



Earnings Flash Note
Baladna
4Q 2023 / FY 2023



Baladna (BLDN)

- > **Net profit in 4Q2023 increased by 80.3% YoY to QR45mn (+102.5% QoQ)** primarily due to fair value gain on financial investments of QR28mn compared to loss of QR11mn in 4Q2022. For FY2023, net income was up by 36.0% YoY to QR110mn.
- > **Revenue increased by 2.6% YoY to QR284mn (+11.0% QoQ) in 4Q2023 while** for FY2023, it increased by 7.2% YoY to QR1,057mn.
- > **Gross profit decreased by 32.9% YoY to QR49mn (-5.9% QoQ) and margin** came at 17.1% (-9.0ppts YoY; -3.1ppts QoQ) in 4Q2023. For FY2023, gross profit was up by 0.2% YoY to QR210mn.
- > **Operating profit decreased by 47.1% to QR31mn (-14.3% QoQ) while the** corresponding margin deteriorated by 10.2ppts YoY to 10.9% (-3.2ppts QoQ). For FY2023, operating profit decreased by 3.1% YoY to QR149mn.
- > **For 4Q2023, EPS came at QR0.024 vs. QR0.013 in 4Q2022 while for FY2023,** EPS was 0.058 vs 0.042 in FY2022.
- > **As of 25th Feb 2024, the stock has decreased 5.4% YTD, underperforming** the QSE index, which was down by 3.7% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 19.8x, lower than its** 2Y historical average of 30.8x. For now, we maintain our PT of QR1.76/share and outperform rating.
- > **The Board announced a DPS of QR0.0695 for FY2023 which translates into** a yield of 6.0%.

4Q/FY 2023 Earnings Performance

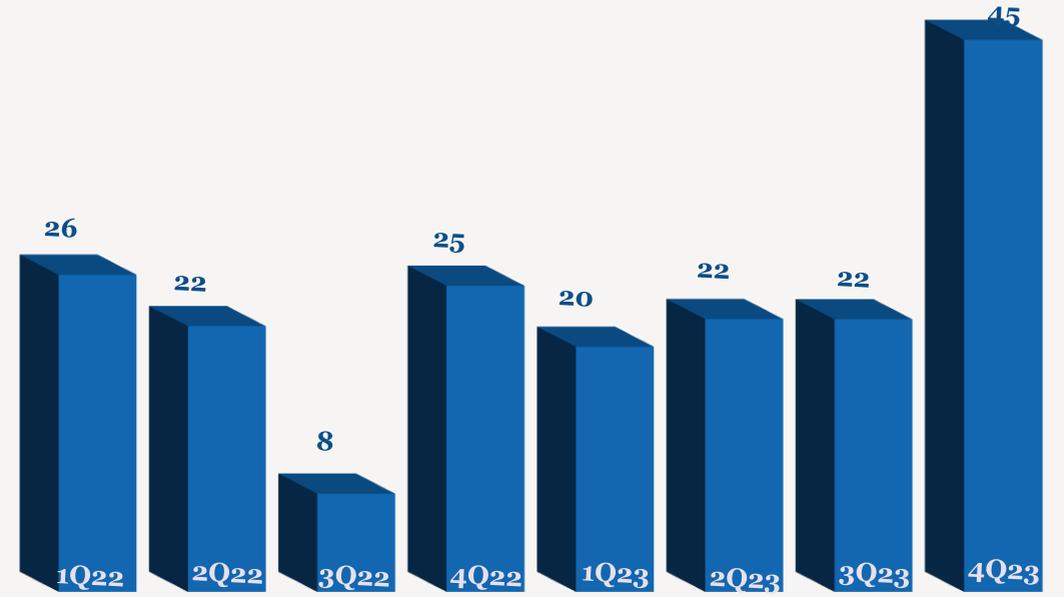
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Revenue	284	277	2.6%	256	11.0%	1,057	986	7.2%
Gross Profit	49	72	-32.9%	52	-5.9%	210	210	0.2%
Gross Margin %	17.1%	26.1%		20.1%		19.9%	21.3%	
Operating Profit	31	58	-47.1%	36	-14.3%	149	154	-3.1%
Operating Margin %	10.9%	21.1%		14.1%		14.1%	15.6%	
Net Profit to Equity	45	25	80.3%	22	102.5%	110	81	36.0%
Net Margin %	15.9%	9.0%		8.7%		10.4%	8.2%	
EPS (QR)	0.024	0.013	80.3%	0.012	102.5%	0.058	0.042	36.0%

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

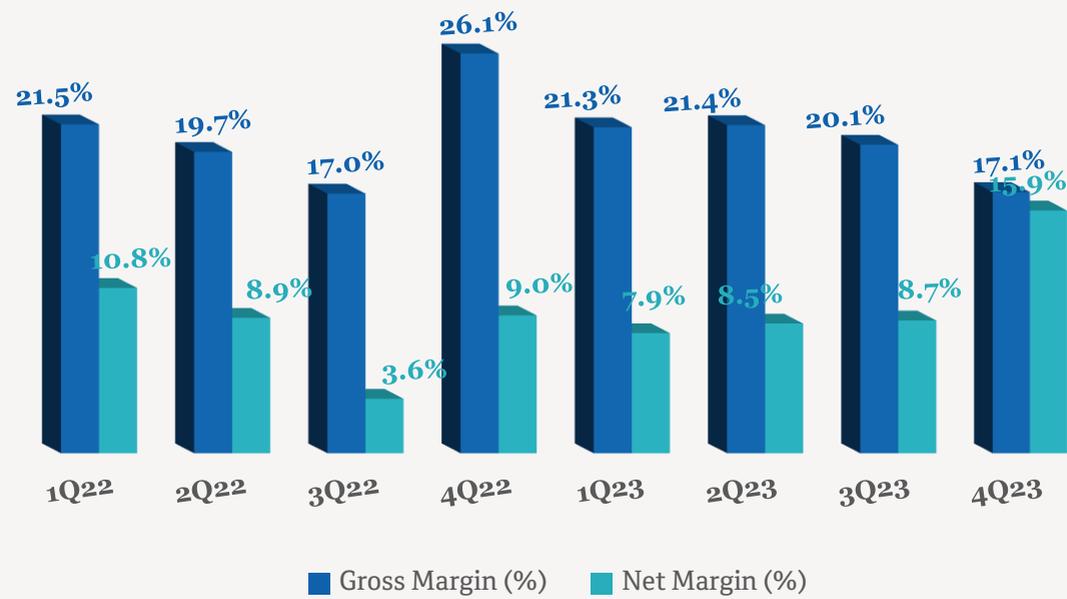
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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