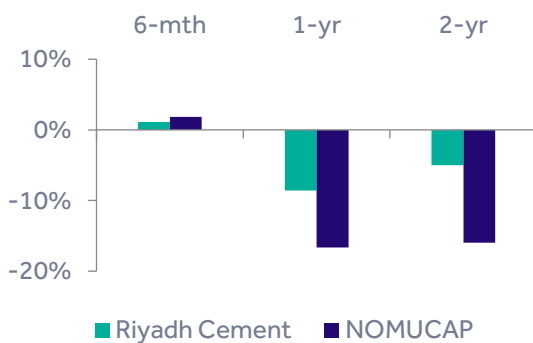


Market Data	
52-week high/low	SAR 37.10/28.60
Market Cap	SAR 3,768 mln
Shares Outstanding	120 mln
Free-float	56.41%
12-month ADTV	66,798
Bloomberg Code	SAWCEM AB



## 2022 Bottom-line Falls -11% Y/Y

April 11, 2023

Upside to Target Price	8.3%	Rating	Neutral
Expected Dividend Yield	5.9%	Last Price	SAR 31.40
Expected Total Return	14.1%	12-mth target	SAR 34.00

Riyadh Cement	2H2022	2H2021	Y/Y	1H2022	H/H	RC Estimate
Sales	339	270	26%	259	31%	303
Gross Profit	126	82	54%	106	19%	116
Gross Margins	37%	30%		41%		38%
Operating Profit	111	60	85%	90	23%	106
Net Profit	105	53	96%	85	23%	97

(All figures are in SAR mln)

- For FY2022, Riyadh Cement top-line fell by -11% Y/Y to SAR 598 mln. This was attributed to a decline in Grey Cement sales by -16% Y/Y to 3.0 mln tons as compared to 3.5 mln tons in 2021, despite higher sales volume in White Cement which rose by +12% Y/Y to 411K tons. 2022 bottom-line declined by -11% Y/Y to SAR 190 mln.
- For 2H2022, Riyadh Cement Co. reported a top-line of SAR 339 mln (+26% Y/Y, +31% H/H), mainly due to an increase in average selling prices of Grey Cement by +31% Y/Y and +19% H/H to SAR 169/ton and an increase in volumes by +16% H/H to 1.6 mln tons.
- Gross profit for 2H2022 came in at SAR 126 mln (+54% Y/Y, +19% H/H). Gross margin of 37% this quarter expanded by +679 bps Y/Y but contracted by 373 bps H/H.
- Riyadh Cement Co. reported a bottom-line of SAR 105 mln in 2H2022, in-line with our forecasts. The increase was attributed to higher average selling prices of Grey Cement on both Y/Y and H/H basis. We reduce our target price to SAR 34.00 but maintain a Neutral rating.

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## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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