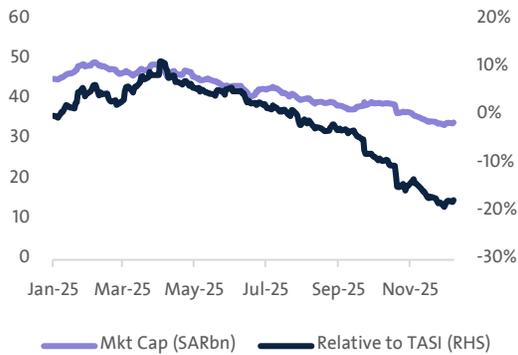


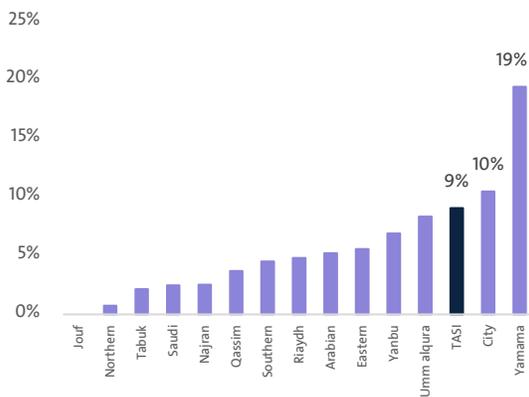
# Jan-2026: Good start to a new year; 4Q25 results in focus

Cement Sector-YTD Performance vs TASI



Source: AC, Bloomberg

Stocks return from 52-week low



Source: AC, Bloomberg

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## KSA Cement Sector: Jan- 26, solid start to the year

Jan-26 delivered a robust performance, exhibiting continuation of strong momentum in local sales seen in recent months. Export sales, however, maintained a declining trend. Total market cap of cement stocks recorded 2% gains from year-end level ahead of 4Q25 earnings announcements.

### Total sales: Strong Jan-26 demand; positive outlook for 2026

Umm Alqura (+45%), Safwa (+16%) and Eastern (+15%) are the key players with significant YoY outperformance in total sales. Total cement sales in Jan-26 were flat YoY (down 1% MoM) to 5.1mn tons as export sales turned out to be a drag on growth momentum in Jan-26.

### Local sales: Elevated levels in Jan-26; market share redistribution continued

Local sales in Jan-26 remained elevated and came in at 4.9mn tons (+2% YoY, down 1% MoM), reaching their highest level in the past 4 years. The Central region remained the major demand driver. Yamama Cement recorded 5% growth in Jan-26 (accounting for 13% of growth in total local sales in Jan-26). On MoM basis, Northern (+15%) City (+8%), and Yamama (+6%) outperformed local sales at the expense of Safwa (-11%), Jouf (-10%), and Southern (-9%).

### Exports: Declining trend continued, dominance by two firms

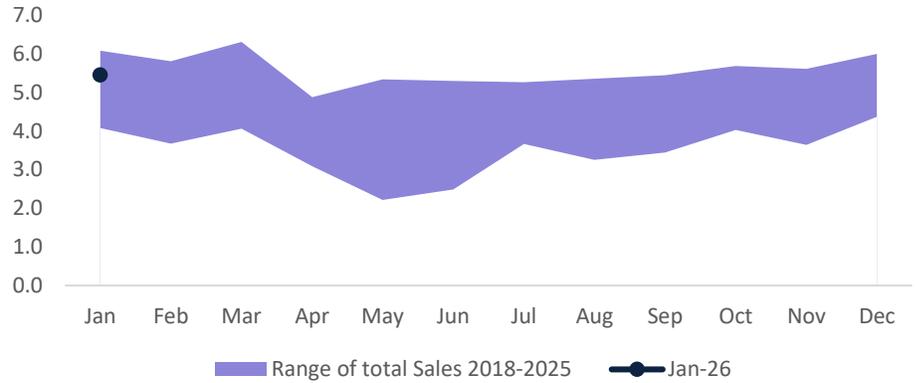
Export sales in Jan-26 came in at 0.4mn tons recording 16% decrease YoY. On MoM basis, export sales have dropped by 14% MoM in Jan-26, following a 1% MoM drop in Dec-25. Yanbu Cement became the largest in the cement exporter as the company's cement exports grew by 6%, while export sales for Saudi Cement dropped 36% YoY. Both companies maintained their dominance in the export sales due to the proximity to the ports and competitive production costs relative to other peers.

### Valuation & stock prices performance

Following 26% drop in market cap of the cement sector in CY25, cement stocks were off to a good start in Jan-26 with total market cap recovering by 7% during Jan-26 as low valuation (average P/E/PB of 2026E for KSA cement stocks of 12.5x/0.9x respectively) attracted investors' attention. However, the YTD recovery has been reduced to a more modest 2% in Feb-26. Near-term, demand seasonality during the holy month of Ramadan and impending earnings announcements may emerge as the key drivers of the cement stock prices.

## Cement-Total Sales

Total sales (Local + Exports, mn tons)

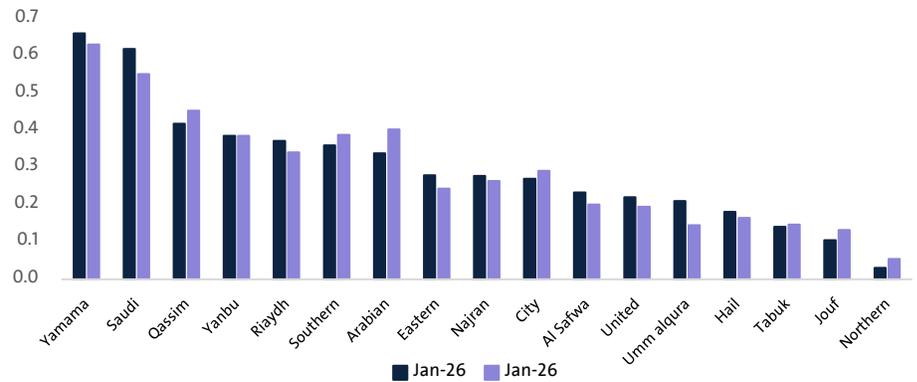


Total cement and clinker sales in Jan-26 clocked in at 5.1mn tons, almost flat YoY.

YoY, overall sales were flat, primarily dragged by lower export sales.

Source: AC

Company-wise total sales (mn tons)

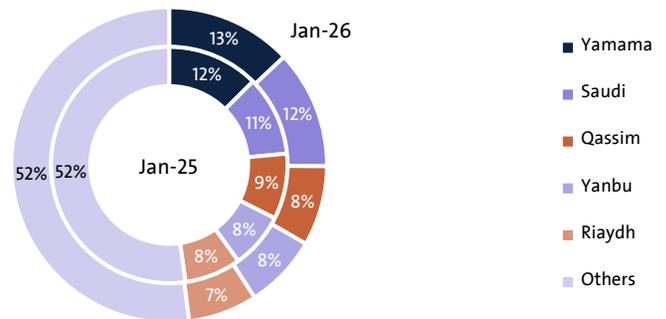


Yamama Cement maintained its industry-leading position with significant outperformance in local sales in Jan-26.

Monthly sales for Yamama Cement reached 0.7mn tons as of Jan-26, up 5% YoY. Saudi Cement ranked second, recording total sales of 0.6mn tons, up 12% compared to previous year.

Source: AC

Market Share of total cement sales comparison (%)

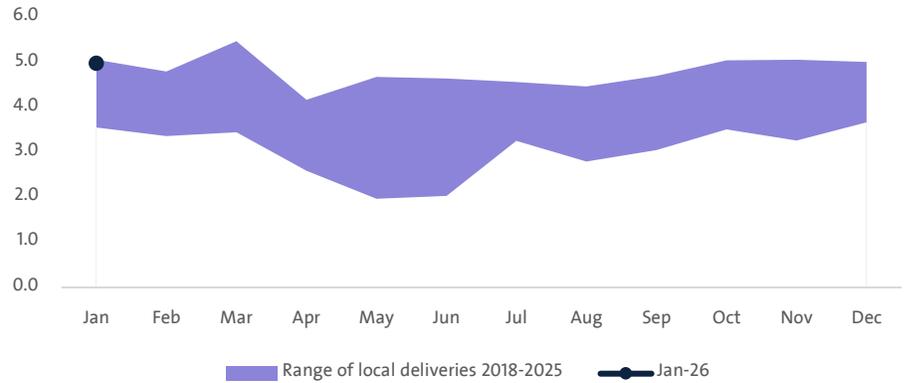


Yamama Cement increased its market share (M/S) to 13% in Jan-26, up 1%, supported by its strategic location and efficient production facilities.

Source: AC

## Cement-Local Sales

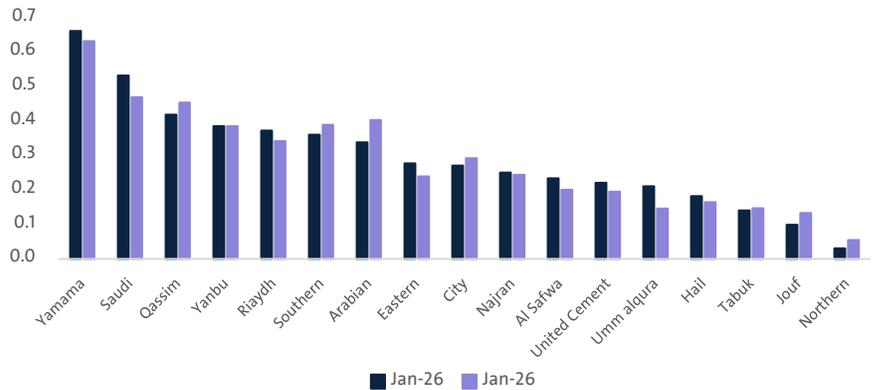
Local cement sales (mn tons)



Local sales recorded 2% YoY growth, to reach 4.9mn tons. Local sales are down by 1% MoM.

Source: AC

Company-wise local sales (mn tons)



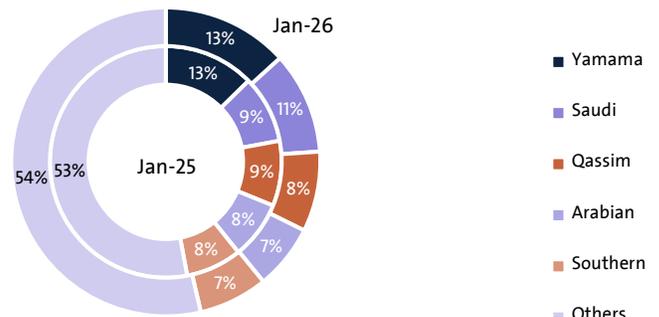
Yamama Cement recorded 0.7 mn tons in local sales, accounting for 13% of total growth in sales.

Local sales for Yamama and Saudi Cement grew by 5% and 13% YoY in Jan-26

Given the modest overall market growth, the mixed YoY performance across companies indicates a redistribution of market share among players.

Source: AC

Market share of local cement sales comparison (%)



Yamama Cement maintained its M/S in local sales at 13% in Jan-26 vs 13% in Jan-25. Saudi increased its M/S by 2% to 11%.

Source: AC

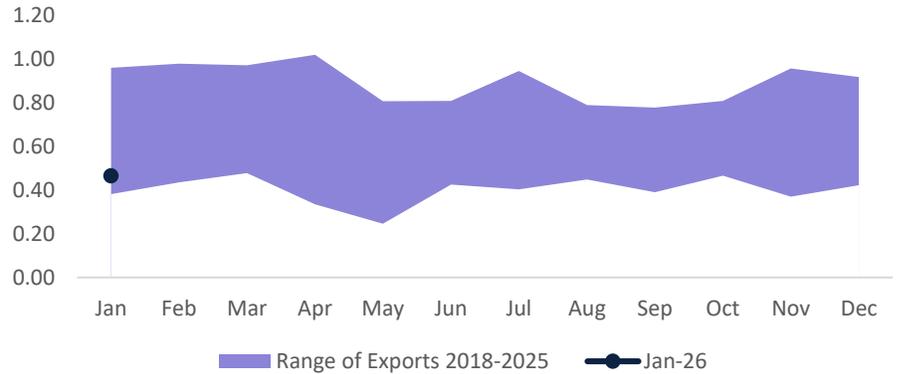
## Cement-Exports

Total export sales have significantly declined by -16% YoY in Jan-26.

Export activity has softened, pressured by lower margins in the wake of higher fuel prices and robust local demand.

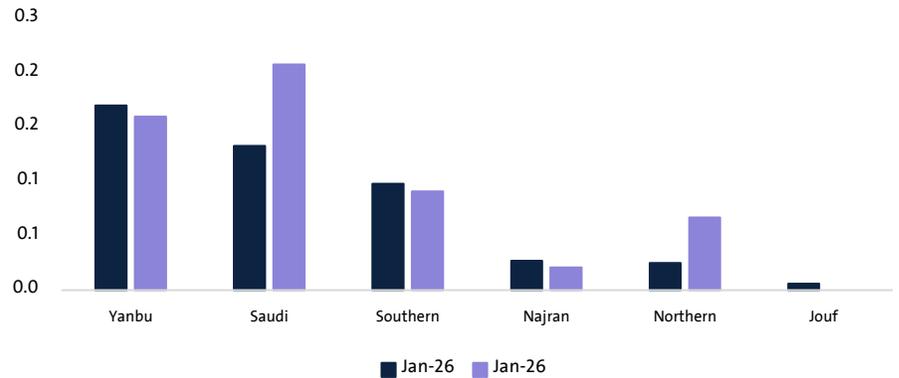
Exports are around 9% of total industry sales in Jan-26 (11% in Jan-25). Clinker represents 73% of exports.

Export sales (mn tons)



Source: AC

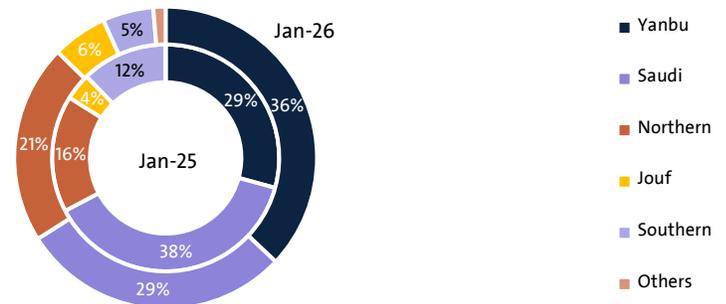
Export sales company-wise (mn tons)



Source: AC

Yanbu Cement's exports reached 0.2mn tons Jan-26, up 6% YoY, while exports for Saudi Cement dropped to 0.1m tons (vs 0.2mn tons). Both Yanbu and Saudi continue to dominate the overall export market.

Market share of total cement exports comparison (%)



Both Yanbu Cement and Saudi Cement have demonstrated strong export performance (Jan-26), collectively dominating the export market.

Together, the two companies account for approximately 65% of total cement exports.

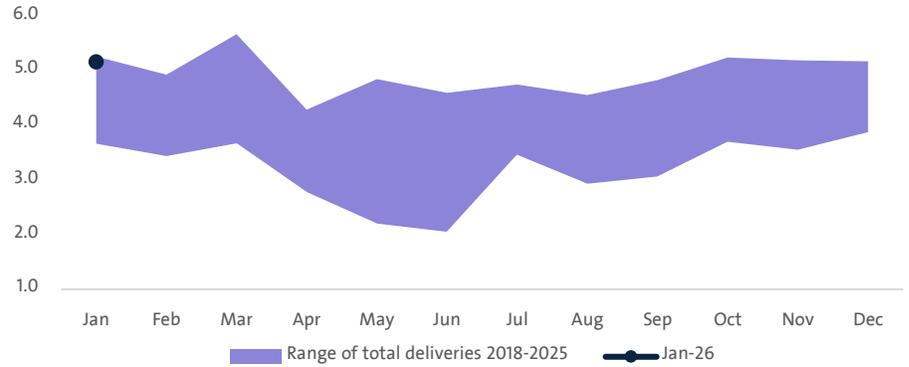
Source: AC

## Cement: Production, Inventory & Realized Prices

### Cement production (mn tons)

Cement production held steady at 5.2mn tons in Jan-26, continued to surpass historical levels, in line with strong local sales demand.

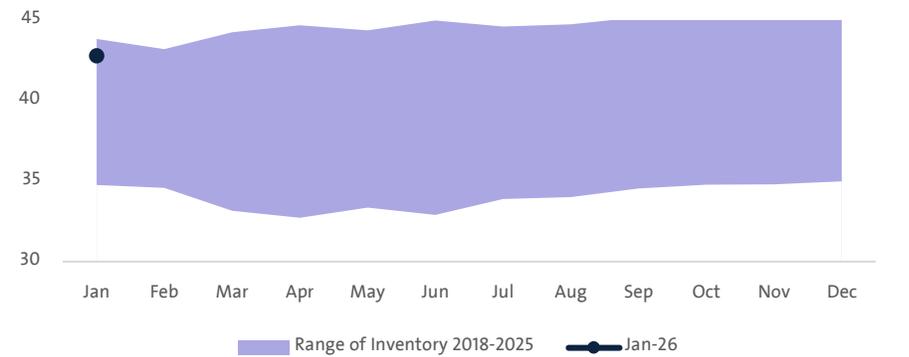
The production to sale ratio was recorded at 0.9x in Jan-26.



Source: AC

### Clinker inventory (mn tons)

Clinker inventories in Jan-26 dropped by 2% YoY due to lower production to sales ratio.



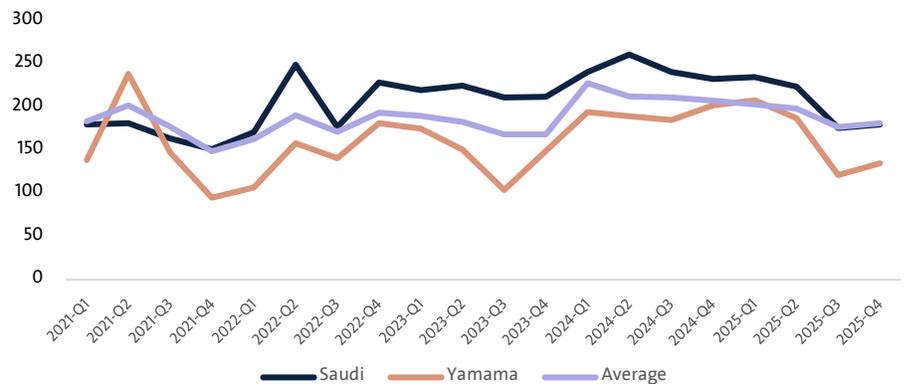
Source: AC

The average local cement prices came in at SAR 180/ton, with slight relief pressure QoQ. Realized prices in 3Q25 varied from region to region.

Realized prices for producers in the eastern region hovered above the industry average.

Realized prices in the central region, Yamama Cement in particular, stayed below average given the heavy competition in the central region.

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



\*Primarily based on available 3Q accounts Source: AC

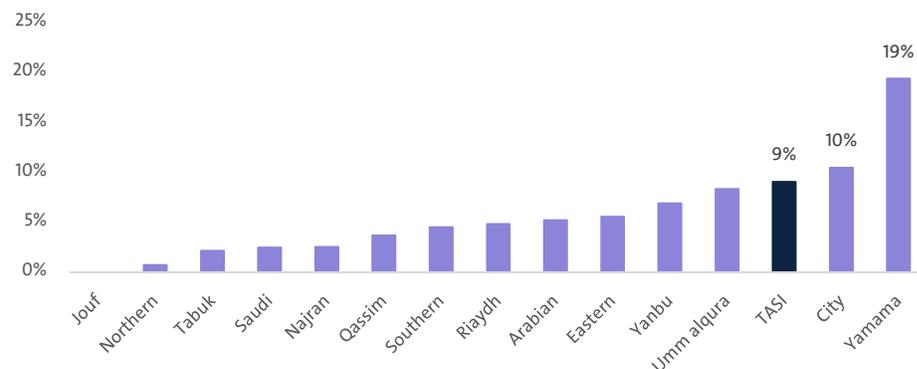
## Cement- Stock Valuation & Performance

Cement: Relative Valuation											
Stock name	Country	Market Cap	Price	P/E		P/BV		D/Y		EV/EBITDA	
				SARm	Local	2025E	2026E	2025E	2026E	2025E	2026E
Qassim Cement	KSA	3,516	42.1	13.3	15.4	1.7	1.6	5.2%	5.9%	9.1	8.5
Saudi Cement	KSA	5,146	34.6	12.2	12.5	2.4	2.4	6.3%	6.3%	8.4	8.6
Southern Cement	KSA	1,904	21.7	7.8	12.5	0.9	0.9	6.1%	6.2%	7.8	7.9
Yamama Cement	KSA	4,518	26.7	10.7	12.8	1.0	1.1	4.2%	4.1%	10.3	11.1
Yanbu Cement	KSA	2,106	15.0	13.4	15.0	0.9	0.9	8.6%	8.2%	7.3	7.6
Northern Cement	KSA	1,289	6.9	12.2	12.3	0.6	0.6	7.0%	7.1%	12.9	12.8
Najran Cement	KSA	982	6.4	14.3	15.8	0.5	0.5	NM	NM	9.2	7.8
Eastern Cement	KSA	1,485	23.7	5.4	8.3	1.0	0.9	19.4%	15.0%	4.9	4.5
<b>KSA Market mean</b>		<b>1,903</b>	<b>14.6</b>	<b>10.1</b>	<b>12.6</b>	<b>0.9</b>	<b>0.9</b>	<b>6.6%</b>	<b>6.5%</b>	<b>7.8</b>	<b>7.7</b>
Qatar Cement	QAT	1,844	2.7	13.4	13.4	0.7	0.7	9.1%	11.2%	8.9	8.5
Gulf Cement	UAE	372	0.9	NM	NM	0.7	0.7	NM	NM	16.4	16.4
Arabian Cement	EGY	1,422	48.7	12.0	12.0	6.1	8.4	0.7%	0.7%	6.5	6.5
Dangote Cement	NGA	28,718	680.0	17.5	17.5	4.0	4.0	5.8%	5.0%	7.9	7.9
<b>Mean</b>		<b>8,089</b>	<b>2.6</b>	<b>14.0</b>	<b>14.0</b>	<b>1.2</b>	<b>1.2</b>	<b>1.8%</b>	<b>3.8%</b>	<b>8.1</b>	<b>8.0</b>

Source: Bloomberg

## Stock performance

Cement stocks returns from 52-week low



Source: AC

Cement stocks have rebounded from their 52-week lows. Yamama Cement has delivered nearly double the performance of TASI, while Jouf Cement hit a new 52-week low.

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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+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

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Price data for the listed securities is based on 10 February 2026.

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