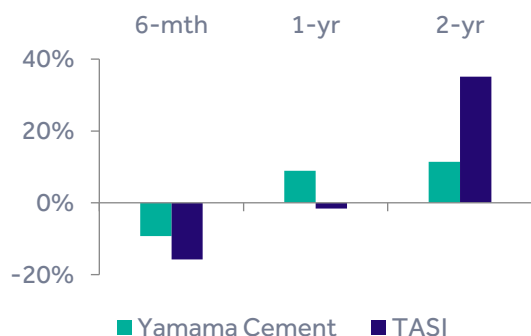


Market Data	
52-week high/low	SAR 35.75/24.48
Market Cap	SAR 6,338 mln
Shares Outstanding	203 mln
Free-float	86.7%
12-month ADTV	452,576
Bloomberg Code	YACCO AB



## Sales Volume Improves Significantly

Upside to Target Price (4.2%)  
 Expected Dividend Yield 4.2%  
 Expected Total Return 0.0%

Rating Neutral  
 Last Price SAR 31.30  
 12-mth target SAR 30.00

October 18, 2022

Yamama Cement	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	253	171	48%	209	21%	255
Gross Profit	117	54	114%	101	16%	90
Gross Margins	46%	32%		48%		35%
Operating Profit	97	40	140%	81	19%	68
Net Profit	101	40	154%	91	12%	75

(All figures are in SAR mln)

- Yamama Cement Co. reported a top-line of SAR 253 mln (+48% Y/Y, +21% Q/Q) matching our SAR 255 mln forecast. The growth is attributed to the improvement in local sales volume, which is up on both yearly and quarterly basis by +52% and +36% respectively to 1.8 mln tons, despite a decline in average selling prices by -2% Y/Y and -11% Q/Q to SAR 141/ton.
- Gross profit of SAR 117 mln is up on both yearly and quarterly basis by +114% Y/Y and +16% Q/Q due to an improvement in gross margin which expanded +14% Y/Y but contracted by -2% Q/Q to a level of 46% this quarter. This is due to higher volumes sold during the quarter.
- The Company completed its new Yamama cement factory in the northern Halal area in Al-Kharj governorate and the commercial operation will be starting on November 1<sup>st</sup> 2022. For the 9M2022, the company sold 5.2 mln tons compared with 3.3 mln tons for the same period last year.
- Yamama Cement Co. reported a bottom-line of SAR 101 mln in 3Q2022, beating both our and market forecasts due to lower than expected COGS per ton which translated positively into margins. We maintain our SAR 30.00 target price 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](mailto:research@riyadcapital.com)

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