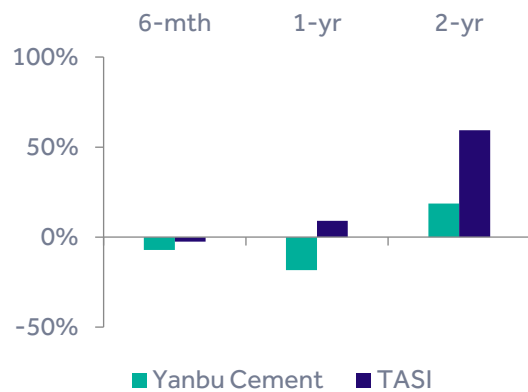


Market Data	
52-week high/low	SAR 46.70/31.25
Market Cap	SAR 5,725 mln
Shares Outstanding	158 mln
Free-float	94.8%
12-month ADTV	236,925
Bloomberg Code	YNCCO AB



## ■ Clinker Export Drives Earnings

July 27, 2022

Upside to Target Price	12.8%	Rating	Neutral
Expected Dividend Yield	2.1%	Last Price	SAR 36.35
Expected Total Return	14.9%	12-mth target	SAR 41.00

Yanbu Cement	2Q2022	2Q2021	Y/Y	1Q2022	Q/Q	RC Estimate
Sales	238	243	(2%)	242	(1%)	270
Gross Profit	64	53	20%	54	17%	68
Gross Margins	27%	22%		23%		25%
Operating Profit	51	43	18%	40	26%	53
Net Profit	48	42	15%	39	23%	51

(All figures are in SAR mln)

- Yanbu Cement reported a top-line of SAR 238 mln (-2% Y/Y, -1% Q/Q), close to our forecast. The decline was attributed to average selling prices which came down by -6% Y/Y and -7% Q/Q to SAR 134/ton, despite an increase in the total sales volume on both yearly and quarterly basis by +4% Y/Y and +35% Q/Q to 1.8 mln tons. Volume growth was driven by Clinker export as the company exported 829K tons (+32% Y/Y and +108% Q/Q).
- Gross profit for the quarter was up +20% Y/Y and +17% Q/Q to SAR 64 mln as the gross margin expanded on both yearly and quarterly basis by +483 bps and +419 bps respectively to 27% this quarter. Net margin came in at 20% and followed the same movement to expand by +406 bps Y/Y and +309 bps Q/Q.
- Yanbu Cement reported a bottom-line of SAR 48 mln (+15% Y/Y, +23% Q/Q) in-line with our SAR 51 mln forecast, due to an improvement in sales volumes.
- We maintain our target price of SAR 41.00 and Neutral rating on the stock with a positive view due to expectations of pick up in construction activity.

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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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