Yanbu Cement Co.

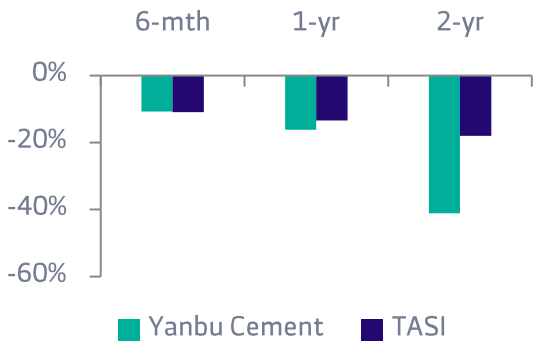
3Q2026 First Look

Weak Exports and Prices Drive Loss

November 4, 2026

Upside to Target Price	0.6%	Rating	Neutral
Expected Dividend Yield	6.7%	Last Price	SAR 13.42
Expected Total Return	7.3%	12-mth target	SAR 13.50

Market Data	
52-week high/low	SAR 16.81/13.05
Market Cap	SAR 2,114 mln
Shares Outstanding	158 mln
Free-float	89.98%
12-month ADTV	426,359
Bloomberg Code	YNCCO AB



Yanbu Cement	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	179	298	(40%)	233	(23%)	200
Gross Profit	28	77	(63%)	68	(58%)	56
Gross Margins	16%	26%		29%		28%
Operating Profit	4	30	(85%)	36	(88%)	27
Net Profit	(2)	28	-	31	-	22

(All figures are in SAR mln)

- Yanbu Cement reported 3Q2026 revenue of SAR 179 mln (-40% Y/Y, -23% Q/Q), below our SAR 200 mln estimate, driven by lower-than-expected domestic prices. Blended ASP came in at SAR 155/ton (+4% Y/Y, -9% Q/Q), below our SAR 173/ton estimate. The Y/Y increase was mix-driven, reflecting the sharp drop in lower-priced clinker exports, as domestic selling prices declined. Total volumes (cement and clinker) fell to 1.15 mln tons (-42% Y/Y, -15% Q/Q), in line with our forecast. Local cement volumes edged down to 947k tons (-2% Y/Y, -1% Q/Q), while clinker exports plunged to 207k tons (-80% Y/Y, -50% Q/Q). 9M2026 sales declined -21% Y/Y to SAR 666 mln, driven by -26% lower volumes despite +8% higher blended ASP.
- Cost per ton rose to SAR 130/ton (+18% Y/Y, +7% Q/Q), above our SAR 124/ton estimate, on higher fuel prices and lower volumes, with the Y/Y comparison also distorted by high exports last year. As a result, gross margin contracted sharply to 15.9%, from 26.0% last year and 29.0% last quarter, well below our 28.2% estimate, with gross profit dropping to SAR 28 mln (-63% Y/Y, -58% Q/Q). OPEX declined to SAR 24 mln (-50% Y/Y, -25% Q/Q) on lower selling & distribution expenses from reduced exports, below our SAR 29 mln estimate. However, operating margin still collapsed to 2.5%, compared to 10.1% last year and 15.4% last quarter, well below our 13.5% estimate.
- Yanbu Cement slipped into a net loss of SAR (2) mln, versus net profits of SAR 28 mln last year and SAR 31 mln last quarter, well below both market consensus and our estimate of SAR 22 mln. The loss was driven by lower volumes and domestic prices, higher fuel costs, higher finance costs and lower other income. Net other expenses widened to SAR 6.4 mln (vs. SAR 1.6 mln last year and SAR 4.6 mln last quarter), in line with our estimate. 9M2026 earnings declined -16% Y/Y to SAR 67 mln, on lower volumes, domestic prices and other income, as well as higher fuel costs. We revise our target price to SAR 13.50 from SAR 15.50 per share and maintain 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

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