Cement Sector

Monthly Tracker (May)

July 2024

Tharaa Financial Center

Summary

Total Sales

Total cement sales (Local+Exports) gained by 30.6% MoM but dropped -1.3% YoY in May '24 to reach 4.54mn tons. On a YTD basis, total sales have deceased by -4.8%.

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

Local deliveries

Monthly local dispatches rose by 37.3% MoM (1.9% YoY) in May '24 . On a YTD basis, local deliveries fell by -0.3%.

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

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

Exports

Exports dispatches decreased by -5% MoM (-20% YoY) in May '24. On a YTD basis, the total exports have decreased by -29%.

The industry's exports stood at 528K tons in May '24, compared to 663K tons in May '23.

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

Production

In May '24, cement production showed an increase of 36.1% MoM, and 2.3% on a YoY basis.

Cement inventory showed a decrease of -0.8% on a MoM basis in May '24.

The Clinker inventory decreased by -0.6% on a MoM basis while rising by 14.5% on a YoY basis in May '24.

The capacity utilization for clinker is estimated at 66.2% in May '24 vs. 82.8% in May '23.

Prices

In May '24, cement prices increased 0.04% on a MoM basis, culminating in an increase of 1.7% YoY.

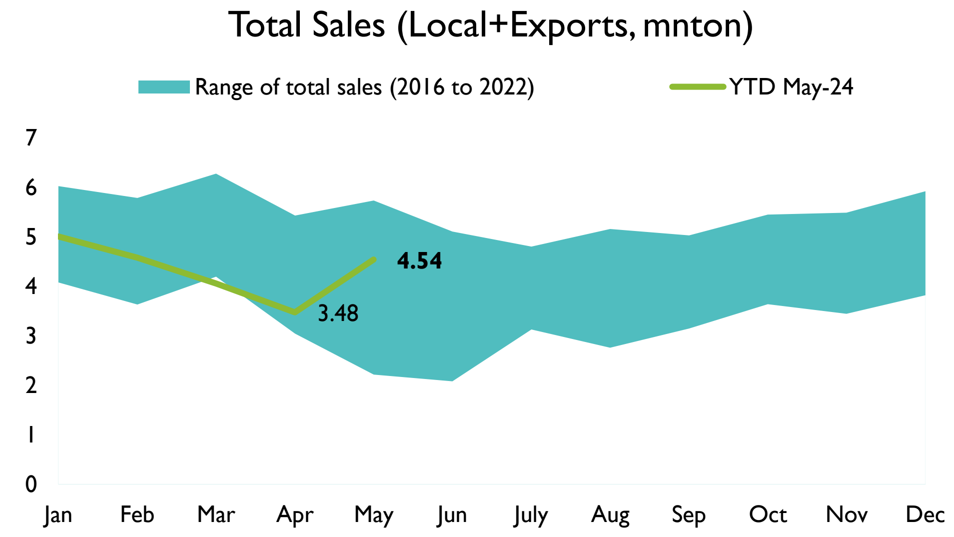
In May '24, cement prices increased to 15.03 SAR per 50 Kg compared to 14.78 in May '23.

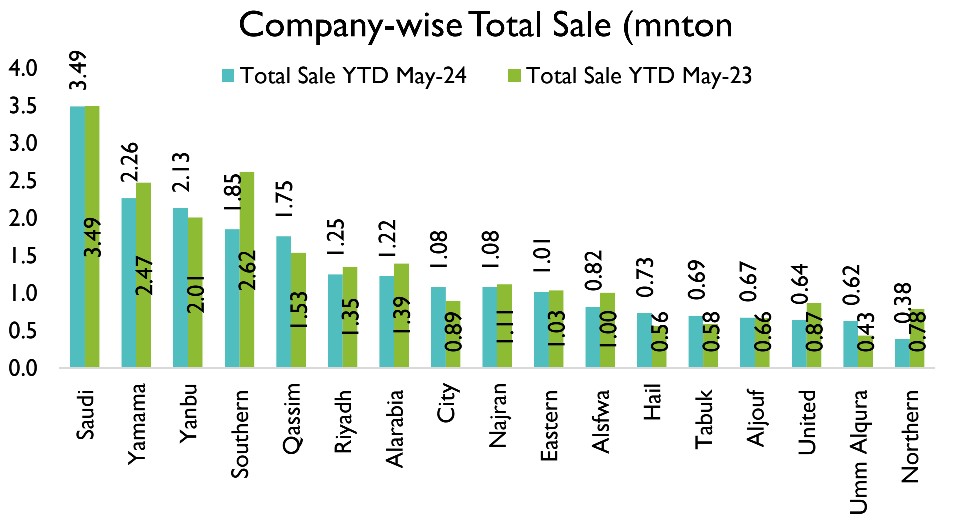
Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at SAR 1,189, followed by Yamama Cement with an EV/Ton of SAR 1,128. This can be compared to an average EV/Ton of 710 SAR for the sector. Meanwhile, Tabuk Cement (SAR376) and Najran Cement (SAR254) trade at the lowest valuations.

All cement companies reported negative returns YTD. TASI, on the other hand, registered a positive return with a 4% increase as it outperformed the entire sector.

Total Sales (Local deliveries & Exports)





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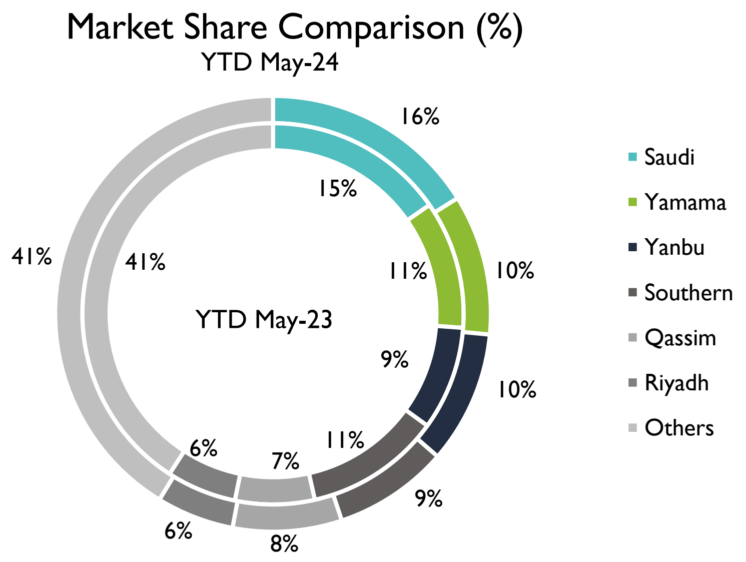
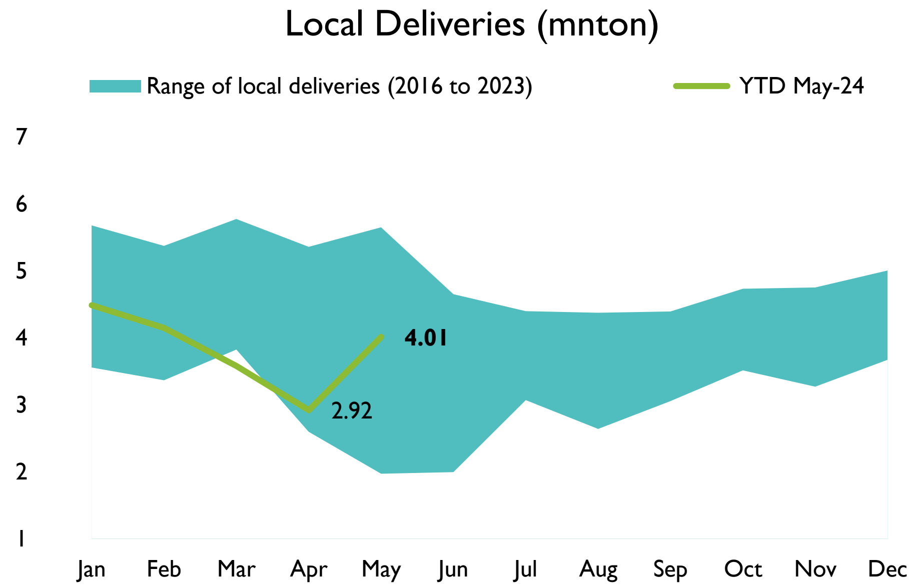


Source: Yamama Cement, Tharaa

Local Cement Deliveries

Tharaa Financial Center



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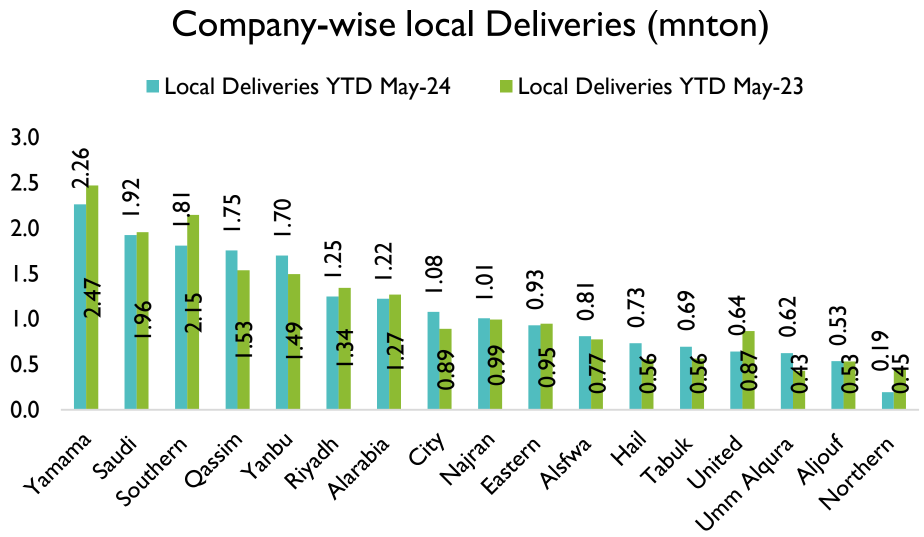
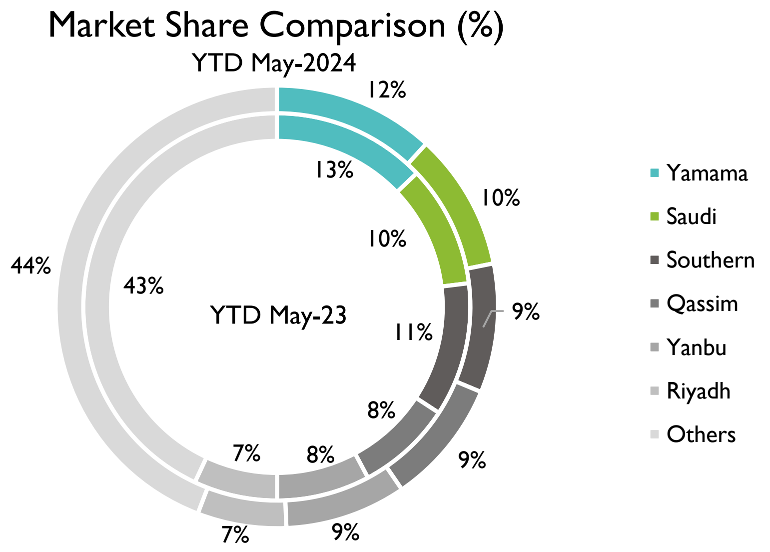
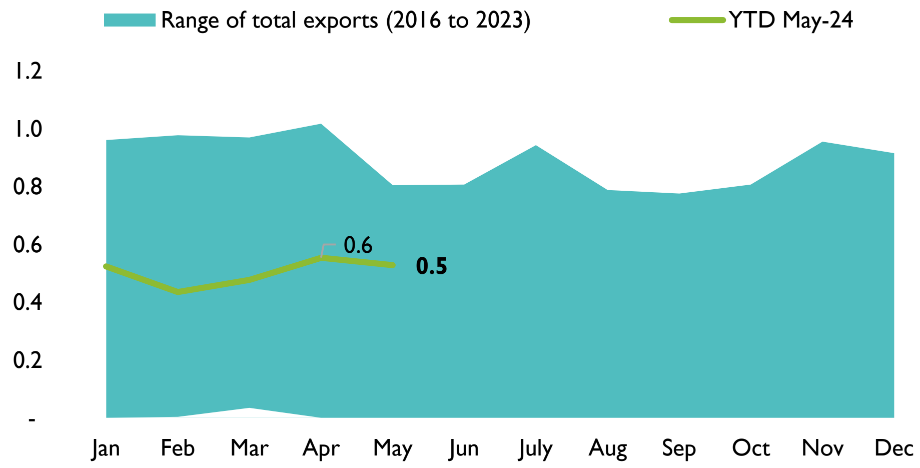




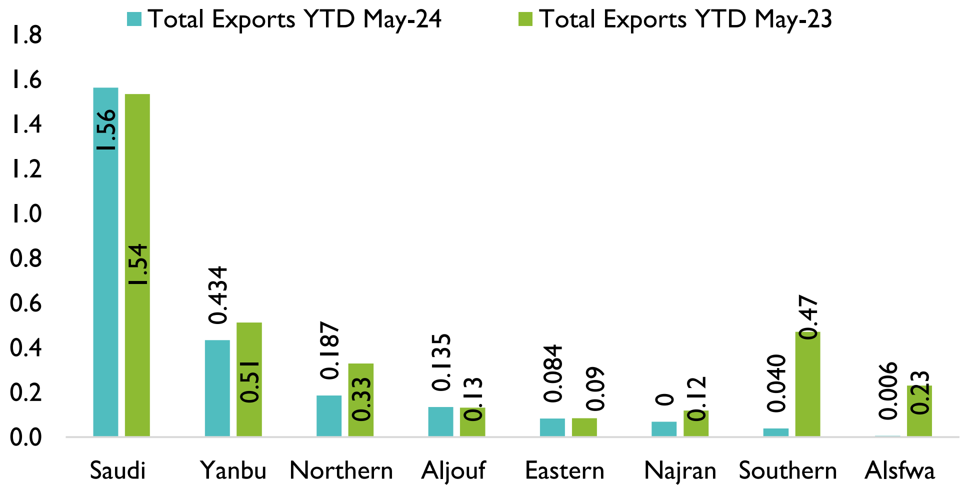
Source: Yamama Cement, Tharaa

Export Dispatches

Exports Dispatches (mnton)



Company-Wise Exports Sales (mnton)



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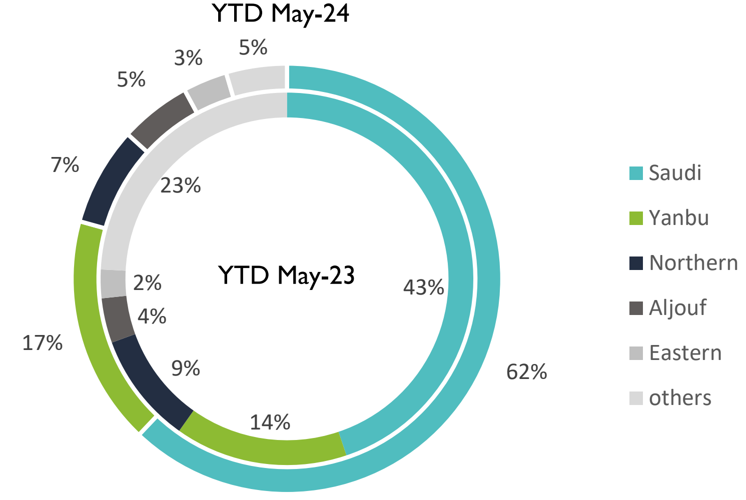
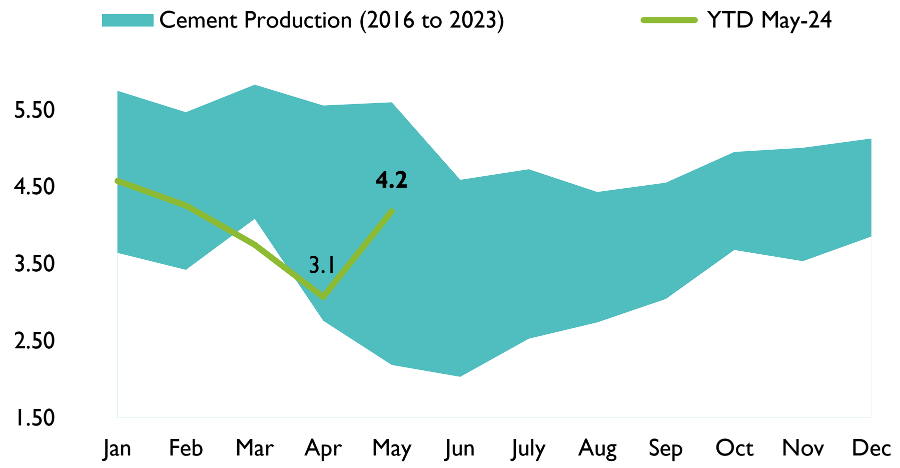
Market Share Comparison (%)



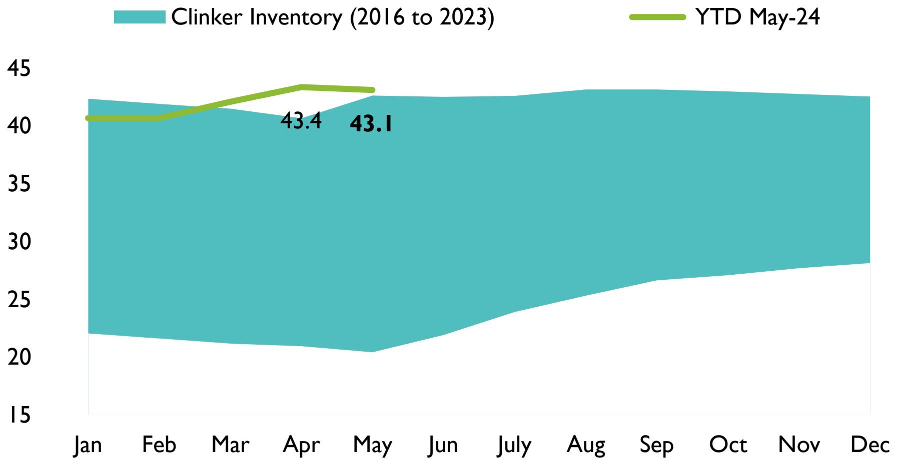
Source: Yamama Cement, Tharaa

Cement Production

Cement Production (mnton)



Year-to-Date Clinker Inventory (mnton)



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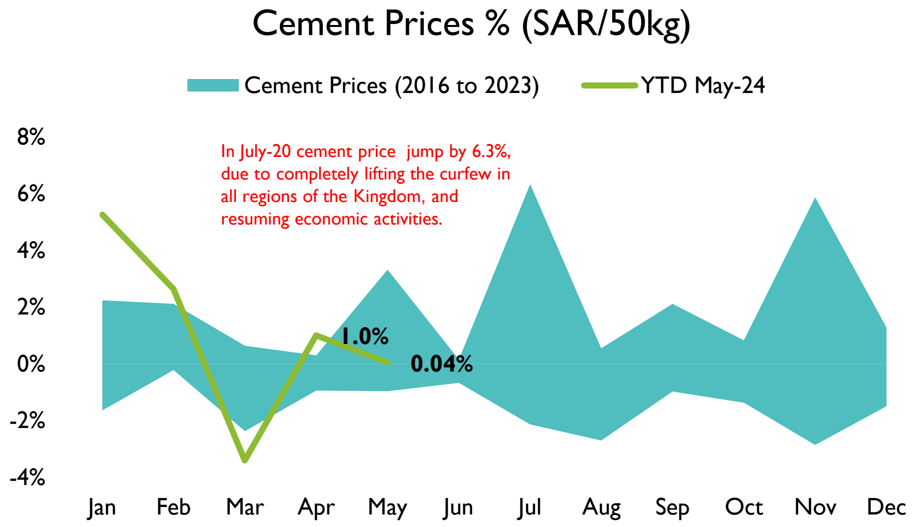
Source: Yamama Cement, Tharaa

Cement Prices change (50kg)



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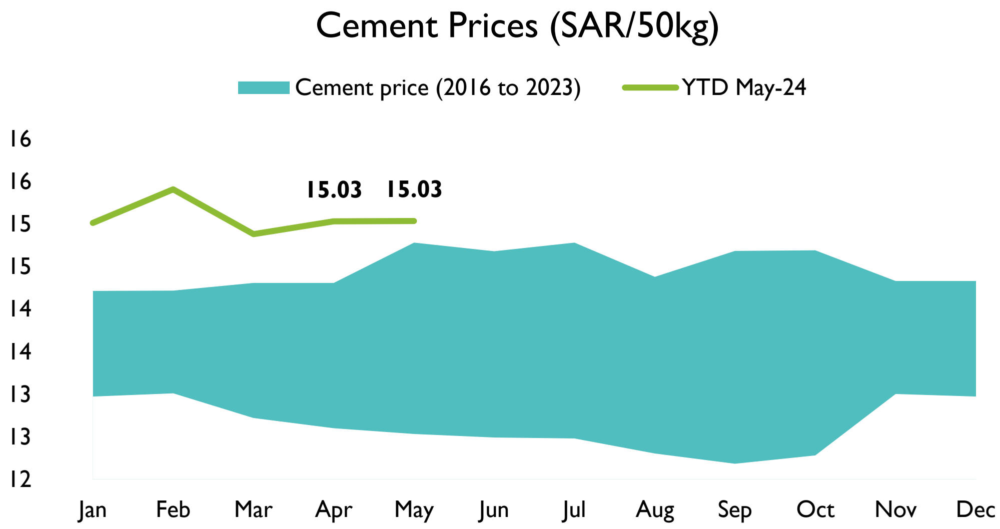

- In May '24, cement prices increased to 15.03 SAR per 50 Kg compared to 14.78 in May '23.

Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

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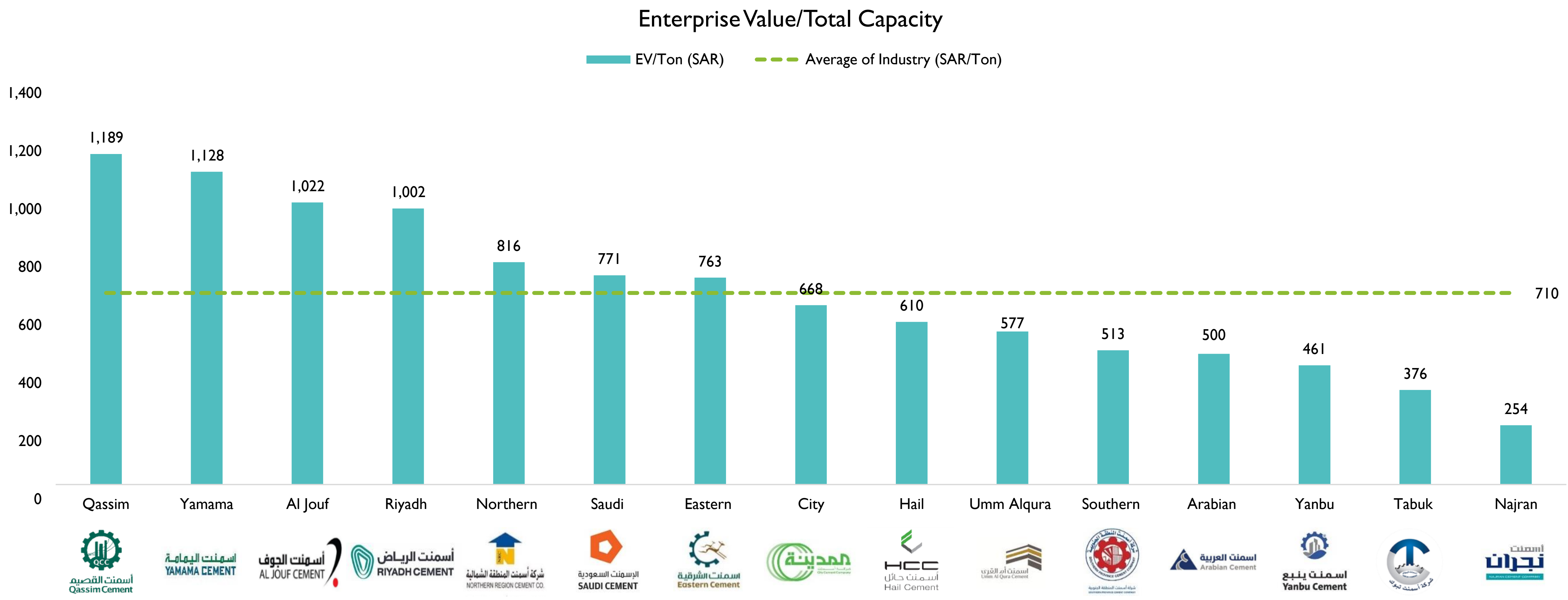
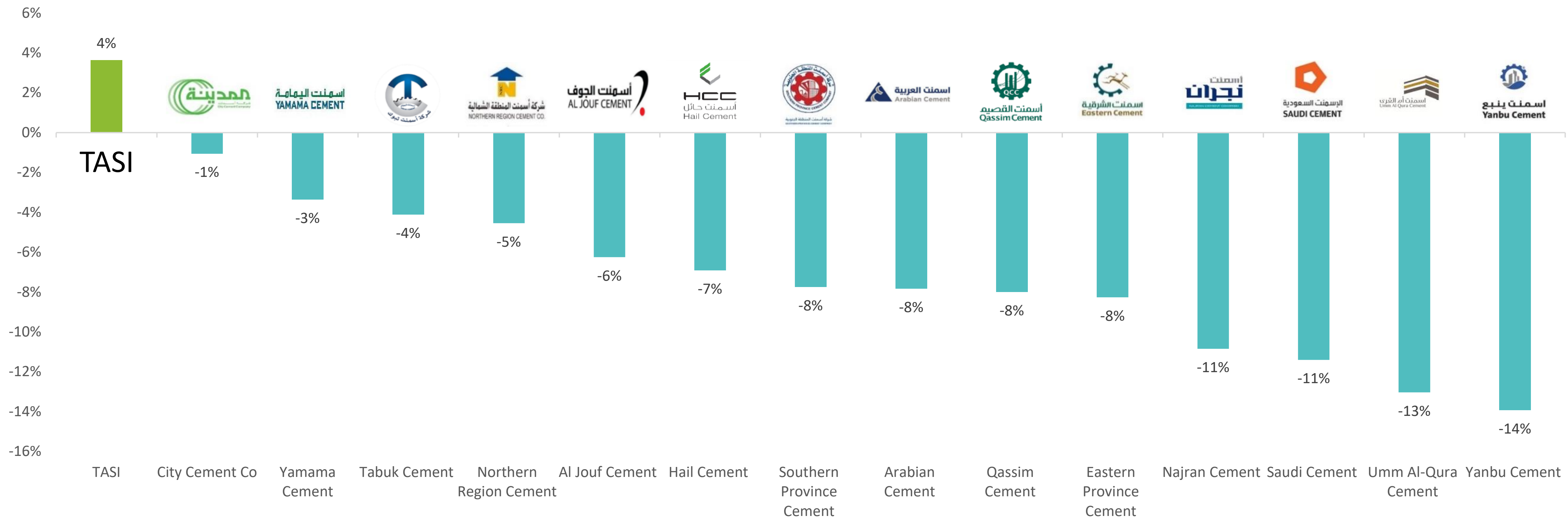


Source: Tadawul (Financial Statements Q2-2024 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 30-6-2024.

Cement Sector YTD Performance

All cement companies reported negative returns YTD. TASI, on the other hand, registered a positive return with a 4% increase as it outperformed the entire sector.



Source: *Bloomberg, Tharaa Financial Center*
**Mkt Stock Price as closed in 30-06-2024*

Disclaimer

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