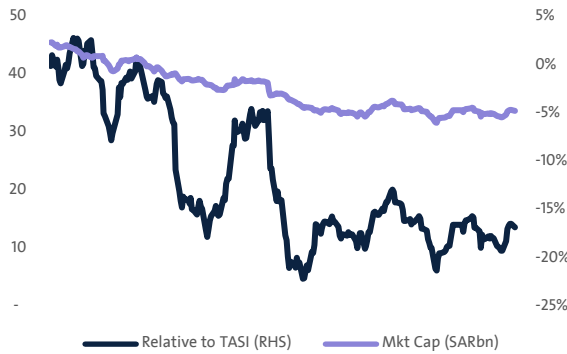


Apr-2026: Total sales recover; export momentum accelerates

Cement Sector-YTD Performance vs TASI



Source: AC, Bloomberg

Snapshot of actual and estimated earnings* (1Q26)

Stock	Period	Actual Earnings	Estimates	Difference
Umm Al	1Q26	25	8	201%
Yamama	1Q26	144	82	75%
Arabian	1Q26	60	34.5	74%
Eastern	1Q26	72	49	47%
Qassim	1Q26	69	48	43%
Saudi	1Q26	100	70	42%
Northern	1Q26	12	9	30%
Riyadh	1Q26	60	48	24%
City	1Q26	30	29	5%

*Argaam, Source: AC, Bloomberg

Abdulrahman Yusef Alnafia
Research Analyst
aynafiai@alinmacapital.com

Muhammad Fawad Khan
Head of Research
mfkqadri@alinmacapital.com

Alinma Capital Company
Al Anoud Tower 2, King Fahad Road,
Riyadh 11544, Kingdom of Saudi
Phone: 011 494 8899
Website: www.alinmacapital.com

KSA Cement Sector: Total sales recovered; export sales accelerate

Cement sales in Apr-26 sharply recovered MoM, mainly due to post-Ramadan/Eid normalization, a higher number of working days, stronger construction activity, and better project execution, particularly in the Central Region. Export sales also accelerated during the month. However, despite the rebound, the sector still faces high clinker inventories and intense competition.

Total sales: rebound sharply MoM; still down 4% YTD

Total sales have declined by 4% YTD Apr'26. Umm Alqura (+34%), Eastern (+18%), and Yamama (+10%) were the key outperformers. In Apr'26, total sales recorded a strong recovery, rising 6% YoY to 4.6mn tons, supported by stronger local demand, a return to normal working days, and improving construction activity following the Ramadan/Eid slowdown.

Local sales: Yamama maintains strong leadership in the sector

Overall, local sales have decreased by 2% YTD Apr'26. However, local sales in all regions recorded a healthy recovery in Apr-26 due to two reasons; (i) the end of the Ramadan and Eid vacation period and return to normal working days, and (ii) improving construction activity across key regions. Umm Alqura, United, Eastern and Yamama were the key outperformers, recording sales growth of 34%, 22%, 19% and 10%, respectively, in YTD Apr'26.

Local sales in Apr-26 came in at 4.6mn tons (-2% YoY, up 35% MoM). On MoM basis, All firms recorded a recovery in sales volumes, with Tabuk Cement and City Cement leading the rebound, posting growth of over 50% MoM.

Exports: Export sales recover MoM; YTD volumes remain under pressure

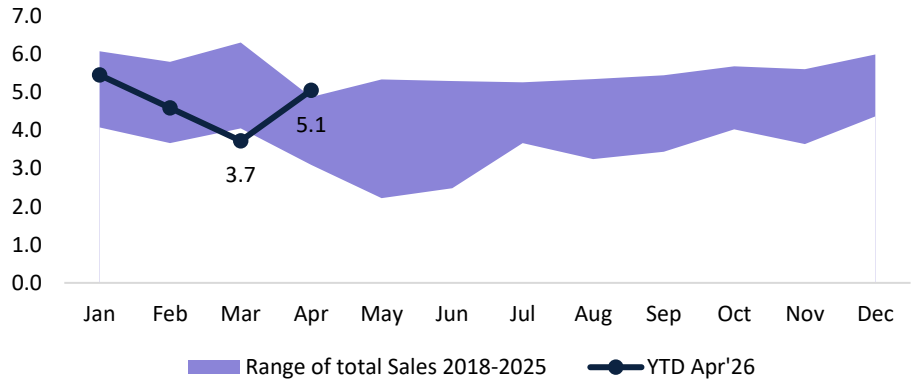
Export sales in YTD Apr'26 reached 2.0mn tons, down sharply by 23% YTD. However, export volumes recorded a strong recovery in Apr'26, rising 37% MoM. Southern Cement was the key outperformer, with export sales surging 169% YTD, increasing its share in total industry exports to 12%. In contrast, export volumes for Yanbu Cement and Saudi Cement declined by 47% and 26% YTD, respectively.

Valuation & Stock Prices Performance

The market cap of listed cement stocks is up 1% YTD, underperforming the 4% return of TASI in the same period. The underperformance of cement stock came despite strong earnings momentum for the second consecutive quarter. Results released so far highlight above-expected earnings delivery in 1Q26 vs consensus expectations. Valuation of the cement stocks remained low relative to regional peers. KSA cement stocks trade at 2026E P/E and P/BV multiples of 17.9x and 0.9x, implying a discount of 12%-20% relative to regional peers. We expect prices to remain stable in the near term before easing slightly thereafter amid stable market shares among major players.

Cement-Total Sales

Total sales (Local + Exports, mn tons)



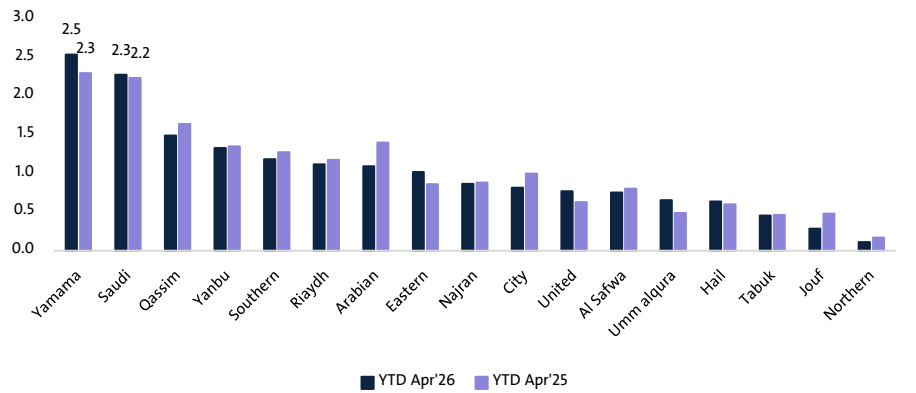
Source: AC

Total cement and clinker sales in Apr-26 improved by 36% MoM and 4% YoY, following the Ramadan/Eid period and higher working days.

The stronger April performance narrowed the YTD sales decline to 5%, with total sales reaching 5.1mn tons.

Total monthly sales in April-26 have reached a fresh all-time high levels driven by strong local performance and continued positive momentum in exports sales.

Company-wise total sales (mn tons)

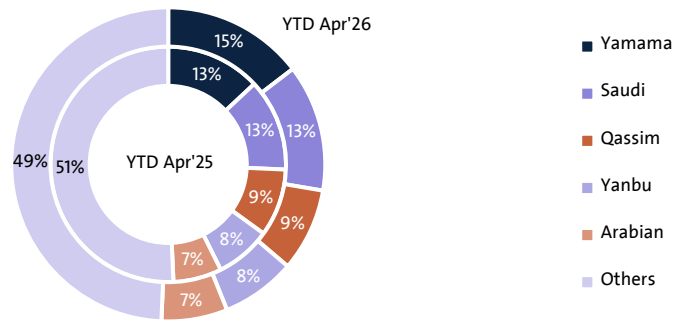


Source: AC

Yamama Cement maintained its industry-leading position with significant outperformance in local sales in YTD Apr'26.

Monthly sales for Yamama Cement reached 2.5mn tons, as of Apr-26, up 10% YTD. Saudi Cement ranked 2nd, recording total sales of 2.3mn tons, Up 5% compared to the previous year.

Market Share of total cement sales comparison (%)



Source: AC

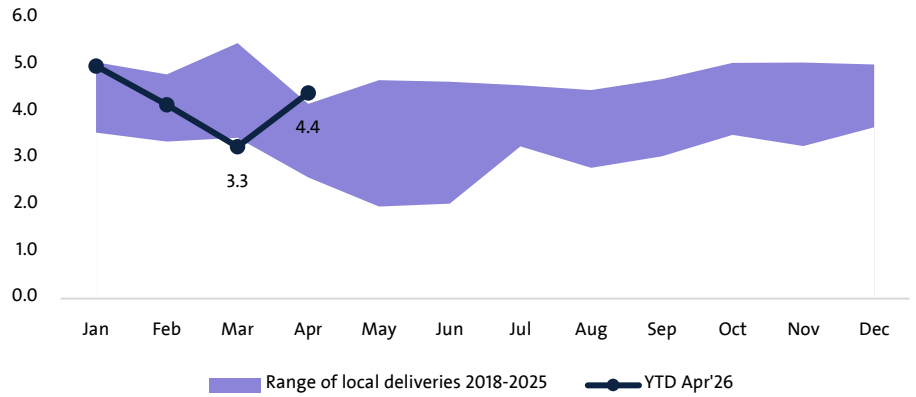
Yamama Cement increased its market share (M/S) to 15% in YTD Apr'26, supported by its strategic location and efficient production facilities.

Cement-Local Sales

Local sales increased by 35% MoM in Apr-26 to reach 4.4mn tons. A strong recovery was recorded across the Western, Central, and Eastern regions, while the Northern and Southern regions remained a drag on overall performance.

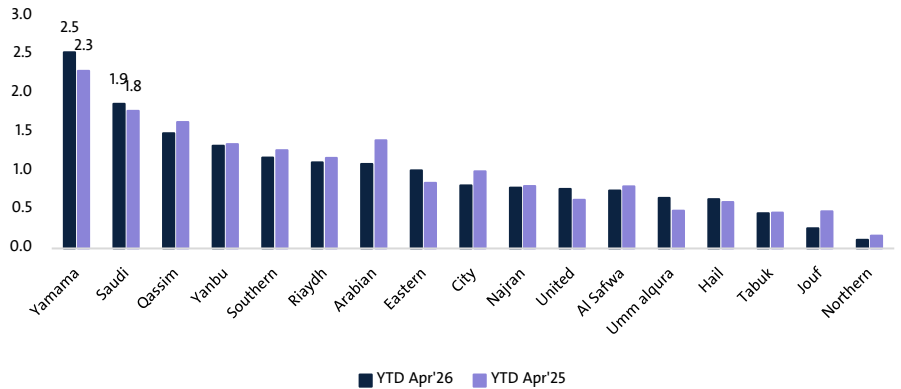
The stronger April performance also narrowed the YTD decline to a modest 2% YoY.

Local cement sales (mn tons)



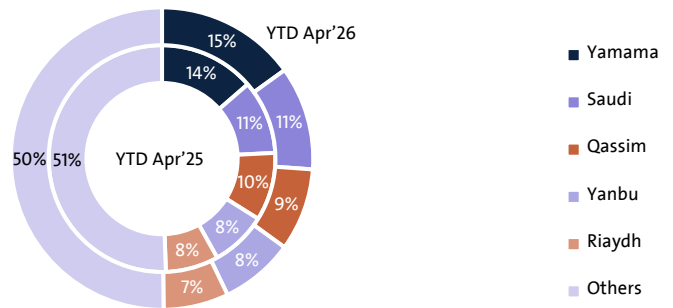
Source: AC

Company-wise local sales (mn tons)



Source: AC

Market share of local cement sales comparison (%)



Source: AC

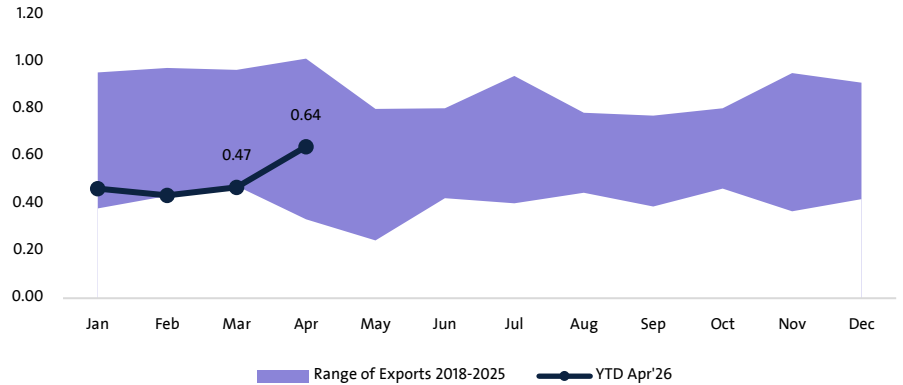
Cement-Exports

Export sales accelerated in Apr-26, recording a strong 37% MoM increase. However, YTD export volumes are down by 23% YoY.

Export activity continued to face pressure from lower margins following higher fuel prices and stronger local demand.

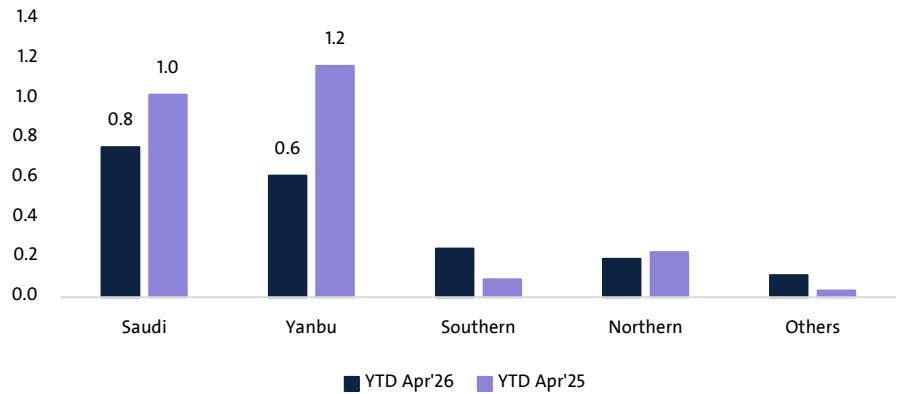
Exports represented around 11% of total industry sales in Apr-26 (vs. 13% in Apr-25), with clinker accounting for nearly 75% of total exports.

Export sales (mn tons)



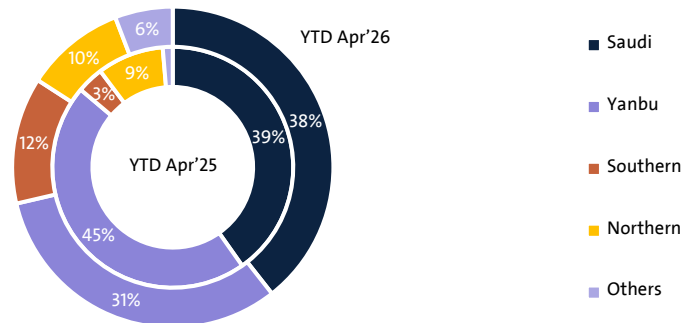
Source: AC

Export sales company-wise (mn tons)



Source: AC

Market share of total cement exports comparison (%)



Source: AC

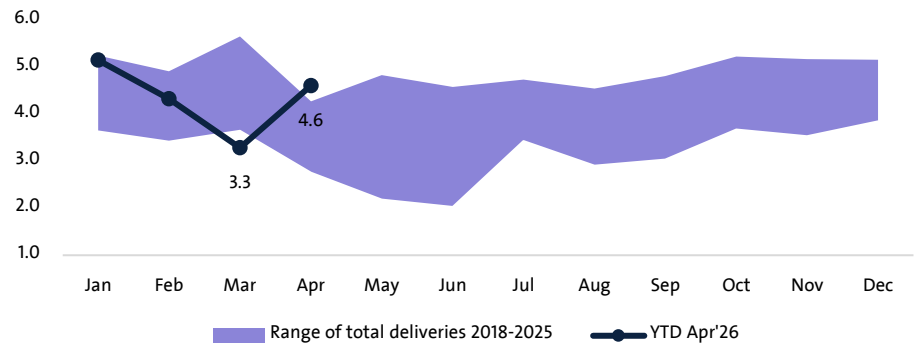
Southern Cement's export market share substantially increased to 12% in YTD Apr'26, while Saudi Cement and Yanbu Cement saw their export M/S decline to 38% and 31%, respectively.

Cement: Production, Inventory & Realized Prices

Cement production (mn tons)

Cement production increased to 4.6mn tons in YTD Apr'26, reflecting a recovery in demand following the earlier slowdown.

Apr'26 marked a record high for the month of April, with production rising 11% YoY.

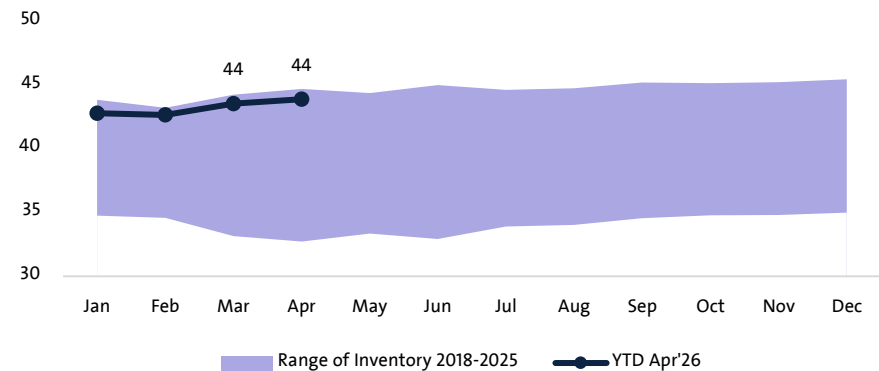


Source: AC

Clinker inventory (mn tons)

Clinker inventories remained unchanged MoM at 44mn tons in Apr'26.

reflecting a balanced production-to-sales ratio at

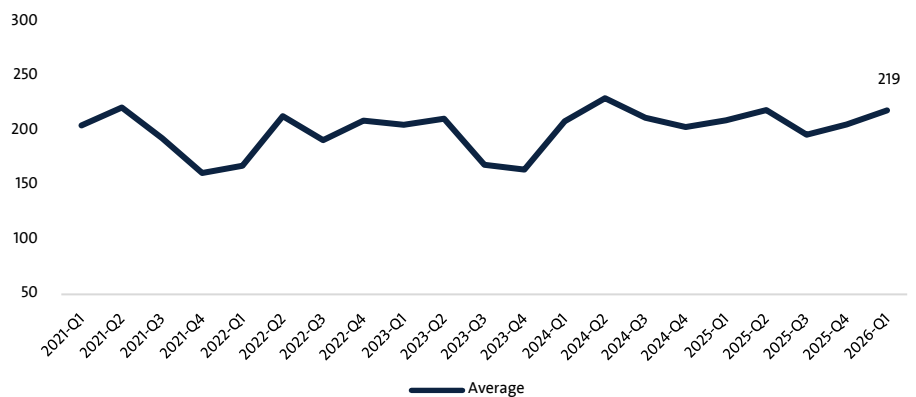


Source: AC

Average local cement prices reached SAR 219/ton in 1Q26, reflecting a stronger recovery following pricing pressure seen 2Q25 and 3Q25. Realized prices during 1Q26 continued to vary across regions.

The QoQ recovery in prices was driven by easing competitive pressure, particularly in the central region. We expect prices to remain stable for a period before easing slightly thereafter.

Realized prices per ton (SAR/ton)*



*Primarily based on available 1Q accounts Source: AC

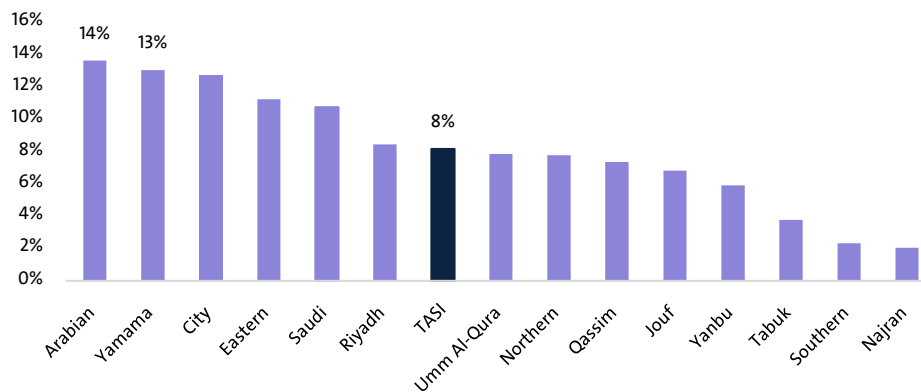
Cement- Stock Valuation & Performance

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
Qassim Cement	KSA	4,779	43.5	19.9	17.8	1.7	1.7	5.0%	4.6%	10.4	13.0
Saudi Cement	KSA	5,058	33.1	14.0	12.9	2.4	2.4	7.3%	7.6%	9.1	8.8
Southern Cement	KSA	2,957	21.1	NM	33.6	1.0	1.0	3.3%	3.5%	26.8	25.8
Yamama Cement	KSA	5,196	25.7	10.7	10.4	1.0	1.0	4.5%	4.1%	10.2	11.0
Yanbu Cement	KSA	2,369	15.0	22.2	19.0	0.9	0.9	8.5%	8.3%	7.9	8.1
Northern Cement	KSA	1,267	7.0	22.5	18.4	0.6	0.6	3.5%	3.6%	13.3	13.1
Najran Cement	KSA	1,030	6.1	27.8	14.1	0.5		No div	No div	8.2	7.8
Eastern Cement	KSA	2,120	24.7	8.2	8.5	1.0	0.8	20.3%	14.7%	5.2	4.1
KSA Market mean		2227.6	14.4	17.9	16.8	0.9	1.0	5.3%	5.2%	9.3	9.0
Qatar Cement	QAT	2.8	11.4	10.7	0.6	0.6	9%	10%	5.7	5.7	2.8
Gulf Cement	UAE	1.1	NM	NM	0.7	0.7	NM	NM	16.6	16.6	1.1
Arabian Cement	EGY	53.7	5.1	5.6	6.3	5.6	1%	1%	3.3	3.7	53.7
OYAK Cement	TUR	24.0	2.0	1.5	1.9	1.9	NM	NM	7.5	7.6	24.0
Mean		1,010	2.9	6.1	5.9	1.1	1.1	1.3%	1.0%	5.92	6.2

Source: Bloomberg

Stock performance

Cement stocks returns from 52-week low



Source: AC

Cement stocks have rebounded from their 52-week lows. Arabian Cement and Yamama Cement have outperformed the TASI, while Najran Cement remains near its lowest levels and has yet to show a recovery.

From the past 52 weeks low, TASI has rebounded by 8%

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.

Rating Methodology

Alinma Capital Company (AC) follow a three-tier rating system based on total return methodology as per following details

>+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%+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 5 May 2026.

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