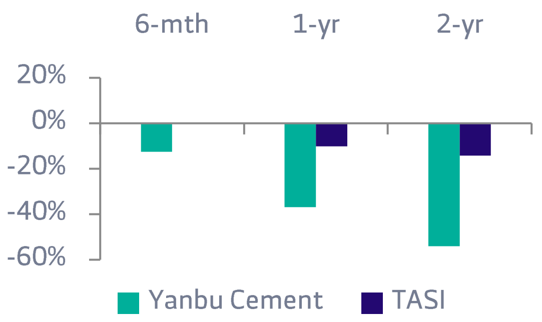
Exports Fade Q/Q, Margins Compress

March 05, 2026

Upside to Target Price	5.3%	Rating	Neutral
Expected Dividend Yield	7.0%	Last Price	SAR 14.25
Expected Total Return	12.3%	12-mth target	SAR 15.00

Market Data	
52-week high/low	SAR 23.94/13.87
Market Cap	SAR 2,244 mln
Shares Outstanding	158 mln
Free-float	89.42%
12-month ADTV	360,458
Bloomberg Code	YNCCO AB



Yanbu Cement	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Sales	246	221	11%	298	(17%)	257
Gross Profit	61	63	(3%)	77	(21%)	66
Gross Margins	25%	28%		26%		26%
Operating Profit	35	35	(0%)	30	15%	27
Net Profit	25	28	(12%)	28	(13%)	26

(All figures are in SAR mln)

- Yanbu Cement's 4Q2025 revenue came in at SAR 246 mln (+11% Y/Y, -17% Q/Q), in line our SAR 257 mln estimate. Operationally, the quarter reflected a clear mix shift: exports eased sharply sequentially, while the local market improved, and ASPs moved up Q/Q. On volumes, total (cement + clinker) reached 1.53 mln tons (+9% Y/Y, -24% Q/Q), broadly in line with our 1.56 mln tons forecast. The Q/Q decline was largely export-led, as clinker export volumes fell to 431k tons (+130% Y/Y, -58% Q/Q). This more than offset the improvement in the domestic market, where local cement volumes rose to 1.10 mln tons (-9% Y/Y, +14% Q/Q). On pricing, ASP improved to SAR 161/ton (+2% Y/Y, +8% Q/Q), but came slightly below our assumption, explaining most of the revenue deviation. For FY2025, revenues increased +24% Y/Y to SAR 1.1 bln, supported primarily by clinker export sales, which remained the key incremental driver versus last year despite a softer 4Q export run-rate.
- Cost per ton for the quarter increased to SAR 121/ton (+7% Y/Y, +10% Q/Q), likely reflecting operating deleverage amid lower sequential volumes, and was in line with our SAR 122/ton estimate. This resulted in gross margin compression to 24.9% (vs. 28.4% in 4Q2024 and 26.0% in 3Q2025), slightly below our 25.7% estimate. That said, OPEX provided a meaningful offset, declining to SAR 27 mln (-6% Y/Y, -44% Q/Q) versus our SAR 39 mln estimate, supporting a better-than-expected operating margin of 14.1%.
- Net profit was SAR 25 mln (-12% Y/Y, -13% Q/Q), below consensus (SAR 30 mln) but in line with our SAR 26 mln estimate. The earnings decline was primarily a function of higher unit costs and weaker gross profitability, partially cushioned by lower operating expenses. For FY2025, profit fell -34% to SAR 104 mln, reflecting compression in export margins alongside higher production costs. Earlier this year, the company announced a notice of higher fuel prices. We trim our target price to SAR 15.00 from SAR 17.00 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

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