



Earnings Flash Note
Mekdam Holding
4Q 2023 / FY 2023



Mekdam Holding (MKDM)

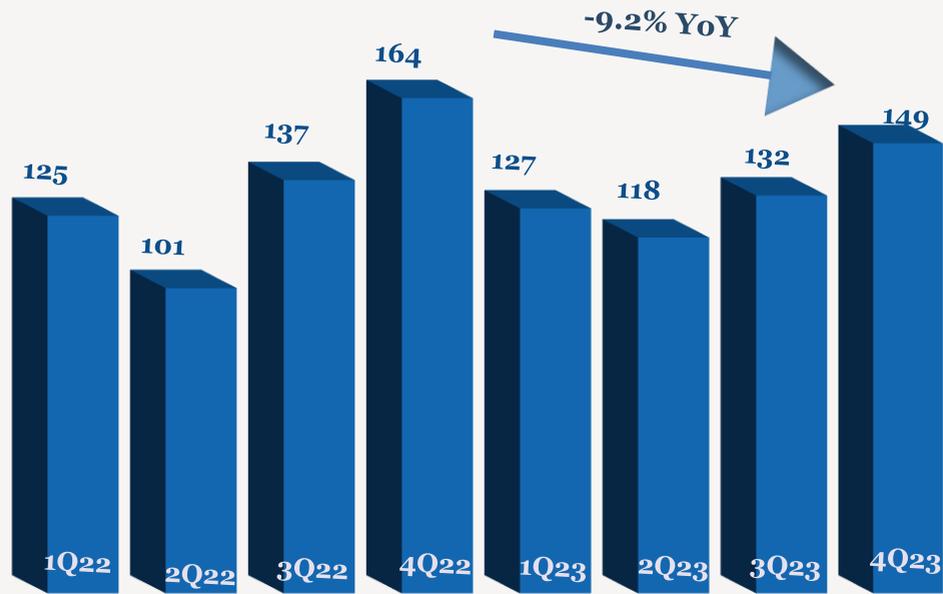
- > Net profit increased 2.1% YoY (+83.9% QoQ) to QR13mn in 4Q2023, driven by lower finance cost of QR0.4mn in 4Q2023 vs QR2.2mn in 4Q2022. For FY2023, net profit was up by 5.9% YoY to QR36mn.
- > Revenue fell 9.2% YoY to QR149mn (+13.0% QoQ) in 4Q2023, while it declined 0.2% YoY to QR526mn in FY2023.
- > 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

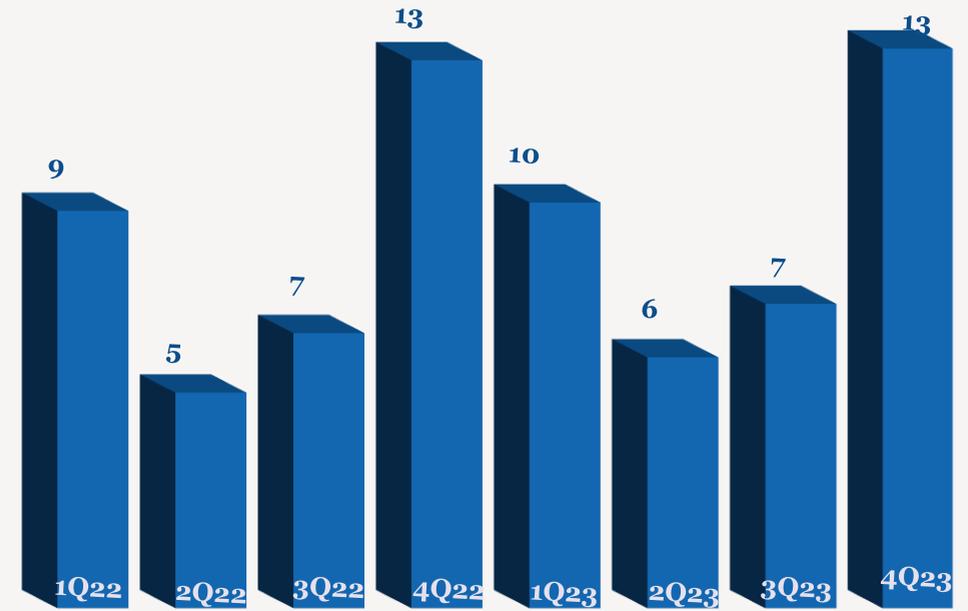
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Operating Revenue	149	164	-9.2%	132	13.0%	526	527	-0.2%
Gross Profit	25	26	-3.5%	21	18.2%	90	79	14.0%
Gross Margin %	17.0%	16.0%		16.2%		17.0%	14.9%	
Operating Profit	15	16	-9.3%	10	46.7%	47	41	15.7%
Operating Margin %	9.8%	9.8%		7.5%		8.9%	7.7%	
Net Profit 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

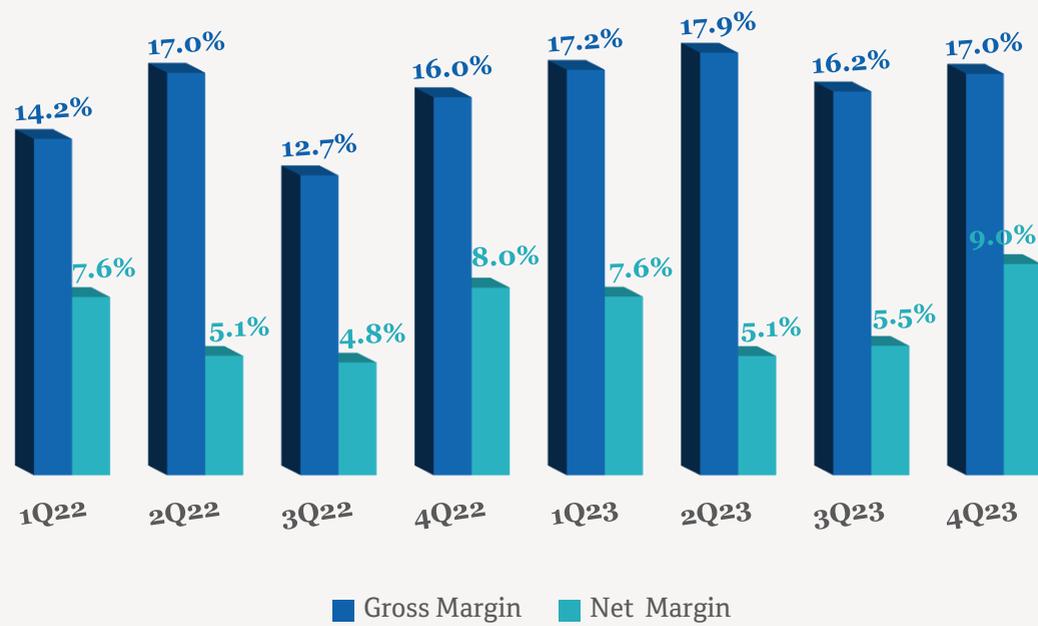
Quarterly Sales Trend (QRmn)



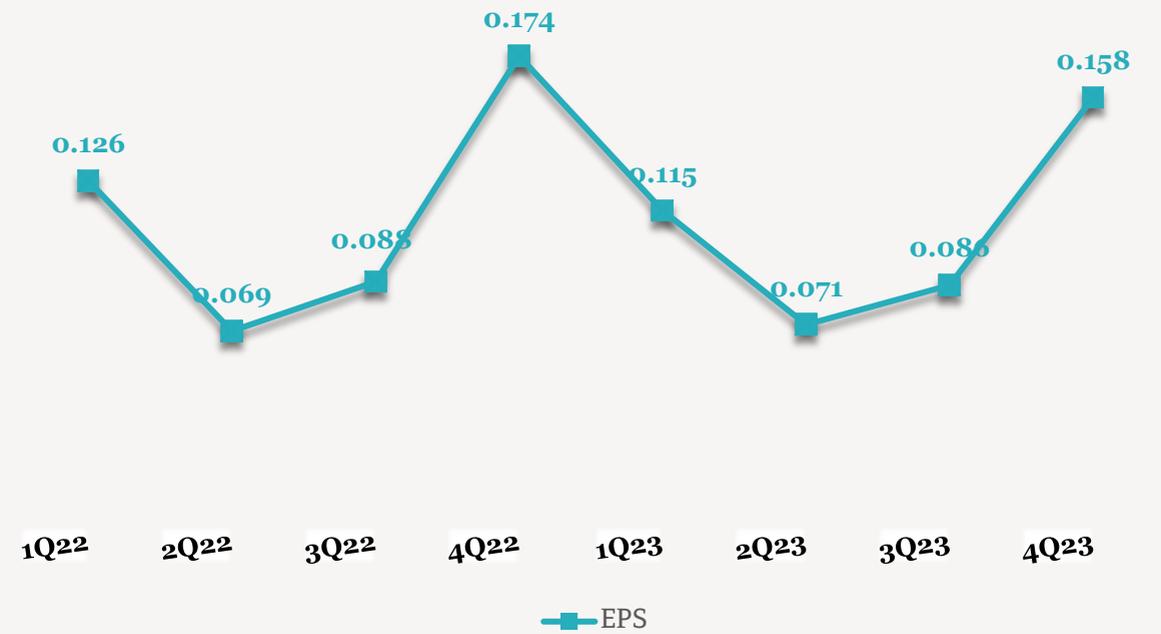
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.