

Market Data	
52-week high/low	SAR 72.50/41.00
Market Cap	SAR 8,506 mln
Shares Outstanding	153 mln
Free-float	91.4%
12-month ADTV	406,928
Bloomberg Code	SACCO AB

### ■ Bottomline Rises +43% Q/Q

October 29, 2020

Upside to Target Price (2.9%)  
 Expected Dividend Yield 5.4%  
 Expected Total Return 2.5%

Rating Neutral  
 Last Price SAR 55.60  
 12-mth target SAR 54.00

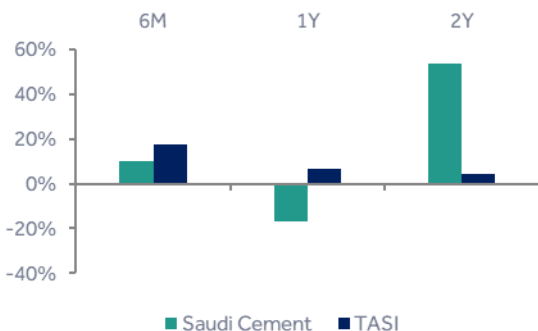
Saudi Cement	3Q2020	3Q2019	Y/Y	2Q2020	Q/Q	RC Estimate
Sales	387	310	25%	298	30%	415
Gross Profit	163	132	24%	124	32%	179
Gross Margins	42%	43%		42%		43%
Operating Profit	114	93	23%	83	38%	129
Net Profit	106	83	28%	75	43%	119

(All figures are in SAR mln)

- Saudi Cement's net profit for 3Q2020 went up +28% Y/Y and +43% Q/Q to reach SAR 106 mln, below our SAR 119 mln forecast due to higher sales volumes and an increase in share of associates.
- We witnessed an improvement in gross margin by +60bps on quarterly basis but a decline by -30bps on a yearly basis.
- Local sales volumes stood at 1.3 mln tons during the quarter up by +40% Q/Q and +17% Y/Y.
- The Clinker production showed stability on a yearly basis and a slight increase of +4% on quarterly basis to 1.8 mln tons in the quarter. We believe the company is working to reduce its clinker inventory (12.2% of the sector inventories).
- We maintain our target price at SAR 54.00 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](mailto:research@riyadcapital.com)

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