Cement Sector

Monthly Tracker (July)

August 2024

Tharaa
Financial
Center

Summary

Tharaa Financial Center

Total Sales

Total cement sales (local and exports) rose by 14.8% MoM but dropped by 3.1% YoY in July 2024, reaching 4.65 million tons. On a YTD, total sales have increased by 13.1%.

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

Local deliveries

Monthly local dispatches rose by 21.8% MoM (7.4% YoY) in July '24 . On a YTD basis, local deliveries fell by -0.6%.

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

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

Exports

Exports dispatches declined by -22% MoM (-46% YoY) in July '24. On a YTD basis, the total exports have decreased by -27.2%.

The industry's exports stood at 508K tons in July '24, compared to 944K tons in June '23.

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

Production

In July '24, cement production rose by 12.7% MoM, and 5.0% on a YoY basis.

Cement inventory showed a decrease of -13.1% on a MoM basis in July '24.

The Clinker inventory increased by 1.3% on a MoM basis, and 13.8% on a YoY basis in July '24.

The capacity utilization for clinker is estimated at 77.5% in July '24 vs. 82.1% in July '23.

Prices

In July '24, cement prices increased 0.1% on a MoM basis, culminating in an increase of 2% YoY.

In July '24, cement prices increased to 15.07 SAR per 50 Kg compared to 14.78 in July '23.

Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at SAR 1,410, followed by Riyadh Cement with an EV/Ton of SAR 1,184. This can be compared to an average EV/Ton of 735 SAR for the sector. Meanwhile, Najran Cement (SAR294) and Tabuk Cement (SAR274) 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 (-31%), Arabian Cement (-27%), and Najran Cement (-26%). 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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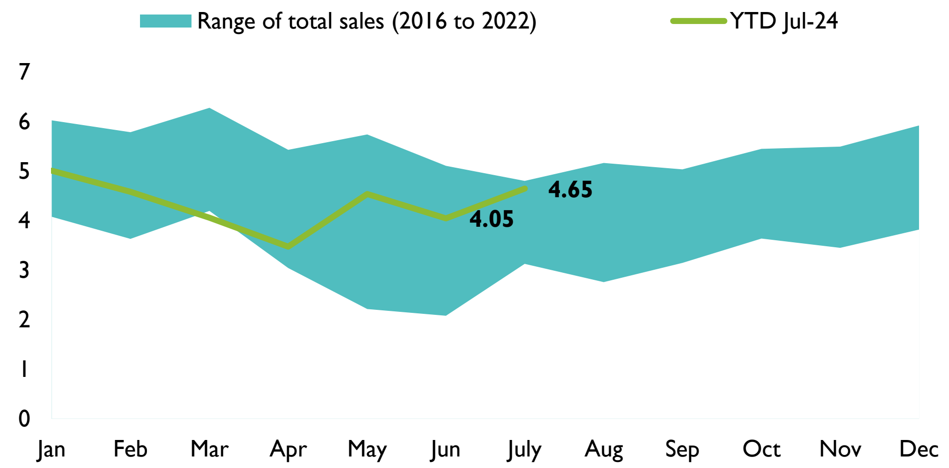
Total Sales (Local+Exports, mnton)



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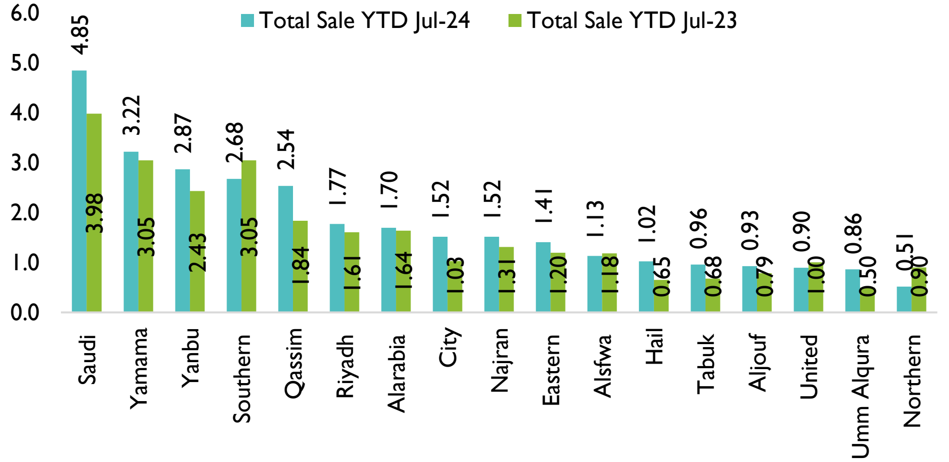
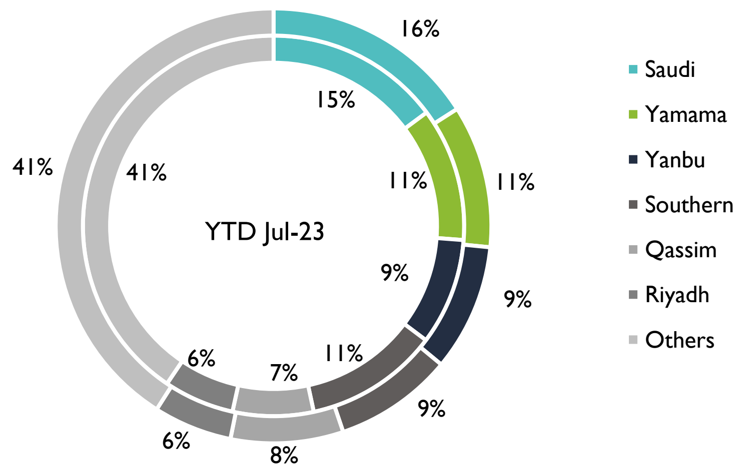
- Saudi Cement Company secured the leading position in total sales within the sector during July, outperforming both Yamama and Yanbu.

Company-wise Total Sale (mnton



Market Share Comparison (%)

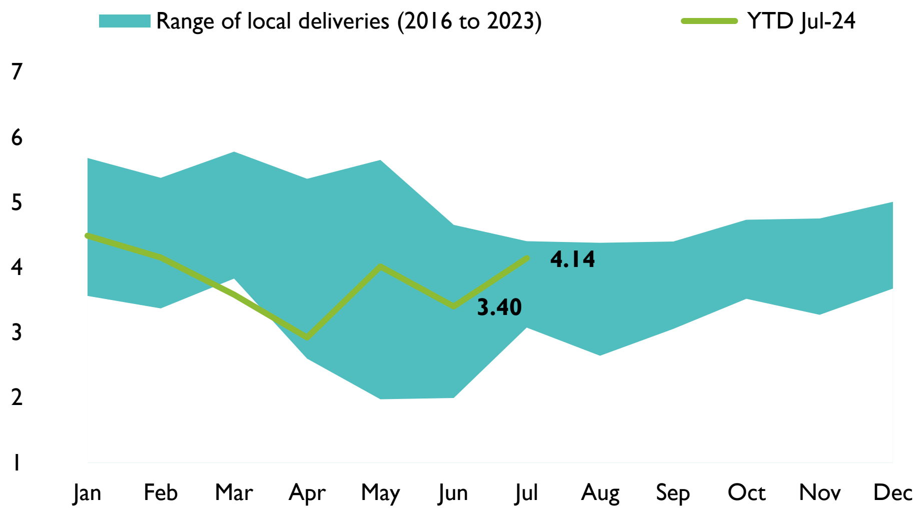
YTD Jul-24



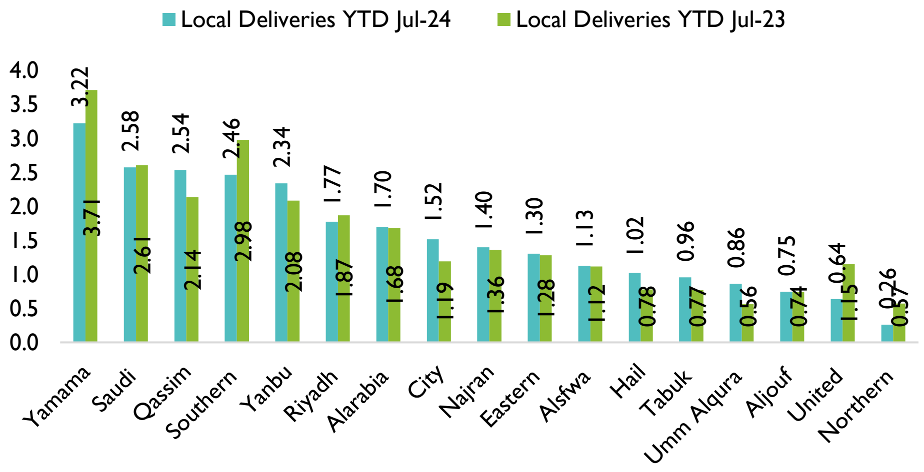
Source: Yamama Cement, Tharaa

Local Cement Deliveries

Local Deliveries (mnton)



Company-wise local Deliveries (mnton)



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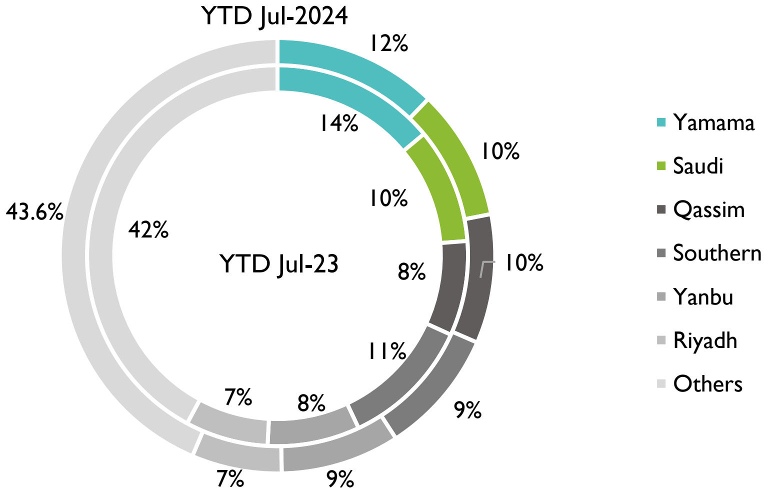
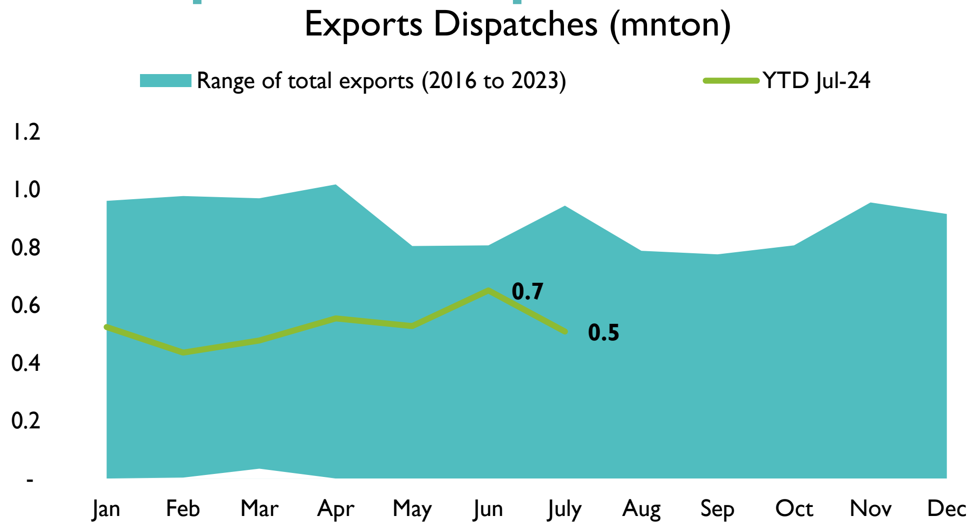


Source: Yamama Cement, Tharaa

Export Dispatches



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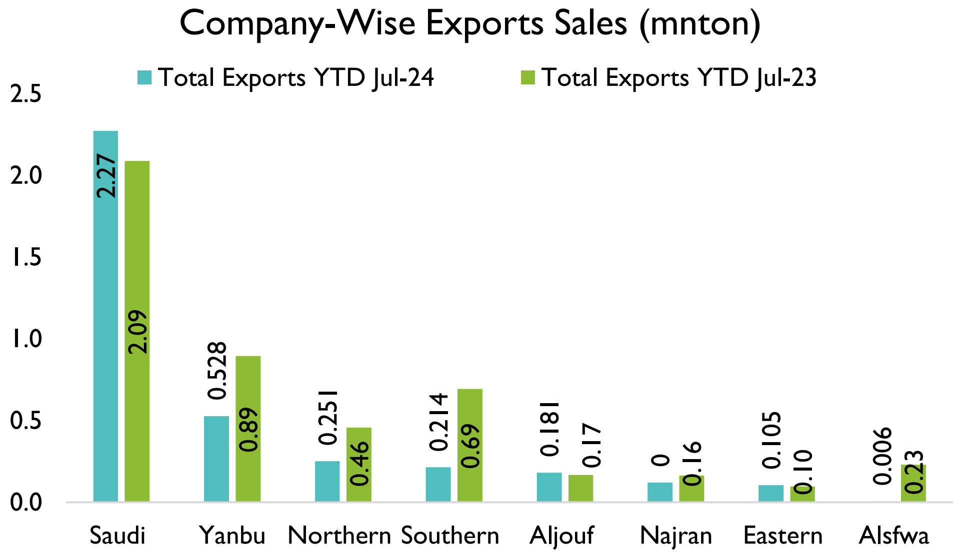
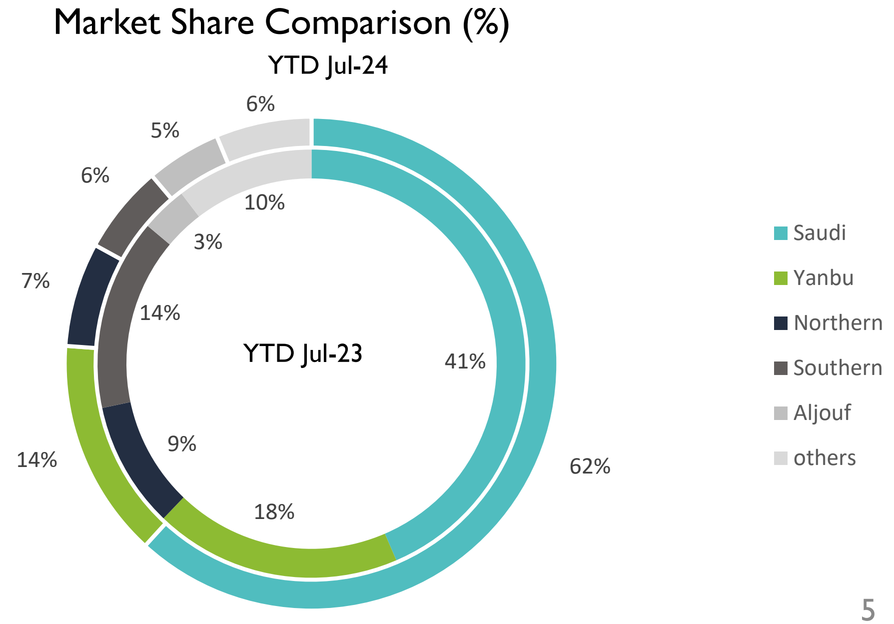
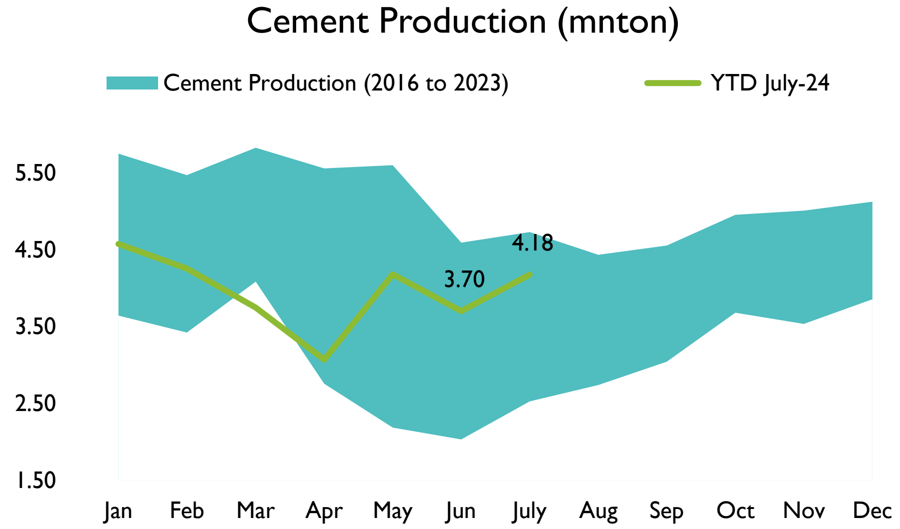
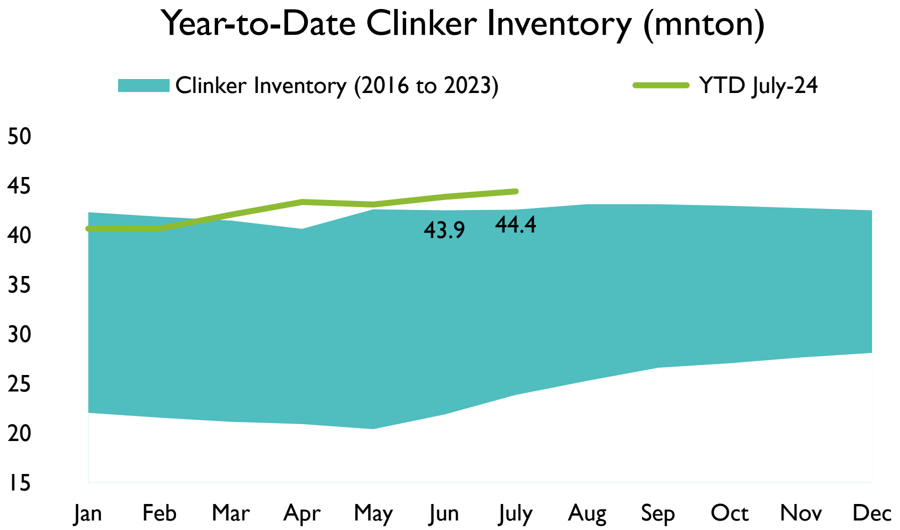




Source: Yamama Cement, Tharaa

Cement Production





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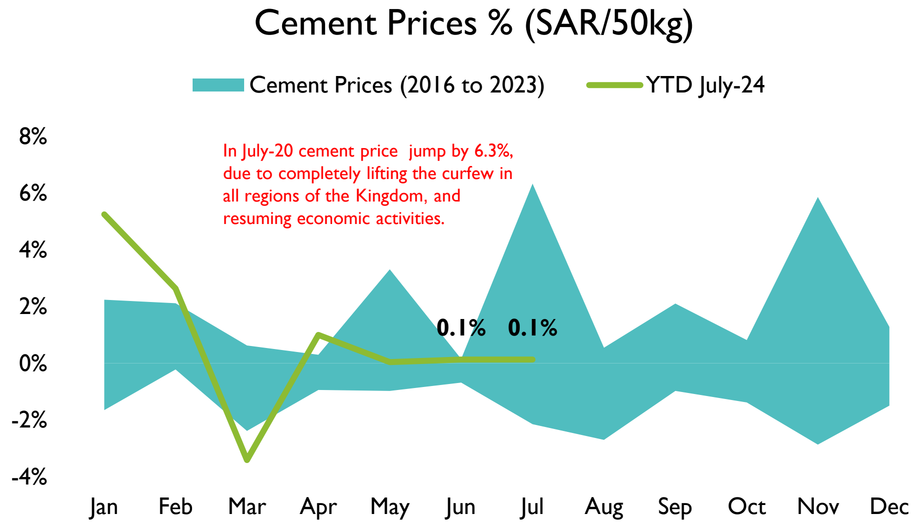
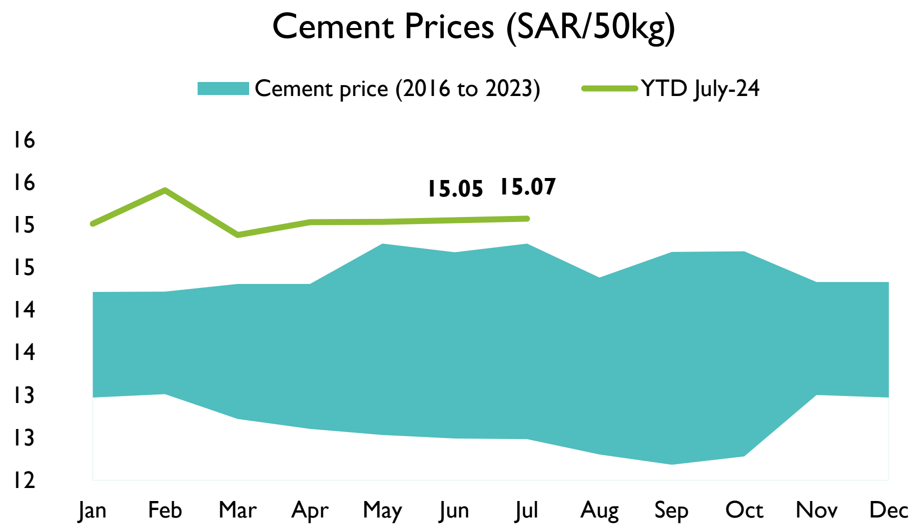
Source: Yamama Cement, Tharaa

Cement Prices change (50kg)



- In July '24, cement prices increased 0.1% on a MoM basis, culminating in an increase of 2% YoY.



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Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

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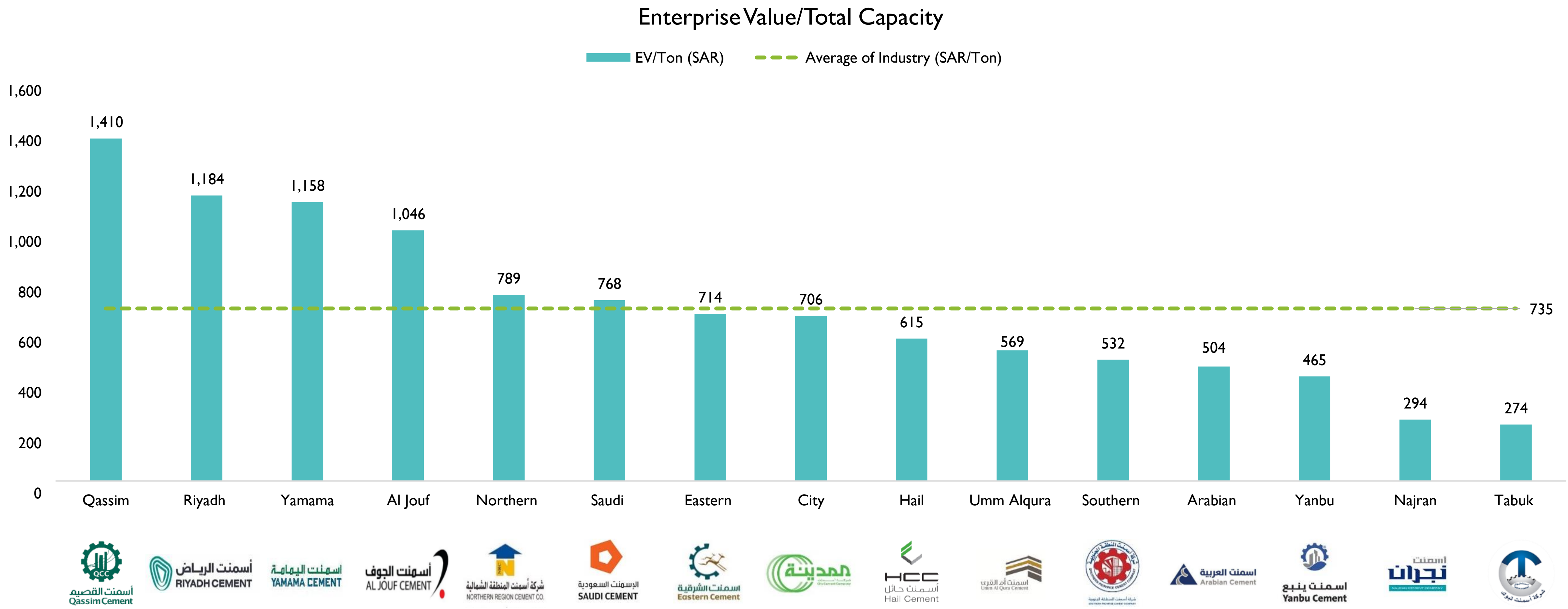
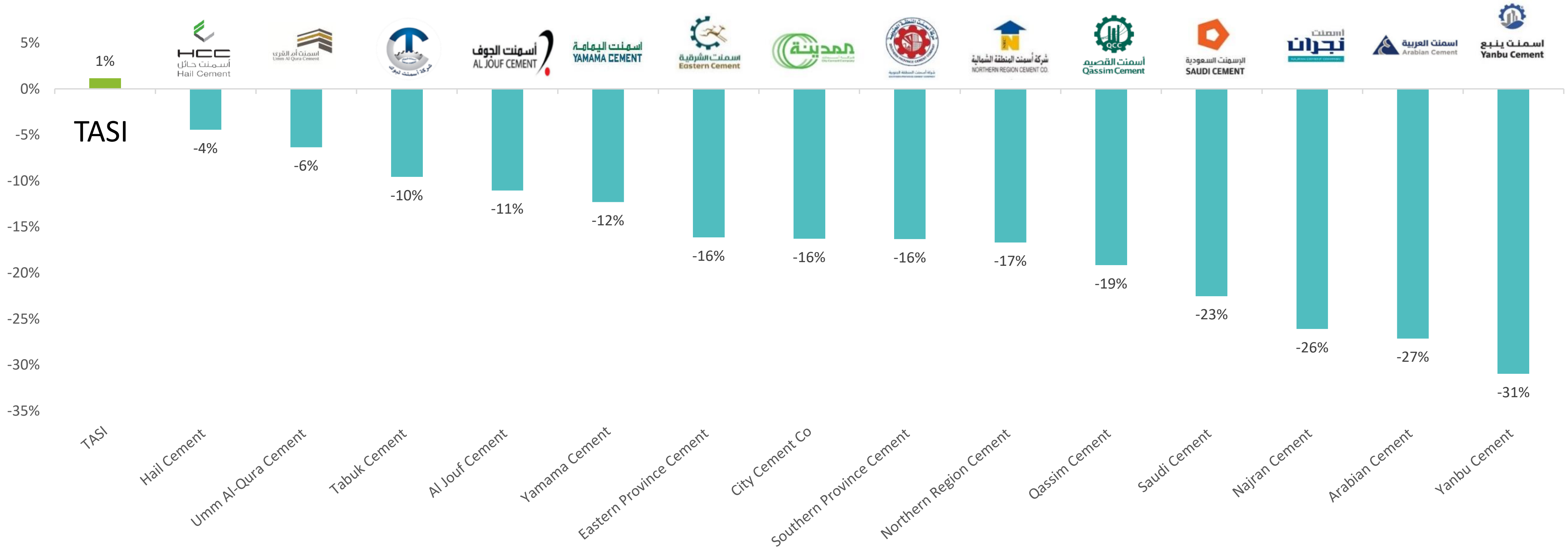


Source: Tadawul (Financial Statements Q2-2024 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 30-6-2024.

Cement Sector YTD Performance

All companies in the Cement sector have posted negative returns (YTD), with the most significant declines seen in Yanbu Cement (-31%), Arabian Cement (-27%), and Najran Cement (-26%). 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 21-08-2024*

Disclaimer

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