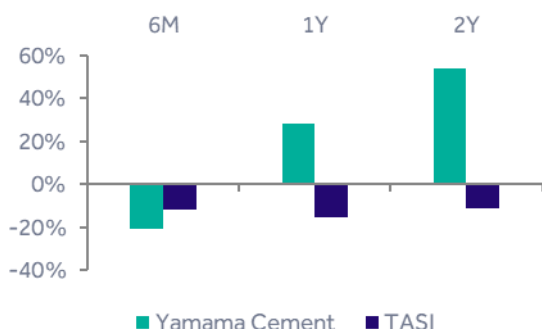


Market Data	
52-week high/low	SAR 30.00/15.40
Market Cap	SAR 4,823 mln
Shares Outstanding	203 mln
Free-float	92.1%
12-month ADTV	731,209
Bloomberg Code	YACCO AB



## Net Profit Declines -10% Y/Y

July 27, 2020

Upside to Target Price (7.4%)  
 Expected Dividend Yield 4.2%  
 Expected Total Return (3.2%)

Rating Neutral  
 Last Price SAR 23.76  
 12-mth target SAR 22.00

Yamama Cement	2Q2020	2Q2019	Y/Y	1Q2020	Q/Q	RC Estimate
Sales	162	165	(2%)	290	(44%)	169
Gross Profit	75	65	15%	146	(49%)	64
Gross Margins	46%	40%		50%		38%
Operating Profit	54	51	6%	131	(59%)	49
Net Profit	48	53	(10%)	124	(61%)	44

(All figures are in SAR mln)

- Yamama Cement Co. reported a net profit of SAR 48 mln (-10% Y/Y, -61% Q/Q) for 2Q2020 close to our SAR 44 million estimate.
- On yearly basis, the decline was driven by an increase in G&A expenses and a decline in other revenues compared with the same period last year.
- On quarterly basis, net profit fell by -61% due to seasonality such as Ramadan and Eid al-Fitr in addition to the curfew in the first two months of the quarter and an increase in G&A expenses.
- Margins have been impacted compared to the previous quarter due to lower sales volume.
- We expect a recovery from Covid-19 related measures in the cement sector and Yamama Cement to benefit from higher demand in the upcoming months.

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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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