Cement Sector

Monthly Tracker(November)

December 2022

Tharaa Financial Center

Summary

Total Sales

Total Cement sales (Local+exports) have increased 0.7% MoM and 6.4% YoY in Nov-22 to reach 5.5mn tons, highest in the past five years.

Strong monthly sales in Nov-22 have contained the YTD drop in sales to 1.0% for 11-Month 22. Total sales may close the year with a marginal decline of 0.4% assuming current month sales continue for the next month.

Saudi Cement Company topped the sector in total sales with a marginal lead over Yamama Cement and Yanbu Cement.

Local deliveries

Monthly Local dispatches slowed down in Nov-22 with 4.1% MoM drop and -1.8% YoY basis.

On a YTD basis, local deliveries of cement have recorded a decrease of 1.9%.

With 42% YTD growth, Yamama Cement's local sales remains the only big player which has recorded growth in local sales thanks to the commissioning of the company's new plant.

Strong sales growth also reflects in significant gains in market share for Yamama Cement to 14% (+600 bps YTD).

Exports

Monthly export dispatches increased by 32.6% MoM and 76.1% YoY. On a YTD basis, exports have recorded an increase of 4.6%.

The industry's exports stood at 956K tons in November-22, compared to 543K tons in November-21.

Yanbu Cement Company topped the largest share of exports in YTD Nov-22 with 21% of the total exports.

Production

In November-22, cement production showed a decreases of 0.2% MoM and an increased of 3.8% YoY basis.

Cement inventory has decreased YTD Nov-22 by 23.2%.

The Clinker inventory shows a decrease of 1.9% in Nov-22 compared to the previous month, while it declined by 0.5% on a YoY basis.

The capacity utilization for clinker was 78.8% in Nov-22 vs 82.3% in Nov-21.

Prices

In Oct-22, Cement Prices showed a decline of 0.04% YoY and 0.2% MoM.

Cement prices have broadly remained stable in the past few months.

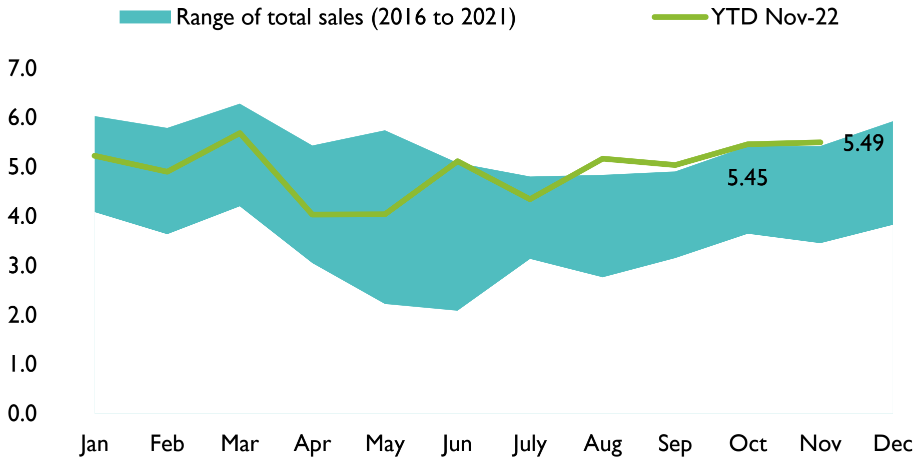
Yamama Cement Company had the best and only positive year-to-date performance among cement firms listed on the main market (TASI), with a +1% return, while Najran and Southern Company had the worst, with -33% and -29% declines, respectively.

Total Sales (Local deliveries & Exports)

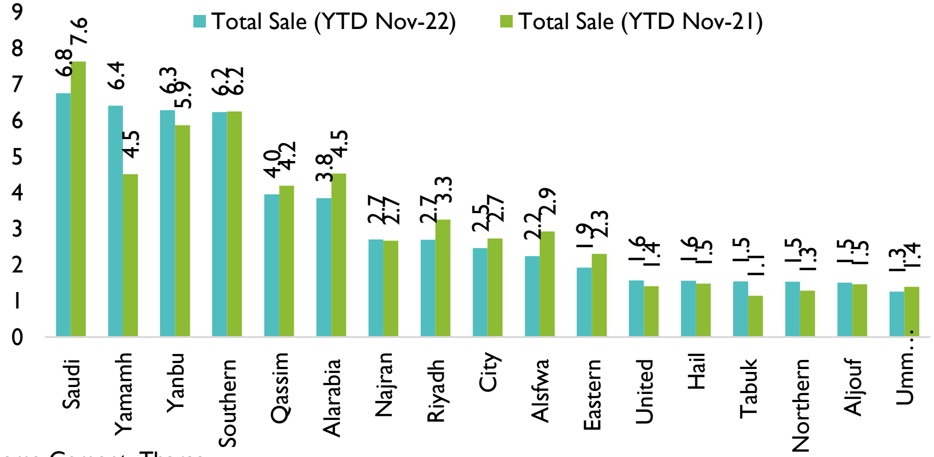
Tharaa Financial Center

- Total Cement sales (Local+exports) have increased 0.7% MoM and 6.4% YoY in Nov-22 to reach 5.5mn tons, highest in the past five years.
- Strong monthly sales in Nov-22 have contained the YTD drop in sales to 1.0% for 11-Month 22. Total sales may close the year with a marginal decline of 0.4% assuming current month sales continue for the next month.
- Saudi Cement Company topped the sector in total sales with a marginal lead over Yamama Cement and Yanbu Cement.

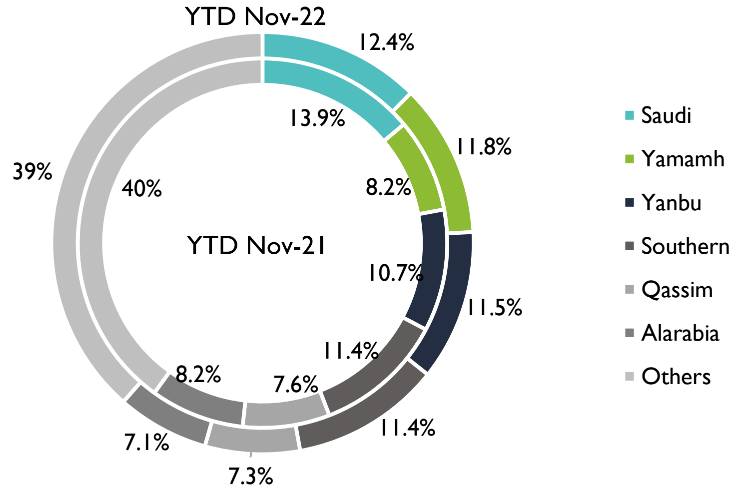
Total Sales (Local+Exports, mnton)



Company-wise Total Sales (mnton)

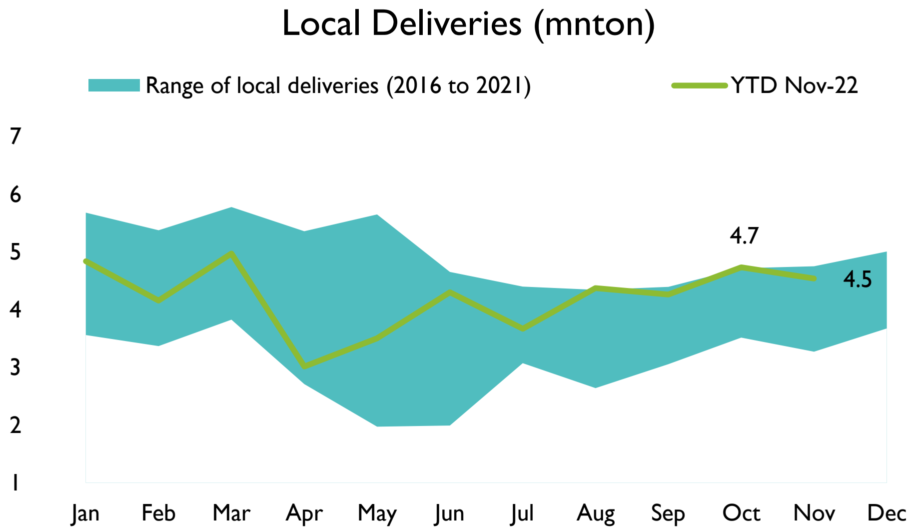


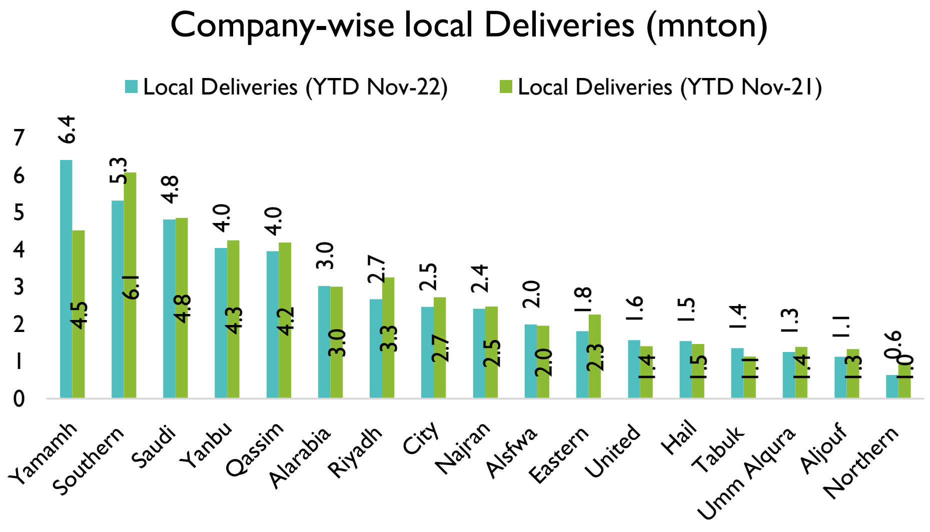
Market Share Comparison (%)



Source: Yamama Cement, Tharaa

Local Cement Deliveries





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- With 42% YTD growth, Yamama Cement's local sales remains the only big player which has recorded growth in local sales thanks to the commissioning of the company's new plant.
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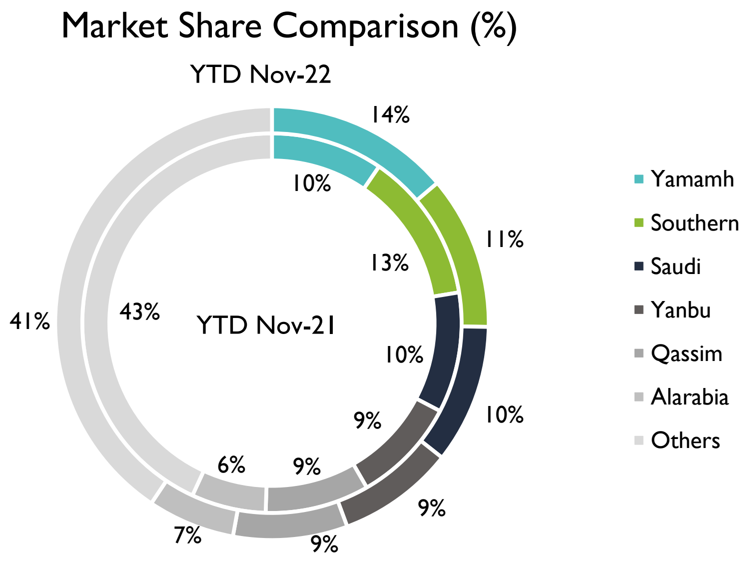
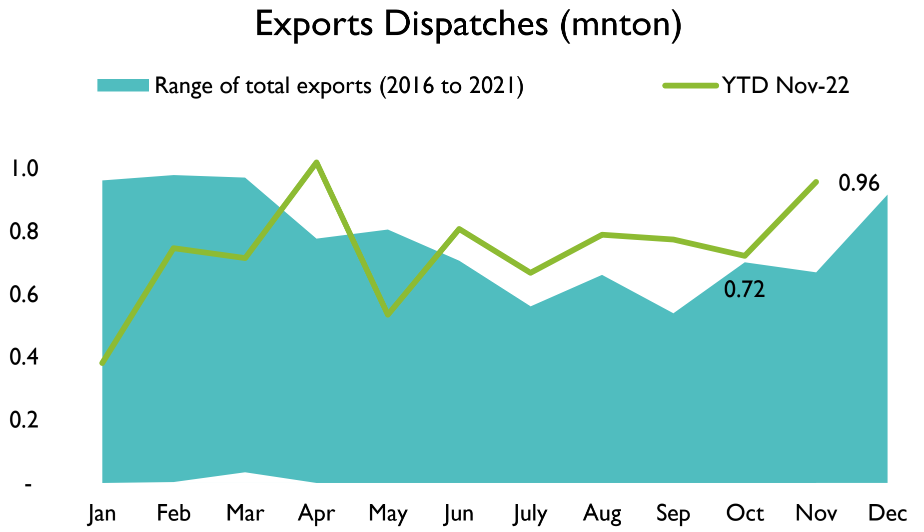
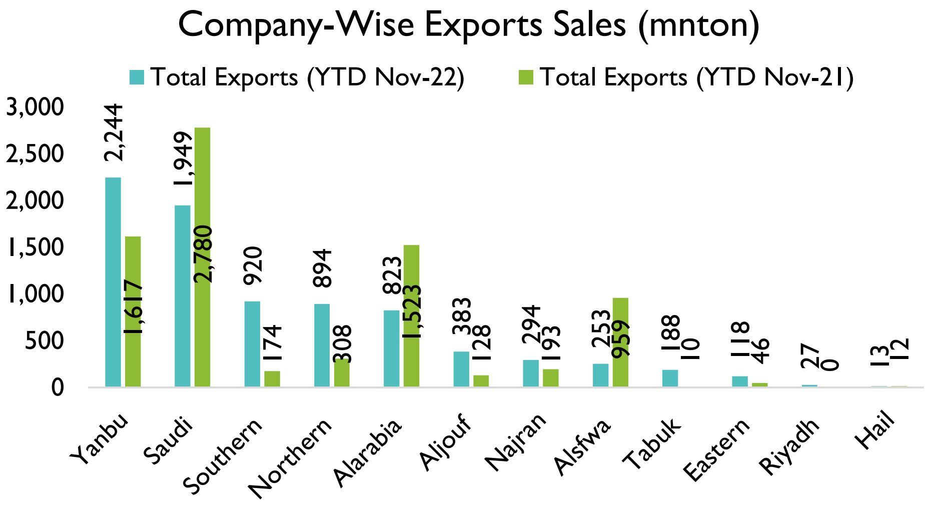


Source: Yamama Cement, Tharaa

Export Dispatches





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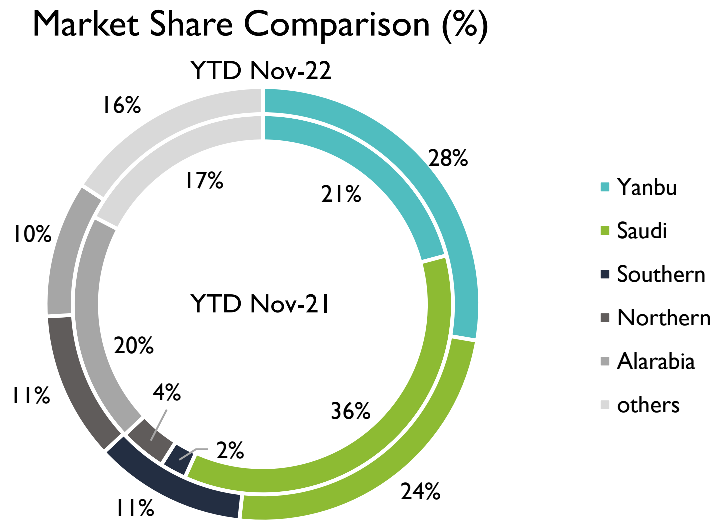
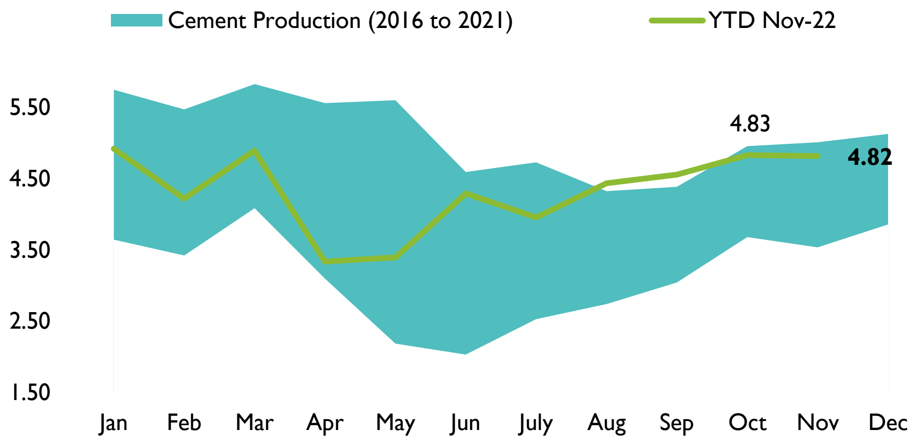
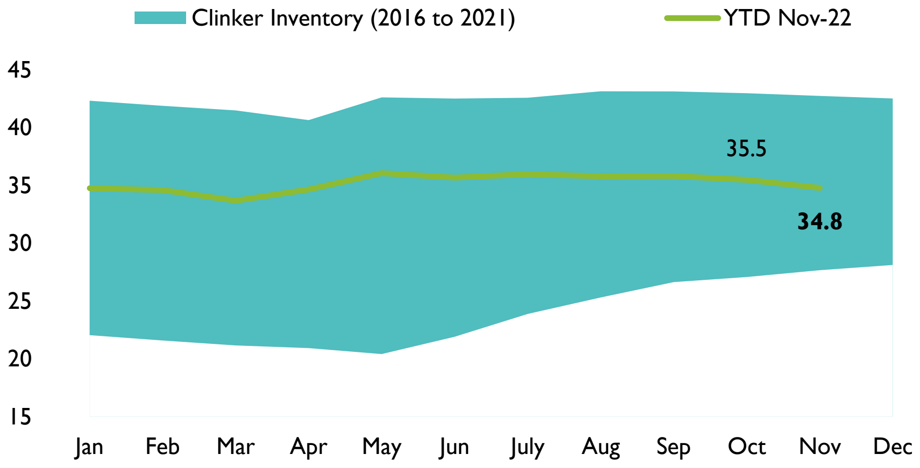


Cement Production

Cement Production (mnton)



Year-to-Date Clinker Inventory (mnton)



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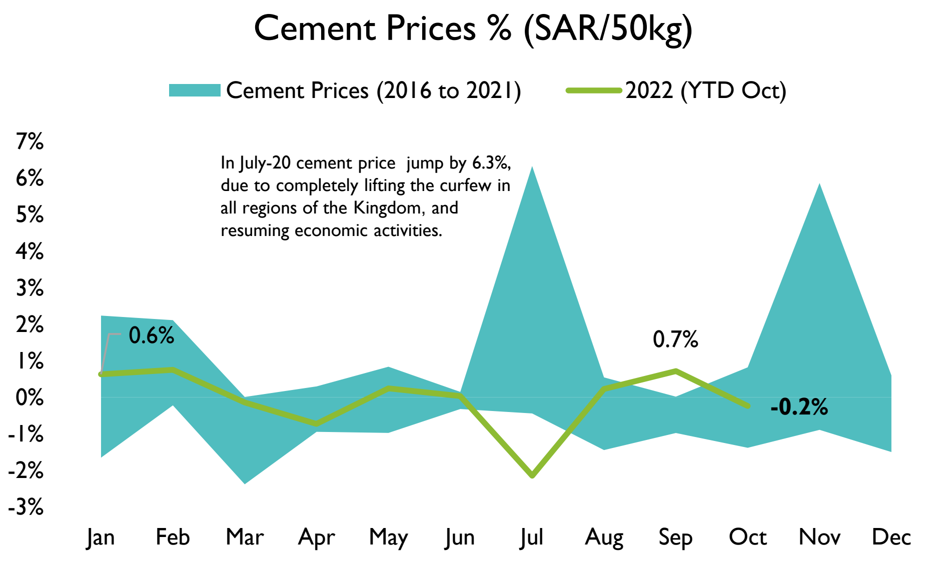
Source: Yamama Cement, Tharaa

Cement Prices change (50kg)



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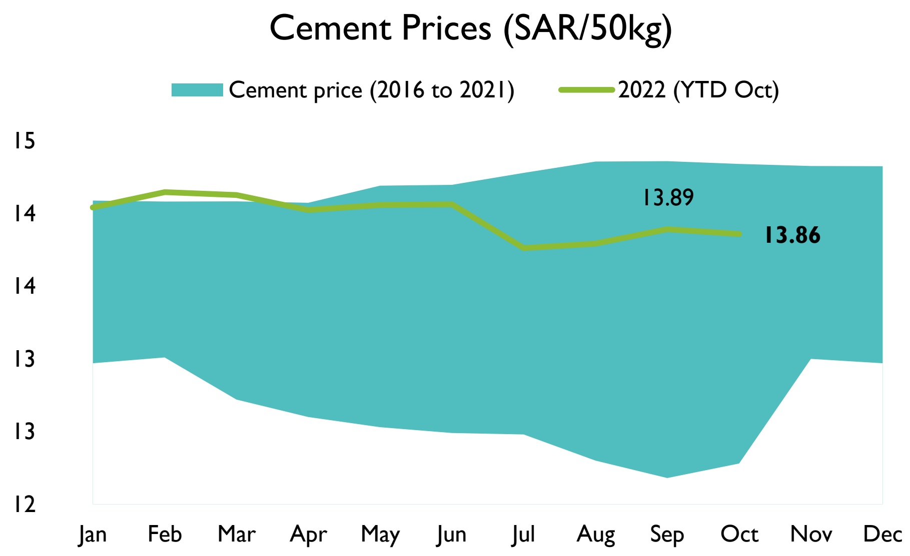
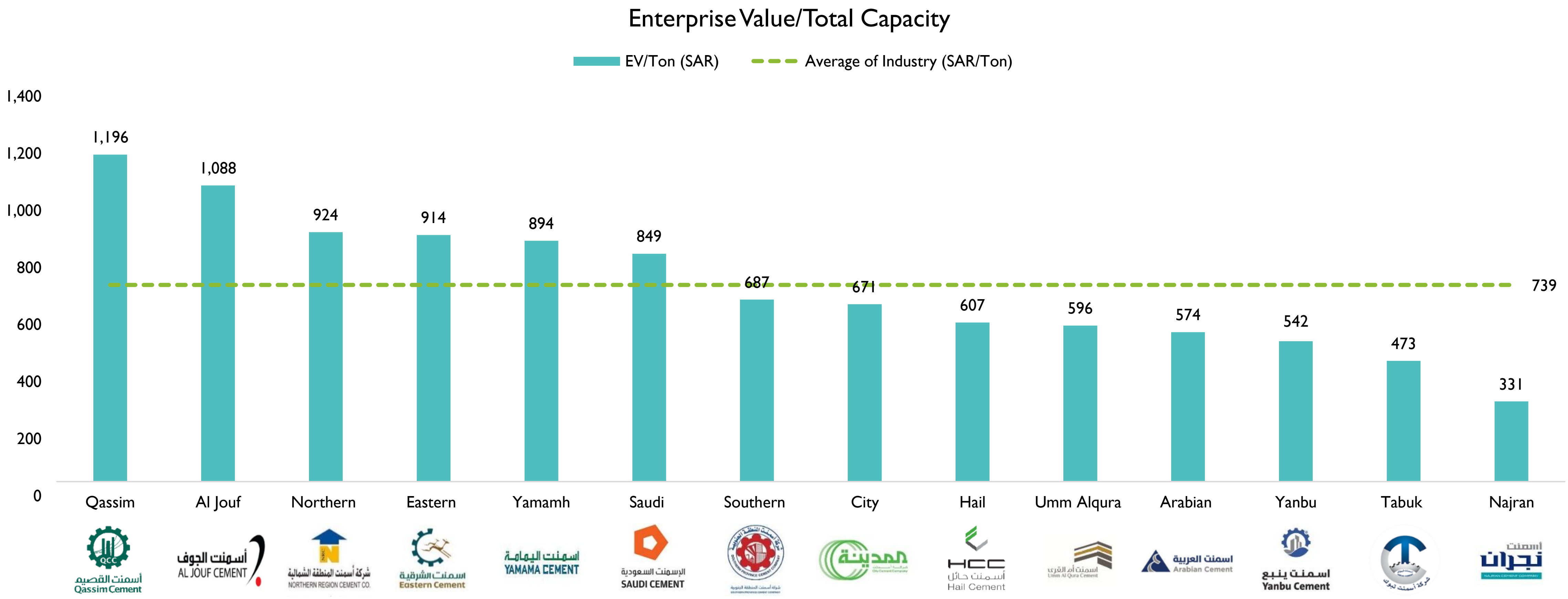


- Cement prices have broadly remained stable in the past few months

Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

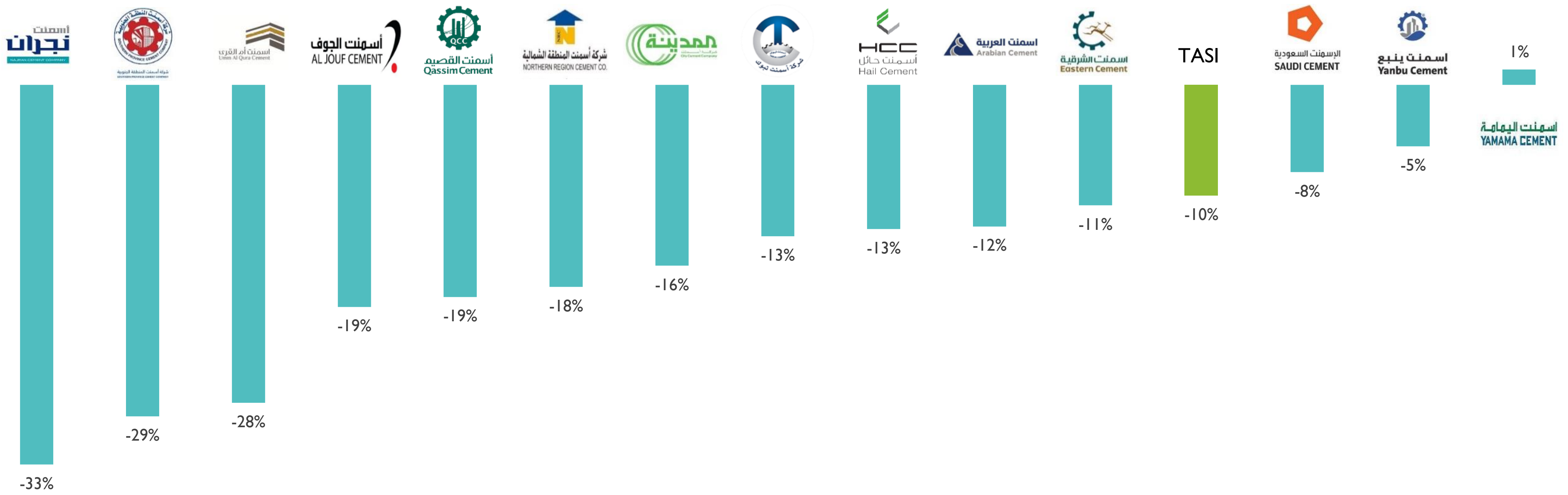
Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton of SAR 1,459, followed by Al Jouf Cement with an EV/Ton of SAR 1,096. Meanwhile, Najran Cement (SAR343) and Tabuk Cement (SAR522) trade at the lowest valuations.



Source: Tadawul (Financial Statements End of 30 of September 2022 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 07-12-2022.

Cement Sector YTD Performance

Yamama Cement Company had the best and only positive year-to-date performance among cement firms listed on the main market (TASI), with a +1% return, while Najran and Southern Company had the worst, with -33% and -29% declines, respectively.



Source: Bloomberg, Tharaa Financial Center
**Mkt Stock Price as closed in 07-12-2022*

Disclaimer

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