

Market Data	
52-week high/low	SAR 92.60/55.60
Market Cap	SAR 6,012 mln
Shares Outstanding	90 mln
Free-float	99.3%
12-month ADTV	76,267
Bloomberg Code	QACCO AB

## Both Prices and Volumes Rise in 4Q

February 20, 2023

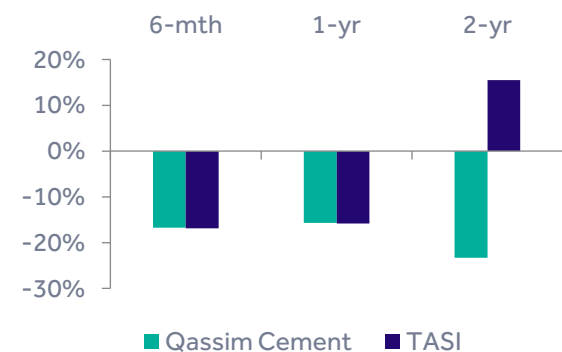
Upside to Target Price	4.8%	Rating	Neutral
Expected Dividend Yield	4.0%	Last Price	SAR 66.80
Expected Total Return	8.8%	12-mth target	SAR 70.00

Qassim Cement	4Q2022	4Q2021	Y/Y	3Q2022	Q/Q	RC Estimate
Sales	217	131	65%	167	30%	185
Gross Profit	77	4	1,931%	38	103%	51
Gross Margins	36%	3%		23%		28%
Operating Profit	77	29	169%	28	171%	41
Net Profit	53	30	74%	23	126%	41

(All figures are in SAR mln)

- For FY2022, Qassim's top-line declined by -6% Y/Y to SAR 678 mln due to lower volumes sold of -4% Y/Y to 4.4 mln tons as compared to 4.6 mln tons in 2021. There was increased competition, especially in the central region, while average selling prices were also lower by -2% Y/Y. This translated negatively into margins as COGS per ton was also higher. The Company reported a decline in bottom-line by -55% Y/Y to SAR 131 mln.
- In 4Q2022, the Company reported a top-line of SAR 217 mln (+65% Y/Y, +30% Q/Q). This was attributed to an increase in volumes sold on both Y/Y and Q/Q basis by +4% and +7% respectively, as well as higher average selling prices, which increased by +58% Y/Y and +21% Q/Q to SAR 180/ton.
- Gross profit of SAR 77 mln rose significantly on both yearly and quarterly basis. We note a rise in COGS per ton Y/Y and Q/Q for the third quarter in a row. Gross margins, at 36% this quarter, showed an improvement on both yearly and quarterly basis. Net margins at 24% this quarter are up by 10% Y/Y and 1% Q/Q.
- Qassim Cement reported a bottom-line of SAR 53 mln (+74% Y/Y, +126% Q/Q) in 4Q2022, beating both our and market expectations. We reduce our Target Price to SAR 70.00 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](mailto:research@riyadcapital.com)

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