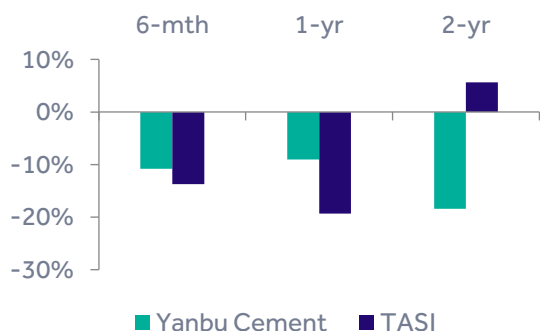


Market Data	
52-week high/low	SAR 44.20/31.25
Market Cap	SAR 5,371 mln
Shares Outstanding	158 mln
Free-float	94.7%
12-month ADTV	163,063
Bloomberg Code	YNCCO AB



■ Clinker Export Drives 2022 Growth

March 16, 2023

Upside to Target Price	11.0%	Rating	Neutral
Expected Dividend Yield	3.0%	Last Price	SAR 34.10
Expected Total Return	14.0%	12-mth target	SAR 38.00

Yanbu Cement	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	239	191	25%	262	(9%)	250
Gross Profit	77	39	100%	89	(13%)	85
Gross Margins	32%	20%		34%		34%
Operating Profit	67	27	152%	75	(11%)	72
Net Profit	59	10	499%	69	(15%)	72

(All figures are in SAR mln)

- For FY2022, Yanbu Cement reported a top-line of SAR 981 mln (+5% Y/Y) driven by a growth of +57% Y/Y in Clinker export (2.5 mln tons in 2022) despite a decline of -7% Y/Y in local Cement sales to 4.4 mln tons, compared to 4.7 mln tons in 2021.
- In 4Q2022, the Company reported a top-line of SAR 239 mln (+25% Y/Y, -9% Q/Q). This was attributed to an increase in total volumes sold Y/Y by +24%, as well as a slight increase in average selling prices by +1% Y/Y (-2% Q/Q) to SAR 145/ton.
- Gross profit doubled Y/Y to SAR 77 mln on the back of lower COGS per ton Y/Y, which translated positively in gross margin to expand by 12% to 32% this quarter. Net margins were recorded at 24% this quarter. Margins were under pressure Q/Q on the back of lower prices.
- Yanbu Cement reported a bottom-line of SAR 59 mln (+499% Y/Y, -15% Q/Q) in 4Q2022, missing both our and market expectations. We revise our Target Price to SAR 38.00 but maintain our rating.

Abdullah D Alharbi
 abdullah.ulihan.alharbi@riyadcapital.com
 +966-11-486-5680

■ 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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