

November 07, 2023

## SAUDI CEMENT SECTOR

Monthly Report – October 2023

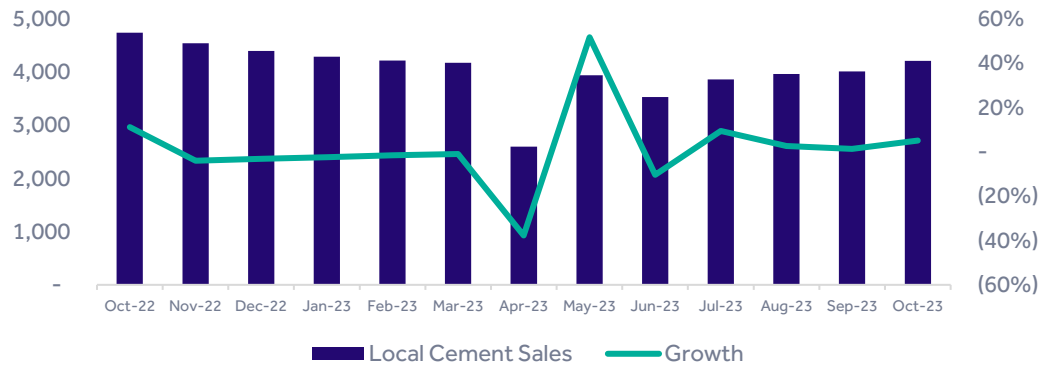
### ■ Total Cement Sales Up +5% M/M

Total sales for the Saudi cement sector went down -11% Y/Y but is up +5% M/M for the fourth month in a row to 4.4 million tons in October 2023, according to Yamama Cement's monthly bulletin. The M/M increase was on the back of higher construction activity during the month. We expect steady growth in local sales volume in November and December this year mainly due to the higher construction activities driven by lower average prices for most construction materials in Saudi Arabia. Most of the companies in the sector showed a Y/Y decline in their local sales volume as Northern Cement reported the highest decline of -50% to 42K tons while Umm Al Qura recorded the highest growth of +48% Y/Y. On a M/M basis, only Northern, Yamama and Qassim reported lower local sales volumes by -71%, -27% and -11%, respectively, while Saudi Cement recorded the highest growth of +61% M/M to 437K tons

Exports sales for the month fell -5% Y/Y but is up by +15% M/M to 211k.

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

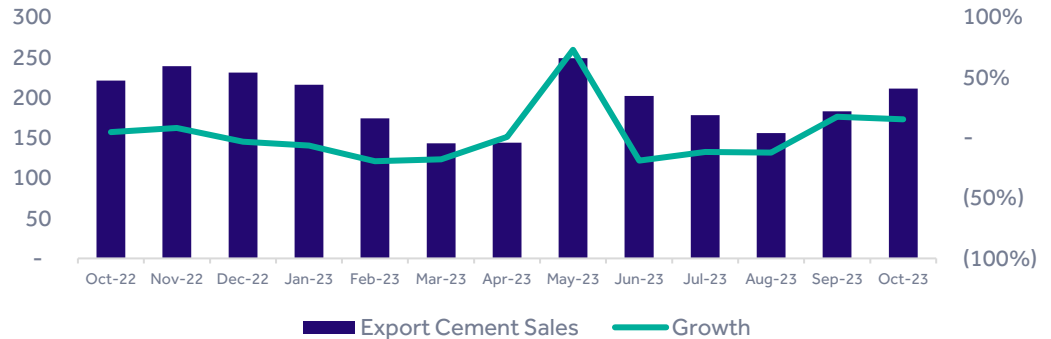
■ Local sales fell -11% Y/Y but is up +5% M/M.



Source: Riyad Capital, Yamama Cement

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

■ Export sales fell -5% Y/Y but is up +15% M/M.



Source: Riyad Capital, Yamama Cement

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

	Oct - 22	Sep - 23	Oct - 23	Growth Y/Y	Growth M/M
Local Sales	4,733	4,009	4,208	(11%)	5%
Export Sales	221	183	211	(5%)	15%
<b>Total Cement Sales</b>	<b>4,954</b>	<b>4,192</b>	<b>4,419</b>	<b>(11%)</b>	<b>5%</b>

Abdullah D Alharbi

abdullah.ulihan.alharbi@riyadcapital.com

+966-11-486-5680

Riyad Capital is licensed by the Saudi Arabia  
Capital Market Authority (No. 07070-37)

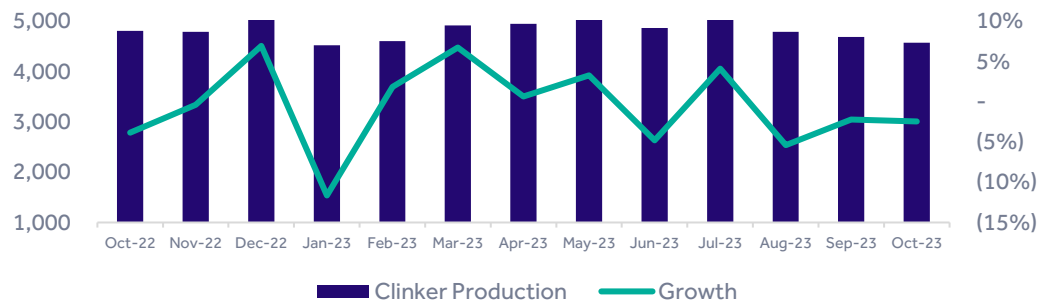
### Clinker Production

The industry's clinker production fell on both yearly and monthly basis by -5% and -2%, respectively, to 4.6 million tons in October 2023. Clinker production for the companies in the sector were mixed Y/Y and M/M. On a Y/Y basis, Yanbu Cement, with a production of 632K tons, recorded the biggest increase by +111% Y/Y while Umm Al Qura Cement with a production of 109K tons recorded the biggest increase on a M/M basis by +118%. Northern Cement with a with a production of 44K tons recorded the biggest decline on both Y/Y and M/M.

Clinker inventories continue the rising trend for the eleventh month in a row and are up +12% on a yearly and slightly up on a monthly basis to 39.7 million tons this month.

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

Clinker production fell on both Y/Y and M/M.

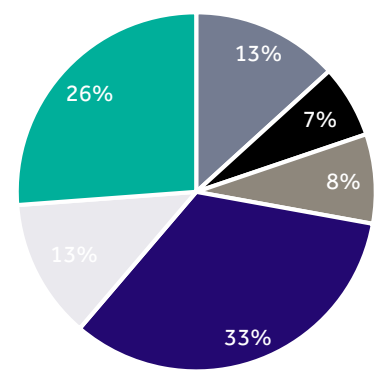
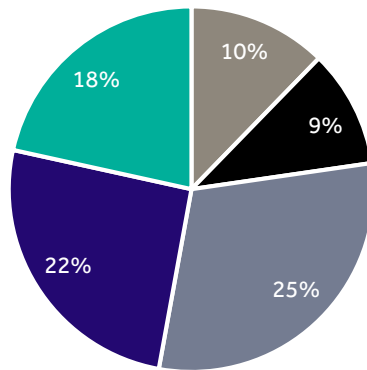


Source: Riyad Capital, Yamama Cement

Exhibit 4: Clinker Exports by Companies (%)

October 2022

October 2023



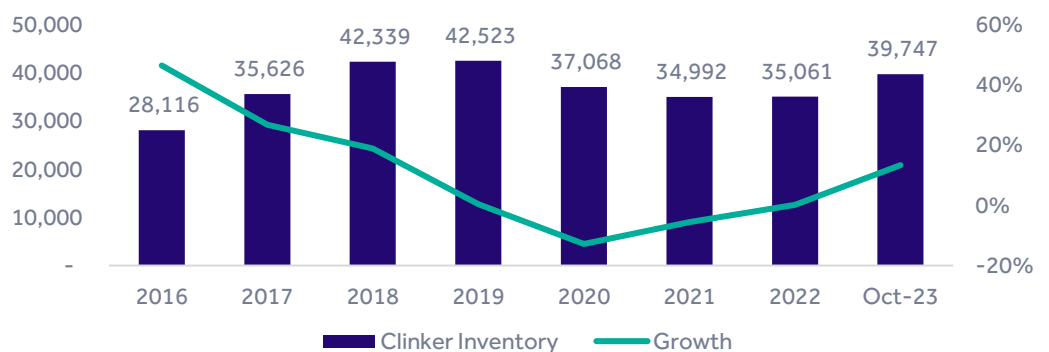
■ Northern ■ Jouf ■ Southern ■ Yanbu ■ Saudi

■ Northern ■ Jouf ■ Southern ■ Yanbu ■ Alsafwa ■ Saudi

Source: Riyad Capital, Yamama Cement

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

Clinker Inventories rose by +12%.



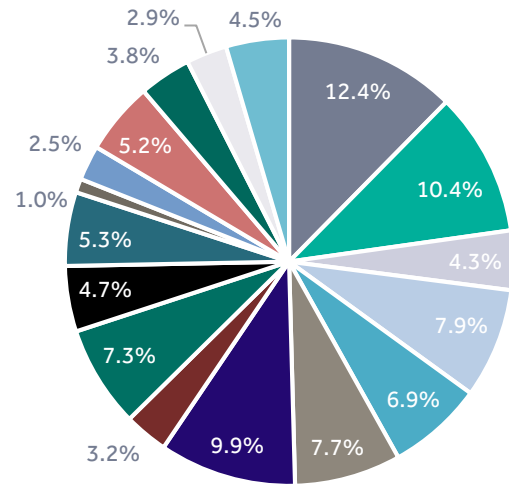
Source: Riyad Capital, Yamama Cement

### Yamama Cement leads market share

Yamama Cement Co. continues to lead the market share at 12.4% in October 2023 followed by Saudi Cement Co. with a market share of 10.4%.

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

- Yamama 12.4%
- Saudi 10.4%
- Eastern 4.3%
- Qassim 7.9%
- Yanbu 6.9%
- Arabian 7.7%
- Southern 9.9%
- Tabuk 3.2%
- Riyadh 7.3%
- Najran 4.7%
- City 5.3%
- Northern 1.0%
- Jouf 2.5%
- Alsafwa 5.2%
- Hail 3.8%
- Umm Al Qura 2.9%
- United Cement 4.5%



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](mailto: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.