Company

Qassim Cement Co.

2Q26 Result Review

Rating

Hold

Bloomberg Ticker

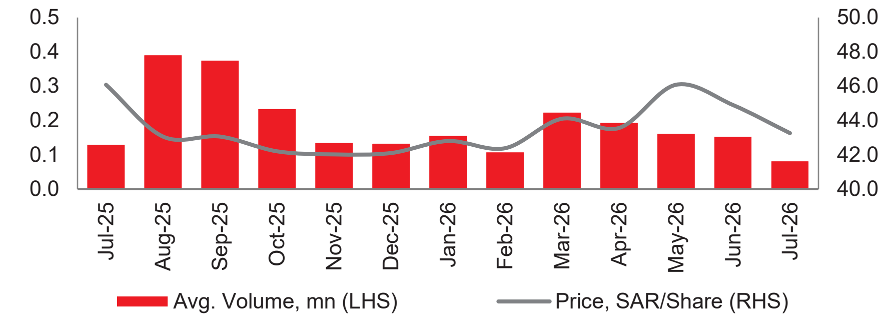
QACCO AB

Date

30 July 2026

Results

Target Price (SAR)	44.6
Total Return	7.0%



Current Market Price (SAR)	43.3
52-week High | Low	46.6 | 40.5
Price Perf. (1m | 3m)	-3.7% | -0.7%
Mkt. Cap. (USD/SAR mn)	1,291 | 4,783
Free Float	80.9%
3m ADTO (000 shares)	131.8
6m ADTO (000 shares)	155.0
3m ADTV (SAR 000)	5,918
6m ADTV (SAR 000)	6,786
P/E 27e	21.0x
P/B 27e	1.8x
DY 27e	3.9%

Revenue declined YoY on weaker pricing

Revenue declined 6% YoY to SAR 275mn in 2Q26, primarily due to lower average selling prices during the quarter. For 1H26, revenue stood at SAR 567.4mn, representing a 5% YoY decline.

Lower revenue weighed on profitability

Net profit declined 15% YoY, primarily due to weaker operating margins, which contracted to 20.5% in 2Q26 from 25.0% in 2Q25. The decline was driven by lower selling prices and higher fuel costs.

U-Capital View

Qassim Cement's 2Q26 earnings were impacted by weaker cement prices. We expect pricing pressure to persist as industry capacity expands from 85mn tons to 91mn tons by CY28. However, the company's planned 3.2mn ton capacity expansion should support volume growth while replacing older production lines with a more efficient facility. We maintain our Hold rating with a TP of SAR 44.6/share.

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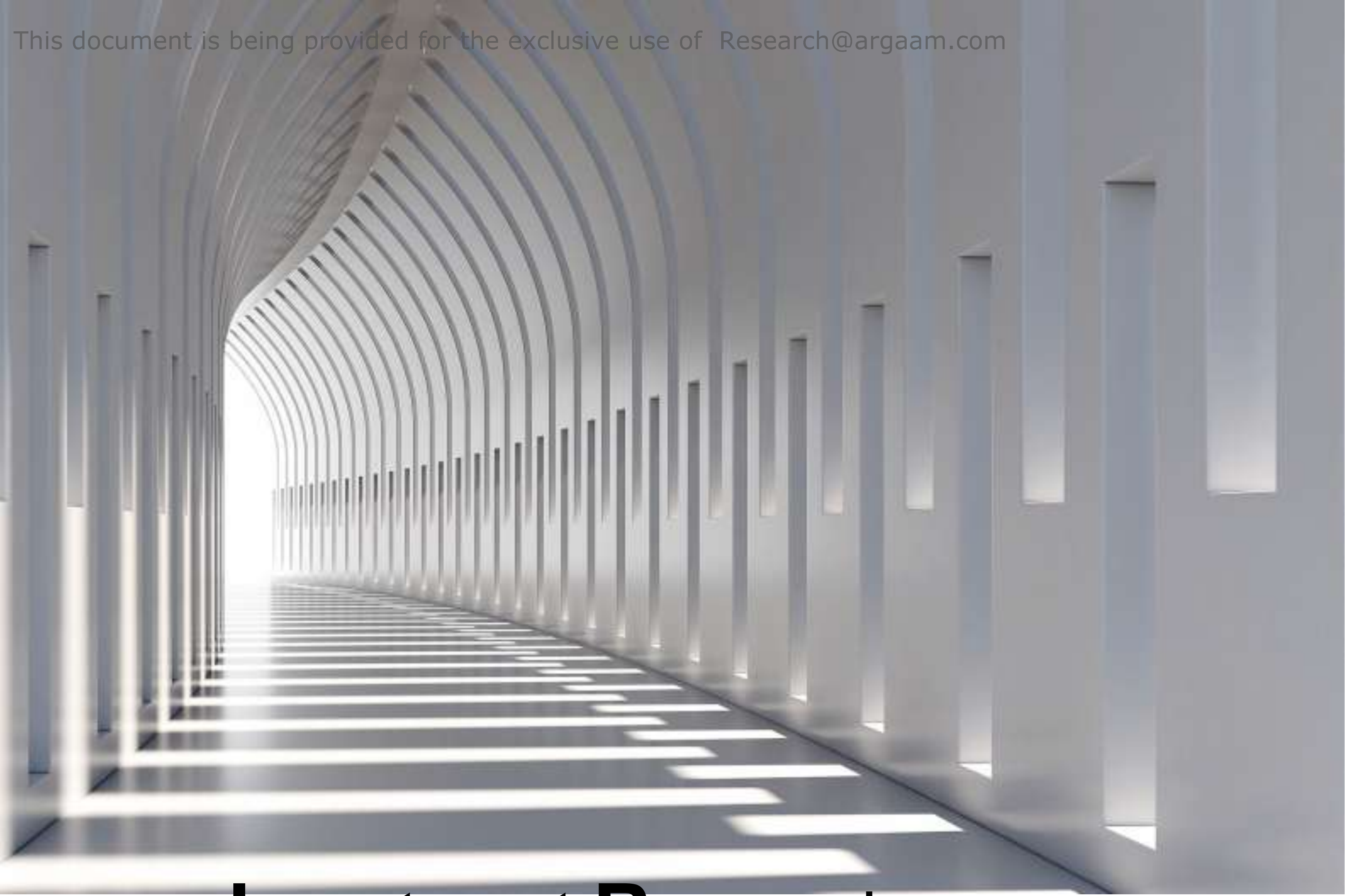
Financial Statements

SAR mn	2Q25	3Q25	4Q25	1Q26	2Q26	2Q26e	YoY	QoQ	Var.	1H25	1H26	YoY
P&L												
Revenue	293.5	246.8	290.3	292.8	274.6	316.6	-6%	-6%	-13%	596.2	567.4	-5%
Gross profit	72.8	33.3	64.1	76.9	57.5	83.7	-21%	-25%	-31%	163.3	134.4	-18%
Operating profit	73.5	36.4	68.4	72.6	56.2	92.6	-24%	-23%	-39%	162.1	128.8	-21%
Net profit	61.1	41.4	68.9	68.7	51.8	89.8	-15%	-25%	-42%	149.7	120.5	-19%
BS												
Shareholders' Equity	2,724.2	2,677.8	2,657.8	2,638.7	2,602.6		-4%	-1%		2,724.2	2,602.6	-4%
Ratios												
Gross margin	24.8%	13.5%	22.1%	26.3%	20.9%	26.4%				27.4%	23.7%	
Operating margin	25.0%	14.7%	23.6%	24.8%	20.5%	29.3%				27.2%	22.7%	
Net profit margin	20.8%	16.8%	23.7%	23.5%	18.9%	28.4%				25.1%	21.2%	
RoE (TTM)					8.7%							
P/E (TTM)					21.5x							
Current P/B					1.9x							

Source: Financials, Tadawul, Bloomberg, U Capital Research. n.m – not meaningful



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