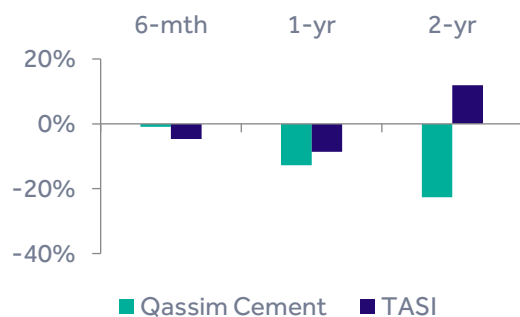


Market Data	
52-week high/low	SAR 61.50/49.30
Market Cap	SAR 5,661 mln
Shares Outstanding	111 mln
Free-float	99.87%
12-month ADTV	110,405
Bloomberg Code	QACCO AB



Prices Improve, Costs Pressure Net Margin

March 25, 2025

Upside to Target Price	11.3%
Expected Dividend Yield	5.7%
Expected Total Return	17.0%

Rating	Buy
Last Price	SAR 51.20
12-mth target	SAR 57.00

Qassim Cement	4Q2024	4Q2023	Y/Y	3Q2024	Q/Q	RC Estimate
Sales	303	151	100%	265	14%	257
Gross Profit	94	44	115%	77	22%	69
Gross Margins	31%	29%		29%		27%
Operating Profit	74	33	126%	77	(3%)	74
Net Profit	82	36	127%	72	13%	68

(All figures are in SAR mln)

- Qassim Cement reported revenues of SAR 303 mln this quarter, up +100% Y/Y and +14% Q/Q, exceeding our SAR 257 mln estimate due to higher-than-expected selling prices. We note that full consolidation with Hail Cement Co. occurred in 3Q2024, making 4Q2023's performance non-comparable. Prices improved to SAR 186/ton in 4Q2024, up +16% Q/Q and +24% Y/Y, and better than our SAR 160/ton estimate. Sold volumes jumped +62% Y/Y to 1,631k tons due to consolidation with Hail Cement Co. (including 411k tons from Hail Cement), and declined slightly Q/Q by -1%, in line with estimates. For the full year, sales surged +66% to SAR 968 mln, as selling prices grew +17% to SAR 177/ton and sold volumes by +42% to 5,479k tons due to business consolidation.
- Supported by higher prices, 4Q2024 gross margin rose to 31% from 29% last quarter, exceeding our 27% estimate, despite a higher cost per ton of SAR 128/ton (+20% Y/Y, +13% Q/Q) compared to our SAR 117/ton estimate. OPEX came in at SAR 20 mln for the quarter, higher than SAR 11 mln last year and SAR 1 mln last quarter. Higher OPEX pressured operating margins and cascaded to net margin which marginally declined by -35 bps Q/Q to 27%, despite higher net other income.
- Net profit in 4Q grew +127% Y/Y and +13% Q/Q to SAR 82 mln, beating SAR 70 mln market consensus and our SAR 68 mln estimate. For the full year, net profits surged +112% to SAR 301 mln, primarily driven by higher prices and volumes due to business consolidation. The company announced a SAR 0.80 DPS for 4Q, bringing full year DPS to SAR 2.75 at a 92% payout. We increase our target price from SAR 56.00 to SAR 57.00 and upgrade our rating to Buy.

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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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