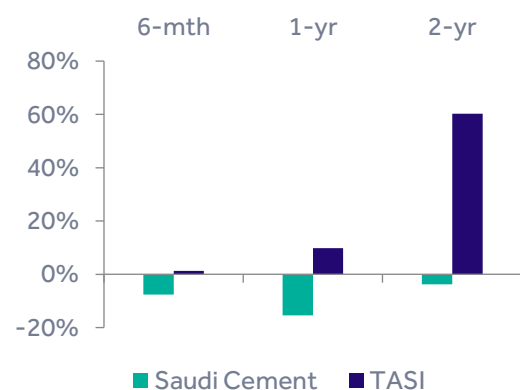


Market Data	
52-week high/low	SAR 64.80/49.40
Market Cap	SAR 8,186 mln
Shares Outstanding	153 mln
Free-float	92.27%
12-month ADTV	231,532
Bloomberg Code	SACCO AB



Prices Rise 19% Q/Q

August 14, 2022

Upside to Target Price	14.0%	Rating	Buy
Expected Dividend Yield	4.8%	Last Price	SAR 53.50
Expected Total Return	18.8%	12-mth target	SAR 61.00

Saudi Cement	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	349	348	0%	315	11%	319
Gross Profit	146	139	5%	101	45%	124
Gross Margins	42%	40%		32%		39%
Operating Profit	103	92	12%	60	71%	85
Net Profit	103	86	19%	61	68%	83

(All figures are in SAR mln)

- Top-line was flat Y/Y but is up +11% Q/Q to SAR 349 mln, in-line with our forecast. This is mainly driven by an increase in average selling price, which showed a significant growth of +10% Y/Y and +19% Q/Q to SAR 199/ton despite lower volumes Y/Y and Q/Q.
- Gross Profit is up +5% Y/Y and +45% Q/Q to SAR 146 mln, while gross margin is up on both yearly and quarterly basis by +199 bps and +986 bps respectively, to a level of 42% on the back of higher prices on both yearly and quarterly basis. Net margins at 29% this quarter is up by +463 bps Y/Y and +997 bps Q/Q.
- The company sold 1.6 mln tons (cement and clinker) versus 1.9 mln tons in 2Q2021. For the 1H2022, total sales volume fell by -84% compared with same period last year to 3.6 mln tons due to lower local sales volume.
- Saudi Cement reported a bottom-line of SAR 103 mln (+19% Y/Y, +68% Q/Q), above our forecast of SAR 83 mln and market expectations of SAR 65 mln due to higher than expected prices. We maintain our target price of SAR 61.00 but upgrade to Buy 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

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