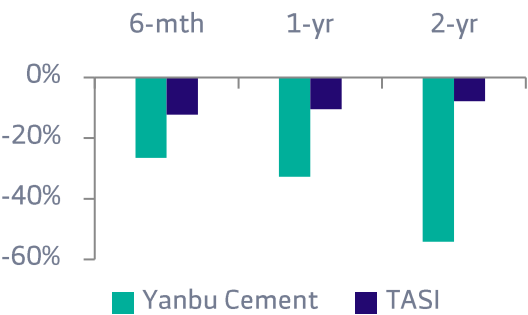


Market Data	
52-week high/low	SAR 27.30/18.26
Market Cap	SAR 2,889 mln
Shares Outstanding	158 mln
Free-float	89.42%
12-month ADTV	272,360
Bloomberg Code	YNCCO AB



■ Soft Pricing Overshadows Strong Volumes; Profits Miss

July 23, 2025

Upside to Target Price	(1.9%)	Rating	Neutral
Expected Dividend Yield	5.5%	Last Price	SAR 18.34
Expected Total Return	3.6%	12-mth target	SAR 18.00

Yanbu Cement	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Sales	274	202	36%	266	3%	341
Gross Profit	70	73	(4%)	75	(7%)	99
Gross Margins	25%	36%		28%		29%
Operating Profit	28	47	(41%)	36	(22%)	52
Net Profit	22	40	(46%)	30	(28%)	45

(All figures are in SAR mln)

- Yanbu Cement reported revenues of SAR 274 mln (+36% Y/Y, +3% Q/Q), below our SAR 341 mln estimate due to unexpected dip in average selling prices (ASP), despite the reclassification. Revenue growth was driven by stronger export volumes, nearly tripling Y/Y and doubling Q/Q. The unexpectedly weak ASP surprised us at SAR 147/ton, down from SAR 175/ton last year and SAR 178/ton last quarter, by -16% and -18%, respectively. This came in below our SAR 176/ton estimate, causing the deviation. The strong total sales volumes (both clinker and cement) of 1,872k tons (+62% Y/Y, +25% Q/Q) helped soften the pricing hit, and were in line with our 1,933k tons estimate.
- Despite lower export margins for the quarter, cost per ton improved to SAR 109/ton, down from SAR 112/ton last year and SAR 128/ton last quarter, reflecting operational efficiency from higher volumes, and outperforming our estimates. However, due to the weak ASP, gross margin declined to 25.4% from 35.9% last year and 28.2% last quarter. Meanwhile, OPEX surged +63% Y/Y and +6% Q/Q to SAR 42 mln, mainly on higher export volumes, which led to a muted operating margin of 10.2% versus 23.2% last year and 13.5% last quarter, missing our 15.3% estimate.
- Bottomline for the quarter came in lackluster at SAR 22 mln (-46% Y/Y, -28% Q/Q), missing the SAR 37 mln market consensus and our SAR 45 mln estimate. Net margin compressed further to 7.9% from 19.7% last year and 11.2% last quarter. As expected, the company announced a DPS of SAR 0.50 for the first half. We trim our target price to SAR 18.00 from SAR 21.00 per share while maintaining 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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