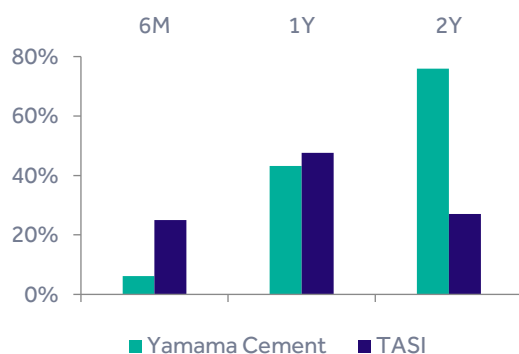


Market Data	
52-week high/low	SAR 35.65/23.30
Market Cap	SAR 6,872 mln
Shares Outstanding	203 mln
Free-float	92.1%
12-month ADTV	678,873
Bloomberg Code	YACCO AB



## Bottom-line Jumps +53% Y/Y

August 01, 2020

Upside to Target Price	(11.4%)	Rating	Neutral
Expected Dividend Yield	3.8%	Last Price	SAR 33.85
Expected Total Return	(7.6%)	12-mth target	SAR 30.00

Yamama Cement	2Q2021	2Q2020	Y/Y	1Q2021	Q/Q	RC Estimate
Sales	203	167	21%	180	12%	165
Gross Profit	96	78	23%	72	34%	66
Gross Margins	47%	46%		40%		40%
Operating Profit	80	57	42%	57	40%	53
Net Profit	78	51	53%	55	42%	50

(All figures are in SAR mln)

- Yamama Cement reported a top-line of SAR 203 mln, +21% Y/Y and +12% Q/Q, beating our SAR 165 million forecast partly due to sale of additional products during the trial run and on account of amendments due to IAS 16.
- Gross margin expanded by +100 bps Y/Y and by +752 bps Q/Q to reach a level of 47% this quarter. Net margin followed the same movement of gross margin to increase on both yearly and quarterly basis by +781 bps and +791 bps respectively to stand at 38%.
- Clinker production jumped by +103% on a yearly basis and by +53% on a quarterly basis to 898K tons during the quarter. At the same time, clinker inventory (3.8 mln tons by the end of 1H2021) declined by -21% compared with the same period last year.
- Yamama Cement announced its 2Q2021 net profit at SAR 78 mln (+53% Y/Y, +42% Q/Q) which beat both our and market expectations.
- We raise our target price from SAR 28.00 to SAR 30.00 but maintain 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  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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