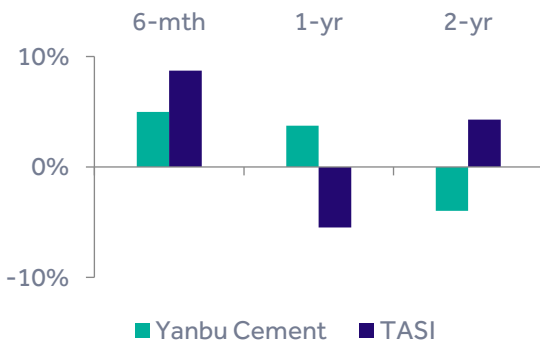


Market Data	
52-week high/low	SAR 43.90/31.30
Market Cap	SAR 6,127 mln
Shares Outstanding	158 mln
Free-float	94.65%
12-month ADTV	152,543
Bloomberg Code	YNCCO AB



Total Sales Volume Declines Y/Y and Q/Q

August 02, 2023

Upside to Target Price	(0.9%)	Rating	Neutral
Expected Dividend Yield	2.7%	Last Price	SAR 38.30
Expected Total Return	1.9%	12-mth target	SAR 38.00

Yanbu Cement	2Q2023	2Q2022	Y/Y	1Q2023	Q/Q	RC Estimate
Sales	174	238	(27%)	224	(23%)	176
Gross Profit	55	64	(14%)	73	(24%)	60
Gross Margins	32%	27%		32%		34%
Operating Profit	41	51	(19%)	56	(26%)	51
Net Profit	35	48	(27%)	51	(31%)	48

(All figures are in SAR mln)

- Yanbu Cement 1Q2023 revenues showed a -27% Y/Y and -23% Q/Q decline to SAR 174 mln, matching our estimates. The decline occurred on the back of -40% Y/Y and -21% Q/Q lower total sales volumes, despite an increase in average selling prices by +21% Y/Y (-2% Q/Q), to SAR 161/ton.
- Gross profit went down -14% Y/Y and -24% Q/Q to SAR 55 mln. Gross margins at 32% this quarter, expanded by +491 bps Y/Y but contracted by -74 bps Q/Q. Net margins at 20% were under pressure Q/Q.
- On the back of subdued demand in the sector driven by lower construction activity, local cement sales volumes for the quarter fell -16% Y/Y and -17% Q/Q to 799k tons. However, we keep our view that sales volumes would show a slight growth going forward.
- Yanbu Cement bottom-line declined -27% Y/Y and -31% Q/Q to SAR 35 mln, missing both our estimates and market expectations. We maintain our target price and 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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