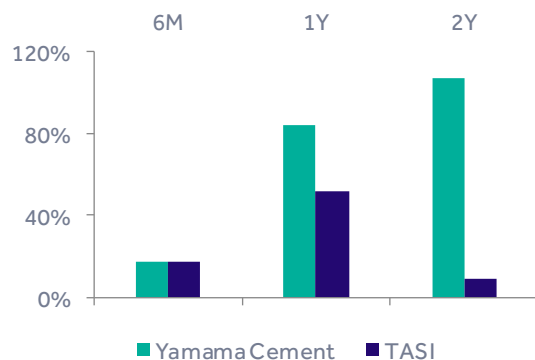


Market Data	
52-week high/low	SAR 34.90/17.22
Market Cap	SAR 6,831 mln
Shares Outstanding	203 mln
Free-float	92.1%
12-month ADTV	826,232
Bloomberg Code	YACCO AB



## Bottom-line Drops -56% Y/Y

April 20, 2021

Upside to Target Price	(16.8%)
Expected Dividend Yield	4.2%
Expected Total Return	(12.6%)

Rating	Neutral
Last Price	SAR 33.65
12-mth target	SAR 28.00

Yamama Cement	1Q2021	1Q2020	Y/Y	4Q2020	Q/Q	RC Estimate
Sales	180	290	(38%)	211	(14%)	169
Gross Profit	72	146	(51%)	80	(10%)	67
Gross Margins	40%	50%		38%		39%
Operating Profit	57	131	(56%)	63	(9%)	52
Net Profit	55	124	(56%)	114	(52%)	48

(All figures are in SAR mln)

- Sales for 1Q2021 dropped by -38% Y/Y and -14% Q/Q despite stability in the average selling price which stood at SAR 172/ton. The decline in sales Y/Y and Q/Q was mainly due to the decline in local sales volume which decreased by -31% Y/Y and by -17% Q/Q to 987K tons this quarter.
- Gross margin fell by 10% Y/Y but was up +180 bps Q/Q to 40% due to a decline in the cost per ton by -3% Q/Q. Operating margin followed the movement in gross margin to reach a level of 30% this quarter.
- Yamama Cement announced its 1Q2021 net profit at SAR 55 mln (-56% Y/Y, -52% Q/Q) beating our expectations of SAR 48 million.
- We raise our target price from SAR 27.00 to SAR 28.00 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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