# Cement Sector

## Monthly Tracker (August)

*September 2024*

Tharaa Financial Center

# Summary

## Total Sales

Total Cement Sales (local and exports) rose by 0.1% MoM and 1.6% YoY in Aug 2024, reaching 4.65 million tons. On a YTD basis, Company-wise, total sales have fallen by -3.3%.

Saudi Cement Company secured the leading position in total sales within the sector during Aug, outperforming both Yamama and Yanbu.

## Local deliveries

Monthly local dispatches decreased by -2.5% MoM but rose by 2.0% YoY in Aug '24 . On a YTD basis, local deliveries fell by -0.7%.

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

While Yamama Cement managed to maintain its overall leadership position, its market share in local sales fell from 14% in Aug '23 to 12% in Aug '24.

## Exports

Exports dispatches increased by 21% MoM while declining by -1% YoY in Aug '24. On a YTD basis, the total exports have decreased by -24.3%.

The industry's exports stood at 615K tons in August '24, compared to 620K tons in August '23.

Saudi Cement Company recorded the highest market share of exports in August '24 with 61% of the total exports.

## Production

In August '24, cement production fell by -1.1% MoM, but rose by 1.4% on a YoY basis.

Cement inventory showed a decrease of -7.7% on a MoM basis in August '24.

The Clinker inventory increased by 0.7% on a MoM basis, and 13.2% on a YoY basis in August '24.

The capacity utilization for clinker is estimated at 76.9% in August '24 vs. 77.6% in August '23.

## Prices

In August '24, cement prices increased 0.5% on a MoM basis, culminating in an increase of 5.4% YoY.

In August '24, cement prices increased to 15.15 SAR per 50 Kg compared to 14.38 SAR in August '23.

## Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at 1,410 SAR, followed by Riyadh Cement with an EV/Ton of 1,184 SAR. This can be compared to an average EV/Ton of 735 SAR for the sector. Meanwhile, Najran Cement (294 SAR) and Tabuk Cement (274 SAR) trade at the lowest valuations.

All companies in the Cement sector have posted negative returns (YTD), with the most significant declines seen in Yanbu Cement (-30%), Arabian Cement (-25%), and Najran Cement (-23%). In contrast, the Tadawul All Share Index (TASI) has shown a modest positive return of 1% over the same period.

# Total Sales (Local deliveries & Exports)

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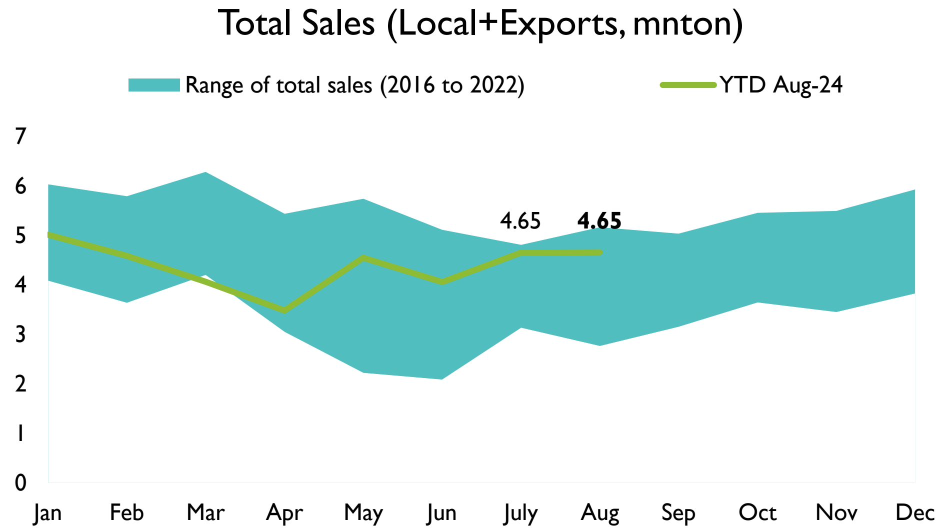
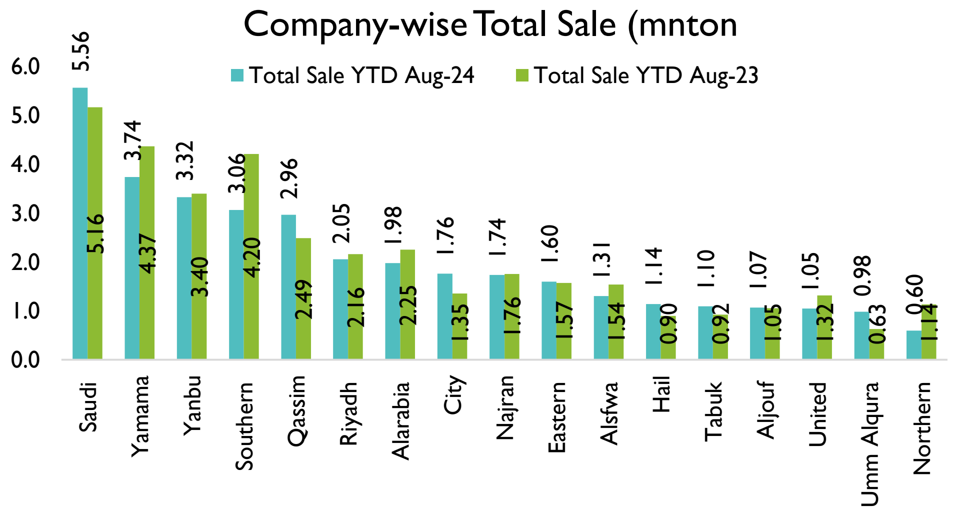
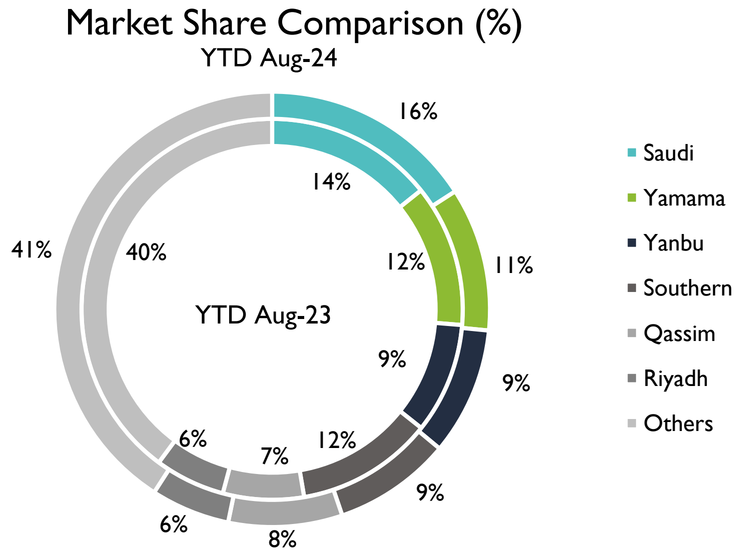



- Total Cement Sales (local and exports) rose by 0.1% MoM and 1.6% YoY in Aug 2024, reaching 4.65 million tons. On a YTD basis, Company-wise, total sales have fallen by -3.3%.
- Saudi Cement Company secured the leading position in total sales within the sector during Aug, outperforming both Yamama and Yanbu.




Source: Yamama Cement, Tharaa

# Local Cement Deliveries

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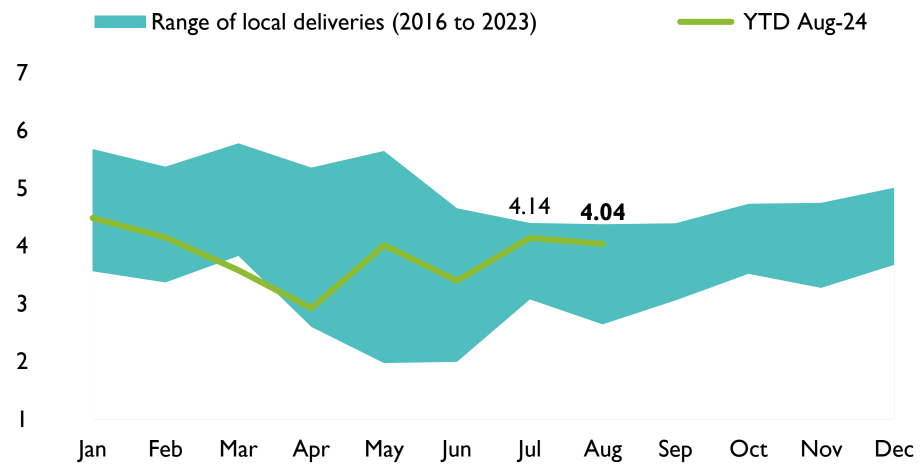
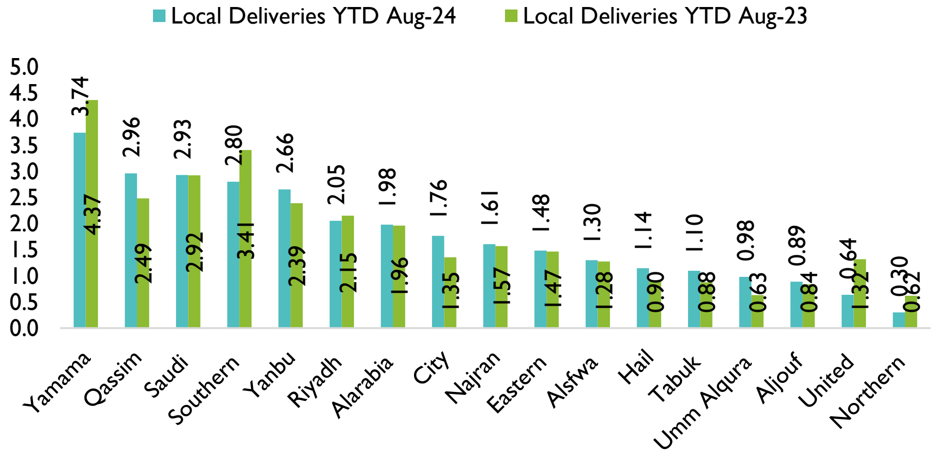
Local Deliveries (mnton)

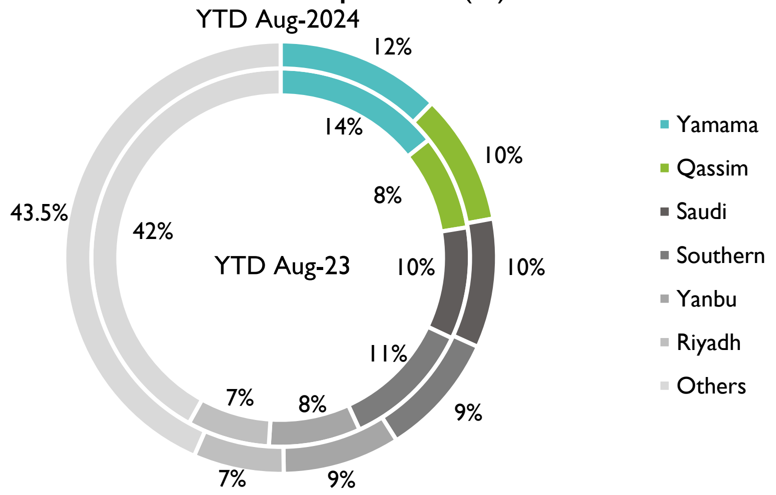



- Monthly local dispatches decreased by -2.5% MoM but rose by 2.0% YoY in Aug '24 . On a YTD basis, local deliveries fell by -0.7%.
- With a 12% market share, Yamama Cement Company topped the sector in local dispatches during Aug '24.
- While Yamama Cement managed to maintain its overall leadership position, its market share in local sales fell from 14% in Aug '23 to 12% in Aug '24.

Company-wise local Deliveries (mnton)



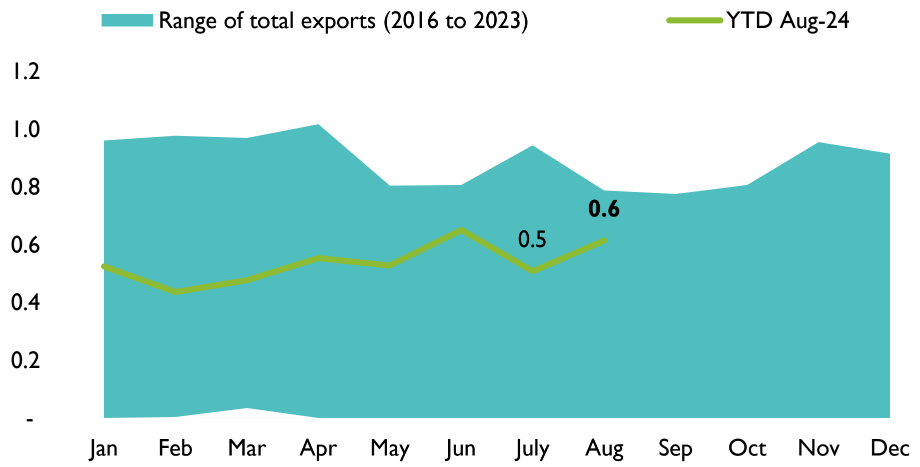

Market Share Comparison (%)




Source: Yamama Cement, Tharaa

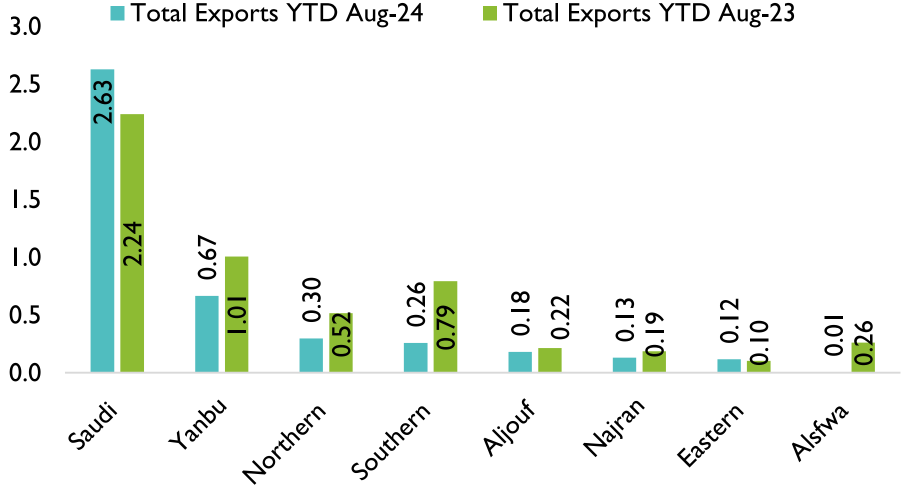
# Export Dispatches

Exports Dispatches (mnton)

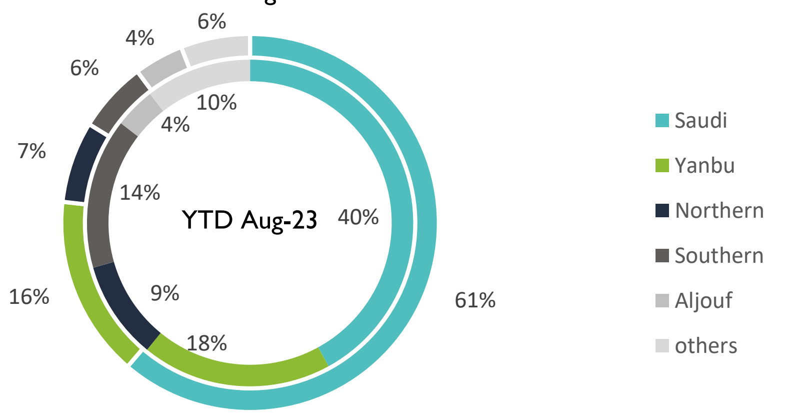



- Exports dispatches increased by 21% MoM while declining by -1% YoY in Aug '24. On a YTD basis, the total exports have decreased by -24.3%.
- The industry's exports stood at 615K tons in August '24, compared to 620K tons in August '23.
- Saudi Cement Company recorded the highest market share of exports in August '24 with 61% of the total exports.

Company-Wise Exports Sales (mnton)

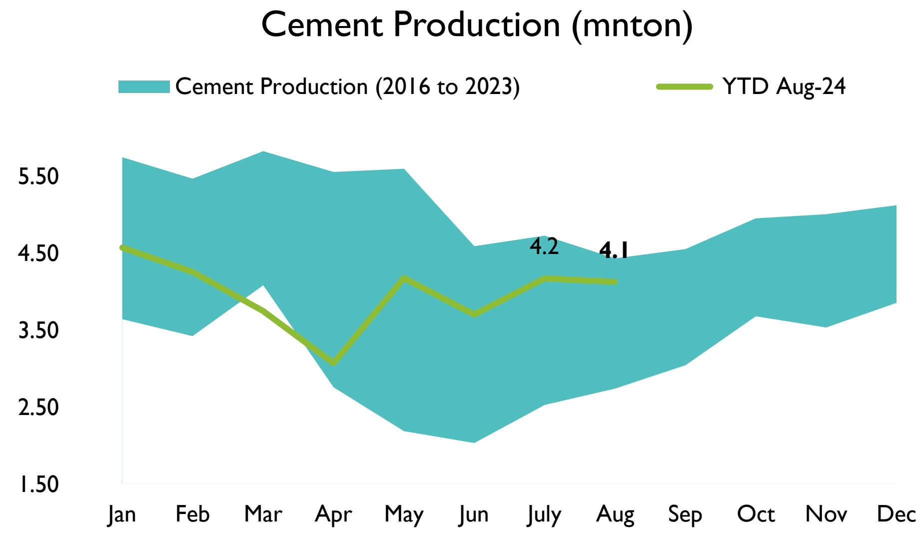



Market Share Comparison (%)




Source: Yamama Cement, Tharaa

# Cement Production

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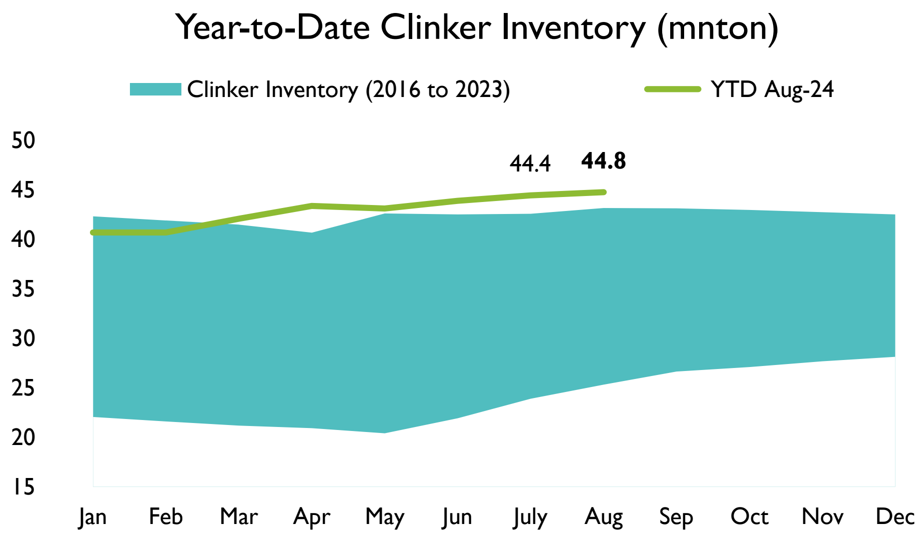
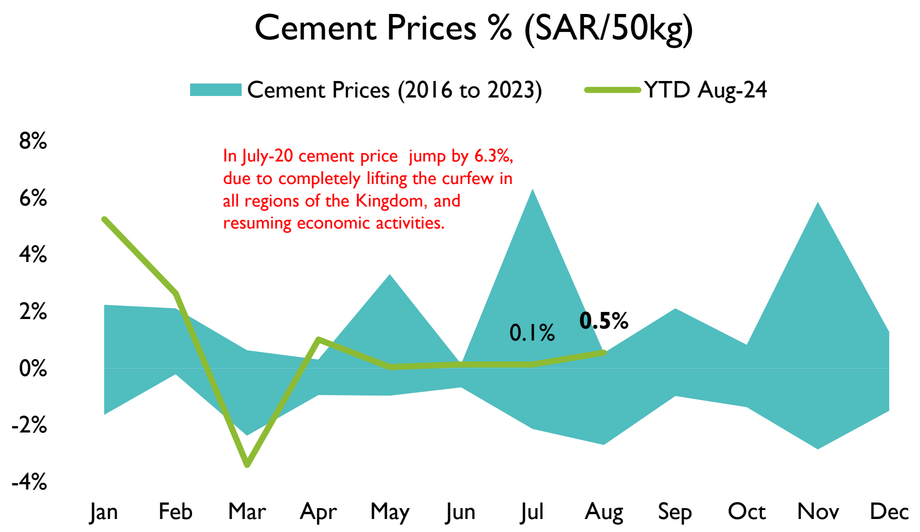
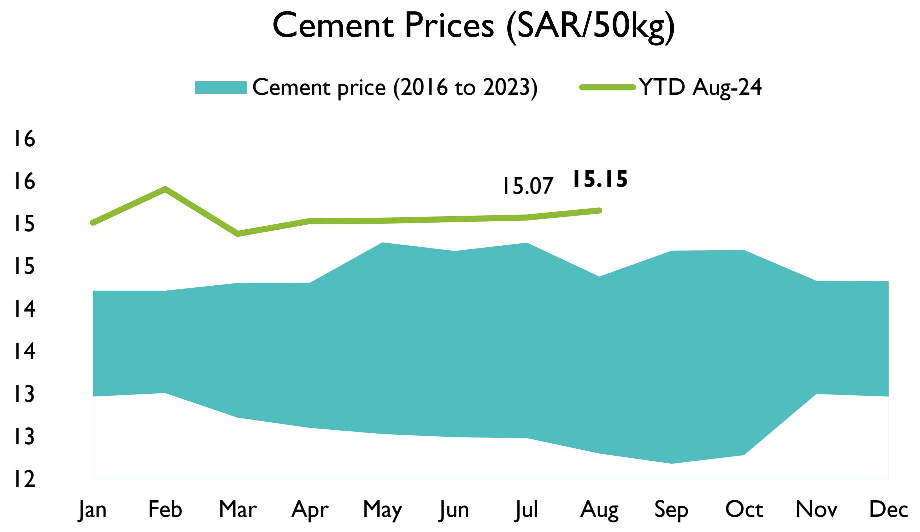



- The Clinker inventory increased by 0.7% on a MoM basis, and 13.2% on a YoY basis in August '24.
- The capacity utilization for clinker is estimated at 76.9% in August '24 vs. 77.6% in August '23.

Source: Yamama Cement, Tharaa

# Cement Prices change (50kg)

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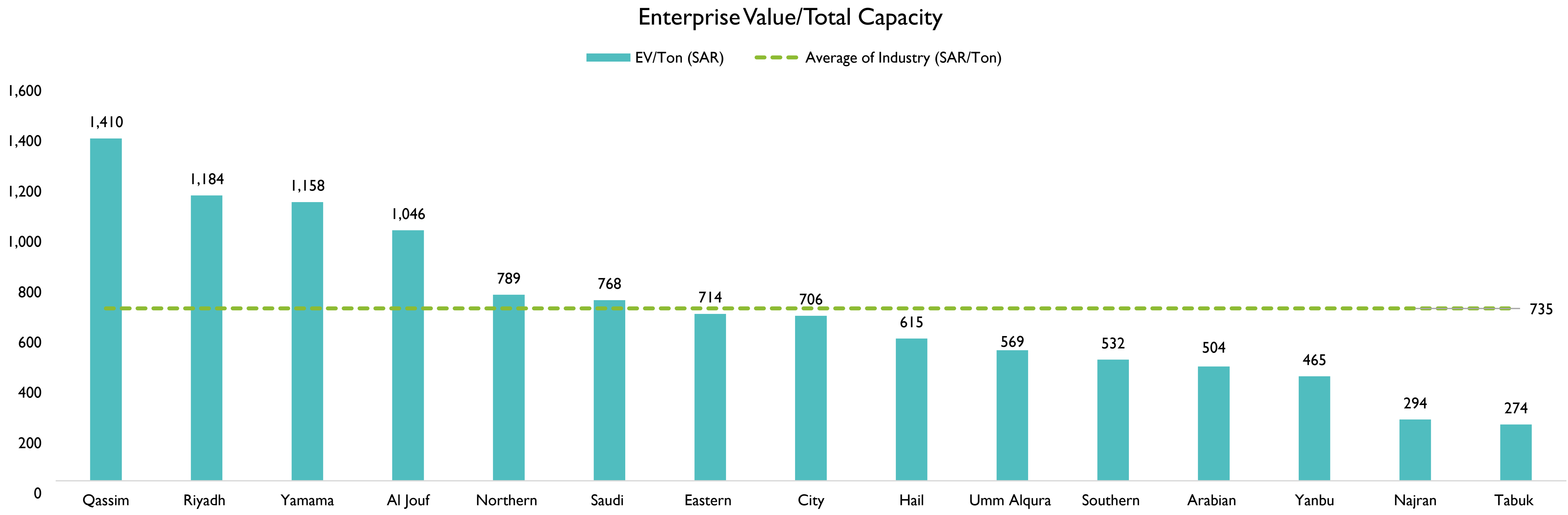
# Enterprise Value/Total Capacity

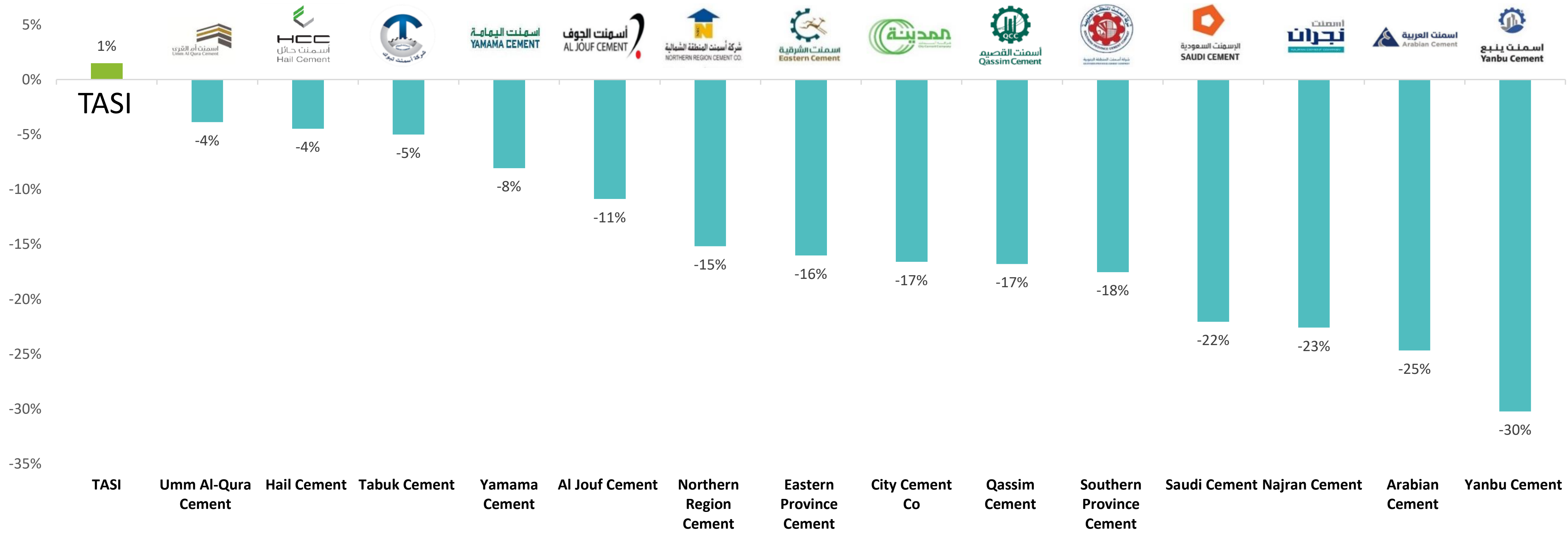
Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at 1,410 SAR, followed by Riyadh Cement with an EV/Ton of 1,184 SAR. This can be compared to an average EV/Ton of 735 SAR for the sector. Meanwhile, Najran Cement (294 SAR) and Tabuk Cement (274 SAR) trade at the lowest valuations.




*Source: Tadawul (Financial Statements Q2-2024 reports), Tharaa*
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
*Mkt Stock Price as closed in 30-6-2024.*

# Cement Sector YTD Performance

All companies in the Cement sector have posted negative returns (YTD), with the most significant declines seen in Yanbu Cement (-30%), Arabian Cement (-25%), and Najran Cement (-23%). In contrast, the Tadawul All Share Index (TASI) has shown a modest positive return of 1% over the same period.




*Source: Bloomberg, Tharaa Financial Center*
**Mkt Stock Price as closed in 29-08-2024*

# Disclaimer

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# Contact Info

Tharaa Financial Center
011 494 8899
info@tharaafc.com
www.tharaafc.com
Building 105
Prince Sultan University
Rafha Street, Riyadh
Kingdom of Saudi Arabia