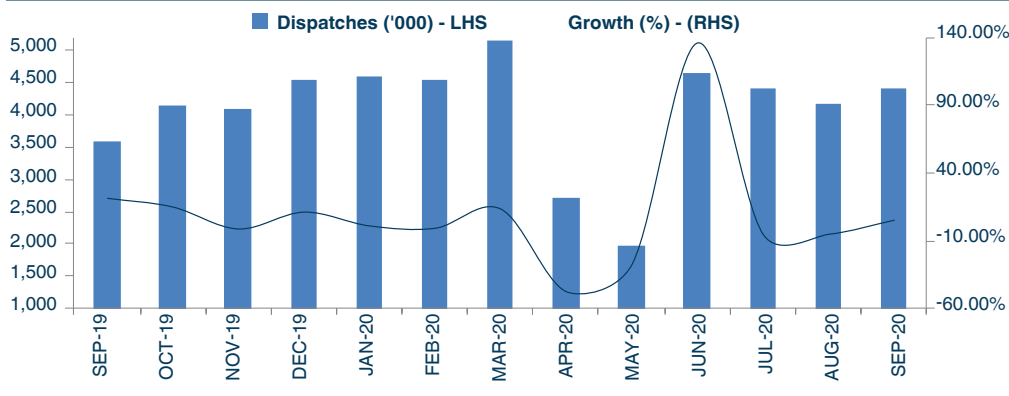




**Cement dispatches:** Cement and Clinker dispatches for the month of Sep-20, stood at 4.99mn tons (including exports), compared to 4.13mn tons in Sep-19, recording an increase of 20.8% Y/Y. On the other hand, by the end of Sep-20, Clinker inventories stood at 40.13mn tons, showing a decrease of 7.0%Y/Y and 1.4% on M/M basis. For the 9M-20 period, dispatches stood at 41.32mn tons (including exports) compared to 35.76mn tons in 9M-19, depicting an increase of 15.54%Y/Y. Local dispatches for 9M-20 stood at 36.60mn tons compared to 29.57mn tons in 9M-19, showing an increase of 23.8%Y/Y. During Sep-20. Sales/Clinker production ratio stood at 129% where the United Cement Company registered the highest ratio of 564.0%.

#### Change in Cement Dispatches (Domestic Sales)

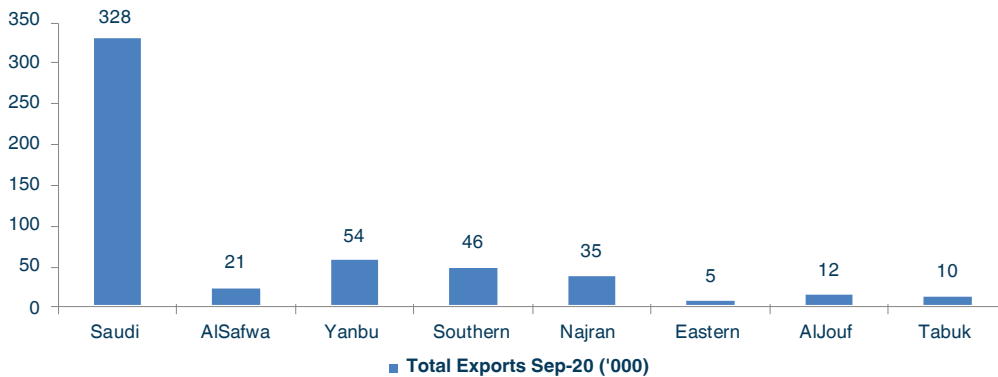
Source: Yamama Cement, AlJazira Capital



In Sep-20, domestic Cement dispatches showed an increase of 22.3%Y/Y and an increase of 5.3% on M/M basis.

#### Cement and Clinker Exports for September 2020

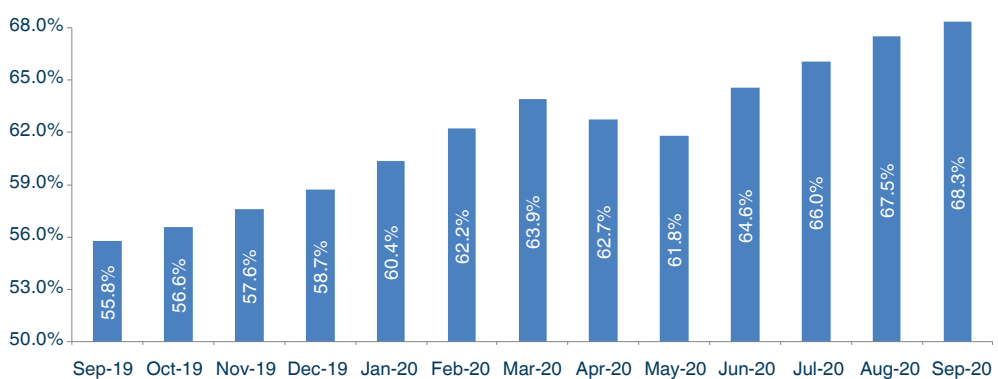
Source: Yamama Cement, AlJazira Capital



Cement and Clinker exports stood at 511K tons in Sep-20, recording an increase of 3.4%Y/Y.

#### Utilization Rate (TTM)

Source: Yamama Cement, AlJazira Capital



The total utilization rate of Saudi Cement sector increased to 68.3% in Sep-20 compared to 55.8% in Sep-19.

Analyst

Abdulrahman Al-Mashal

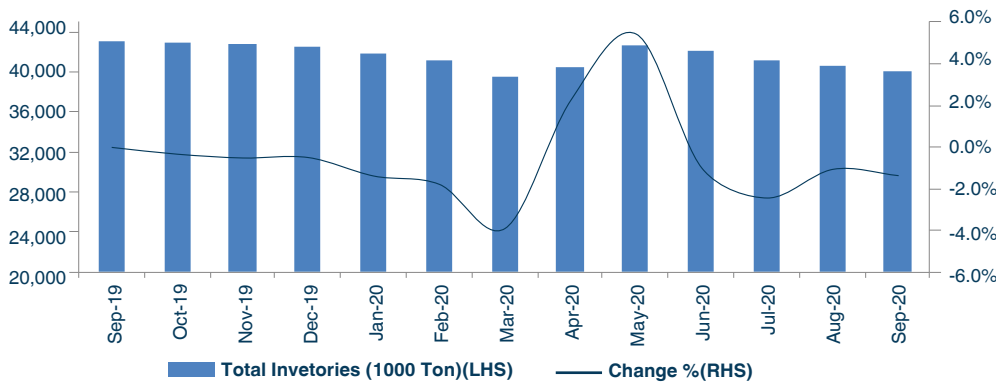
+966 11 2256374

A.Almashal@Aljaziracapital.com.sa



## Change in Clinker Inventories

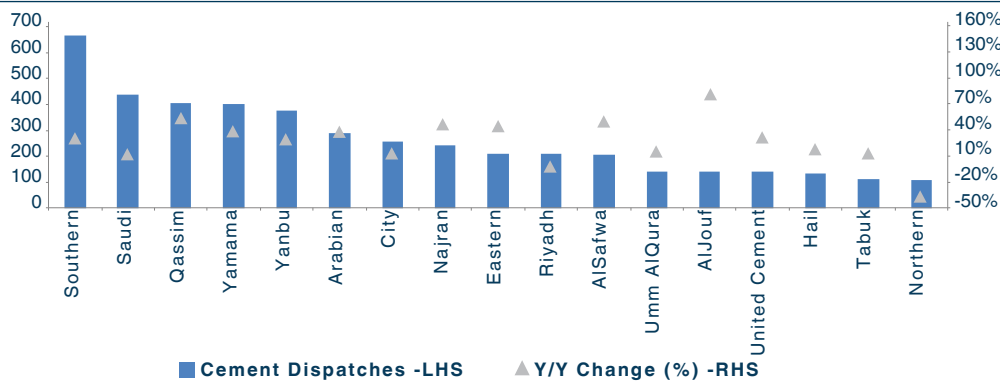
Source: Yamama Cement, AlJazira Capital



By the end of Sep-20, Clinker Inventories stood at 40.13mn tons, recording a decline of 7.0%Y/Y and 1.4% on M/M basis.

## Cement Dispatches for September 2020 (Domestic Sales)

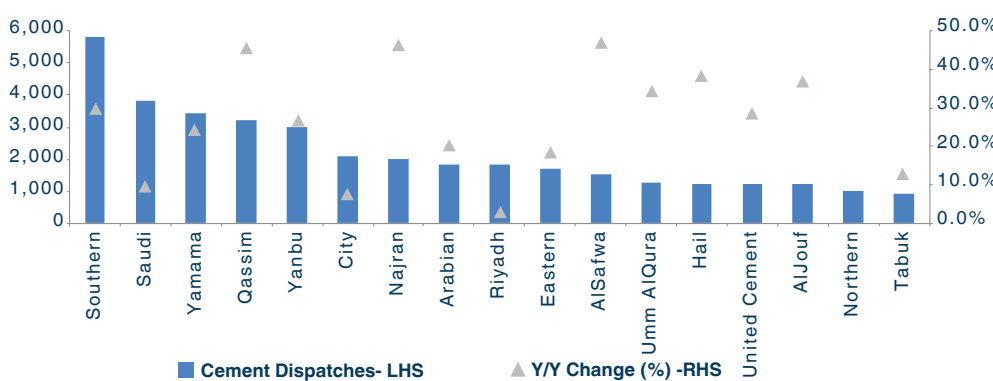
Source: Yamama Cement, AlJazira Capital



AlJouf Cement and Qassim Cement recorded the highest increase of 77.5%Y/Y and 50.2%Y/Y, in dispatches, respectively. On the other hand, Northern Cement and Riyadh Cement recorded a decline of 39.9%Y/Y and 5.4%Y/Y, respectively.

## Cement Dispatches for 9M-20 (Domestic Sales)

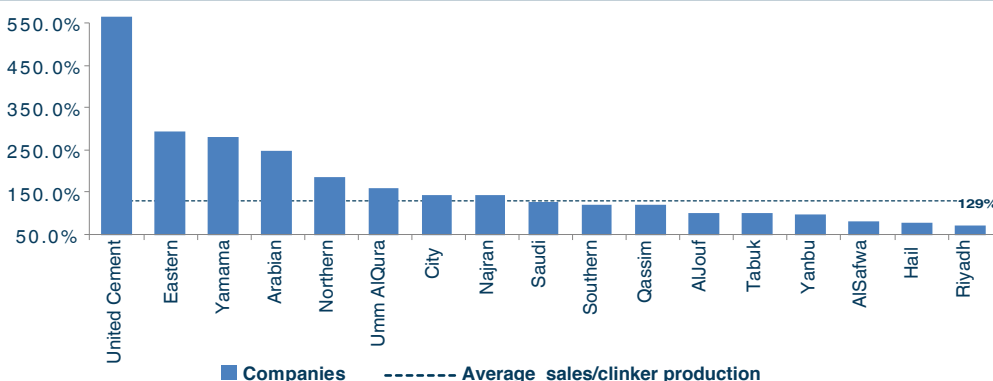
Source: Yamama Cement, AlJazira Capital



For 9M-20, AlSafwa Cement and Najran Cement showed the highest increase of 46.1%Y/Y and 45.7%Y/Y, while Northern Cement showed a decline of 3.3%Y/Y.

## Sales / Clinker Production for September 2020

Source: Yamama Cement, AlJazira Capital

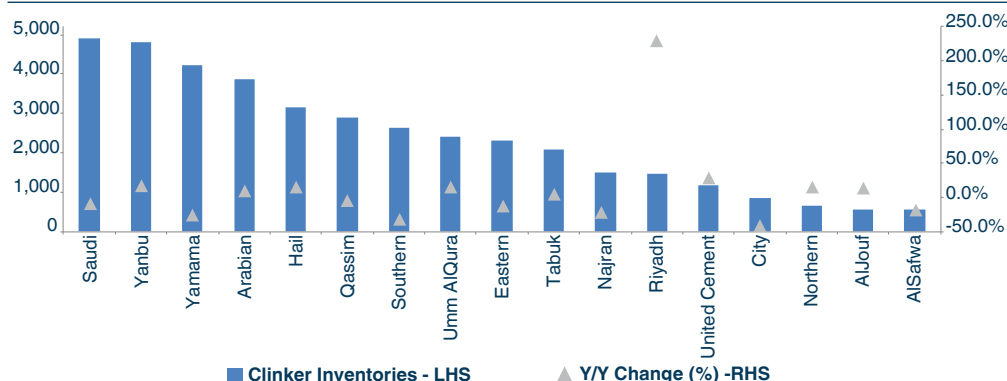


United Cement and Eastern Cement showed the highest sales / Clinker production ratio of 564.0% and 291.9%, respectively. On the other hand, Riyadh Cement and Hail Cement showed the lowest sales / clinker production ratio of 70.1% and 78.8% respectively.



## Clinker Inventories

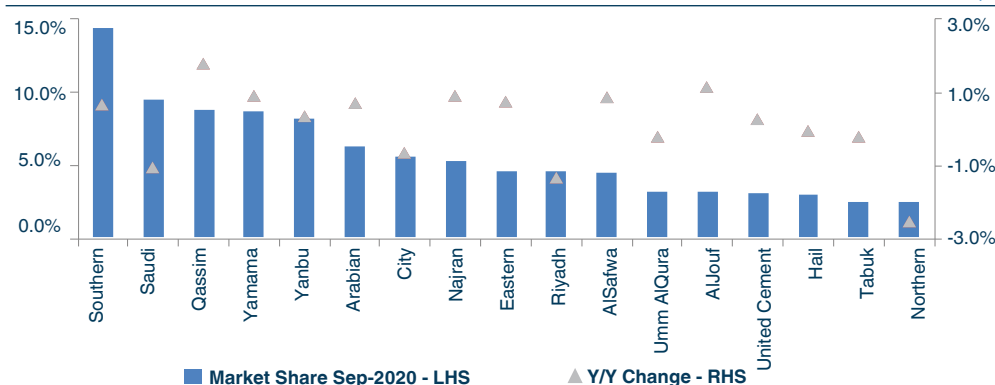
Source: Yamama Cement, AlJazira Capital



City Cement and Southern Cement had a decline in the inventory level by 44.3%Y/Y and 35.3%Y/Y, respectively. On the other hand, Riyadh Cement showed the highest increase of 225.9%Y/Y in its inventory level, followed by United Cement which showed an increase of 25.0%Y/Y.

## Market Share for September 2020 (Domestic Sales)

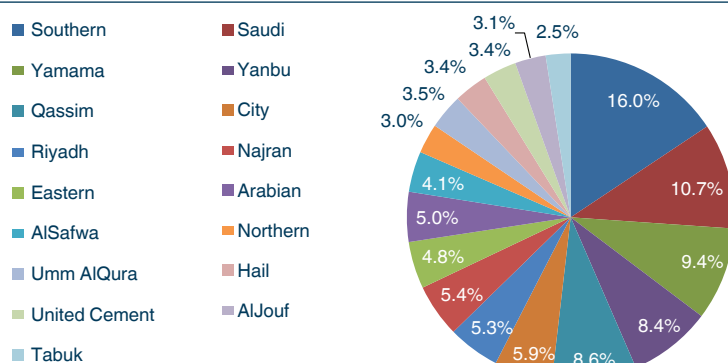
Source: Yamama Cement, AlJazira Capital



Southern Cement and Saudi Cement recorded the highest market share in Sep-20, of 14.9% and 9.8%, respectively. While Tabuk Cement and Northern Cement, recorded the lowest market share of 2.5% each. Qassim Cement increased its market share from 7.4% to 9.0%, while Northern Cement market share declined from 5.0% to 2.5%.

## Market Share TTM

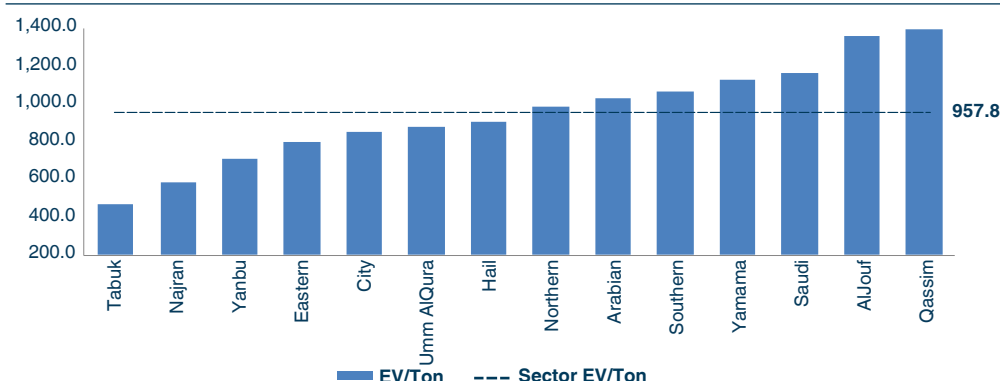
Source: Yamama Cement, AlJazira Capital



On TTM basis, Southern and Saudi Cement recorded the highest market share of 16.0% and of 10.7%, respectively, followed by Yamama Cement with a market share of 9.4%.

## EV / Ton (SAR)

Source: Bloomberg, Yamama Cement, AlJazira Capital



Qassim Cement recorded the highest EV/Ton of SAR 1,398.5, followed by AlJouf Cement with EV/Ton of SAR 1,356.1. Whereas Tabuk Cement recorded the lowest EV/Ton of SAR 469.1.



RESEARCH DIVISION

AGM-Head of Research

**Talha Nazar**

+966 11 2256250  
t.nazar@aljaziracapital.com.sa

Analyst

**Faisal Alsuwelimy**

+966 11 2256115  
F.alsuwelimy@aljaziracapital.com.sa

Senior Analyst

**Jassim Al-Jubran**

+966 11 2256248  
j.aljabran@aljaziracapital.com.sa

Analyst

**Abdulrahman Al-Mashal**

+966 11 2256374  
A.Almashal@Aljaziracapital.com.sa

BROKERAGE AND INVESTMENT CENTERS DIVISION

General Manager – Brokerage Services & sales

**Alaa Al-Yousef**

+966 11 2256060  
a.yousef@aljaziracapital.com.sa

AGM-Head of international and institutions

**Ahmad Salman, CFA**

+966 11 2256201  
a.salman@aljaziracapital.com.sa

AGM-Head of Qassim & Eastern Province

**Abdullah Al-Rahit**

+966 16 3617547  
aalrahit@aljaziracapital.com.sa

AGM-Head of Central & Western Region

Investment Centers

**Sultan Ibrahim AL-Mutawa**

+966 11 2256364  
s.almutawa@aljaziracapital.com.sa

RESEARCH DIVISION

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1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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Head Office: King Fahad Road, P.O. Box: 20438, Riyadh 11455, Saudi Arabia, Tel: 011 2256000 - Fax: 011 2256068