

Market Data	
52-week high/low	SAR 60.60/48.80
Market Cap	SAR 7,711 mln
Shares Outstanding	153 mln
Free-float	92.27%
12-month ADTV	122,501
Bloomberg Code	SACCO AB

**Local Volumes Decline Y/Y and Q/Q**

November 05, 2023

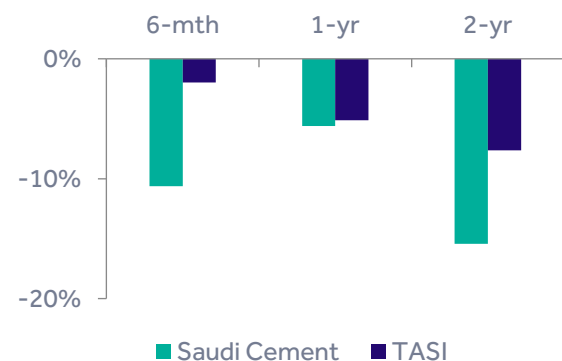
Upside to Target Price	9.1%	Rating	Neutral
Expected Dividend Yield	5.1%	Last Price	SAR 50.40
Expected Total Return	14.2%	12-mth target	SAR 55.00

Saudi Cement	3Q2023	3Q2022	Y/Y	2Q2023	Q/Q	RC Estimate
Sales	315	328	(4%)	356	(12%)	332
Gross Profit	114	124	(8%)	145	(21%)	126
Gross Margins	36%	38%		41%		38%
Operating Profit	61	86	(29%)	94	(35%)	84
Net Profit	68	81	(15%)	85	(20%)	75

(All figures are in SAR mln)

- Saudi Cement reported a top-line of SAR 315 mln (-4% Y/Y, -12% Q/Q), in-line with our estimates. The Y/Y decline was attributed to -8% lower prices despite a +4% growth Y/Y in total sales volume (Clinker and Cement), helped by export sales. On a quarterly basis, the decline was attributed to -4% lower total sales volume. 3Q2023 prices at SAR 178/ton declined -8% Y/Y and -7% Q/Q.
- Gross Profit fell -8% Y/Y and -21% Q/Q to SAR 114 mln. Gross margins contracted by -159 bps Y/Y and -440 bps Q/Q to 36% on higher COGS per tons Q/Q. Net margins of 21% this quarter followed the same movement.
- In 3Q2023, Saudi Cement’s local Cement sales continued to decline by -25% Y/Y and -8% Q/Q to 915K tons. We expect better volumes in the coming months while higher Clinker exports could impact the top-line.
- Saudi Cement bottom-line declined by -15% Y/Y and -20% Q/Q to SAR 68 mln, in-line with our forecast. We reduce our target price from SAR 56.00 to SAR 55.00 but maintain our 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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