

Company

Qassim Cement Co.
1Q26 Result Review

Rating

Hold

Bloomberg Ticker

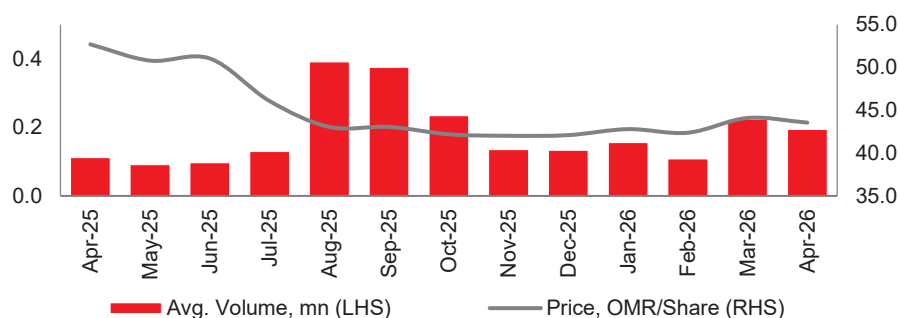
QACCO AB

Date

7 May 2026

Results

Target Price (SAR)	45.3
Total Return	5.9%



Weak pricing weighs on the topline

Qassim Cement reported revenue of SAR 293mn in 1Q26, down 3% YoY, primarily due to weaker pricing across the region. Nevertheless, revenue came in ahead of our expectations.

Margin pressure contracts earnings

Gross profitability declined due to lower cement prices and higher operating costs following fuel price revisions earlier this year. Margins were under pressure due to the North plant's reliance on liquid fuel for power generation, leading to a 22% YoY decline in Qassim Cement's net profit.

U-Capital view

During FY25, cement prices remained subdued ahead of upcoming capacity expansions across the central and eastern regions. However, we expect prices to gradually recover, supported by sustained demand growth driven by Vision 2030 projects. Qassim Cement remains well-positioned to benefit from the upcoming demand cycle through its new 10,000tpd line in Buraydah. Nevertheless, we maintain our Hold rating with a target price of SAR 45.3, given limited upside at current valuations.

Financial Summary

SAR mn	1Q25	2Q25	3Q25	4Q25	1Q26	1Q26e	YoY	QoQ	Var.
P&L									
Revenue	303	293	247	290	293	271	-3%	1%	8%
Gross profit	90	73	33	64	77	53	-15%	20%	45%
Operating profit	89	73	36	68	73	55	-18%	6%	33%
Net profit	89	61	41	69	69	53	-22%	0%	29%
BS									
Shareholders' Equity	2,751	2,724	2,678	2,658	2,639		-4%	-1%	
Ratios									
Gross profit margin	29.9%	24.8%	13.5%	22.1%	26.3%	19.5%			
Operating profit margin	29.3%	25.0%	14.7%	23.6%	24.8%	20.1%			
Net profit margin	29.3%	20.8%	16.8%	23.7%	23.5%	19.6%			
RoE (TTM)					9.0%				
P/E (TTM)					20.0				
Current P/B					1.8				

Source: Financials, TASI Disclosure, Bloomberg, U Capital Research

Current Market Price (SAR)	44.4
52wk High / Low (SAR)	53.1/40.5
12m Average Vol. (m)	186.6
Mkt. Cap. (USD/SAR bn)	1,309/4,909
Shares Outstanding (mn)	110.6
Free Float (%)	75.5%
3M ADTV (SAR mn)	7.8
6M ADTV (SAR mn)	6.7
P/E'26e (x)	20.9
P/B'26e (x)	1.8
Dividend Yield '26e (%)	3.8%
Price Perf. (1m/3m) (%)	5.8/4.7

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Recommendation

BUY

Greater than 10%

HOLD

Between
0% and +10%

SELL

Lower than 0%

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