Daily Bulletin

August 16, 2026

Qassim Cement signs SAR 400 mn SIDF facility for Line 4

Last Price: SAR 44.0 | Consensus Target Price: SAR 46.8 | YoY Performance: 3.0%

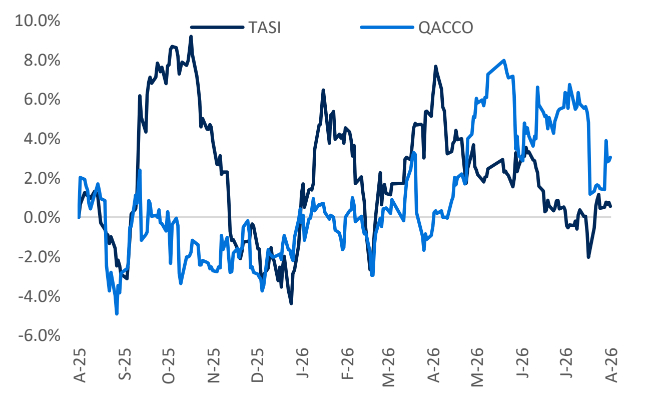
Qassim Cement Company (QACCO) signed a SAR 400 mn financing agreement with the Saudi Industrial Development Fund (SIDF) to part-finance a fourth production line of 10,000 tons per day (tpd) at Buraydah, which will replace part of the existing lines. The facility runs for nine years, comprising a two-year grace period and a seven-year repayment schedule, secured by a promissory note, assignment of the new line's insurance policies, and a pledge of assets. Management framed the deal as blending SIDF funding with Shariah-compliant bank facilities to reduce financing costs.

Management had guided at its 2025 earnings call to a 10,000 tpd line costing USD 298 mn (c. SAR 1.1 bn), of which 6,250 tpd replaces existing capacity and 3,750 tpd, or 37.5%, is net new, for commissioning by 2028. The EPC contract went to Sinoma International Engineering in August 2025 at SAR 1.1 bn. Moreover, QACCO had already secured a SAR 1.5 bn ten-year facility from Saudi National Bank for Line 4.

Earnings momentum stays under pressure. Net profit declined 15.2% YoY to SAR 51.8 mn in 2Q26, with revenue down 6.4% YoY to SAR 246.8 mn, driven by lower average selling prices. The 1H26 net profit arrived at SAR 120.5 mn versus SAR 149.7 mn in 1H25, a decline of 19.5%. Management has guided that competitive pricing will persist through 2026, while the company separately disclosed in June 2026 that revised Saudi Aramco fuel pricing is expected to lift total costs.

QACCO stock has increased 3.0% YoY, outperforming the TASI, which gained 0.6% over the same period. The stock is currently trading at a 2026e P/E of 17.8x with a consensus target price of SAR 46.8/sh, implying a potential upside of 6.5% from the last close of SAR 44.0/sh

Relative price chart



Source: Tadawul, anbc research

Line 4 expansion at a glance

Parameter	Detail
New line capacity	10,000 tpd
Replacement capacity	6,250 tpd (62.5%)
Net new capacity	3,750 tpd (37.5%)
Total project cost	USD 298 mn (SAR 1.1 bn)
EPC contract (Aug-25)	Sinoma Intl., SAR 1.12 bn
SNB facility	SAR 1.5 bn, 10 years
SIDF facility (new)	SAR 400 mn, 9 years (2+7)
Total committed facilities	**SAR 1.9 bn**
Targeted commissioning	2028

Source: Company disclosures, Tadawul, Argaam, anbc research

Disclaimer:

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.