



Earnings Flash Note Medicare Group 1Q 2024



Medicare Group (MCGS)

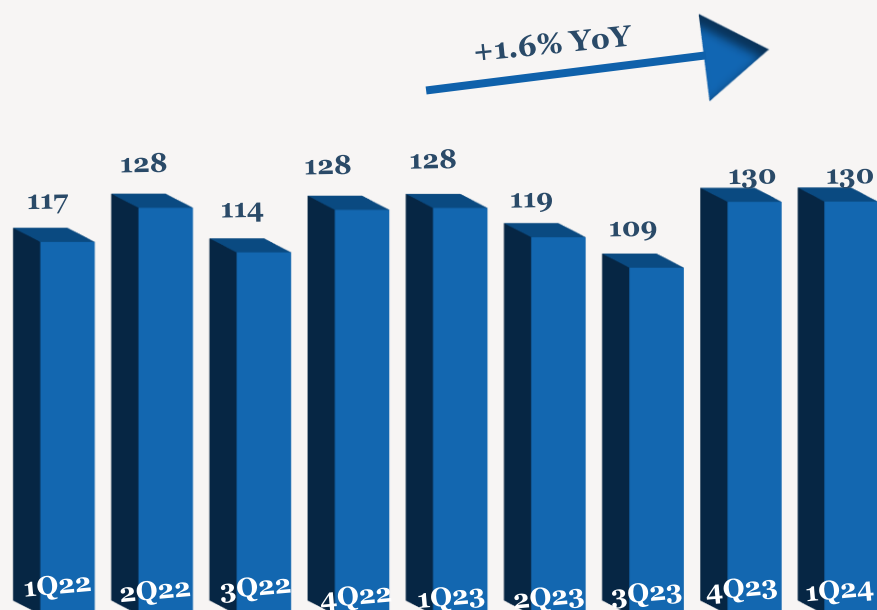
- > Net profit increased by 5.1% YoY to QR20mn (+29.1% QoQ) in 1Q2024 primarily due to slightly higher revenue and improved operating efficiency.
- > Operating income rose by 1.6% YoY to QR130mn (+0.1% QoQ) in 1Q2024.
- > Gross profit grew by 3.3% YoY to QR47mn (+8.9% QoQ) and the corresponding margin rose to 35.9% (+0.6ppts YoY; +2.9ppts QoQ) in 1Q2024.
- > Operating profit was up 5.0% YoY (+29.6% QoQ) to QR16mn in 1Q2024 while the corresponding margin rose to 12.6% (+0.4ppts YoY, +2.9ppts QoQ).
- > For 1Q2024, EPS came at QR0.070 vs. QR0.067 in 1Q2023.
- > As of 24th April 2024, the stock has decreased 26.4% YTD, underperforming the QSE index, which was down by 10.8% YTD.
- > The stock is currently trading at a TTM P/E multiple of 17.1x, lower than its 3Y historical average of 21.9x. For now, we maintain our PT of QR5.52/share and our market perform rating.

1Q 2024 Earnings Performance

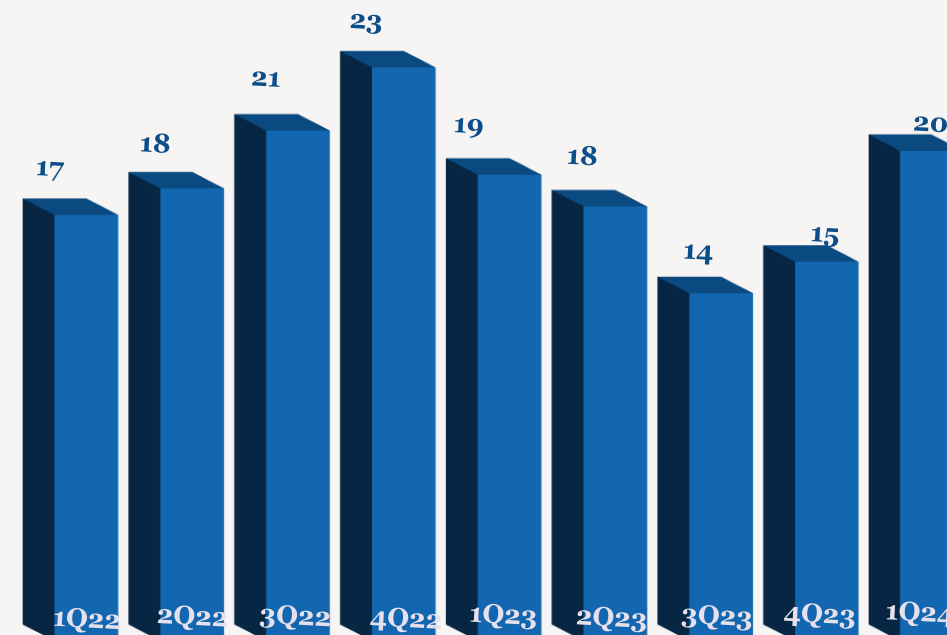
	1Q2024	1Q2023	YoY	4Q2023	QoQ
Operating Income	130	128	1.6%	130	0.1%
Gross Profit	47	45	3.3%	43	8.9%
Gross Margin %	35.9%	35.3%		33.0%	
Operating Profit	16	16	5.0%	13	29.6%
Operating Margin %	12.6%	12.2%		9.7%	
Net Profit to Equity	20	19	5.1%	15	29.1%
Net Margin %	15.2%	14.7%		11.8%	
EPS (QR)	0.070	0.067	5.1%	0.054	29.1%

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

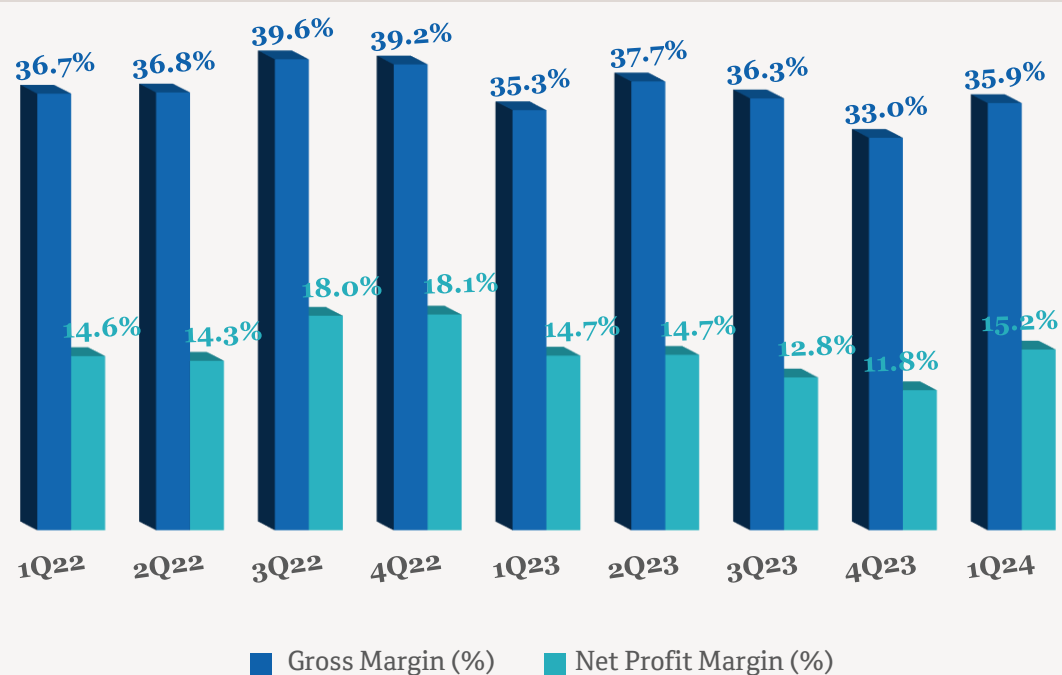
Quarterly Sales Trend (QRmn)



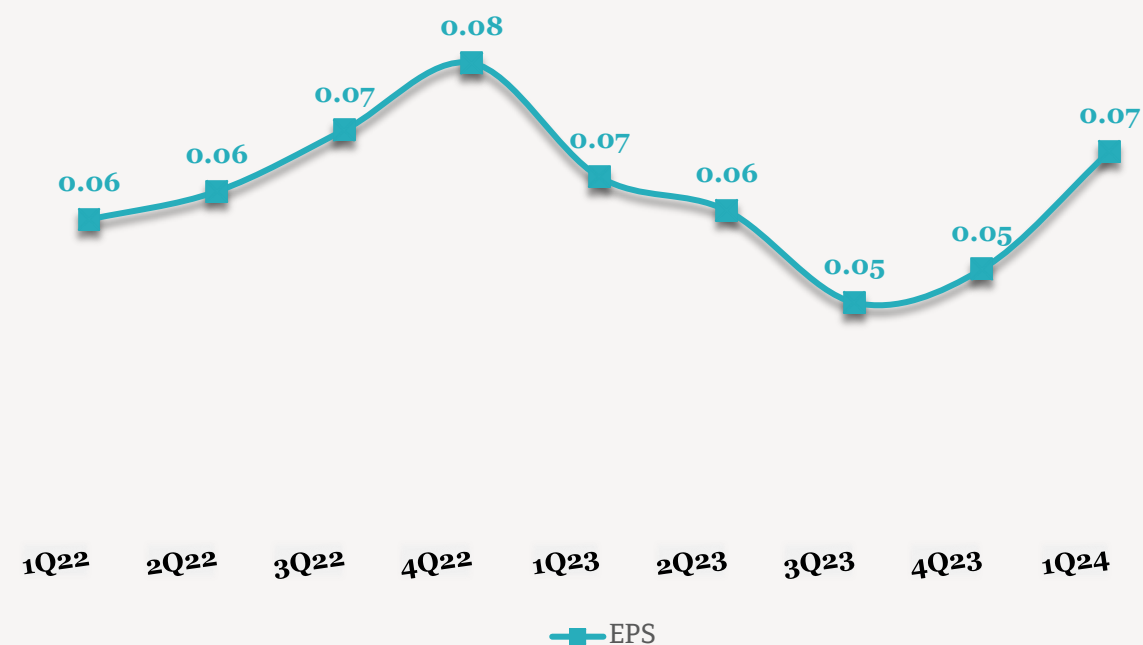
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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