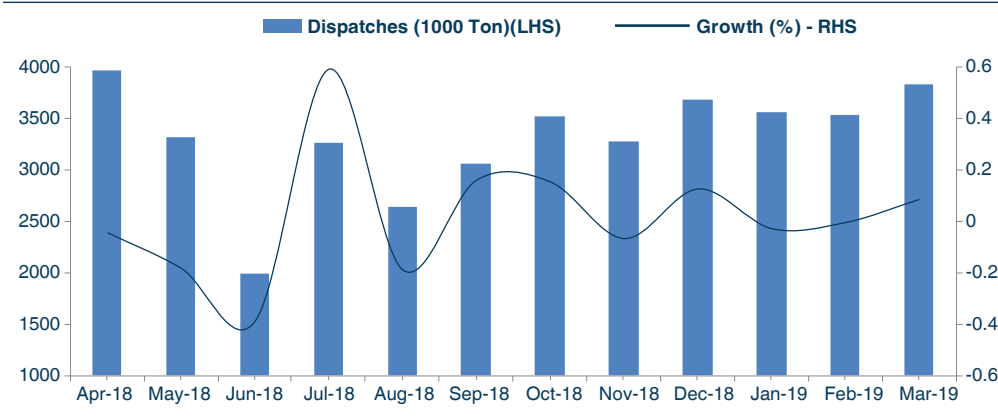


Cement dispatches: Cement and clinker dispatches for the month of Mar-19 stood at 4.80mn tons (including exports), compared to 4.29mn tons in Mar-18, depicting an increase of 11.9%Y/Y primarily driven by exports. Clinker inventories stood at 41.49mn tons during Mar-19; showing an increase of 16.1%Y/Y whereas a M/M decline of 0.9%. For 3M-19, dispatches stood at 13.27mn tons (including exports) compared to 12.04mn tons in 3M-18, depicting an increase of 10.2%. Local dispatches for 3M-2019 stood at 10.92mn tons compared to 11.88mn tons in 3M-2018 depicting a decrease of 8.0%. Sales / clinker production ratio stood at 117% in March-19, where Najran cement registered the highest ratio at 228%.

Change in Cement Dispatches (Domestic Sales)

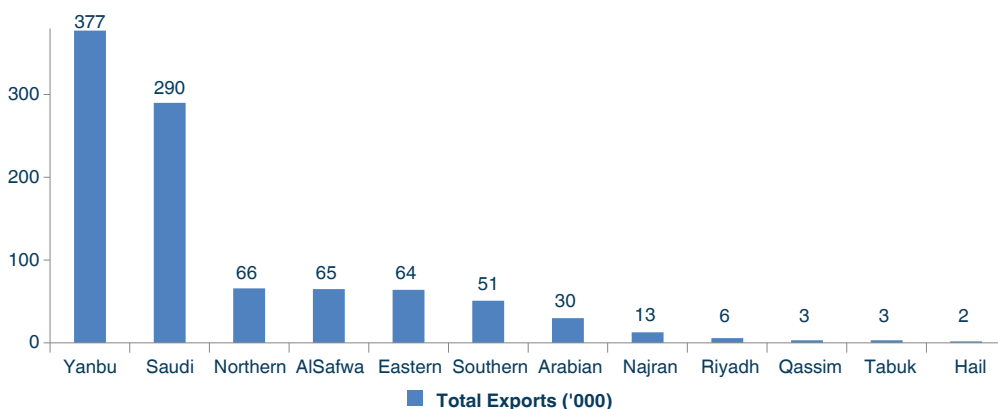
Source: Yamama Cement, AlJazira Capital



Domestic cement dispatches showed a decline of 8.1% Y/Y. While on monthly basis, cement dispatches showed an increase of 8.3%.

Cement and Clinker Exports (YTD)

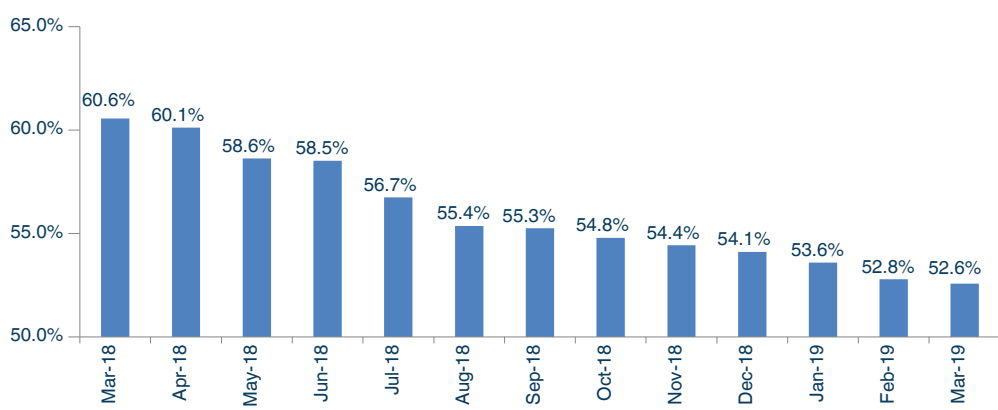
Source: Yamama Cement, AlJazira Capital



Cement and clinker exports stood at 970K tons in Mar-19.

Utilization Rate (TTM)

Source: Yamama Cement, AlJazira Capital



The total utilization rate of Saudi cement sector declined to 52.6% in Mar-19 compared to 60.6% in Mar-18.

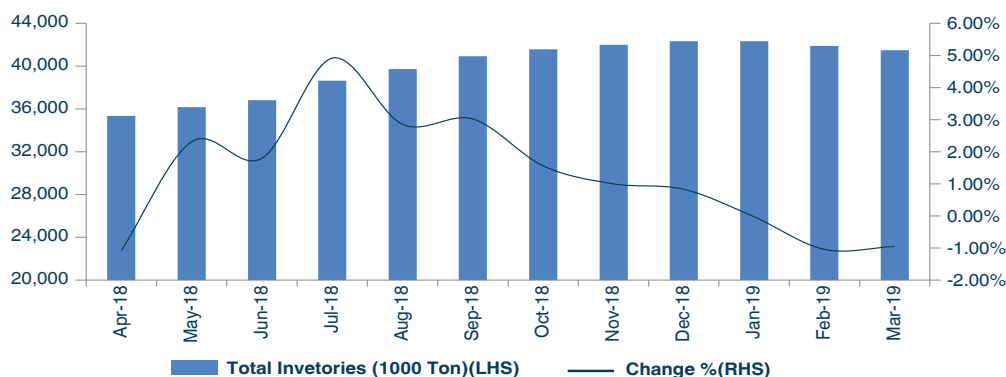
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Change in Clinker Inventories

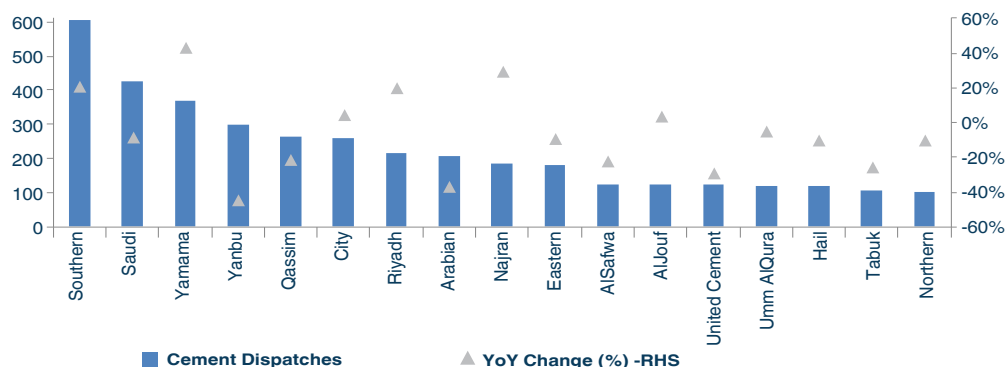
Source: Yamama Cement, AlJazira Capital



During Mar-19, clinker Inventories stood at 41.49mn tons recording an increase of 16.4% Y/Y, while declined by 0.9% on M/M basis.

Cement Dispatches for Mar-19 (Domestic Sales)

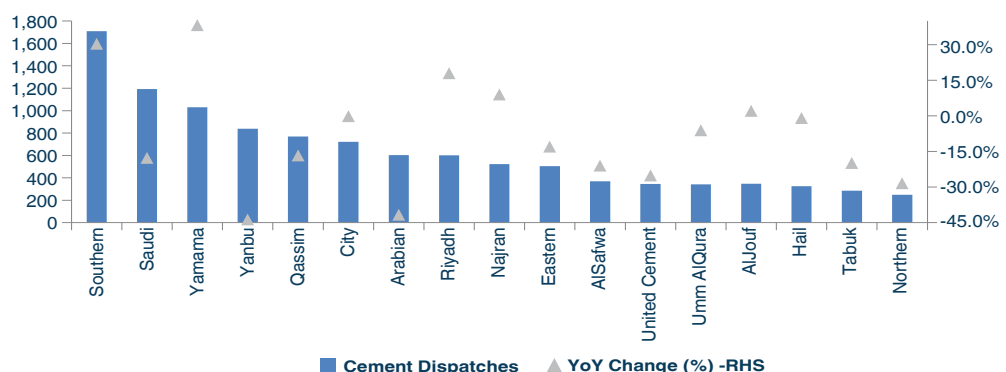
Source: Yamama Cement, AlJazira Capital



Yamama and Najran cement recorded the highest increase in dispatches of 43.0%Y/Y and 29.4%Y/Y, respectively. On the other hand, Yanbu cement showed the highest decline of 44.4%Y/Y, followed by Arabian cement with decline of 37.3%Y/Y.

Cement Dispatches for 3M-2019 (Domestic Sales)

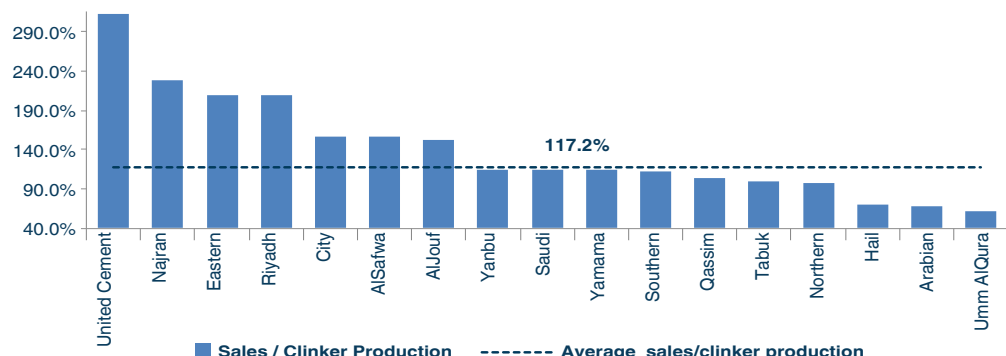
Source: Yamama Cement, AlJazira Capital



For 3M-19, Yamama cement showed the highest increase of 38.2Y/Y%, followed by Southern cement with an increase of 30.3Y/Y%. While Yanbu cement and Arabian cement showed a decline of 43.7% Y/Y and 41.7% Y/Y respectively.

Sales / Clinker Production for Mar-19

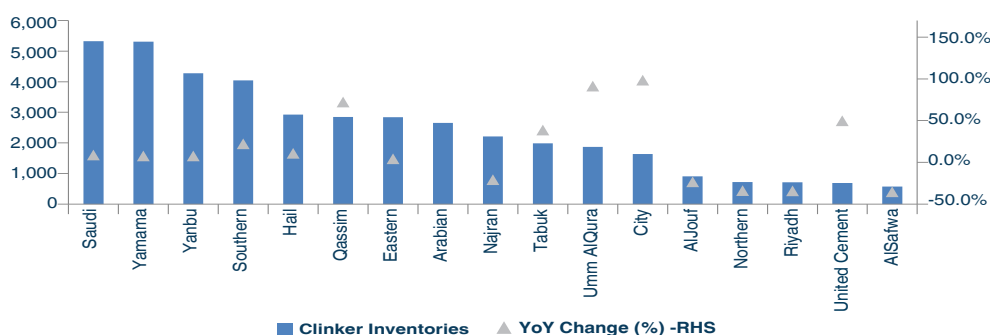
Source: Yamama Cement, AlJazira Capital



United Cement and Najran cement showed the highest sales / clinker production ratio of 312.8% and 227.6% respectively. On the other hand, Umm AlQura and Arabian cement showed a sales/ clinker production ratio of 61.5% and 66.9% respectively.

Clinker Inventories

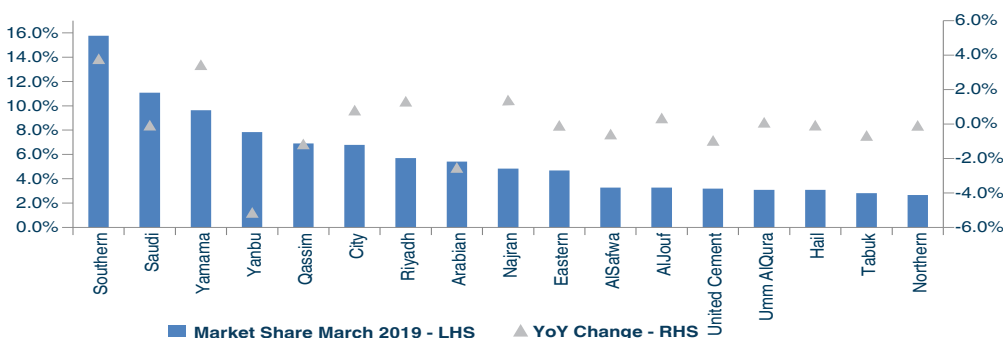
Source: Yamama Cement, AlJazira Capital



AISafwa and Riyadh cement had a decline in the inventory level by 35.3% Y/Y and 34.1% Y/Y respectively. On the other hand, Arabian cement showed the highest increase of 188.8% Y/Y in its inventory level, followed by City cement which showed an increase of 98.4% Y/Y.

Market Share – Mar-19 (Domestic Sales)

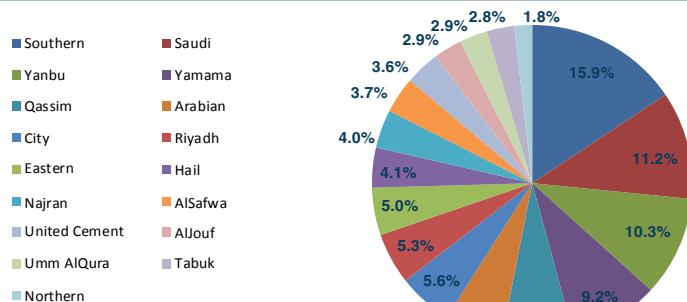
Source: Yamama Cement, AlJazira Capital



Southern and Saudi cement recorded the highest market share in Mar-19, of 15.8% and 11.1%, respectively. While Northern and Tabuk cement, recorded the lowest market share of 2.7% and 2.8% respectively. Southern cement increased its market share from 12.0% to 15.8%, while Yanbu cement market share declined from 13.0% to 7.8%.

Market Share TTM

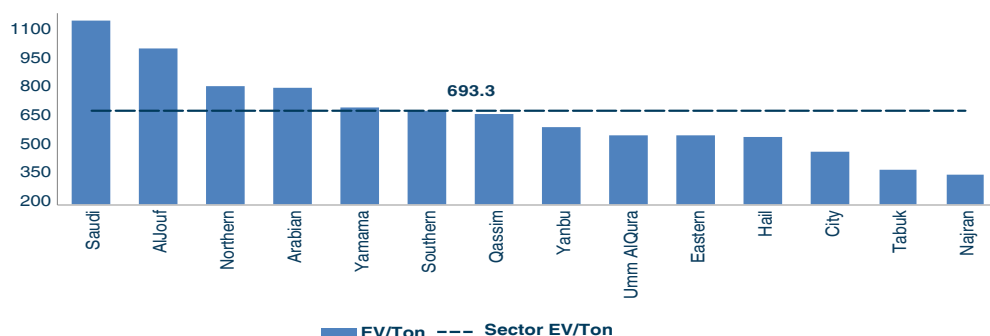
Source: Yamama Cement, AlJazira Capital



On TTM basis, Southern and Saudi cement recorded the highest market share of 15.9% and 11.2%, respectively. followed by Yamama cement with market share of 10.3%.

EV / Ton (SAR)

Source: Bloomberg, Yamama Cement, AlJazira Capital



Saudi cement recorded the highest EV/Ton of SAR 1,165.5, followed by AlJouf cement with EV/Ton of SAR 1,016.8. Whereas Najran cement recorded the lowest EV/Ton of SAR 359.7.

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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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