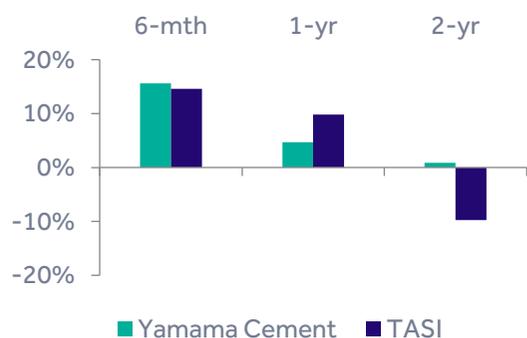


Market Data	
52-week high/low	SAR 38.55/28.10
Market Cap	SAR 7,047 mln
Shares Outstanding	203 mln
Free-float	88.87%
12-month ADTV	226,322
Bloomberg Code	YACCO AB



■ ASP Recovers to Drive Performance

May 01, 2024

Upside to Target Price	3.4%	Rating	Neutral
Expected Dividend Yield	2.9%	Last Price	SAR 34.80
Expected Total Return	6.3%	12-mth target	SAR 36.00

Yamama Cement	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Sales	274	280	(2%)	225	22%	216
Gross Profit	137	134	2%	80	71%	96
Gross Margins	50%	48%		36%		45%
Operating Profit	118	117	0%	58	102%	78
Net Profit	115	112	2%	53	118%	70

(All figures are in SAR mln)

- Yamama recorded SAR 274 mln in sales in 1Q (-2% Y/Y, +22% Q/Q). The annual decline was on account of more Ramadan days in this quarter, which lowered the volumes sold by -12% to 1,406 tons. The sequential increase was primarily attributed to higher average selling price (ASP) by +30% to 195 SAR/ton, despite lower volumes sold. Deviation from our sales expectation came from higher-than-expected recovery in ASP.
- Gross profit for the quarter came in at SAR 137 mln, up +2% Y/Y and +71% Q/Q. Gross margin expanded on higher ASP; the highest level since 1Q2020. COGS was recorded at 97 SAR/ton for this quarter, close to our 95 SAR/ton expectations.
- OPEX of SAR 19 mln is up +16% Y/Y but down -12% Q/Q.
- ASP as well as other income helped net income rise +2% Y/Y and +118% Q/Q. New fuel costs are not on full gear till total 2023 inventory is consumed. Net income beat both our expectation and market consensus of SAR 70 mln and SAR 78 mln, respectively. In April, the company announced the expected impact of higher fuel costs on COGS at about +8%. We increase our TP to SAR 36.00 per share on better-than-expected ASP recovery.

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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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