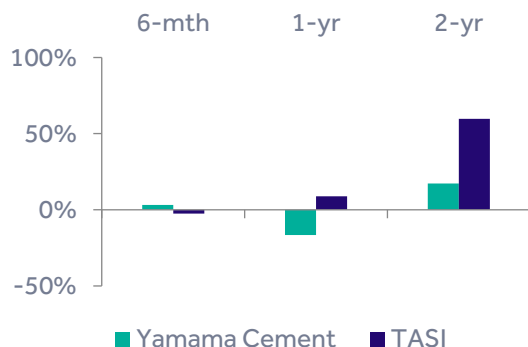


Market Data	
52-week high/low	SAR 35.75/24.48
Market Cap	SAR 5,640 mln
Shares Outstanding	203 mln
Free-float	86.9%
12-month ADTV	477,219
Bloomberg Code	YACCO AB



Prices Continue to Improve

July 26, 2022

Upside to Target Price	7.7%	Rating	Neutral
Expected Dividend Yield	3.6%	Last Price	SAR 27.85
Expected Total Return	11.3%	12-mth target	SAR 30.00

Yamama Cement	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	209	203	3%	222	(6%)	200
Gross Profit	101	96	5%	41	147%	58
Gross Margins	48%	47%		18%		29%
Operating Profit	81	80	1%	23	248%	41
Net Profit	91	78	17%	30	206%	38

(All figures are in SAR mln)

- Yamama Cement Co. reported a top-line of SAR 209 mln (+3% Y/Y, -6% Q/Q) in-line with our forecast. The Y/Y growth is attributed to the improvement in local sales volume which is up by +48% while the decline Q/Q is attributed to lower volumes by -36%.
- Gross profit of SAR 101 mln is up by +5% Y/Y and +147% Q/Q due to an improvement in gross margin which expanded on both yearly and quarterly basis by +1% and +30% respectively to a level of 48% this quarter. This is due to higher average selling prices which reached SAR 158/ton in 2Q2022 versus SAR 107/ton in 1Q2022.
- The local sales volume is up by +48% Y/Y but fell by -36% Q/Q to 1.3 mln tons. For the 1H2022, the company sold 3.4 mln tons compared with 2.1 mln tons for the same period last year.
- Yamama Cement Co. reported a bottom-line of SAR 91 mln in 2Q2022, beating both our and market forecasts due to higher than expected prices which translated positively into margins. We maintain our SAR 30.00 target price and Neutral rating.
- We expect both volume and prices to continue its momentum in the upcoming months due to a recent decline in construction material prices.

Abdullah D Alharbi
 abdullah.ulihan.alharbi@riyadcapital.com
 +966-11-486-5680

■ 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.