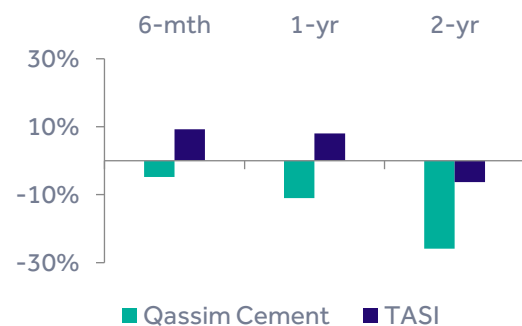


Market Data	
52-week high/low	SAR 75.00/56.40
Market Cap	SAR 5,400 mln
Shares Outstanding	90 mln
Free-float	100%
12-month ADTV	49,739
Bloomberg Code	QACCO AB



■ Selling Prices Boost Bottomline

May 16, 2024

Upside to Target Price (6.7%)
 Expected Dividend Yield 4.7%
 Expected Total Return (2.0%)

Rating Neutral
 Last Price SAR 60.00
 12-mth target SAR 56.00

Qassim Cement	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Sales	196	174	13%	151	30%	167
Gross Profit	83	57	46%	44	89%	52
Gross Margins	42%	33%		29%		31%
Operating Profit	67	49	36%	33	104%	45
Net Profit	74	55	35%	41	82%	48

(All figures are in SAR mln)

- Qassim Cement reported surprisingly higher than expected top-line in this quarter at SAR 196 mln (+13% Y/Y, +30% Q/Q), due to higher average selling prices (ASP) by +13% Y/Y and +25% Q/Q to 188 SAR/ton. The deviation from our estimate resulted from assuming lower ASP at 170 SAR/ton. Volumes sold were flat Y/Y but increased by +4% Q/Q to 1,047 tons.
- The higher ASP impact cascaded to all profitability ratios and expanded all of them on Y/Y and Q/Q basis. Gross margin in this quarter rose to 42% from 29% last year and 33% in previous quarter. COGS per ton was lower than expected at 109 SAR/ton.
- OPEX in this quarter inclined by +111% Y/Y and +44% Q/Q to SAR 16 mln.
- Bottomline grew by +35% Y/Y and +82% Q/Q to SAR 74 mln, higher than our SAR 48 mln estimate and SAR 59 mln market consensus. We increase our target price to SAR 56.00 per share and maintain a Neutral rating.

Abdulrahman M Barghouth

abdulrahman.barghouth@riyadcapital.com
 +966-11-203-6815

■ 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

Riyad Capital is a Saudi Closed Joint Stock Company with Paid up capital of SR 500 million, licensed by the Saudi Arabian Capital Market Authority NO.07070-37. Commercial Registration No: 1010239234. Head Office: Granada Business Park 2414 Al-Shohda Dist. – Unit No 69, Riyadh 13241 - 7279 Saudi Arabia. Ph: 920012299.

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities may not be suitable for all recipients. This research report might not be reproduced, nor distributed in whole or in part, and all information, opinions, forecasts and projections contained in it are protected by the copyright rules and regulations.