

Market Data	
52-week high/low	SAR 62.00/48.80
Market Cap	SAR 8,170 mln
Shares Outstanding	153 mln
Free-float	92.27%
12-month ADTV	174,309
Bloomberg Code	SACCO AB

■ Prices Rise 14% in 2022

March 19, 2023

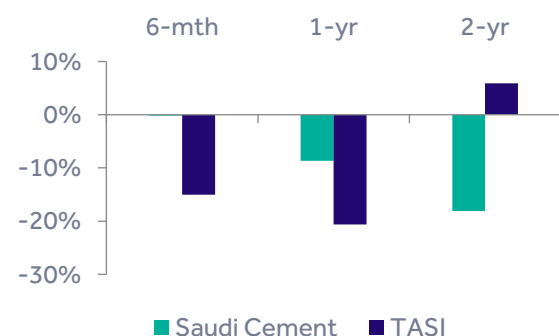
Upside to Target Price	3.0%	Rating	Neutral
Expected Dividend Yield	4.8%	Last Price	SAR 53.40
Expected Total Return	7.8%	12-mth target	SAR 55.00

Saudi Cement	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	428	327	31%	328	30%	425
Gross Profit	198	109	81%	124	59%	162
Gross Margins	46%	33%		38%		38%
Operating Profit	155	65	139%	86	81%	108
Net Profit	154	67	129%	81	92%	105

(All figures are in SAR mln)

- For FY2022, top-line rose by +1% Y/Y to SAR 1.4 bln. This was attributed to an increase in prices by +14% Y/Y to SAR 192/ton, despite a decline of -12% in total volumes (Clinker and Cement) to 7.4 mln tons, compared with 8.4 mln tons in 2021 on lower local and export sales. The improvement in net profit for FY2022 is attributed to higher prices that translated positively into margins and resulted in an increase in bottom-line by +20% Y/Y to SAR 399 mln.
- In 4Q2022, Saudi Cement's top-line is up by 31% Y/Y and +30% Q/Q to SAR 428 mln, matching our forecast. This is mainly driven by an increase in average selling price, which showed a significant growth of +39% Y/Y and +9% Q/Q to SAR 210/ton, despite lower volumes Y/Y, which fell -6% Y/Y (+20% Q/Q).
- Gross Profit is up +81% Y/Y and by +59% Q/Q to SAR 198 mln. Gross margin is up on both Y/Y and Q/Q by 13% and 8%, respectively, to a level of 46%. Net margins of 36% this quarter followed the same movement.
- Saudi Cement reported a bottom-line of SAR 154 mln (+129% Y/Y, +92% Q/Q), beating both our forecast and market expectations on better than expected margins. We maintain our target price of SAR 55.00 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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