Cement Sector

Monthly Tracker (April)

May 2024

Tharaa Financial Center

Summary

Tharaa Financial Center

Total Sales

Total cement sales (Local+exports) dropped by -14.4% MoM (-2.6% YoY) in Apr '24 to reach 3.48mn tons. On a YTD basis, total sales have deceased by -7.7%.

Saudi Cement Company secured the leading position in total sales within the sector in April, outperforming both Yanbu and Yamamh.

Local deliveries

Monthly local dispatches declined by -18.4% MoM (-12.5% YoY) in Apr '24 . On a YTD basis, local deliveries fell by -0.9%.

With a 12% market share, Yamama Cement Company topped the sector in local dispatches during April '24.

While Yamama Cement managed to maintain its overall leadership position, its market share in local sales dropped from 13% in Apr '23 to 12% in Apr '24.

Exports

Exports dispatches increased by 16% MoM while dropped -30% on YoY in Apr '24. On a YTD basis, the total exports have decreased by -31.5%.

The industry's exports stood at 554K tons in April'24, compared to 790K tons in April'23.

Saudi Cement Company recorded the highest market share of exports in April '24 with 62% of the total exports.

Production

In Apr '24, cement production showed a decline of -18.1% MoM, and -11.3% on a YoY basis.

Cement inventory showed a decreased of -2.6% on a MoM basis in Apr '24.

The Clinker inventory increased by 3% on a MoM basis and by 17.9% on a YoY basis in Apr '24.

The capacity utilization for clinker is estimated at 74.4% in Apr '24 vs. 80.2% in Apr '23.

Prices

In Mar '24, cement prices showed an increase of 4.0% YoY, while declined by -3.41% on a MoM basis.

In Mar '24, cement prices increased to 14.88 compared to 14.30 in Mar '23.

Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton of SAR 1,241, followed by Yamamh Cement with an EV/Ton of SAR 1,180.This can be compared to an average EV/Ton of 737 SAR for sector. Meanwhile, Tabuk Cement (SAR395) and Najran Cement (SAR277) trade at the lowest valuations.

Except for City Cement and Yamamh Cement, all cement companies reported negative returns. TASI, on the other hand, demonstrated positive performance by recording a 4% increase, making it the top performer.

Total Sales (Local deliveries & Exports)

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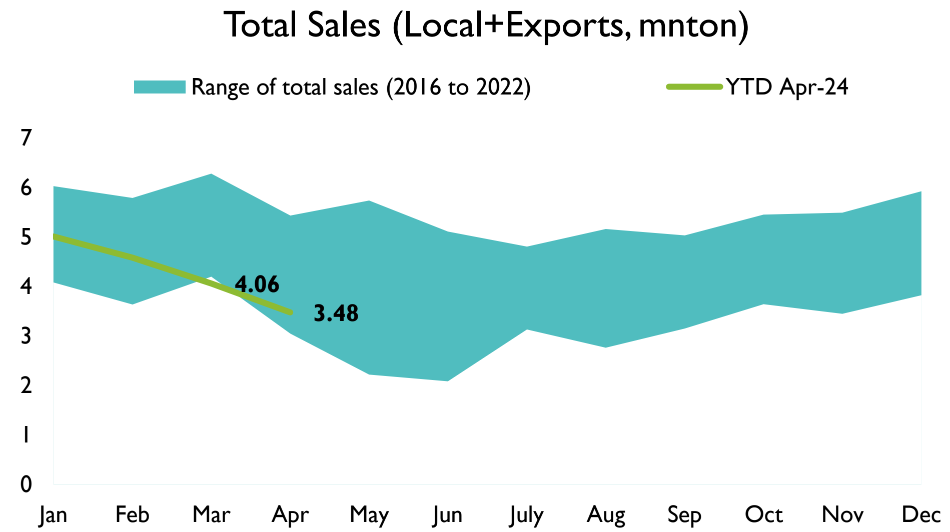

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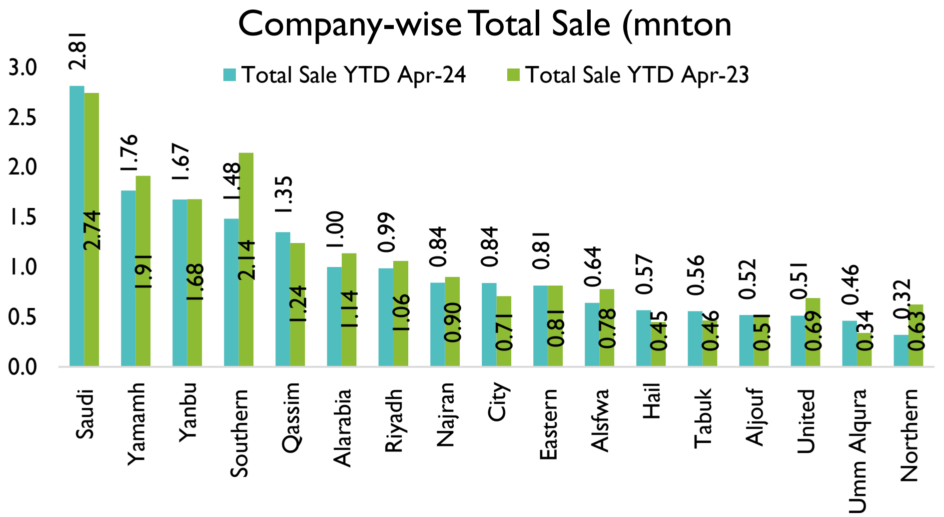
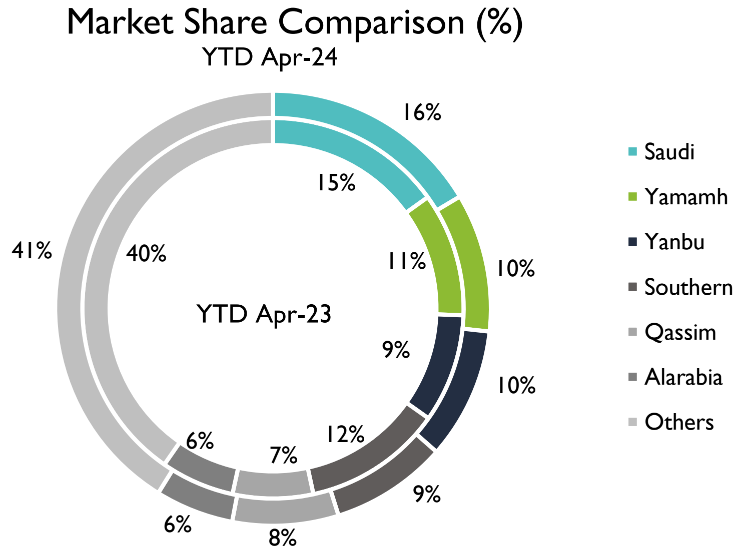
- Saudi Cement Company secured the leading position in total sales within the sector in April, outperforming both Yanbu and Yamamh.





Source: Yamama Cement, Tharaa

Local Cement Deliveries

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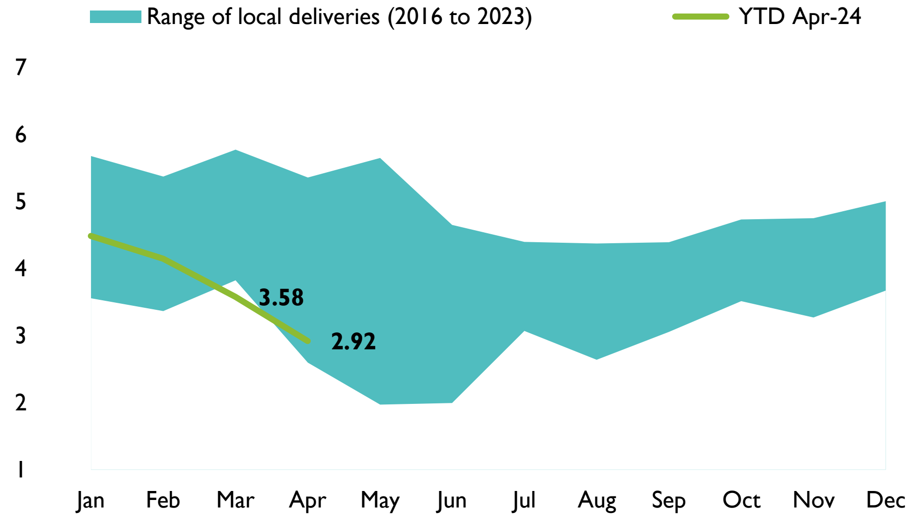
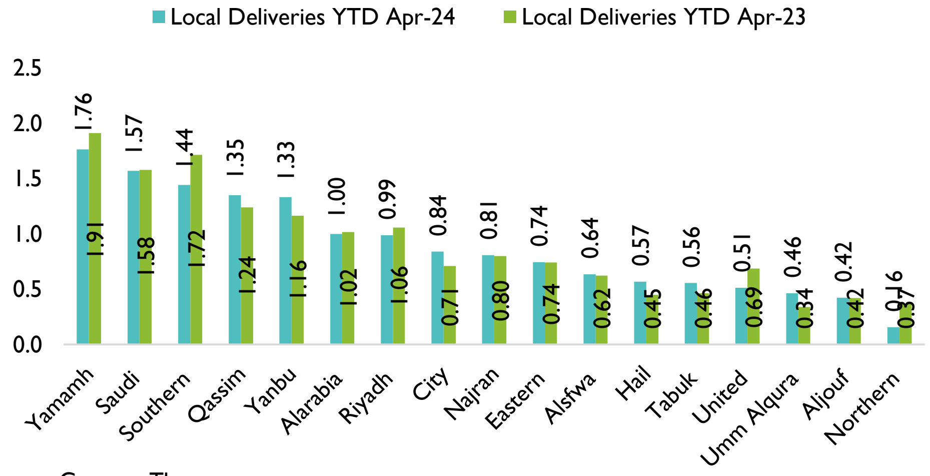
Local Deliveries (mnton)



Company-wise local Deliveries (mnton)



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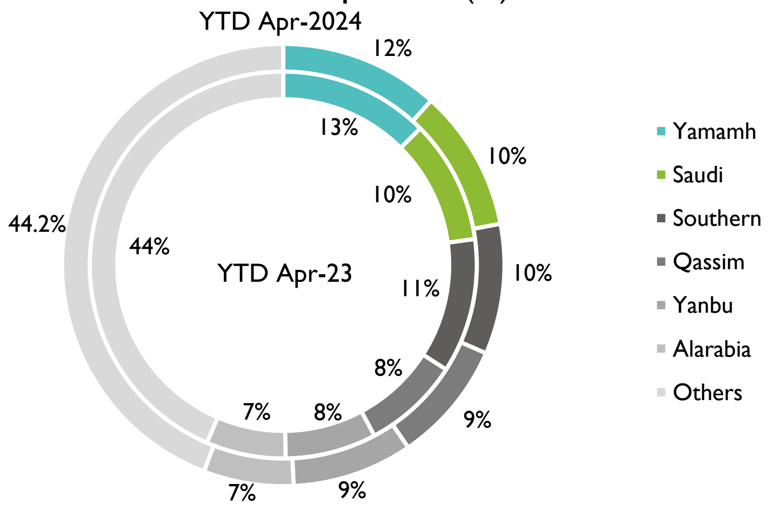
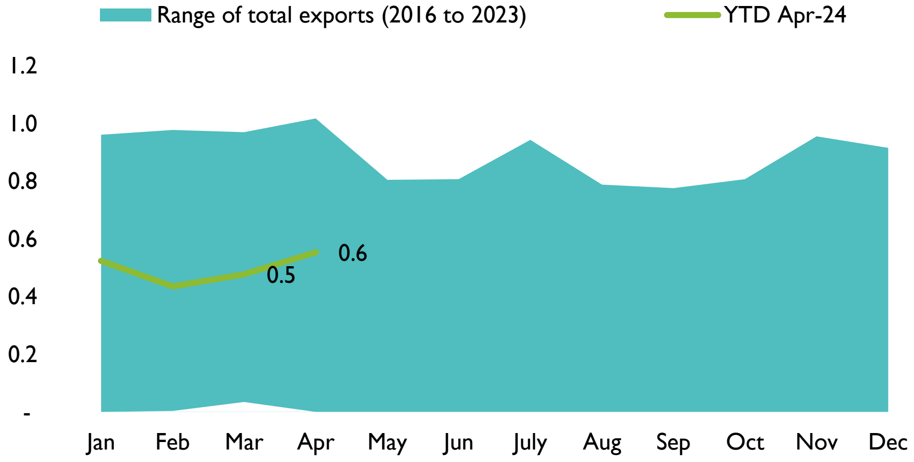
Market Share Comparison (%)



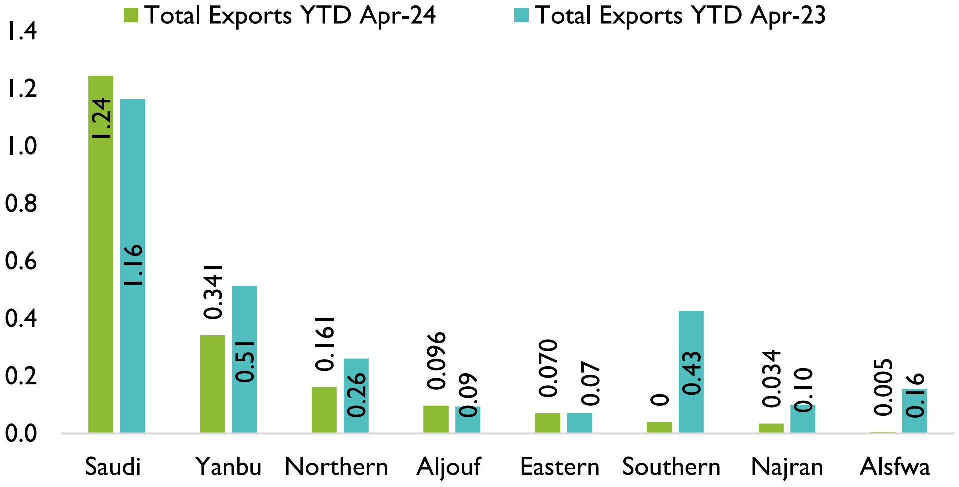
Source: Yamama Cement, Tharaa

Export Dispatches

Exports Dispatches (mnton)



Company-Wise Exports Sales (mnton)



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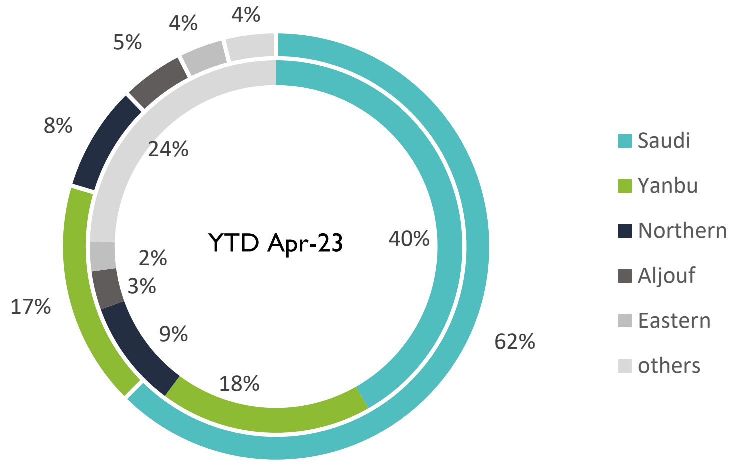
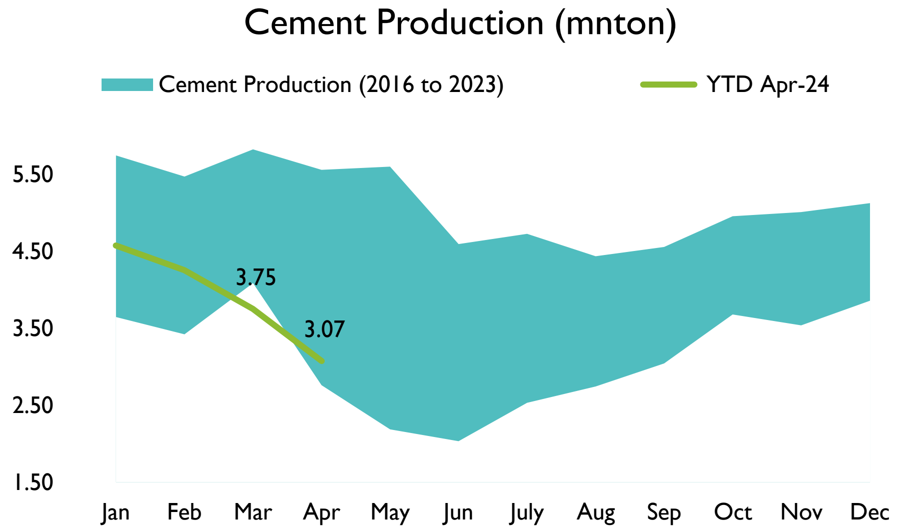
Market Share Comparison (%)

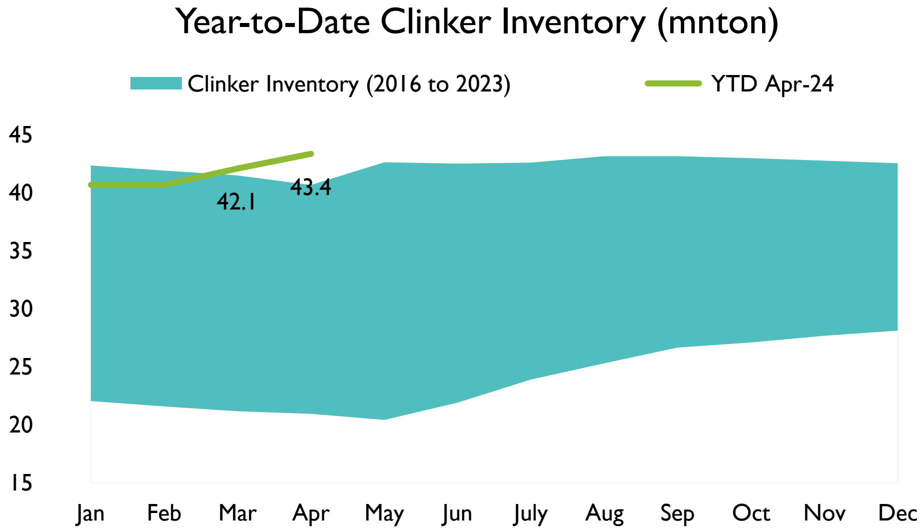
YTD Apr-24



Source: Yamama Cement, Tharaa

Cement Production





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Source: Yamama Cement, Tharaa

Cement Prices change (50kg)

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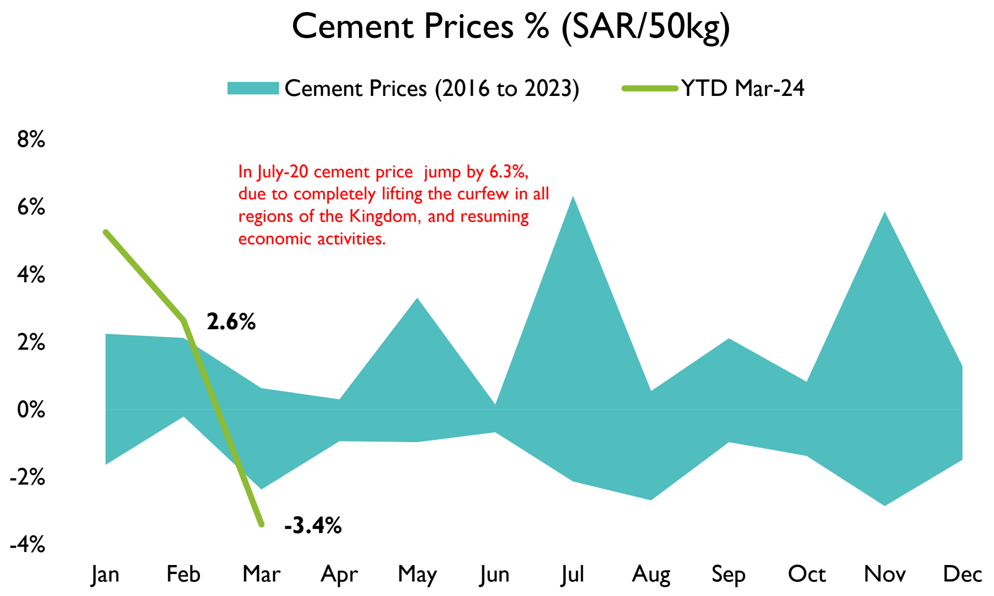

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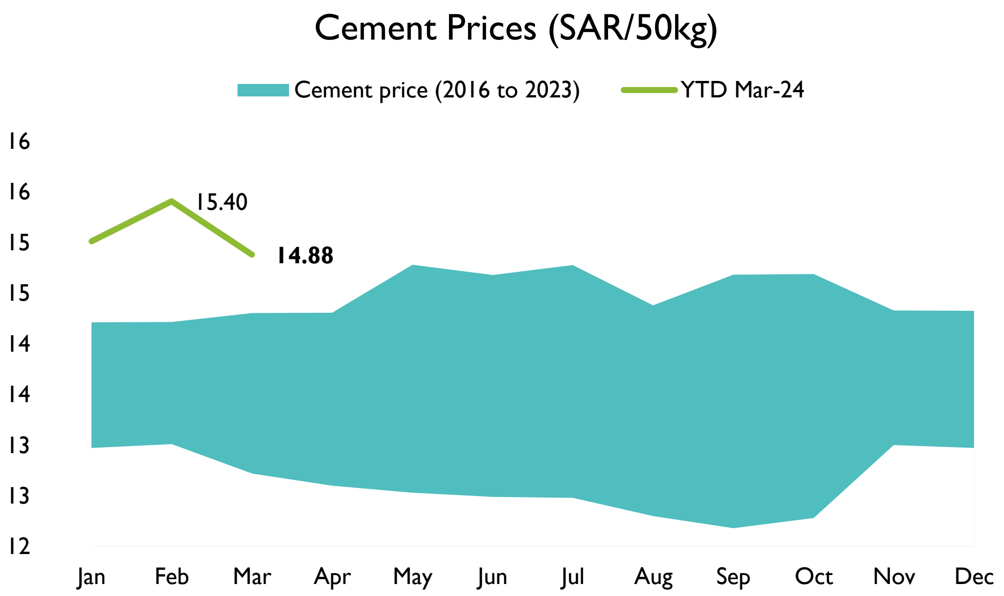

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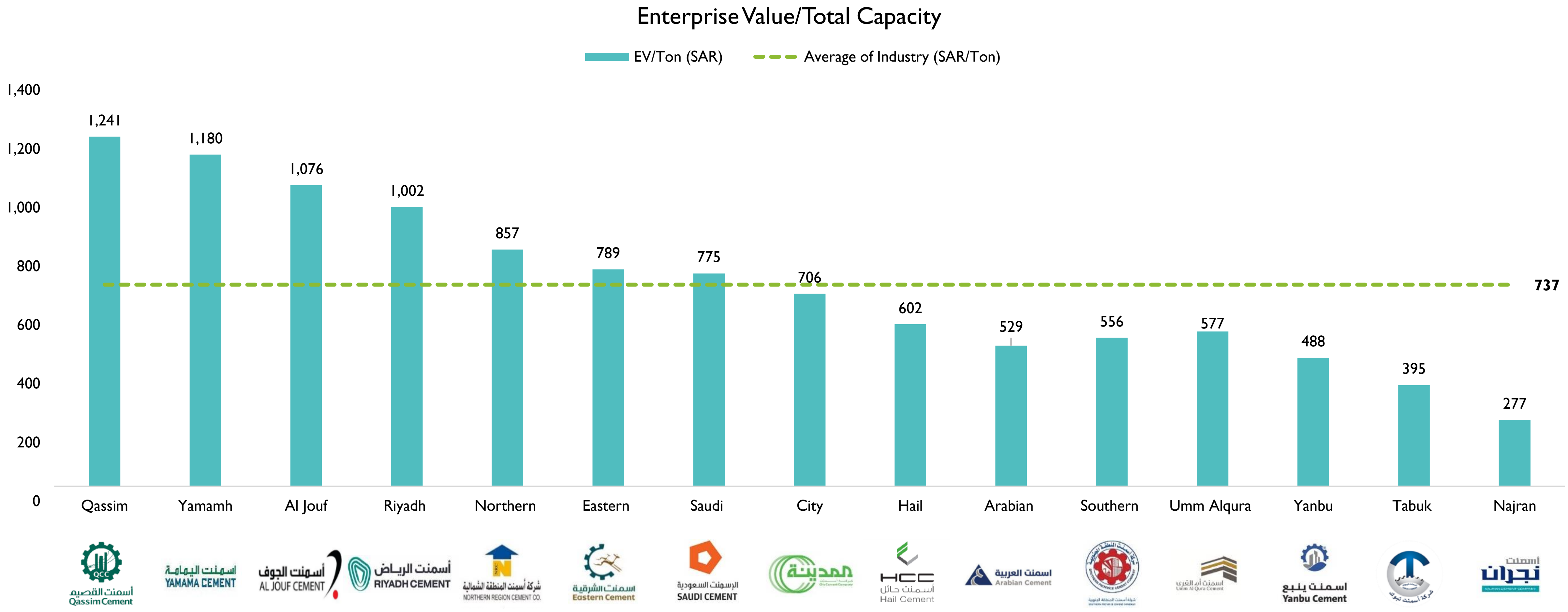
Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton of SAR 1,241, followed by Yamamh Cement with an EV/Ton of SAR 1,180.This can be compared to an average EV/Ton of 737 SAR for sector. Meanwhile, Tabuk Cement (SAR395) and Najran Cement (SAR277) trade at the lowest valuations.



Source: Tadawul (Financial Statements Q3-2023 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 30-4-2024.

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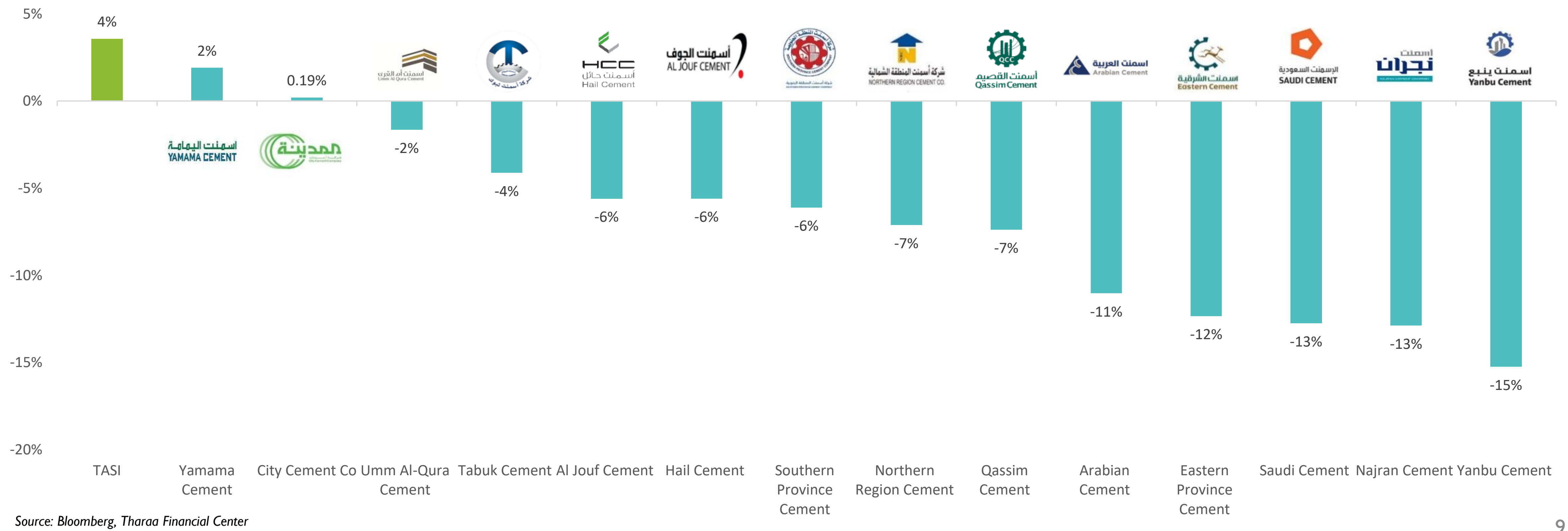
Cement Sector YTD Performance

Except for City Cement and Yamam Cement, all cement companies reported negative returns. TASI, on the other hand, demonstrated positive performance by recording a 4% increase, making it the top performer.



Source: Bloomberg, Tharaa Financial Center
**Mkt Stock Price as closed in 30-04-2024*

Disclaimer

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