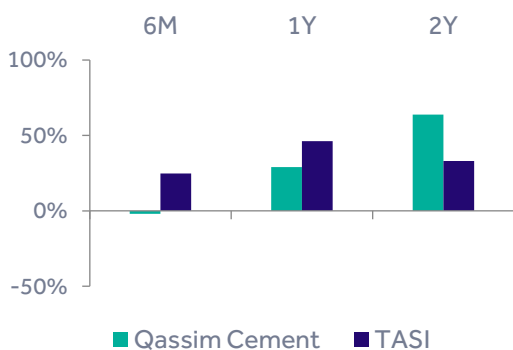


Market Data	
52-week high/low	SAR 94.80/65.90
Market Cap	SAR 7,731 mln
Shares Outstanding	90 mln
Free-float	89.9%
12-month ADTV	129,454
Bloomberg Code	QACCO AB



In-line Results

August 16, 2021

Upside to Target Price	(4.0%)	Rating	Neutral
Expected Dividend Yield	4.8%	Last Price	SAR 83.30
Expected Total Return	0.8%	12-mth target	SAR 80.00

Qassim Cement	2Q2021	2Q2020	Y/Y	1Q2021	Q/Q	RC Estimate
Sales	198	167	18%	223	(11%)	204
Gross Profit	100	91	10%	112	(11%)	106
Gross Margins	51%	54%		50%		52%
Operating Profit	92	82	11%	104	(12%)	98
Net Profit	100	85	17%	101	(1%)	97

(All figures are in SAR mln)

- Qassim Cement reported top-line of SAR 198 million (+18% Y/Y, -11% Q/Q) for 2Q2021, in-line with our SAR 204 million estimates due to higher local sales volume Y/Y which is up by +28% to 1.1 million tons during the quarter despite a decline by -8% Y/Y in average selling price to SAR 179/ton.
- Gross margin contracted by -368 bps Y/Y but increased by +28 bps Q/Q to stand at 51% this quarter. Net margin at 51% followed the same movement of gross margin to decline by -40 bps Y/Y but expanded +548 bps Q/Q.
- Clinker inventory was at 2.4 mln tons by end of 1H2021, -22% lower compared with the same period last year and represents 7% of the Clinker inventories in the cement sector.
- Qassim's bottom-line is up +17% Y/Y but down by -1% Q/Q to SAR 100 million, in-line with our SAR 97 million estimates on higher local sales volumes and financial investments returns.
- We raise our target price to SAR 80.00 from SAR 76.00 but maintain our 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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