



Earnings Flash Note

Mekdam Holding

4Q 2023 / FY 2023



Mekdam Holding (MKDM)

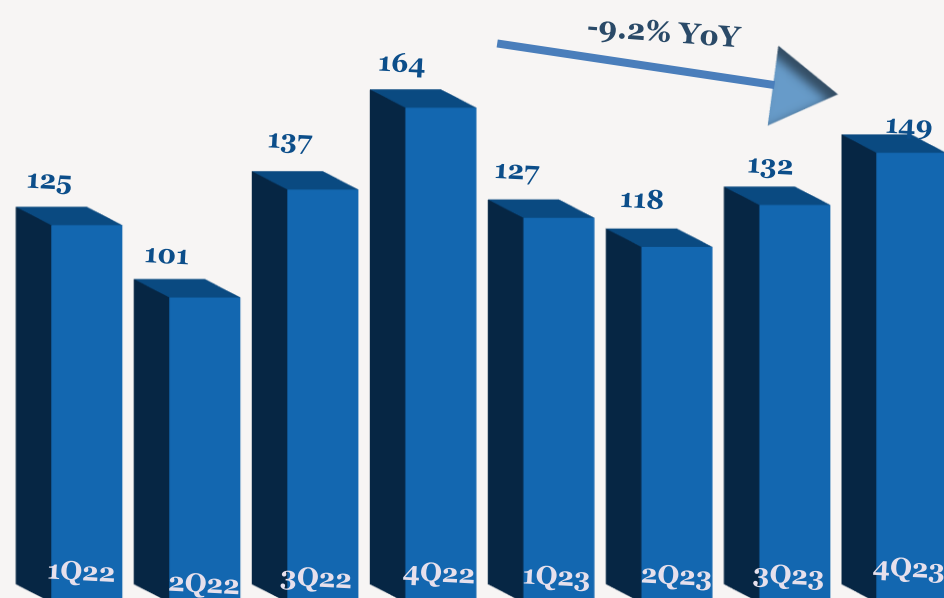
- > Net profit increased 2.1% YoY (+83.9% QoQ) to QR13mn in 4Q2023, driven by lower finance cost of QR0.4mn in 4Q2023 vs QR2.2mn in 4Q2022. For FY2023, net profit was up by 5.9% YoY to QR36mn.
- > Revenue fell 9.2% YoY to QR149mn (+13.0% QoQ) in 4Q2023, while it declined 0.2% YoY to QR526mn in FY2023.
- > Gross profit decreased by 3.5% YoY to QR25mn (+18.2% QoQ) while the corresponding margin improved 1.0ppts YoY (+0.8ppts QoQ) to 17.0% in 4Q2023. For FY2023, the gross profit was up 14.0% YoY to QR90mn.
- > Operating profit of QR15mn was down by 9.3% YoY (+46.7% QoQ) and the margin came at 9.8% (flat YoY, +2.3ppts QoQ) in 4Q2023. For FY2023, operating profit was up by 15.7% YoY to QR47mn.
- > For 4Q2023, EPS came at QR0.158 vs. QR0.174 in 4Q2022 while for FY2023, EPS was QR0.430 vs QR0.457 in FY2022.
- > As of 28th Jan 2024, the stock has decreased 3.6% YTD, outperforming the QSE index, which was down by 4.5% YTD.
- > The stock is currently trading at a TTM P/E multiple of 12.1x, lower than its 2Y historical average of 15x.
- > The Board of Directors recommended the distribution of dividends to the shareholders in the form of bonus shares. Bonus shares to be distributed to the shareholders in the ratio of 6 shares for every 21 shares held (equivalent to approximately 0.2857 share per share).

4Q/FY 2023 Earnings Performance

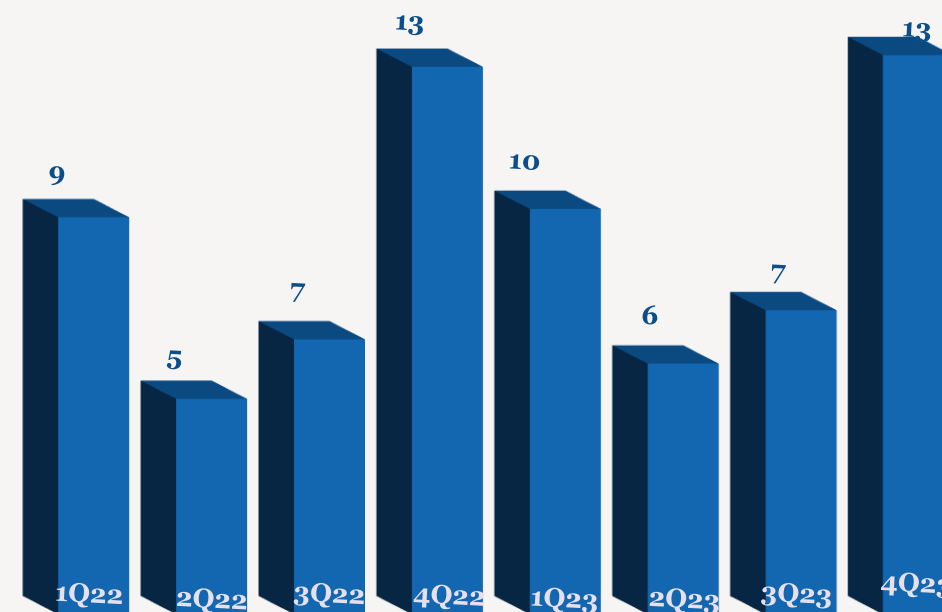
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Operating Revenue	149	164	-9.2%	132	13.0%	526	527	-0.2%
Gross Profit	25	26	-3.5%	21	18.2%	90	79	14.0%
Gross Margin %	17.0%	16.0%		16.2%		17.0%	14.9%	
Operating Profit	15	16	-9.3%	10	46.7%	47	41	15.7%
Operating Margin %	9.8%	9.8%		7.5%		8.9%	7.7%	
Net Profit to Equity	13.4	13.1	2.1%	7.3	83.9%	36	34	5.9%
Net Margin %	9.0%	8.0%		5.5%		6.90%	6.50%	
EPS (QR)	0.158	0.174	-9.1%	0.086	83.9%	0.430	0.457	-5.9%

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

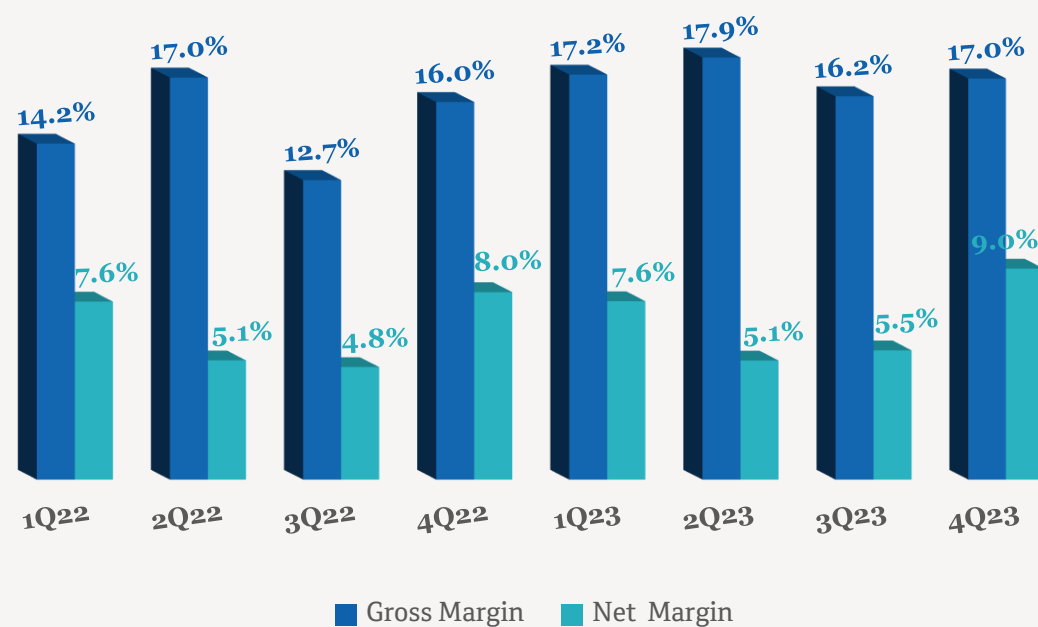
Quarterly Sales Trend (QRmn)



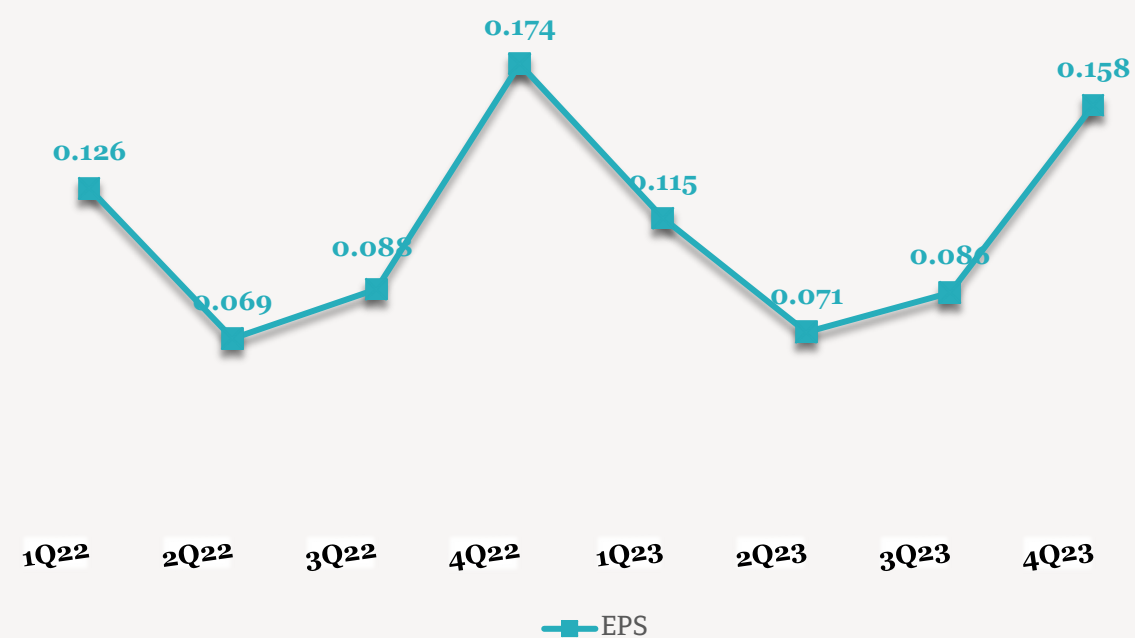
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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