

Market Data	
52-week high/low	SAR 92.60/71.80
Market Cap	SAR 7,380 mln
Shares Outstanding	90 mln
Free-float	85.7%
12-month ADTV	95,978
Bloomberg Code	QACCO AB

EBIT Jumps +327% Q/Q

April 28, 2022

Upside to Target Price	(6.1%)
Expected Dividend Yield	3.1%
Expected Total Return	(3.0%)

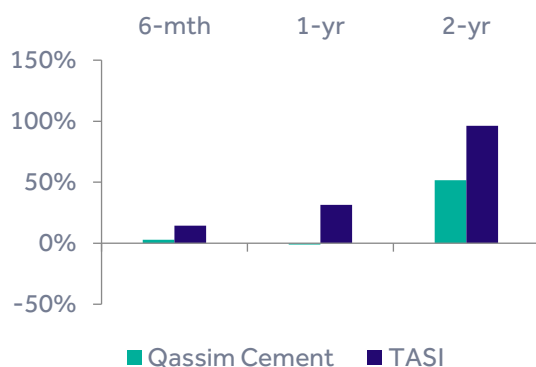
Rating	Neutral
Last Price	SAR 82.00
12-mth target	SAR 77.00

Qassim Cement	1Q2022	1Q2021	Y/Y	4Q2021	Q/Q	RC Estimate
Sales	142	223	(36%)	131	9%	132
Gross Profit	27	112	(76%)	7	280%	32
Gross Margins	19%	50%		5%		24%
Operating Profit	19	104	(82%)	4	327%	24
Net Profit	25	101	(75%)	34	(26%)	27

(All figures are in SAR mln)

- On a yearly basis, top-line fell by -36% to SAR 142 mln for 1Q2022, in-line with our SAR 132 mln forecast. The decline was attributed to both lower local sales volume by -7% Y/Y and -32% Y/Y decline in prices. Top-line increased by +9% on a quarterly basis on the back of an improvement in average selling price (+11% Q/Q) despite a slight decrease by -2% Q/Q in volumes.
- Gross Profit fell by -76% Y/Y but is up by +280% Q/Q to SAR 27 mln. Gross margin fell 31% Y/Y but went up by 14% Q/Q to 19% this quarter. Net margins at 18% this quarter fell on both yearly and quarterly basis by -28% and -8% respectively.
- The Company sold 1.13 mln tons versus 1.21 mln tons in 1Q2021 and 1.15 mln tons in 4Q2021. The decline in volumes was a result of higher competition in the Central region which affected prices Y/Y as well.
- Qassim Cement reported a bottom-line of SAR 25 mln (-75% Y/Y, -26% Q/Q) in-line with our forecast of SAR 27 mln. There has been a recent improvement in prices, which are up +11 Q/Q to SAR 126/tons. Hence, we revised our target price to SAR 77.00 but maintain our Neutral rating.

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■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors
For any feedback on our reports, please contact research@riyadcapital.com

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