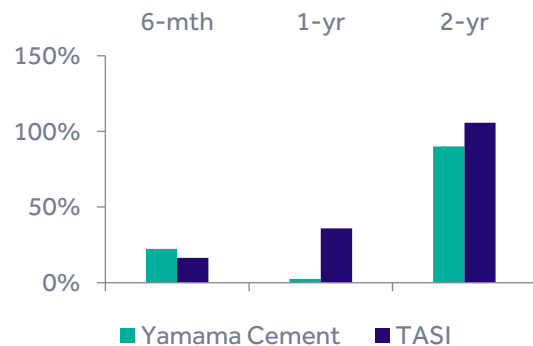


Market Data	
52-week high/low	SAR 35.75/25.00
Market Cap	SAR 6,986 mln
Shares Outstanding	203 mln
Free-float	86.9%
12-month ADTV	496,823
Bloomberg Code	YACCO AB



Prices Improve Q/Q

April 19, 2022

Upside to Target Price (13.0%)
 Expected Dividend Yield 2.9%
 Expected Total Return (10.1%)

Rating Neutral
 Last Price SAR 34.50
 12-mth target SAR 30.00

Yamama Cement	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	222	180	23%	182	22%	239
Gross Profit	41	72	(43%)	5	686%	50
Gross Margins	18%	40%		3%		21%
Operating Profit	23	57	(59%)	(14)	-	30
Net Profit	30	55	(46%)	(12)	-	32

(All figures are in SAR mln)

- On a yearly basis, sales is up +23% Y/Y to SAR 222 mln although local sales volume is up by +52% Y/Y to 2.1 mln tons during the quarter. Gross profit fell by -43% to SAR 41 mln. The decline is attributed to lower prices (-19% Y/Y) which translated negatively into margins as gross and net margins contracted by 21% and by 19% respectively, resulting in a decline in net income by -46% Y/Y.
- On quarterly basis, sales increased by +22% on the back of an improvement in both volumes and prices by +8% and +12%, respectively. Gross profit is up by +686% due to higher average selling prices which reached SAR 107/tons in 1Q2022 versus SAR 95/tons in 4Q2021. This translated positively on margins Q/Q.
- Net income at SAR 30 mln for the quarter came in-line with our forecast, fell sharply by -46% Y/Y and reversed a loss of SAR (12) mln posted in the previous quarter.
- The company showed strong volumes for the second quarter in a row to lead the market share at 14.8% during 1Q2022 on the back of higher demand in the central region, driven by giga projects. We expect an improvement in both volumes and prices in short-term due to the demand from existing projects. Hence, we increase our target price to SAR 30.00 per share but maintain our 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

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