

December 07, 2023

SAUDI CEMENT SECTOR

Monthly Report – November 2023

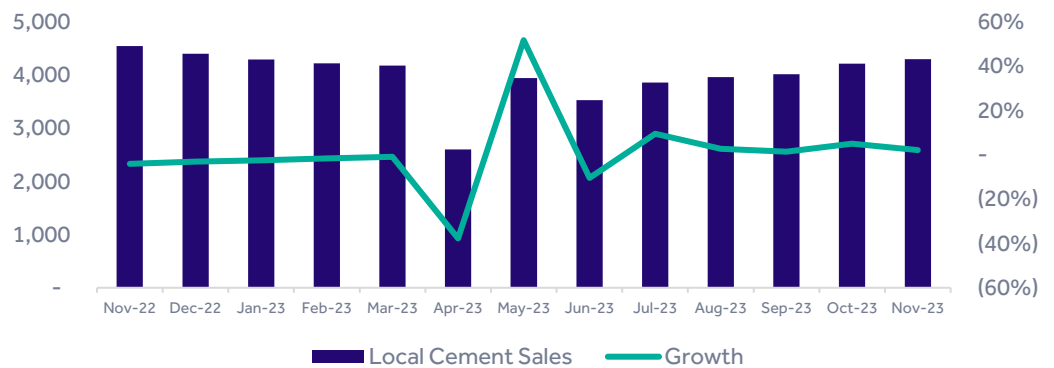
Local Sales Up +2% M/M

Total sales for the Saudi cement sector went down -7% Y/Y but is up slightly M/M for the fifth month in a row to 4.4 million tons in November 2023, according to Yamama Cement's monthly bulletin. We expected to witness a steady growth in local sales volume driven by higher construction activity. 8 out of 17 companies in the sector showed a Y/Y and M/M growth in their local sales volume. Umm Al Qura Cement reported the highest growth of +66% to 128K tons while Northern Cement with 39K tons recorded the biggest decline of -56% Y/Y. On a M/M basis, Arabian Cement with 423K tons (highest volume since May 2016) reported the highest growth M/M of +31% followed by Yanbu Cement, which reported a +22% growth M/M to 354K tons. Alsafwa Cement recorded the biggest decline of -26% M/M to 163K tons.

Exports sales for the month fell on both yearly and monthly basis by -44% and -37%, respectively, to 133k.

Exhibit 1: Local Sales (000's tons)

Local sales fell -5% Y/Y but is up +2% M/M.



Source: Riyad Capital, Yamama Cement

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

Export sales fell -44% Y/Y and -37% M/M.



Source: Riyad Capital, Yamama Cement

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

	Nov - 22	Oct - 23	Nov - 23	Growth Y/Y	Growth M/M
Local Sales	4,538	4,208	4,293	(5%)	2%
Export Sales	239	211	133	(44%)	(37%)
Total Cement Sales	4,777	4,419	4,426	(7%)	0%

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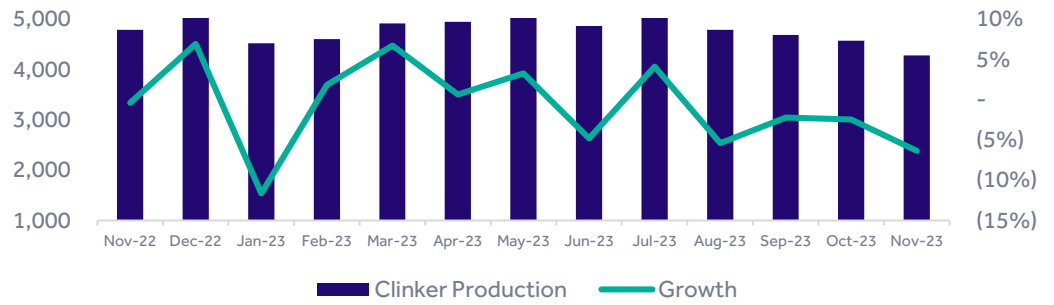
Clinker Production

The industry's clinker production fell on both yearly and monthly basis by -11% and -6%, respectively, to 4.3 million tons in November 2023 (lowest level since June 2021). Clinker production for the companies in the sector were mixed. On a Y/Y basis, City Cement with a production of 213K tons, recorded the biggest increase by +124% Y/Y while Northern Cement with a production of 54K tons recorded the biggest decline of -65% Y/Y. On a M/M basis, most of the companies in the sector raised their clinker production as Tabuk Cement's clinker production jumped +119% M/M to 153K tons.

Clinker inventories reversed its monthly rising trend, after eleventh months, to decline -1% M/M to 39.3 million tons.

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

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

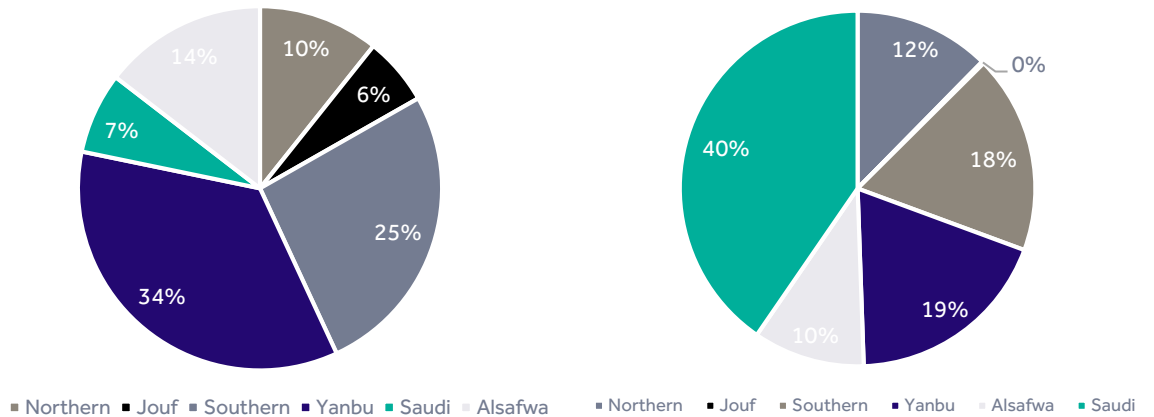


Source: Riyad Capital, Yamama Cement

Exhibit 4: Clinker Exports by Companies (%)

November 2022

November 2023



Source: Riyad Capital, Yamama Cement

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

Clinker Inventories rose by +13% Y/Y.



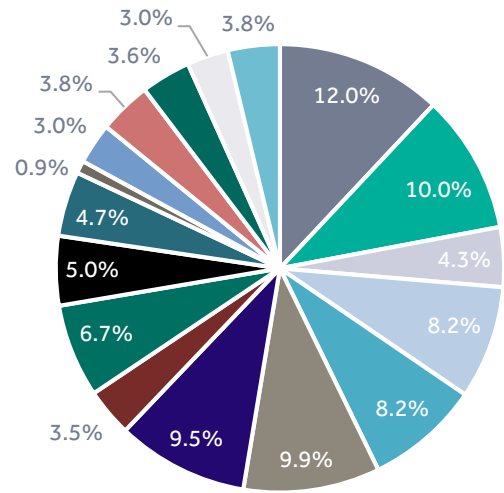
Source: Riyad Capital, Yamama Cement

Yamama Cement leads market share

Yamama Cement continues to lead the market share at 12.0% in November 2023 followed by Saudi Cement with a market share of 10.0%.

Exhibit 6: Market Share for November 2023

- Yamama 12.0%
- Saudi 10.0%
- Eastern 4.3%
- Qassim 8.2%
- Yanbu 8.2%
- Arabian 9.9%
- Southern 9.5%
- Tabuk 3.5%
- Riyadh 6.7%
- Najran 5.0%
- City 4.7%
- Northern 0.9%
- Jouf 3.0%
- Alsafwa 3.8%
- Hail 3.6%
- Umm Al Qura 3.0%
- United Cement 3.8%



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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