

**Company**

**Qassim Cement  
Company**  
2Q25 Result Review

**Rating**

**Under Review**

**Bloomberg Ticker**

**QACCO AB**

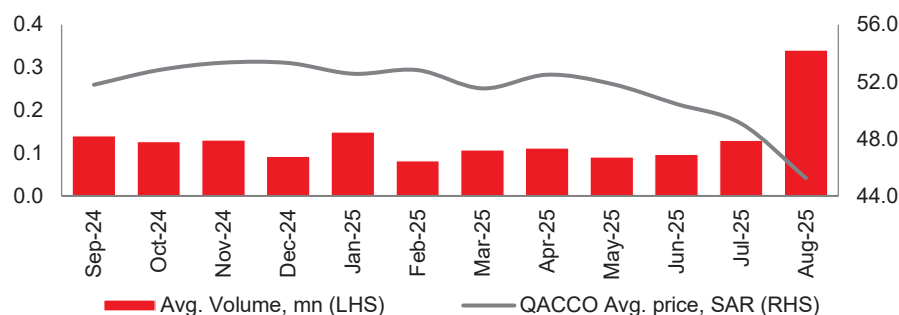
**Date**

14 August 2025

**Results**

**Target Price (SAR)** **UR**

**Upside/ Downside** **-**

**Revenue growth driven by Hail Cement consolidation**

Revenue rose 44% YoY (in line with U-Capital's estimate), attributed to the higher sales volumes following Hail Cement's acquisition in June 2024, despite a drop in average selling price.

**Higher COGS and unrealized losses weigh on the net profit**

Lower average selling prices and relatively higher growth in COGS, compared to revenue, resulted in lower gross profit and the associated margin. Additionally, unrealized losses on financial investments compared to gains in 2Q24 and 1Q25 dragged down the net profit on both a YoY and QoQ basis during 2Q25.

**U-Capital view**

Qassim Cement has shown strong revenue growth in the recent quarters on a YoY basis, driven by higher sales volumes and strategic benefits from the Hail Cement acquisition. Overall, the cement sector is showing signs of stabilization, with domestic cement demand expected to grow steadily, supported by major infrastructure projects under Vision 2030, including NEOM, Qiddiya, and the Red Sea Projects. However, we plan to revisit our investment case on Qassim Cement, considering its notably weaker-than-expected 2Q25 earnings performance, and hence placing the stock under review. The stock is currently trading at a slight discount to a one-year historical P/E average.

Current Market Price (SAR)	42.7
52wk High / Low (SAR)	55.0/42.7
12m Average Vol. (mn)	0.1
Mkt. Cap. (USD/SAR mn)	1,260/4,727
Shares Outstanding (mn)	110.6
Free Float (%)	80.8%
3M ADTV (SAR mn)	6.7
6M ADTV (SAR mn)	6.0
P/E'25e (x)	12.3
EV/EBITDA'25e (x)	10.4
Dividend Yield '25e (%)	6.4%
Price Perf. (1m/3m) (%)	-15.1/-17.0

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For our  
last report

**Financial Summary**

SAR mn	2Q24	3Q24	4Q24	1Q25	2Q25	2Q25e	YoY	QoQ	Var.	1H24	1H25	YoY
<b>P&amp;L</b>												
Sales/Revenue	203	265	303	303	293	283	44%	-3%	4%	400	596	49%
Gross profit	78	77	94	90	73	82	-7%	-20%	-11%	161	163	2%
Operating profit	73	77	74	89	73	84	0%	-17%	-13%	140	162	16%
Net profit / (loss)	71	72	82	89	61	85	-14%	-31%	-28%	146	150	3%
<b>BS</b>												
Shareholders' Equity	2,822	2,752	2,764	2,770	2,724		-3%	-2%		2,822	2,724	-3%
<b>Ratios</b>												
Gross margin	38.4%	29.2%	31.1%	29.9%	24.8%	29.0%				40.2%	27.4%	
Operating margin	36.0%	29.0%	24.4%	29.3%	25.0%	29.7%				35.0%	27.2%	
Net profit margin	35.1%	27.3%	27.0%	29.3%	20.8%	30.0%				36.4%	25.1%	
EPS, SAR	0.6	0.7	0.7	0.8	0.6	0.8				1.4	1.6	
P/E (TTM)					15.6							
RoE (TTM)					11.0%							

Source: Financials, Tadawul, Bloomberg, U Capital Research



# Investment Research

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## Disclaimer

### Recommendation

BUY	ACCUMULATE	HOLD	REDUCE	SELL
Greater than 20%	Between +10% and +20%	Between +10% and -10%	Between -10% and -20%	Lower than -20%

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