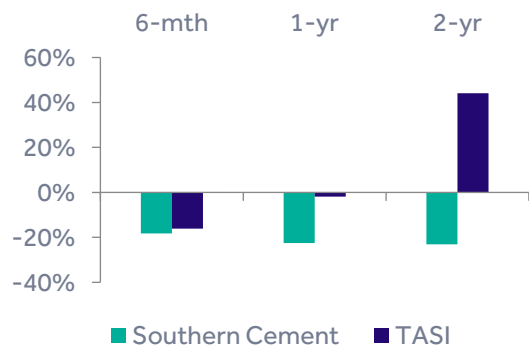


Market Data	
52-week high/low	SAR 74.40/51.60
Market Cap	SAR 7,644 mln
Shares Outstanding	140 mln
Free-float	62.41%
12-month ADTV	89,565
Bloomberg Code	SOCCO AB



## Export Volume Jumps Y/Y

November 03, 2022

Upside to Target Price	22.7%	Rating	Buy
Expected Dividend Yield	4.0%	Last Price	SAR 54.60
Expected Total Return	26.7%	12-mth target	SAR 67.00

Southern Cement	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	323	284	14%	234	38%	350
Gross Profit	106	99	7%	56	89%	100
Gross Margins	33%	35%		24%		29%
Operating Profit	93	77	21%	43	116%	81
Net Profit	89	74	20%	61	46%	79

(All figures are in SAR mln)

- SPCC's top-line increased +14% Y/Y and +38% Q/Q to SAR 323 mln, close to our forecast. The increase was attributed to an increase in total sales volume, which showed an increase Y/Y and Q/Q by +31% and +52%, respectively, to 1.9 mln tons despite a decline in average selling prices Y/Y and Q/Q by -13% and -8%, respectively, to SAR 171/ton.
- Gross profit came in at SAR 106 mln (+7% Y/Y, +89% Q/Q). Margins have continued to contract Y/Y. Gross margins have fall by -201 bps while GP margin improved Q/Q by +883 bps Q/Q. Net margins of 28% this quarter showed an improvement on both Y/Y and Q/Q basis.
- The local sales volume for 9M2022 fell -14% compared with the same period last year to 4.3 mln tons while export sales of 617K tons showed a +281% growth Y/Y.
- SPCC reported a net income of SAR 89 mln (+20% Y/Y, +46% Q/Q), close to our forecast. We reduce our target price to SAR 67.00 but maintain our 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](mailto:research@riyadcapital.com)

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