

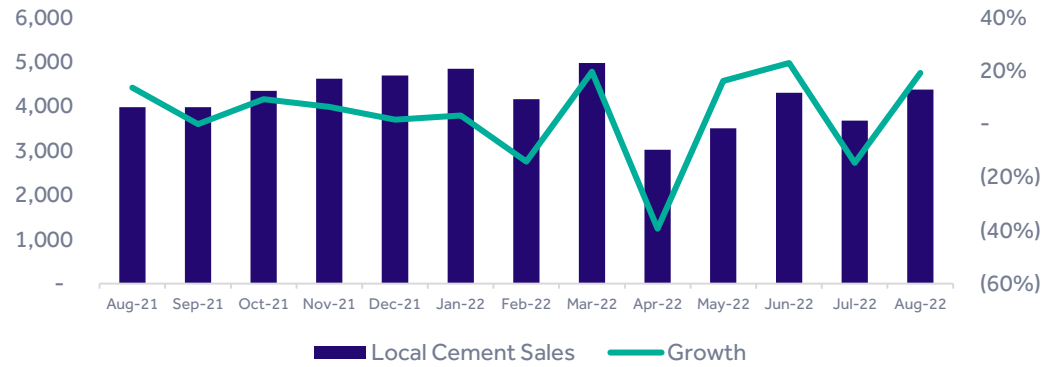
Total Sales Volumes Up Y/Y and M/M

Total sales for the Saudi cement sector are up by +13% Y/Y and +20% M/M to 4.6 million tons, according to Yamama Cement's monthly bulletin for August 2022 in a sign that KSA's construction activity is recovering. In addition, the constructions of the giga projects is in advanced phases. Only 6 out of 17 companies in the sector showed a decline in their local sales Y/Y, meanwhile Jouf Cement Co. and Eastern Cement Co. showed a decline M/M by -22% and -4% respectively. Yamama Cement reported the highest growth in the sector by +64% Y/Y to 667K tons while United Cement reported the highest growth by +49% M/M to 149K tons. Most of the companies in the sector showed a double-digit increase, except Hail Cement, which posted a single-digit increase.

Exports sales jumped by +113% Y/Y and by +37% M/M to 254K tons compared to 119K tons in August 2021, marking the fourth consecutive month of rises.

Exhibit 1: Local Sales (000's tons)

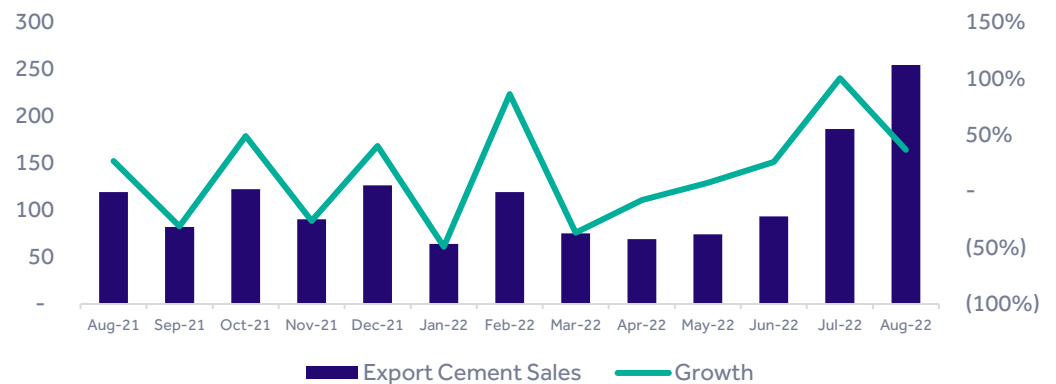
- Local sales up on both Y/Y and M/M basis by +10% and +19% respectively.



Source: Riyad Capital, Yamama Cement

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

- Export sales up on both Y/Y and M/M basis by +113% and by +37% respectively.



Source: Riyad Capital, Yamama Cement

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

	Aug - 21	Jul - 22	Aug - 22	Growth Y/Y	Growth M/M
Local Sales	3,979	3,672	4,376	10%	19%
Export Sales	119	186	254	113%	37%
Total Cement Sales	4,098	3,858	4,630	13%	20%

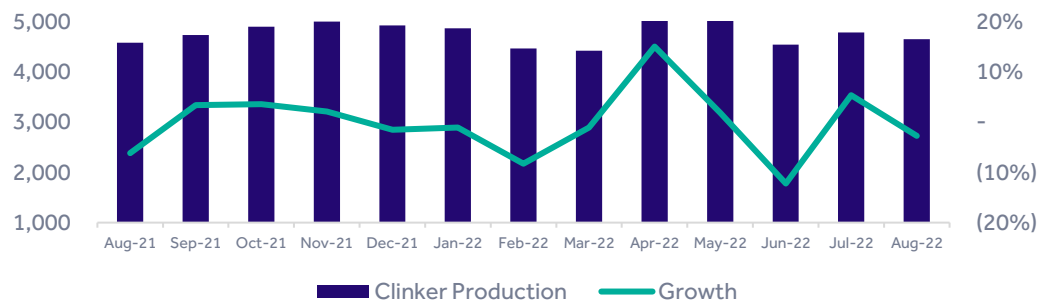
Clinker Production

The industry's clinker production increased by +2% Y/Y but declined by -3% M/M to reach 4.6 million tons in August 2022. 5 companies out of 17 in the sector showed an increase in their production Y/Y. Yanbu's clinker production recorded the highest growth Y/Y by +153% to 607K tons while Riyadh Cement Co. with a production of 70K tons recorded the biggest decline by -86%. Most of the companies in the sector showed a decline in their clinker production on a M/M basis.

Clinker inventories for the month are up on a yearly basis by +5% but fell on a monthly basis by -1%, reaching 35.8 million tons this month, compared with 34.0 million tons in the same month last year.

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

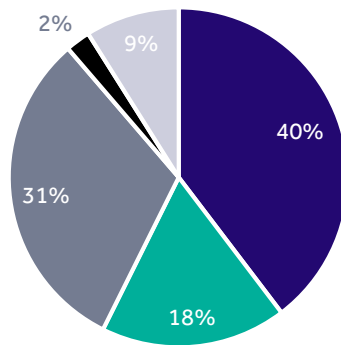
Clinker production up by +2% Y/Y but fell by -3% M/M.



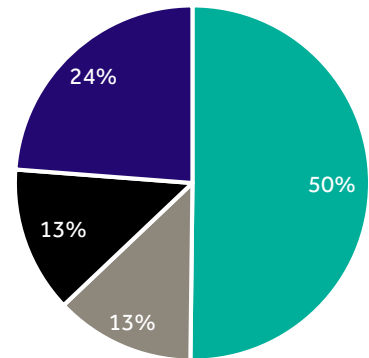
Source: Riyad Capital, Yamama Cement

Exhibit 4: Clinker Exports by Companies (%)

August 2021



August 2022



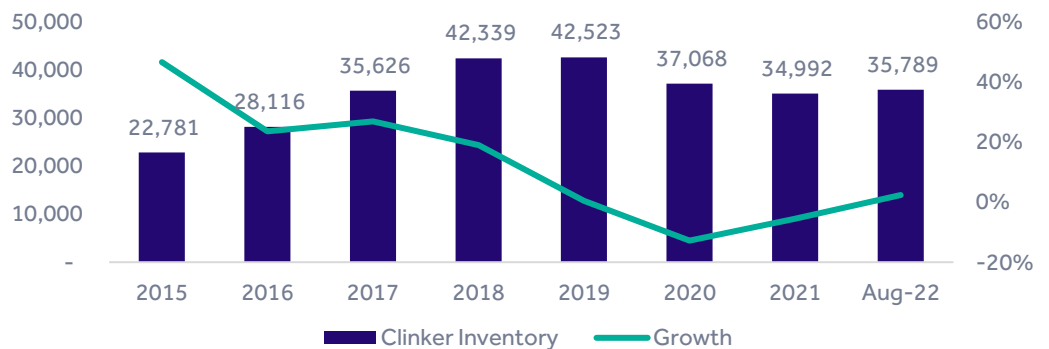
Legend: Saudi, Yanbu, Arabian, Jouf, Northern

Legend: Yanbu, Northern, Jouf, Southern

Source: Riyad Capital, Yamama Cement

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

Clinker Inventories up by +5% Y/Y but fell by -1% M/M.

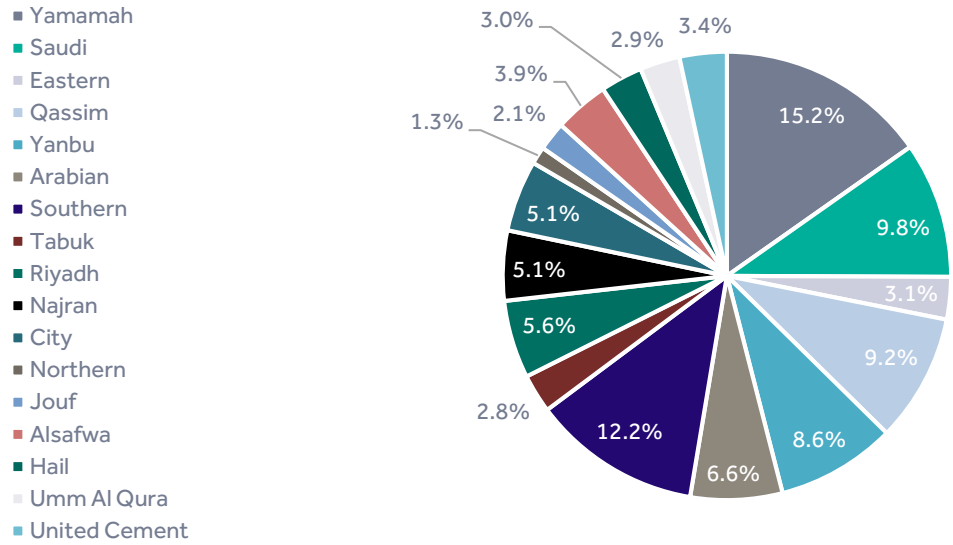


Source: Riyad Capital, Yamama Cement

Yamama Cement leads market share

Yamama Cement Co. continues to lead the market share to stand at 15.2% in August 2022 followed by Southern Cement Co. with a market share of 12.2%.

Exhibit 6: Market Share for August 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
For any feedback on our reports, please contact research@riyadcapital.com

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