Cement Sector

Monthly Tracker (September)

October 2024

Tharaa Financial Center

Summary

Tharaa Financial Center

Total Sales

Total Cement Sales (local and exports) fell by -0.7% MoM and -3.4% YoY in Sep 2024, reaching 4.62 million tons. On a YTD basis, Company-wise, total sales have fallen by -3.3%.

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

Local deliveries

Monthly local dispatches increased by 3.4% MoM and 4.1% YoY in Sep '24 . On a YTD basis, local deliveries fell by -0.7%.

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

While Yamama Cement managed to maintain its overall leadership position, its market share in local sales fell from 15% in Sep '23 to 12% in Sep '24.

Exports

Export dispatches decreased by -27% MoM and -42% YoY in Sep '24. On a YTD basis, the total exports have decreased by -26.5%.

The industry's exports stood at 447K tons in Sep '24, compared to 776K tons in Sep '23.

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

Production

In Sep '24, cement production rose by 2.7% MoM and 3.8% on a YoY basis.

Cement inventory showcased an increase of 1.1% on a MoM basis in Sep '24.

The Clinker inventory increased by 1% on a MoM basis and 13.9% on a YoY basis in Sep '24.

The capacity utilization for clinker is estimated at 77.5% in Sep '24 vs. 75.9% in Sep '23.

Prices

In August '24, cement prices increased by 0.5% on a MoM basis, culminating in an increase of 5.4% YoY.

In August '24, cement prices increased to 15.15 SAR per 50 Kg compared to 14.38 SAR in August '23.

Performance & Valuation

Among TASI-listed cement stocks, Qassim Cement trades at the highest EV/Ton at 1,410 SAR, followed by Riyadh Cement with an EV/Ton of 1,184 SAR. This can be compared to an average EV/Ton of 735 SAR for the sector. Meanwhile, Najran Cement (294 SAR) and Tabuk Cement (274 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 -29% drop for Yanbu Cement. Meanwhile, the overall stock market, represented by the TASI, registered a 2% increase.

Total Sales (Local deliveries & Exports)

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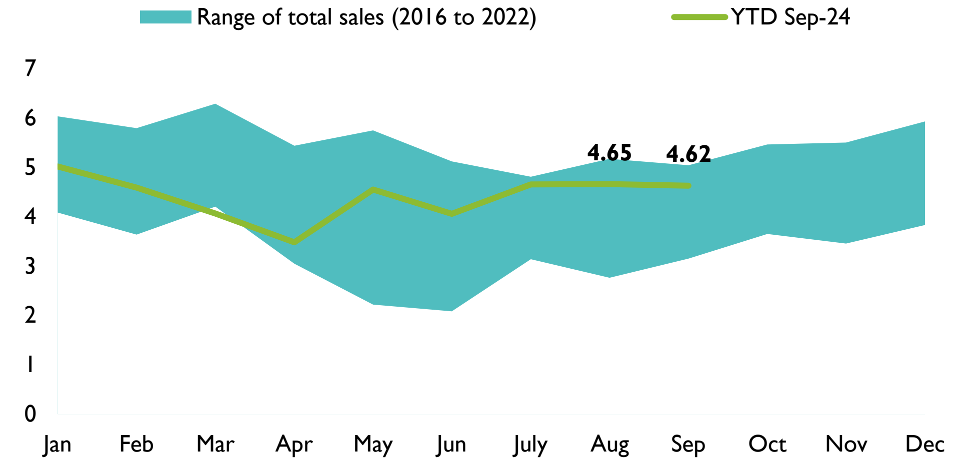
Total Sales (Local+Exports, mnton)



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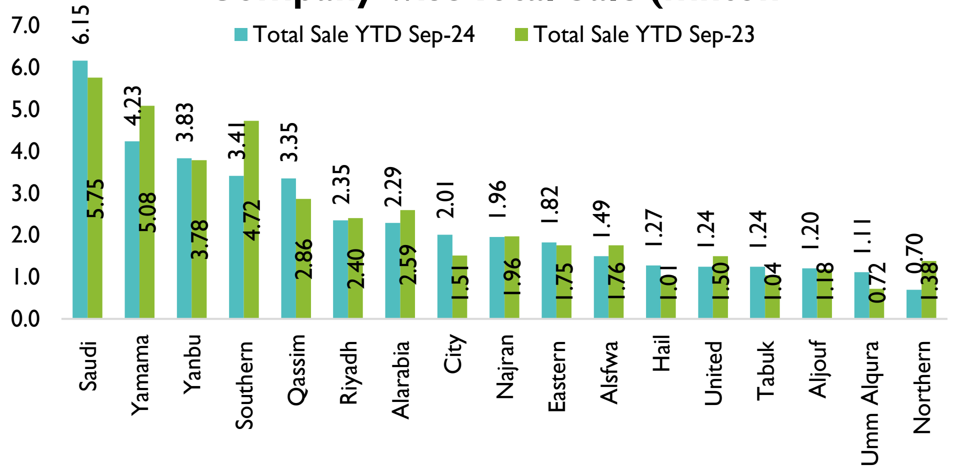
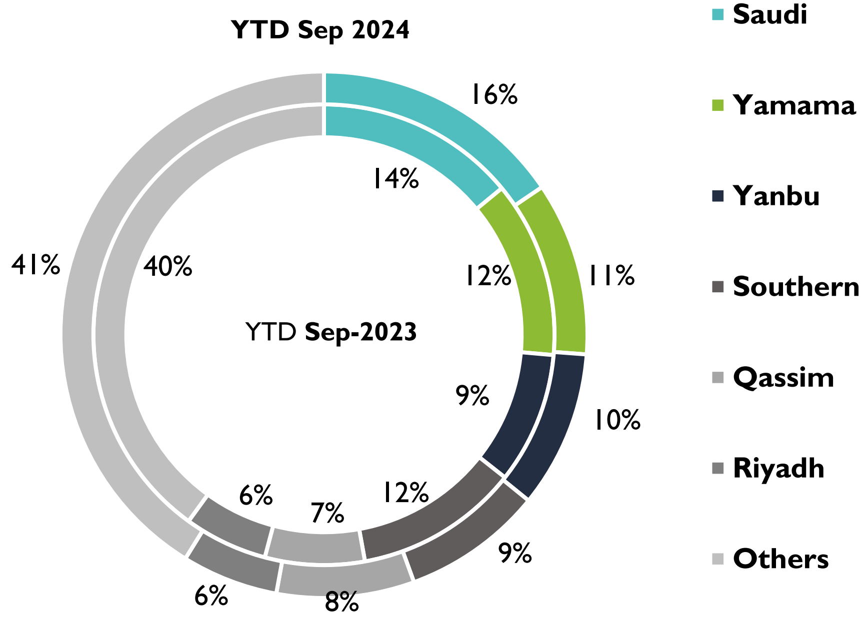
Company-wise Total Sale (mnton



Market Share Comparison (%)



Source: Yamama Cement, Tharaa

Local Cement Deliveries

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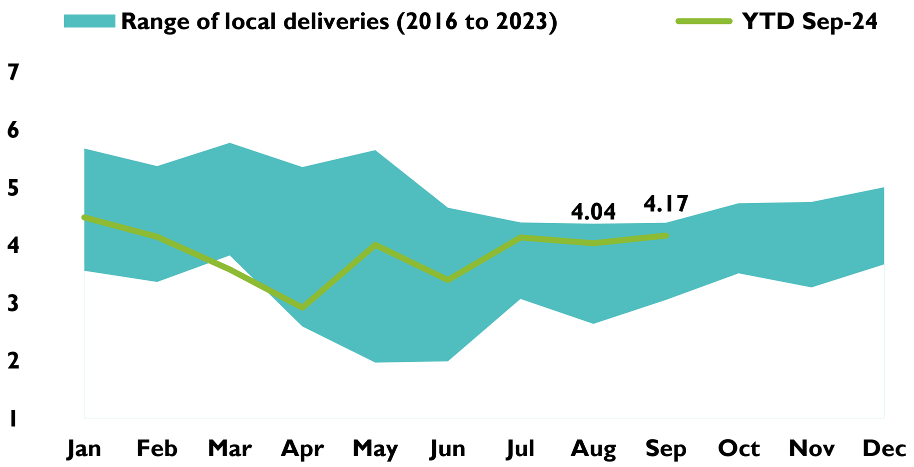
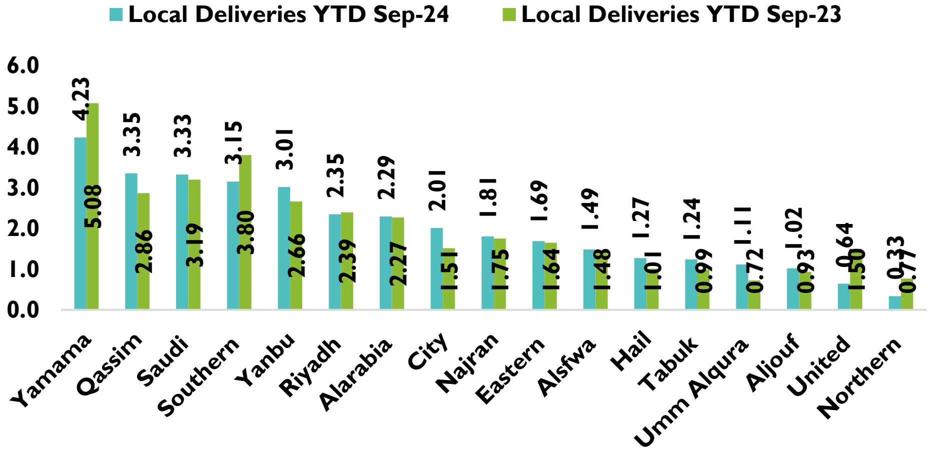
Local Deliveries (mnton)



Company-wise local Deliveries (mnton)



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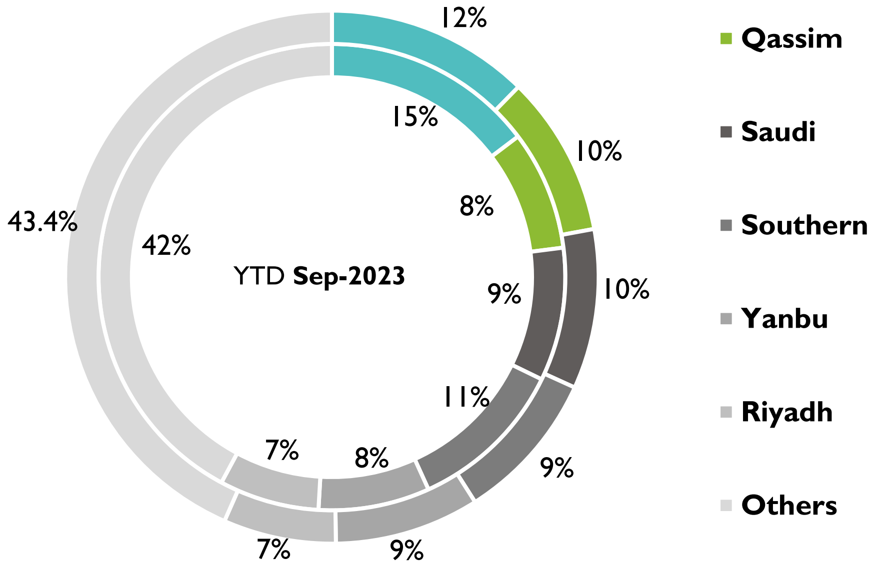
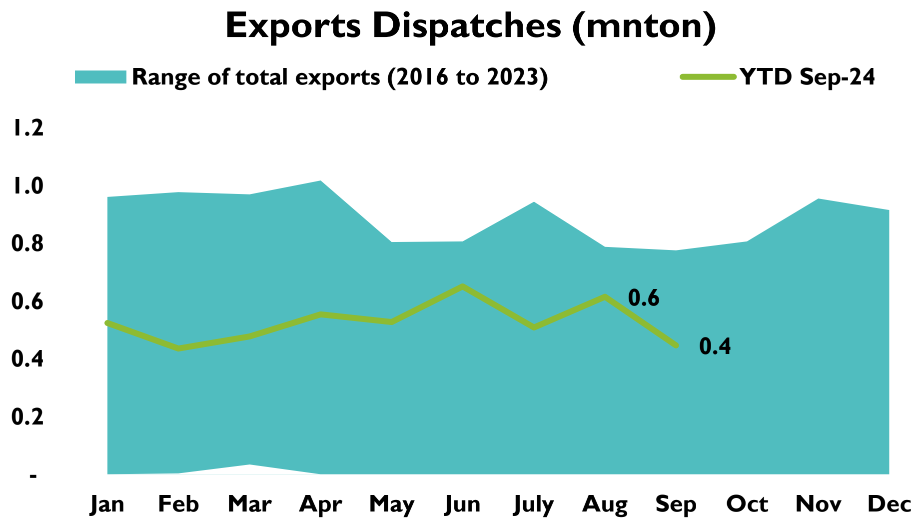
Market Share Comparison (%)

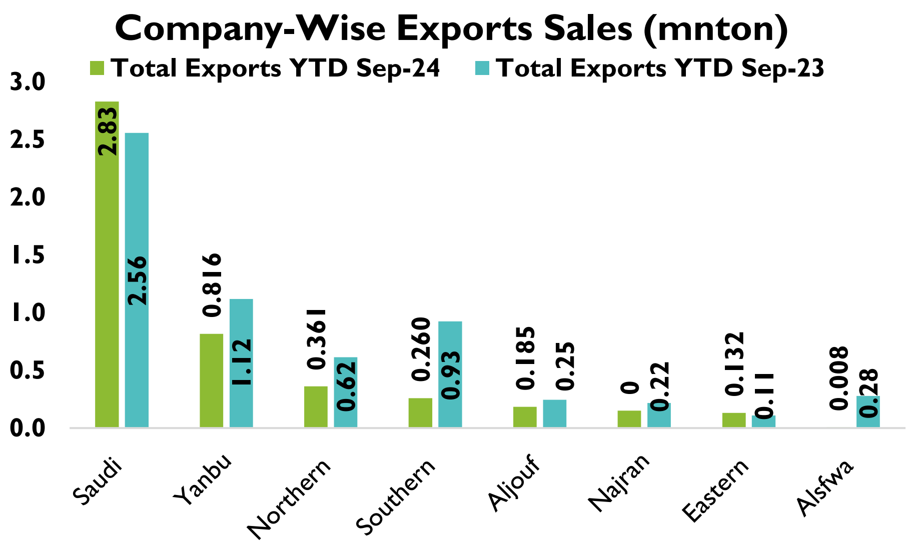
YTD Sep 2024



Source: Yamama Cement, Tharaa

Export Dispatches





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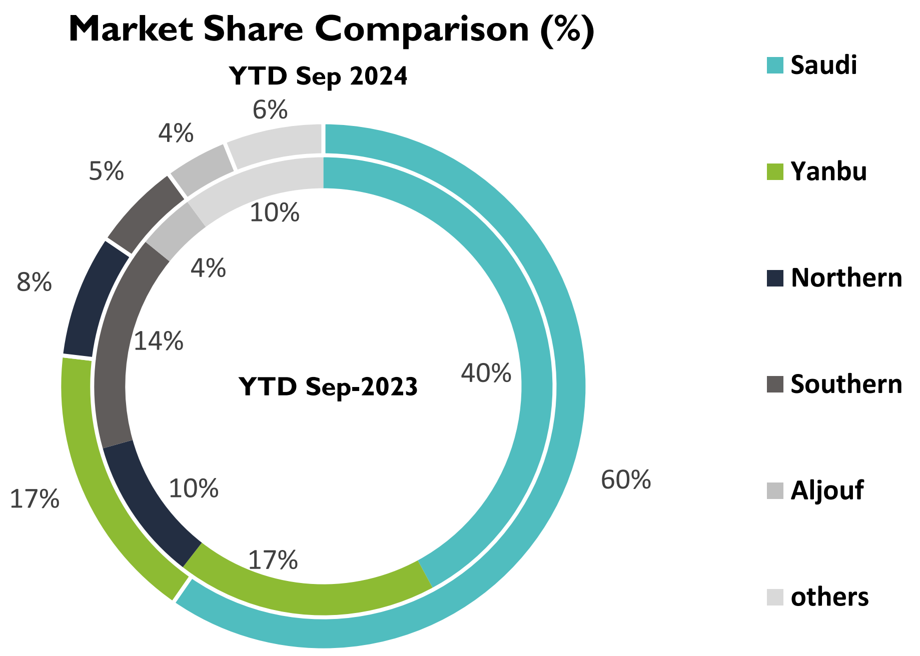
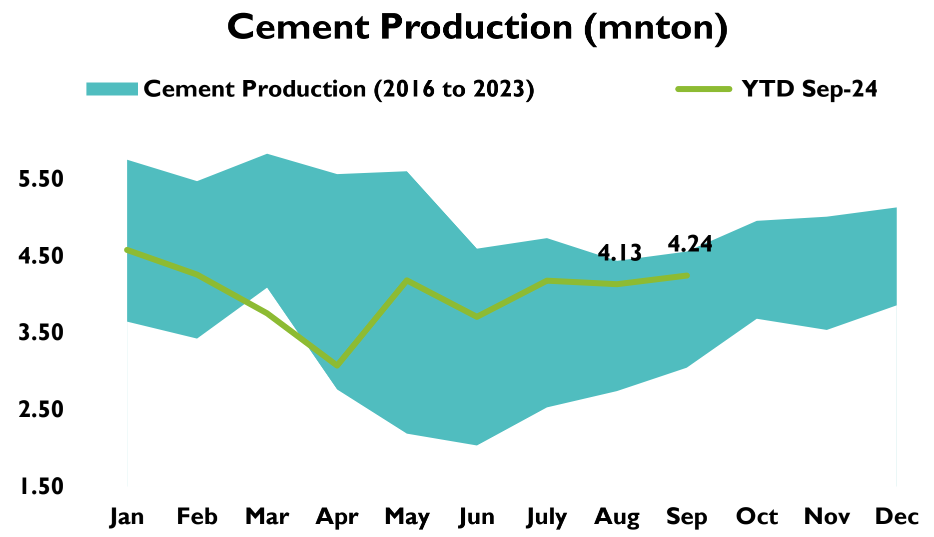
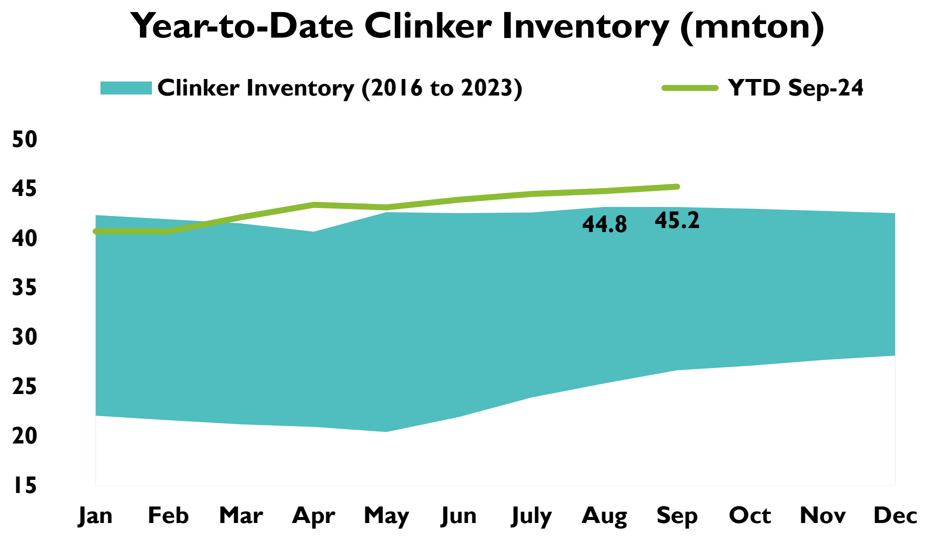


Source: Yamama Cement, Tharaa

Cement Production





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Source: Yamama Cement, Tharaa

Cement Prices change (50kg)

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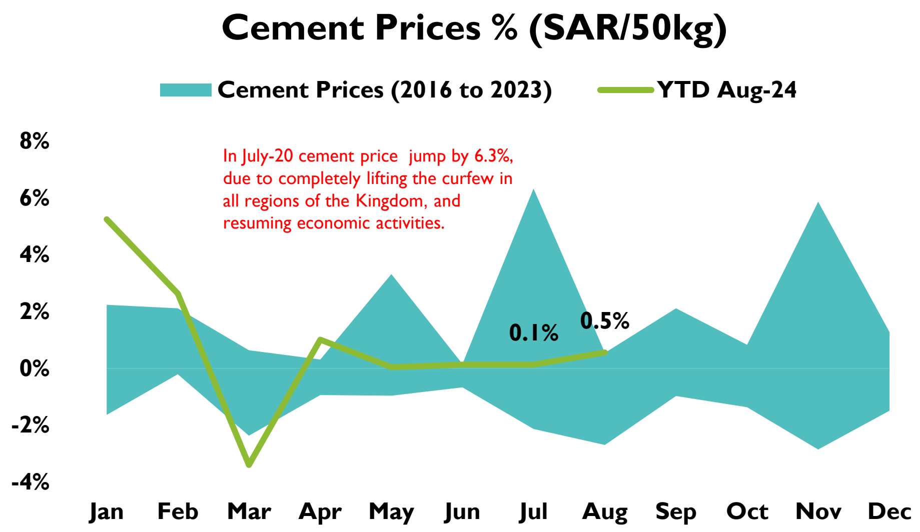

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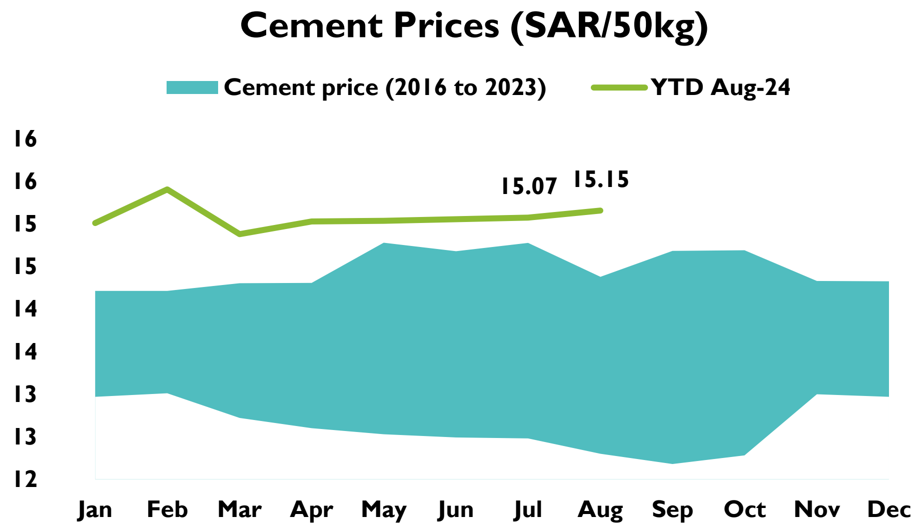

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Source: Yamama Cement, Tharaa

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Enterprise Value/Total Capacity

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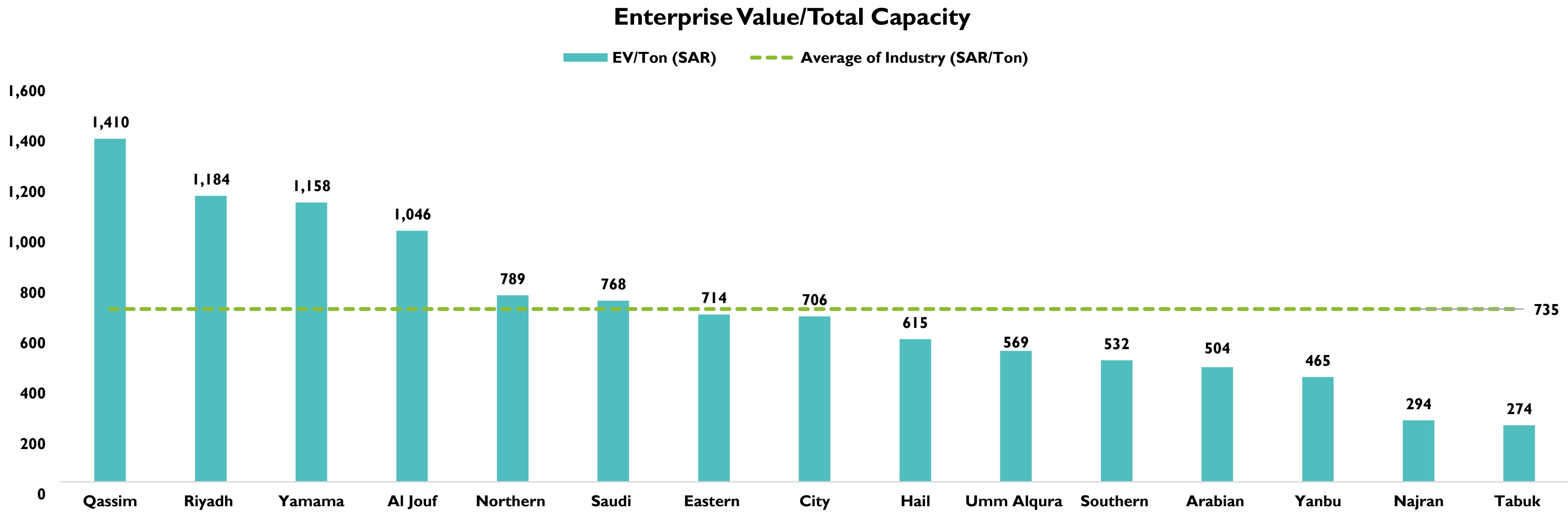
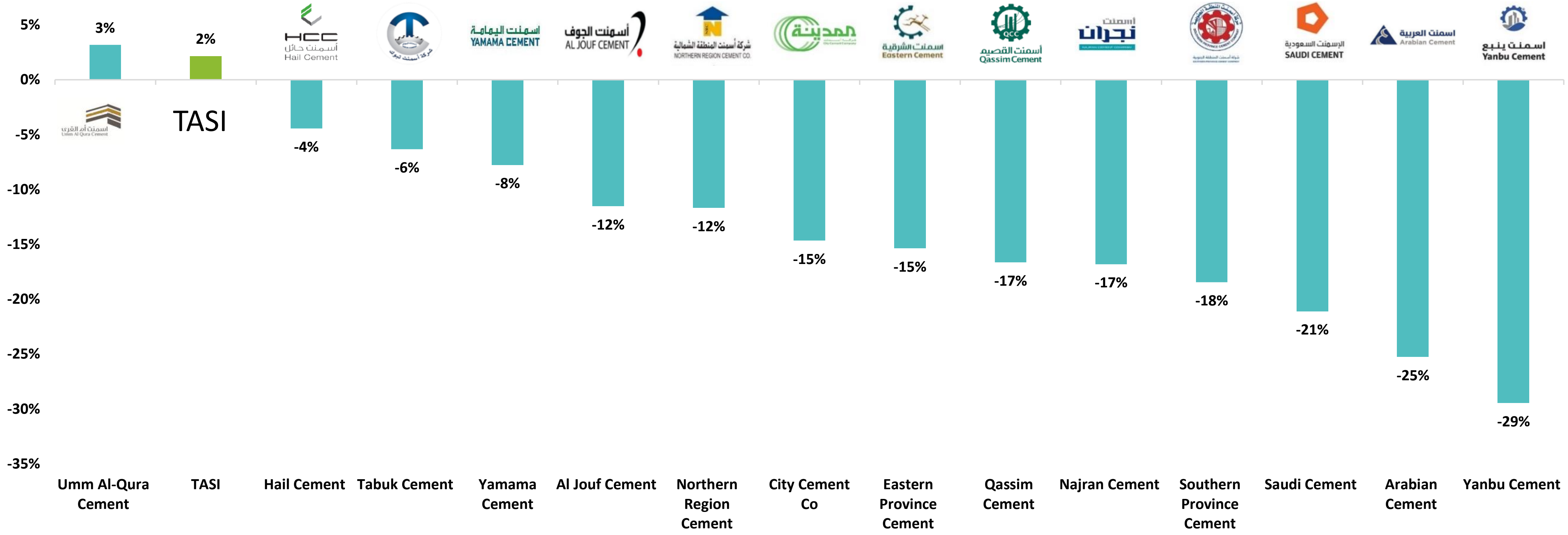


Source: Tadawul (Financial Statements Q2-2024 reports), Tharaa
**Enterprise Value: Equity Value + Debt(LT+ST) – (Cash + Liquid Assets)*
Mkt Stock Price as closed in 30-6-2024.

Cement Sector YTD Performance

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 -29% drop for Yanbu Cement. Meanwhile, the overall stock market, represented by the TASI, registered a 2% increase.



Source: Bloomberg, Tharaa Financial Center
**Mkt Stock Price as closed in 30-09-2024*

Disclaimer

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