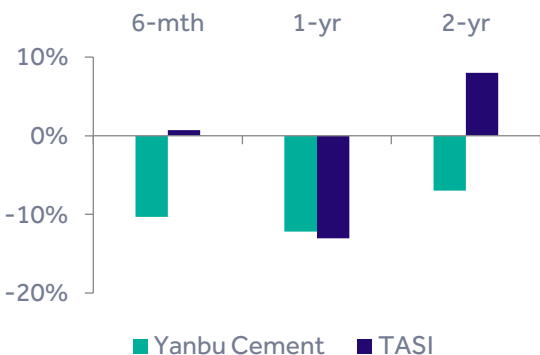


Market Data	
52-week high/low	SAR 42.85/31.25
Market Cap	SAR 5,623 mln
Shares Outstanding	158 mln
Free-float	94.65%
12-month ADTV	151,317
Bloomberg Code	YNCCO AB



Local Sales Volume Declines

May 18, 2023

Upside to Target Price	6.4%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 35.70
Expected Total Return	9.3%	12-mth target	SAR 38.00

Yanbu Cement	1Q2023	1Q2022	Y/Y	4Q2022	Q/Q	RC Estimate
Sales	224	242	(7%)	239	(6%)	239
Gross Profit	73	54	33%	77	(6%)	76
Gross Margins	32%	23%		32%		32%
Operating Profit	56	40	39%	67	(17%)	64
Net Profit	51	39	31%	59	(14%)	61

(All figures are in SAR mln)

- Yanbu Cement 1Q2023 revenues fell -7% Y/Y and -6% Q/Q to SAR 224 mln. The decline occurred on the back of -20% Y/Y and -17% Q/Q lower total sales volumes, despite an increase in average selling prices on both yearly and quarterly basis by +16% and +13%, respectively, to SAR 165/ton.
- 1Q gross profit of SAR 73 mln is up +33% Y/Y but down -6% Q/Q. The Y/Y increase can be attributed to lower COGS per ton, which translated positively on gross margins, expanding them by 985 bps to 32%. Net margins were under pressure Q/Q driven by an increase in OpEx coupled with lower other income.
- Local cement sales volumes for 1Q2023 fell by -25.9% Y/Y and -8.3% Q/Q to 966k tons due to lower construction activity. However, we expect sales volumes to improve slightly this year.
- Yanbu Cement reported a bottom-line of SAR 51 mln (+31% Y/Y, -14% Q/Q) in 1Q2023, missing both our estimates and market expectations. We maintain our target price and 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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