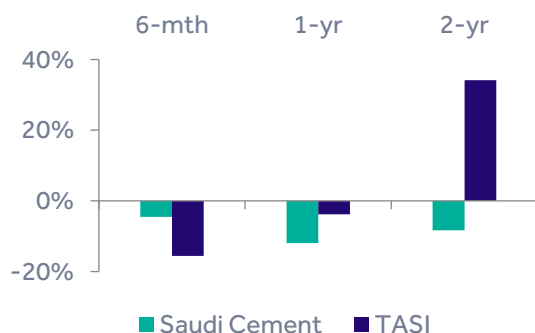


Market Data	
52-week high/low	SAR 62.00/49.40
Market Cap	SAR 8,048 mln
Shares Outstanding	153 mln
Free-float	92.27%
12-month ADTV	243,548
Bloomberg Code	SACCO AB



Cement Prices Rise 18% Y/Y

November 14, 2022

Upside to Target Price	4.6%	Rating	Neutral
Expected Dividend Yield	4.3%	Last Price	SAR 52.60
Expected Total Return	8.9%	12-mth target	SAR 55.00

Saudi Cement	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	328	305	8%	349	(6%)	330
Gross Profit	124	109	14%	146	(15%)	137
Gross Margins	38%	36%		42%		42%
Operating Profit	86	63	36%	103	(17%)	96
Net Profit	81	59	37%	103	(21%)	94

(All figures are in SAR mln)

- Saudi Cement's top-line is up +8% Y/Y to SAR 328 mln, matching our forecast. This is mainly driven by an increase in average selling price, which showed a significant growth of +18% Y/Y to SAR 193/ton, despite lower total sales volumes, which fell -9% Y/Y. The decline in top-line Q/Q was driven by lower volumes and prices, both of which fell by -3%.
- Gross Profit is up +14% Y/Y but fell -15% Q/Q to SAR 124 mln. Gross margin is up by +215 bps Y/Y but contracted by -391 bps Q/Q bps to a level of 38%. Net margins of 25% this quarter followed the same movement to increase by +534 bps Y/Y but contracted by -479 bps Q/Q.
- In 9M2022, the company sold 5.3 mln tons (cement and clinker) versus 6.2 mln tons in the same period last year due to lower local and exports sales volume.
- Saudi Cement reported a bottom-line of SAR 81 mln (+37% Y/Y, -21% Q/Q), -14% below our forecast of SAR 94 mln and market expectations of SAR 97 mln. We reduce our target price to SAR 55 and downgrade to 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

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