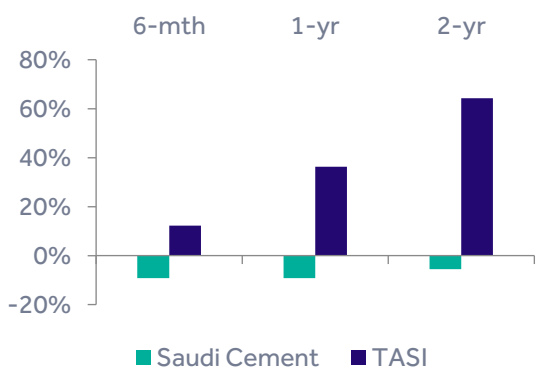


Market Data	
52-week high/low	SAR 67.20/54.30
Market Cap	SAR 8,813 mln
Shares Outstanding	153 mln
Free-float	92.28%
12-month ADTV	221,825
Bloomberg Code	SACCO AB



Net Income Rises +17% Q/Q

February 27, 2022

Upside to Target Price	5.9%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 57.60
Expected Total Return	8.8%	12-mth target	SAR 61.00

Saudi Cement	4Q2021	4Q2020	Y/Y	3Q2021	Q/Q	RC Estimate
Sales	327	435	(25%)	305	7%	346
Gross Profit	109	177	(38%)	109	0%	97
Gross Margins	33%	41%		36%		28%
Operating Profit	65	124	(48%)	63	3%	51
Net Profit	68	129	(47%)	59	17%	45

(All figures are in SAR mln)

- Saudi Cement's top-line fell by -10% Y/Y to SAR 1.4 bln in 2021 despite a rise in total sales volume, which is up by +1% Y/Y to 6.2 mln tons this year. The decrease was attributed to lower selling prices which affected the margins negatively, resulting in a decline in bottom-line by -27% Y/Y to SAR 332 mln.
- For 4Q2021, Saudi Cement reported a revenue of SAR 327 mln (-25% Y/Y, +7% Q/Q). The decline was attributed to lower average selling price by -13% Y/Y and by -8% Q/Q but an increase in volumes by +16% Q/Q. The company sold 2.2 mln tons (cement and clinker) during the quarter.
- Gross Profit fell by -38% Y/Y but was flat Q/Q at SAR 109 mln, while the gross margin fell by on both yearly and quarterly basis by -734 bps and -247 bps respectively to a level of 33%.
- The company could witness a pressure in selling prices in 1H2022 due to higher competition in the market, which we expect to end soon.
- Saudi Cement reported a bottom line of SAR 68 mln (-47% Y/Y, +17% Q/Q) above our and market expectations. We maintain our target price of SAR 61.00 and 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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