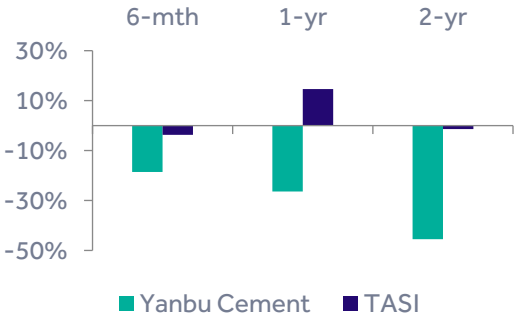


Market Data	
52-week high/low	SAR 36.20/22.30
Market Cap	SAR 3,623 mln
Shares Outstanding	158 mln
Free-float	99.42%
12-month ADTV	252,676
Bloomberg Code	YNCCO AB



Prices Continue Declining Sequentially

October 24, 2024

Upside to Target Price	8.7%	Rating	Neutral
Expected Dividend Yield	4.3%	Last Price	SAR 23.00
Expected Total Return	13.0%	12-mth target	SAR 25.00

Yanbu Cement	3Q2024	3Q2023	Y/Y	2Q2024	Q/Q	RC Estimate
Sales	200	189	6%	194	3%	215
Gross Profit	54	36	50%	65	(16%)	66
Gross Margins	27%	19%		33%		31%
Operating Profit	33	22	45%	47	(30%)	48
Net Profit	31	16	100%	40	(22%)	41

(All figures are in SAR mln)

- Yanbu Cement sales were recorded at SAR 200 mln (+6% Y/Y, +3% Q/Q), as a result of realizing 1,345k tons in sales volume and 149 SAR/ton in products' blended average selling prices (ASP). This came in lower than our estimate, as we estimated a softer sequential decline in prices from 168 SAR/ton to only 163 SAR/ton, yet volumes sold were in-line. The annual increase was a result of a +6% higher ASP, with matching volumes Y/Y. Sequentially, the incline was driven by +17% rise in volumes that outweighed the prices decline.
- This quarter gross margin declined sequentially to 27% from 33% in the previous quarter on lower prices, despite the lower COGS per ton at 108 SAR/ton, but up from 20% last year.
- +23% Q/Q rise in OPEX pressured operating margin further to 16% from 24% last quarter, yet higher than last year's 13%.
- Bottomline in this quarter reached SAR 31 mln below both our SAR 41 mln estimate, on lower-than-expected prices, and SAR 39 mln market consensus. The lower other expenses supported net margin at 15.6% vs 8.2% last year and 20.5% in the previous quarter. We tweak our target price to SAR 25.00 per share, but keep a Neutral stance.

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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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