

April 13, 2025

SAUDI CEMENT SECTOR

Monthly Report – March 2025

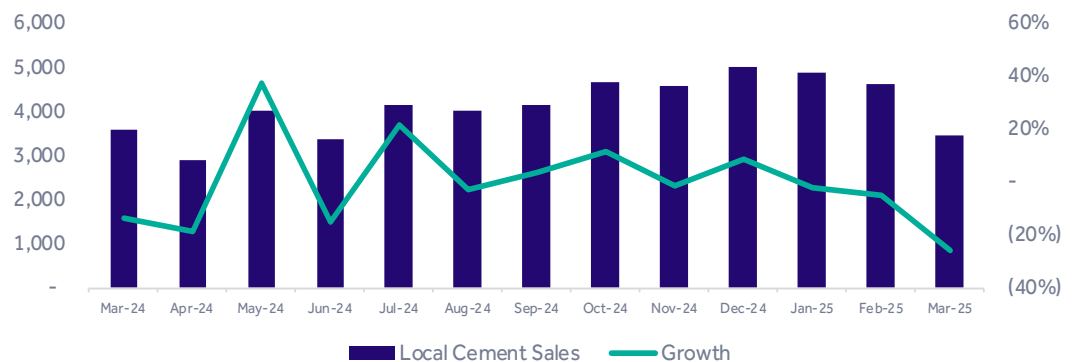
Strong Demand Holds Despite Ramadan Drag

In March 2025, the total cement sales for the sector declined by -2% Y/Y and -24% M/M to 3.6 million tons, primarily affected by local sales due to Ramadan season, as reported in Yamama Cement's monthly bulletin. 11 companies saw Y/Y decline, led by Southern Cement Co. (-103k tons, or -31%) and Umm Al Qura Cement Co. (-45k tons, or -36%), while 6 companies posted gains, topped by Saudi Cement Co. (+82k tons, or +18%), with modest gains for the rest. All 17 companies declined M/M due to Ramadan, led by Arabian Cement Co. (-146k tons, or -35%), and Southern Cement Co. (-144k tons, or -39%).

Local sales volume fell to 3.5 million tons. Despite Ramadan falling fully in March this year versus 20 days last year, demand held up relatively well, down just -4% Y/Y and -26% M/M, which we see as a resilient performance. 10 companies declined on a Y/Y basis, again led by Southern Cement Co. and Umm Al Qura Cement Co., while all 17 companies showed a M/M decline, led by Arabian Cement Co. and Southern Cement Co.

Export sales rose +36% Y/Y and +10% M/M to 158k tons vs 116k tons in March 2024.

Exhibit 1: Local Cement Sales (000's tons)



Source: Riyad Capital, Yamama Cement

Exhibit 2: Exports of Saudi Cement Sector (000's tons)



Source: Riyad Capital, Yamama Cement

Table 1: Total Cement Sales (000's tons)

	Mar-24	Feb-25	Mar-25	Growth Y/Y	Growth M/M
Local Sales	3,582	4,638	3,453	(4%)	(26%)
Export Sales	116	143	158	36%	10%
Total Cement Sales	3,698	4,781	3,611	(2%)	(24%)

Source: Riyad Capital, Yamama Cement

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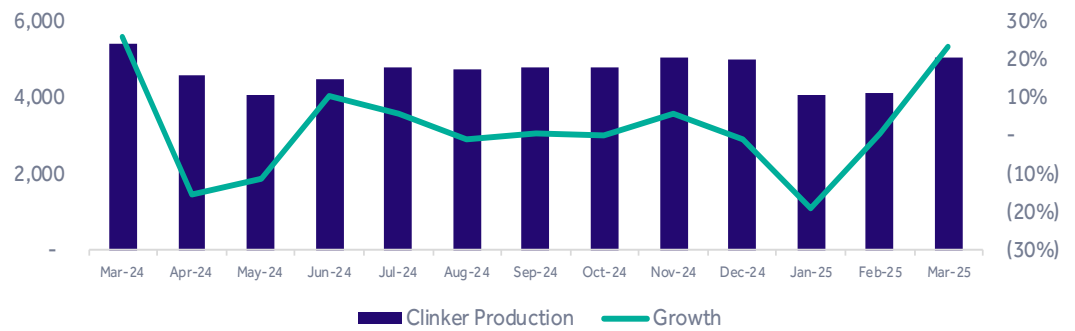
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Clinker Monthly Production

The clinker production declined -6% Y/Y but increased +24% M/M, reaching 5.1 million tons. 13 companies in the sector recorded higher production on a M/M basis, led by Saudi Cement Co. (+325k tons, or +91%) and Yamama Cement Co. (+264k tons, or +66%). On a Y/Y basis, 6 companies saw significant declines, led by Southern Cement Co. (-187k tons, or -30%), and City Cement Co. (-143k tons, or -45%), while Northern Cement Co. reported no production activity.

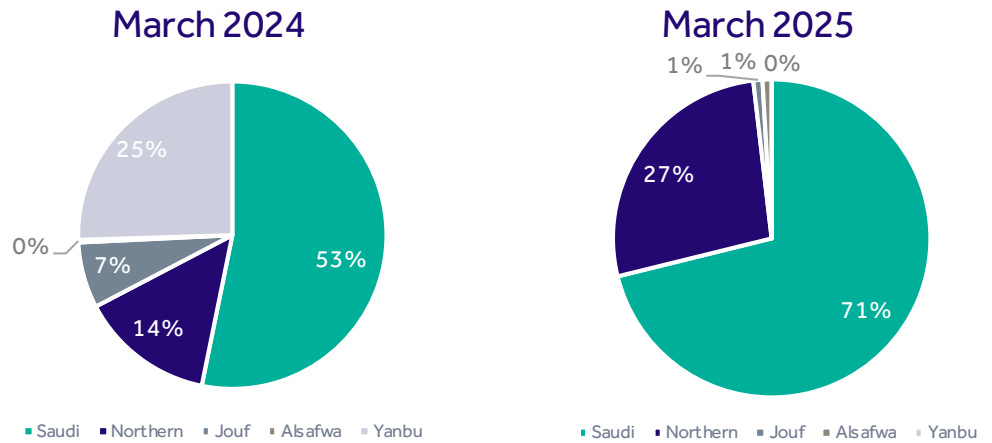
Clinker inventories for the month grew +2% M/M and +5% Y/Y, reaching 44.3 million tons, compared to 42.1 million tons in the same month last year. The M/M increase was mainly driven by higher clinker production.

Exhibit 3: Clinker Production of Saudi Cement Sector (000's tons)



Source: Riyad Capital, Yamama Cement

Exhibit 4: Clinker Exports by Companies (%)



Source: Riyad Capital, Yamama Cement

Exhibit 5: Clinker Inventory Levels (000's tons)



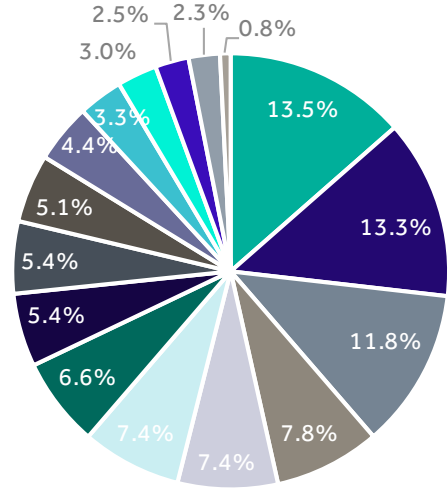
Source: Riyad Capital, Yamama Cement

Qassim Cement Leads in KSA Market Share

Qassim Cement Co. maintained its leading position in market share for March 2025, holding a 13.5% share (combined after consolidation with Hail Cement Co.), followed closely by Yamama Cement Co. at 13.3%, and Saudi Cement Co. at 11.8%.

Exhibit 6: Local Market Share for March 2025

- Qassim 13.5%
- Yamama 13.3%
- Saudi 11.8%
- Arabian 7.8%
- Riyadh 7.4%
- Yanbu 7.4%
- Southern 6.6%
- City 5.4%
- Eastern 5.4%
- Alsafwa 5.1%
- Najran 4.4%
- United Cement 3.3%
- Jouf 3.0%
- Tabuk 2.5%
- Umm Al Qura 2.3%
- Northern 0.8%



Source: Riyadh Capital, Yamama Cement

■ 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
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