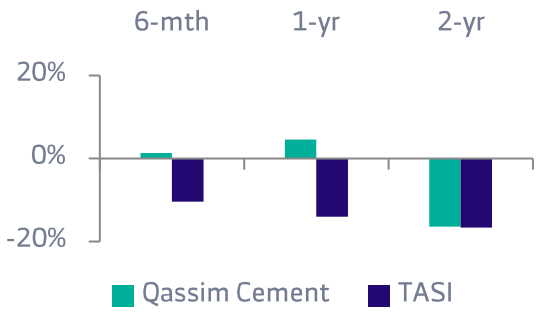
Price Slump Weighs on Margins

November 1, 2026

Upside to Target Price	(2.8%)	Rating	Neutral
Expected Dividend Yield	6.2%	Last Price	SAR 43.22
Expected Total Return	3.4%	12-mth target	SAR 42.00

Market Data	
52-week high/low	SAR 46.70/41.06
Market Cap	SAR 4,778 mln
Shares Outstanding	111 mln
Free-float	80.86%
12-month ADTV	138,748
Bloomberg Code	QACCO AB



Qassim Cement	3Q2026	3Q2025	Y/Y	2Q2026	Q/Q	RC Estimate
Sales	181	247	(27%)	275	(34%)	223
Gross Profit	23	33	(32%)	57	(60%)	35
Gross Margins	13%	13%		21%		16%
Operating Profit	36	36	(1%)	56	(36%)	30
Net Profit	37	41	(10%)	52	(28%)	27

(All figures are in SAR mln)

- Qassim Cement reported 3Q2026 revenues of SAR 181 mln (-27% Y/Y, -34% Q/Q), well below our SAR 223 mln estimate, driven by lower-than-expected pricing. ASP fell sharply to SAR 130/ton (-10% Y/Y, -24% Q/Q), well below our SAR 160/ton estimate, while sales volumes declined to 1,396k tons (-19% Y/Y, -13% Q/Q), in line with our estimate. 9M2026 topline declined -11% Y/Y to SAR 749 mln, reflecting -9% lower volumes and -2% lower ASP.
- Cost per ton improved to SAR 113/ton, down from SAR 124/ton last year and SAR 135/ton last quarter, and well below our SAR 135/ton estimate. However, the sharp decline in ASP more than offset the cost improvement, leading gross margin to contract to 12.6%, from 13.5% last year and 20.9% last quarter, below our 15.6% estimate. Consequently, gross profit declined to SAR 23 mln (-32% Y/Y, -60% Q/Q), missing our SAR 35 mln estimate. However, OPEX swung to a net income of SAR 13.2 mln (vs. SAR 3.1 mln income last year and SAR 1.3 mln expense last quarter), compared with our SAR 4.6 mln expense estimate. As a result, operating profit came in at SAR 36 mln (-1% Y/Y, -36% Q/Q), above our SAR 30 mln estimate, with operating margin at 19.9% vs. 14.7% last year and 20.5% last quarter, well ahead of our 13.6% estimate.
- Net profit declined to SAR 37 mln (-10% Y/Y, -28% Q/Q), above market consensus of SAR 26 mln and our SAR 27 mln estimate. The beat came from lower OPEX and higher returns from financial investments rather than core operations, while lower volumes and weaker pricing drove the decline. 9M2026 profit fell -17% Y/Y to SAR 158 mln, on lower prices and volumes and higher fuel costs. We maintain our Neutral rating and SAR 42.00 target price per share.

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

الرياض المالية
Riyad Capital

Disclaimer

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 SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia.
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.

الرياض المالية
Riyad Capital