

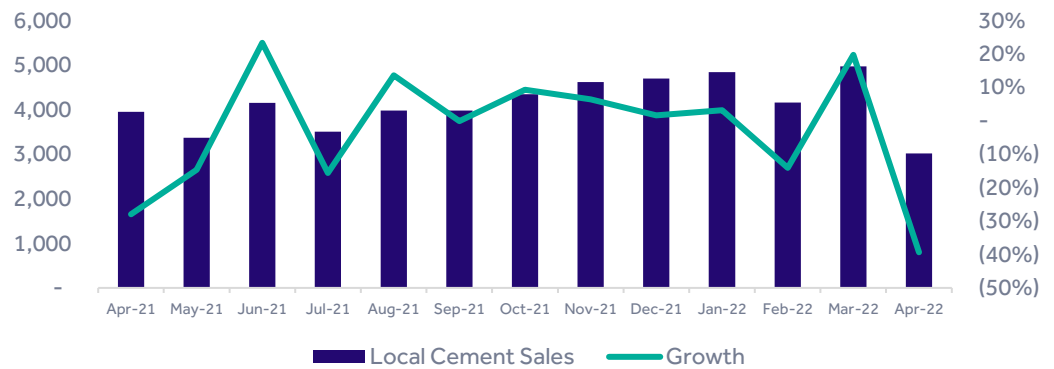
Local Sales Volume Declines -39% M/M

Total sales for the Saudi cement sector are down by -23% Y/Y and by -39% M/M to 3.1 million tons (lowest level since May 2020), according to Yamama Cement's monthly bulletin for April 2022. On M/M basis, all the companies showed a decline in their local sales volume led by City Cement Co. which showed a -57% decline followed by Qassim Cement Co. with a -47% decline to 211K tons. Only Yamama Cement Co. with 359K tons and Tabuk Cement Co. with 106K sales showed a growth of +27% and +18% respectively on yearly basis. The significant decline in both yearly and monthly basis is driven by lower constructions activity as the month of April fell in the holy month of Ramadan. Northern Cement Co. recorded the biggest decline Y/Y by -56% to 45K tons followed by Riyadh Cement Co. by -50% to 145K tons.

Exports sales for the month fell on both yearly and monthly basis by -15% Y/Y and -8% M/M to 69k tons compared to 81K tons in April 2021.

Exhibit 1: Local Sales (000's tons)

- Local sales dropped by -24% Y/Y and by -39% 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.



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

	Apr - 21	Mar - 22	Apr - 22	Growth Y/Y	Growth M/M
Local Sales	3,949	4,971	3,015	(24%)	(39%)
Export Sales	81	75	69	(15%)	(8%)
Total Cement Sales	4,030	5,046	3,084	(23%)	(39%)

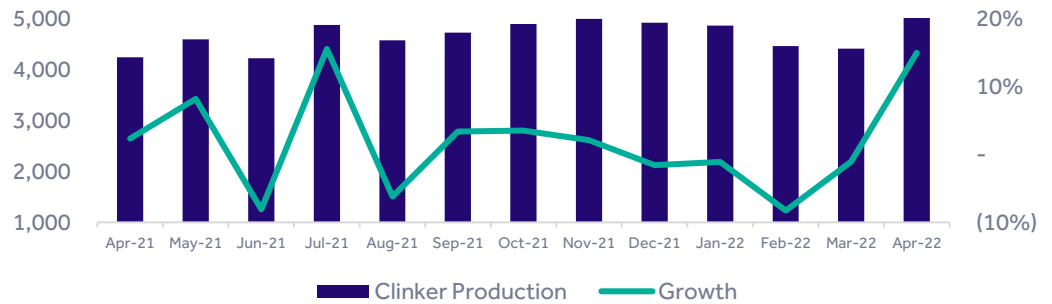
Clinker Production

The industry's clinker production rose by +20% Y/Y and +15% M/M after four months of decline to reach 5.1 million tons in April 2022. 5 companies out of 17 in the sector showed a decrease in their production Y/Y. Umm Al Qura's clinker production recorded the highest decline on both Y/Y and M/M as the Company did not produce clinker during April. Northern Cement Co. with production of 170K tons recorded the biggest growth Y/Y by +193% while Hail's clinker production showed a strong growth of +295% M/M to 174K tons.

Clinker inventories for the month are up on both yearly and monthly basis by +6% and +3% respectively to reach 34.7 million tons this month, compared with 32.7 million tons in the same month last year.

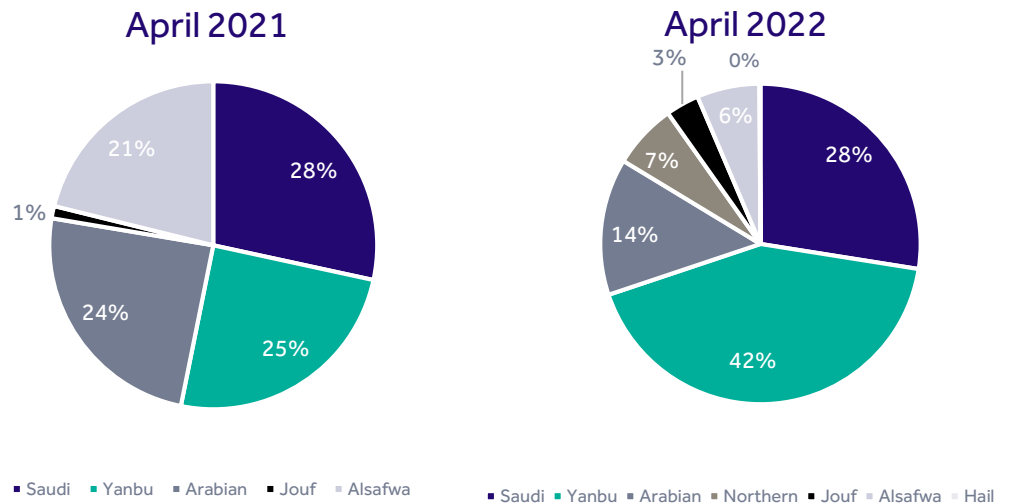
Exhibit 3: Clinker Production of Saudi Cement Sector (000's tons)

Clinker production rose by +20% Y/Y and by +15% M/M.



Source: Riyad Capital, Yamama Cement

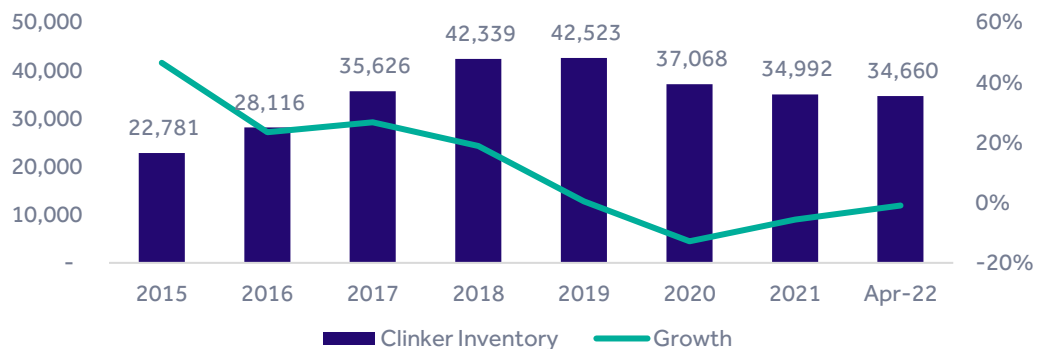
Exhibit 4: Clinker Exports by Companies (%)



Source: Riyad Capital, Yamama Cement

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

Clinker Inventories up on both yearly and monthly basis.

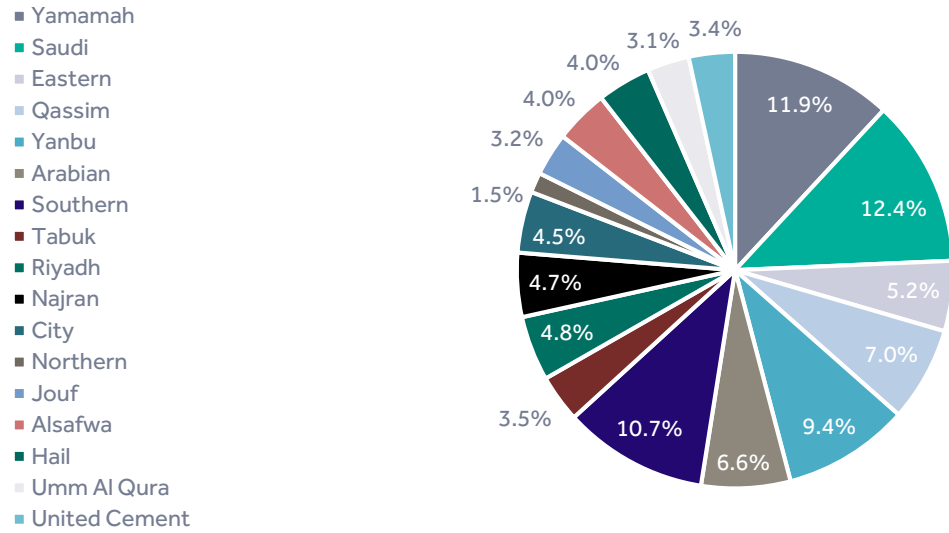


Source: Riyad Capital, Yamama Cement

Saudi Cement leads market share

Saudi Cement Co. with local sales volume of 374K tons managed to lead the market share to stand at 12.4% in April 2022 followed by Yamama Cement Co. with a market share of 11.9%.

Exhibit 6: Market Share for April 2022



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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