Tougher Competition, Weaker Prices

October 21, 2025

Upside to Target Price	(5.1%)	Rating	Neutral
Expected Dividend Yield	3.2%	Last Price	SAR 31.62
Expected Total Return	(2.0%)	12-mth target	SAR 30.00

Market Data	
52-week high/low	SAR 40.55/29.20
Market Cap	SAR 6,419 mln
Shares Outstanding	203 mln
Free-float	83.62%
12-month ADTV	272,160
Bloomberg Code	YACCO AB

Yamama Cement	3Q2025	3Q2024	Y/Y	2Q2025	Q/Q	RC Estimate
Sales	312	285	9%	362	(14%)	393
Gross Profit	56	124	(55%)	157	(64%)	153
Gross Margins	18%	43%		43%		39%
Operating Profit	33	104	(69%)	134	(76%)	130
Net Profit	36	98	(63%)	121	(70%)	118

(All figures are in SAR mln)

- Yamama reported 3Q2025 sales of SAR 312 mln (+9% Y/Y, -14% Q/Q), below our estimate of SAR 393 mln, driven by weaker-than-expected prices. Prices fell sharply to SAR 122/ton due to intense competition, down -34% Y/Y (from SAR 185/ton) and -35% Q/Q (from SAR 188/ton) versus our SAR 158/ton estimate. Meanwhile, sales volumes surged+66% Y/Y and +33% Q/Q to 2,564k tons on stronger demand, in line with our 2,490k tons estimate.
- Cost per ton came in at SAR 100/ton, compared to SAR 105/ton last year and SAR 106/ton last quarter. Despite cost stability, weaker pricing led to a sharp gross margin contraction to 18%, down from 44% last year and 43% last quarter, and below our 39% estimate. Consequently, gross profit declined sharply to SAR 56 mln (-55% Y/Y, -64% Q/Q), below estimates.
- OPEX of SAR 23.7 mln came in line, up +19% Y/Y and +3% Q/Q, resulting in an operating margin of 10%, compared to 36% last year and 37% last quarter.
- Bottomline stood at SAR 36 mln (-63% Y/Y, -70% Q/Q), falling short of both market consensus of SAR 110 mln and our estimate of SAR 118 mln. We trim our target price from SAR 35.00 to SAR 30.00 per share, and maintain a Neutral recommendation.

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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

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