

# Daily Bulletin

April 28, 2026

**Yamama Cement posted flat YoY net profit in 1Q, but the uptick in average selling prices for second consecutive quarter marks a notable positive shift.**

**Last Price: SAR 24.7 | Consensus Target Price: SAR 32.7 | YoY Performance: -33.4%**

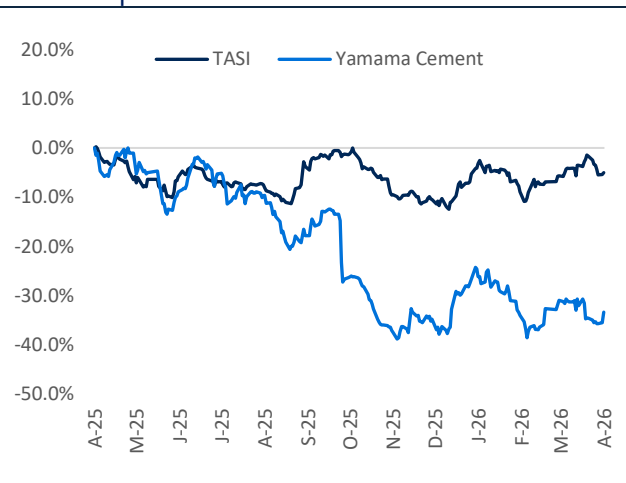
Yamama Cement Company (YC) reported 1Q26 net income of SAR 143.9mn, up 1.3% YoY but significantly ahead of Bloomberg consensus estimates of SAR 74.8mn (+92.3% earnings surprise). The YoY outperformance ahead of consensus was primarily driven by better-than-expected operating margins and higher other income — principally proceeds from the sale of production line accessories from the old plant and income from investments.

On the revenue line, 1Q26 sales of SAR 339.8mn came in 2.6% lower than the same period of last year as volumes sold grew 8.2% YoY to 1.81mn tons, partially offsetting a 10.1% YoY decline in average selling prices. On a sequential basis, revenue declined 15.1% QoQ, as 1Q26 coincided with the holy month of Ramadan, resulting in weaker demand. Volumes fell 22% QoQ, although partially offset by an 8.5% QoQ recovery in selling prices. Gross profit declined 9.4% YoY to SAR 154.7 mn (vs. SAR 170.8 mn in 1Q25), as lower selling prices weighed on profitability. Gross margin contracted to 46% in 1Q26 from 49% in 1Q25. Consequently, operating profit fell 11.0% YoY to SAR 132.3 mn.

We note that selling prices remained under pressure through 2025, declining 13% YoY during the year. However, pricing trends have started to improve since 4Q25, with average selling prices rising a further 8.5% QoQ in 1Q26. Sequentially, net profit declined 21.8% from 4Q25, primarily due to weaker sales volumes (Ramadan effect) and softer other income, with the latter mainly impacted by elevated one off proceeds booked in 4Q25 from the sale of production line accessories and gas turbines from the old plant, while this quarter saw a lesser contribution.

Yamama Cement has significantly underperformed the broader index with the stock price declining by 33.4% YoY, compared to TASI's decline of 5.0% over the same period, potentially reflecting the market's discounting of the pricing cycle challenges. At the current price of SAR 24.70, the stock trades at 11.8x 2026e P/E with Bloomberg consensus carrying a target price of SAR 32.70/sh (+32.1% upside), suggesting the market has already priced in the pricing headwinds but not a full recovery scenario. A sustained return to SAR 200+/ton selling prices, combined with continued volume growth, would be the key catalysts to re-rate the stock toward consensus.

Relative price chart



Source: Tadawul, anbc research

Key financials (SAR mn)

	1Q26	1Q25	YoY (%)	Consensus	Var (%)
Revenue	339.8	349.0	-3%	319.0	7%
COGS	185.1	178.2	4%	-	-
<b>Gross profit</b>	<b>154.7</b>	<b>170.8</b>	<b>-9%</b>	-	-
Gross margin (%)	45.5	48.9	-	-	-
Operating exp.	22.4	22.3	1%	-	-
<b>Operating profit</b>	<b>132.3</b>	<b>148.5</b>	<b>-11%</b>	<b>77.5</b>	<b>71%</b>
Opt. margin (%)	38.9	42.6	-	24.3	-
<b>Net income</b>	<b>143.9</b>	<b>142.1</b>	<b>1%</b>	<b>74.8</b>	<b>92%</b>
Net margin (%)	42.3	40.7	-	23	-
<b>EPS</b>	<b>0.71</b>	<b>0.70</b>	-	<b>0.4</b>	-

Source: Company financials, Bloomberg, anbc research

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