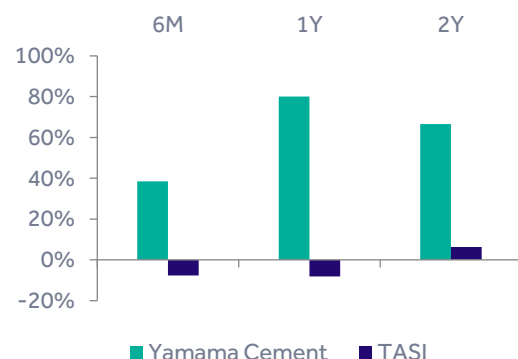


Market Data	
52-week high/low	SAR 30.00/13.84
Market Cap	SAR 5,437 mln
Shares Outstanding	203 mln
Free-float	92.1%
12-month ADTV	579,674
Bloomberg Code	YSCCO AB



■ 4Q margins at their highest level in 2019

February 13, 2020

Upside to Target Price (6.9%)
 Expected Dividend Yield 3.7%
 Expected Total Return (3.2%)

Rating Neutral
 Last Price SAR 26.85
 12-mth target SAR 25.00

Yamama Cement	4Q2019	4Q2018	Y/Y	3Q2019	Q/Q	RC Estimate
Sales	236	160	47%	187	27%	226
Gross Profit	104	33	213%	76	37%	88
Gross Margins	44%	21%		41%		39%
Operating Profit	84	16	431%	61	38%	74
Net Profit	78	7	1019%	55	42%	72

(All figures are in SAR mln)

- Yamama Cement's 4Q19 net profit came in above both our and market expectations of SAR 72 million and SAR 74 million respectively, increasing by +42% Q/Q and multiplied over 11 times Y/Y to reach SAR 78 million.
- Compared to the third quarter, bottomline improved on both higher volumetric sales of +27% to reach 1,148K tons as well as lower average cost per ton of -6% to touch SAR 115/ton, while the average selling price was flat Q/Q at SAR 206/ton.
- Gross margin and operating margin were the highest during the year at 44% and 35% respectively, which we believe was supported by their lower average cost per ton in 4Q 2019.
- Post upward adjustment in our forecasts, target price rises from SAR 24.00 to SAR 25.00. Maintain Neutral.

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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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