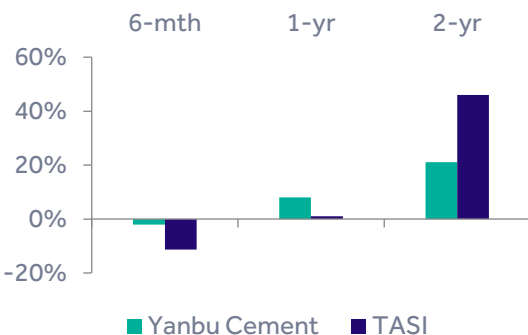


Market Data	
52-week high/low	SAR 44.20/31.25
Market Cap	SAR 6,615 mln
Shares Outstanding	158 mln
Free-float	94.7%
12-month ADTV	203,037
Bloomberg Code	YNCCO AB



Lower Costs Drive Earnings

October 27, 2022

Upside to Target Price (2.4%)
 Expected Dividend Yield 2.5%
 Expected Total Return 0.1%

Rating Neutral
 Last Price SAR 42.00
 12-mth target SAR 41.00

Yanbu Cement	3Q2022	3Q2021	Y/Y	2Q2022	Q/Q	RC Estimate
Sales	262	208	26%	238	10%	246
Gross Profit	89	51	77%	64	40%	67
Gross Margins	34%	24%		27%		27%
Operating Profit	75	37	101%	51	48%	54
Net Profit	69	36	90%	48	44%	55

(All figures are in SAR mln)

- Yanbu Cement reported a top-line of SAR 262 mln (+26% Y/Y, +10% Q/Q), close to our forecast. The increase was attributed to higher average selling prices which were flat Y/Y but showed a significant growth of +11% Q/Q to SAR148/ton. Total sales volume of 1.8 mln tons sold during the quarter was up by +28% Y/Y but flat compared with the previous quarter.
- Gross profit for the quarter was up +77% Y/Y and +40% Q/Q to SAR 89 mln as the gross margin expanded on both yearly and quarterly basis by +972 bps and +733 bps respectively to 34% this quarter (highest level since 3Q2020) due to lower COGS per ton. Net margin came in at 26% and followed the same movement to expand by +919 bps Y/Y and +626 bps Q/Q.
- Yanbu Cement reported a bottom-line of SAR 69 mln (+90% Y/Y, +44% Q/Q) close to our SAR 55 mln forecast, due to lower COGS per ton.
- We maintain our target price of SAR 41.00 and 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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