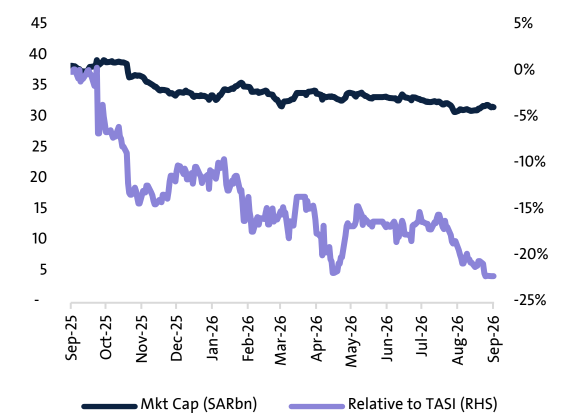
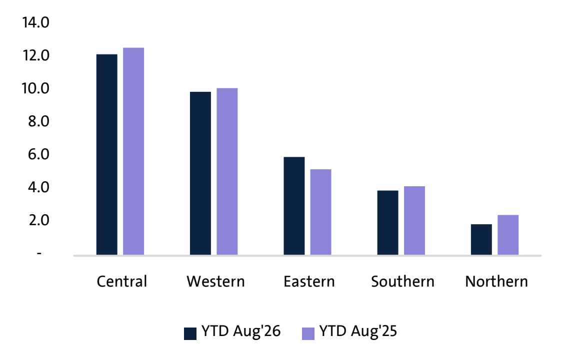
# Aug-26: Local sales rise as weaker exports weigh on volumes

**Cement Sector-YTD Performance vs TASI**




Source: AC, Bloomberg

**Cement Sector-YTD Regional Sales Performance (mnton)**




Source: Yamama, AC

## KSA Cement Sector: Local Sales rise as weaker Exports weigh on volumes

Cement sales have accelerated in August 2026, driven by rising activity levels and higher construction demand across all regions, particularly in the Eastern Region. Export sales, however, remained a drag. Average realized cement prices fell compared to the previous quarter. This drop was driven by intense pricing pressure in the Central Region. We expect the pricing environment to improve in the coming quarters.

### Total sales: Drop in exports pulled total sales down

Total sales declined by 1% MoM in Aug-26, worsening the YTD decline to 3%. Despite the overall decline in sales, Eastern (+25%), Umm Al Qura (+24%), Qassim (+17%), and Yamama (+5%), outperformed the sector. On a YoY basis, total sales increased by 9% to 5.0mn tons in Aug-26, even as falling exports dragged on total sales.

### Local Sales: Yamama leads the market, Eastern shows steady growth.

Overall, local sales improved by 1% MoM in Aug'26, taking YTD decline in sales to 2%. Region wise sales exhibited mixed trends in Aug-26. Eastern Region recorded the highest growth in local sales in Aug-26 at 11% YoY, partially recouping YTD underperformance vs other regions. Central region accounted for 36% of total local sales YTD. On a monthly basis, almost all companies recorded higher sales volumes. Najran outperformed its listed peers and posted significant growth of 15% MoM. On a YTD basis, Yamama achieved 5% growth while Riyadh managed to barely maintain its volumes.

### Exports: Sales retracted MoM; Southern Cement stood out

The last month's uptick in export sales has proved to be short-lived as volumes retracted by 13% MoM taking YTD drop in volumes to 21%. The exports sales were weighed down by ongoing pressure on outbound trade due to ongoing geopolitical risk. On a corporate level, Southern Cement emerged as the standout performer, tripling its YTD export volumes and expanding its industry market share to 17%. Conversely, Yanbu Cement and Saudi Cement sustained their market dominance, despite minor market share contractions of 6% and 18% respectively over the YTD period.

### Valuation & Stock Prices Performance

Listed cement stocks present solid value, trading at an 8% P/E discount to global peers while offering a resilient 5.5% dividend yield. This discount has remained intact even though sector market cap has dropped 6% YTD (12% underperformance vs TASI). While realized prices have come under pressure in 2Q26, we expect to see relative stability in prices in 3Q26 driven by QoQ recovery in volumes and higher freight cost for inter-region movement of cement. Accordingly, we expect cement sector to make up for the YTD underperformance.

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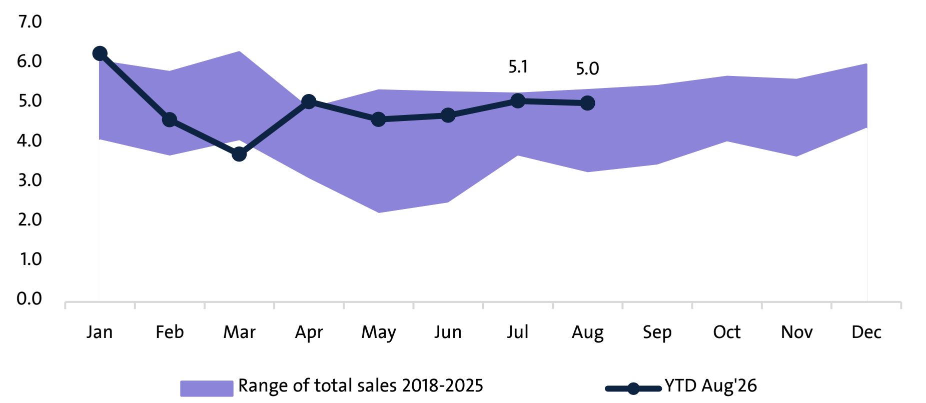
## Cement-Total Sales

Total cement and clinker sales in Aug-26 slightly dropped by 1% MoM, suggesting slower demand momentum.

The drop in sales growth in Aug kept the YTD sales decline to 3%, with cumulative sales reaching 39.0mn tons.

**Total sales (Local + Exports, mn tons)**

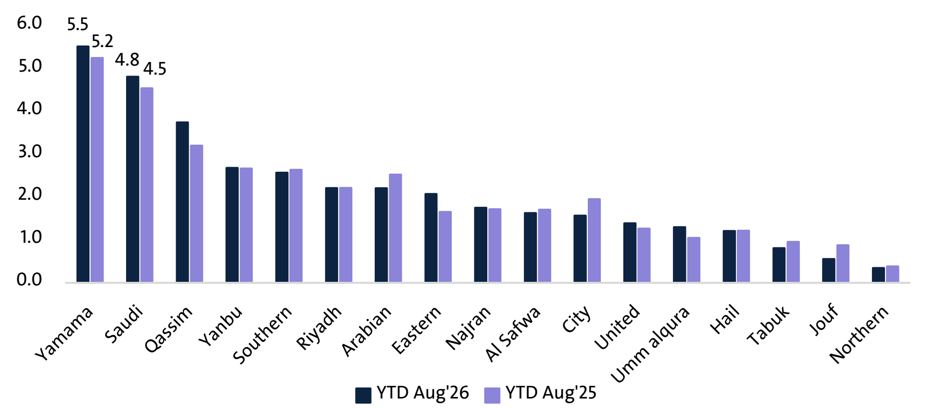



Source: AC

Yamama Cement maintained its industry-leading position, outperforming peers in total sales during YTD Aug-26.

Monthly sales for Yamama Cement reached 5.5mn tons, as of Aug-26, up 5% YTD. Saudi Cement ranked 2nd, recording total sales of 4.8mn tons, up 6% compared to the previous year.

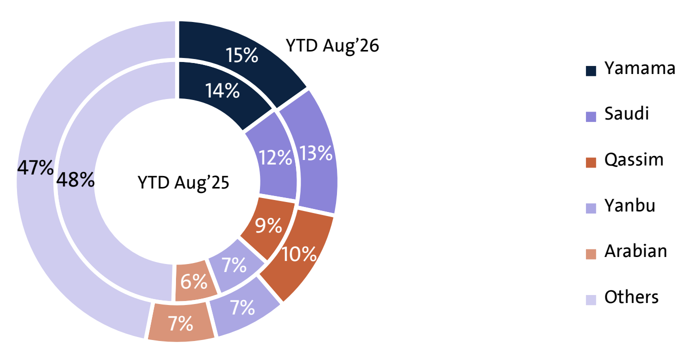
**Company-wise total sales (mn tons)**




Source: AC

Yamama Cement led the market with 15% share in YTD August 2026, gaining 1%. The company's strategic location and efficient facilities drove its overall success, while Saudi Cement ranked second with M/S of 13% in total sales.

**Market Share of total cement sales comparison (%)**



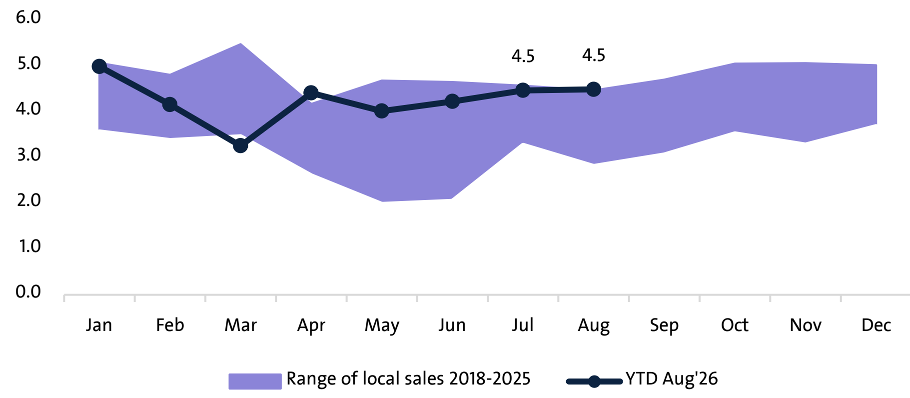

Source: AC

## Cement-Local Sales

Local sales increased by 1% MoM in Aug-26 to 4.5mn tons. Consequently, YTD decline in sales held steady at 2% similarly in the first half 2026.

The Eastern Region drove the growth in local sales, posting the highest growth among all regions at 11% YoY, followed by Central Region at 2%.

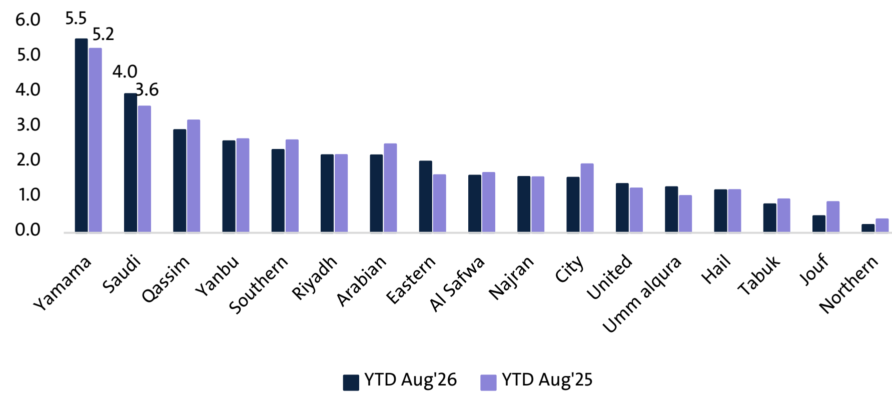
**Local cement sales (mn tons)**




Source: AC

On a YTD basis, Yamama Cement grew its local sales by over 0.2 million tons, even though total market sales dropped by 0.7 million tons.

**Company-wise local sales (mn tons)**

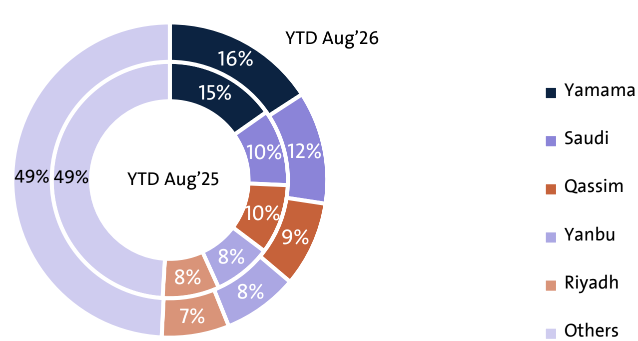



Source: AC

Yamama Cement expanded its local market share to 16% in YTD August 2026, up from 15% the previous year.

Similarly, Saudi Cement captured an additional 2%, raising its local sales market share to 12% during the same period.

**Market share of local cement sales comparison (%)**




Source: AC

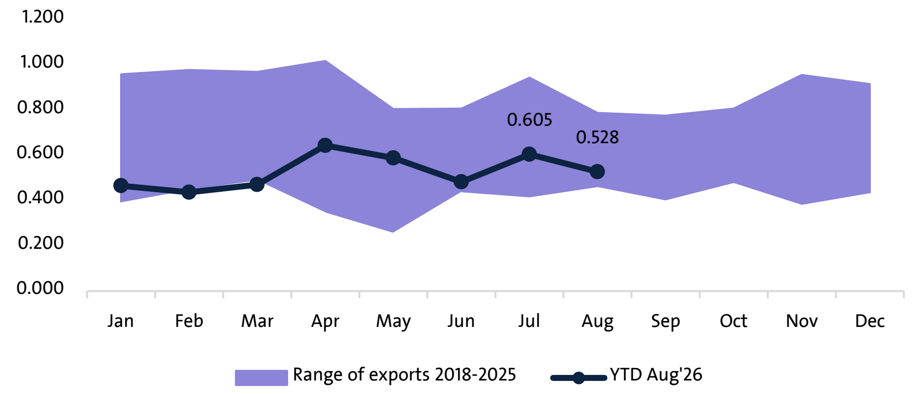
## Cement-Exports

Export sales retracted by 13% MoM in Aug-26. Consequently, the YTD decline in export volumes reached 21%.

The heightened geopolitical risk has weighed on YTD export performance.

Exports represented 11% of total industry sales, with clinker accounting for nearly 80% of total exports.

**Export sales (mn tons)**

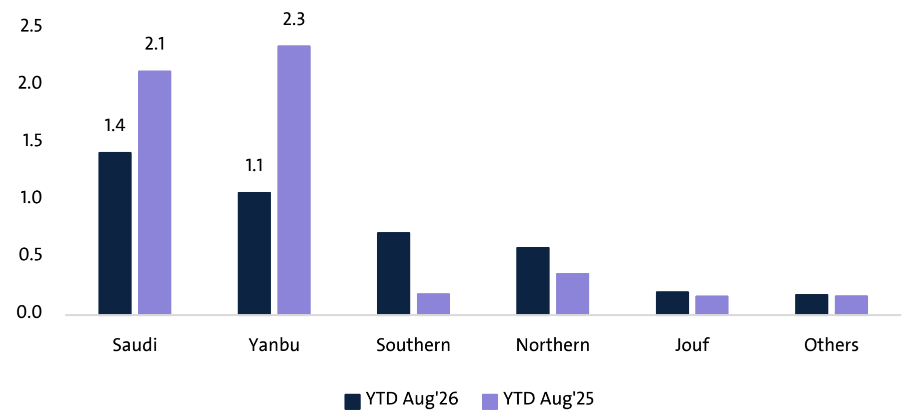



Source: AC

Saudi Cement's exports reached 1.4mn tons in YTD Aug-26, declining 33% YoY. Similarly, Yanbu Cement's exports fell to 1.1mn tons (vs. 2.3mn tons), contributing to a 22% decline in total export sales (vs YTD Aug-25).

Meanwhile, Southern Province Cement outperformed the broader trend, with exports increasing by 3x YoY.

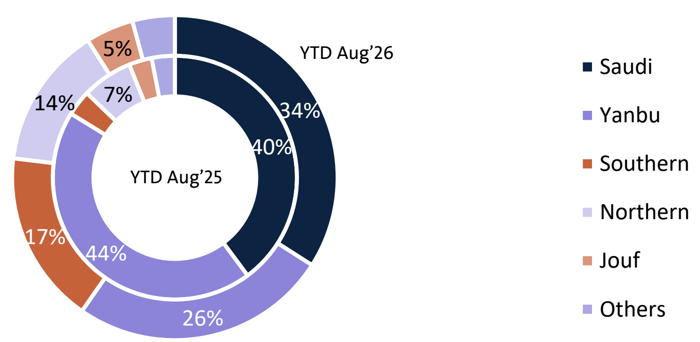
**Export sales company-wise (mn tons)**




Source: AC

Southern Cement's export market share substantially increased to 17% in YTD Aug'26, while Saudi Cement and Yanbu Cement saw their M/S in exports declining to 34% and 26%, respectively.

**Market share of total cement exports comparison (%)**

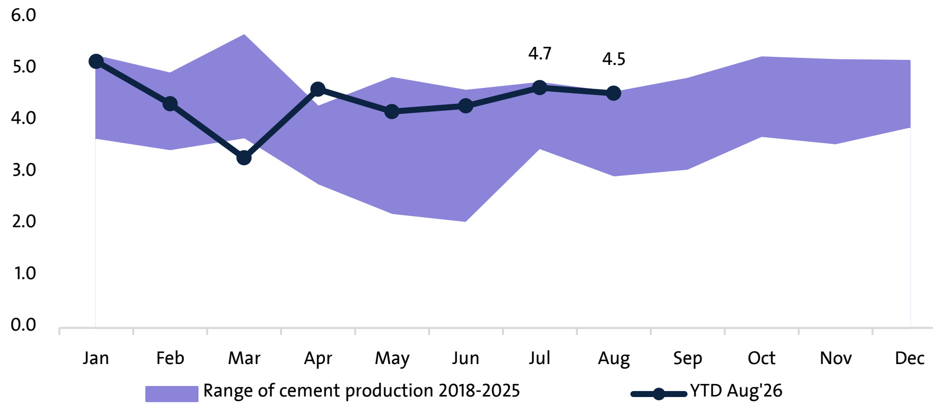



Source: AC

## Cement: Production, Inventory & Realized Prices

Cement production fell by 2% MoM to 4.5mn tons in Aug-26 and reflected the trends in local consumption.

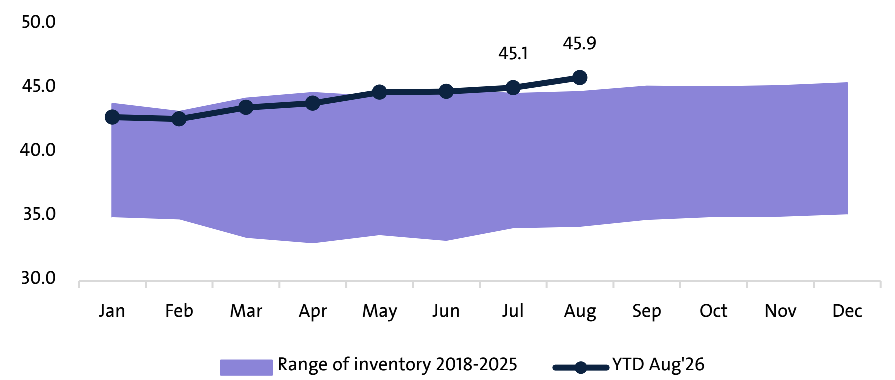
**Cement production (mn tons)**




Source: AC

Clinker inventories reached all time levels at 46mn tons. Since Dec25, the inventory levels of clinker has risen by 5% with City and Riyadh recording the highest increase in inventory. Jouf and Qassim managed to drop total clinker inventory YTD.

**Clinker inventory (mn tons)**

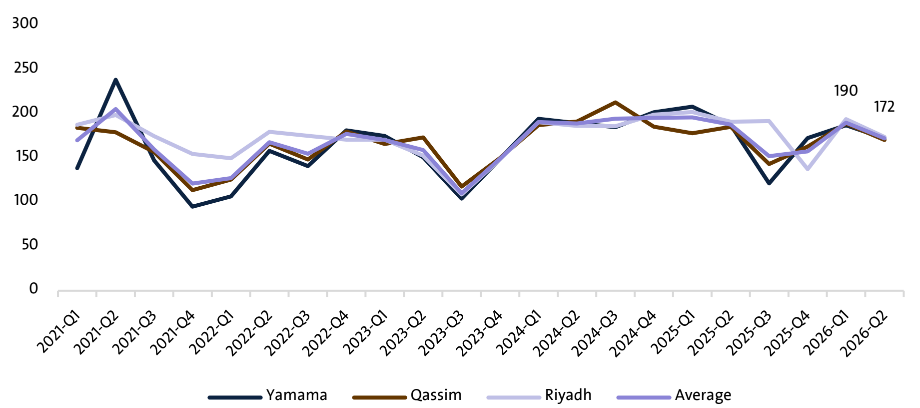



Source: AC

Average realized cement prices hit SAR 172/ton in 2Q26, down 9% compared to 1Q26 levels.

This drop was driven by intense pricing pressure in the Central Region, which plunged 10%.

**Realized prices per ton (SAR/ton)***



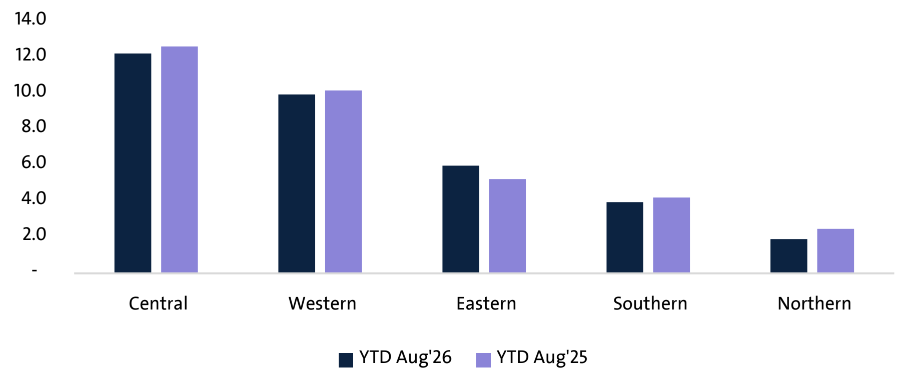

*Primarily based on available 2Q accounts Source: AC

## Cement: Regional Cement Deliveries

The Central Region remained the Kingdom's largest cement market, with over 12.2mn tons of deliveries in YTD Aug-26.

The Eastern Region was the only market to record growth, with cement deliveries increasing by 14% YTD.

**Regional Cement Deliveries (mn tons)**

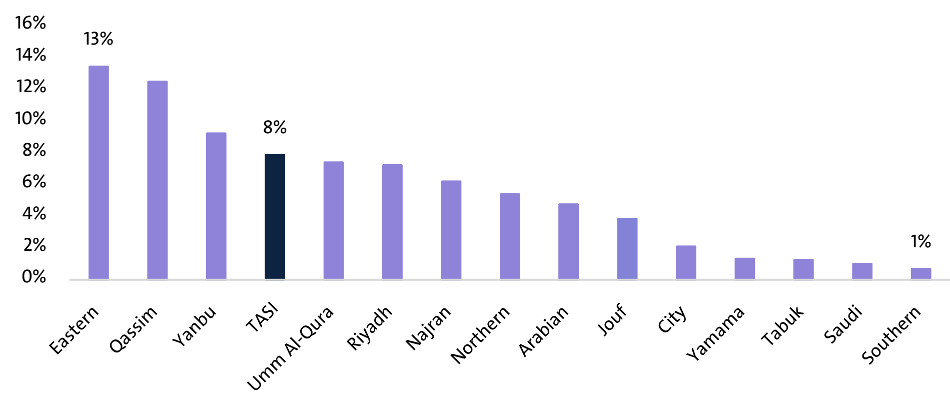



Source: AC

## Stock performance

Compared to 52-week low levels, Eastern and Qassim have outperformed the TASI, while Saudi & Southern remain near their lowest levels and have yet to show a recovery.

**Cement stocks returns from 52-week low**




Source: AC

# Cement- Stock Valuation & Performance

| Cement: Relative Valuation | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Stock name | Country | Market Cap | Price | P/E | | P/BV | | D/Y | | EV/EBITDA | |
| | | SARm | Local | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E | 2026E | 2027E |
| Qassim Cement | KSA | 5,001 | 45.6 | 18.2 | 18.2 | 1.7 | 1.8 | 5.0% | 5.0% | 10.4 | 9.7 |
| Saudi Cement | KSA | 4,281 | 28.0 | 12.1 | 10.0 | 2.4 | 2.4 | 7.3% | 8.8% | 9.1 | 7.7 |
| Southern Cement | KSA | 2,675 | 19.1 | NM | NM | 1.0 | 0.9 | 3.3% | 3.7% | 26.8 | 14.5 |
| Yamama Cement | KSA | 4,635 | 22.9 | 10.0 | 9.4 | 1.0 | 1.0 | 4.5% | 4.5% | 10.2 | 10.3 |
| Yanbu Cement | KSA | 2,386 | 15.2 | 23.1 | 15.1 | 0.9 | 1.0 | 8.5% | 8.0% | 7.9 | 8.4 |
| Northern Cement | KSA | 1,197 | 6.7 | 21.0 | 19.5 | 0.5 | 0.7 | 3.5% | 3.6% | 12.0 | 11.0 |
| Riyadh Cement | KSA | 2,832 | 23.6 | 11.1 | 10.4 | 1.7 | 1.6 | 7.0% | 5.0% | 8.4 | 7.6 |
| Eastern Cement | KSA | 2,141 | 24.9 | 8.9 | 9.2 | 1.0 | 0.9 | 4.8% | 4.8% | 5.2 | 5.0 |
| **KSA Market mean** | | **2,582.6** | **17.7** | **13.2** | **11.9** | **1.0** | **1.1** | **5.5%** | **5.4%** | **9.3** | **8.5** |
| UltraTech | IND | 128,362 | 11,000.0 | 39.9 | 31.2 | 4.1 | 3.7 | 2.1% | 2.3% | 18.5 | 17.0 |
| Anhui Conch | CNY | 33,271 | 17.3 | 12.3 | 10.9 | 0.5 | 0.5 | 4.7% | 5.1% | 4.3 | 3.9 |
| Siam Cement | THA | 35,616 | 265.0 | 14.1 | 11.4 | 0.8 | 0.8 | 3.1% | 3.6% | 7.2 | 6.4 |
| Holcim Maroc | MAR | 16,186 | 1,727.0 | 15.2 | 13.8 | 2.1 | 1.9 | 4.1% | 4.5% | 8.5 | 7.9 |
| GCC, S.A.B. | MEX | 13,080 | 182.0 | 13.5 | 12.2 | 1.9 | 1.7 | 1.8% | 2.1% | 7.2 | 7.2 |
| Qatar Cement | QAT | 1,732 | 2.6 | 16.9 | 15.2 | 0.6 | 0.6 | 5.9% | 6.3% | 7.9 | 7.1 |
| Titan Cement | BEL | 17,369 | 51.0 | 9.8 | 9.4 | 1.1 | 1.0 | 3.0% | 3.2% | 5.8 | 5.4 |
| Oyak Cement | TUR | 8,789 | 22.3 | 9.1 | 7.8 | 2.3 | 1.9 | 2.5% | 3.0% | 5.2 | 4.5 |
| Ambuja Cement | IND | 38,758 | 392.0 | 23.1 | 19.5 | 3.2 | 2.9 | 0.5% | 0.7% | 16.5 | 14.0 |
| **Mean** | | **9,195.0** | **17.2** | **14.3** | **12.5** | **1.2** | **1.1** | **1.9%** | **2.3%** | **7.3** | **6.6** |

Source: Bloomberg

## Analyst Certification:

We, Abdulrahman Yusef Alnafia and Muhammad Fawad Khan, the author/s of this report, hereby certify that: (i) views expressed in this report reflect the Research Analysts' personal views about all of the securities and (ii) no part of any of compensation of the author/s was, is, or will be directly or indirectly related to the specific recommendations or views expressed by in this report.

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**>+15% Total Return:** Stocks with +15% expected total return (including dividend yield) over the next 12 months are classified as Buy.

**5-15%:** Stocks with total return between 5-15% can be classified as Buy or Neutral.

**>-5%<+5% total return:** Stocks with total return between -5% and +5 % can be classified as Neutral or Underperform

**Underperform**-Stocks which are expected to have <-5% total return

**Not Covered**: AC has not assigned any rating on the stock

**Coverage Suspended:** AC has temporarily suspended the coverage of the stock either in compliance with local regulation or other considerations

Price data for the listed securities is based on 12 Aug. 26.

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