

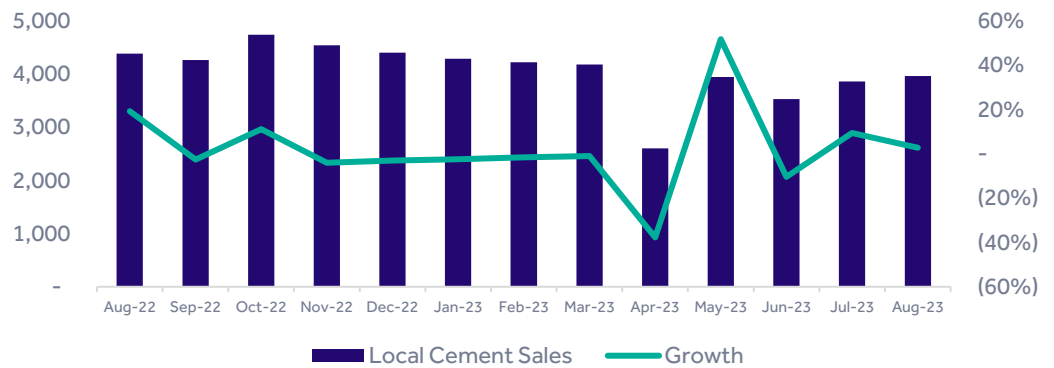
**■ Total Cement Sales Up +2% M/M**

Total sales for the Saudi cement sector went down -11% Y/Y but is up +2% M/M to 4.1 million tons in August 2023, according to Yamama Cement’s monthly bulletin. Local sales volume fell -10% Y/Y but went up +3% M/M for August. However, only four companies in the sector showed an increase Y/Y as Eastern Cement recorded the highest growth Y/Y of +38% to 185K tons followed by Riyadh Cement, which grew +15% Y/Y to 282K. On the other hand, Umm Al Qura Cement fell -44% Y/Y to 71K tons. On M/M basis, only 7 out of 17 companies in the sector showed a M/M increase in their local sales volume, led by Arabian Cement (up +30% M/M to 284K tons) followed by Qassim Cement, which is up +16% to 347K tons while Jouf Cement’s sales of 97K tons recorded the biggest decline of -16% M/M.

Exports sales for the month fell to 156k tons versus 254K tons in August 2022 and 178K tons in the previous month.

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

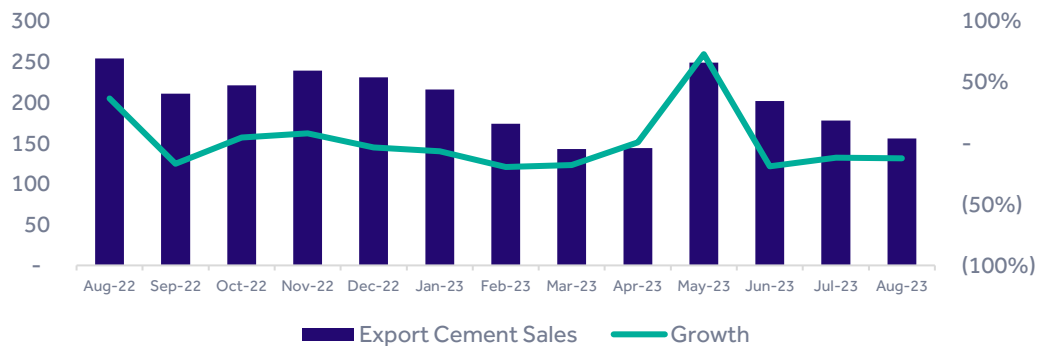
■ Local sales fell -10% Y/Y but is up +3% M/M.



Source: Riyad Capital, Yamama Cement

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

■ Export sales fell on both yearly and monthly basis by -39% and -12%, respectively.



Source: Riyad Capital, Yamama Cement

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

	Aug - 22	Jul - 23	Aug - 23	Growth Y/Y	Growth M/M
Local Sales	4,376	3,855	3,957	(10%)	3%
Export Sales	254	178	156	(39%)	(12%)
<b>Total Cement Sales</b>	<b>4,630</b>	<b>4,033</b>	<b>4,113</b>	<b>(11%)</b>	<b>2%</b>

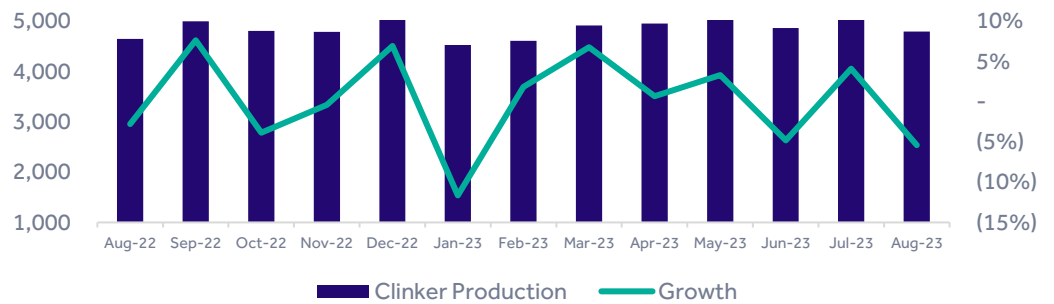
### Clinker Production

The industry's clinker production is up +3% Y/Y but went down -5% M/M to 4.8 million tons in August 2023. Clinker production for the companies in the sector were mixed Y/Y and M/M. For the fourth month in a row, Riyadh Cement, with a production of 147K tons, recorded the biggest increase by +110% Y/Y while Umm Al Qura Cement, with a production of 53K tons, recorded the highest growth M/M by +279%.

Clinker inventories continue the rising trend for the ninth month in a row and are up +10% on a yearly and +1% on a monthly basis to 39.5 million tons this month (highest level since September 2020).

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

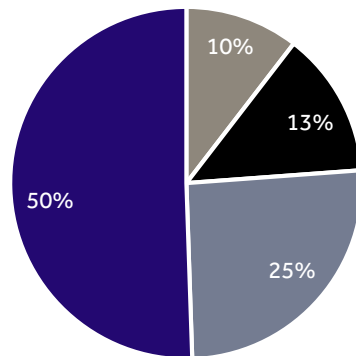
Clinker production rose by +3% Y/Y but fell -5% M/M.



Source: Riyad Capital, Yamama Cement

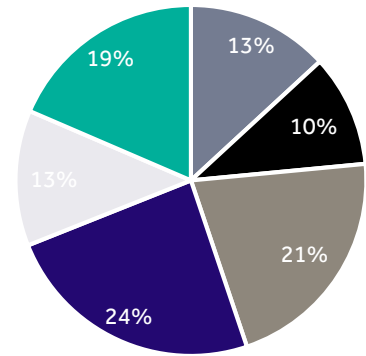
Exhibit 4: Clinker Exports by Companies (%)

August 2022



■ Northern ■ Jouf ■ Southern ■ Yanbu

August 2023



■ Northern ■ Jouf ■ Southern ■ Yanbu ■ Arabian ■ Saudi

Source: Riyad Capital, Yamama Cement

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

Clinker Inventories rose by +10% Y/Y and +1% M/M.



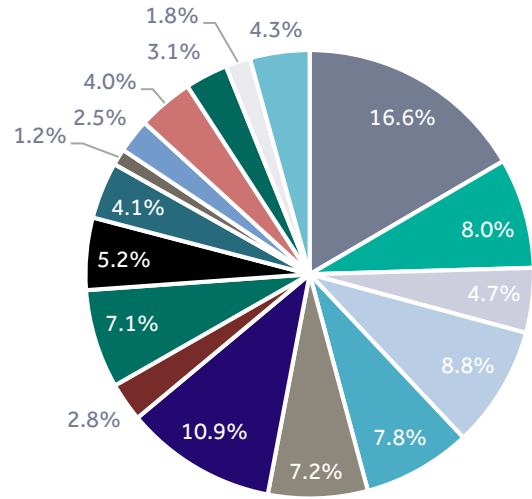
Source: Riyad Capital, Yamama Cement

### Yamama Cement leads market share

Yamama Cement Co. continues to lead the market share at 16.6% in August 2023 followed by Southern Cement Co. with a market share of 10.9%.

**Exhibit 6: Market Share for August 2023**

- Yamama 16.6%
- Saudi 8.0%
- Eastern 4.7%
- Qassim 8.8%
- Yanbu 7.8%
- Arabian 7.2%
- Southern 10.9%
- Tabuk 2.8%
- Riyadh 7.1%
- Najran 5.2%
- City 4.1%
- Northern 1.2%
- Jouf 2.5%
- Alsafwa 4.0%
- Hail 3.1%
- Umm Al Qura 1.8%
- United Cement 4.3%



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  
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