

Cement Sector Monthly Tracker (November)

December 2023



Tharaa
Financial
Center



Summary



Total Sales

Total cement sales (Local+exports) declined by -0.9% MoM (-9.6% YoY) in November of 2023 to reach 4.96 million tons. On a YTD basis, total sales have decreased by -6.4%.

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

The outlook for cement dispatches for Q4 remains positive with a likely pick-up in demand from new and existing projects and a positive export outlook.



Local deliveries

Monthly local dispatches increased by 2.0% MoM (-5.4% YoY) in Nov '23 . On a YTD basis, local deliveries dropped by -7.1%.

With a 14% market share, Yamama Cement Company topped the sector in local dispatches during Nov '23.

Yamama Cement managed to maintain its overall leadership position with a marginal increase in market share to 14% in Nov '23 vs 14% in Nov '22.



Exports

Exports dispatches decreased by -16% MoM and -29% YoY in Nov '23. On a YTD basis, the total exports have decreased by -1.6%.

The industry's exports stood at 675K tons in November '23, compared to 956K tons in November '22.

Saudi Cement Company recorded the highest market share of exports in November of 2023 with 40% of the total exports.



Production

In November of 2023, cement production showed a decrease of -0.5% MoM, although it declined by -10.5% YoY.

Cement inventory showed a decline of -10.0% on a MoM basis in Nov '23.

The clinker inventory decreased by -1.1% on a MoM basis. However, on YoY basis, it actually increased by 13.0% in Nov '23.

The capacity utilization for clinker is estimated at 64.9% in Nov '23 vs. 77.6% in Nov '22.



Prices

In Oct '23, cement prices showed an increase of 6.0% YoY and 0.1% MoM basis.

In Oct '23, cement prices increased to their second highest prices at 14.69 in 2023 Compared to 13.86 In Oct '22



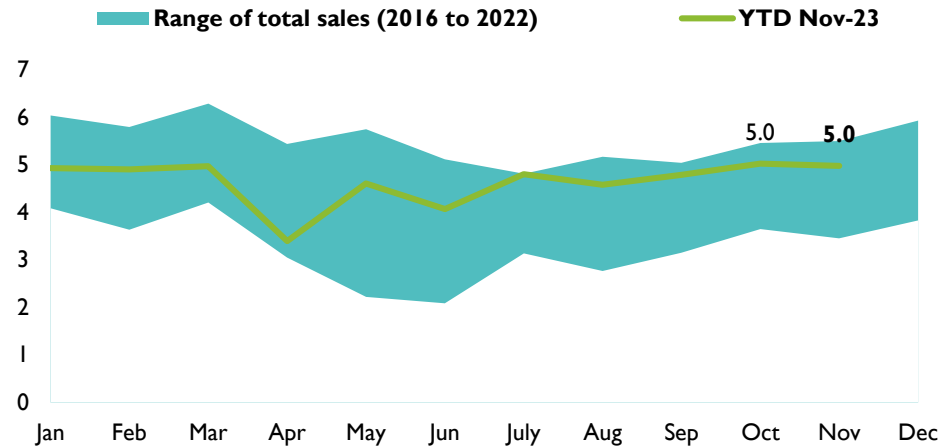
Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton of SAR 1,349, followed by Al Jouf Cement with an EV/Ton of SAR 1,135. This can be compared to an average EV/Ton of 764 SAR for sector. Meanwhile, Tabuk Cement (SAR445) and Najran Cement (SAR319) trade at the lowest valuations.

Six cement companies listed in TASI achieved positive returns on a YTD basis, while eight achieved negative returns. Yamama Cement topped the list, achieving the highest performance with 21.1%. Meanwhile, Southern cement had the lowest performance with -16.7%.

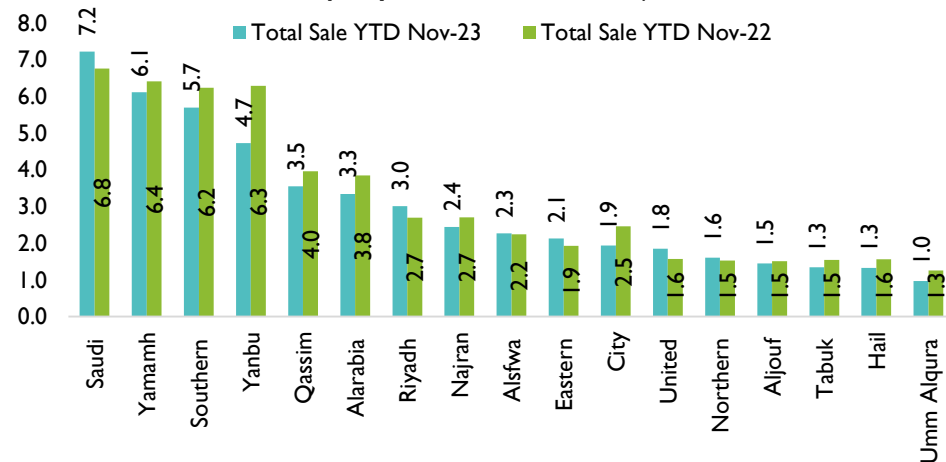
Total Sales (Local deliveries & Exports)

Total Sales (Local+Exports, mnton)

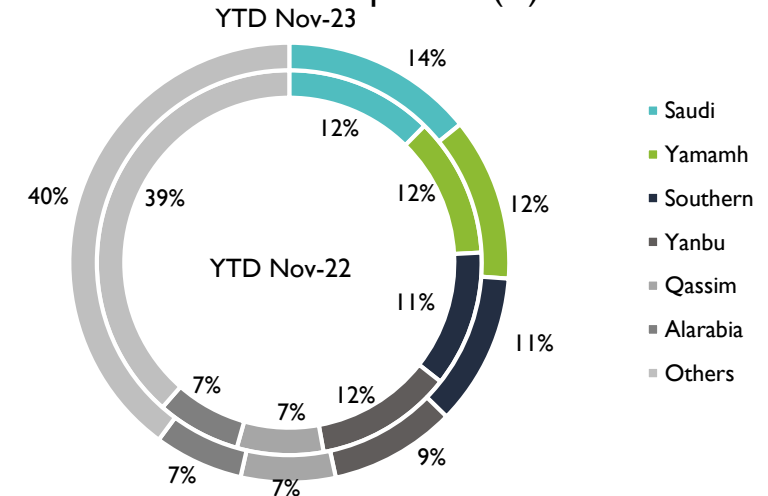


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- Saudi Cement Company topped the sector in total sales during November with a marginal lead over Yamama Cement and Southern Cement.
- The outlook for cement dispatches for Q4 remains positive with a likely pick-up in demand from new and existing projects and a positive export outlook.

Company-wise Total Sale (mnton)

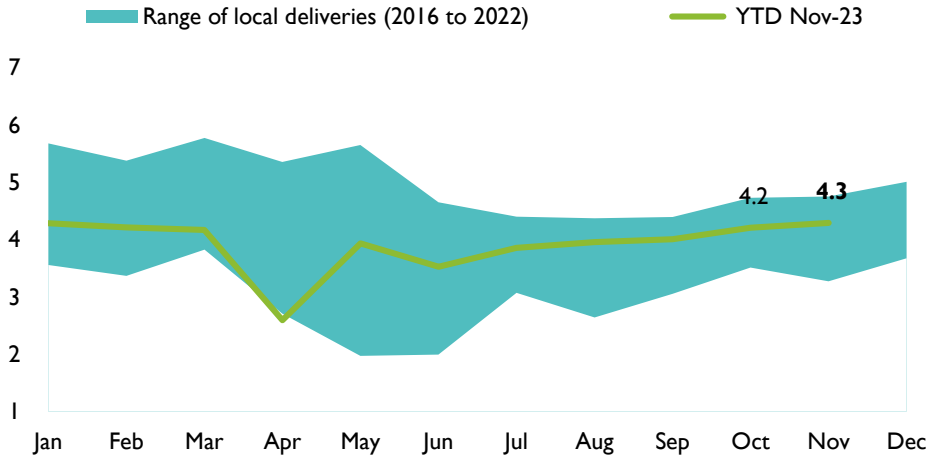


Market Share Comparison (%)



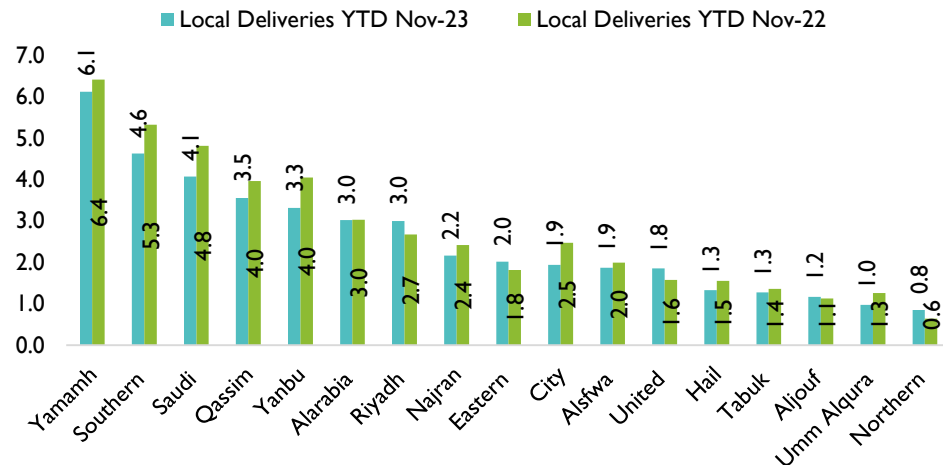
Local Cement Deliveries

Local Deliveries (mnton)

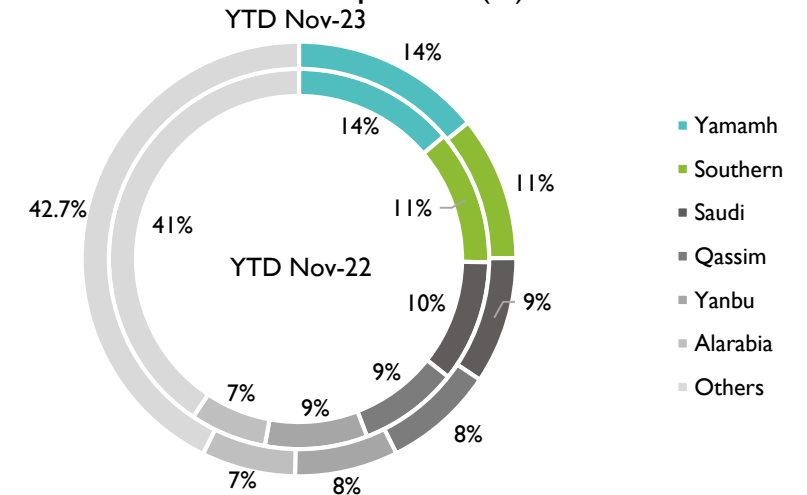


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Company-wise local Deliveries (mnton)



Market Share Comparison (%)

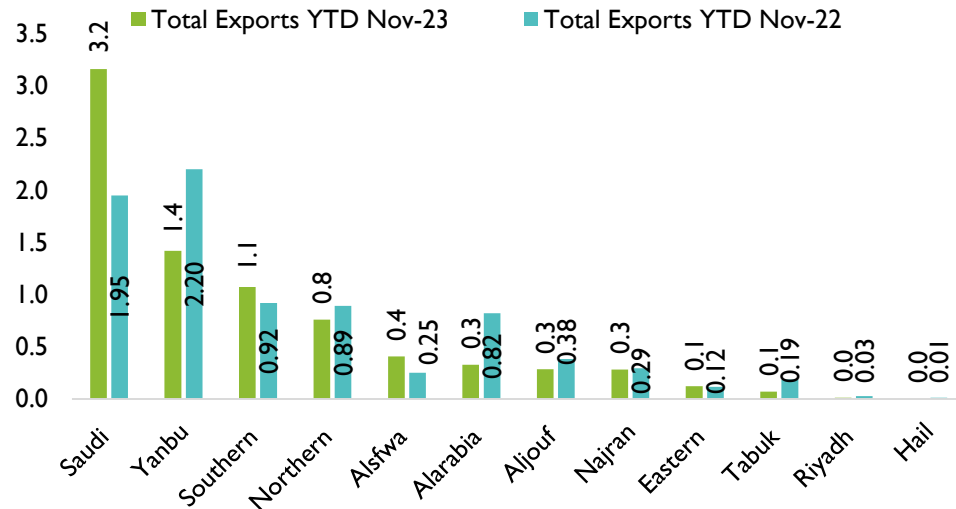


Export Dispatches

Exports Dispatches (mnton)

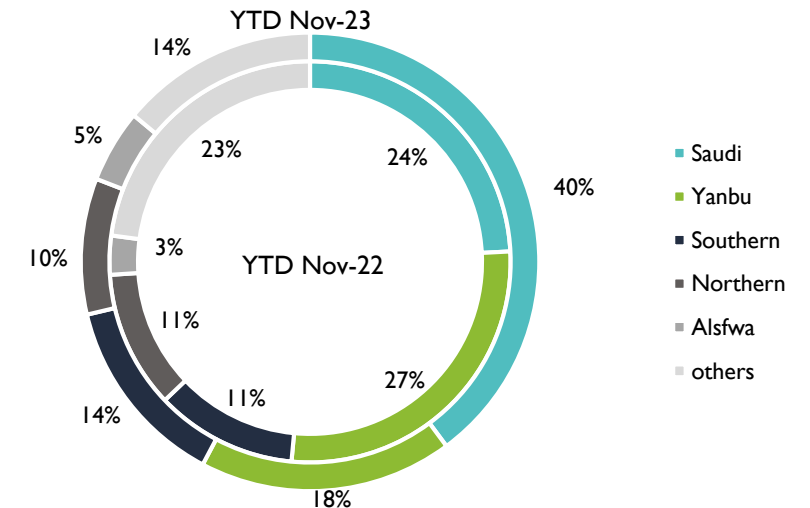


Company-Wise Exports Sales (mnton)



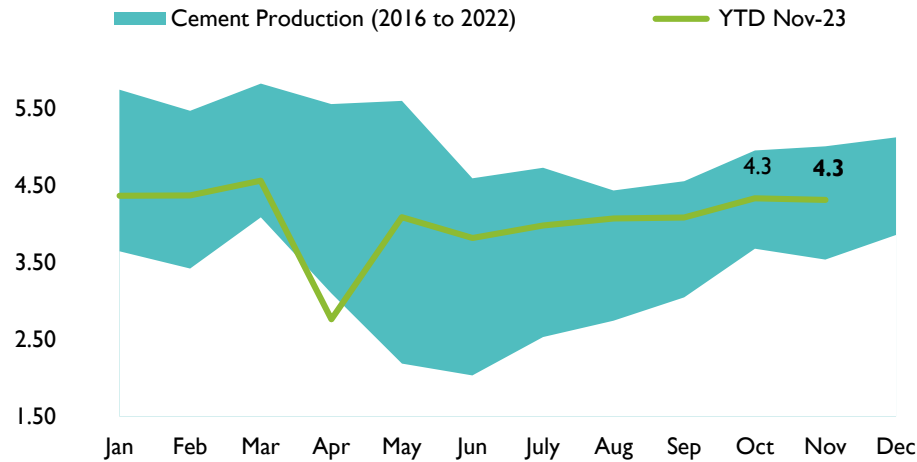
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Market Share Comparison (%)



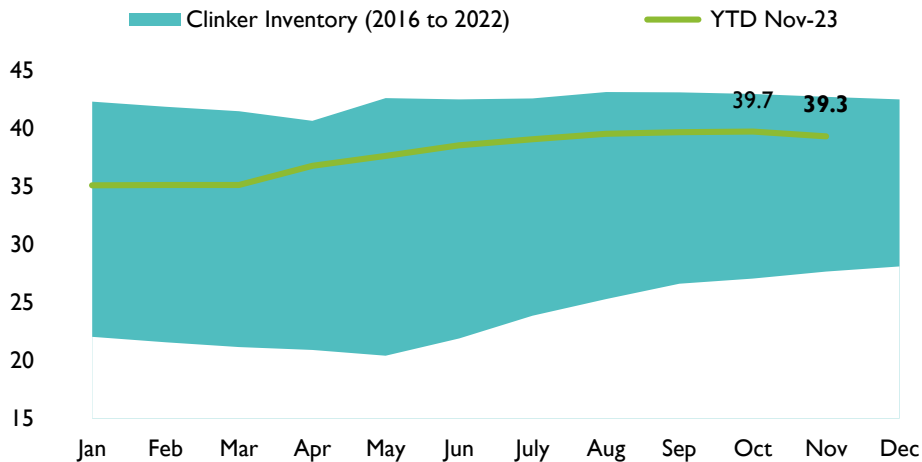
Cement Production

Cement Production (mnton)



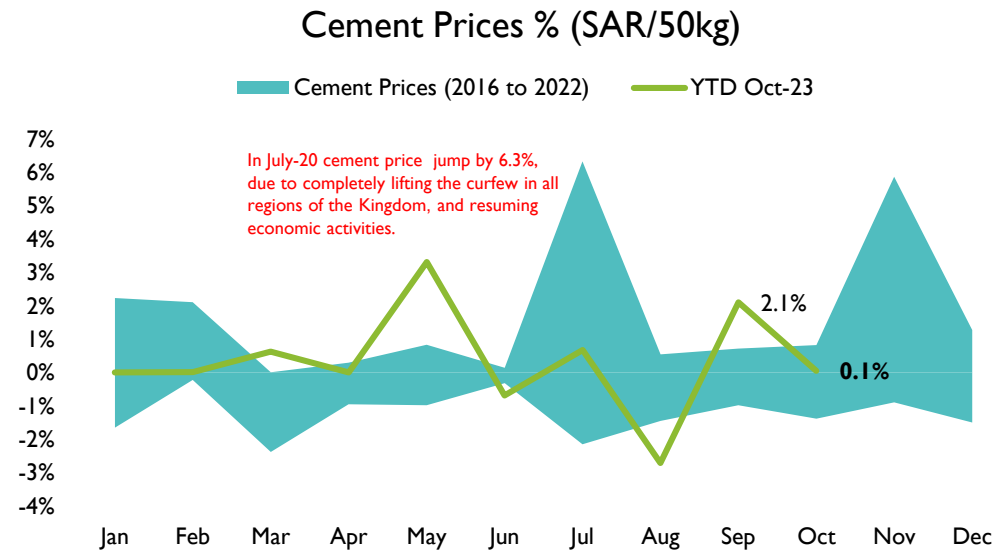
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- Cement inventory showed a decline of -10.0% on a MoM basis in Nov '23.

Year-to-Date Clinker Inventory (mnton)



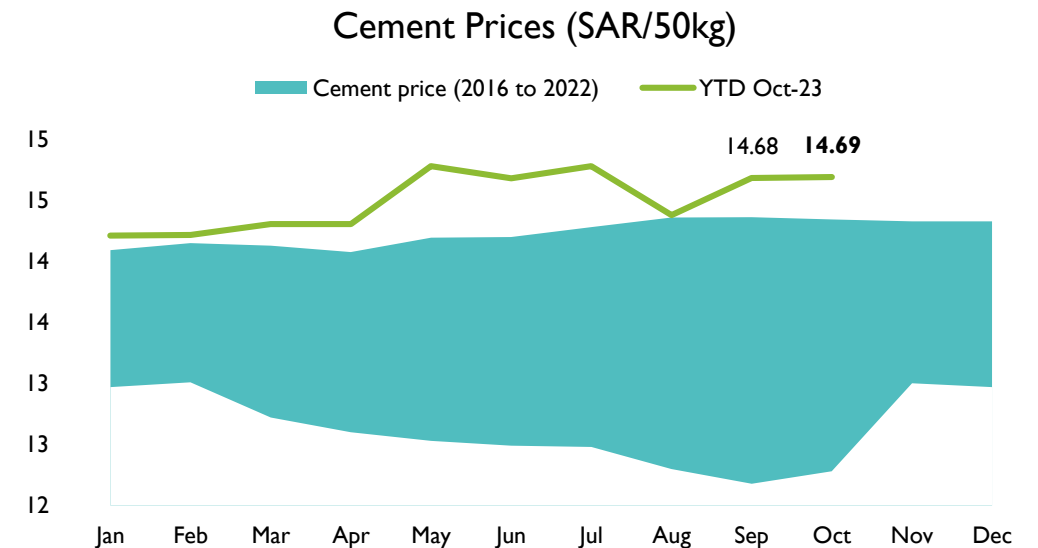
- The clinker inventory decreased by -1.1% on a MoM basis. However, on YoY basis, it actually increased by 13.0% in Nov '23.
- The capacity utilization for clinker is estimated at 64.9% in Nov '23 vs. 77.6% in Nov '22.

Cement Prices change (50kg)



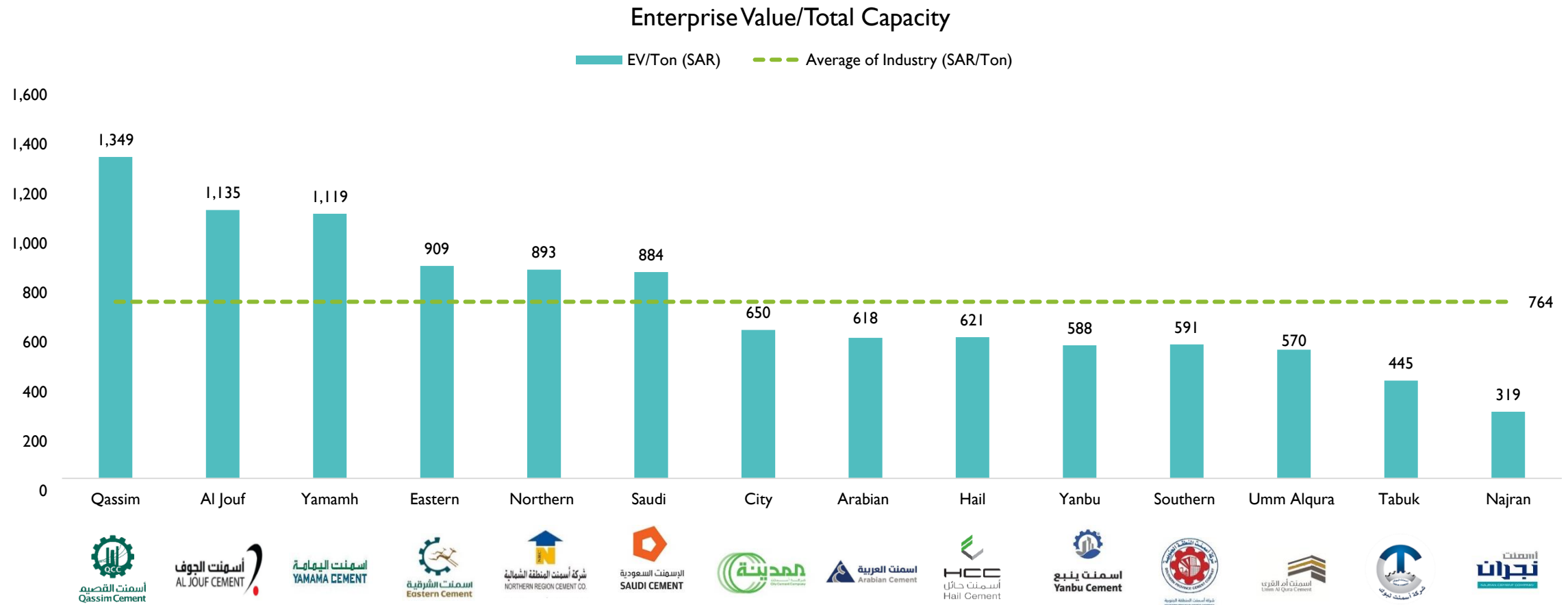
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Enterprise Value/Total Capacity

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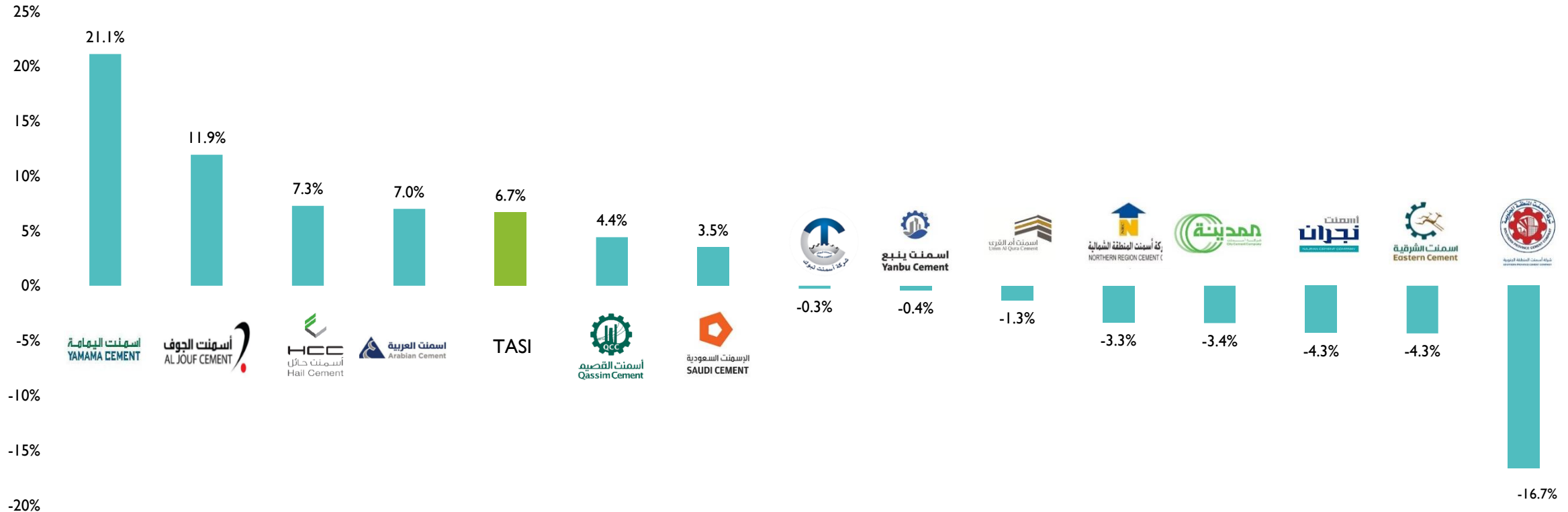
Source: Tadawul (Financial Statements Q3 reports), Tharaa

*Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)

Mkt Stock Price as closed in 30-11-2023.

Cement Sector YTD Performance

Six cement companies listed in TASI achieved positive returns on a YTD basis, while eight achieved negative returns. Yamama Cement topped the list, achieving the highest performance with 21.1%. Meanwhile, Southern cement had the lowest performance with -16.7%.



Source: Bloomberg, Tharaa Financial Center

*Mkt Stock Price as closed in 30-11-2023

Disclaimer

The document has been prepared by Tharra Financial Center (TFC, Tharaa) at Prince Sultan University. The information contained in this document was obtained from several sources such as Bloomberg, Reuters, SAMA, IMF, IEA, OPEC, Tadawul and other national and international agencies. Tharra tried its best effort to acquire the data from most reliable sources. However, Tharaa does not guarantee the accuracy of the data. Therefore, Tharaa makes no representation whether expressed or implied concerning the accuracy and completeness of any information contained in this report.

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