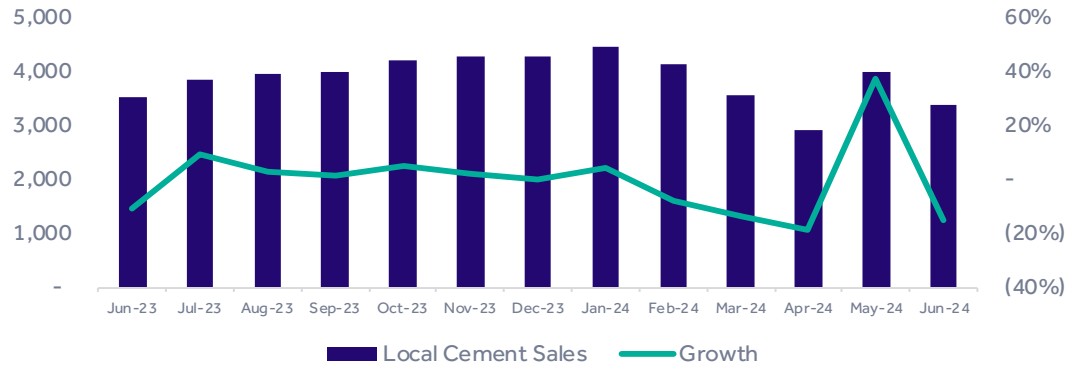


Total Cement Sales Drop by -15% M/M and -5% Y/Y

In June 2024, the local sales volume decreased by -15% M/M and -4% Y/Y to reach 3.4 million tons, all producers showed a M/M decline led by Southern Cement Co. (-70k tons, or -19%) then Yanbu Cement Co. (-68k tons, or -14%) except for Eastern Cement Co. which marginally increased M/M. The -4% Y/Y decrease showed a mixed performance across the 17 companies. Export sales for the month are down by -10% M/M and -22% Y/Y to 157k tons compared to 202k tons in June 2023. The total cement sales for the sector fell on M/M and Y/Y basis, reaching 3.6 million tons, as reported in Yamama Cement's monthly bulletin for June 2024. All the 17 companies within the sector exhibited a decline in total sales M/M, while on Y/Y basis 8 companies showed an incline led by City Cement Co. (+52k tons, or +37%) then Qassim Cement Co., stand alone, (+50k tons, or +16%), and the remaining 9 companies declined; spearheaded by Yamama Cement Co. (-146k tons, or -25%) and Southern Co. (-98k tons, or -25%).

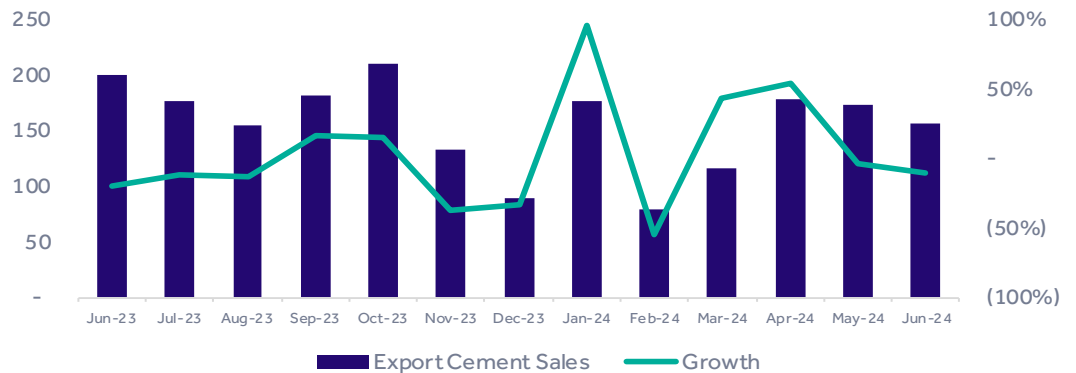
Exhibit 1: Local Cement Sales (000's tons)



The local sales declined by -15% M/M and -4% Y/Y.

Source: Riyad Capital, Yamama Cement

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



Export sales declined by -10% M/M and by -22% Y/Y.

Source: Riyad Capital, Yamama Cement

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

	Jun-23	May-24	Jun-24	Growth Y/Y	Growth M/M
Local Sales	3,525	4,013	3,399	(4%)	(15%)
Export Sales	202	175	157	(22%)	(10%)
Total Cement Sales	3,727	4,188	3,556	(5%)	(15%)

Source: Riyad Capital, Yamama Cement

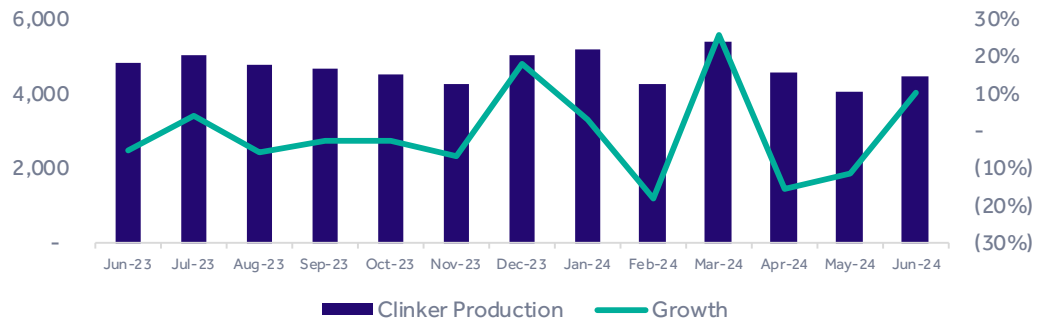
Clinker Monthly Production

The clinker production increased by +11% M/M but down -7% Y/Y to 4.5 million tons in June 2024. 10 companies in the sector showed a decrease in production levels on a Y/Y basis, and 5 exhibited an increase, while 2 remained unchanged. Notably, Northern Cement had no clinker production activities for the third consecutive month, while Najran Cement witnessed a -38% Y/Y decline to 199k tons, and Saudi Cement Co. recorded the highest increase with a +20% Y/Y rise to 761k tons. On a M/M basis, 5 companies reported a decrease in their production, led by Yanbu Cement Co. down -17% then Hail Cement Co. by -9% and City Cement Co. by -8%.

Clinker inventories for the month, notably, continue to hit higher levels at 43.9 million tons, up +2% M/M and +14% Y/Y, compared to 38.5 million tons recorded in the same month last year.

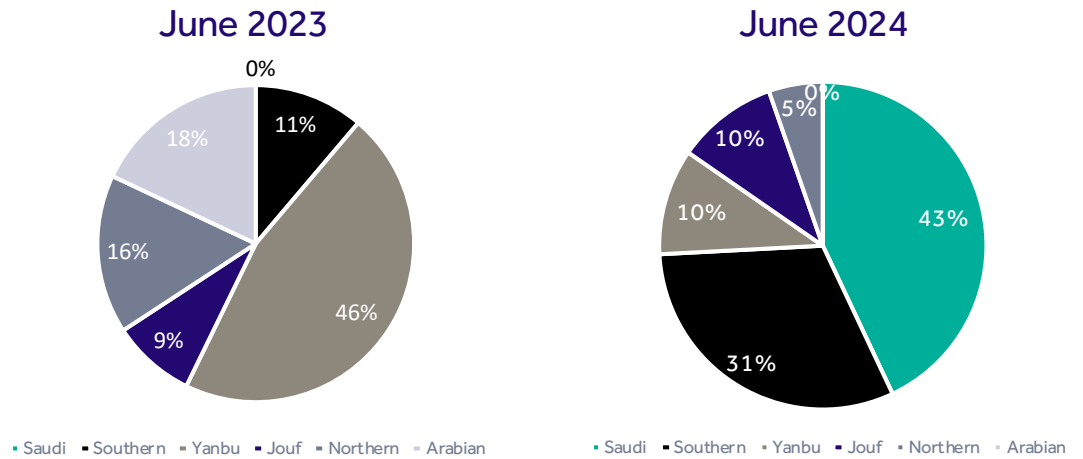
Exhibit 3: Clinker Production of Saudi Cement Sector (000's tons)

Clinker production is up by +11% M/M but down by -7% Y/Y.



Source: Riyad Capital, Yamama Cement

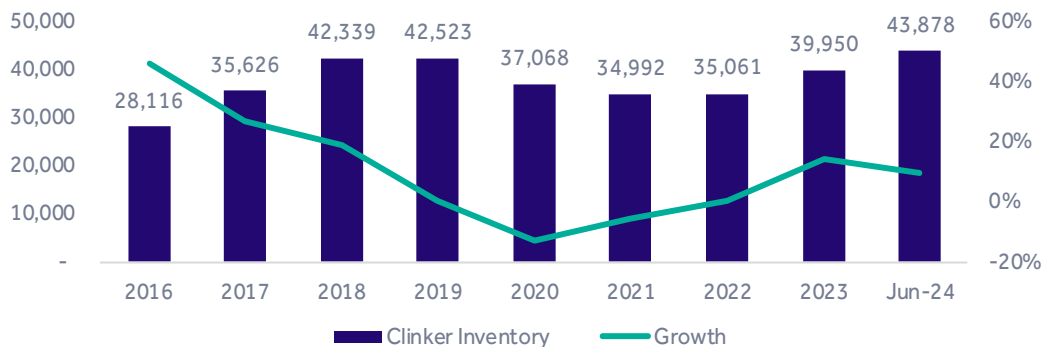
Exhibit 4: Clinker Exports by Companies (%)



Source: Riyad Capital, Yamama Cement

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

Clinker inventories are up by +2% M/M and +14% Y/Y from June 2023.



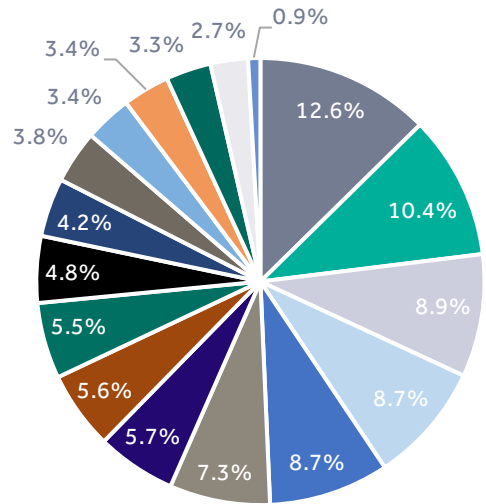
Source: Riyad Capital, Yamama Cement

Yamama Cement Lead the KSA Market Share

Yamama Cement Co. continues to maintain its position as the frontrunner in market share, holding 12.6% share in June 2024. Following behind is Qassim Cement Co. that secured a market share of 10.4% (stand alone, without accounting for Hail Cement Co. share), then Yanbu Cement Co. at 8.9%.

Exhibit 6: Local Market Share for June 2024

- Yamama 12.6%
- Qassim 10.4%
- Yanbu 8.9%
- Saudi 8.7%
- Southern 8.7%
- Riyadh 7.3%
- Arabian 5.7%
- City 5.6%
- Eastern 5.5%
- Najran 4.8%
- Alsafwa 4.2%
- Hail 3.8%
- Tabuk 3.4%
- Umm Al Qura 3.4%
- United Cement 3.3%
- Jouf 2.7%
- Northern 0.9%



Source: Riyad 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
 For any feedback on our reports, please contact research@riyadcapital.com

Disclaimer

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.