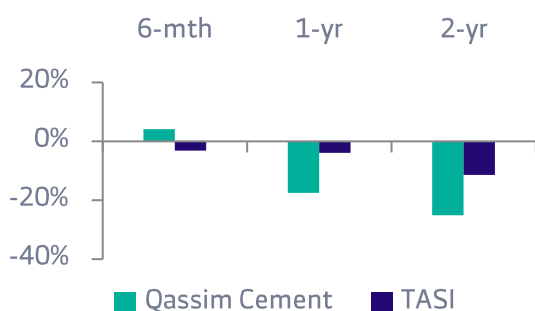


Market Data	
52-week high/low	SAR 53.10/40.50
Market Cap	SAR 4,809 mln
Shares Outstanding	111 mln
Free-float	75.50%
12-month ADTV	186,528
Bloomberg Code	QACCO AB



## ■ Margins & Volume Pressure Despite Price Recovery

May 07, 2026

Upside to Target Price	1.1%	Rating	Neutral
Expected Dividend Yield	6.2%	Last Price	SAR 43.50
Expected Total Return	7.4%	12-mth target	SAR 44.00

Qassim Cement	1Q2026	1Q2025	Y/Y	4Q2025	Q/Q	RC Estimate
Sales	293	303	(3%)	290	1%	240
Gross Profit	77	90	(15%)	64	20%	44
Gross Margins	26%	30%		22%		18%
Operating Profit	73	89	(18%)	68	6%	47
Net Profit	69	89	(22%)	69	(0%)	45

(All figures are in SAR mln)

- Qassim Cement reported 1Q2026 revenues of SAR 293 mln (-3% Y/Y, +1% Q/Q), above our SAR 240 mln estimate, driven by higher-than-expected pricing. Despite the price recovery, the Y/Y topline decline reflected weaker volumes amid Ramadan seasonality, while Q/Q increase was supported by higher prices offsetting volume pressure. Prices rose to SAR 189/ton (+6% Y/Y, +16% Q/Q), above our SAR 160/ton estimate, while sales volumes fell to 1,547k tons (-9% Y/Y, -13% Q/Q), in line with estimates.
- Cost per ton increased +12% Y/Y to SAR 140/ton on higher fuel prices, up from SAR 125/ton last year and SAR 127/ton last quarter, and above our SAR 131/ton estimate. Accordingly, gross margin narrowed to 26% from 30% last year, but improved from 22% last quarter and remained above our 18% estimate. Gross profit declined -15% Y/Y but increased +20% Q/Q. OPEX rose Y/Y, likely due to lower reimbursement from Industrial Competitiveness Program amid lower production, further pressuring operating margin to 25% versus 29% last year, though still above estimates. Net other expenses came in at SAR (3.9) mln, versus nil last year and SAR 0.4 mln income last quarter.
- Net profit reached SAR 69 mln (-22% Y/Y, -0.2% Q/Q), above market consensus of SAR 48 mln and our SAR 45 mln estimate. The Y/Y decline was driven by lower volumes and higher fuel costs, while the Q/Q decline reflected higher OPEX and non-OPEX. The company announced a SAR 0.80 DPS for 1Q2026. We maintain our target price at SAR 44.00 per share with a Neutral stance.

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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](mailto:research@riyadcapital.com)

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