QNB
FINANCIAL SERVICES

Earnings Flash Note
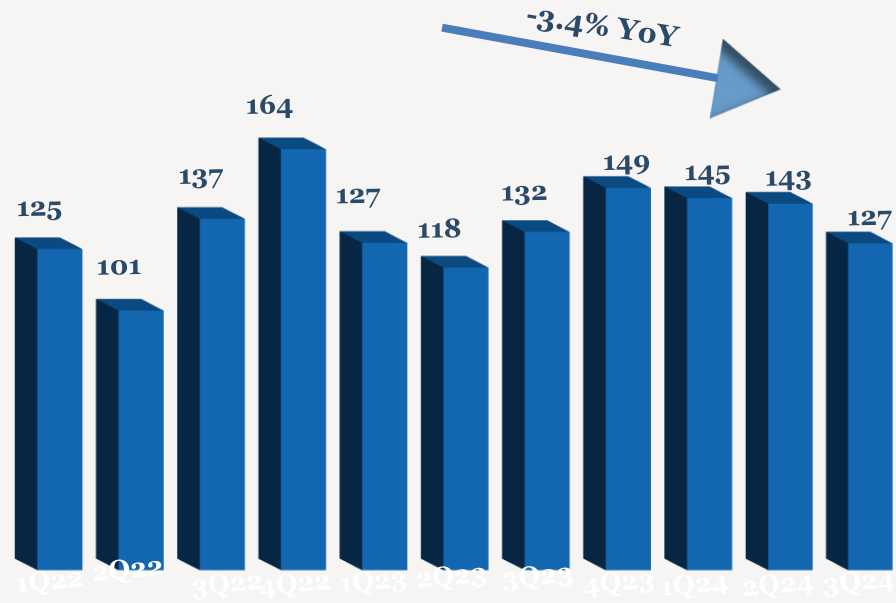Mekdam Holding Group
3Q 2024/9M 2024

Mekdam Holding Group (MKDM)

> Net profit increased 13.7% YoY (+19.0% QoQ) to QR8mn in 3Q2024, driven by lower finance cost and cost of operations. For 9M2024, net profit rose 12.1% to QR26mn.

> Revenue fell 3.4% YoY to QR127mn (-10.8% QoQ) in 3Q2024. For 9M2024 revenue grew by 10.0% to QR415mn.

> Gross profit jumped 0.8% YoY to QR22mn (-11.2% QoQ) while the corresponding margin rose to 17.0% (+0.7ppts QoQ, -0.1% YoY) in 3Q2024. For 9M2024, gross profit was up 6.9% to QR69mn.

> Operating profit of QR9mn was down by 1.5% YoY (+14.5% QoQ) and the margin came at 7.3% (+0.1% YoY, +1.6ppts QoQ) in 3Q2024. For 9M2024, fell 10.4% to QR29mn.

> For 3Q2024, EPS came at QR0.061 vs. QR0.073 in 3Q2023. For 9M2024, EPS came to QR0.190 vs. QR0.231 in 9M2023.

> As of 24th Oct 2024, the stock has decreased 10.4% YTD, underperforming the QSE Index, which was down by 4.0% YTD.

> The stock is currently trading at a TTM P/E multiple of 12.7x, lower than its 2Y historical average of 13.6x.
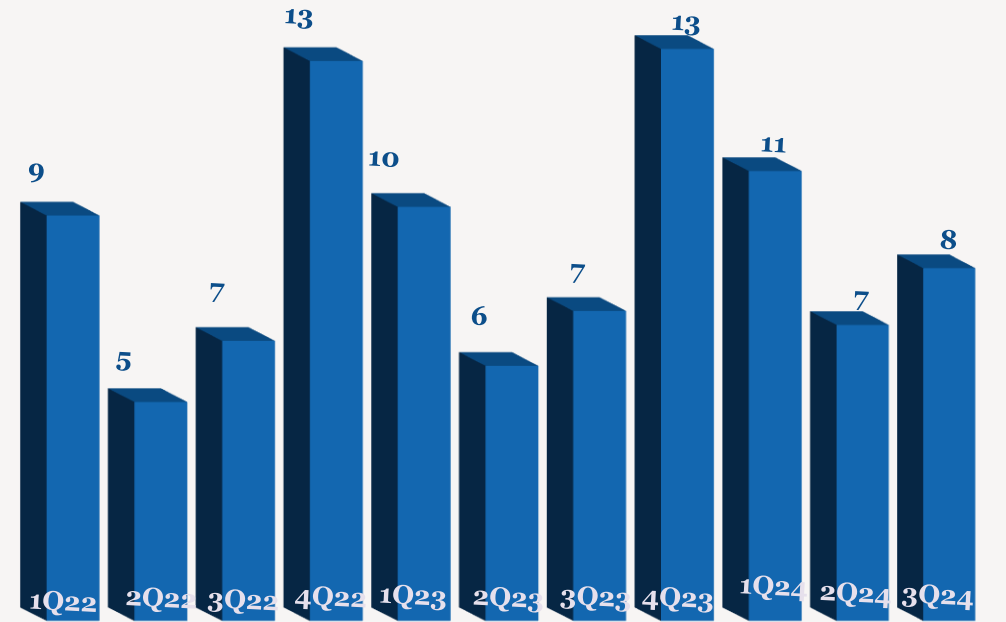
3Q/9M 2024 Earnings Performance

	3Q2024	3Q2023	YoY	2Q2024	QoQ	9M2024	9M2023	YoY
Revenue	127	132	-3.4%	143	-10.8%	415	377	10.0%
Gross Profit	22	21	0.8%	24	-11.2%	69	64	6.9%
Gross Margin %	17.0%	16.2%		17.0%		16.6%	17.1%	
Operating Profit	9	10	-1.5%	8	14.5%	29	32	-10.4%
Operating Margin %	7.3%	7.2%		5.7%		7.0%	8.6%	
Net Profit to Equity	8	7	13.7%	7	19.0%	26	23	12.1%
Net Margin %	6.5%	5.5%		4.9%		6.19%	6.08%	
EPS (QR)	0.061	0.073	-16.4%	0.051	19.0%	0.190	0.231	-17.7%

Note: Values are expressed in QR'mn unless explicitly stated
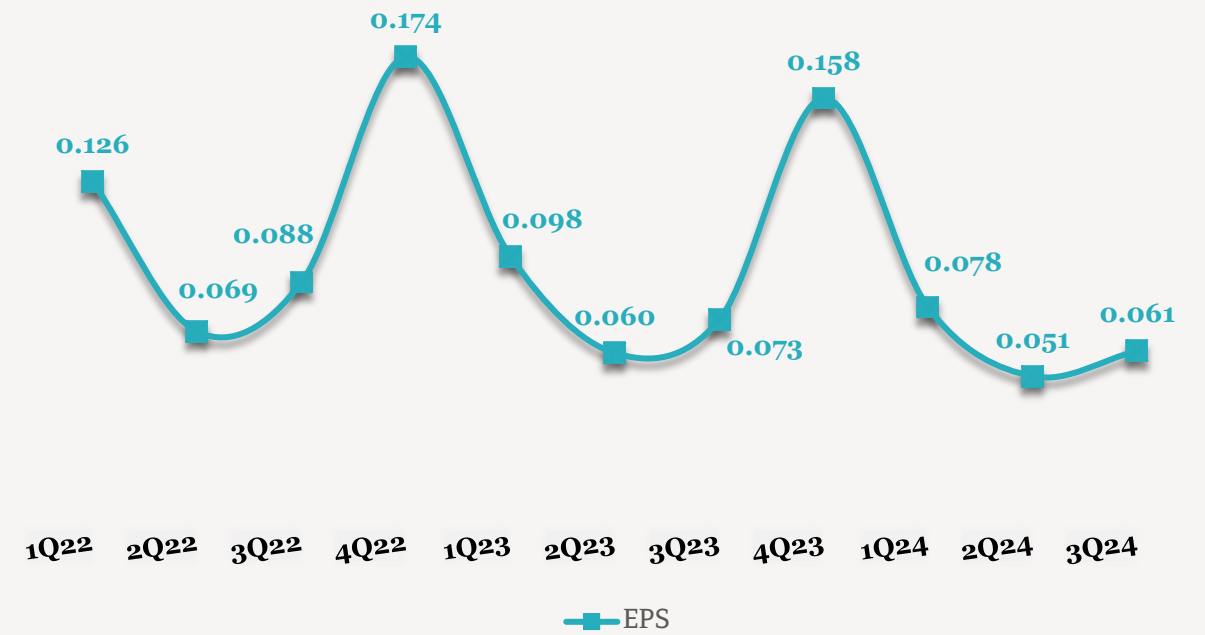
Quarterly Sales Trend (QRmn)

-3.4% YoY

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
125	101	137	164	127	118	132	149	145	143	127

Quarterly Earnings Trend (QRmn)

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
9	5	7	13	10	6	7	13	11	7	8

Quarterly Margin Trend

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Gross Margin (%)	14.2%	17.0%	12.7%	16.0%	17.2%	17.9%	16.2%	17.0%	15.8%	17.0%	17.0%
Net Margin (%)	7.6%	5.1%	4.8%	8.0%	7.6%	5.1%	5.5%	9.0%	7.3%	4.9%	6.5%

■ Gross Margin (%) ■ Net Margin (%)

EPS (QR) Trend

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
0.126	0.069	0.088	0.174	0.098	0.060	0.073	0.158	0.078	0.051	0.061

─■─ EPS
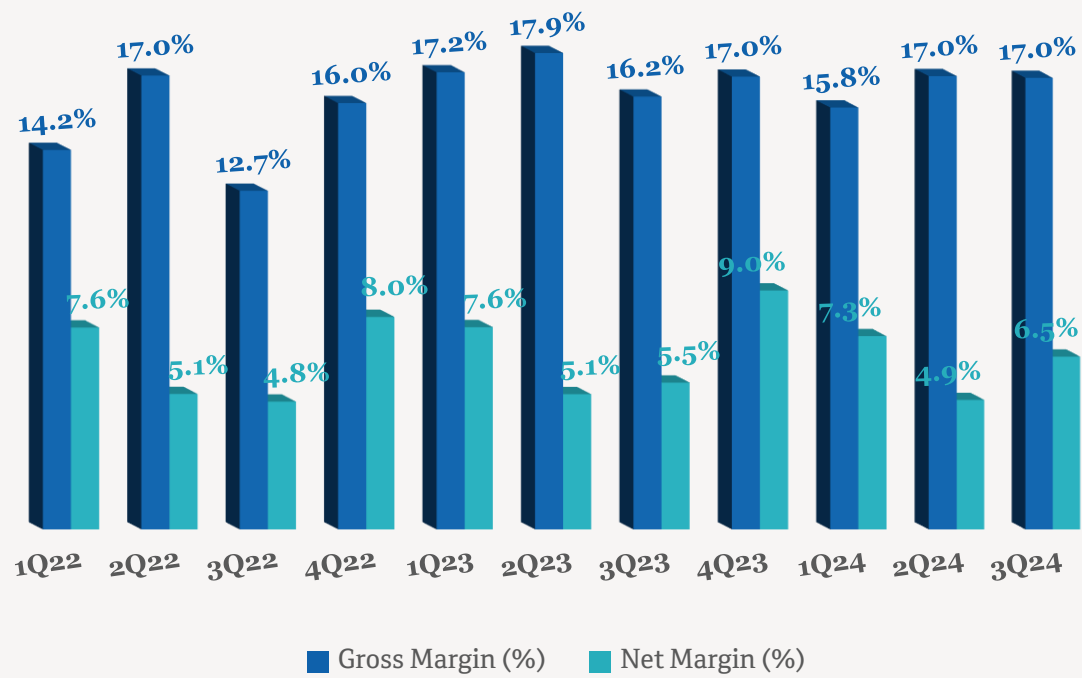
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