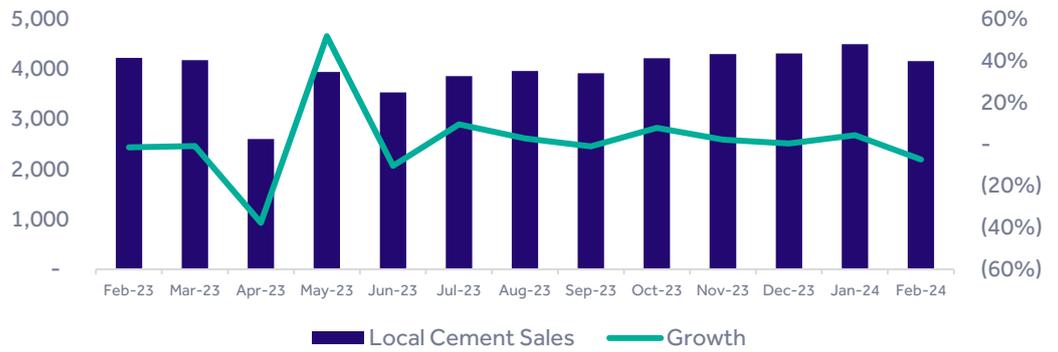


Total Cement Sales Declined by -9% M/M and -4% Y/Y

In February 2024, the total sales for the Saudi cement sector declined by -9% M/M, reaching 4.2 million tons – the lowest level since October 2023. This decline was primarily driven by a decrease in both the local sales volume, down by -8%, and the export sales volume, down by -55%, as reported in Yamama Cement’s monthly bulletin for February 2024. Local sales volume reached the lowest level since September 2023, standing at 4.1 million tons, while export sales amounted to 80K tons, the lowest level since June 2022, less than half the previous year’s monthly average exports. Most of the 17 companies within the sector exhibited a decline in total sales on both annual and monthly bases. Annually, Yanbu Cement spearheaded the decline in lower sales volume, by -72K ton or -14% Y/Y. Meanwhile, Yanbu Cement took the lead in monthly sales volume decline, by -109K tons or -24% M/M.

Export cement sales declined by -55% M/M and -54% Y/Y to 80K tons compared with 174K tons in the same month last year.

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



On a yearly basis, local sales declined by -2%.

Source: Riyad Capital, Yamama Cement

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



Export sales halved on both yearly and monthly basis.

Source: Riyad Capital, Yamama Cement

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

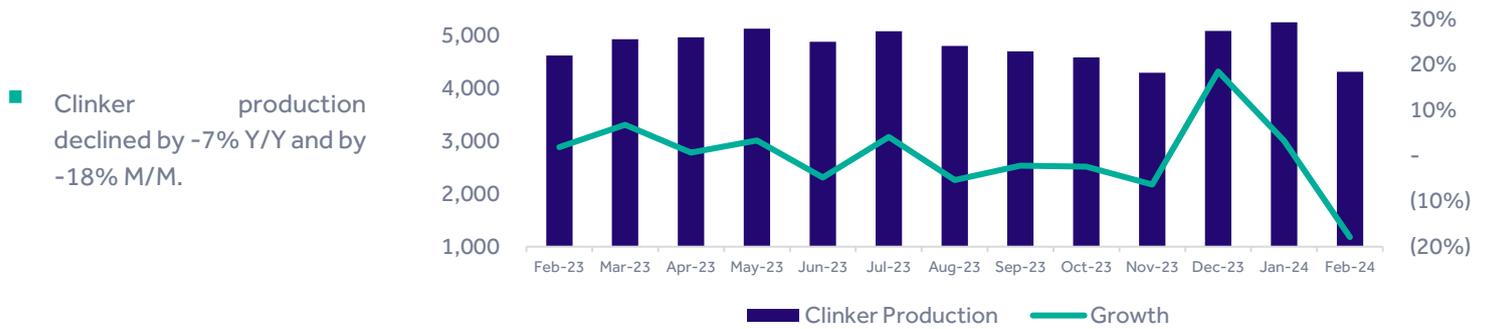
	Feb-23	Jan-24	Feb-24	Growth Y/Y	Growth M/M
Local Sales	4,215	4,486	4,149	(2%)	(8%)
Export Sales	174	177	80	(54%)	(55%)
Total Cement Sales	4,389	4,663	4,229	(4%)	(9%)

Clinker Monthly Production

The clinker production declined by -7% Y/Y and -18% on M/M basis to 4.3 million tons in February 2024. Among the 17 companies in the sector, 8 exhibited a decrease in production on a Y/Y basis. Notably, Yamama Cement's clinker production experienced the most significant Y/Y growth, surging by +46% to 584K tons, while Arabian Cement recorded the sharpest decline, dropping by -55% Y/Y to 150K tons. On a M/M basis, 13 companies reported a decrease in their production, Arabian Cement declining by -55%, despite a notable increase in Northern Cement by 265% to 124K tons.

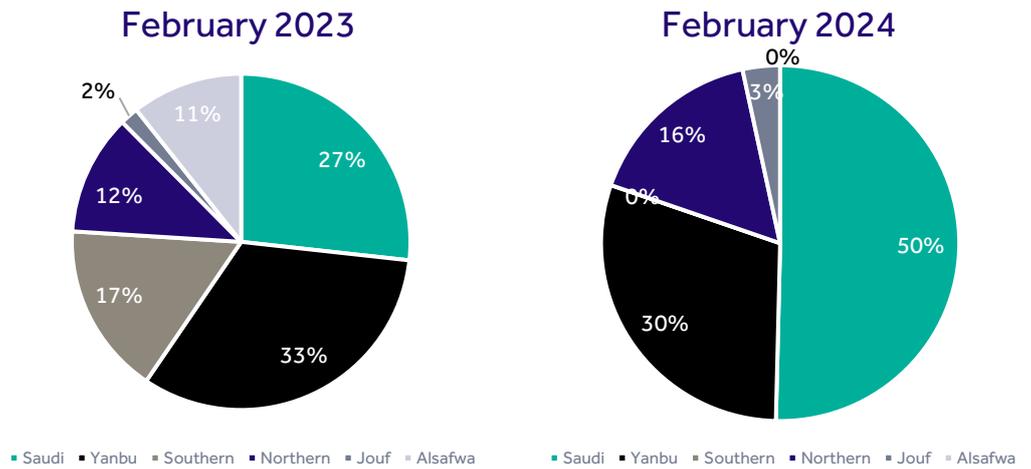
Clinker inventories for the month grew by +2% M/M, and by +16% Y/Y to reach 40.7 million tons – and still at the highest level observed since August 2020, compared to 35.1 million tons recorded in the same month last year.

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



Source: Riyad Capital, Yamama Cement

Exhibit 4: Clinker Exports by Companies (%)



Source: Riyad Capital, Yamama Cement

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

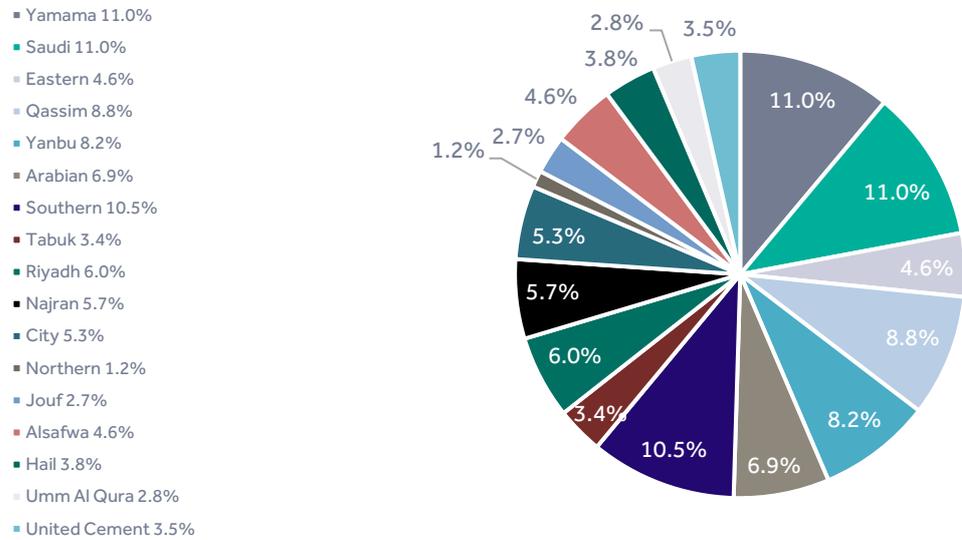


Source: Riyad Capital, Yamama Cement

Yamama Cement & Saudi Cement Lead the KSA Market Share in February

Yamama Cement Co. continues to maintain its position as the frontrunner in market share, holding steady share at 11.0% in February 2024. Following closely behind, Saudi Cement Co. that secured a market share of 11.0% (only 2k tons difference), then Southern Cement Co. share at 10.5%.

Exhibit 6: Local Market Share for February 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
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