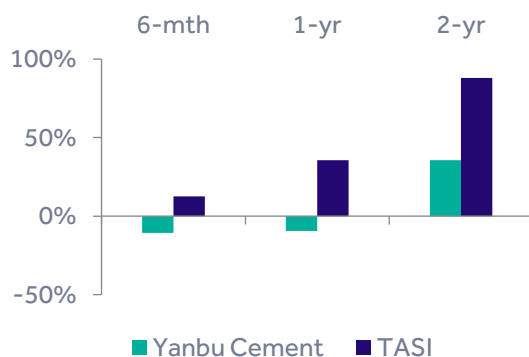


Market Data	
52-week high/low	SAR 46.70/34.50
Market Cap	SAR 6,607 mln
Shares Outstanding	158 mln
Free-float	94.8%
12-month ADTV	253,114
Bloomberg Code	YNCCO AB



## Volumes Witness Growth Q/Q

April 25, 2022

Upside to Target Price	(2.3%)	Rating	Neutral
Expected Dividend Yield	1.8%	Last Price	SAR 41.95
Expected Total Return	(0.5%)	12-mth target	SAR 41.00

Yanbu Cement	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	242	292	(17%)	191	26%	241
Gross Profit	54	81	(33%)	39	41%	59
Gross Margins	23%	28%		20%		25%
Operating Profit	40	69	(41%)	27	51%	46
Net Profit	39	73	(47%)	10	284%	43

(All figures are in SAR mln)

- Yanbu Cement reported a top-line of SAR 242 mln (-17% Y/Y, +26% Q/Q), matching our SAR 241 mln forecast. The decline Y/Y was attributed to both lower sales volume by -11% Y/Y and -8% Y/Y decline in the average selling prices to SAR 142/ton. On a quarterly basis, the increase in top-line comes on the back of a rise in volumes, which is up by +29% despite the slight decrease in prices.
- Gross profit for the quarter fell by -33% Y/Y but is up by +41% Q/Q to SAR 54 mln, while the gross margin continued to fall Y/Y to decline by 5% but expanded by 2% Q/Q to 23%. Net margin came in at 16% and followed the same movement to fall by 9% Y/Y but up by 11% Q/Q.
- Yanbu Cement reported a bottom-line of SAR 39 mln (-47% Y/Y, +284% Q/Q) in-line with our SAR 43 mln forecast. The decline Y/Y was driven by lower volumes and prices while the Q/Q increase resulted from lower other expenses.
- The Company managed to increase its sales volume Q/Q to 1.7 mln tons due to a 375% growth in clinker exports. We maintain our target price of SAR 41.00 and our Neutral rating.

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](mailto: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.