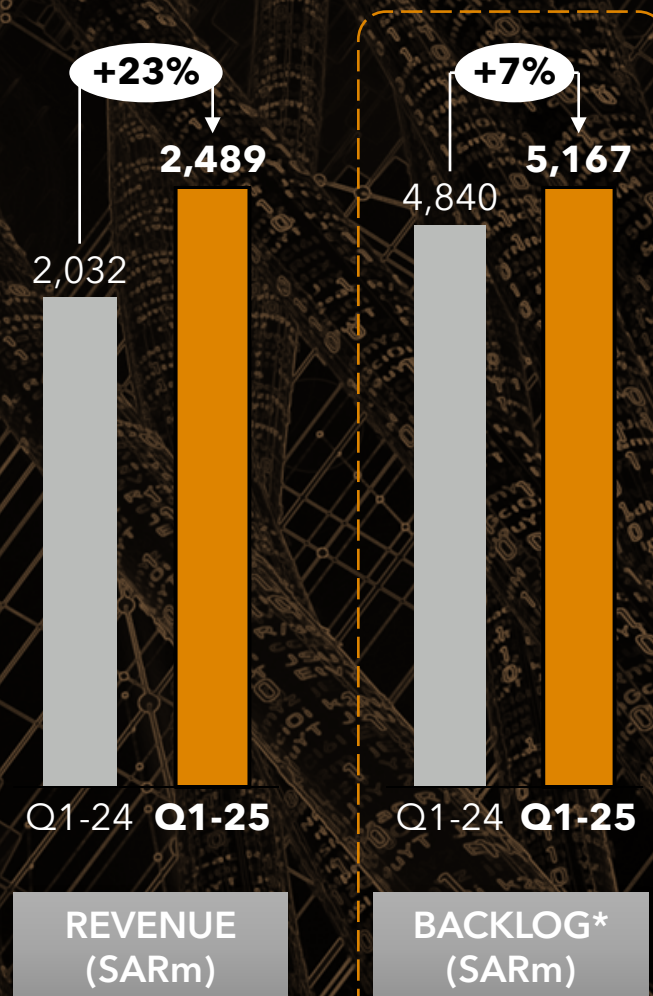
- Q1-25 High revenues above 2.4bnSAR, strong volume increase compared to both Q1/Q4-24.
- Q1-25 Revenues characterized by strong Domestic and Export demand, and modest recovery by local Utilities.
- Market continues to be strong, witnessed with excellent backlog of confirmed orders (SAR5.2bn).

- Increase in Aluminum products due to Utilities recovery, seasonality effects.
- Good volumes in Transmission products.

Backlog, Revenue, and Capacity utilization

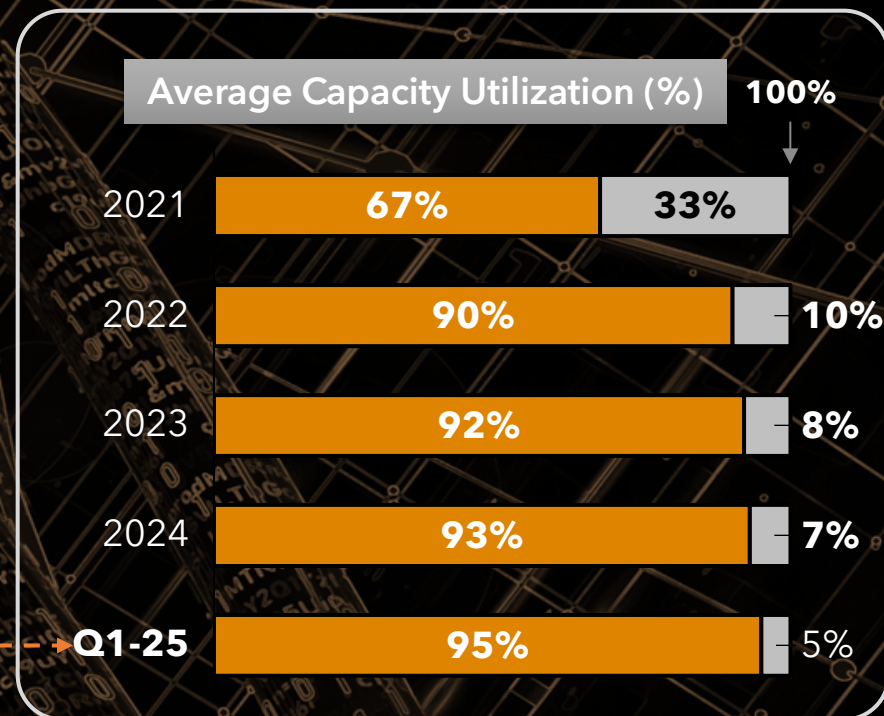
SAR 5.2 billion
Confirmed orders
backlog

- Solid Backlog on the **5.2 bn SAR** (**139kT**).
- Strong Tendering pipeline.
- Capacity reserved mostly for Transmission/Export.



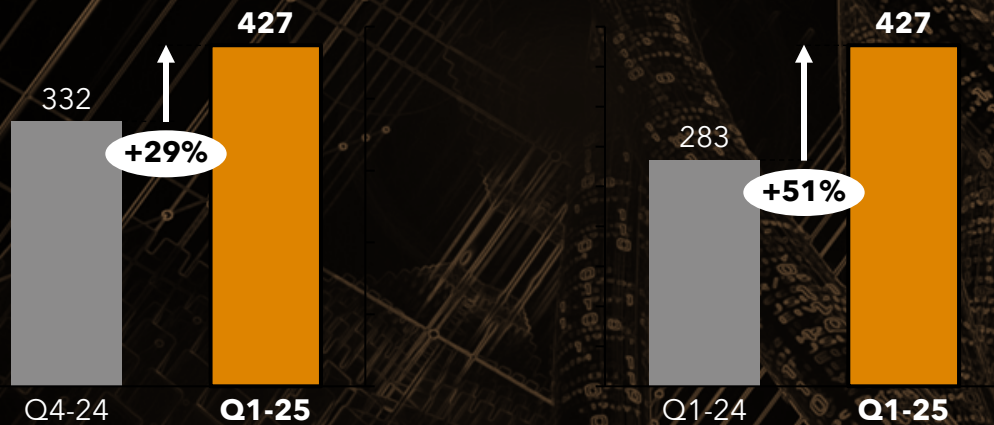
*Confirmed orders

*Strong backlog in Q1-25,
utilization rate to 95%*



Gross profit and EBITDA show healthy improvement on better mix and successful variable / fixed cost optimization

Gross Profit (SARm)



Gross Profit

- Quarterly gross profit increased by 51% compared to Q1-24, and +29% compared Q4-24, as a result of increased volumes, product mix and efficiencies.
- Strategic orders selection methodology to maximize profitability and streamline order fulfillment and delivery time.

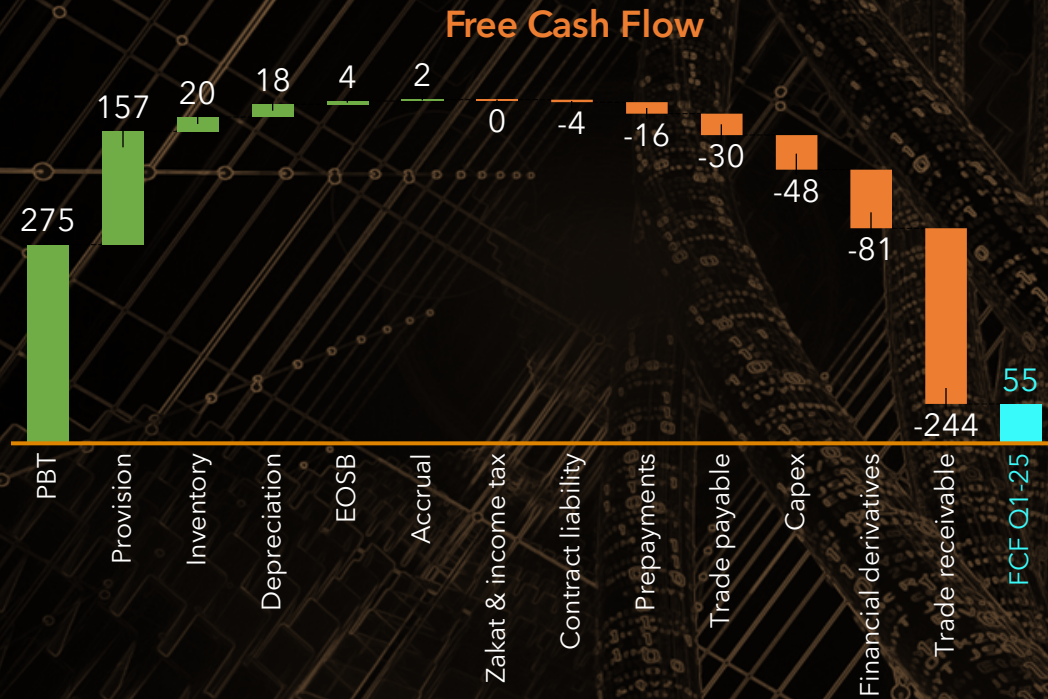
EBITDA (SARm)



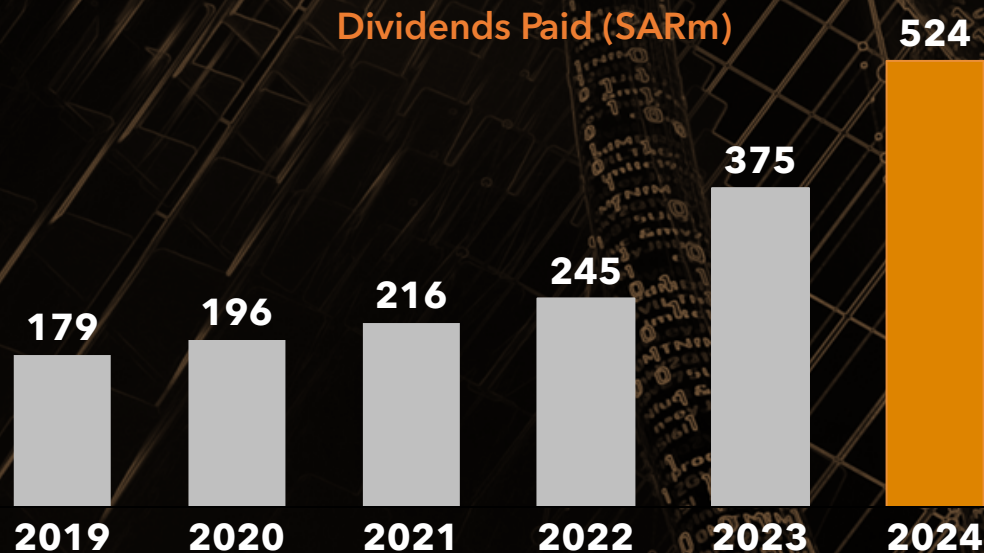
EBITDA

- Excellent EBITDA improvement due to high revenue, product mix and efficient cost control.

Positive free cash flow generation and consistent dividend payment

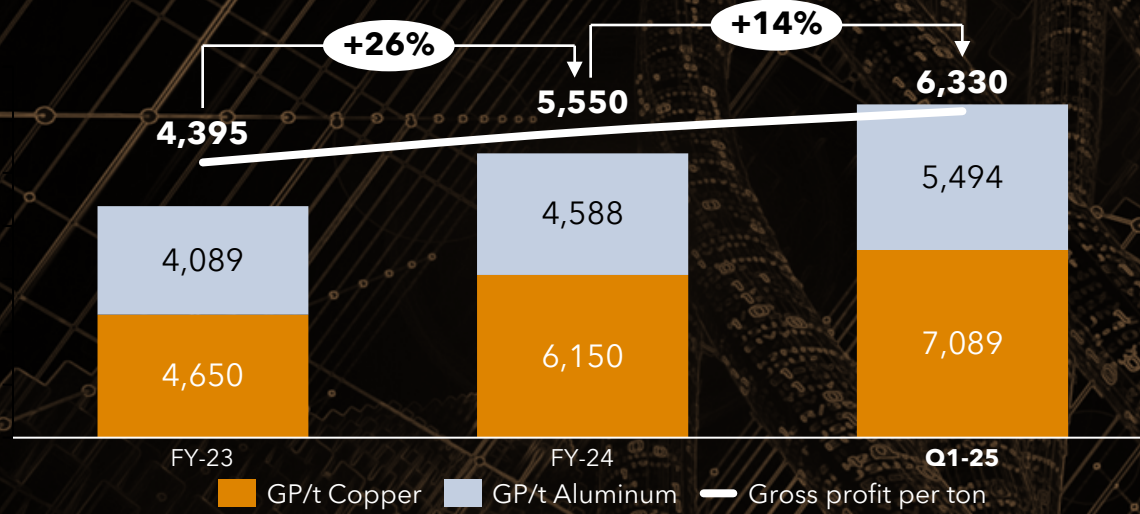


- Despite the increase in Receivables the group was able to generate a strong Free Cash Flow of SAR55m mainly through strong profit and provision.
- Overall good Working Capital management.



- Consistent dividend payout throughout previous years, with 2024 dividend up by 40% over 2023 dividend.
- SR524m dividends paid for FY-24.

Hedging and pricing mechanisms neutralize commodity price fluctuations, granting stability to gross profit per ton



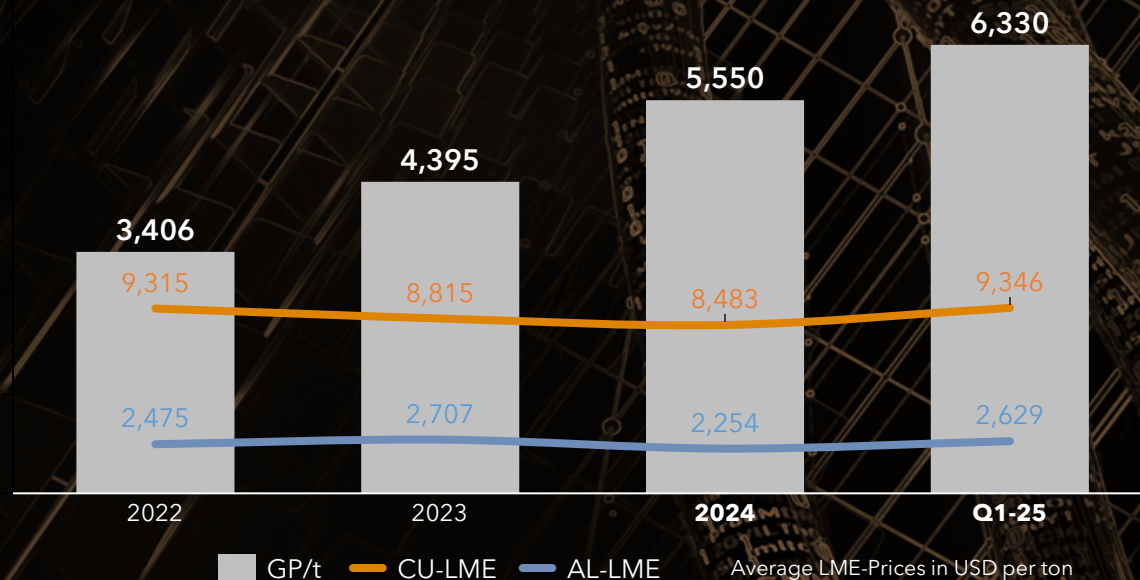
Main drivers:

- Operational Efficiencies due to high Utilization
- Solid demand on Transmission products
- Product mix
- Cost efficiencies, continuous improvement

Steady profitability despite volatile commodity prices

Commodity price fluctuations have no impact on profitability due to:

- Unique hedging mechanism
- Vigilant order selection
- Pricing strategy



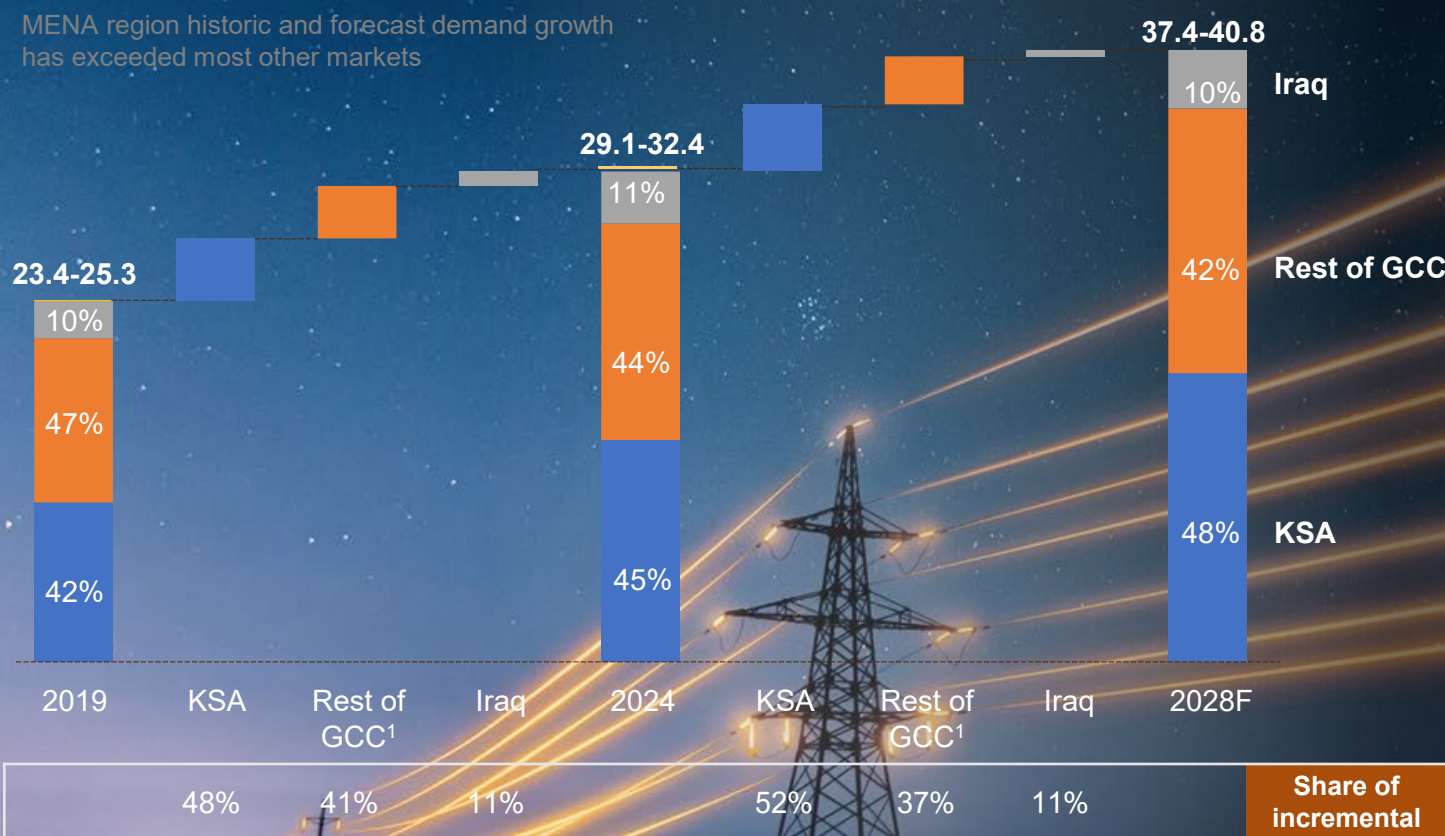


Market Update & Business Strategy Refresh

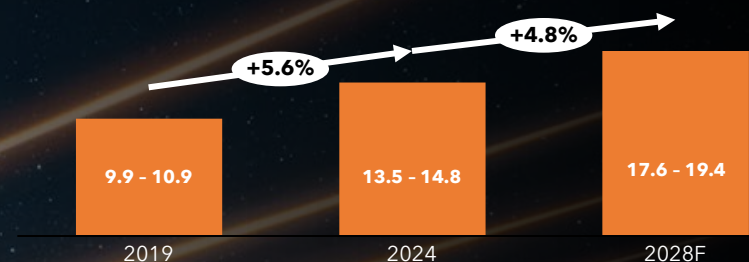


Overall Demand in Target Markets Displays Attractive Growth Lead by KSA

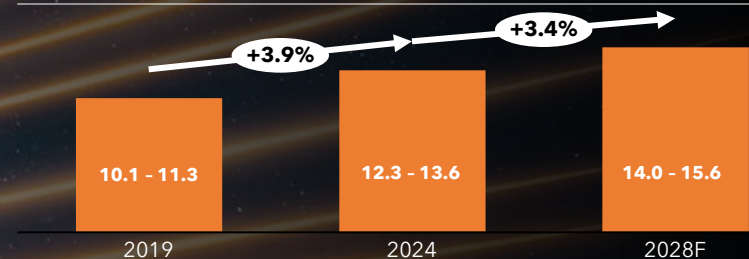
Wires and power cables market size in KSA, rest of GCC¹ and Iraq
2019 - 2028F (in SAR Billion)



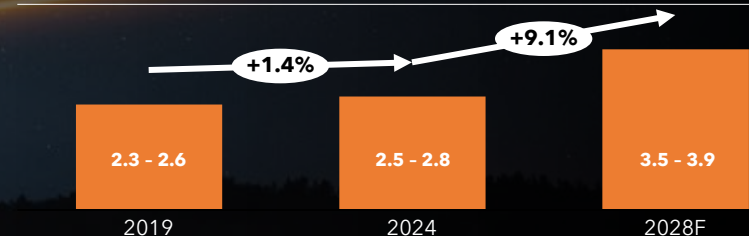
KSA Demand – SAR billion



Rest Of GCC – Demand SAR billion



Iraq – Demand SAR billion



1) GCC countries excluding KSA
Source: Arthur D. Little analysis, Frost & Sullivan Analysis, AdaptaCorp, Company Analysis

Growth Driven Strategy

Strategic Growth Pillars

1

Sustain Dominance in Capacity & Capability

2

Expand Presence in Export markets

3

Deliver Comprehensive Solutions over Products

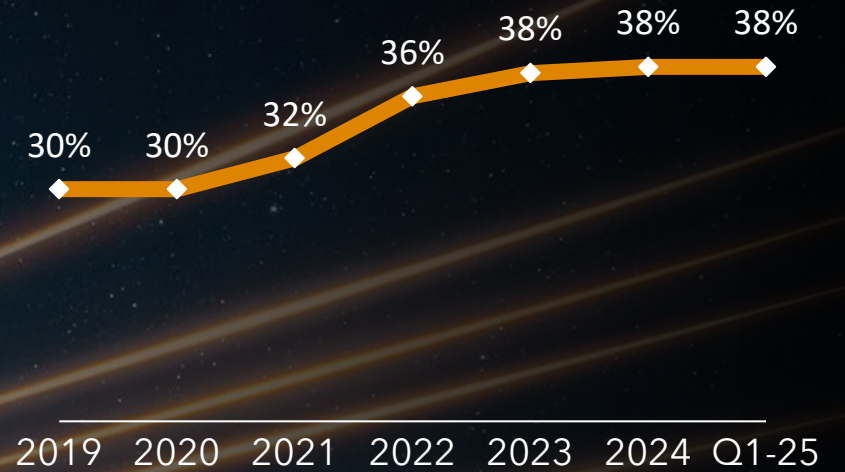
4

Leverage Advanced Technology to Increase efficiency

5

Commitment to People, Quality, Environment

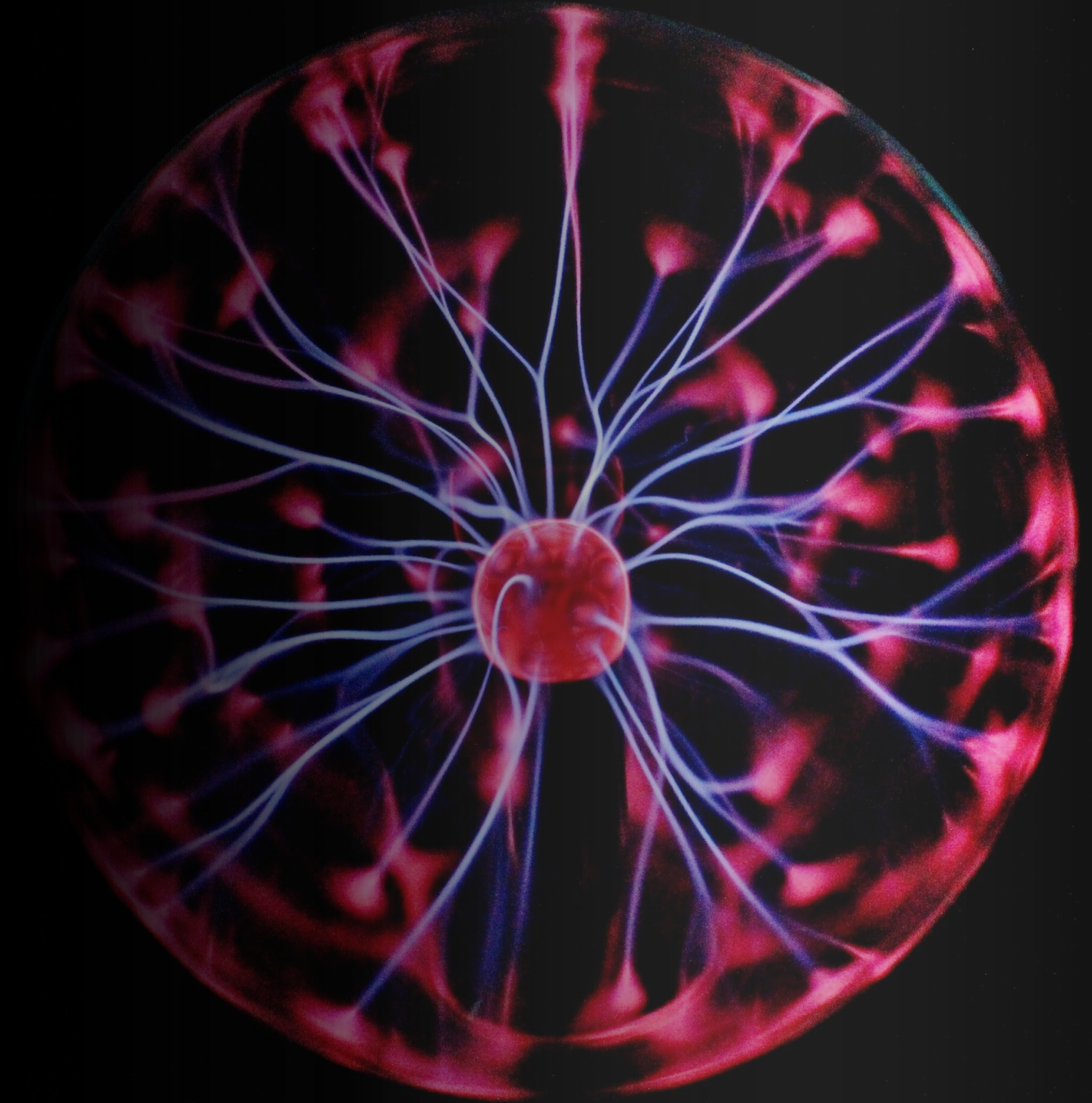
KSA Market Share



Source: ADL Market study
Source: Company



2025 Outlook



2025 Management Outlook

CONFIRMED UPPER RANGE OF OUR GUIDANCE

Expected CAPEX
SAR ~300 million

Net Profit
8% - 12% increase

DIVIDENDS



Backlog



Macro trends



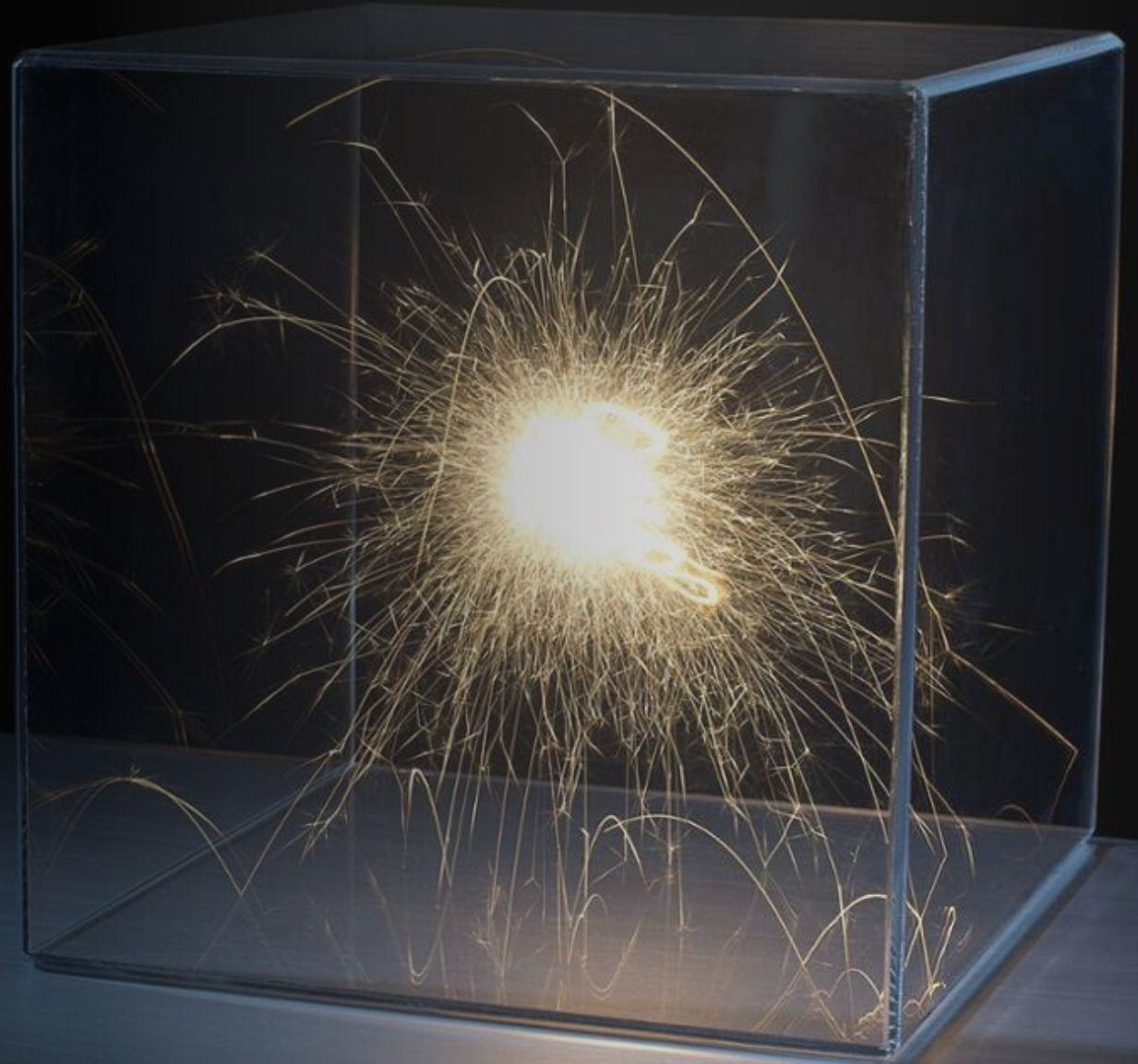
Product portfolio



Capacity

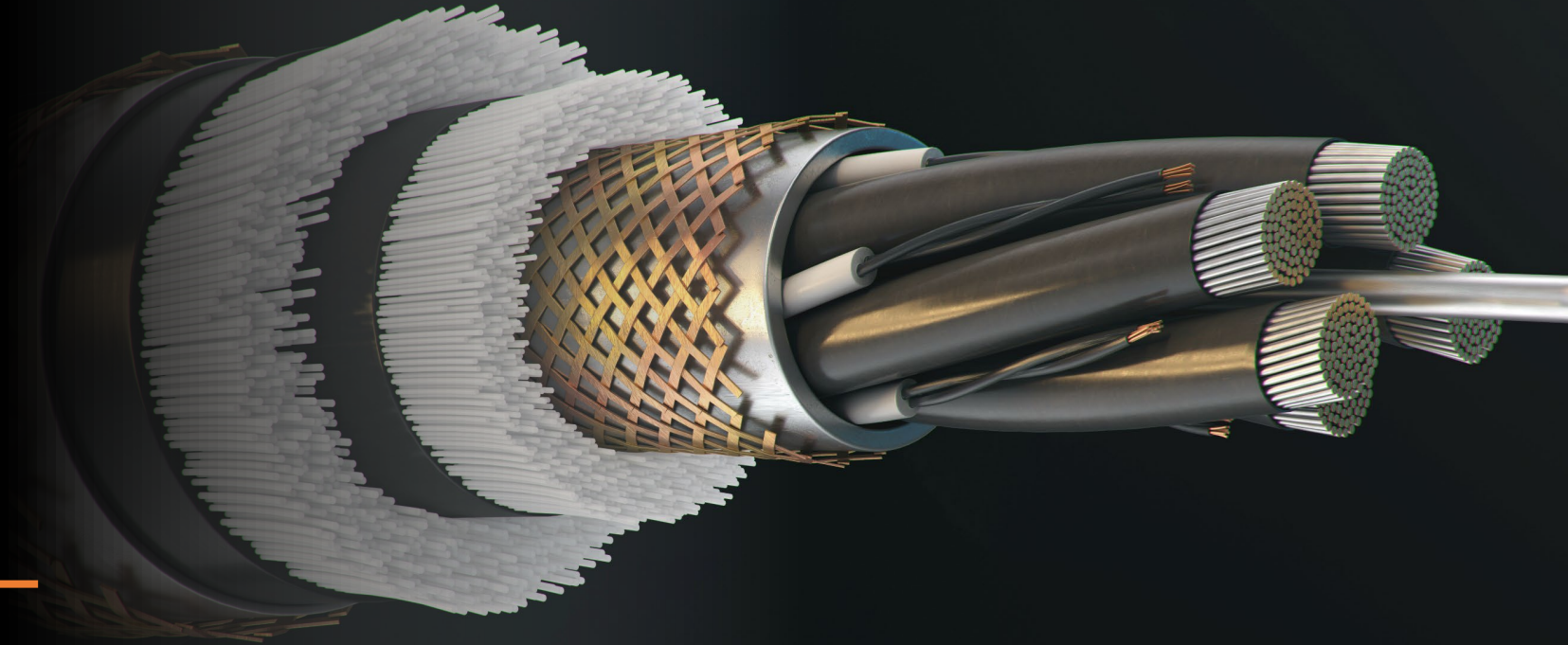
Management outlook reflects expectations that may happen in the future. These expectations are subject to risks, uncertainties and other factors, many of which are not under RCG's control. Actual results may differ materially from the what is expressed or implied in this section. RCG undertakes no obligation to revise any forward-looking statement to reflect changes to its expectations or any change in circumstances, events, strategy or plans.

Q & A



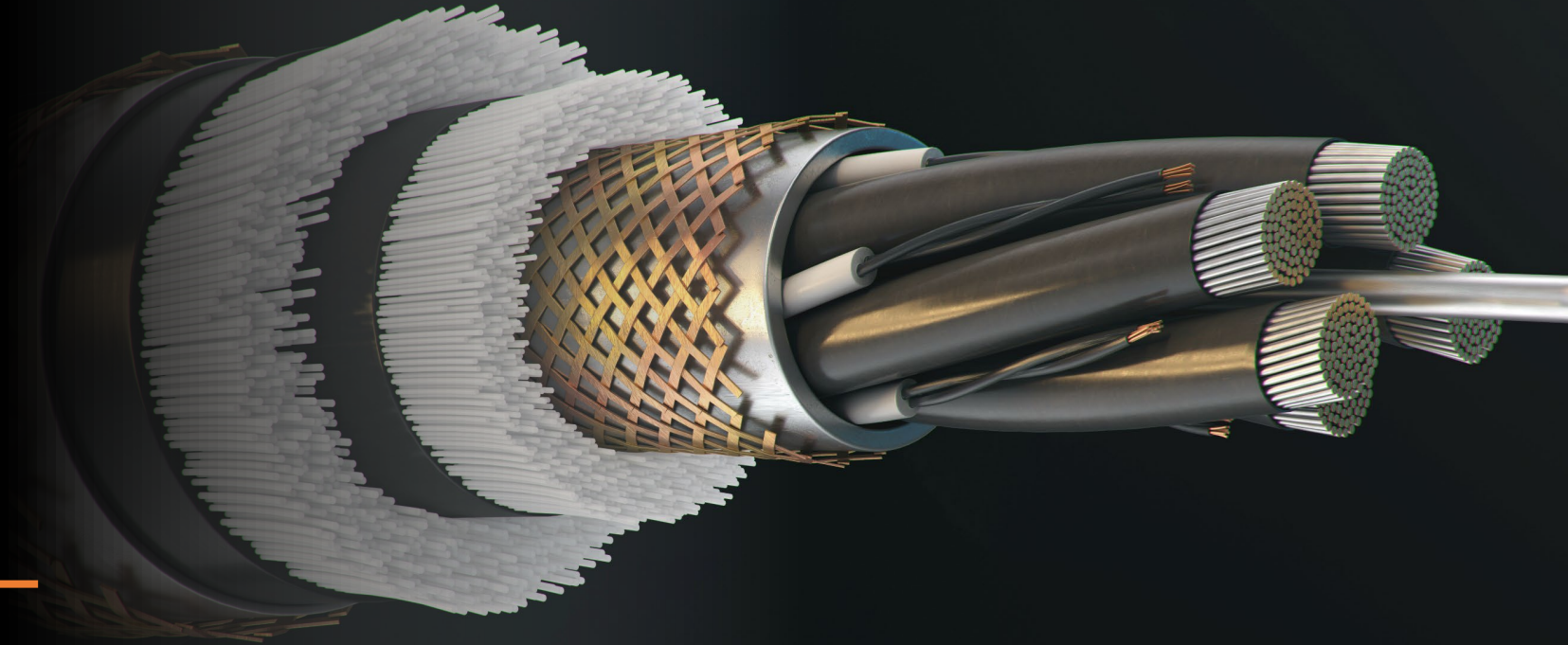


Thank you





Appendix



Summarized income statement (SARm)



	Q1-24	Q1-25	Var.	Var. %
Revenue*	2.032	2.489	457,5	22,5%
Direct costs*	-1.748	-2.062	-313,9	18,0%
Gross profit	283	427	143,6	50,7%
Operating expenses	-79	-134	-54,8	69,2%
Operating profit	204	293	88,8	43,5%
Finance charges	-20	-18	2,7	-13,2%
Other income / expenses & Zakat	-15	-19	-4,3	28,6%
Group net income	169	256	87,2	51,6%
Minority interest	-1,22	0,05	1,3	-104,0%
Shareholders of the Company Profit	168	256	88,5	52,8%

Condensed balance sheet (SARm)



	FY-24	Q1-25
Fixed Assets	1,403	1,434
Investments	58	52
Other Long Term Assets	17	81
Current Assets	4,334	4,689
Total Assets	5,812	6,256
Borrowings	433	487
Long Term Liabilities	139	146
Current Liabilities (excl. borrowings)	2,616	2,724
Total Liabilities	3,188	3,357
Equity	2,624	2,899
Total Equity & Liabilities	5,812	6,256

Condensed cash flow statement (SARm)



	Q1-24	Q1-25	Var.	Var. %
Operating cash flow before working capital	348	419	71	20.5%
Net working capital movement	-281	-321	-40	14.3%
Cash generated from operating activities	67	98	31	46.4%
Finance charges, Zakat & income tax, EOSB	2	4	2	101.1%
Net cash flow from operating activities	69	103	33	48.0%
Investment in short term deposits	-15	-48	-33	228.2%
Net cash used in financing activities	-143	-7	136	-95.0%
Net decrease in cash and bank balances	-89	47	136	-153.4%
Cash at the beginning of the period	150	91	-59	-39.6%
Cash at the end of the period	61	138	77	125.3%



Riyadh Cables Group