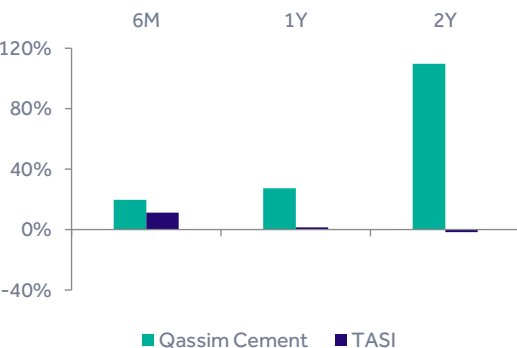


Market Data	
52-week high/low	SAR 79.30/43.10
Market Cap	SAR 6,192 mln
Shares Outstanding	90 mln
Free-float	89.9%
12-month ADTV	198,148
Bloomberg Code	QACCO AB



■ Sales Volumes Increase 56% Y/Y

November 01, 2020

Upside to Target Price	(11.3%)	Rating	Neutral
Expected Dividend Yield	5.8%	Last Price	SAR 68.80
Expected Total Return	(5.5%)	12-mth target	SAR 61.00

Qassim Cement	3Q2020	3Q2019	Y/Y	2Q2020	Q/Q	RC Estimate
Sales	232	190	22%	167	38%	274
Gross Profit	121	96	25%	91	33%	154
Gross Margins	52%	51%		54%		56%
Operating Profit	112	88	27%	82	35%	145
Net Profit	110	90	22%	85	29%	147

(All figures are in SAR mln)

- Qassim Cement announced its 3Q net profit at SAR 110 mln (+22% Y/Y, +29% Q/Q) below both our and market expectations of SAR 147 million and SAR 126 million respectively.
- Revenues went up by +22% Y/Y and +38% Q/Q, while local sales volumes jumped by +56% Y/Y and +45% Q/Q to reach 1.2 mln tons for the quarter with average selling price at SAR 188/ton.
- Operational expenses rose by +11% on yearly basis and +7% on quarterly basis to SAR 9.1 mln this quarter.
- Gross margins fell by -220 bps on quarterly basis but improved on yearly basis by +150 bps, while net margin was stable on yearly basis but Qassim failed to maintain 51% from last quarter to settle at 48% this quarter.
- We maintain our target price at SAR 61.00 and 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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