



Earnings Flash Note
Medicare Group
4Q 2023 / FY 2023



Medicare Group (MCGS)

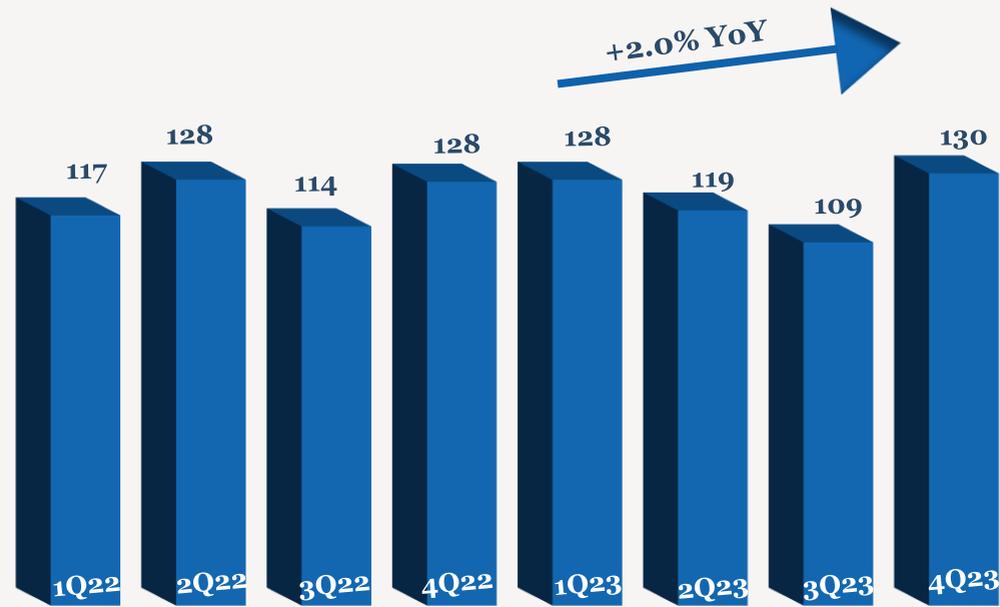
- > Net profit decreased by 33.8% YoY to QR15mn (+9.0% QoQ) in 4Q2023 primarily due to higher operating costs and general and administrative expenses. For FY2023, net profit declined by 17.0% YoY to QR66mn.
- > Operating income fell by 2.0% YoY to QR130mn (+18.9% QoQ) in 4Q2023 while for FY2023, it was down 0.2% YoY to QR486mn.
- > Gross profit decreased by 14.1% YoY to QR43mn (+8.1% QoQ) and margin fell to 33.0% (-6.2ppts YoY; -3.3ppts QoQ) in 4Q2023. For FY2023, gross profit fell 6.8% to QR173mn.
- > Operating profit was down 42.9% YoY (-5.4% QoQ) to QR13mn in 4Q2023 while the corresponding margin declined to 17.4% (-7.7ppts YoY, -2.5ppts QoQ). For FY2023, operating profit decreased 20.9% YoY to QR58mn.
- > For 4Q2023, EPS came at QR0.05 vs. QR0.08 in 4Q2022 while for FY2023, EPS was 0.23 vs 0.28 in FY2022.
- > As of 20th Feb 2024, the stock has decreased 16.6% YTD, underperforming the QSE index, which was down by 5.1% YTD.
- > The stock is currently trading at a TTM P/E multiple of 19.6x, lower than its 3Y historical average of 24.9x. We have a PT of QR5.52/share and a market perform rating for the name.
- > The Board announced a DPS of QR0.22 for 2023 which translates into a yield of 4.7%.

4Q/FY 2023 Earnings Performance

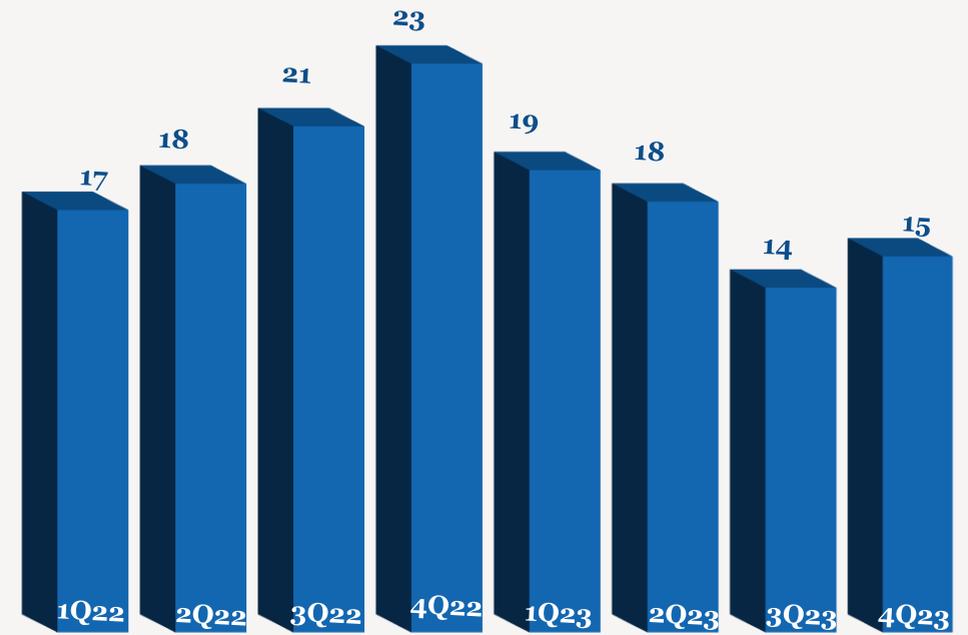
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Operating Income	130	128	2.0%	109	18.9%	486	487	-0.2%
Gross Profit	43	50	-14.1%	40	8.1%	173	185	-6.8%
Gross Margin %	33.0%	39.2%		36.3%		35.5%	38.1%	
Operating Profit	13	22	-42.9%	13	-5.4%	58	74	-20.9%
Operating Margin %	9.7%	17.4%		12.2%		12.0%	15.1%	
Net Profit to Equity	15	23	-33.8%	14	9.0%	66	79	-17.0%
Net Margin %	11.8%	18.1%		12.8%		13.5%	16.3%	
EPS (QR)	0.05	0.08	-33.8%	0.05	9.0%	0.23	0.28	-17.0%

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

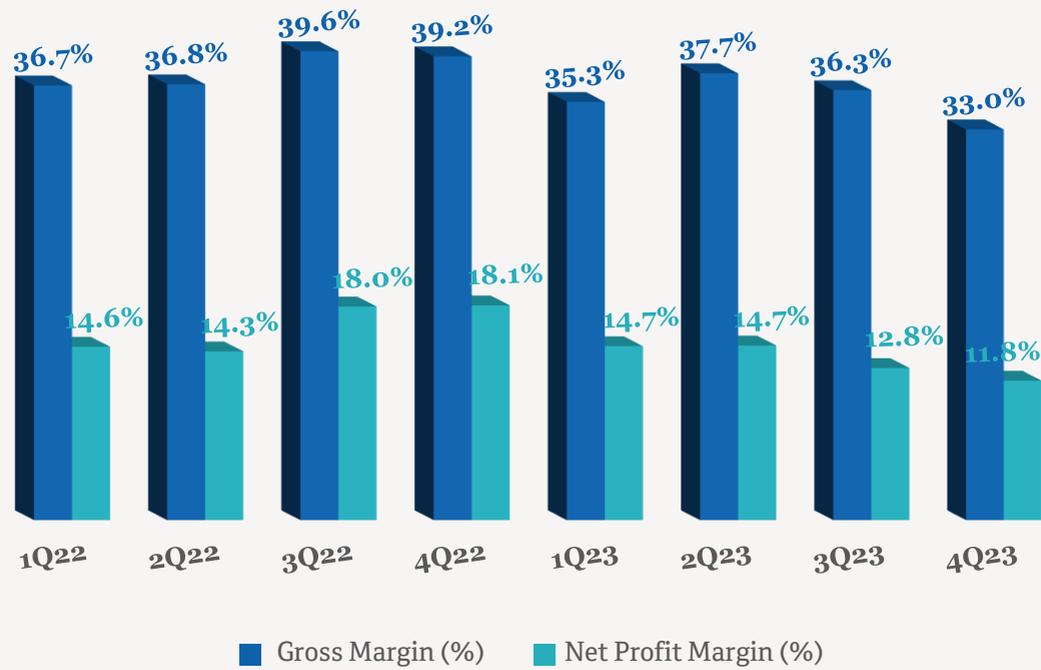
Quarterly Sales Trend (QRmn)



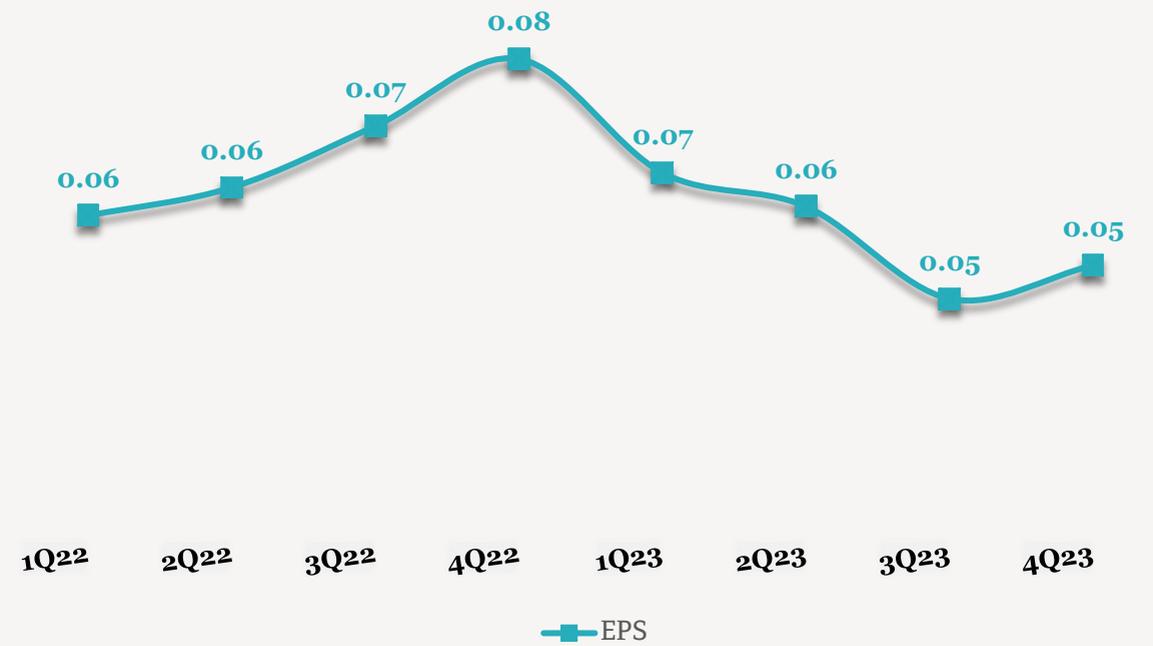
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



Contacts

QNB Financial Services Co. W.L.L.

Contact Center: (+974)4476 6666

info@qnbfs.com.qa

Doha, Qatar

Saugata Sarkar, CFA, CAIA

Head of Research

saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA

Senior Research Analyst

phibion.makuwerere@qnbfs.com.qa

Roy Thomas

Senior Research Analyst

roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi

Research Analyst

dana.alsowaidi@qnbfs.com.qa

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