



Earnings Flash Note
Aamal Company
3Q 2023 / 9M 2023



Aamal Company (AHCS)

- > **Net profit decreased by 0.9% YoY to QR98.7mn (+24.5% QoQ)** primarily due to losses absorbed by non-controlling interests. For 9M2023, net income was up by 3.7% YoY to QR265.4mn.
- > **Sales declined by 10.5% YoY to QR482.0mn (-13.3% QoQ) in 3Q2023** while for 9M2023, it increased by 2.4% YoY to QR1,549.4mn.
- > **Gross profit decreased by 5.8% YoY to QR121.6mn (+3.0% QoQ)** while the corresponding margin improved by 1.3ppts YoY (+4.0ppts QoQ) to 25.2% in 3Q2023.
- > **Operating profit was up by 9.8% YoY to QR86.6mn (+16.5% QoQ) due to** reversal of allowances for impairment of financial assets and corresponding margins improved by 3.3ppts YoY to 18.0% (+4.6ppts QoQ) in 3Q2023.
- > **For 3Q2023, EPS was flat at QR0.016 YoY while for 9M2023, EPS was QR0.042** vs QR0.041 in 9M2022.

- > **As of 23rd Oct 2023, the stock has decreased 14.9% YTD, underperforming** the QSE index, which was down by 9.0% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 14.6x, lower than its** 2Y historical average of 19.8x.

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Sales	482.0	538.7	-10.5%	556.0	-13.3%
Gross Profit	121.6	129.1	-5.8%	118.0	3.0%
Gross Margin %	25.2%	24.0%		21.2%	
Operating Profit	86.6	78.9	9.8%	74.4	16.5%
Operating Margin %	18.0%	14.6%		13.4%	
Net Profit to Equity	98.7	99.6	-0.9%	79.3	24.5%
Net Margin %	20.5%	18.5%		14.3%	
EPS (QR)	0.016	0.016	-0.9%	0.013	24.5%

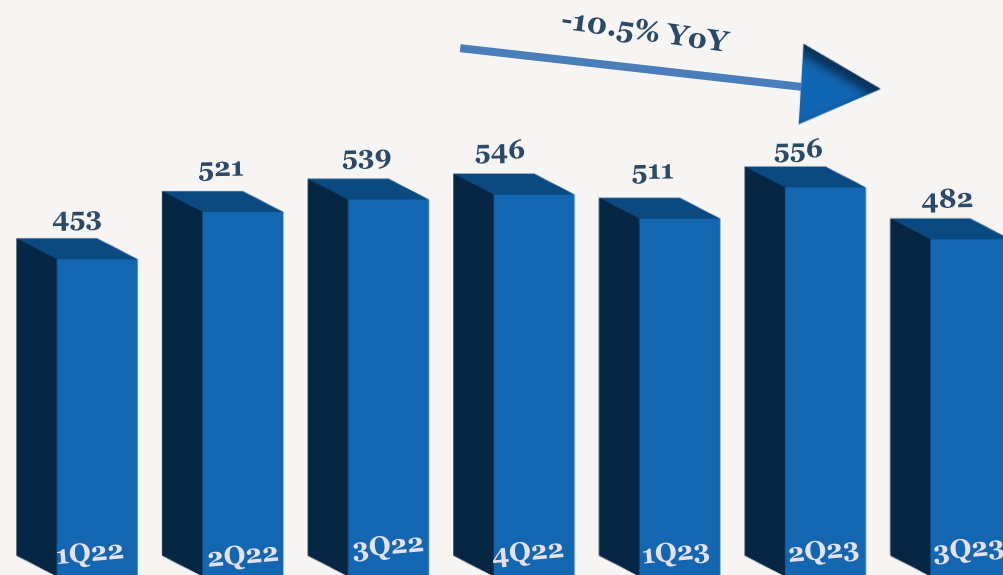
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

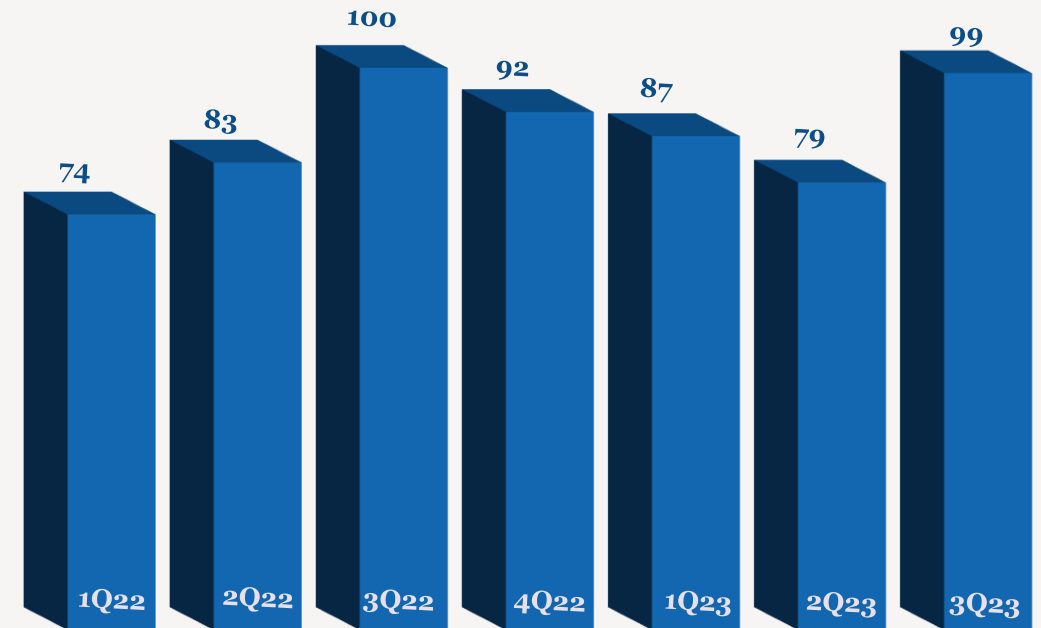
	9M2023	9M2022	YoY
Sales	1,549.4	1,513.0	2.4%
Gross Profit	359.8	358.7	0.3%
Gross Margin %	23.2%	23.7%	
Operating Profit	241.7	226.1	6.9%
Operating Margin %	15.6%	14.9%	
Net Profit to Equity	265.4	256.0	3.7%
Net Margin %	17.1%	16.9%	
EPS (QR)	0.042	0.041	3.7%

Note: Values are expressed in QR'mn unless explicitly stated

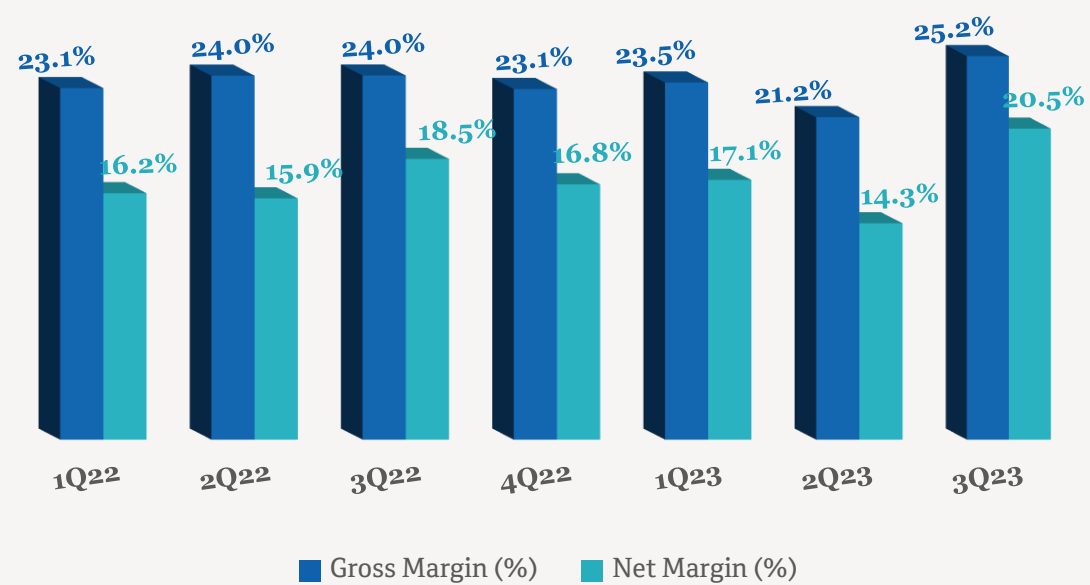
Quarterly Sales Trend (QRmn)



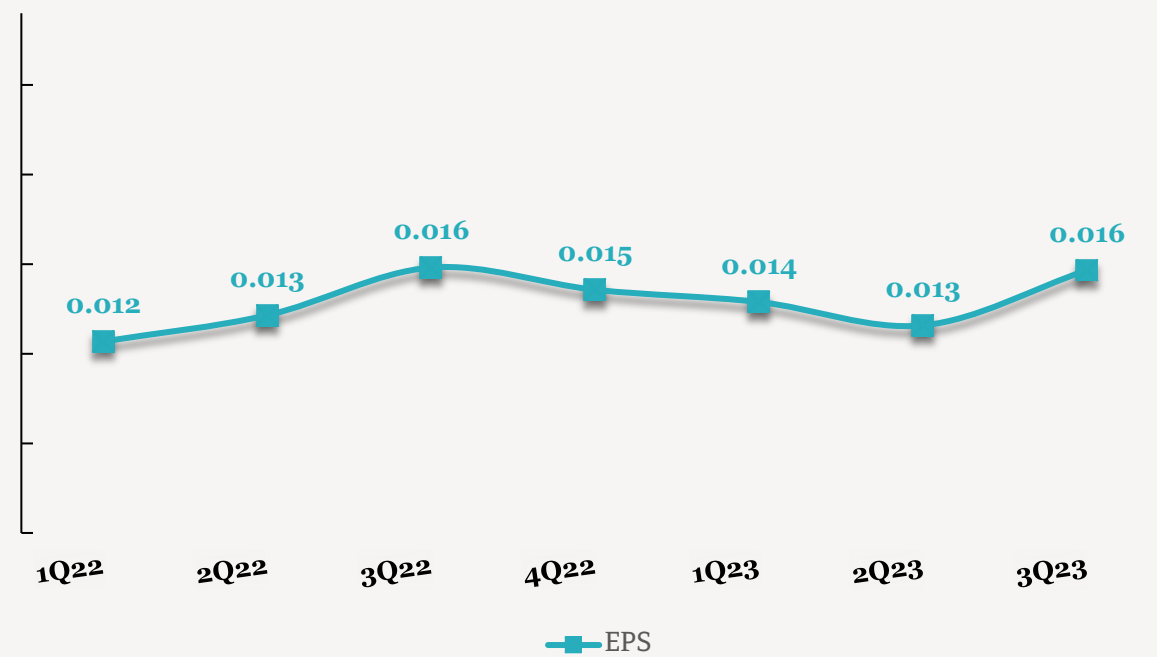
Quarterly Earnings Trend (QRmn)



Quarterly Margins Trend



EPS (QR) Trend



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