Cement Sector
Monthly Tracker (October)

November 2024

Tharaa
Financial
Center

Summary

Tharaa Financial Center

Total Sales

Total cement sales (local and exports) rose by 13.2% MoM and 4.3% YoY in Oct 2024, reaching 5.23 million tons. On a YTD basis, company-wise, total sales have fallen by -2.5%.

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

Local deliveries

Monthly local dispatches increased by 11.7% MoM and 10.7% YoY in Oct '24. On a YTD basis, local deliveries rose by 2.1%.

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

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

Exports

Export dispatches increased by 28% MoM while decreasing -29% YoY in Oct '24. On a YTD basis, the total exports have decreased by -26.8%.

The industry's exports stood at 570K tons in Oct '24, compared to 807K tons in Oct '23.

Saudi Cement Company recorded the highest market share of exports in Oct '24 with 61% of the total exports.

Production

In Oct '24, cement production rose by 13.9% MoM and 11.5% on a YoY basis.

Cement inventory showcased an increase of 2.7% on a MoM basis in Oct '24.

The Clinker inventory decreased by -0.1% on a MoM basis while increasing 13.6% on a YoY in Oct '24.

The capacity utilization for clinker is estimated at 77.6% in Oct '24 vs. 74.1% in Oct '23.

Prices

In October '24, cement prices decreased by -0.02% on a MoM basis, culminating in an increase of 3.3% YoY.

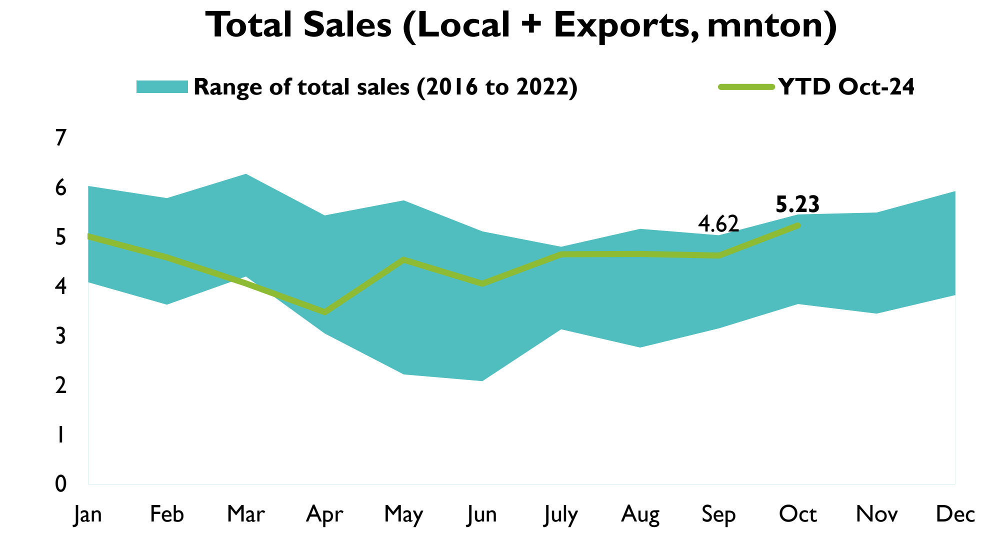
In October '24, cement prices increased to 15.17 SAR per 50 Kg compared to 14.69 SAR in October '23.

Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at 1,328 SAR, followed by Yamama Cement with an EV/Ton of 1,138 SAR. This can be compared to an average EV/Ton of 692 SAR for the sector. Meanwhile, Najran Cement (305 SAR) and Tabuk Cement (280 SAR) trade at the lowest valuations.

Umm Al-Qura Cement is the only company in the sector with a positive return, posting a 3% gain YTD. This contrasts with the rest of the sector, which has experienced significant declines, including a -33% drop for Yanbu Cement. Meanwhile, the overall stock market, represented by the TASI, registered a 0.5% increase.

Total Sales (Local deliveries & Exports)



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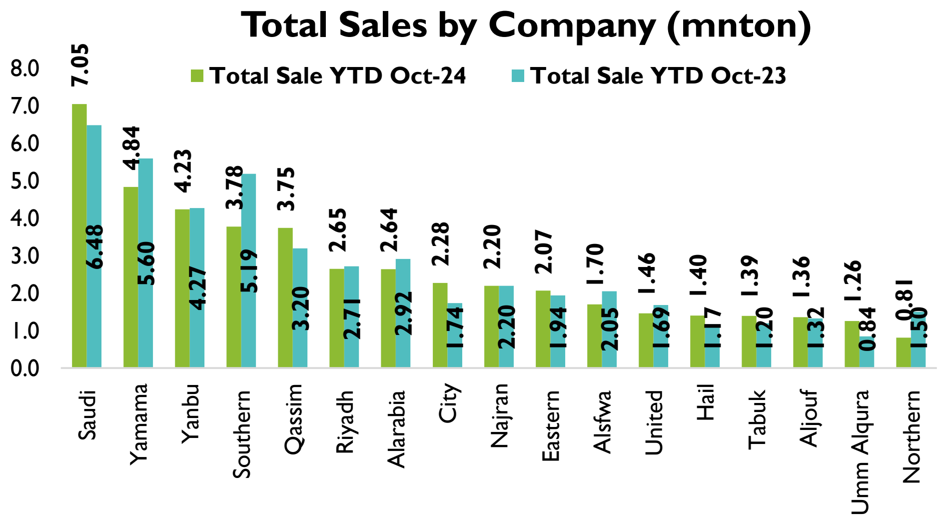
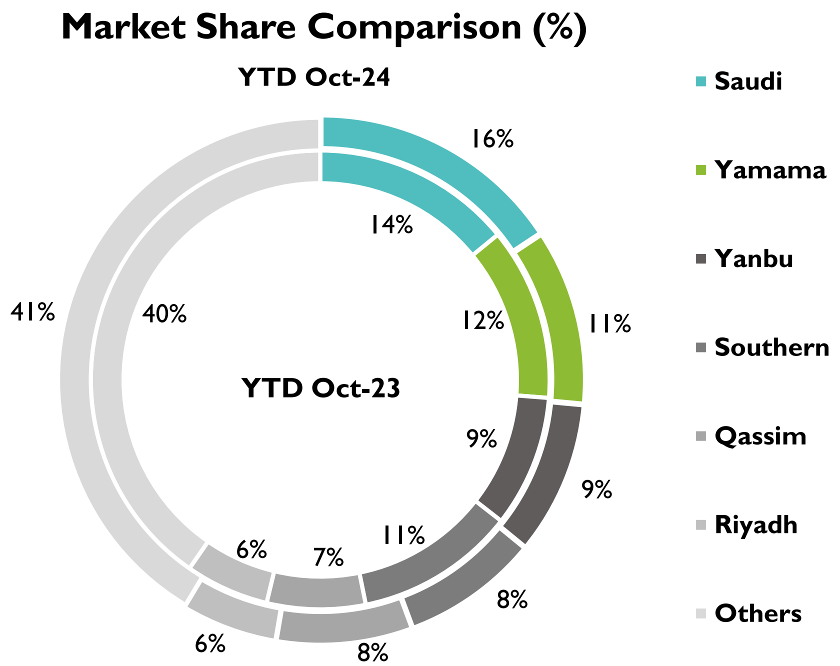
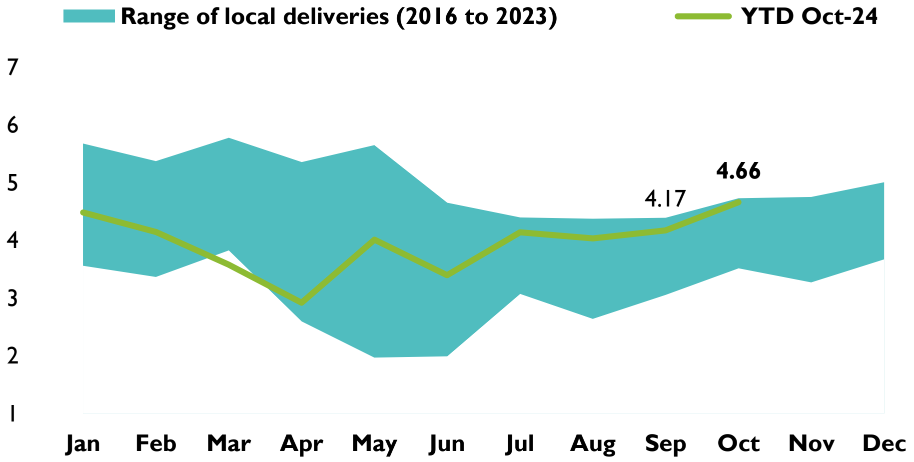




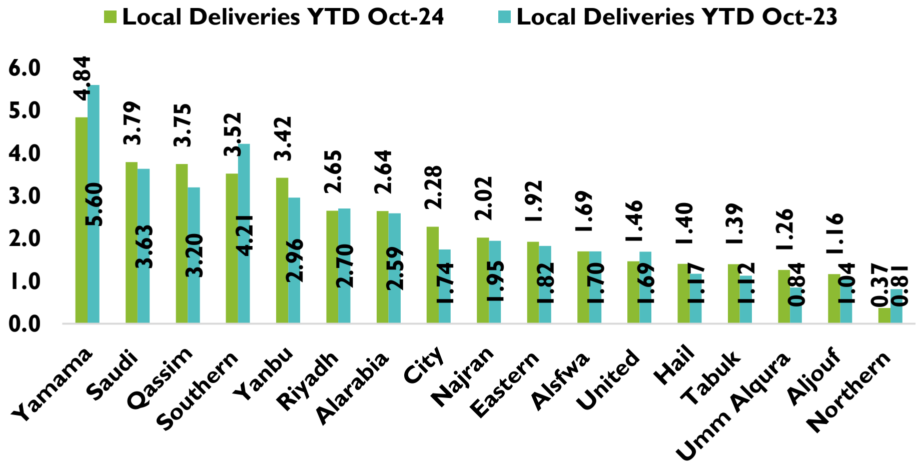
Source: Yamama Cement, Tharaa

Local Cement Deliveries

Local Deliveries (mnton)



Company-wise local Deliveries (mnton)



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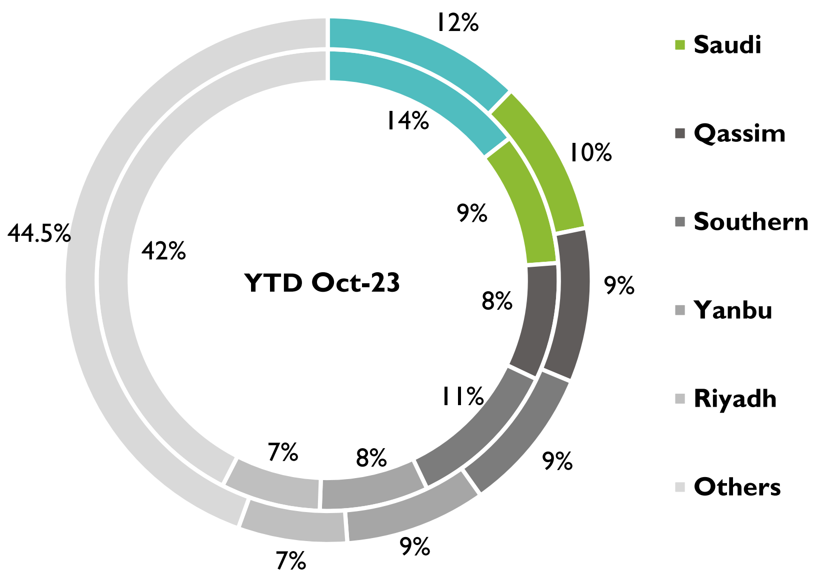
Market Share Comparison (%)

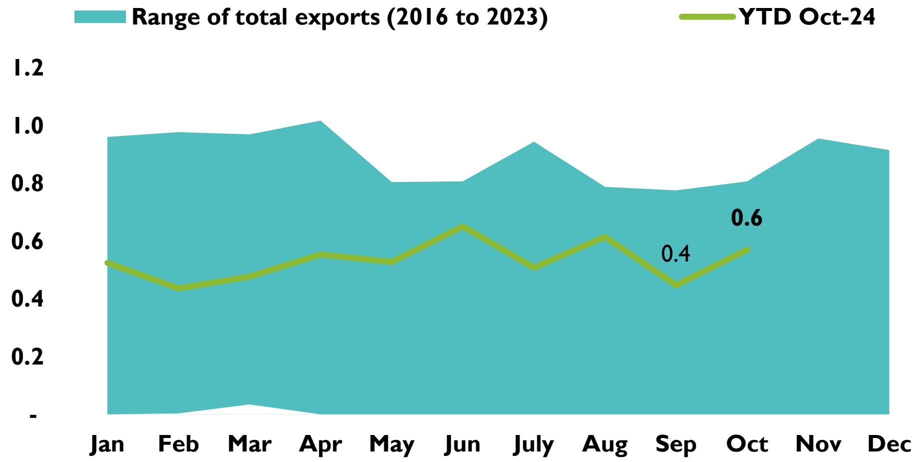
YTD Oct-2024



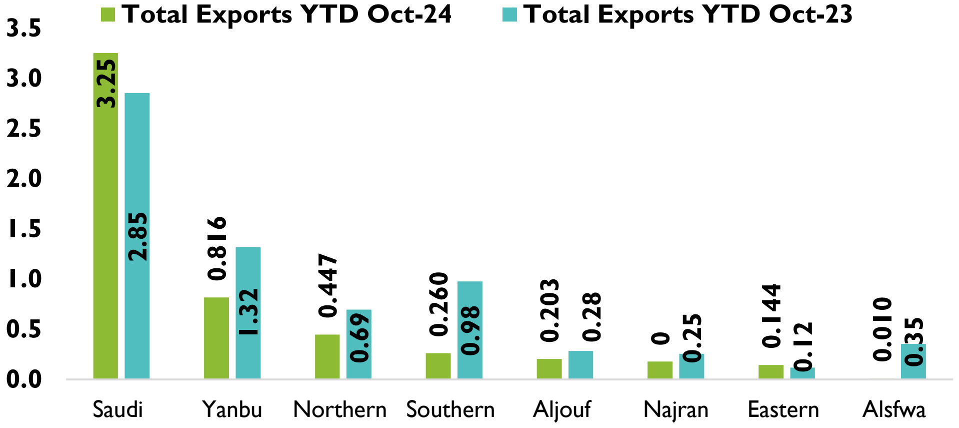
Source: Yamama Cement, Tharaa

Export Dispatches

Exports Dispatches (mnton)



Company-Wise Exports Sales (mnton)



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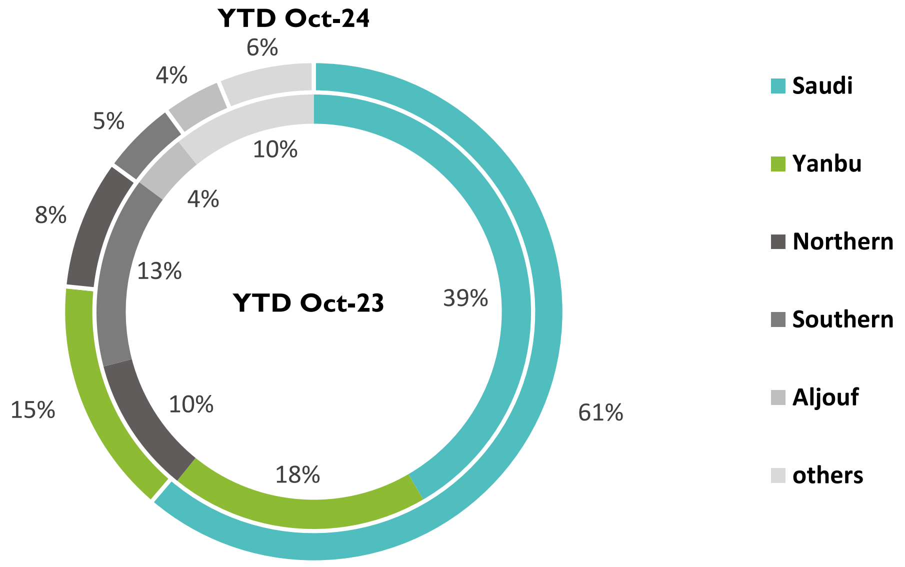
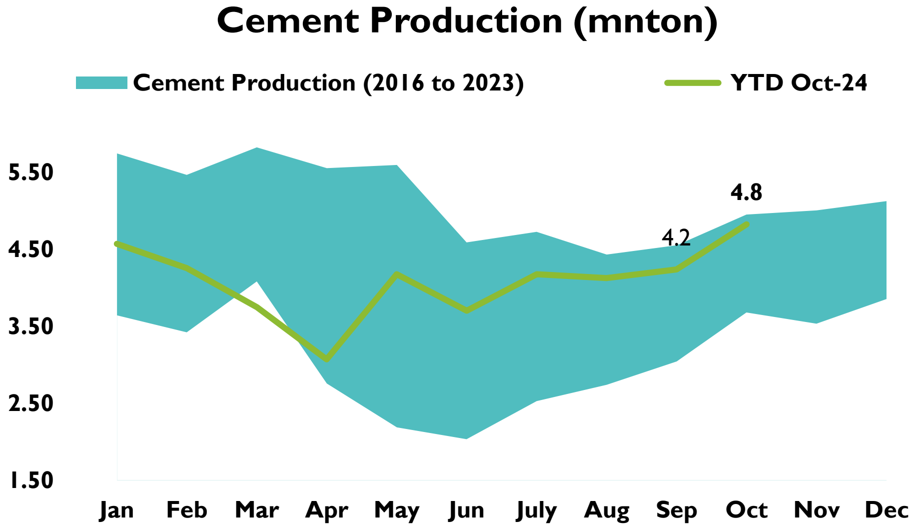
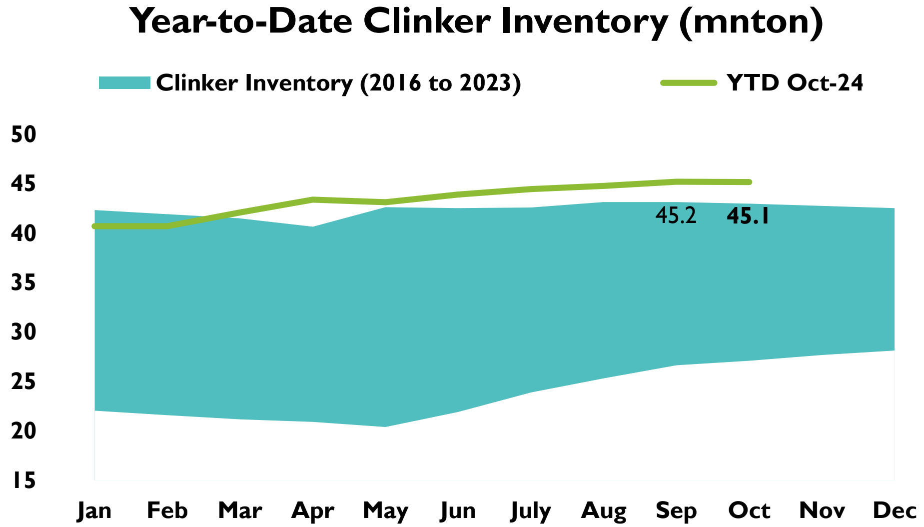


Source: Yamama Cement, Tharaa

Cement Production





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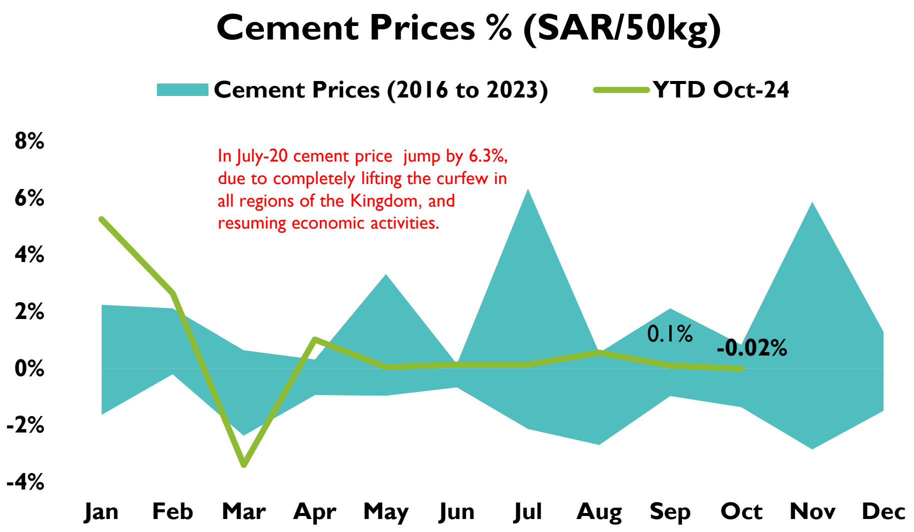
Cement Prices change (50kg)



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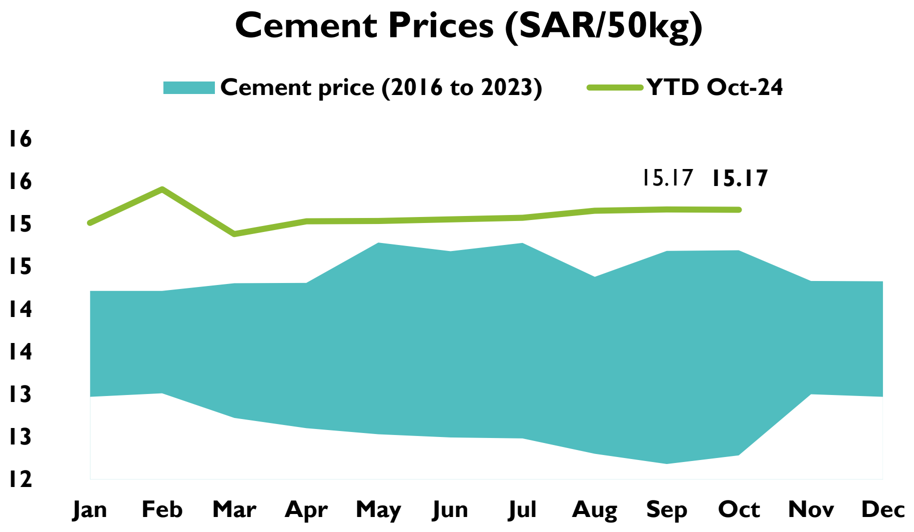

- In October '24, cement prices increased to 15.17 SAR per 50 Kg compared to 14.69 SAR in October '23.

Source: Yamama Cement, Tharaa

Enterprise Value/Total Capacity

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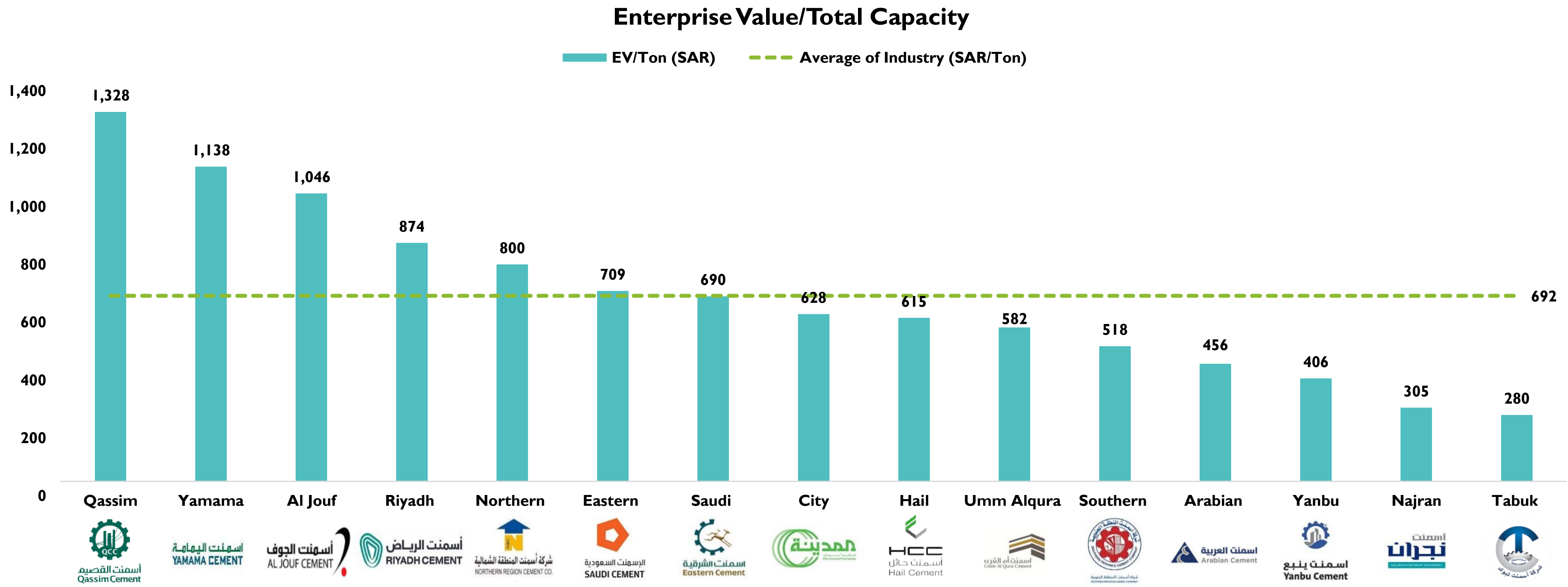
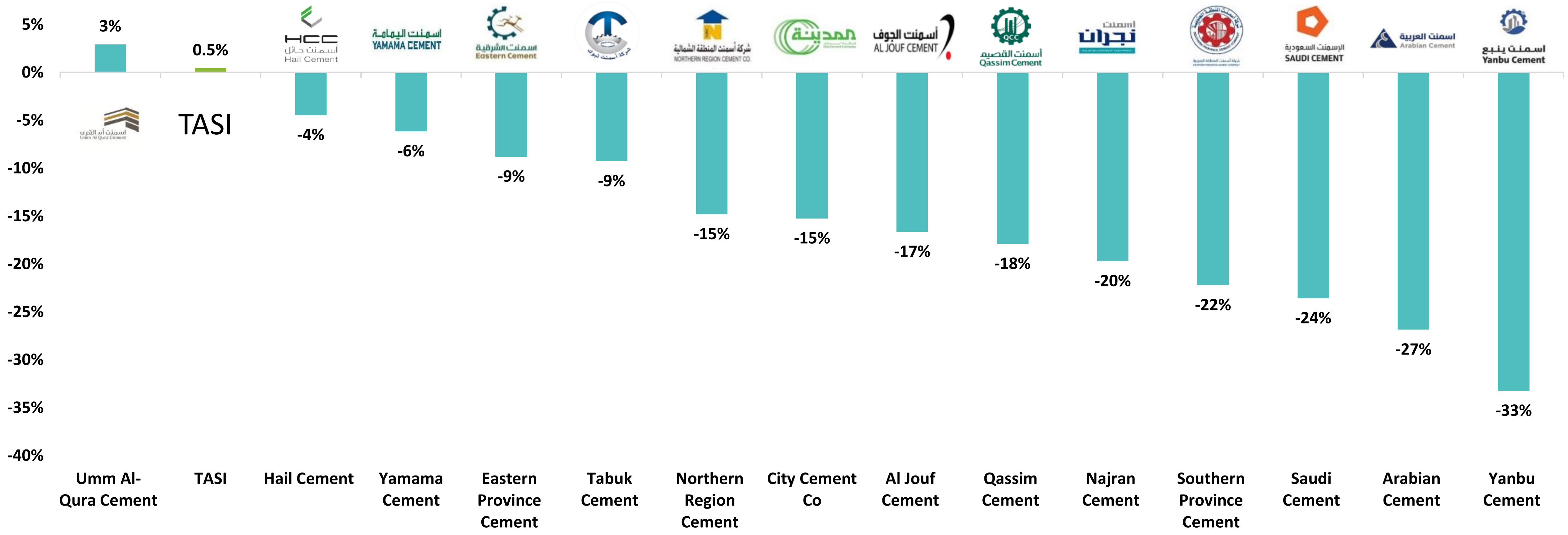


Source: Tadawul (Financial Statements Q3-2024 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 30-9-2024.

Cement Sector YTD Performance

Umm Al-Qura Cement is the only company in the sector with a positive return, posting a 3% gain YTD. This contrasts with the rest of the sector, which has experienced significant declines, including a -33% drop for Yanbu Cement. Meanwhile, the overall stock market, represented by the TASI, registered a 0.5% increase.



Source: Bloomberg, Tharaa Financial Center
**Mkt Stock Price as closed in 31-10-2024*

Disclaimer

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