

Earnings Flash Note
Estithmar Holding
3Q 2023 / 9M 2023



Estithmar Holding (IGRD)

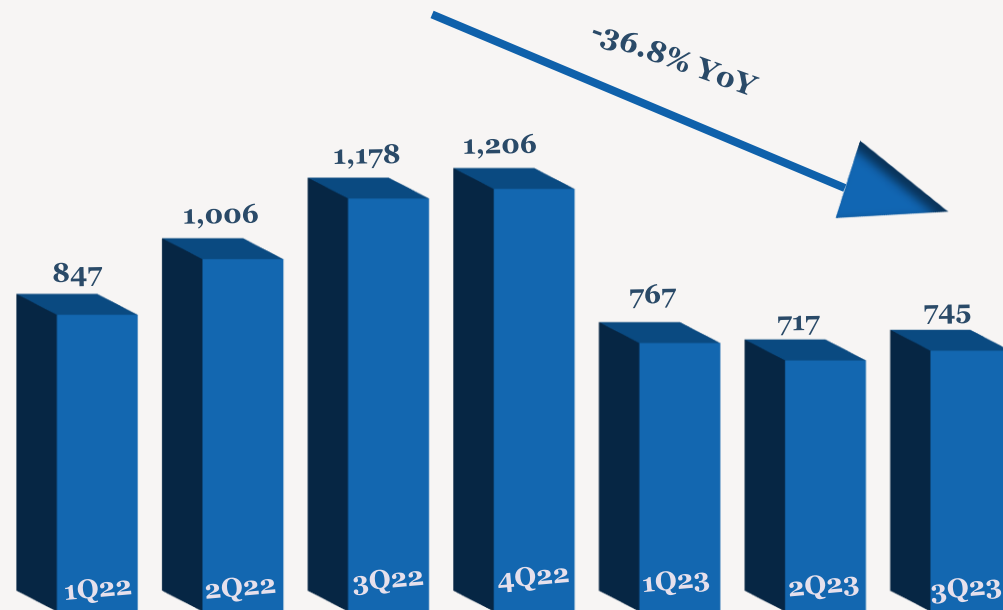
- > **Net profit in 3Q2023 declined by 4.3% YoY to QR103mn (+4.7% QoQ)** primarily due to higher general & administrative expenses (related to two new divisions that are still in the ramp up phase) and finance costs. For 9M2023, it increased by 0.8% YoY to QR303mn.
- > **Revenue fell by -36.8% YoY to QR745mn (+3.8% QoQ) in 3Q2023** while for 9M2023, it decreased by 26.5% YoY to QR2,229mn.
- > **Gross profit increased by 9.6% YoY to QR172mn (-24.0% QoQ)** and margin improved to 23.1% (+9.8ppts YoY; -8.4ppts QoQ) in 3Q2023. For 9M2023, gross profit was up by 35.4% YoY to QR568mn.
- > **Operating profit increased by 9.5% to QR131mn (-6.8% QoQ)** while the corresponding margin improved by 7.4ppts YoY to 17.6% (-2.0ppts QoQ). For 9M2023, operating profit increased by 19.8% YoY to QR401mn.
- > **For 3Q2023, EPS came at QR0.030 vs QR0.035 in 3Q2022** while for 9M2023, EPS was 0.089 vs 0.097 in 9M2022.
- > **As of 30th Oct 2023, the stock has increased 12.4% YTD, outperforming the QSE index, which was down by 10.9% YTD.**
- > **The stock is currently trading at a TTM P/E multiple of 19.9x**, higher than its 3Y historical average of 18.9x. We raise our PT per share to Q2.395 from QR2.236 and upgrade our rating to Accumulate from Market perform.

3Q/9M 2023 Earnings Performance

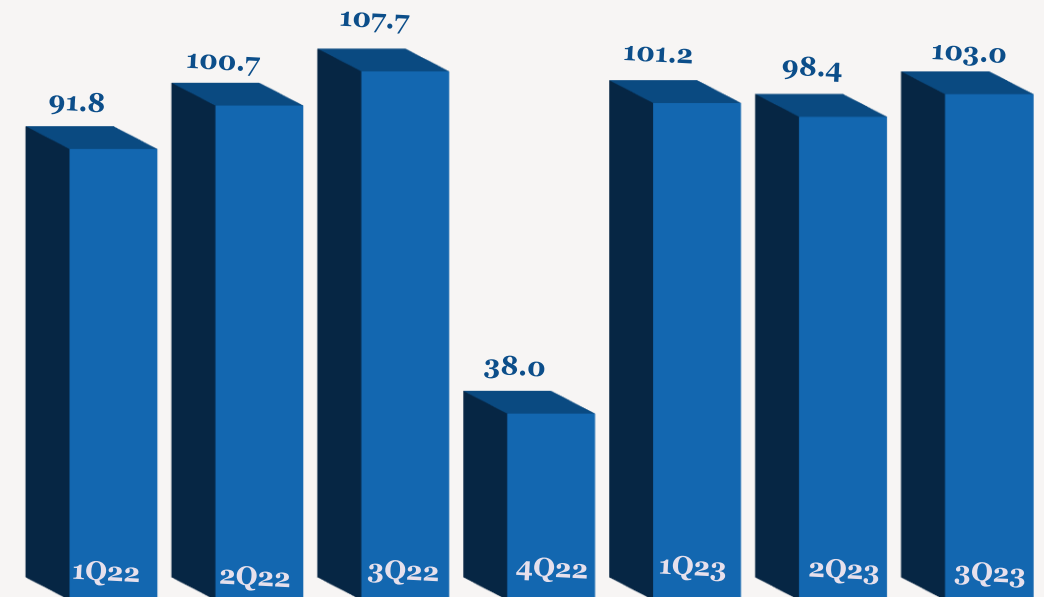
	3Q2023	3Q2022	YoY	2Q2023	QoQ	9M2023	9M2022	YoY
Revenue	745	1,178	-36.8%	717	3.8%	2,229	3,031	-26.5%
Gross Profit	172	157	9.6%	226	-24.0%	568	420	35.4%
Gross Margin %	23.1%	13.3%		31.5%		25.5%	13.8%	
Operating Profit	131	120	9.5%	141	-6.8%	401	335	19.8%
Operating Margin %	17.6%	10.1%		19.6%		18.0%	11.0%	
Net Profit to Equity	103	108	-4.3%	98	4.7%	303	300	0.8%
Net Margin %	13.8%	9.1%		13.7%		13.6%	9.9%	
EPS (QR)	0.030	0.035	-13.0%	0.029	4.7%	0.089	0.097	-8.3%

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

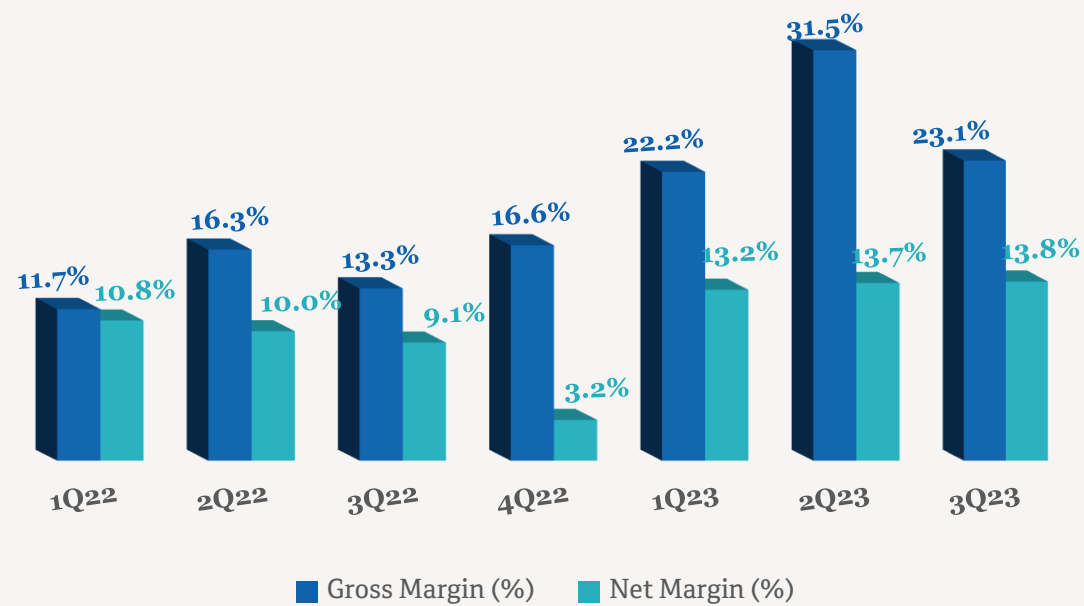
Quarterly Revenue Trend (QRmn)



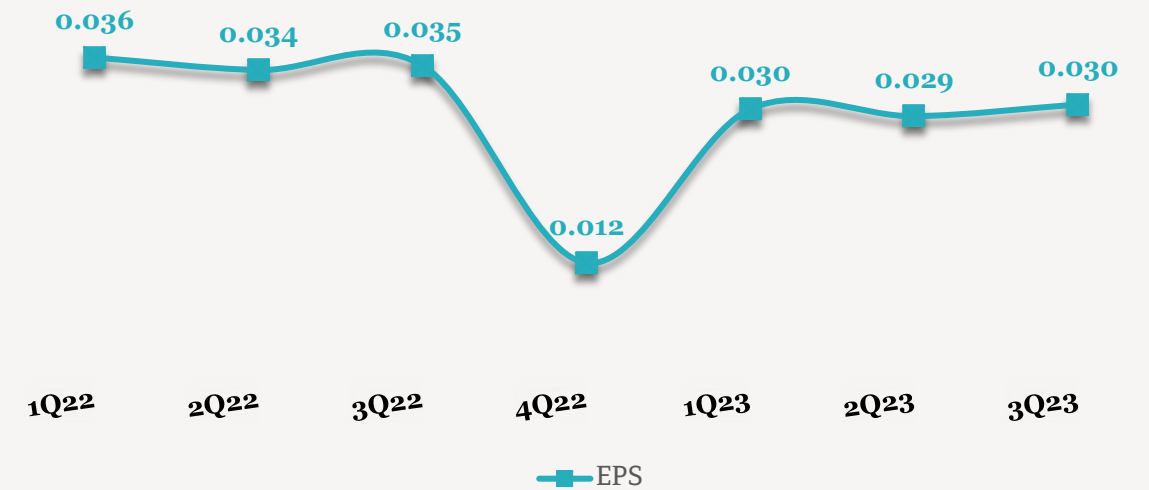
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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