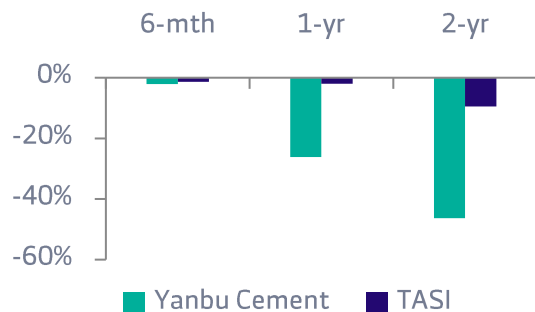


Market Data	
52-week high/low	SAR 21.44/13.87
Market Cap	SAR 2,441 mln
Shares Outstanding	158 mln
Free-float	89.42%
12-month ADTV	386,400
Bloomberg Code	YNCCO AB



Margin Expansion Drives Earnings Beat

May 11, 2026

Upside to Target Price	0.0%	Rating	Neutral
Expected Dividend Yield	6.5%	Last Price	SAR 15.50
Expected Total Return	6.5%	12-mth target	SAR 15.50

Yanbu Cement	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	254	266	(5%)	246	3%	224
Gross Profit	76	75	1%	61	24%	48
Gross Margins	30%	28%		25%		22%
Operating Profit	43	36	19%	35	23%	14
Net Profit	38	30	26%	25	53%	10

(All figures are in SAR mln)

- Yanbu Cement reported 1Q2026 revenue of SAR 254 mln (-5% Y/Y, +3% Q/Q), above our SAR 224 mln estimate on higher-than-expected prices. Q/Q growth came from stronger pricing despite lower volumes, while Y/Y decline mainly reflected weaker volumes. ASP came in at SAR 176/ton (-1% Y/Y, +10% Q/Q), above our assumption and the main reason for the revenue beat. Total volumes (cement and clinker) fell to 1.44 mln tons (-4% Y/Y, -6% Q/Q), in line with our forecast. Local cement volumes declined to 1.00 mln tons (-2% Y/Y, -9% Q/Q) due to Ramadan seasonality, and clinker exports decreased to 445k tons (-6% Y/Y, +3% Q/Q).
- Cost per ton improved to SAR 124/ton (-3% Y/Y, +3% Q/Q), and was in line with our SAR 122/ton estimate. Higher prices coupled with lower costs drove gross margin expansion to 29.8%, versus 28.2% last year and 24.9% last quarter, well above our 21.5% estimate. Moreover, OPEX declined to SAR 33 mln (-16% Y/Y, +24% Q/Q) on lower selling & distribution expenses from reduced exports, in line with our SAR 34 mln estimate. Operating margin further expanded to 16.8%, from 13.5% last year and 14.1% last quarter, and came in well above estimates.
- Net profit came in at SAR 38 mln (+26% Y/Y, +53% Q/Q), well ahead of both market consensus of SAR 16 mln and our SAR 10 mln estimate. Earnings growth was primarily price driven. The company announced the start of voluntary liquidation process for Cement Knowledge Center for Training Co. (49% stake), with no material financial impact expected, and declared a SAR 0.75 DPS for 1H2026. We tweak our target price to SAR 15.50 from SAR 15.00 and maintain a 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

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