

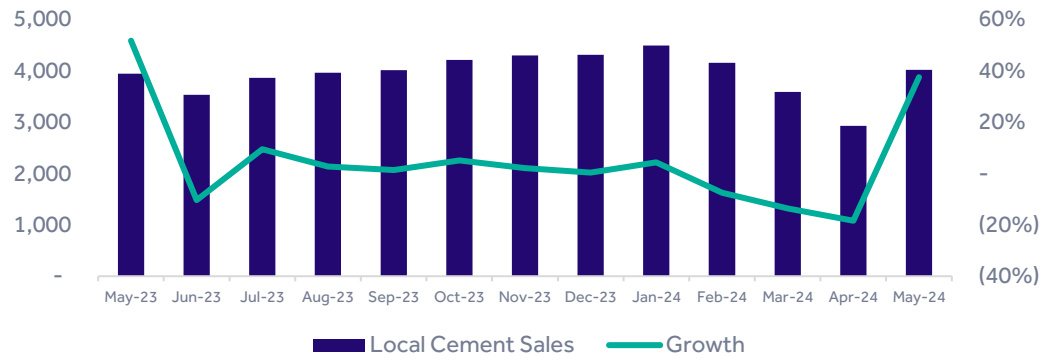
June 06, 2024

SAUDI CEMENT SECTOR
Monthly Report – May 2024

Total Cement Sales Jumps +35% M/M but Flat Y/Y

In May 2024, the local sales volume surged by +37% M/M and +2% Y/Y to reach 4.2 million tons, the M/M surge was led by Yamama Cement Co. (+139k tons, or +39%) and Yanbu Cement Co. (+112k tons, or +44%), and the +2% Y/Y increase showed a mixed performance across the 17 companies. Export sales for the month are down by -3% M/M and -30% Y/Y to 175k tons compared to 249K tons in May 2023. The total sales for the Saudi cement sector jumped by +35% M/M, reaching 4.2 million tons, back to normal, as reported in Yamama Cement's monthly bulletin for May 2024. All the 17 companies within the sector exhibited an incline in total sales M/M, while on Y/Y basis 8 companies showed a decline led by Saudi Cement Co. (-86k tons, or -15%) and Yamama Cement Co. (-63k tons, or -11%) and the remaining 9 companies rose; spearheaded by Qassim Cement Co. (+110k tons, or +37%) and Umm Al Qura Co. (+71k tons, or +78%).

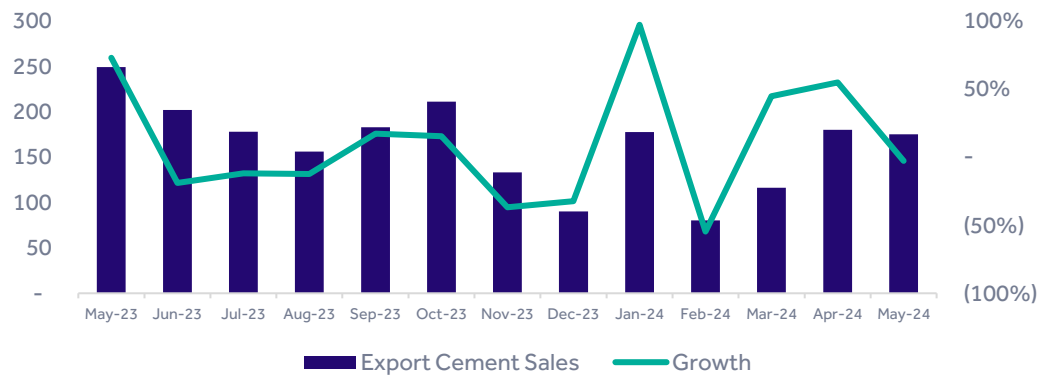
Exhibit 1: Local Cement Sales (000's tons)



The local sales rose by +37% M/M and +2% Y/Y.

Source: Riyad Capital, Yamama Cement

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



Export sales declined by -3% M/M and by -30% Y/Y.

Source: Riyad Capital, Yamama Cement

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

	May-23	Apr-24	May-24	Chn. Y/Y	Growth M/M
Local Sales	3,937	2,922	4,013	2%	37%
Export Sales	249	180	175	(30%)	(3%)
Total Cement Sales	4,186	3,102	4,188	0%	35%

Source: Riyad Capital, Yamama Cement

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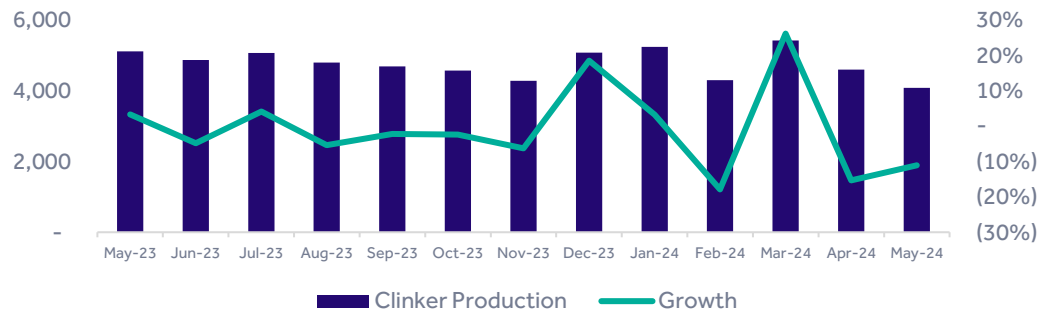
Clinker Monthly Production

The clinker production decreased by -11% M/M and -20% Y/Y to 4.1 million tons in May 2024. 13 companies in the sector showed a decrease in production levels, and the 4 remaining exhibited an increase on a Y/Y basis. Notably, Northern's clinker production had no production activities for the second consecutive month and Yamama's experienced a -40% Y/Y decline to 374K tons, while Eastern Cement Co. recorded the highest incline by +23% Y/Y to 265K tons. On a M/M basis, 10 companies reported a decrease in their production, led by Yamama Cement Co. down -28% then Yanbu Cement Co. by -25% and Riyadh Cement Co. by -38%.

Clinker inventories for the month declined by -1% M/M, but up by +14% Y/Y to reach 43.1 million tons, still at a high level, compared to 37.6 million tons recorded in the same month last year.

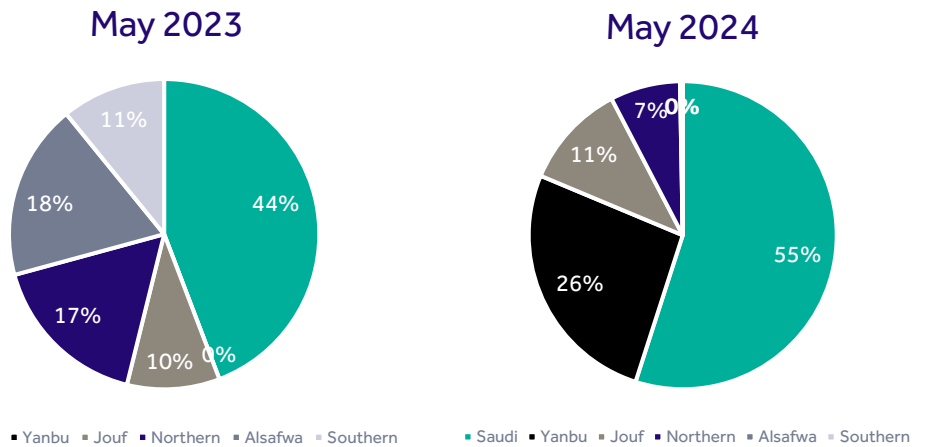
Exhibit 3: Clinker Production of Saudi Cement Sector (000's tons)

Clinker production down by -11% M/M and by -20% 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 down by -1% M/M but up +8% from 2023 end.

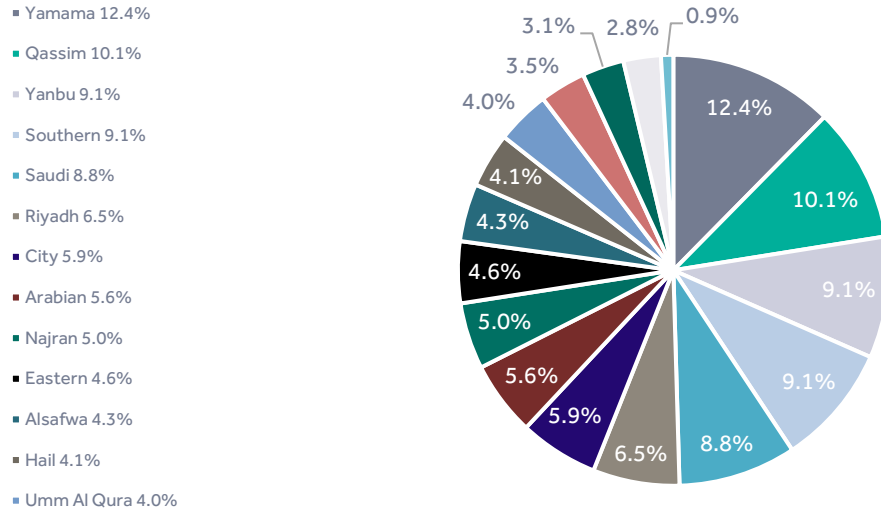


Source: Riyad Capital, Yamama Cement

Yamama Cement Lead the KSA Market Share

Yamama Cement Co. continues to maintain its position as the frontrunner in market share, holding 12.4% share in May 2024. Following behind is Qassim Cement Co. that secured a market share of 10.1%, then Yanbu Cement Co. and Southern Cement Co. both at 9.1%.

Exhibit 6: Local Market Share for May 2024



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

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