

KSA Cement Industry Report

H1 2026 Data & Trends

August 2026

Simah Rating Agency (Tassnief) CMA License No. 1500-08

Riyadh, Saudi Arabia www.tassnief.com



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Executive Summary

The Saudi cement industry is a strategically vital sector underpinned by robust domestic demand and government-led infrastructure development aligned with Vision 2030. The market is characterized by high installed capacity, intense regional competition, and moderate-to-high pricing volatility driven by energy input costs and project execution timelines.

Self-Sufficient, Yet Over-Supplied

Saudi Arabia remains largely self-sufficient in cement production, with domestic consumption accounting for roughly 96–97% of total sales. While production volumes and clinker inventories remain elevated due to recent capacity expansions and operational efficiency gains, oversupply pressures persist—particularly in regions experiencing slower project rollouts.

Regional price disparities are pronounced: the Western region faces heavy competition and price compression, whereas the Central commands premium pricing driven by concentrated mega-project activity. Current average market prices range between SAR 180 and SAR 220 per ton.

Vision 2030 and Housing-Led Demand

Sector demand is intrinsically linked to Vision 2030 giga projects, including NEOM, The Red Sea Project, Qiddiya, and other Public Investment Fund (PIF) initiatives. Residential housing development remains a core pillar of consumption, with residential mortgage trends closely tracking cement off-take. Demand is further reinforced by industrial, commercial, and broad urban expansion across the Kingdom.

Capacity Expansion & Regional Imbalances

While national capacity expansion has created a macro supply-demand equilibrium, localized imbalances persist. Elevated clinker inventory levels indicate that while domestic requirements are fully covered, select regions possess surplus capacity viable for export. Government policies, including export duties and regulatory incentives, continue to influence supply planning and cost management.

Competitive Landscape & Strategic Consolidation

The market remains highly competitive, with producers relying on logistical proximity and operational scale to secure market share. Consolidation is actively reshaping the landscape, highlighted by strategic M&A such as Qassim Cement's acquisition of Hail Cement. While global pricing challenges persist for Saudi exporters, regional exports remain feasible depending on freight economics and localized supply deficits.

Financial Resilience Amid Cost Pressures

The sector maintains a stable financial profile characterized by healthy cash flows and moderate leverage. However, rising fuel and feedstock costs present ongoing margin headwinds. Credit profiles are supported by key government initiatives, including the Liquid Fuel Displacement Program (LFDP) and industrial financing via the Saudi Industrial Development Fund (SIDF). Additionally, ESG and sustainability measures—such as ISO certifications and carbon abatement strategies—are becoming increasingly central to long-term operational planning.

Sector Outlook

The Saudi cement market is projected to sustain steady growth over the medium term, anchored by Vision 2030 megaproject execution and national housing initiatives. Under a base-case scenario, sector credit profiles, operating margins, and capacity utilization rates are expected to remain stable.

Downside risks—such as project timeline adjustments or energy input cost spikes—could temporarily weigh on financial performance; however, robust demand fundamentals and government policy support provide a strong buffer. Over the medium to long term, regional price dynamics, export potential, and strategic M&A will shape the competitive landscape, making operational efficiency, fuel cost control, and strategic regional positioning the key determinants of long-term profitability.

Market Overview and Performance

History of Saudi Arabia Cement Industry

The cement industry started in the mid-1950s with the establishment of the Arabian Cement Company in Jeddah in 1955 which was the first cement plant in the country. In its early years, production was limited and mainly served local needs related to urban growth, port development, and basic infrastructure supported by the expanding oil sector. With the sharp rise in oil revenues during the 1970s and 1980s, the industry grew rapidly to meet the demands of large-scale government projects such as housing, roads, airports, schools, and hospitals. Several cement companies were established in different regions of the Kingdom to ensure steady supply supported by government incentives including subsidized fuel and the use of modern production technologies.

By the 1990s, the cement industry had become well established and largely self-sufficient with most companies listed on the Saudi Stock Exchange and

operating under regulated pricing systems. In the 2000s, continued expansion led to excess production capacity allowing cement to export during periods of surplus although exports were sometimes restricted to protect domestic supply.

The Saudi cement market's shift from undersupply to oversupply occurred around 2008–2009. Before this, strong construction and infrastructure activity kept demand broadly balanced with supply. However, aggressive capacity expansions during the mid-2000s led to a sharp increase in installed capacity by 2008 which began to outpace domestic demand. The situation was worsened by the introduction of cement export restrictions in 2008 limiting producers' ability to absorb excess volumes through exports. This resulted in rising inventories, falling utilization rates, and increasing price pressure, marking the transition into an oversupplied market. Since then, despite periodic demand support from government spending and Vision 2030 projects, the industry has remained structurally oversupplied.

From 2010 to 2014, the Saudi cement industry experienced moderate growth, facing slower construction activity alongside rising energy costs and stricter environmental regulations. Between 2015 and 2019, the market stabilized supported by residential and infrastructure projects, while companies focused on modernizing plants and adopting blended cement. From 2020 to 2024, cement demand remained resilient despite COVID-19 disruptions and supply chain challenges.

In 2025, Saudi Arabia's cement industry has shown solid growth largely driven by robust domestic demand linked to mega-projects and housing construction under Vision 2030. Cement sales have risen significantly across the year. For example, total shipments in the 2Q25 grew by ~21% YoY with local

consumption making up nearly 97% of total sales, while exports remained a smaller share (~3-5%) of overall volumes.

Today, under Saudi Vision 2030, the cement sector plays a key role in supporting major development projects. Looking ahead, market outlooks beyond 2025 remain positive but nuanced. Industry analysts project continued expansion of the Saudi cement market through the late 2020s and into the early 2030s supported by infrastructure and giga-projects such as NEOM, Red Sea Project, Qiddiya, and major residential initiatives which keep demand for cement strong.

Global Cement Market Overview

The global cement market is one of the largest industrial materials markets worldwide with estimates suggesting it is ~ USD 380bn in 2025 and continue expanding through the 2030s to ~USD 500–660bn by the early-to-mid 2030s, at a CAGR ~3.3–5.7% over that period.

The KSA cement market, valued at ~SAR 14 bn (~USD 4bn) in 2025, is forecasted to grow at a moderate 10-year CAGR of ~7.3% during 2025–2035, reaching ~SAR 28–29bn by 2035. The market itself is much smaller than (~1%) the global total but is growing steadily thanks to Vision 2030 infrastructure and construction projects. Asia Pacific dominated the cement market with a market share of ~67% in 2025.

Top 5 countries across global market size

Country	China	India	US	Indonesia	Vietnam
~Market Size (2025)	USD 130-160bn	USD 35-45bn	USD 14-18bn	USD 5-6bn	USD 4-5bn

Source: Fortune Business Insights¹

In 2025, the global cement market was heavily concentrated with China and India accounting for ~43-45% of global market value followed by the United States and large emerging markets such as Indonesia, Vietnam, and Turkey.

Region wise breakup of global market size

Region	~Market Share % ²	Drivers
Asia Pacific	~60-65%	By far the largest market, driven by China, India, Southeast Asia urbanization and infrastructure demand.
Europe	~10-15%	Mature market with steady demand, especially for renovation and sustainable construction
North America	~5-7%	Stable demand from infrastructure projects, housing, and renovations.
Middle East & Africa (MEA)	~7-10%	Growth from infrastructure, urban housing, and economic diversification in Gulf & African nations.
Latin America	~5-8%	Driven by residential and transport infrastructure in countries like Brazil and Mexico.

Source: Global Cement³

The GCC (Saudi Arabia, UAE, Qatar, Kuwait, Oman and Bahrain) is a significant regional market within the Middle East but a small portion of the global cement industry when compared with Asia-Pacific or China/India. Saudi Arabia leads the GCC cement market with roughly ~50%+ of regional consumption and capacity followed by UAE, Qatar, Oman, Kuwait, and Bahrain. Based on above estimated ~10% contribution of MEA to the global cement market and a Saudi cement market size of ~USD 4bn, Saudi Arabia is estimated to account for approximately ~10–12% of the total MEA cement market by value.

Saudi Arabia ranks among the world's top 10 cement capacity countries with an installed capacity of ~86-87 million tonnes (mn tonnes)/pa spread across

around 22 integrated cement plants. However, Saudi producers remain regional in scale compared with global majors such as CNBM, Anhui Conch, Holcim, Heidelberg Materials, Cemex, UltraTech, and CRH which operate hundreds of Mtpa across multiple geographies.

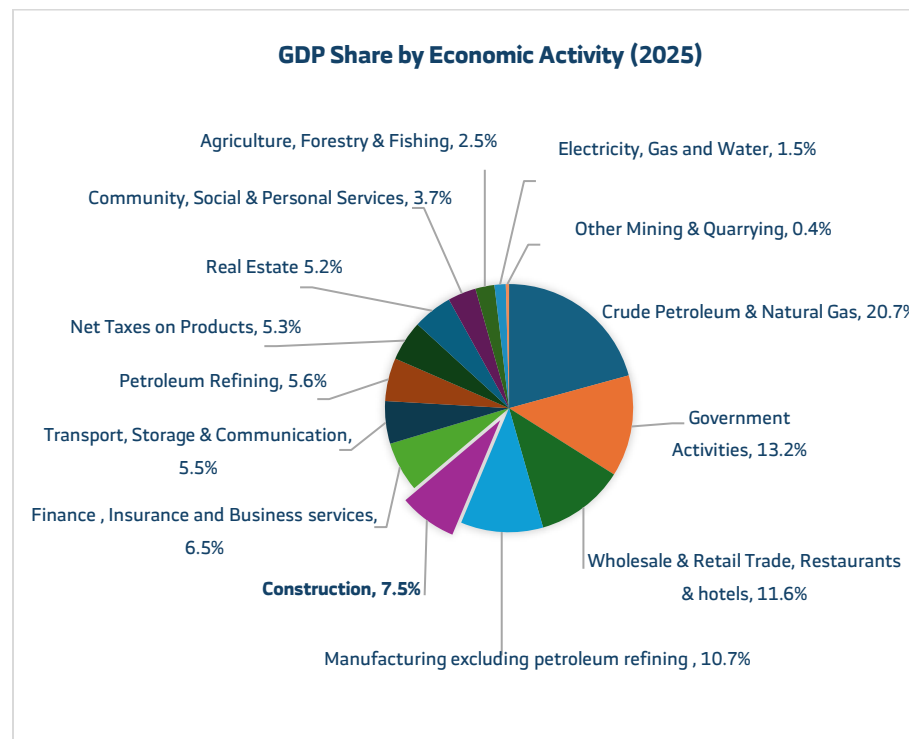
From a competitive standpoint, Saudi cement producers typically achieve higher utilization rates and stronger margins during upcycles than many global peers supported by disciplined capacity additions, strategic plant locations, and efficient logistics, though their limited international footprint makes exports a margin-dilutive tool to manage excess capacity. Demand is increasingly driven by Vision 2030-linked housing, infrastructure, and giga-projects rather than GDP growth offering strong domestic leadership but exposing players to government spending cycles and project execution risks.

GDP Composition

Saudi Arabia's economic trajectory reflects sustained expansion alongside gradual diversification beyond hydrocarbons. Saudi Arabia's real GDP grew 4.5% to SAR 4,712bn in 2025 from SAR 4,691 bn (USD 1,251bn), underscoring the country's continued economic expansion. Saudi Arabia's GDP is mainly led by hydrocarbons, with crude petroleum and natural gas contributing 20.7% in 2025 followed by government activities at 14.0%. Non-oil sectors provide support led by wholesale and retail trade at 12.3%, manufacturing excluding refining at 11.1%, construction at 7.8%, finance at 6.9%, and real estate at 6.2%, collectively providing meaningful support to overall economy.

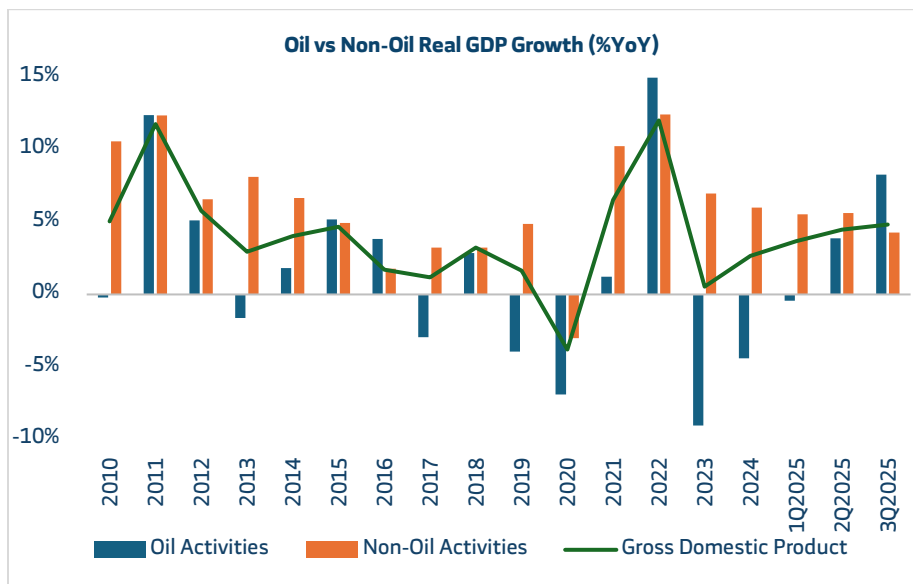
Saudi Arabia's economy has exhibited alternating phases of expansion and moderation primarily dictated by fluctuations in oil market dynamics. After strong growth in the early 2010s, activity contracted in 2020 but rebounded sharply in 2021–2022. Growth softened again in 2023–2024 due to weaker oil performance although non-oil activity remained robust supporting stability. In

2025, momentum improved with recovering oil output and sustained non-oil growth reinforcing near-term economic resilience.



Source: General Authority for Statistics Saudi Arabia (GASTAT)⁴

Note: Cement sector is a part of Construction activity in Total GDP



Source: GASTAT⁴

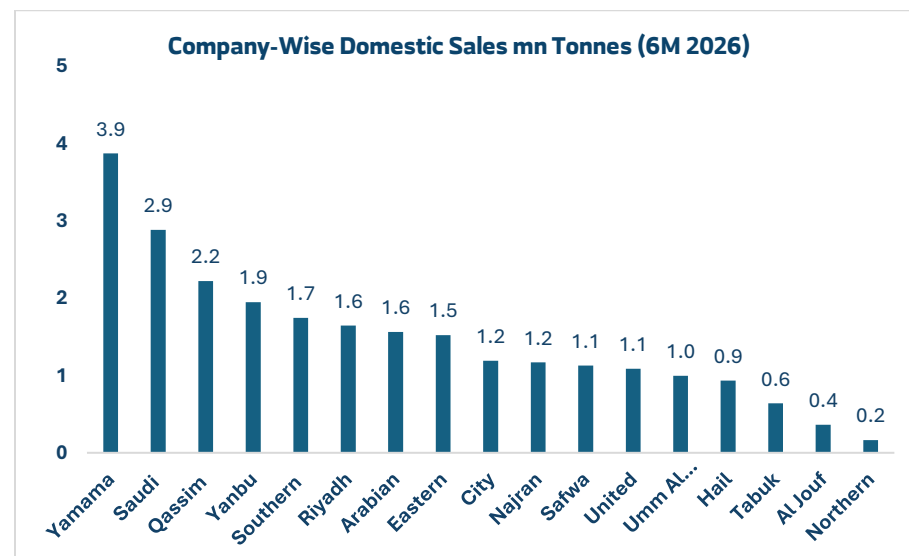
The Saudi cement market's scale and stability are closely linked to the Kingdom's overall economic performance, particularly GDP growth and rising per-capita income. As construction and infrastructure investment form a significant component of non-oil GDP, cement demand tends to move in line with government spending, economic expansion, and urbanization. The construction sector of which cement manufacturing is a key part contributes ~7-8% of Saudi Arabia's GDP. Higher per-capita income supports increased housing demand, commercial development, and improved infrastructure standards, all of which drive cement consumption. Cement manufacturing forms part of Saudi Arabia's non-oil manufacturing sector. While GASTAT does not publish a standalone GDP contribution for cement, available data indicates that cement's direct value-added contribution to total GDP remains well below 1%, though its indirect economic importance is significantly larger through linkages with the construction and infrastructure sectors.

Market Structure

Competitive Pressure

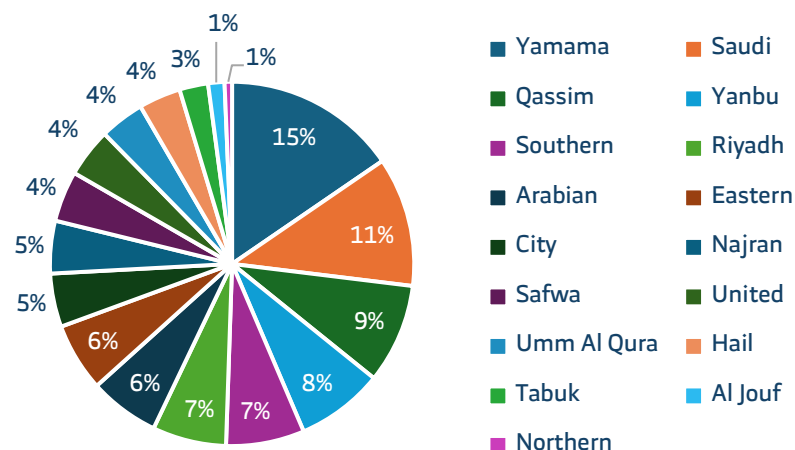
The presence of numerous cement producers across the Kingdom (~17 firms, 22 plants) has resulted in intense competition particularly in regions where demand growth is slower. Companies frequently compete on price to defend market share, which constrains profitability, especially during periods of weaker demand.

Cost inflation, especially related to fuel and logistics, further intensifies competitive pressure as not all cost increases can be passed on to customers.



Source: Yamama Cement⁵ & Argam Plus⁶

Domestic Market Share on Sales Volume % (6M 2026)



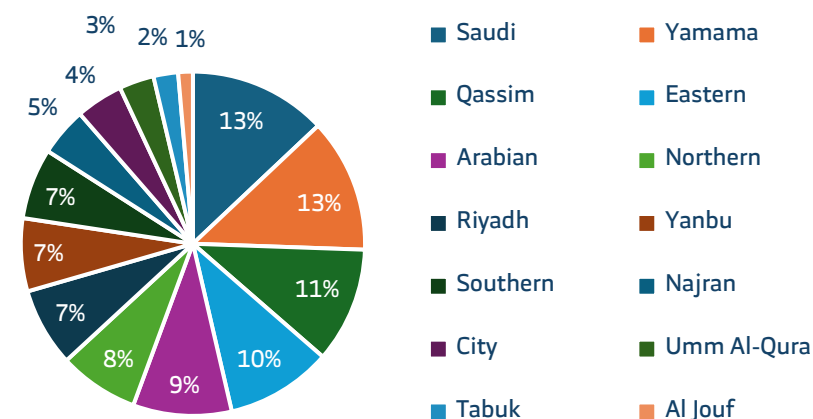
Source: Yamama Cement ⁵ & Argaam Plus ⁶

Cement Sales Volumes

Cement market trends align closely with the growth momentum and changes in sales volumes highlighting how total consumption has changed over time in response to residential, infrastructure, and mega-project activities as well as broader economic and policy drivers such as Vision 2030.

Saudi Arabia's cement industry has been driven by domestic demand over 2015-2025 with local consumption forming ~95-99% while exports remain limited at ~1-4 %. Cement sales declined during 2016-2018, reaching a low point in 2018 at 41bn tonnes, reflecting a slowdown in construction activity. Although Vision 2030 was launched in 2016, its impact on cement demand became visible from 2018-2019 and strengthened from 2021 onward as major projects moved into execution. Consequently, cement sales in Saudi Arabia recovered from ~44mn tonnes in 2019 to ~56mn tonnes by 2025, with sales for the first six months of 2026 reaching ~26mn tonnes.

Revenue Market Share (3M 2026)



Source: Argaam Plus ⁷

Note: Qassim Cement acquired Hail Cement in June 2024, while Saudi Cement fully acquired United Cement by 2021, consolidating revenues in both cases.

Market Segmentation

Product perspective (Blended/Portland/Other)

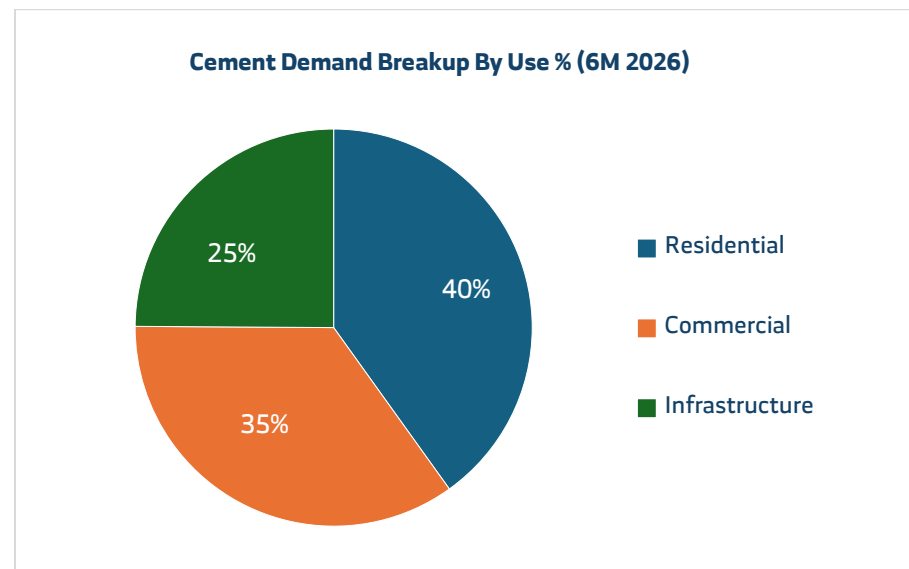
Portland cement dominates the market accounting for 50-60% of total consumption in 2025 while blended cement represents a growing but still secondary share of the market. Other cement types, such as white and specialty cement, contribute a low single-digit share. The gradual shift toward blended products reflects increasing focus on sustainability and performance-based construction ⁸.

Types	Description	Key Characteristics	Applications
Portland Cement (OPC)	Traditional cement with high clinker content	High early strength, higher carbon intensity	Residential buildings, RCC works, general construction
Blended Cement	Cement blended with SCMs such as fly ash, slag, or limestone	Lower clinker factor, lower CO₂ emissions , improved durability, lower heat of hydration	Infrastructure projects, marine structures, mass concrete
Specialty / Other Cements	Includes white cement, sulphate-resisting cement, rapid hardening cement, oil well cement, low-heat cement	Designed for specific performance needs and environments	Architectural finishes, aggressive environments, specialized industrial applications

End-use (Residential/Commercial/Infrastructure)

Industry estimates suggest infrastructure accounts for ~ 25–35% of cement demand, residential ~40–45%, and commercial ~30–35% though actual shares vary by project cycle and execution timelines. This is driven by government-backed housing initiatives, strong population growth, and ambitious homeownership targets under the Sakani program which aims to increase national homeownership to 70% by 2030. Infrastructure and giga-projects provide additional demand support particularly during peak construction phases ⁹.

Residential use relates to housing developments and urban communities. Commercial demand covers private and mixed-use buildings such as offices, retail, and hospitality while infrastructure demand is driven by large public works and national development projects.

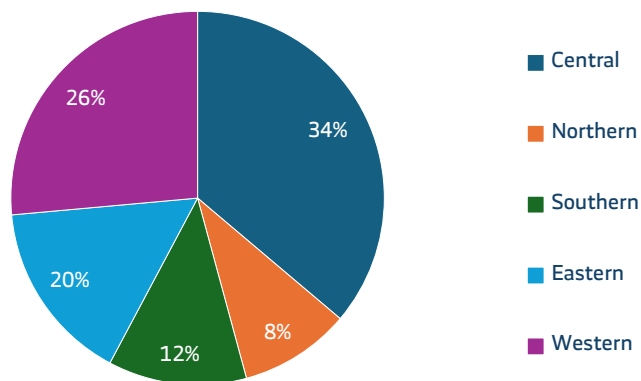


Source: Yamama Cement ⁵

Regional perspective (Central/Northern/Southern/Eastern/Western)

Demand is concentrated in the Central and Western Regions, which accounts for ~62% of the total dispatches in 2025, followed by Eastern, Southern, and Northern. This concentration is supported by intensive urban development in Riyadh, substantial infrastructure investments, and the region's proximity to several giga-projects that require large and sustained cement supplies.

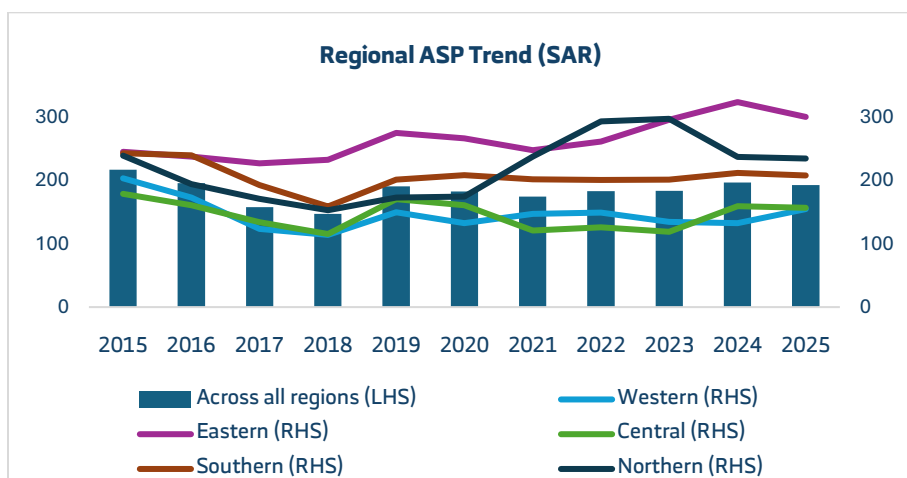
Regional Breakup of Domestic Sales (6M 2026)



Source: Yamama Cement ⁵

Saudi cement market benefits from a large addressable base and long-term visibility from national development programs. However, it remains characterized by high capacity, intense competition, and structurally constrained pricing, thus prioritizing volume growth and operational efficiency.

Regional Cement Price Disparity



Note: ASP metrics are used to analyze cement pricing trends, calculated based on the aggregated

average selling prices of companies within the sector (ASP=Total domestic revenue/ total dispatches)

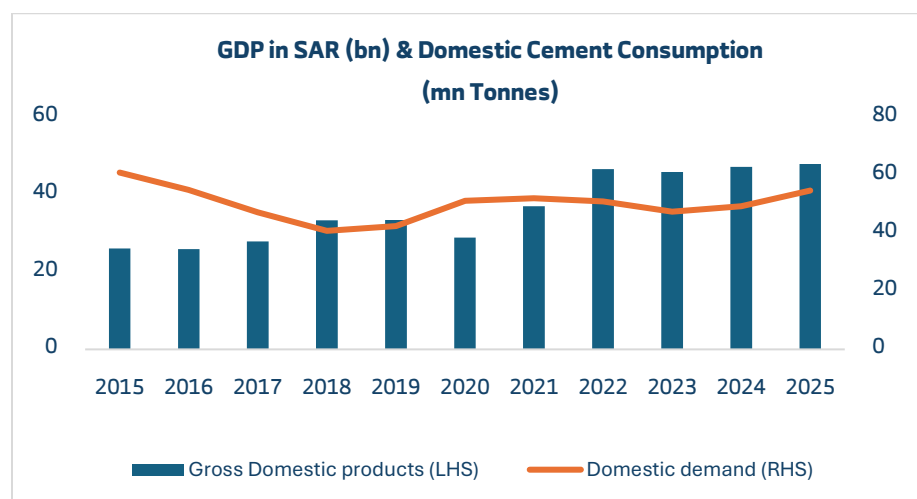
Region	ASP (SAR/tonne)	Key Demand Drivers	Pricing Dynamics
Central Region	156	Government spending, corporates, mega-projects (New Murabba, King Salman Park)	Lowest average ASP, but Riyadh commands premium pricing due to its role as the capital and main business hub
Western Region	154	Trade, tourism, religious travel, large project pipeline	Moderate ASPs: intense competition among developers limits sustained price escalation
Eastern Region	299	Oil, gas, and industrial employment with strong income levels	Highest ASPs: stable, end-user-led demand with fewer price wars
Northern Region	234	Limited supply, local demand, small market size	Relatively high ASPs despite lower demand; modest price growth
Southern Region	207	Government employment, lifestyle demand	Mid-range ASPs; steady price growth with seasonal demand uplift

Global Cement Price Disparity

In Saudi Arabia, average cement prices have ranged ~SAR 180-200/tonne during 2024–2025. On a global basis, cement prices typically range from ~USD 80-150/tonne or higher¹⁰ depending on country-specific cost structures, energy prices, logistics, regulatory environments, and demand–supply dynamics. Compared with many international markets, particularly in Europe and North America, where prices are structurally higher due to elevated energy, labor, and carbon compliance costs. Saudi cement prices remained relatively

competitive. This reflects favorable domestic factors such as abundant limestone reserves, integrated production capacity, lower logistics distances within the domestic market, and historically regulated or stable pricing conditions. However, persistent excess capacity and intense domestic competition continue to limit pricing power for Saudi producers, keeping prices below global averages.

Demand Evolution Under Vision 2030



Source: GASTAT⁴ & Yamama Cement⁵

Historically, cement demand largely moved in line with overall GDP growth as construction activity expanded or slowed with the broader economy. However, this relationship has gradually changed. Today, cement demand is more strongly influenced by Vision 2030 budget cycles because a significant share of construction activity depends on government-funded infrastructure, housing, and mega projects. As a result, cement consumption now tends to rise when Vision 2030 project spending is accelerated and soften during periods of budget tightening or project rescheduling even if GDP growth remains stable.

Cement production and domestic demand have moved overtime and helped explain the changing drivers of the market. From 2015 to 2017, both GDP and domestic demand trend downward or remain subdued, reflecting the impact of the oil price crash, which slowed construction activity and reduced cement consumption. Between 2018 and 2019, production began to rise, but domestic demand remains relatively weak, highlighting a period of oversupply where capacity increased faster than local consumption.

From 2020 onwards, the gap became more visible as production grows sharply, especially from 2021 to 2024 while domestic demand improved only gradually and remains volatile. This divergence reflects the shift away from GDP-linked demand toward Vision 2030-driven spending cycles where cement consumption rises mainly when government infrastructure and mega projects are actively funded, rather than moving directly proportional to overall economic growth.

Raw Materials

Main inputs used in clinker and cement production are highlighted below:

Limestone: Most important raw material; provides calcium (CaO) which is essential for clinker formation. Typically make up the raw mix.

Clay/Shale: Supplies silica, alumina, and some iron oxide, necessary for the chemical balance of cement. Often mixed with limestone in controlled proportions.

Iron Oxide Sources: Used to adjust the iron content in the raw mix. It can come from iron-bearing clay or iron ore.

Gypsum (Calcium Sulfate Dihydrate): Added after clinker is formed (during final grinding) to control cement's setting time. Typically, not a primary raw rock in the kiln feed but essential in finished cement production.

Supplementary / Alternative Raw Materials

These materials may be used to enhance properties, reduce clinker content, or improve sustainability and they are increasingly relevant in Saudi Arabia's evolving industry

Fly Ash: Pozzolanic material from power plants. Used especially in blended cements to lower clinker factor and CO₂ emissions.

Blast Furnace Slag: By-product of steelmaking; can be blended with clinker to make slag cement or GGBS (ground granulated blast furnace slag). Improves durability and sustainability.

Silica Fume: Very fine silica-rich by-product (from silicon metal production). Enhances strength and reduces permeability when used in small amounts.

Clinker to Cement Process

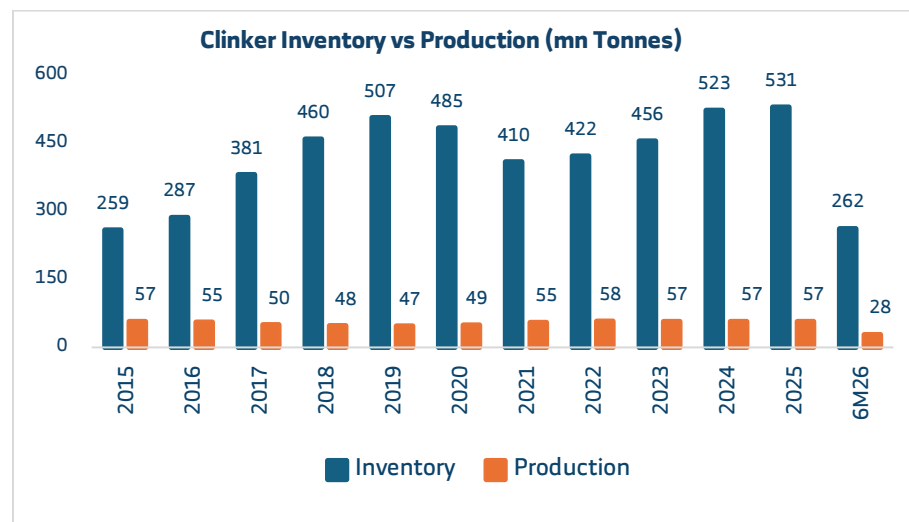
The combination of these raw materials (mainly limestone, clay/shale, iron oxides) is finely ground and heated in large rotary kilns at very high temperatures (~1450 °C) to produce clinker, the intermediate product that's then ground with gypsum to make cement.

Clinker Inventory vs Production

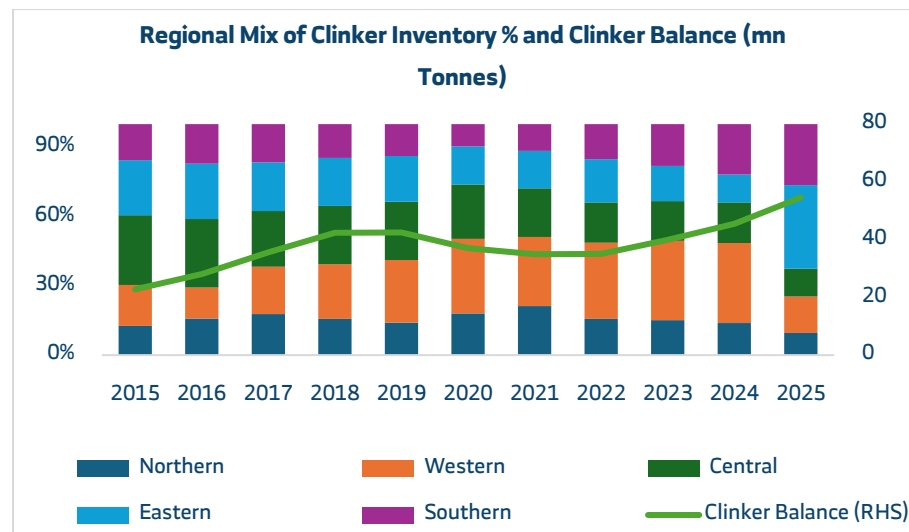
Clinker is the main component of cement, produced by heating limestone and other materials. It is ground with additives like gypsum to make cement, giving it the ability to harden and bind construction materials. Clinker production refers to the volume of clinker a cement plant manufactures over a period, while clinker inventory is the stock of clinkers stored for future grinding into cement or for export.

Clinker production during 2015-2025 remained relatively stable, while clinker inventory increased significantly, rising from about 259mn tonnes in

2015 to over 530mn tonnes by 2025. This growing inventory indicates that clinker production has generally exceeded immediate cement demand, leading producers to build up substantial stocks as a strategic buffer.



Source: Yamama Cement⁵ & Argaam Plus⁶



Source: Yamama Cement⁵

Eastern region posts highest rise in share of 2025 total inventory. The Eastern Region's clinker share was lower in 2024 due to subdued production and demand, with the Central and Western regions contributing more to national stocks. In 2025, however, ramped-up production, rising local construction, and mega-project activity boosted both output and inventory leading the Eastern Region to post the highest rise in clinker inventory share.

Clinker Sales

Clinker sales show a different pattern, with clinker exports dominating over domestic clinker sales ranging from 3mn tonnes – 6mn tonnes in most years. Periods of high clinker inventory are closely followed by increased clinker exports, particularly from 2019 onward suggesting that exports are used as a key tool to manage surplus clinker. By 2025, clinker exports remain strong highlighting Saudi Arabia's role as a regional clinker supplier.

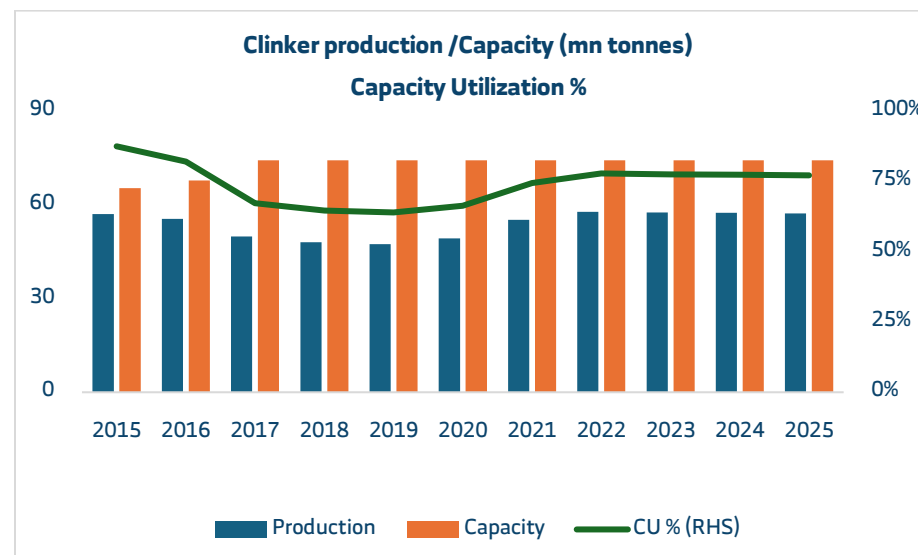


Source: Yamama Cement ⁵ & Argaam Plus ⁶

Clinker Capacity Utilization

The relationship between clinker production, installed clinker capacity, and capacity utilization over the period 2015–2025 highlighting a structurally oversupplied but gradually stabilizing market.

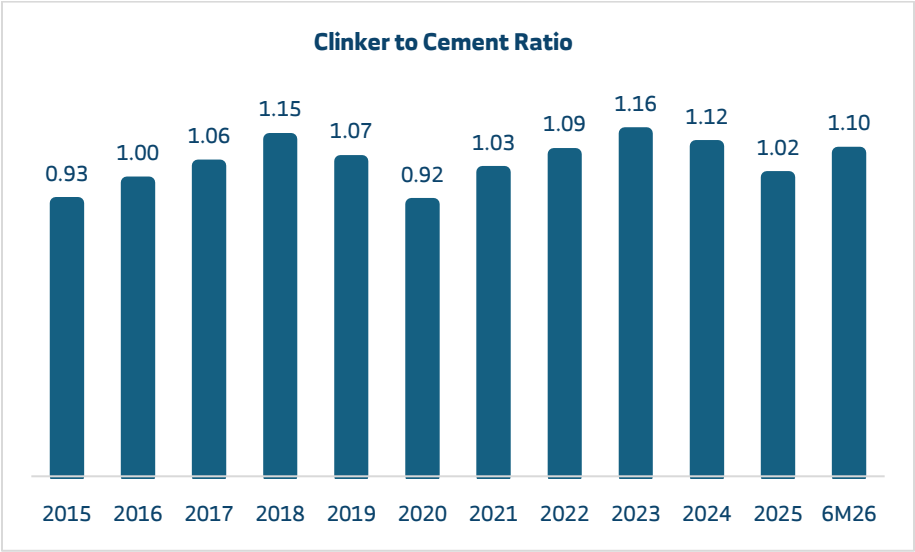
Clinker production declined between 2015 and 2019 while capacity expanded, reducing utilization from 87% to a low of ~64% amid weak construction activity and excess supply. From 2020 onward, production recovered on the back of Vision 2030 and housing demand, lifting utilization to ~78%. Over 2023–2025, stable production and flat capacity kept utilization ~77%, indicating steady demand but limited absorption of earlier surplus capacity.



Source: Yamama Cement ⁵

Clinker to Cement Ratio

The clinker-to-cement ratio increased from ~ 0.9x in 2015 to a peak of ~1.2x in 2023, reflecting higher clinker intensity, likely due to limited availability of supplementary materials and product mix shifts. After 2023, the ratio moderates toward ~1.0x by 2025, indicating improved blending efficiency and greater use of additives, supporting lower cost intensity and reduced emissions. The global clinker factor could fall to ~0.65 by 2030 as blended cements and SCM use expand, reducing clinker content per tonne of cement, down from the current global averages which are nearer to ~0.70–0.72. Lower clinker factors are structurally more favorable reflecting higher blended cement use and lower carbon intensity. This level remains significantly lower than the Saudi cement market where clinker intensity is structurally higher due to the dominance of Ordinary Portland Cement (a clinker-rich cement type) and limited Supplementary Cementitious Materials (substitute material for clinker) availability.



Source: Yamama Cement ⁵

Industry lifecycle

Industry Lifecycle Stage

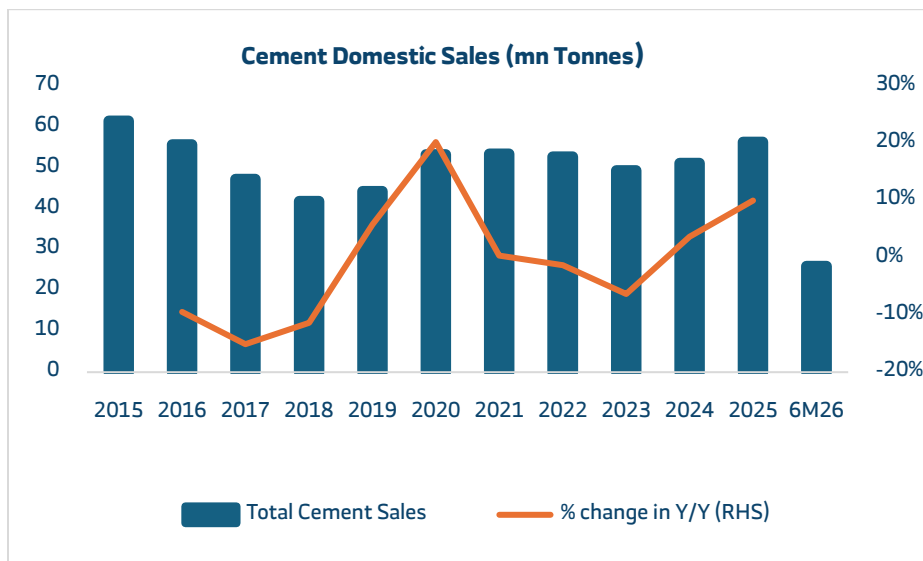
The cement industry is best described as mature, rather than rapidly expanding or declining. Demand growth is largely project-driven supported by government-led infrastructure initiatives under Vision 2030, including giga-projects such as NEOM and Qiddiya. These projects provide volume stability and periodic growth, but overall market expansion remains moderate.

At the same time, the industry exhibits typical characteristics of maturity, including limited pricing power and demand growth that does not fully keep pace with installed capacity additions.

Industry Cyclicity and Volatility

Cement demand shows moderate cyclicity closely linked to construction and input-cost cycles. It fluctuates in line with construction spending, public infrastructure rollouts, and real estate development cycles. While government investment provides some demand stability, sales volumes still experience periodic volatility due to project phasing, budget execution timelines, and macroeconomic conditions.

Profitability is also exposed to cost volatility particularly energy, fuel, and transportation costs which can amplify margin swings in competitive periods.



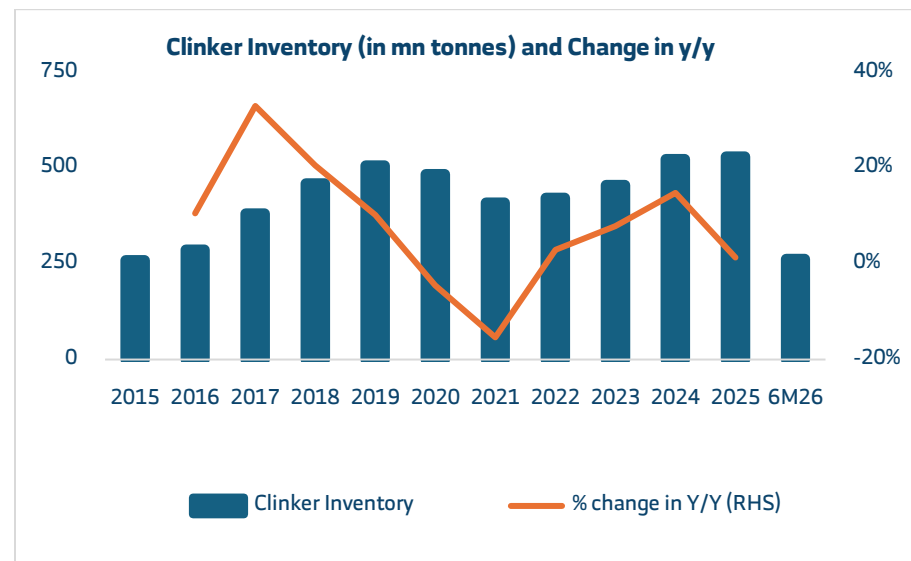
Source: Yamama Cement ⁵ & Argaam Plus ⁶

High Capacity and Export Potential

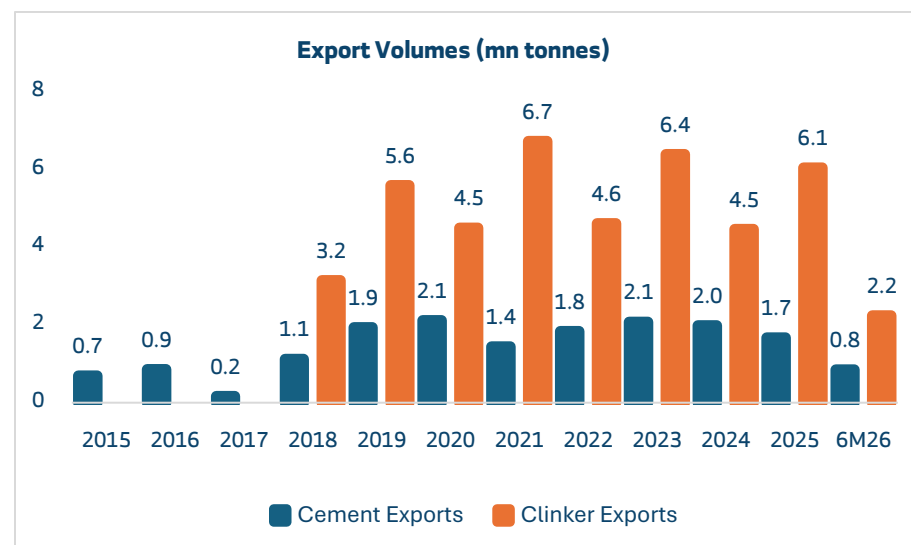
The Saudi cement market operates with installed capacity well above domestic demand requirements resulting in utilization levels that are consistently below optimal thresholds. This structural excess capacity creates downward pressure on prices and limits producers' ability to improve margins.

Low utilization also increases fixed cost absorption per ton making efficiency and cost control critical success factors across the sector.

Exports of cement and clinkers have become an increasingly important outlet for surplus production helping producers manage excess capacity and improve overall operational efficiency. However, exports still represent a secondary channel compared to domestic sales and are subject to external factors such as global demand, freight costs, and regional competition. As a result, exports can ease, but not fully eliminate, the structural oversupply in the local market.



Source: Yamama Cement ⁵ & Argaam Plus ⁶



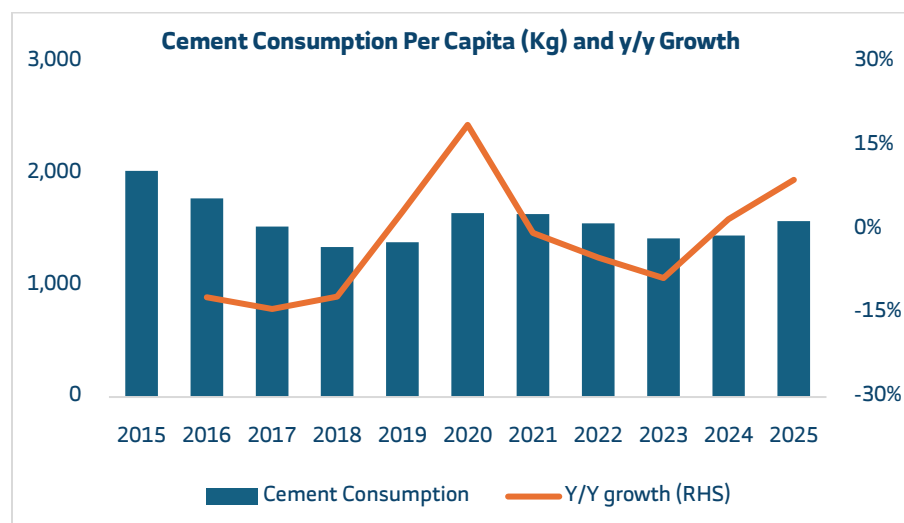
Source: Yamama Cement ⁵ & Argaam Plus ⁶

Key Takeaway: Saudi cement market remains structurally supported by Vision 2030-driven demand while operating in a mature and cyclical environment

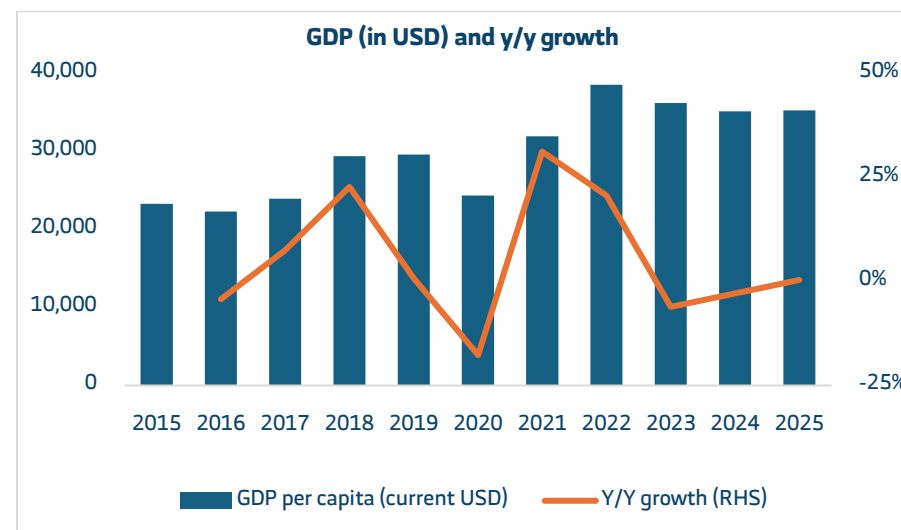
with high installed capacity. Market size, production, sales, and utilization levels indicate healthy activity, but regional imbalances and competitive intensity continue to influence pricing and margins. Exports play a supporting role in absorbing excess capacity, while performance varies across producers based on scale and regional exposure. Overall, the sector is transitioning from peak conditions toward normalized growth with outcomes increasingly driven by regional demand dynamics, cost efficiency, and execution strength.

Market Forces and Macro Environment

The Saudi cement market is a mature, self-sufficient industry producing 55–60 million tonnes annually to support national economic and infrastructure growth. Demand is characterized by a high correlation with GDP and per-capita income, primarily driven by ongoing housing, commercial, and transport projects, as well as Vision 2030 initiatives.



Source: World Meters Database¹¹

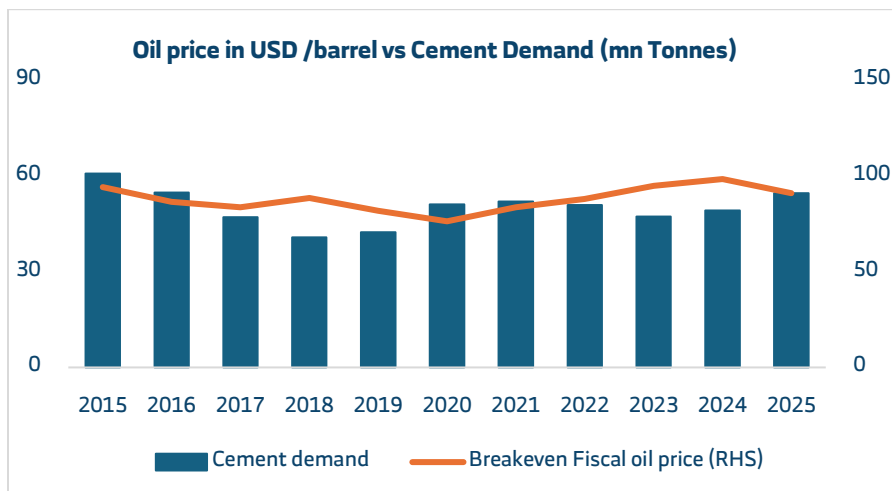


Source: World Meters Database¹¹

Macro-Economic Factors influencing industry

Oil Prices

Saudi Arabia's economy is heavily dependent on oil and price fluctuations directly impact government spending and infrastructure projects. Cement demand exhibits a lagged relationship with these dynamics because higher oil revenues translate into stronger demand only after projects reach execution. For instance, the 2014–2016 oil price crash slowed construction activity and compressed margins. Cement demand remained subdued through 2019 declined sharply during COVID-19 and recovered strongly from 2021–2025 supported by Vision 2030 and national infrastructure investment.

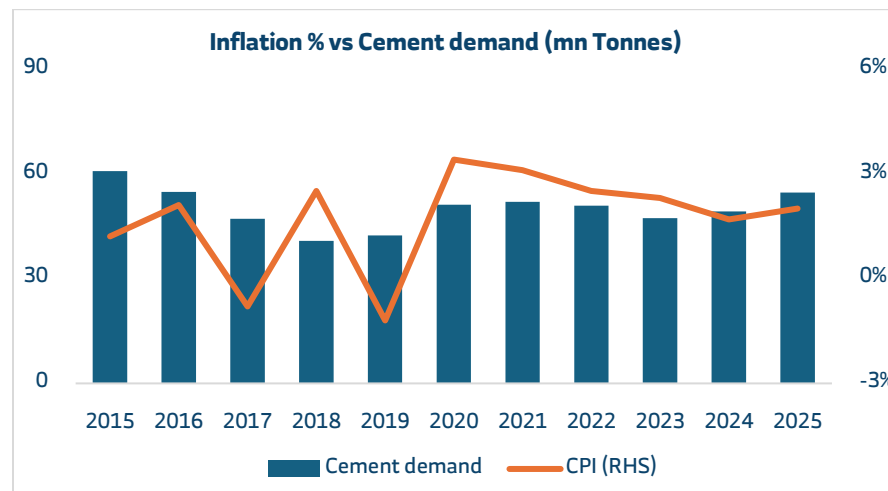


Source: Federal Reserve Bank of ST. Louis (FRED)¹² & Yamama Cement⁵

Inflation & Input Cost Environment

Cement demand in Saudi Arabia generally rises during periods of higher inflation, reflecting stronger construction activity rather than a direct causal impact of inflation on cement consumption.

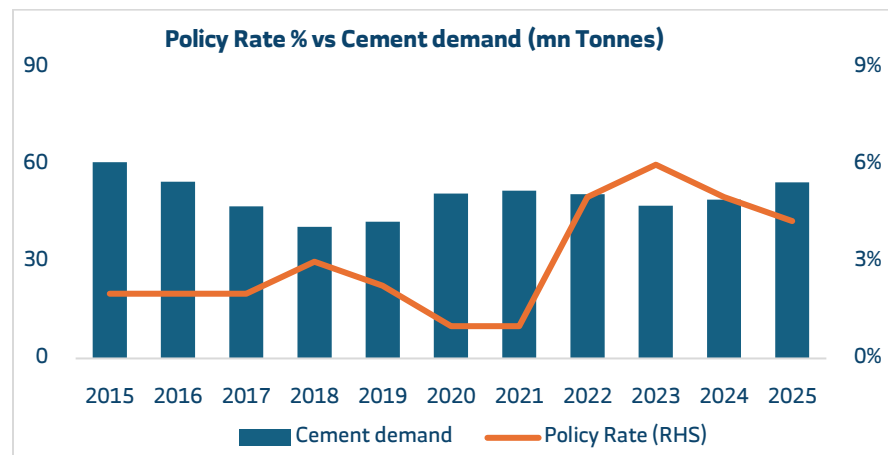
During 2015–2016, higher inflation coincided with weaker cement demand. From 2017–2019, both inflation and consumption declined. In 2020–2021, demand rebounded despite rising inflation, driven by Vision 2030 spending. From 2022–2024, demand softened as the post-COVID boom normalized. By 2025, inflation reflected stronger economic activity and Vision 2030 momentum, which supported cement demand independently of inflation.



Source: FRED¹² & GASTAT⁴

Interest Rates & Credit Conditions

The Saudi cement sector is capital-intensive and sensitive to interest rates, as producers rely on debt for expansions and operations. Cement demand has historically moved inversely to policy rates; low rates during 2019–2021 supported mortgage growth, private construction, and mega-projects, driving strong consumption.



Source: Trading Economics¹³

Major Credit Stress Points

Overcapacity and Weak Pricing Power (mid 2010 and 2015-2016)

The Saudi cement sector experienced significant overcapacity in the mid-2010s as production expansions outpaced demand, following the 2015–2016 construction slowdown. The excess supply led to pricing pressure, lower utilization, and margin compression, straining cash flows during weaker economic periods.

Rising Energy and Production Costs (2018-2019)

Rising global energy prices during 2018–2019 combined with domestic tariff adjustments significantly increased production costs for cement manufacturers. During economic downturns or periods of low demand producers struggled to pass these costs to customers, which exacerbated margin pressure and credit risk.

Volatile Demand from Construction Cycles (2014-2015 and 2020-2021)

Cement consumption in Saudi Arabia closely tracks construction cycles, with strong demand during 2017–2020 supported by housing programs such as Sakani, compared to weaker activity in 2014–2015 and the pandemic-related slowdown in 2020–2021. These fluctuations led to revenue volatility and pressured credit metrics, particularly for more highly leveraged producers.

Competitive Pressure (2015–2016 and 2020–2021)

Overcapacity and market fragmentation intensified competitive pricing during downturns, notably 2015–2016 and 2020–2021, as producers offered discounts to secure contracts. This eroded margins further, reducing companies' buffer to absorb shocks or service debt.

Environmental and Regulatory Costs (from 2018 onwards)

From 2018 onwards, the Saudi government and regulators pushed for more sustainable production, including wider adoption of blended cement. Compliance investments, though necessary for long-term sustainability, increased leverage and added financial strain during periods of slower demand.

Key Takeaway: Saudi cement market is driven by macro factors like oil prices, inflation, and interest rates which influence government spending and financing. After facing stress post-2014 and during COVID-19 the sector has become more resilient. Demand is increasingly linked to Vision 2030 projects, housing, and infrastructure, which improves visibility while maintaining dependence on government spending cycles.

Demand-Supply Dynamics

Demand Drivers

PIF-funded Mega Projects

Cement demand is increasingly anchored by PIF-backed mega projects under Vision 2030, which include large-scale developments such as NEOM, Red Sea Project, Qiddiya, Diriyah Gate, and major transport and utility infrastructure. These projects are multi-year and capital-intensive, requiring sustained volumes of cement and concrete for core infrastructure, housing, and mixed-use components. Unlike the historical oil-price-linked construction cycle, PIF-led investments provide greater demand visibility and reduce volatility, as funding is largely secured and execution is spread over extended timelines. As a result, infrastructure-led cement demand has become a structural, rather than cyclical, growth driver for the industry.

PIF-funded mega projects are a key structural driver of cement demand in Saudi Arabia, providing long-term volume visibility rather than short-term cyclical uplift. Backed by Vision 2030, large developments such as NEOM, Qiddiya, Red Sea Global, Diriyah Gate, and ROSHN ensure sustained cement consumption through phased, budget-supported execution. This has shifted cement demand linkage from pure GDP growth to government capex cycles, supporting higher capacity utilization and stable offtake for producers, while also intensifying regional competition and cost pressures during peak construction phases.

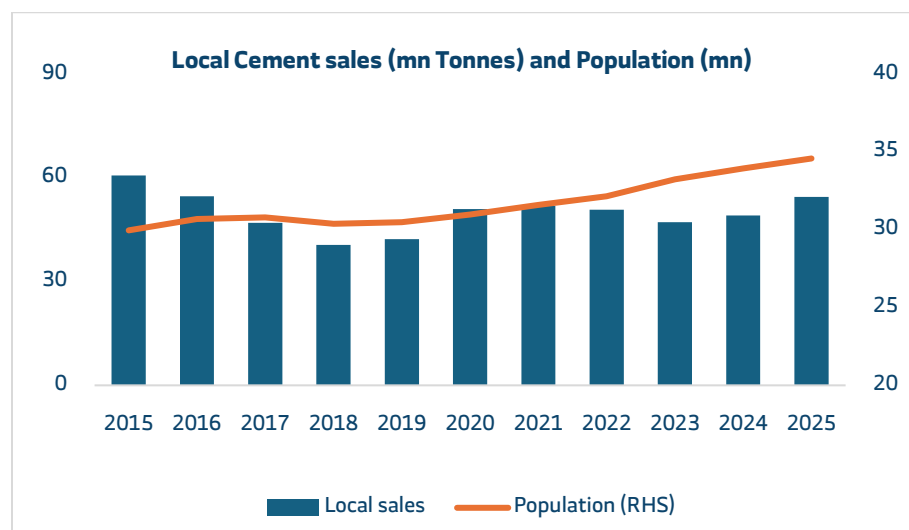
Project	Description	Target Completion	Location
NEOM	A futuristic, innovation-driven city integrating sustainability, high-tech industries, advanced mobility, THE LINE linear urban development, Oxagon industrial hub, Trojena mountain destination, green hydrogen production, and	2045 ¹⁴	Tabuk Province

	smart services to redefine living, work, and tourism. NEOM will cover 26,500 square kilometers and will be powered by 100% renewable energy.		
Qiddiya	A landmark entertainment, sports, culture, and lifestyle city near Riyadh designed to host vibrant mixed-use communities with world-class theme parks, esports and gaming districts, motorsport facilities, performing arts venues, and extensive leisure attractions. It is projected to be home to around 600,000 residents, attract up to ~48mn annual visitors, generate 325,000+ jobs, and contribute significantly to Saudi GDP as a global tourism and lifestyle destination. The project will cover 376 square kilometers of land area.	2030 ¹⁵	Near Riyadh
Red Sea Global	A luxury regenerative tourism developer creating sustainable resorts like The Red Sea and AMAALA, aiming to generate tens of thousands of jobs, attract ~1.5mn annual visitors, and contribute significantly to GDP while using 100% renewable energy and supporting environmental conservation. The Red Sea, covering 28,000 square kilometers, is surrounded by the world's fourth-largest barrier reef system.	2030 ¹⁶	Western Coast
ROSHN Group	Launched in 2018 as a national developer to support Saudi Vision 2030's 70% homeownership goal, ROSHN is creating modern, community-focused living across KSA. The group manages a +200 sq km land bank, plans to deliver 400,000 new homes with a capacity for 2.2mn residents by 2030, supporting sustainable urban growth and economic diversification.	2030 ¹⁷	Multiple Cities
Diriyah Company	Transforming Saudi Arabia's historic Diriyah into a cultural and heritage destination with luxury hotels, museums, entertainment, and retail, expected to attract ~50mn visitors by 2030 and create ~178,000 jobs, boosting tourism and contributing significantly to GDP.	2030 ¹⁸	Riyadh

Source: PIF, Secondary Research

Population Growth & Demand

Population growth, urbanization, and demographic trends support residential cement demand, which remains the largest end-use segment. Saudi Arabia's expanding population, rising household formation, and government-supported housing programs drive sustained demand for new housing and urban infrastructure in major cities. Local cement sales have fluctuated significantly between 2015 and 2025, while the population has grown steadily. Cement sales peaked around 60mn tonnes in 2015, then declined to a low of about 40–42mn tonnes in 2018–2019, despite the population continuing to rise from around 30mn to over 31mn during the same period. This indicates that cement demand was influenced by factors beyond population growth, such as economic slowdowns, lower construction activity, or the impact of falling oil prices.



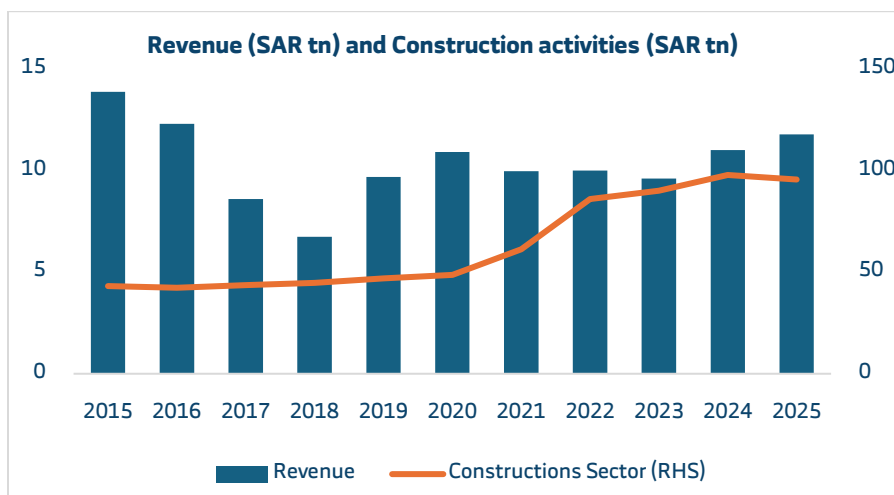
Source: GASTAT⁴ & Yamama Cement⁵

Construction Sector Performance

The broader construction sector's performance remains a critical determinant of cement demand, reflecting government budget execution, project award momentum, financing conditions, and private-sector investment activity. Following the post-2020 recovery, improved liquidity, faster project awards, and stronger execution rates have supported a gradual normalization of cement volumes and capacity utilization. Importantly, cement demand has shifted from being closely correlated with oil price cycles to being more aligned with Vision 2030 spending priorities, multi-year project pipelines, and sustained public investment, providing a more stable medium-term demand outlook.

Cement sales show a clear positive but lagged relationship with construction activity. After relatively flat growth until 2019, construction spending rises sharply from 2021 onward, peaking in 2024, which supports a recovery and upward trend in cement revenues. Overall, the cement sector appears closely aligned with the construction cycle, benefiting from the post-2021 infrastructure expansion. Overall, sustained growth in construction activity eventually translates into higher cement demand, though short-term mismatches are common.

However, even in 2025, sales remain slightly below the 2015 peak, suggesting that demand per capita is lower than before. Overall, the trend shows that cement consumption in KSA is closely tied to construction cycles.



Source: GASTAT⁴ & Yamama Cement⁵

Government initiatives in housing development

Initiative / Reform	Objective	Impact on Housing Market	Implication for Cement Demand
Vision 2030 – Housing Strategy	Achieve ~70% homeownership by 2030	Drives large-scale residential development	Sustained, long-term growth in cement demand
Sakani Program	Improve housing supply and affordability	Accelerate residential project launches through subsidies and financing	Higher cement consumption from increased housing starts
National Housing Company (NHC)	Develop master-planned communities	Ensures steady pipeline of government-	Stable, predictable cement demand over the long term
Mortgage Market Reforms (SAMA)	Expand access to home financing	Boosts mortgage penetration and housing start	Increased cement usage linked to higher construction activity
Land & Planning Reforms	Speed up land allocation and approvals	Shortens construction timelines	Supports near-term cement offtake

Supply Drivers

Recent Plant Expansion

Saudi Arabia's cement industry has been actively expanding and modernizing its production capacity to keep pace with rising demand from residential construction, infrastructure projects, and Vision 2030 initiatives. Companies are investing in new production lines, upgrading existing plants, and introducing sustainable technologies to ensure reliable supply across the kingdom. **Key recent and ongoing plant expansions include:**

- **Qassim Cement Company:** Building a fourth production line (10,000 t/d) at Buraydah, replacing older lines and improving efficiency; ~\$298mn project supporting Vision 2030.
- **Eastern Province Cement Company:** Constructing a 10,000 tonnes/day clinker line at Khursaniyah to modernize capacity and boost output; ~\$270.5mn contract.
- **Southern Province Cement:** The Jazan plant is undergoing a major capacity upgrade, including a 5,000 tonnes/day clinker line and a 10,000 tonnes/day cement grinding line, taking total cement capacity to ~10,000 tonnes/day; commissioning ~2026.
- **Hoffmann Green Cement – Rabigh:** First low-carbon, clinker-free facility in KSA, introducing sustainable cement production aligned with Vision 2030.

High Capacity

Saudi Arabia's cement industry operates with a very high installed production capacity, estimated at ~86-87mn tonnes per year in 2025, supported by 17 companies and 22 plants across the Kingdom. Over the past decade, capacity has expanded from approximately 66mn tonnes in 2015 to over 87mn tonnes in 2025, driven by new plant constructions, line upgrades, and technological

modernization. Major producers such as Qassim Cement, Eastern Province Cement, Riyadh Cement, Southern Province Cement, and Arabian Cement have undertaken significant expansions, including new clinker and grinding lines to ensure sufficient supply for residential housing, infrastructure, and Vision 2030 projects. Despite utilization rates ranging around 65–70%, the high-capacity base allows the industry to accommodate surges in demand from mega-projects and residential construction while maintaining a buffer for exports.

Demand Supply Gap

The cement industry has a structural surplus, with installed capacity around 86–87mn tonnes in 2025 while domestic demand is estimated at 55-60mn tonnes. This creates a gap of ~27-31mn tonnes allowing the market to absorb fluctuations in housing and infrastructure activity, maintain supply stability, and support exports. Despite high capacity, utilization rates remain around 65–70%, reflecting a balance between strong production potential and moderate domestic demand.

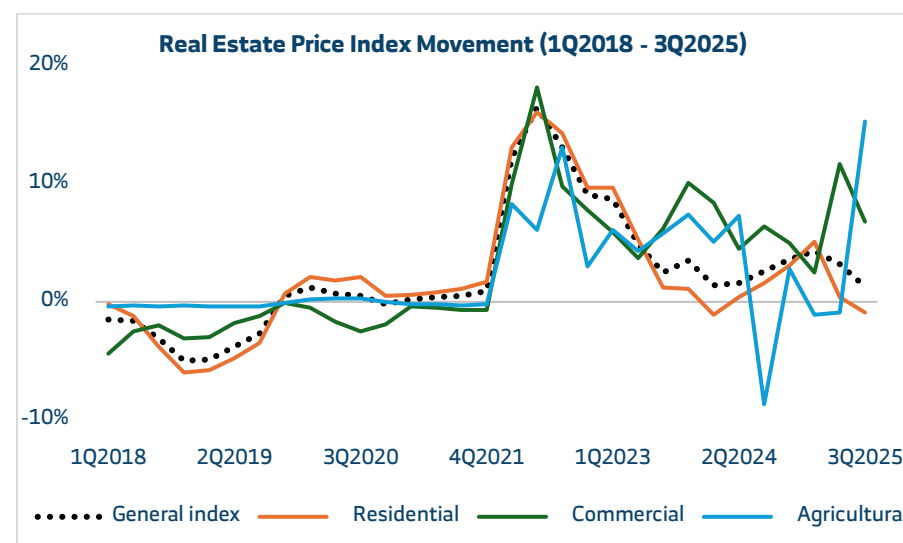
Years	Capacity (mn tonnes)	Domestic Cement Demand (mn tonnes)	Capacity Surplus (mn tonnes)	Revenue (SAR tn)	Utilization (%)
2015	66	50	16	14	76
2018	72	55	17	7	76
2020	72	52	20	11	72
2023	85	65	20	10	76
2025	86-87	55-60	27-31	12	65-70

Sources: Expert Market Research, Global Cement, Arab News, Aljazira Capital.

Impact of Housing Finance on Cement Demand

Overview of Real Estate Industry

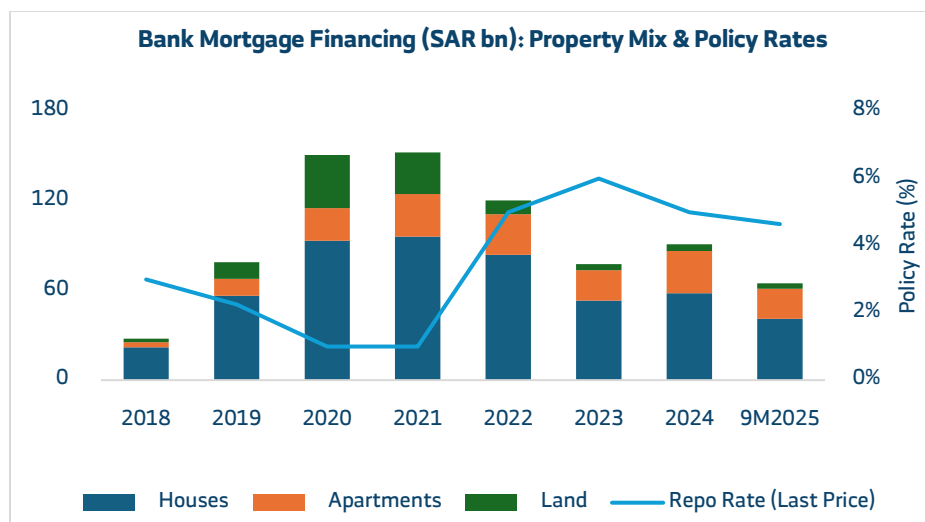
Saudi Arabia's outstanding real estate loans have increased significantly from SAR 255.4bn in 2018 to SAR 966.8bn by 3Q2025, highlighting the sector's growing importance to the financial system. Although growth peaked during 2020–2022 due to supportive housing policies and easy financing and has since moderated amid tighter monetary conditions, loan balances have continued to rise, supported by the long-term nature of mortgages and resilient housing demand. Over this period, the market has become more bank-led, with banks' share of real estate lending increasing from 93.4% to 97.0% by 3Q2025, reflecting their stronger funding access, balance sheet capacity, and ability to manage long-tenor lending across interest rate cycle.



Source: Bloomberg¹⁹

Mortgage Finance Trends and Interest Rate Sensitivity

Saudi Arabia's mortgage market is moving from a rate-sensitive expansion to a structurally supported recovery. After peaking in 2021 and contracting sharply through 2023 amid tight monetary policy, disbursements have stabilized and begun rebounding as policy rates ease. The Saudi Real Estate Refinance Company (SRC) supports this recovery by refinancing bank mortgage portfolios and transferring risk to capital markets via Sukuk and RMBS, sustaining credit even in tighter conditions.

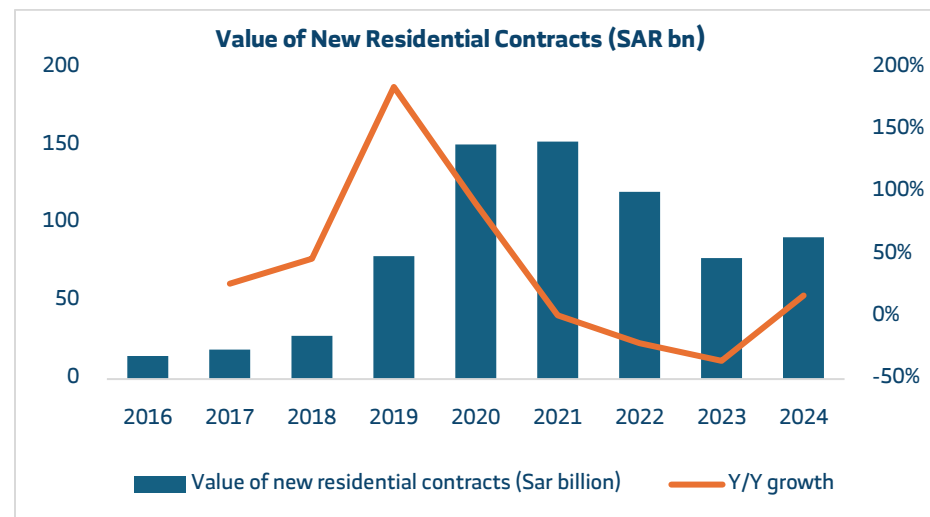


Source: SAMA²⁰, Bloomberg¹⁹

New Residential Mortgage Contracts Decrease

Under Vision 2030, Saudi Arabia's Housing Program aimed to boost affordable housing and access to financing, including a SAR 18bn loan guarantee, higher loan-to-value limits for first-time buyers and interest-free loans. These measures supported mortgage growth from 4Q18, though by 3Q25, new residential mortgages fell 4.1% Y/Y, and loan values dropped 11.4% Y/Y.

Commercial real estate loans rose 10.5% Y/Y while overall residential loans still grew 11.7% Y/Y, reflecting sustained long-term housing finance momentum.



Source: SAMA²⁰

The trend in new residential mortgage contracts closely drives cement demand in Saudi Arabia, as housing is a major end-use segment. The surge in mortgage values between 2019–2021 fueled residential construction and higher cement consumption, while the contraction in 2022–2023, due to rising interest rates and weaker affordability, slowed housing starts and dampened cement demand. The rebound in 2024 points to a gradual recovery in residential construction, supporting a pickup in cement consumption particularly bagged cement and ready-mix for mid-market housing though volumes are expected to remain below the previous peak due to the shift toward smaller, more affordable housing.

Demand Growth Remains Uneven, Keeping Oversupply Elevated

Cement demand growth remains uneven across regions and sectors, with strong activity in residential housing and infrastructure projects offset by

slower growth in other areas. At the same time, high installed capacity and recent plant expansions have maintained elevated supply levels resulting in persistent oversupply pressures and utilization rates below full capacity.

Regulatory Duties

Regulation plays a central role in shaping demand–supply balance in the Saudi cement market through capacity controls, pricing oversight, export regulation, and energy policy. Government approvals influence new capacity additions, helping avoid excessive supply growth while export permissions and temporary bans/relaxations are used to prioritize domestic availability during demand peaks or allow surplus absorption during oversupply phases. On the demand side, Vision 2030–linked budgeting, housing programs, and infrastructure spending directly drive cement consumption patterns. Additionally, energy price reforms, environmental regulations, and localization policies affect cost structures and production decisions, indirectly influencing utilization levels and competitive behavior. Overall, regulatory intervention acts as a stabilizing mechanism, moderating extreme demand–supply imbalances while aligning the sector with national economic and sustainability objectives.

Period	Duty Type	% of Duty	Purpose
Pre-2005	Pre-GCC common tariff era	~20%	Higher tariffs to protect local industry
2005–2006	Customs duty cut (policy change)	20% → 5%	Liberalize imports to stabilize prices during demand surge
2010	Reimposition of import duty	5% (standard)	Applied on cement and steel imports (ex-GCC)
2020	Anti-dumping (Iran)	~67.5%	Guarding against dumped imports (through Jun 2025)
2023	Anti-dumping (China)	~6-27.7%	Varies by exporter/product

2023	Anti-dumping (Belgium)	~8.3-40%	Duties applied under unified GCC law
2023	Anti-dumping (Singapore)	~13.6-21.2%	Product-specific duties
2023	Anti-dumping (South Korea)	~124%	Very high duty on specific imports
2023	Anti-dumping (France)	~51%	Product-specific duties
2024 onward	Exemptions for industrial inputs	0% duty on qualified materials	Support local production
2025 tariff updates	Tariff schedule amendments	Varies up to ~20% on certain goods	WTO-aligned updates (general, not specific to cement)

Source: GAFT, Argam, Global Tax News²¹

Key Takeaway: Saudi cement market is driven by PIF-led projects, housing demand, and mortgage growth. However, elevated capacity and recent expansions continue to outpace demand, keeping oversupply pressures intact. Demand varies by region, influencing pricing and selective export opportunities. The sector remains cyclical with demand sensitive to interest rates and real estate activity despite strong long-term Vision 2030 support.

Industrial Financial Performance

Revenue and Earnings Trend

Median revenues of KSA cement companies increased steadily from SAR 648mn in 2022 to SAR 835mn in LTM Sep 2025, reflecting a gradual recovery in domestic cement demand. This growth has been supported by government-led housing programs, infrastructure spending, and the rollout of Vision 2030–linked projects. EBITDA expanded strongly and peaked in 2024 at SAR 339mn

benefiting from improved capacity utilization and favorable pricing conditions. However, EBITDA moderated to SAR 307mn in LTM Sep 2025 as competitive pressures intensified and input costs rose. Profit after tax followed a similar trajectory improving through 2024 before easing in LTM Sep 2025 due to margin normalization.

Profitability

Profitability metrics highlight a clear margin cycle, with 2024 representing a high point for the sector. Gross margin reached 32.2% and EBITDA margin climbed to 39.3%, supported by higher cement prices, operating leverage and disciplined cost management. In LTM Sep 2025, gross margin declined to 27.1% and EBITDA margin to 34.2%, reflecting rising fuel and power costs, normalization of pricing, and more intense competition across regions. EBIT and PAT margins also softened, indicating reduced operating leverage and signaling a return to more sustainable mid-cycle profitability levels.

Balance Sheet Strength

The balance sheet of the median KSA cement companies remains robust, with total assets expanding steadily to ~ SAR 3.0bn by LTM Sep 2025. Equity levels remain strong at ~SAR 2.2bn, providing a substantial capital buffer. Importantly, net debt declined sharply from SAR 211mn in 2024 to SAR 136mn in LTM Sep 2025, highlighting prudent financial management and the use of excess cash flows to reduce leverage. This conservative balance sheet positions companies well to absorb market volatility and fund future growth opportunities.

Cash Flows and Capex

Operating cash flow strengthened materially, reaching SAR 248mn in LTM Sep 2025 despite softer earnings, underscoring strong cash conversion and efficient working capital management. Capital expenditure remained

moderate at SAR ~60–65mn in LTM Sep 2025 largely focused on maintenance, debottlenecking, and efficiency improvements rather than aggressive capacity expansion. Free cash flow remained positive, enabling companies to support dividend payouts, reduce debt, and maintain strategic flexibility without stretching the balance sheet.

Liquidity Position

Liquidity levels declined, with liquid assets falling to SAR69mn in LTM Sep 2025; however, this does not indicate financial stress. Strong and recurring operating cash flows limit the need to maintain high cash balances. Interest expenses remain low, reflecting limited borrowings and access to relatively low-cost funding. Overall liquidity remains adequate and well-managed supported by predictable cash inflows from domestic cement sales.

Gearing and Coverage Ratios

Gearing metrics remain among the strongest within the broader materials sector. Net debt to EBITDA improved to 0.4x in LTM Sep 2025, while total debt to EBITDA stood at 0.6x, indicating very conservative gearing. Interest coverage strengthened to 39x, highlighting minimal financial risk and ample headroom even under stress scenarios. Net debt to equity remains below 10% reinforcing the sector's strong credit profile and capacity to raise debt if required for expansion or strategic investments.

Sector (KSA)	Cement	Petrochemicals	Utilities	Telecom	Real Estate
Net Debt/ EBITDA	0.2-1.2x	1.0-7.0x	5.0-7.0x	2.0-3.5x	~3.2X
Interest Coverage	~20-25x	1.0-8.0x	2.0-7.0x	3-6x	~8.2x
Debt/Equity	~0.09x	~0.22x	~0.40x	~0.19-0.78x	~0.8x

Source: Above calculation is based the top two to three listed companies in each sector on the Saudi Exchange (Tadawul)

Outlook and Financial Risk Trajectory

The industry outlook over the near to medium term is stable to cautiously moderating as strong structural demand from Vision 2030-linked projects continue to support volumes, while pricing power and margins normalize from 2024 peak levels. From a financial risk perspective, margin compression and elevated capex are likely to remain the key pressure points in the near term. While operating cash flows should stay resilient, free cash flow generation is expected to remain constrained particularly for large players undertaking expansion and sustainability-related investments. This limits near-term deleveraging potential at the industry-average level.

Leverage trends are expected to diverge by company size. Mid-sized producers that have completed major capex cycles may continue gradually deleveraging improving balance-sheet strength. In contrast, large players are likely to maintain higher leverage levels as they fund capacity additions, grid connections, and energy transition initiatives, keeping credit metrics under moderate pressure.

Liquidity risk is expected to remain manageable but tighter than historical levels especially for smaller players with weaker cash buffers and higher working capital sensitivity. Interest coverage, while still comfortable, may continue to trend downward if margins soften further or borrowing costs remain elevated, reducing tolerance for adverse costs or demand shocks.

Stress/Scenario Analysis

The analysis assesses the sector's resilience under varying macroeconomic and policy conditions. Under the base case, steady government spending, Vision 2030-linked project execution, and stable oil prices support moderate demand growth, healthy capacity utilization, stable margins, and resilient credit metrics. In the stress scenario, a sharp decline in oil prices leads to delays of

government infrastructure projects resulting in weaker cement demand, lower utilization rates, margin compression, and pressure on cash flows and leverage metrics. Despite this, strong balance sheets, cost-control measures, and pricing discipline provide partial downside protection for leading producers.

Parameter	Base Case Scenario	Stress Case Scenario	
Key Assumptions	- Oil prices supportive of fiscal spending - Vision 2030 projects progress as planned - No major changes in energy pricing or regulation	- Oil prices decline 25–30% from base levels - Delays in public & semi-public projects - Weak pricing power amid softer demand	
Reference Period	Average of last 4 years	2019–2020 levels	
Cement Demand Growth	~5%–6% p.a.	~–5% to –10% p.a.	
Capacity Utilization	~77%	~50%–55%	
Average Cement Prices	Stable to +1%	–5% to –8%	
EBITDA Margin	~22%	~14%–17%	
Net Debt / EBITDA	~0.1x	1.8x–2.0x	

Key Takeaway: Sector's financial risk trajectory is shifting from improvement to stabilization, with credit quality increasingly dependent on cost control, capex discipline, and successful execution of energy efficiency and sustainability initiatives. Companies with strong scale, efficient operations, and prudent financial policies are likely to remain better positioned, while weaker players may face rising sensitivity to market normalization and cost pressures.

Median vs Average Cement Industry Financial Performance Analysis (2022-LTM Sep 2025)

Indicator & Ratios (SAR mn)	Median				Averages			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	648.2	666.5	823.6	835.0	715.6	687.7	787.8	842.4
Gross Profit	227.8	216.3	265.1	239.6	235.8	209.8	273.7	249.8
EBITDA	258.1	242.6	339.2	306.6	281.8	260.2	321.6	296.3
EBIT	171.0	126.5	176.9	151.8	180.2	147.6	207.6	180.2
Profit After Tax	136.9	129.8	158.6	139.3	166.4	137.0	191.2	157.1
Total Assets	2,628.5	2,661.1	2,929.0	3,000.2	2,812.5	2,822.6	2,987.5	3,006.2
Liabilities	524.8	488.3	452.6	461.9	629.9	655.8	717.2	767.3
Equity	2,104.4	2,066.7	2,247.4	2,180.8	2,182.5	2,166.8	2,267.3	2,238.9
Profitability (%)								
Gross Margin	31.6%	28.9%	32.2%	27.1%	32.0%	28.9%	32.1%	26.9%
EBITDA Margin	37.4%	36.2%	39.3%	34.2%	39.4%	37.5%	39.1%	33.2%
EBIT Margin	24.0%	19.3%	24.8%	19.9%	24.5%	19.7%	24.0%	18.7%
PAT Margin	20.1%	17.1%	21.8%	16.0%	21.0%	17.5%	21.5%	15.4%
Debt Level (SAR mn)								
Total Debt	244.9	327.3	288.7	191.9	316.9	364.1	396.7	440.4
Net Debt*	106.4	190.4	210.6	135.9	136.8	196.8	256.5	320.0
Cashflow (SAR mn)								
Cash Flow from Operations**	150.4	110.1	204.8	248.5	235.3	159.7	240.8	270.8
Capex	-51.4	-45.4	-62.1	-65.3	-69.8	-92.1	-164.1	-210.9
Free Cash Flow	120.3	45.1	128.1	83.7	165.5	67.6	76.7	59.9
Discretionary Free Cash Flow	26.6	-45.8	-8.2	7.3	7.0	-76.7	-54.5	-75.2
Liquidity (SAR mn)								
Liquid Assets^	91.2	137.5	101.8	68.7	180.1	167.3	168.3	120.4
Interest Expense	8.8	12.2	9.6	7.8	10.3	17.6	18.6	18.1
Liquid Assets to Total Liabilities (x)	0.2	0.2	0.2	0.1	0.6	0.6	0.6	0.5
Leverage & Coverage Ratios								
FCF / Net Debt (x)	1.1	0.2	0.6	0.6	1.2	0.3	0.3	0.2
EBITDA - Capex / Net Debt (x)	1.9	1.0	1.3	1.8	1.5	0.9	0.6	0.3
EBITDA / Interest Expense (x)	29.2	19.9	35.3	39.2	27.3	14.8	17.2	16.4
Total Debt / EBITDA (x)	0.9	1.3	0.9	0.6	1.1	1.4	1.2	1.5
Net Debt / EBITDA (%)	0.4	0.8	0.6	0.4	0.5	0.8	0.8	1.1

Indicator & Ratios (SAR mn)	Median				Averages			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Total Debt / Equity (%)	11.6%	15.8%	12.8%	8.8%	14.5%	16.8%	17.5%	19.7%
Net Debt / Equity (%)	5.1%	9.2%	9.4%	6.2%	6.3%	9.1%	11.3%	14.3%
Debt / Capital (%)	10.4%	12.4%	11.3%	9.6%	12.4%	13.4%	13.3%	13.9%
Liabilities/Equity (%)	21.4%	26.3%	25.2%	26.7%	30.7%	31.9%	32.3%	33.9%

Note: ^Liquidity incl cash+ Trading securities + short-term investment

*Net debt figures are calculated after deducting total liquid assets

**CFO is after deducting finance cost paid

NM=Not Meaningful, LTM 2025 means Last Twelve Months Sep 2025

Company Wise Financial Performance Analysis (2022-LTM Sep 2025)

Indicator & Ratios (SAR mn)	Yamama Cement Company				Qassim Cement Company				Riyadh Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	1,008.1	935.2	1,173.0	1,393.6	678.5	583.6	967.6	1,146.0	598.0	643.4	789.4	798.7
Gross Profit	407.3	333.4	528.0	541.0	188.5	152.3	332.3	294.8	231.5	236.9	328.8	273.1
EBITDA	367.6	442.9	627.2	643.6	232.8	181.2	380.2	403.0	298.0	306.6	399.9	340.9
EBIT	332.0	263.6	443.6	450.5	161.2	122.0	292.3	280.6	201.2	200.0	293.7	231.3
Profit After Tax	355.8	304.3	420.7	422.1	130.5	142.0	301.3	280.9	189.8	188.8	310.4	229.2
Total Assets	6,350.8	6,482.7	7,316.8	7,457.4	1,926.4	1,804.8	3,137.0	3,026.2	1,891.0	1,838.5	1,970.5	1,819.9
Liabilities	1,699.5	1,749.4	2,473.5	2,517.8	261.7	225.5	373.0	348.4	215.8	158.7	189.2	161.2
Equity	4,651.3	4,733.3	4,843.3	4,939.6	1,664.8	1,579.3	2,764.0	2,677.8	1,675.2	1,679.8	1,781.2	1,658.6
Profitability (%)												
Gross Margin	40.4%	35.6%	45.0%	38.8%	27.8%	26.1%	34.3%	25.7%	38.7%	36.8%	41.6%	34.2%
EBITDA Margin	36.5%	47.4%	53.5%	46.2%	34.3%	31.0%	39.3%	35.2%	49.8%	47.7%	50.7%	42.7%
EBIT Margin	32.9%	28.2%	37.8%	32.3%	23.8%	20.9%	30.2%	24.5%	33.6%	31.1%	37.2%	29.0%
PAT Margin	35.3%	32.5%	35.9%	30.3%	19.2%	24.3%	31.1%	24.5%	31.7%	29.3%	39.3%	28.7%
Debt Level (SAR mn)												
Total Debt	1,108.5	1,323.9	1,792.9	1,841.1	1.4	0.7	8.7	2.3	3.6	3.8	4.1	4.0
Net Debt*	807.6	1,163.7	1,731.8	1,761.5	-700.5	-501.3	-604.2	-426.4	-86.4	-98.1	-231.0	-12.8
Cashflow (SAR mn)												
Cash Flow from Operations**	518.3	86.7	578.7	860.6	92.6	92.8	317.1	321.8	297.9	242.0	434.2	326.4
Capex	-270.5	-281.0	-985.2	-861.5	-82.1	-112.5	-59.8	-54.5	-48.5	-44.4	-91.8	-167.4
Free Cash Flow	247.8	-194.3	-406.5	-0.9	10.5	-19.7	257.3	267.2	249.5	197.6	342.3	159.0
Dividends Paid	-0.5	-203.1	-200.1	-214.1	-204.8	-230.5	-276.4	-333.5	-194.9	-186.2	-210.8	-277.6

Indicator & Ratios (SAR mn)	Yamama Cement Company				Qassim Cement Company				Riyadh Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Discretionary Free Cash Flow	247.3	-397.4	-606.6	-215.0	-194.3	-250.2	-19.1	-66.3	54.5	11.4	131.6	-118.6
Liquidity^ (SAR mn)												
Liquid Assets	300.9	160.2	61.0	79.6	701.9	502.0	612.9	428.7	89.9	101.9	235.1	16.9
Interest Expense	6.8	42.6	54.0	60.4	1.0	2.8	4.0	6.9	1.5	0.2	0.5	1.6
Cash Interest Expense	-	-	-	-	-	-	-	-	-1.3	-	-	-0.0
Liquid Assets to Total Liabilities (x)	0.2	0.1	0.0	0.0	2.7	2.2	1.6	1.2	0.4	0.6	1.2	0.1
Leverage & Coverage Ratios												
EBITDA / Interest Expense (x)	54.2	10.4	11.6	10.7	226.1	64.8	94.3	58.4	202.9	1,385.2	888.4	210.4
Total Debt / EBITDA (x)	3.0	3.0	2.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Debt / EBITDA (x)	2.2	2.6	2.8	2.7	NM	NM	NM	NM	NM	NM	NM	NM
Total Debt / Equity (%)	23.8%	28.0%	37.0%	37.3%	0.1%	0.0%	0.3%	0.1%	0.2%	0.2%	0.2%	0.2%
Net Debt / Equity (%)	17.4%	24.6%	35.8%	35.7%	NM	NM	NM	NM	NM	NM	NM	NM
Debt / Capital (%)	19.2%	21.9%	27.0%	27.2%	0.1%	0.0%	0.3%	0.1%	0.2%	0.2%	0.2%	0.2%
Liabilities/Equity (%)	36.5%	37.0%	51.1%	51.0%	15.7%	14.3%	13.5%	13.0%	12.9%	9.5%	10.6%	9.7%

Note: ^Liquidity incl cash+ Trading securities + short-term investment

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Indicator & Ratios (SAR mn)	City Cement Company				Tabuk Cement Company				Al Jouf Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	431.4	356.5	520.8	544.9	297.5	265.1	343.4	290.7	251.9	269.3	256.5	267.4
Gross Profit	145.4	109.8	157.2	147.6	63.4	53.2	96.6	71.2	73.4	81.9	15.8	-6.2
EBITDA	191.7	152.6	244.5	236.7	95.3	87.8	131.6	95.7	93.6	101.7	28.1	-10.7
EBIT	110.0	71.7	157.2	146.1	36.2	28.7	85.9	52.1	61.5	56.5	-17.7	-42.4
Profit After Tax	115.0	82.0	144.1	137.8	21.0	15.0	79.6	44.5	30.9	37.7	-27.7	-63.7
Total Assets	1,941.2	1,864.2	1,894.8	1,903.6	1,676.7	1,643.7	1,511.8	1,447.5	1,960.4	2,055.7	2,094.4	1,957.9
Liabilities	122.1	88.0	99.7	103.2	388.0	352.2	309.6	273.9	824.2	911.3	977.9	905.1
Equity	1,819.1	1,776.2	1,752.6	1,800.4	1,288.6	1,291.4	1,202.2	1,173.6	1,136.3	1,144.5	1,116.5	1,052.7
Profitability (%)												
Gross Margin	33.7%	30.8%	30.2%	27.1%	21.3%	20.1%	28.1%	24.5%	29.2%	30.4%	6.2%	-2.3%
EBITDA Margin	44.4%	42.8%	47.0%	43.4%	32.0%	33.1%	38.3%	32.9%	37.2%	37.8%	10.9%	-4.0%
EBIT Margin	25.5%	20.1%	30.2%	26.8%	12.2%	10.8%	25.0%	17.9%	24.4%	21.0%	-6.9%	-15.9%

Indicator & Ratios (SAR mn)	City Cement Company				Tabuk Cement Company				Al Jouf Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
PAT Margin	26.7%	23.0%	27.7%	25.3%	7.0%	5.7%	23.2%	15.3%	12.3%	14.0%	-10.8%	-23.8%
Debt Level (SAR mn)												
Total Debt	3.8	2.4	1.7	1.1	214.9	161.6	98.8	50.8	607.0	611.1	729.3	700.2
Net Debt*	-396.6	-369.3	1.7	-508.4	168.0	124.7	16.3	24.5	581.5	599.6	717.3	699.4
Cashflow (SAR mn)												
Cash Flow from Operations**	163.9	104.7	262.2	237.9	97.9	67.5	165.6	109.2	44.8	35.1	-117.9	-8.8
Capex	-11.0	-13.2	-	0.9	-10.2	-16.2	-15.9	-11.4	-3.5	-39.1	-3.6	-4.5
Free Cash Flow	152.9	91.5	262.2	238.7	87.7	51.3	149.7	97.8	41.3	-3.9	-121.5	-13.3
Dividends Paid	-126.0	-126.0	-	-	-23.2	-0.7	-44.6	-67.2	-	-	-	-
Discretionary Free Cash Flow	26.9	-34.5	262.2	238.7	64.5	50.7	105.2	30.6	41.3	-3.9	-121.5	-13.3
Liquidity^ (SAR mn)												
Liquid Assets	400.4	371.7	393.8	509.5	47.0	36.9	82.5	26.3	25.5	11.5	12.0	0.8
Interest Expense	0.4	0.4	-	-	7.3	5.3	4.2	2.4	30.6	43.5	56.1	54.8
Cash Interest Expense	-	-	-	-	7.3	4.2	3.8	2.0	20.4	34.5	44.1	77.9
Liquid Assets to Total Liabilities (x)	3.3	4.2	4.0	4.9	0.1	0.1	0.3	0.1	0.0	0.0	0.0	0.0
Leverage & Coverage Ratios												
EBITDA / Interest Expense (x)	436.3	382.7	NM	NM	13.0	16.6	31.7	39.7	3.1	2.3	0.5	NM
Total Debt / EBITDA (x)	0.0	0.0	0.0	0.0	2.3	1.8	0.8	0.5	6.5	6.0	26.0	NM
Net Debt / EBITDA (x)	NM	NM	0.0	NM	1.8	1.4	0.1	0.3	6.2	5.9	25.6	NM
Total Debt / Equity (%)	0.2%	0.1%	0.1%	0.1%	16.7%	12.5%	8.2%	4.3%	53.4%	53.4%	65.3%	66.5%
Net Debt / Equity (%)	NM	NM	0.1%	NM	13.0%	9.7%	1.4%	2.1%	51.2%	52.4%	64.2%	66.4%
Debt / Capital (%)	0.2%	0.1%	0.1%	0.1%	14.3%	11.1%	7.6%	4.2%	34.8%	34.8%	39.5%	39.9%
Liabilities/Equity (%)	6.7%	5.0%	5.7%	5.7%	30.1%	27.3%	25.8%	23.3%	72.5%	79.6%	87.6%	86.0%

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Indicator & Ratios (SAR mn)	Northern Region Cement Company				Southern Province Cement Company				Najran Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	618.0	689.6	622.5	675.3	1,222.4	1,070.3	935.0	871.3	535.7	485.7	534.5	531.2
Gross Profit	224.0	226.3	232.8	238.5	361.1	276.5	343.3	240.8	169.1	127.2	142.9	128.6
EBITDA	212.3	200.2	170.4	175.3	508.3	393.3	454.1	354.0	201.2	173.0	192.1	176.6

Indicator & Ratios (SAR mn)	Northern Region Cement Company				Southern Province Cement Company				Najran Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
EBIT	139.8	126.7	119.8	124.3	295.6	196.9	256.8	165.4	126.5	81.6	95.8	79.6
Profit After Tax	112.0	56.3	100.8	56.3	300.7	195.4	243.7	145.3	112.8	55.2	68.4	56.4
Total Assets	3,411.6	3,519.4	3,564.3	3,658.7	3,871.8	4,083.4	4,428.4	4,925.3	2,405.6	2,478.0	2,476.7	2,442.8
Liabilities	1,178.5	1,277.2	1,310.0	1,412.3	666.2	797.2	1,056.9	1,634.1	429.8	504.0	434.4	419.6
Equity	2,233.1	2,242.2	2,254.3	2,246.3	3,205.6	3,286.2	3,371.5	3,291.2	1,975.8	1,974.1	2,042.3	2,023.2
Profitability (%)												
Gross Margin	36.3%	32.8%	37.4%	35.3%	29.5%	25.8%	36.7%	27.6%	31.6%	26.2%	26.7%	24.2%
EBITDA Margin	34.4%	29.0%	27.4%	26.0%	41.6%	36.7%	48.6%	40.6%	37.6%	35.6%	35.9%	33.3%
EBIT Margin	22.6%	18.4%	19.2%	18.4%	24.2%	18.4%	27.5%	19.0%	23.6%	16.8%	17.9%	15.0%
PAT Margin	18.1%	8.2%	16.2%	8.3%	24.6%	18.3%	26.1%	16.7%	21.1%	11.4%	12.8%	10.6%
Debt Level (SAR mn)												
Total Debt	879.5	956.6	978.7	1,005.1	253.4	362.4	649.2	1,238.8	282.7	340.8	299.4	295.1
Net Debt*	861.6	913.7	951.7	980.6	-66.8	-0.7	462.7	1,146.8	243.4	324.8	282.9	290.9
Cashflow (SAR mn)												
Cash Flow from Operations**	136.9	124.0	68.8	80.2	320.4	316.7	176.6	189.2	96.6	115.4	104.5	95.8
Capex	-110.6	-163.9	-215.9	-206.2	-148.0	-266.4	-457.2	-892.5	-54.3	-153.7	-64.3	-26.1
Free Cash Flow	26.3	-39.9	-147.1	-125.9	172.4	50.3	-280.6	-703.2	42.3	-38.3	40.3	69.7
Dividends Paid	-90.0	-45.0	-90.0	-45.0	-280.7	-120.5	-191.6	-106.3	-84.8	-42.4	-	-0.6
Discretionary Free Cash Flow	-63.7	-84.9	-237.1	-170.9	-108.4	-70.1	-472.2	-809.5	-42.5	-80.7	40.3	69.1
Liquidity^ (SAR mn)												
Liquid Assets	17.9	42.9	27.0	24.5	320.2	363.1	186.4	92.0	39.3	16.0	16.5	4.2
Interest Expense	27.8	54.5	48.9	56.1	10.3	1.7	-	-	10.4	23.0	23.9	20.1
Cash Interest Expense	-	54.4	48.5	55.3	10.3	1.7	-	-	-	21.8	24.2	21.7
Liquid Assets to Total Liabilities (x)	0.0	0.0	0.0	0.0	0.5	0.5	0.2	0.1	0.1	0.0	0.0	0.0
Leverage & Coverage Ratios												
EBITDA / Interest Expense(x)	7.6	3.7	3.5	3.1	49.1	227.5	NM	NM	19.3	7.5	8.0	8.8
Total Debt / EBITDA(x)	4.1	4.8	5.7	5.7	0.5	0.9	1.4	3.5	1.4	2.0	1.6	1.7
Net Debt / EBITDA(x)	4.1	4.6	5.6	5.6	NM	NM	1.0	3.2	1.2	1.9	1.5	1.6
Total Debt / Equity (%)	39.4%	42.7%	43.4%	44.7%	7.9%	11.0%	19.3%	37.6%	14.3%	17.3%	14.7%	14.6%
Net Debt / Equity (%)	38.6%	40.7%	42.2%	43.7%	NM	NM	13.7%	34.8%	12.3%	16.5%	13.9%	14.4%
Debt / Capital (%)	28.3%	29.9%	30.3%	30.9%	7.3%	9.9%	16.1%	27.3%	12.5%	14.7%	12.8%	12.7%
Liabilities/Equity (%)	52.8%	57.0%	58.1%	62.9%	20.8%	24.3%	31.3%	49.7%	21.8%	25.5%	21.3%	20.7%

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Indicator & Ratios (SAR mn)	Saudi Cement Company				Eastern Province Cement Company				Yanbu Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	1,419.8	1,461.8	1,675.8	1,697.8	784.2	995.7	1,210.6	1,255.2	981.2	827.2	876.1	1,059.1
Gross Profit	568.9	572.9	667.4	629.8	247.7	293.2	373.7	355.0	276.4	234.0	290.5	282.9
EBITDA	624.0	631.3	673.1	625.9	283.4	326.1	405.5	386.0	390.4	293.8	344.4	296.1
EBIT	403.9	417.3	462.5	415.8	180.8	224.7	297.5	277.5	225.0	126.2	179.7	128.6
Profit After Tax	398.8	381.0	421.9	377.8	143.3	196.5	247.9	223.9	215.4	119.9	157.1	107.8
Total Assets	3,277.6	3,214.1	3,137.0	3,149.4	2,851.4	2,844.1	2,764.5	2,974.1	3,349.3	3,367.6	3,250.7	3,109.8
Liabilities	984.6	1,054.8	896.4	1,034.2	491.6	456.1	470.8	689.1	580.6	715.5	644.6	504.2
Equity	2,293.0	2,159.3	2,240.5	2,115.2	2,359.7	2,388.0	2,293.6	2,285.0	2,768.7	2,652.0	2,606.1	2,605.5
Profitability (%)												
Gross Margin	40.1%	39.2%	39.8%	37.1%	31.6%	29.4%	30.9%	28.3%	28.2%	28.3%	33.2%	26.7%
EBITDA Margin	43.9%	43.2%	40.2%	36.9%	36.1%	32.8%	33.5%	30.7%	39.8%	35.5%	39.3%	28.0%
EBIT Margin	28.4%	28.5%	27.6%	24.5%	23.1%	22.6%	24.6%	22.1%	22.9%	15.3%	20.5%	12.1%
PAT Margin	28.1%	26.1%	25.2%	22.3%	18.3%	19.7%	20.5%	17.8%	22.0%	14.5%	17.9%	10.2%
Debt Level (SAR mn)												
Total Debt	347.7	445.6	298.9	395.0	7.2	6.7	5.9	160.0	171.1	417.7	318.4	173.4
Net Debt*	256.2	330.7	177.9	337.1	-83.6	-190.7	-350.9	-47.3	44.9	256.1	246.7	62.4
Cashflow (SAR mn)												
Cash Flow from Operations**	641.5	531.8	578.7	526.9	129.8	158.6	367.5	378.8	476.8	65.3	233.0	344.1
Capex	-74.7	-79.7	-82.0	-119.6	-82.6	-46.4	-244.1	-480.2	-34.5	-39.4	-39.9	-35.8
Free Cash Flow	566.8	452.1	496.6	407.4	47.1	112.3	123.4	-101.4	442.3	25.9	193.1	308.2
Dividends Paid	-523.9	-509.3	-342.9	-379.5	-179.8	-137.4	-137.6	-189.0	-236.9	-235.3	-196.0	-156.8
Discretionary Free Cash Flow	43.0	-57.2	153.7	27.9	-132.7	-25.1	-14.2	-290.4	205.4	-209.4	-2.9	151.5
Liquidity^ (SAR mn)												
Liquid Assets	91.5	114.9	121.0	57.9	90.8	197.4	356.8	207.2	126.2	161.6	71.7	111.0
Interest Expense	16.3	29.2	27.4	19.7	0.1	0.3	0.3	0.4	3.9	18.8	22.5	16.7
Cash Interest Expense	15.3	29.0	27.1	20.1	0.5	0.2	0.1	0.0	8.2	16.8	20.8	24.5
Liquid Assets to Total Liabilities (x)	0.1	0.1	0.1	0.1	0.2	0.4	0.8	0.3	0.2	0.2	0.1	0.2
Leverage & Coverage Ratios												

Indicator & Ratios (SAR mn)	Saudi Cement Company				Eastern Province Cement Company				Yanbu Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
EBITDA / Interest Expense (x)	38.3	21.6	24.6	31.8	2,010.2	1,225.9	1,530.2	923.4	100.7	15.7	15.3	17.8
Total Debt / EBITDA (x)	0.6	0.7	0.4	0.6	0.0	0.0	0.0	0.4	0.4	1.4	0.9	0.6
Net Debt / EBITDA (x)	0.4	0.5	0.3	0.5	NM	NM	NM	NM	0.1	0.9	0.7	0.2
Total Debt / Equity (%)	15.2%	20.6%	13.3%	18.7%	0.3%	0.3%	0.3%	7.0%	6.2%	15.7%	12.2%	6.7%
Net Debt / Equity (%)	11.2%	15.3%	7.9%	15.9%	NM	NM	NM	NM	1.6%	9.7%	9.5%	2.4%
Debt / Capital (%)	13.2%	17.1%	11.8%	15.7%	0.3%	0.3%	0.3%	6.5%	5.8%	13.6%	10.9%	6.2%
Liabilities/Equity (%)	42.9%	48.8%	40.0%	48.9%	20.8%	19.1%	20.5%	30.2%	21.0%	27.0%	24.7%	19.4%

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NM=Not Meaningful, LTM 2025 means Last Twelve Months Sep 2025

Indicator & Ratios (SAR mn)	Arabian Cement Company				Umm Al Qura Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Revenues	970.9	875.8	857.9	994.2	221.2	168.9	265.6	268.7
Gross Profit	273.8	206.4	239.6	226.6	70.8	32.9	82.9	73.1
EBITDA	337.8	285.0	334.0	317.1	108.7	67.6	116.8	108.7
EBIT	193.4	135.4	174.0	157.5	55.8	15.1	65.3	55.9
Profit After Tax	181.0	139.6	160.1	140.8	23.0	4.0	47.7	40.3
Total Assets	3,280.3	3,136.0	3,093.5	3,048.6	1,180.2	1,184.5	1,184.2	1,165.7
Liabilities	558.0	472.7	433.7	419.2	418.1	418.4	370.6	319.6
Equity	2,722.4	2,663.4	2,659.8	2,629.4	762.1	766.0	813.6	846.1
Profitability (%)								
Gross Margin	28.2%	23.6%	27.9%	22.8%	32.0%	19.5%	31.2%	27.2%
EBITDA Margin	34.8%	32.5%	38.9%	31.9%	49.1%	40.0%	44.0%	40.4%
EBIT Margin	19.9%	15.5%	20.3%	15.8%	25.2%	9.0%	24.6%	20.8%
PAT Margin	18.6%	15.9%	18.7%	14.2%	10.4%	2.3%	18.0%	15.0%
Debt Level (SAR mn)								
Total Debt	236.3	150.7	89.8	87.8	319.1	313.7	278.4	210.5
Net Debt*	-27.6	-67.0	-55.3	-37.6	313.2	268.9	243.4	209.5
Cashflow (SAR mn)								
Cash Flow from Operations**	234.6	238.7	164.2	259.1	42.1	55.6	37.6	69.5
Capex	-44.7	-17.4	-31.5	-76.2	-2.1	-15.8	-6.0	-17.6

Indicator & Ratios (SAR mn)	Arabian Cement Company				Umm Al Qura Cement Company			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Free Cash Flow	189.9	221.4	132.7	182.9	40.0	39.8	31.6	51.9
Dividends Paid	-260.0	-183.5	-146.2	-121.6	-13.8	-	-	-
Discretionary Free Cash Flow	-70.2	37.9	-13.5	61.4	26.2	39.8	31.6	51.9
Liquidity^ (SAR mn)								
Liquid Assets	263.9	217.7	145.1	125.4	5.9	44.8	35.0	1.0
Interest Expense	15.7	13.6	8.6	5.5	12.6	10.8	10.6	8.7
Cash Interest Expense	15.3	13.2	8.3	4.4	10.3	6.7	6.5	6.2
Liquid Assets to Total Liabilities (x)	0.5	0.5	0.3	0.3	0.0	0.1	0.1	0.0
Leverage & Coverage Ratios								
EBITDA / Interest Expense (x)	21.6	21.0	38.7	58.0	10.5	10.0	17.9	17.6
Total Debt / EBITDA (x)	0.7	0.5	0.3	0.3	2.9	4.6	2.4	1.9
Net Debt / EBITDA (x)	NM	NM	NM	NM	2.9	4.0	2.1	1.9
Total Debt / Equity (%)	8.7%	5.7%	3.4%	3.3%	41.9%	40.9%	34.2%	24.9%
Net Debt / Equity (%)	NM	NM	NM	NM	41.1%	35.1%	29.9%	24.8%
Debt / Capital (%)	8.0%	5.4%	3.3%	3.2%	29.5%	29.1%	25.5%	19.9%
Liabilities/Equity (%)	20.5%	17.7%	16.3%	15.9%	54.9%	54.6%	45.6%	37.8%

Note: ^Liquidity incl cash+ Trading securities + short-term investment

*Net debt figures are calculated after deducting total liquid assets.

**CFO is after deducting finance cost paid.

NM=Not Meaningful, LTM 2025 means Last Twelve Months Sep 2025

Competitive Landscape

Overview of Market Competition

The KSA cement market is highly competitive and regionally fragmented, with more than a dozen producers operating largely captive to their local markets due to high transportation costs. No single player dominates nationally, and competition is intensified by structural overcapacity, which has historically kept plant utilization rates low and pricing under pressure. While large players such as Saudi Cement, Yamama, Qassim, Yanbu, and Southern Province Cement hold meaningful regional shares, market dynamics are driven more by regional supply-demand balances than national market power. As demand recovers gradually with Vision 2030-led construction activity, competition remains centered on pricing, logistics efficiency, and regional positioning, with consolidation and cost optimization emerging as key strategic responses to sustain margins.

Regional Competition

The competition is shaped by about 17 active players operating some 22 integrated plants across different regions, with the largest firms capturing slightly over half of total sales while many smaller producers fill out the rest of the landscape, underscoring a diversified and competitive industry. Regional competition in the KSA cement market is largely shaped by plant location and logistics advantages, making most players dominant within their home regions rather than nationwide. Saudi Cement has a strong competitive position in the Eastern Province, supported by proximity to major industrial cities and infrastructure projects. Yamama Cement and Riyadh Cement hold advantages in the Central region (Riyadh and surrounding areas), benefiting from closeness to the Kingdom's largest construction market. In the Western region, Yanbu Cement, Arabian Cement, and Umm Al-Qura Cement are well

positioned to serve Jeddah, Makkah, and Madinah-linked demand, including religious and tourism infrastructure. Qassim Cement and Hail Cement dominate parts of the Northern and Qassim regions, while Southern Province Cement and Najran Cement have a logistical edge in the Southern region, where mountainous terrain limits external competition. Overall, regional dominance is driven more by freight economics and local supply balance than by brand power, reinforcing localized competition across the Kingdom.

Region/Company (2025)	Domestic Sales	Export Sales	Domestic Market Share%
Central	19,742	-	36%
Yamama Cement Company	8,486	-	16%
Qassim Cement Company	4,836	-	9%
Riyadh Cement Company	3,496	-	6%
City Cement Company	2,924	-	5%
Northern	5,248	31	10%
Hail Cement Company	1,942	-	4%
Tabuk Cement Company	1,523	-	3%
Al Jouf Cement Company	1,267	31	2%
Northern region Cement Company	516	-	1%
Southern	6,549	235	12%
Southern Province Cement Company	4,108	-	8%
Najran Cement Company	2,441	235	4%
Eastern	8,615	1,393	16%
Saudi Cement Company	5,939	1,374	11%
Eastern Province Cement Company	2,676	19	5%
Western	14,430	14	26%
Yanbu Cement Company	4,089	14	7%
Arabian Cement Company	3,775	-	7%
Al Safwa Cement Company	2,654	-	5%
United Cement Company	2,142	-	4%
Umm Al-Qura Cement Company	1,770	-	3%
Total Sales ('000' tonnes)	54,584	1,673	100%

Cement Plant Locations and Capacity

Latest Capacity (mn tonnes)	Clinker Capacity	Clinker Production	Clinker CU%	Cement Capacity	Cement Sales	Cement CU%
Yamamah	6.3	7.3	115%	6.6	8.5	129%
Saudi	9.2	8.5	93%	9.7	7.3	75%
Yanbu	7	5.3	76%	10	4.1	41%
Southern	9	5.2	58%	9.4	4.1	44%
Qassim	4	4.8	120%	7	4.8	69%
Eastern	3.5	4.1	118%	3.7	2.7	73%
Arabian	4	3.9	98%	6	3.8	63%
Riyadh	3.5	3.7	106%	3.7	3.5	94%
Al Safwa	0	2.4	-	4.2	2.7	63%
City	3.6	2.1	59%	3.8	2.9	77%
Najran	4.9	2.0	41%	6.4	2.7	42%
Umm Al	1.9	1.7	90%	2.1	1.8	84%
Hail	1.6	1.5	93%	1.7	1.9	114%
United	0	1.5	-	2	2.1	107%
Tabuk	3.1	1.5	47%	3.3	1.5	46%
Northern	2.7	1.1	40%	3.1	0.5	17%
Al Jouf	3.2	0.6	19%	3.3	1.3	39%
Total	67.5	57.1	75-80%	86	56.3	65-70%

Source: GASTAT⁴ & Yamama Cement⁵

The table shows clear divergence in utilization levels, highlighting regional imbalances and persistent overcapacity. Clinker utilization remains relatively healthy at ~75-80% with players such as Qassim, Eastern, Yamamah, and Riyadh operating at or above full capacity suggesting strong efficiency and possible clinker transfers. However, Najran, Northern, Al-Jouf, Tabuk, and Southern report weak clinker utilization, reflecting softer regional demand. On the cement side, industry utilization drops to ~65-70% confirming ongoing

overcapacity with only a few producers—such as Yamamah, Hail, United, Riyadh, and Umm Al-Qura—showing strong sales absorption. Overall, clinker capacity appears better balanced than cement capacity and competition remain largely regional rather than national.

Recent Development and Consolidation

Recent Consolidation Moves

A major consolidation milestone in the KSA cement sector is Qassim Cement Company's acquisition of Hail Cement Company. In 2024, Qassim Cement entered into and completed a share exchange transaction to acquire all outstanding shares of Hail Cement, effectively increasing its capital and absorbing Hail Cement's operations into Qassim's platform. The Capital Market Authority approved Qassim Cement's capital increase as part of the acquisition process enabling the deal to proceed under Saudi exchange and regulatory frameworks.

This move not only expands Qassim Cement's production base and regional sales footprint particularly in the central region that includes major infrastructure and megaproject demand, but also boosts its market share, with Qassim emerging as one of the top sellers domestically.

Wider Consolidation & Strategic Alliances

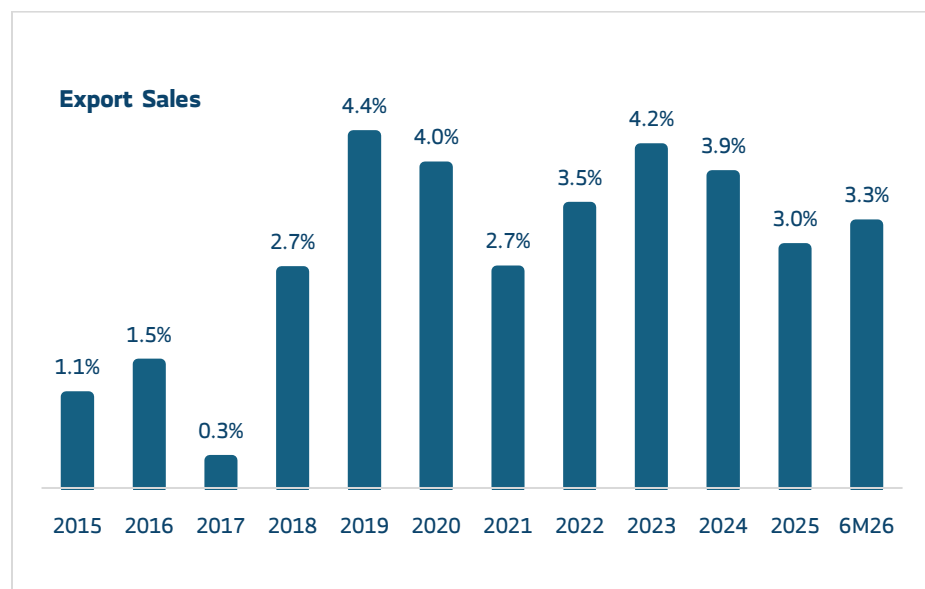
Beyond the Qassim-Hail deal, the market is seeing broader industry rationalization as companies pursue strategic alliances and M&A to improve scale and competitiveness. Some industry reports note other consolidation dynamics such as City Cement's acquisition of Umm Al-Qura's stake and exploration discussions between Southern Province Cement and Yanbu Cement to possibly align operations.

These consolidations are partly in response to persistent overcapacity and pricing competition in the market by combining operations, companies aim to optimize logistics, reduce unit costs, and better position themselves to serve large projects under Saudi Vision 2030 a driver of cement demand.

Comparative of Saudi Cement Market: Domestic vs Export

Export Volume and Scale

Saudi Arabia does export significant volumes of cement and clinker, but exports form a small share of total production compared with domestic consumption. Most production is absorbed locally; exports are often clinker or opportunistic shipments to nearby markets (East Africa, Yemen, Bangladesh).



Source: Yamama Cement⁵ & Argaam Plus⁶

Competing Exporters for KSA Cement Producers

- **Turkey & Egypt:** more established export markets into Africa, Europe, and the Middle East with relatively higher FOB pricing.
- **Iran & Pakistan:** strong price competition in some corridors due to lower production costs.
- **Vietnam/China:** very low FOB offers for clinker/cement, though freight distances can affect competitiveness.

Saudi cement producers with vertical integration, strong logistics, and export frameworks may better absorb price pressure. Smaller or heavily domestically focused producers may find limited export viability unless market conditions (freight, regional demand) improve.

Viability of Exporting

- Intense price competition from Turkey, Iran, Pakistan, and Asian producers means export margins can be thin, particularly for bagged cement.
- Freight & logistics volatility including Red Sea shipping risks, can erode export profitability.
- Domestic policy constraints (export conditions tied to local pricing and inventory requirements) may limit commercial agility.
- Rising fuel and input costs squeeze margins locally and for export price realization.
- Many Saudi producers focus on clinker exports (lower handling cost per tonne) rather than bagged cement.

Pricing Mechanism

Domestic Prices

Saudi domestic cement prices were very low by regional standards benefiting from fuel subsidies, strong local capacity, and competition. In 2025, retail

prices for 50 kg cement bags averaged SAR 14.33-15.70/bag (~\$85/tonne) after hitting a record high of 15.89 the same year. As of May 2026, the Saudi Arabian cement market continues to operate at a significant premium compared to its historical averages, largely due to the convergence of unprecedented demand from giga-projects and structural shifts in energy costs.

Export Prices

Independent market pricing sources estimated average export FOB prices for grey cement from Middle Eastern exporters (including Saudi Arabia) to be in a range of roughly \$40–\$55 per tonne in the golden era 2021-2023 when most regional exporters operated with lower energy costs. In late 2024 Prices began to drift toward the upper end of that range (\$50+) as global shipping costs and initial regional subsidy cuts began to take effect. Comparatively, other exporters (Turkey, Egypt) often listed FOB pricing in the mid-\$50s/t region, while Iran and Pakistan can be lower (~\$38–44/tonne). These figures have undergone an “upward shift” from late 2024 through May 2026. Egypt and Turkey now average between \$58-68/tonne, Pakistan averages at \$45-55, while Iran is mostly stable and closer to historical averages largely to extremely low domestic energy costs and the need to bypass sanctions by offering significant “discounts” to international buyers in Asia and East Africa. Saudi export pricing must coexist with domestic price controls or effective price caps for local sales, which historically could affect export margins if companies were required to price domestic cement at a set level before exporting at world prices. Saudi exporters are competing with “bottom-tier” price players like Iran and Pakistan. To move volume internationally, Saudi firms often have to accept FOB prices in the \$45–\$55/tonne range, while their domestic production cost increased. Exports decreased by 15.6% in early 2026 (Jan '26 vs Jan '25). Producers are realizing that with current fuel costs, low-margin exports are

becoming less attractive than holding inventory or waiting for domestic price adjustments.

Key Takeaway: Saudi cement market is competitive and regionally fragmented, with advantages driven by location, scale, and access to demand centers or ports. Larger players hold meaningful market share, while exports helped ease excess capacity but at lower margins. Consolidation efforts focus on improving scale, utilization, and cost efficiency.

Regulatory, Legal Framework and Key Developments

Liquid Fuel Displacement Program (LFDP)

The LFDP is a strategic initiative by the Government of Saudi Arabia supported by the Ministry of Energy and the Ministry of Industry and Mineral Resources, aimed at reducing dependence on liquid fuels (like heavy fuel oil and diesel) in industrial sectors and replacing them with natural gas and cleaner energy sources, including electricity and renewables. The program aligns with Saudi Vision 2030 objectives to improve energy efficiency, reduce emissions, cut production costs, and enhance environmental sustainability across industry.

LFDP Goal in the Cement Sector

Fuel Switching

Encouraging cement producers to convert plants from liquid fuels to natural gas or electricity, improving energy efficiency and reducing fuel costs.

Emission Reductions

By switching to cleaner-burning natural gas and grid electricity (or renewable sources), LFDP helps lower greenhouse gas emissions and other pollutants from cement plants.

Support for Operational Reliability

Reducing reliance on liquid fuels which can have volatile prices and supply issues aims to stabilize operational reliability and production planning.

Operational Cost Savings

Switching to natural gas and grid electricity lowers and stabilizes fuel costs versus liquid fuels.

Environmental Benefits

Cleaner fuels reduce emissions and improve sustainability metrics.

Strategic Alignment

Aligns cement producers with national energy policy, strengthening long-term competitiveness.

Key Projects under LFDP

Company	LFDP Initiative	Key Impact
Riyadh Cement Co.	EPC contracts (~SAR 59.4m) to convert operations to natural gas; additional ~SAR 85m electrical grid station	Full shift from liquid fuels to natural gas targeted by 2027; improved energy efficiency, lower emissions, and more reliable power supply
Qassim Cement Co.	Contract with Sinoma International for liquid fuel displacement and gas conversion at Buraydah plant	Higher fuel efficiency and lower production costs once conversion is completed
Al Jouf Cement Co.	Power transmission station agreement with a Saudi Electricity Co. subsidiary under LFDP	Reduced reliance on liquid fuels and lower operational emissions
Arabian Cement Co.	Electrical supply extension with National Electricity Transmission Co. under LFDP	Reduced in-house power generation using liquid fuels; improved sustainability profile
Najran Cement Co.	Power transmission station development under LFDP	Enhanced plant electrification, improved reliability, and reduced emissions

Saudi Industrial Development Fund (SIDF)

The Saudi Industrial Development Fund (SIDF) plays a critical role in supporting the cement industry by providing a broad range of long-term and short-term financing solutions aimed at strengthening industrial capacity and financial

resilience. SIDF financing includes project loans for new plants and capacity expansions, modernization and efficiency upgrades (such as energy-efficient kilns, fuel switching, and automation), working capital facilities to support operations during demand cycles, and supply-chain financing to ensure raw material and logistics stability.

For cement producers, SIDF support helps lower funding costs, extend debt tenors, and improve liquidity management, which is particularly important given the sector's capital-intensive nature and exposure to energy and cost volatility. SIDF also actively supports projects aligned with Vision 2030, including fuel conversion (e.g., natural gas under LFDP), environmental compliance and localization of industrial value chains, thereby enhancing competitiveness and long-term credit strength of cement companies in Saudi Arabia.

ISO Certifications & Environmental Sustainability

Adoption of ISO Standards

Saudi cement producers are increasingly adopting international ISO standards to strengthen operational discipline, environmental compliance, and energy efficiency. Key certifications include ISO 9001 (Quality Management) to ensure consistent product standards, ISO 14001 (Environmental Management Systems) to monitor and mitigate environmental impacts, and ISO 50001 (Energy Management) to optimize energy consumption in a highly energy-intensive industry. These certifications support regulatory compliance, improve process efficiency and enhance transparency for lenders, regulators, and investors.

Rising Environmental Focus

Sustainability has become a strategic priority due to Vision 2030, tighter environmental oversight, and rising ESG expectations from lenders and investors.

Water Scarcity Management

Cement production in KSA is largely located in arid regions, making water efficiency critical. Producers are therefore investing in closed-loop water systems, wastewater reuse, and reduced freshwater intake, lowering operational risk and long-term costs.

Carbon Emission Concerns

Cement production currently accounts for ~8% of global CO₂ emissions, placing the industry under intense regulatory and social scrutiny. The year 2025 solidified a critical pivot, decarbonization transitioned from a corporate social responsibility initiative to become a core business strategy. Leading producers are implementing comprehensive carbon reduction roadmaps that integrate multiple approaches:

- **Alternative Fuel Adoption:** The industry is rapidly increasing its utilization of alternative fuels. The global average thermal substitution rate has reached ~25% milestone target in 2025, up from just 17-18% in 2020. Waste-derived fuels, biomass, and non-recyclable plastics are becoming mainstream energy sources. Waste-derived fuels and biomass are no longer experimental; they are the new operational standard.
- **Clinker Substitution:** Advanced supplementary cementitious materials, including calcined clays, ground granulated blast-furnace slag, and limestone fillers, are reducing the clinker factor in cement production. The global average clinker-to-cement ratio was projected to fall to 0.68 by

2025; however, it stood at 0.71. The target set for 2030 is 0.65 significantly lowering the carbon footprint per ton of cement.

Carbon emissions, largely linked to clinker production, are under increasing scrutiny. Clinker manufacturing is the most carbon-intensive stage of cement production, contributing the majority of CO₂ emissions. In response, Saudi cement companies are actively working to lower clinker ratios by increasing the use of blended cements and supplementary cementitious materials (such as limestone, slag, and pozzolanic materials where available). A lower clinker factor directly reduces CO₂ intensity, thermal energy consumption, and fuel costs, while also supporting compliance with environmental standards.

Key Takeaway: Combination of ISO certification adoption, water stewardship initiatives, and clinker-ratio optimization is improving the ESG profile, cost competitiveness, and long-term sustainability of the Saudi cement sector, positioning producers to better manage regulatory, environmental, and financing risks going forward.

Credit Implications

Sector Strengths

Strong Demand from Vision 2030 Projects

Saudi Vision 2030-led infrastructure and construction projects continue to support strong cement demand. Domestic sales (~96–97% of total) are growing YoY, while steady volumes from publicly funded projects underpin long-term demand visibility and revenue stability for producers.

Policy Support & Sector Efficiency Programs

National programmes encouraging energy efficiency and operational optimization help mitigate some cost pressures. By improving energy usage

and reducing fuel cost exposure, these initiatives can strengthen operating margins and credit resilience for participating firms. Government alignment with Vision 2030 often translates into preferential industry positioning, potentially facilitating investment and new contract flows.

Key Credit Triggers (Upgrade vs Downgrade)

Upgrade Triggers

- Strong execution of infrastructure and housing pipelines, maintaining high aggregate cement consumption.
- Effective cost management and energy optimization reduced operating cost volatility.
- Strategic positioning in premium segments, improving revenue diversification and margin stability.

Downgrade Triggers

- Sustained fuel and energy cost inflation that outpaces pricing ability or efficiency gains.
- Significant margin erosion compounded by competitive pricing pressures or market oversupply.
- Slower execution of Vision 2030 projects or delays in government spending that reduce near-term cement demand.

Sector Risk Profile and Credit Vulnerabilities

Credit Risk Variability Across Companies

Company-level credit risk metrics (e.g., default probabilities) show significant volatility, influenced by demand fluctuations, cost pressures, and operational performance. Some firms have moved to more stable credit positions.

Company	Region / Market Exposure	Cost Structure & Scale	Demand Visibility	Balance Sheet Posture*	Credit Risk View (PD Direction)
Yamamah Cement	Central region (Riyadh)	Large scale, modern capacity	Strong - Vision 2030 & housing	Strong	Stable → Improving PD
Saudi Cement	Eastern region	Large scale, efficient operations	Strong- industrial & infrastructure	Strong	Low & Stable PD
Qassim Cement	Central region	Average efficiency	Moderate - regional demand	Moderate	Stable but Cyclical PD
Southern Cement	Southern region	Higher fixed-cost intensity	Moderate - regionally concentrated	Moderate	Elevated / Sensitive PD
Yanbu Cement	Western region	Large scale port access	Strong - mega projects	Moderate-Strong	Stable PD
Arabian Cement	Western region	Mid-to-large scale	Improving - project-linked demand	Moderate	Stabilizing PD
Riyadh Cement	Central region	Mid-scale	Strong - urban construction	Moderate	Stable PD
Madinah Cement	Western region	Smaller scale	Moderate - local demand	Moderate	Elevated PD
Eastern Cement	Eastern region	premium market	Strong - pricing stability	Strong	Low & Stable PD
Safwa Cement	Western	Small scale	Volatile	Weaker	High & Volatile PD
Najran Cement	Southern	Small scale, high cost	Weak-Moderate	Weaker	Structurally High PD
United Cement	Central / Northern	Small scale	Cyclical	Moderate-Weak	Credit-Sensitive PD
Hail Cement	Northern region	Improved post-consolidation	Improving	Moderate	Improving but Sensitive PD

Umm Al-Qura	Western region	Small scale	Limited but improving	Weak-Moderate	High PD
Tabuk Cement	Northern / export-linked	Mid-scale	Volatile (exports + local)	Moderate	Volatile PD
Al Jouf Cement	Northern remote	Small scale	Weak	Weak	High PD
Northern Cement	Northern region	Small scale, low utilization	Weak	Weak	Highest PD Risk

Utilization & Competitive Overhang

Sector-wide capacity utilization historically remains below full capacity (often <80%), meaning excess supply and intense competition can compress margins and stress credit metrics.

Regional Demand Imbalances

Cement demand in Saudi Arabia is regionally fragmented, driven by the location of major projects. Producers located away from key project clusters may face higher transport costs, volatile utilization and more exposed to local demand fluctuations. This regional imbalance contributes to credit risk dispersion across the sector.

Cyclical Demand with Structural Support

The sector is cyclical, tied to construction and public spending, with slowdowns or oversupply potentially pressuring prices. However, Vision 2030 infrastructure, housing, and giga-projects provide strong structural demand, though timing may vary with project execution.

Supply Chain Vulnerabilities

Cement production and distribution depend on smooth logistics and imported inputs, making delays, port congestion, cost spikes, or supply disruptions a significant operational risk.

Rising Fuel and Energy Cost

Energy and fuel are among the largest cost drivers in Saudi cement production, accounting for around 30–40% of total costs. Recent increases in diesel and gas prices (linked to reforms in domestic fuel pricing) have materially squeezed producer margins. Some companies reported production cost increases of up to 8–10% in 2025 due to higher fuel tariffs from Saudi Aramco. Margin pressure from higher input costs directly affects profitability and can elevate default risk if cost inflation outpaces selling prices or efficiency gains. Overcapacity and competitive pricing (including periodic price wars) further tighten pricing power, exposing firms to cost volatility.

Fuel Pricing Adjustment

Saudi Aramco (Saudi Arabia's state-owned oil company) has been raising diesel and fuel prices regularly at the start of each year (1st January) since 2022, increasing energy costs, for example with diesel prices rising YoY which directly impacts energy-intensive sectors like cement. These adjustments are part of Aramco's annual review of feedstock and fuel pricing used by industrial sectors, which includes cement producers that rely heavily on diesel and heavy fuel oil for kiln operations and logistics.

For the year 2025, the impact of fuel price adjustments became clearer as several companies quantified the cost increases. Saudi Cement Company reported that fuel price changes would result in an ~8% increase in production costs in 2025. Southern Province Cement Company disclosed that the same

adjustment was expected to raise its production costs by ~10%. Tabuk Cement Company similarly reported a ~10% rise in fuel-related production costs.

In 2026, revisions to fuel prices again affected cement producers, and by this time some companies provided quantified estimates. Northern Cement flagged that the adjustment would push production costs up by ~11%. Riyadh Cement Company reported an anticipated ~6% increase in production costs due to fuel price changes. Al-Jouf Cement Company indicated that fuel and related diesel price increases would cumulatively result in a ~14% increase in production costs for 2026. Meanwhile, most companies indicated that the relevant financial impact would appear as of Q1 2026.

Credit Assessment

Total Debt / EBITDA (Debt Coverage)

The debt-servicing capacity is strong, with a Total Debt-to-EBITDA ratio below the standard 2.0x threshold. Compared to typical cement sector benchmarks, where the historical median ranges from 0.6x to 1.3x and the average sits between 1.1x and 1.5x, this performance confirms an exceptionally conservative leverage structure.

Total Debt / Equity (Gearing)

Gearing levels remain structurally low, with total debt to equity generally below 30% for most companies. The median ratio of 9-16% across periods confirms conservative capital structures and a strong equity base. There is no evidence of aggressive balance sheet expansion, and gearing remains well within comfort levels even under stress scenarios, providing capacity for future investment or temporary downturns.

EBITDA / Interest Expense (Interest Coverage)

Interest coverage ratios are exceptionally strong across most companies, often well above 20x and, in some cases, exceeding 100x, reflecting low borrowing levels and modest interest costs. This highlights the sector's very low financial risk. The median interest coverage remains robust, improving from around the low-30x range in 2022 to nearly 40x in LTM Sep 2025, despite some normalization from earlier peaks. Even companies with weaker earnings maintain adequate coverage, indicating that debt servicing is not a structural concern.

Key Takeaway: Saudi cement sector faces margin pressure from higher energy costs but benefits from stable Vision 2030-driven demand. While gearing and interest coverage remains strong overall, weaker cashflows in a few smaller players highlight principal repayment risks. Larger producers maintain solid credit profiles, but selective monitoring of mid and small-sized companies is necessary.

Company	Total Debt / EBITDA (x)				Total Debt / Equity (%)				EBITDA / Interest Expense (x)			
	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025	2022	2023	2024	LTM2025
Yamama	0.2	0.3	0.4	0.4	23.8%	28.0%	37.0%	37.3%	54.2	10.4	11.6	10.7
Qassim	0.0	0.0	0.0	0.0	0.1%	0.0%	0.3%	0.1%	226.1	64.8	94.3	58.4
Riyadh	0.0	0.0	0.0	0.0	0.2%	0.2%	0.2%	0.2%	202.9	1,385.2	888.4	210.4
City	0.0	0.0	0.0	0.0	0.2%	0.1%	0.1%	0.1%	436.3	382.7	-	-
Tabuk	0.2	0.1	0.1	0.0	16.7%	12.5%	8.2%	4.3%	13.0	16.6	31.7	39.7
Al Jouf	0.5	0.5	0.7	0.7	53.4%	53.4%	65.3%	66.5%	3.1	2.3	0.5	-0.2
Northern	0.4	0.4	0.4	0.4	39.4%	42.7%	43.4%	44.7%	7.6	3.7	3.5	3.1
Southern	0.1	0.1	0.2	0.4	7.9%	11.0%	19.3%	37.6%	49.1	227.5	-	-
Najran	0.1	0.2	0.1	0.1	14.3%	17.3%	14.7%	14.6%	19.3	7.5	8.0	8.8
Saudi	0.2	0.2	0.1	0.2	15.2%	20.6%	13.3%	18.7%	38.3	21.6	24.6	31.8
Eastern	0.0	0.0	0.0	0.1	0.3%	0.3%	0.3%	7.0%	2,010.2	1,225.9	1,530.2	923.4
Yanbu	0.1	0.2	0.1	0.1	6.2%	15.7%	12.2%	6.7%	100.7	15.7	15.3	17.8
Arabian	0.1	0.1	0.0	0.0	8.7%	5.7%	3.4%	3.3%	21.6	21.0	38.7	58.0
Umm Al	0.4	0.4	0.3	0.2	41.9%	40.9%	34.2%	24.9%	8.6	6.3	11.0	12.4
Median	0.9	1.3	0.9	0.6	11.6%	15.8%	12.8%	8.8%	29.2	19.9	35.3	39.2
Averages	1.1	1.4	1.2	1.5	14.5%	16.8%	17.5%	19.7%	27.3	14.8	17.2	16.4

Source: Capital IQ

LTM 2025 means Last Twelve Months Sep 2025



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