

Total Cement Sales Grow by 6% M/M and 4% Y/Y

In January 2024, the total sales for the Saudi cement sector surged by +6% M/M, reaching 4.7 million tons – a notable uptick and the highest level observed since November 2022. This growth was primarily driven by a substantial increase in both the local sales volume, up by +4%, and the export sales volume, soaring by +97%, as reported in Yamama Cement’s monthly bulletin for January 2024. Local sales volume hit a peak since November 2022, standing at 4.5 million tons, while export sales amounted to 177K tons, slightly surpassing the previous year’s monthly average exports. Most of the 17 companies within the sector exhibited an uptrend in total sales on both annual and monthly bases. Annually, Yanbu Cement spearheaded the surge in additional sales volume, climbing by +117K ton or +35% Y/Y. Meanwhile, Saudi Cement took the lead in monthly sales volume growth, increasing by +142K tons or +8% M/M. Despite the robust monthly growth in export cement sales, nearly doubling M/M by +97%, there was a decline Y/Y by -18% to 177K tons compared with 216K tons in the same month last year.

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



Local sales grew by +5% on a yearly basis.

Source: Riyad Capital, Yamama Cement

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



Export sales doubled on a monthly basis but declined by -18% on a yearly basis.

Source: Riyad Capital, Yamama Cement

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

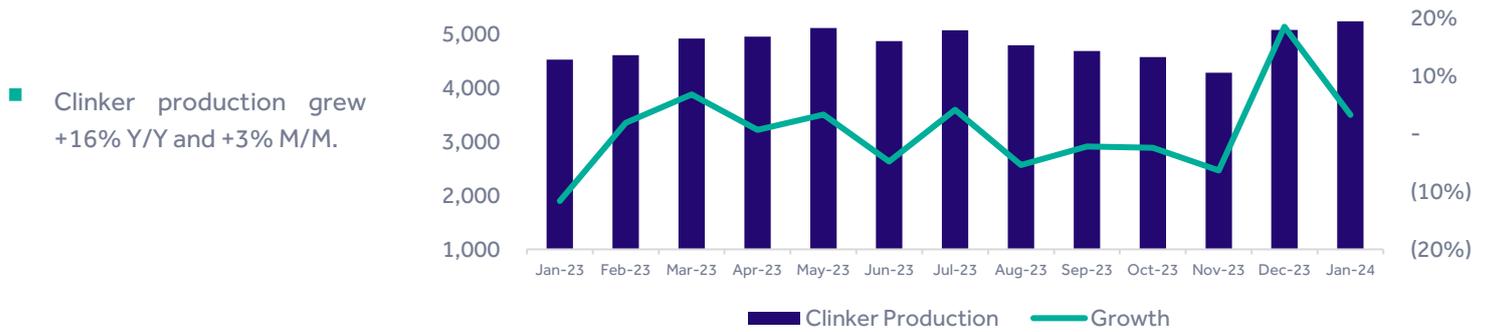
	Jan - 23	Dec - 23	Jan - 24	Growth Y/Y	Growth M/M
Local Sales	4,285	4,304	4,486	5%	4%
Export Sales	216	90	177	(18%)	97%
Total Cement Sales	4,501	4,394	4,663	4%	6%

Clinker Monthly Production

The clinker production witnessed a notable growth by +16% Y/Y and +3% on M/M basis to 5.2 million tons in January 2024. This figure marks the highest level of monthly production since January 2013, as per our database. Among the 17 companies in the sector, 11 exhibited an increase in production on a Y/Y basis. Notably, Umm Al Qura Cement's clinker production experienced the most significant Y/Y growth, surging by +72% to 89K tons, while Hail Cement recorded the sharpest decline, dropping by -38% Y/Y to 14K tons. On a M/M basis, 8 companies reported an increase in their production, with Umm Al Qura Cement leading the pack with a remarkable growth of +117%.

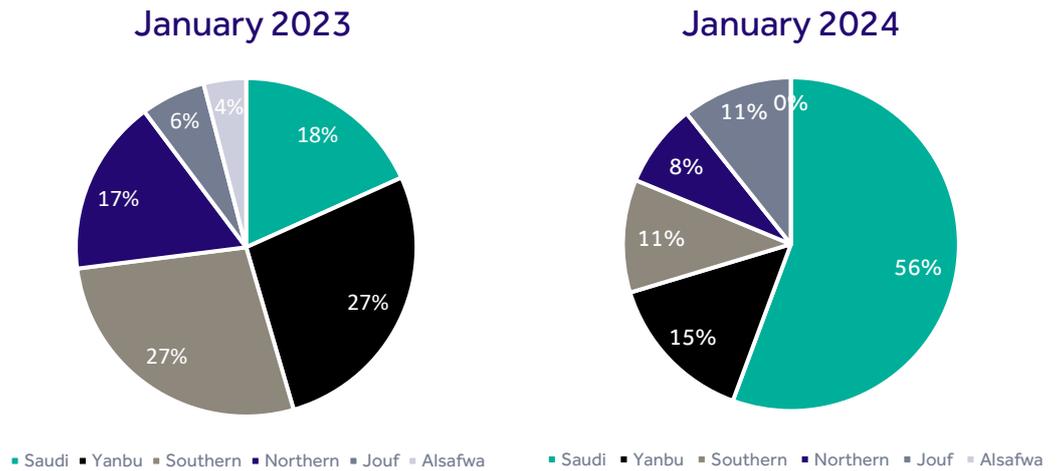
Clinker inventories for the month also saw an uptick, rising by +16% Y/Y and +2% M/M to reach 40.7 million tons – the highest level observed since August 2020, compared to 35.1 million tons recorded in the same month last year.

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)



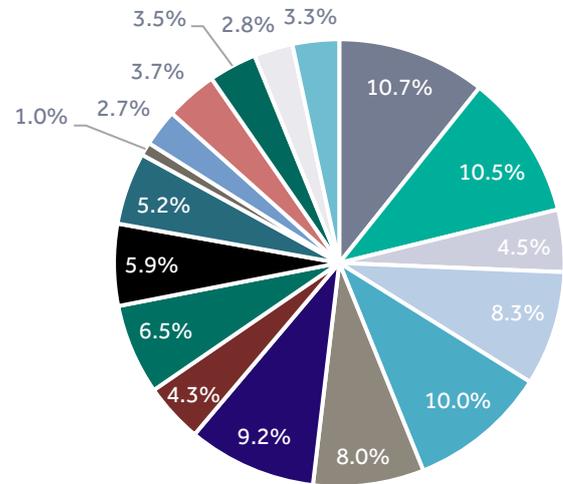
Source: Riyad Capital, Yamama Cement

Yamama Cement Leads the KSA Market Share in January 2024

Yamama Cement Co. continues to maintain its position as the frontrunner in the local market share, holding steady at 10.7% in January 2024. Following closely behind, Saudi Cement secured a market share of 10.5%, then Yanbu Co. at 10.0%.

Exhibit 6: Local Market Share for January 2024

- Yamama 10.7%
- Saudi 10.5%
- Eastern 4.5%
- Qassim 8.3%
- Yanbu 10.0%
- Arabian 8.0%
- Southern 9.2%
- Tabuk 4.3%
- Riyadh 6.5%
- Najran 5.9%
- City 5.2%
- Northern 1.0%
- Jouf 2.7%
- Alsafwa 3.7%
- Hail 3.5%
- Umm Al Qura 2.8%
- United Cement 3.3%



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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