Cement Sector

Monthly Tracker (March)

April 2024

Tharaa
Financial
Center

Summary

Tharaa Financial Center

Total Sales

Total cement sales (Local+exports) dropped by -11.5% MoM (-18.3% YoY) in Mar '24 to reach 4.0 mn 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 March, outperforming both Yanbu and Yamamh.

Local deliveries

Monthly local dispatches declined by -13.7% MoM (-14.1% YoY) in Mar '24 . On a YTD basis, local deliveries fell by -3.6%.

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

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

Exports

Exports dispatches increased by 10% MoM while dropped -40% on YoY in Mar '24. On a YTD basis, the total exports have decreased by -32%.

The industry's exports stood at 477K tons in March'24, compared to 795K tons in March'23.

Saudi Cement Company recorded the highest market share of exports in Mar '24 with 60% of the total exports.

Production

In Mar '24, cement production showed a decline of -11.9% MoM, and -17.8% on a YoY basis.

Cement inventory showed a rise of 6.8% on a MoM basis in Mar '24.

The Clinker inventory increased by 3.5% on a MoM basis and by 19.7% on a YoY basis in Mar '24.

The capacity utilization for clinker is estimated at 58% in Mar '24 vs. 79.7% in Mar '23.

Prices

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

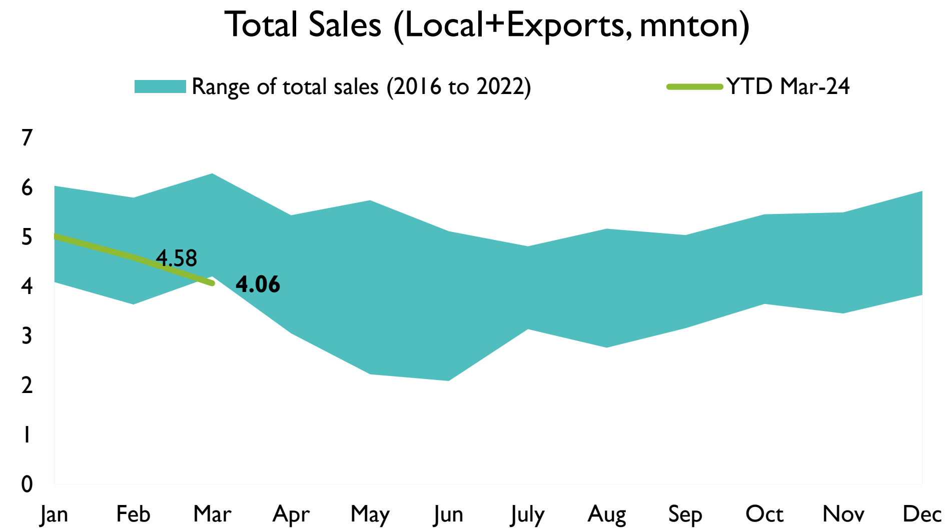
In Mar '24, cement prices increased to 14.88 compared to 14.30 in Mar '23.

Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton of SAR 1,231, followed by Yamamh Cement with an EV/Ton of SAR 1,128.This can be compared to an average EV/Ton of 733 SAR for sector. Meanwhile, Tabuk Cement (SAR395) and Najran Cement (SAR283) trade at the lowest valuations.

All fourteen cement companies posted negative returns, with Yanbu Cement and Umm Al-Qura ranking at the bottom with a performance of -13% and -14%, respectively. TASI emerged as the best performer, with 4% up.

Total Sales (Local deliveries & Exports)



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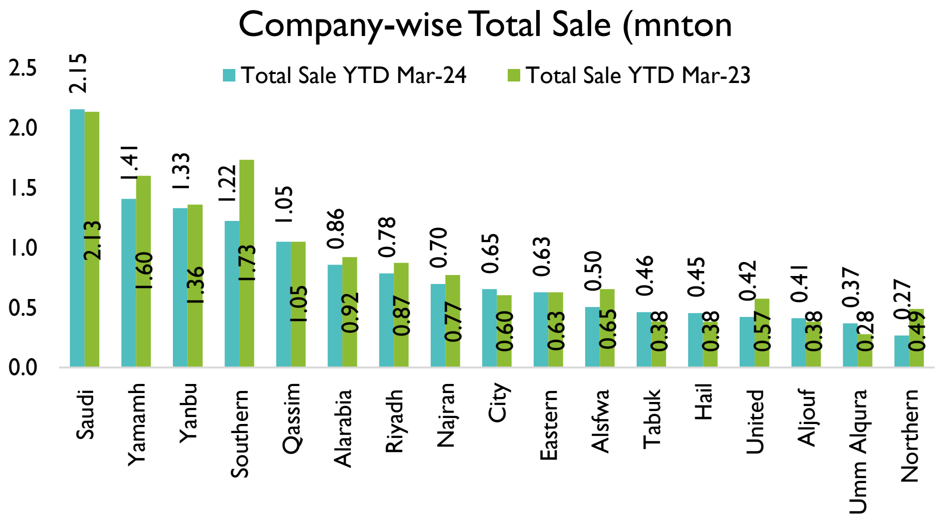
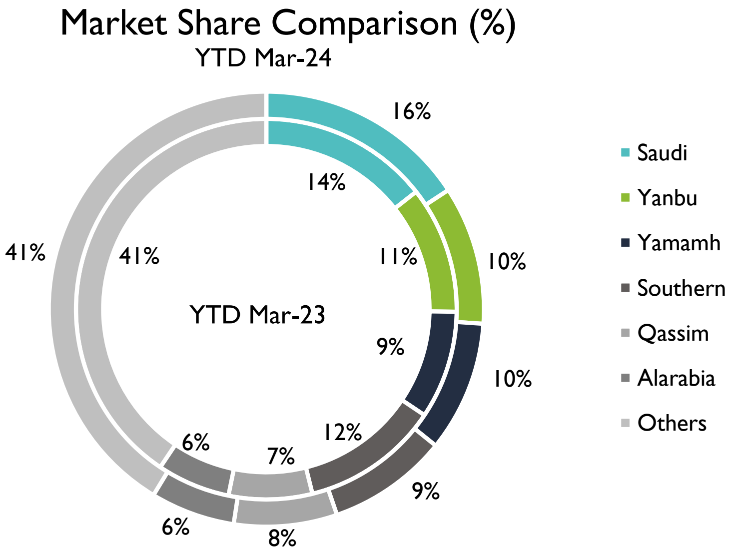
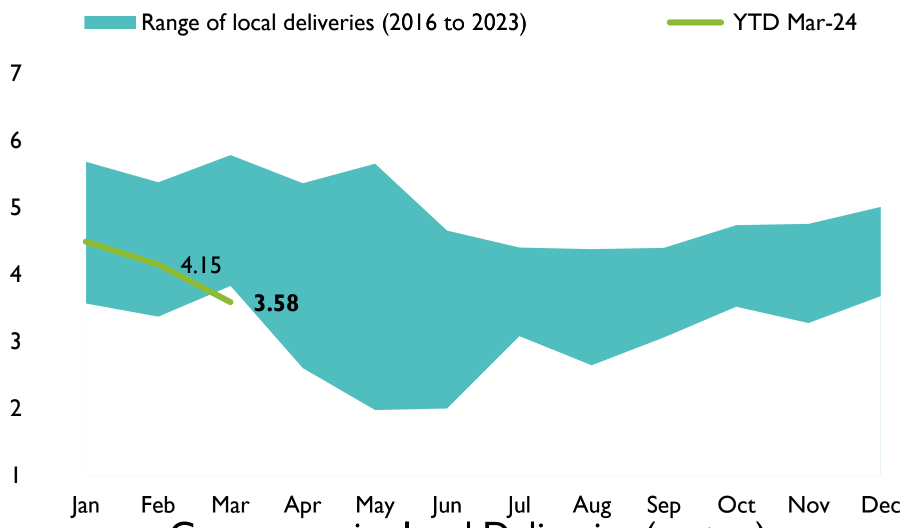




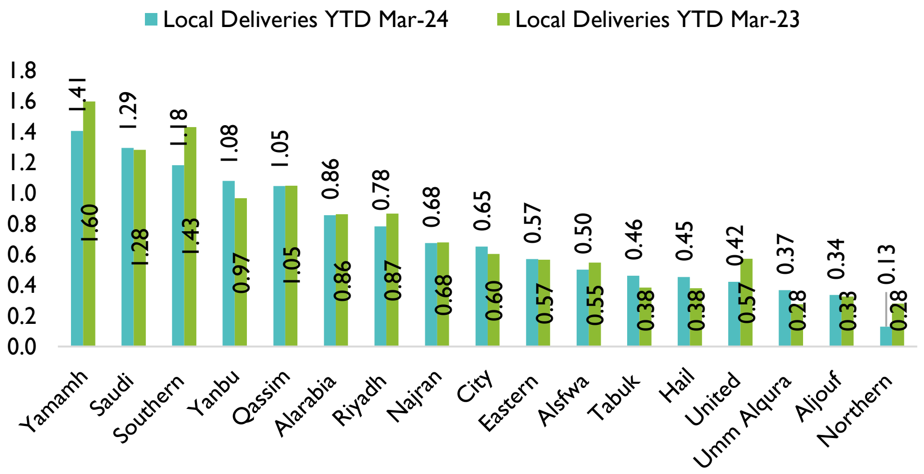
Source: Yamama Cement, Tharaa

Local Cement Deliveries

Local Deliveries (mnton)



Company-wise local Deliveries (mnton)



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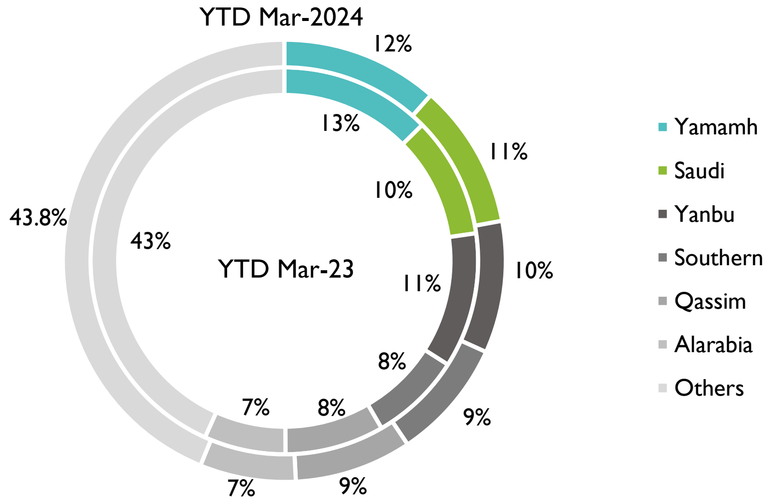
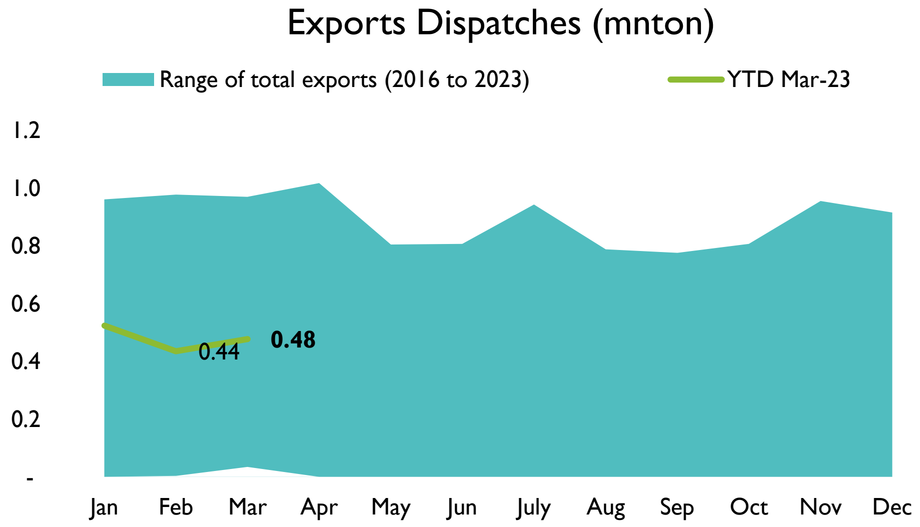
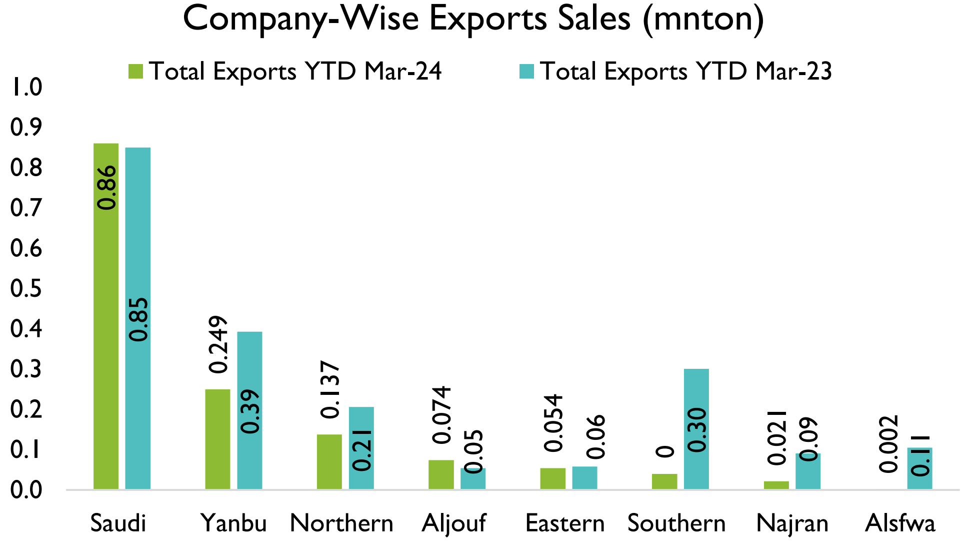
Market Share Comparison (%)



Source: Yamama Cement, Tharaa

Export Dispatches





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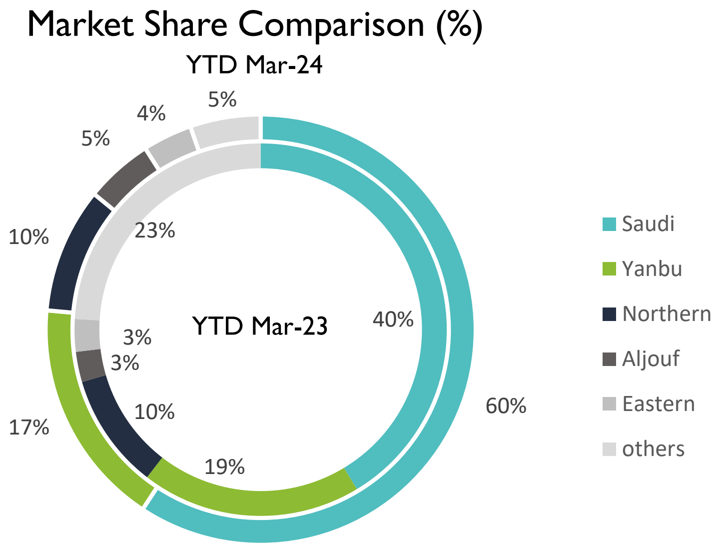
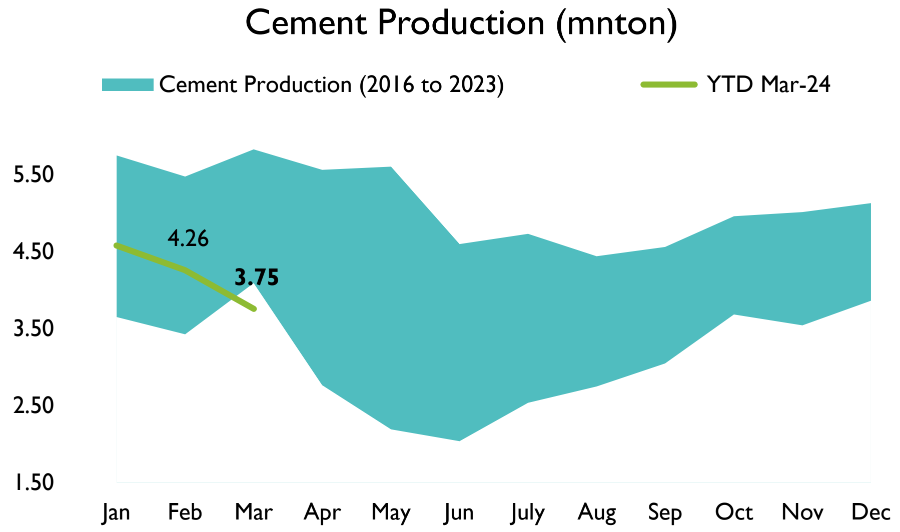
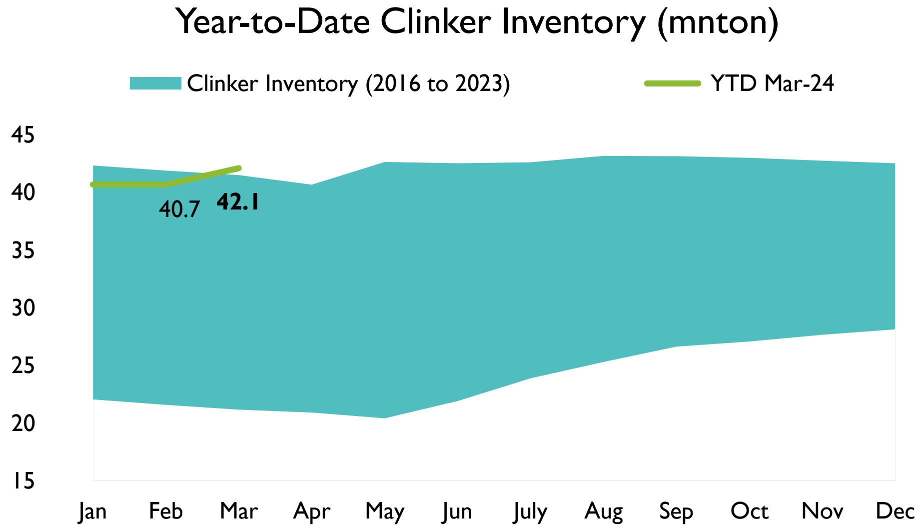


Source: Yamama Cement, Tharaa

Cement Production





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Source: Yamama Cement, Tharaa

Cement Prices change (50kg)

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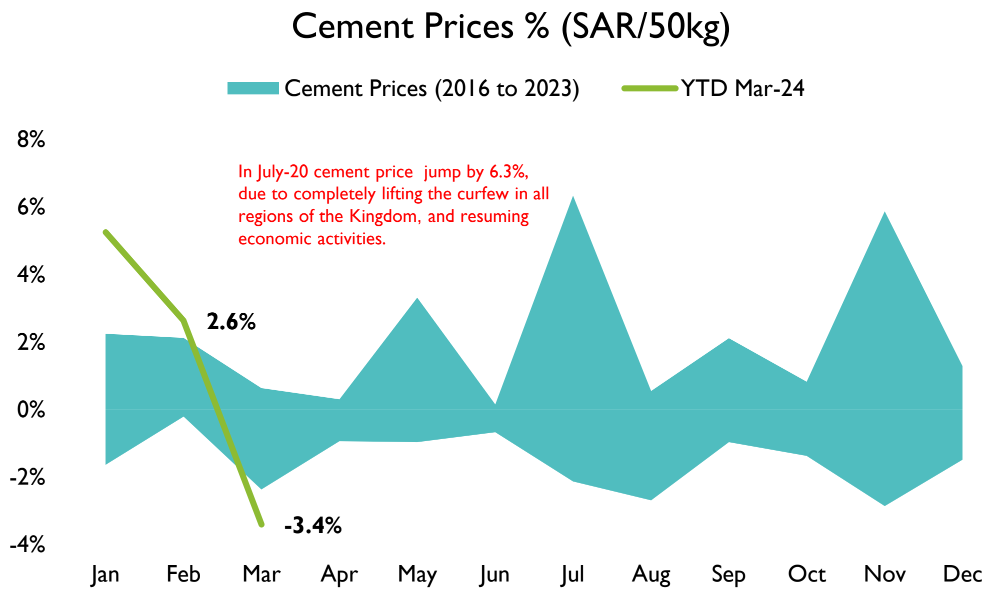

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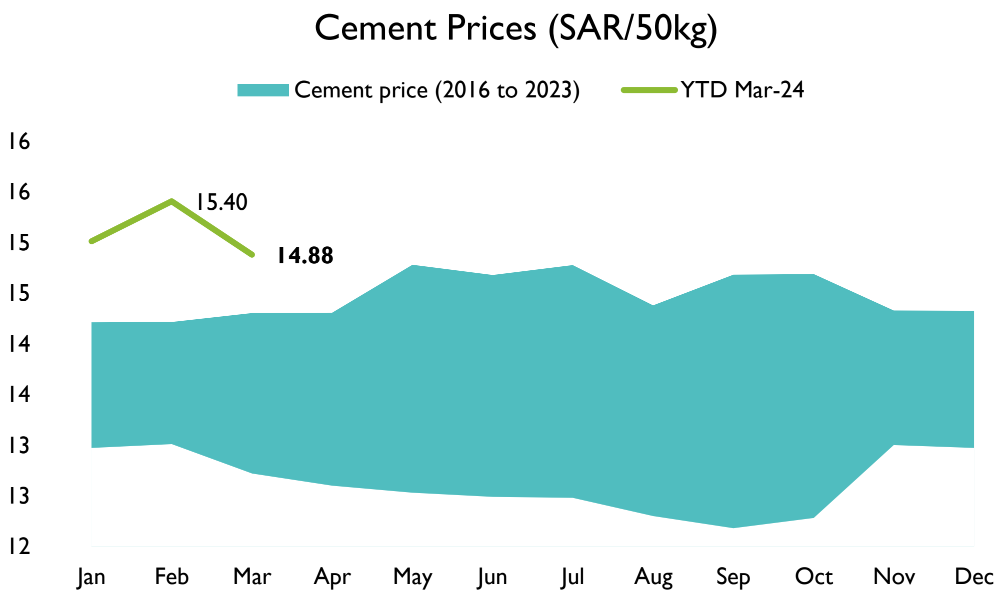

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Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

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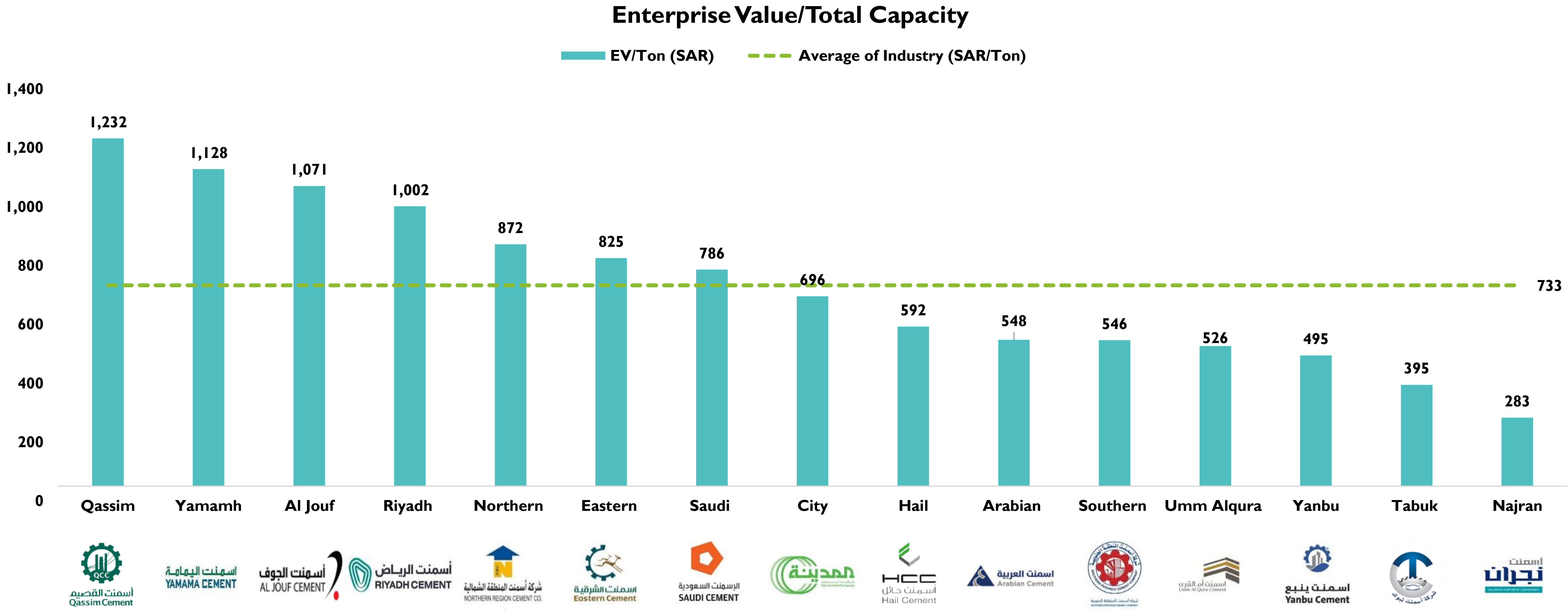
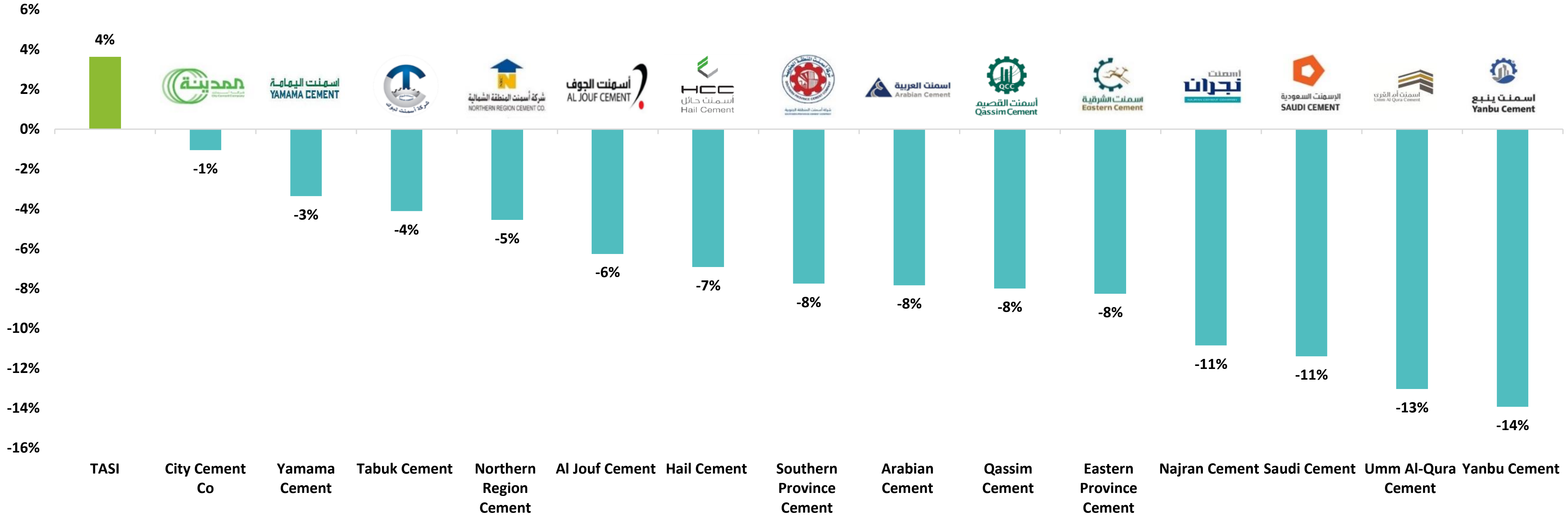


Source: Tadawul (Financial Statements Q3-2023 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 31-1-2024.

Cement Sector YTD Performance

All fourteen cement companies posted negative returns, with Yanbu Cement and Umm Al-Qura ranking at the bottom with a performance of -13% and -14%, respectively. TASI emerged as the best performer, with 4% up.



Source: Bloomberg, Tharaa Financial Center
*Mkt Stock Price as closed in 31-01-2024

Disclaimer

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