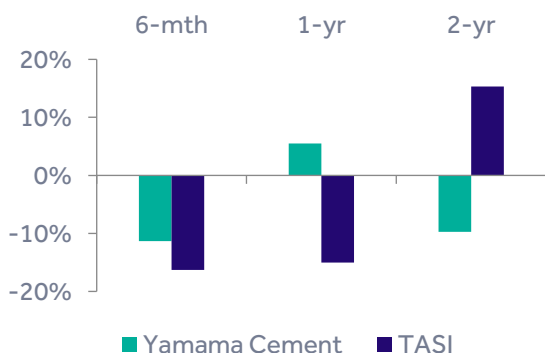


Market Data	
52-week high/low	SAR 35.75/24.48
Market Cap	SAR 5,842 mln
Shares Outstanding	203 mln
Free-float	86.7%
12-month ADTV	382,425
Bloomberg Code	YACCO AB



## Substantial Price Improvement

February 16, 2023

Upside to Target Price	4.0%	Rating	Neutral
Expected Dividend Yield	4.8%	Last Price	SAR 28.85
Expected Total Return	8.8%	12-mth target	SAR 30.00

Yamama Cement	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	338	182	86%	253	34%	270
Gross Profit	165	(2)	-	117	41%	130
Gross Margins	49%	-	-	46%	-	48%
Operating Profit	132	(21)	-	97	37%	107
Net Profit	134	(19)	-	101	33%	109

(All figures are in SAR mln)

- In 2022, top-line rose by +39% Y/Y to SAR 1.0 bln. This was attributed to an increase in volumes sold by +34% Y/Y to 7.0 mln tons, compared with 5.2 mln tons in 2021, due to higher demand in central region along with an improvement in average selling prices Y/Y by +4%. The improvement in net profit for the year is attributed to higher volumes and prices that translated positively into margins and resulted in a significant increase in bottom-line by +132% Y/Y to SAR 356 mln.
- In 4Q2022, Yamama Cement Co. reported a top-line of SAR 338 mln (+86% Y/Y, +34% Q/Q), mainly due to an increase in average selling prices by +99% Y/Y and +34% Q/Q to SAR 190/ton, despite a decline in volumes by -7% and -1% for Y/Y and Q/Q, respectively, to 1.8 mln tons.
- Gross profit of SAR 165 mln is up on both yearly and quarterly basis. Gross margin of 49% this quarter expanded by +273 bps Q/Q. This is due to higher prices during the quarter.
- Yamama Cement Co. reported a bottom-line of SAR 134 mln in 4Q2022, beating both our and market forecasts due to higher than expected prices. We maintain our target price of SAR 30.00 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](mailto:research@riyadcapital.com)

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