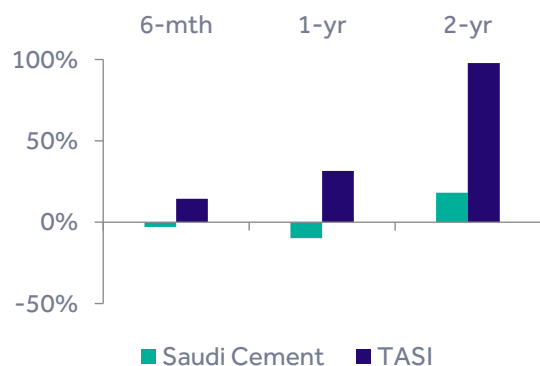


Market Data	
52-week high/low	SAR 67.10/54.30
Market Cap	SAR 8,905 mln
Shares Outstanding	153 mln
Free-float	92.28%
12-month ADTV	224,862
Bloomberg Code	SACCO AB



■ Prices Rise +10% Q/Q

April 27, 2022

Upside to Target Price	4.8%	Rating	Neutral
Expected Dividend Yield	4.2%	Last Price	SAR 58.20
Expected Total Return	9.0%	12-mth target	SAR 61.00

Saudi Cement	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	315	429	(27%)	327	(4%)	304
Gross Profit	101	174	(42%)	109	(8%)	94
Gross Margins	32%	40%		33%		31%
Operating Profit	60	125	(52%)	65	(7%)	49
Net Profit	61	119	(49%)	67	(9%)	45

(All figures are in SAR mln)

- On a yearly basis, top-line fell by -27% to SAR 315 mln for 1Q2022, in-line with our forecast. The decline in sales is driven by the decline in both volumes and prices which fell by -21% Y/Y and by -7% Y/Y respectively, on the back of lower demand compared with last year. On a quarterly basis, despite the increase in the average selling prices (+10% Q/Q), volumes showed a decline by -13% Q/Q resulting in a -4% Q/Q drop in sales.
- Gross Profit fell by -42% Y/Y and -8% Q/Q to SAR 101 mln while the gross margin fell on both yearly and quarterly basis by -851 bps and -133 bps respectively, to a level of 32% on the back of higher cost per ton on both yearly and quarterly basis. Net margins at 19% this quarter fell by -844 bps Y/Y and -119 bps Q/Q.
- The company sold 1.9 mln tons (cement and clinker) versus 2.4 mln tons in 1Q2021 and 2.2 mln tons in 4Q2021. The decline was attributed to higher competition in the market and lower demand from individuals as well, which we expect to end soon.
- Saudi Cement reported a bottom-line of SAR 61 mln (-49% Y/Y, -9% Q/Q), above our forecast of SAR 45 mln due to higher than expected prices. We maintain our target price of SAR 61.00 and Neutral rating.

Abdullah D Alharbi
 abdullah.ulihan.alharbi@riyadcapital.com
 +966-11-486-5680

■ 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.