



Earnings Flash Note
Salam International Investment Limited
4Q 2023 / FY 2023



Salam International Investment Limited (SIIS)

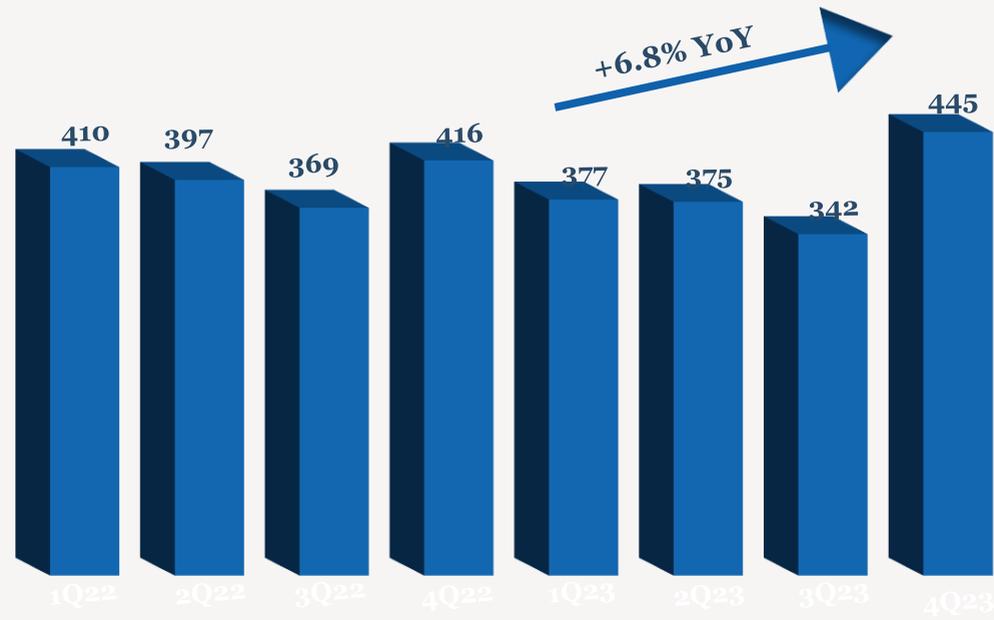
- > Net profit decreased by 6.0% YoY to QR29mn (+238.4% QoQ) in 4Q2023 primarily due to a loss on investment properties. For FY2023, net profit declined by 31.1% YoY to QR42mn.
- > Total revenue rose by 6.8% YoY to QR445mn (+29.8% QoQ) in 4Q2023 while for FY2023, it was down 3.3% YoY to QR1,539mn.
- > Gross profit increased by 6.7% YoY to QR127mn (+23.9% QoQ) and the corresponding margin improved to 28.6% (Flat YoY, -1.4ppts QoQ) in 4Q2023. For FY2023, gross profit rose 4.3% to QR460mn.
- > Operating profit fell 27.0% YoY (+18.7% QoQ) to QR57mn in 4Q2023 while the operating margin fell to 12.8% (-5.6ppts YoY, -1.2ppts QoQ). For FY2023, operating profit was QR174mn (Flat YoY).
- > For 4Q2023, EPS came at QR0.025 vs. QR0.027 in 4Q2022 while for FY2023, EPS was 0.036 vs 0.053 in FY2022.
- > As of 15th Feb 2024, the stock has decreased 0.7% YTD, outperforming the QSE index, which was down by 6.2% YTD.
- > The stock is currently trading at a TTM P/E multiple of 18.7x, higher than its 2Y historical average of 17.1x.
- > The Board announced a DPS of QR0.03 for 2023 which translates into a yield of 4.4%.

4Q/FY 2023 Earnings Performance

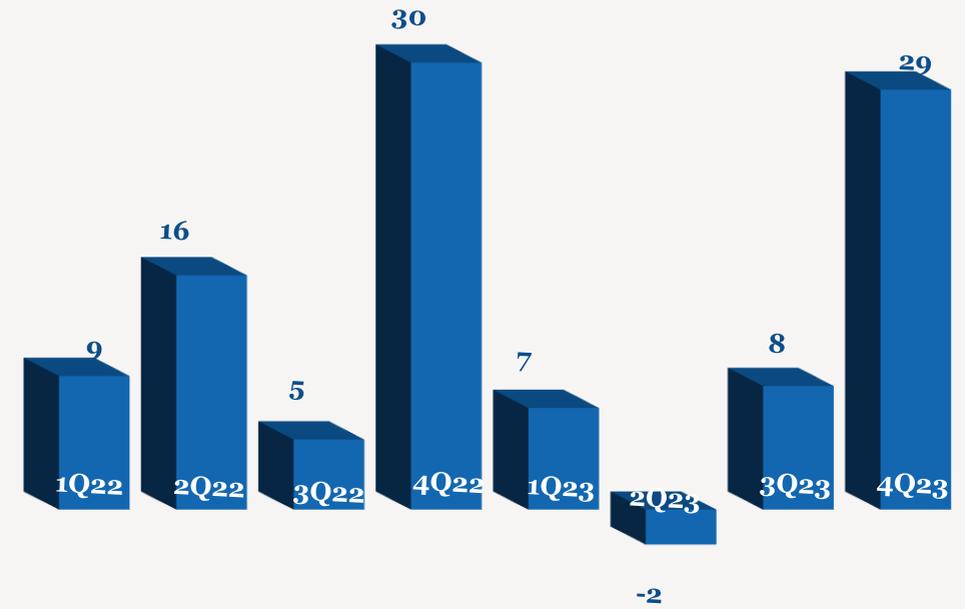
| | 4Q2023 | 4Q2022 | YoY | 3Q2023 | QoQ | FY2023 | FY2022 | YoY |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Revenue | 445 | 416 | 6.8% | 342 | 29.8% | 1,539 | 1,591 | -3.3% |
| Gross Profit | 127 | 119 | 6.7% | 103 | 23.9% | 460 | 441 | 4.3% |
| Gross Margin % | 28.6% | 28.6% | | 29.9% | | 29.9% | 27.7% | |
| Operating Profit | 57 | 78 | -27.0% | 48 | 18.7% | 174 | 174 | 0.0% |
| Operating Margin % | 12.8% | 18.7% | | 14.0% | | 11.3% | 10.9% | |
| Net Profit to Equity | 29 | 30 | -6.0% | 8 | 238.4% | 42 | 60 | -31.1% |
| Net Margin % | 6.4% | 7.3% | | 2.5% | | 2.7% | 3.8% | |
| EPS (QR) | 0.025 | 0.027 | -6.0% | 0.007 | 238.4% | 0.036 | 0.053 | -31.1% |

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

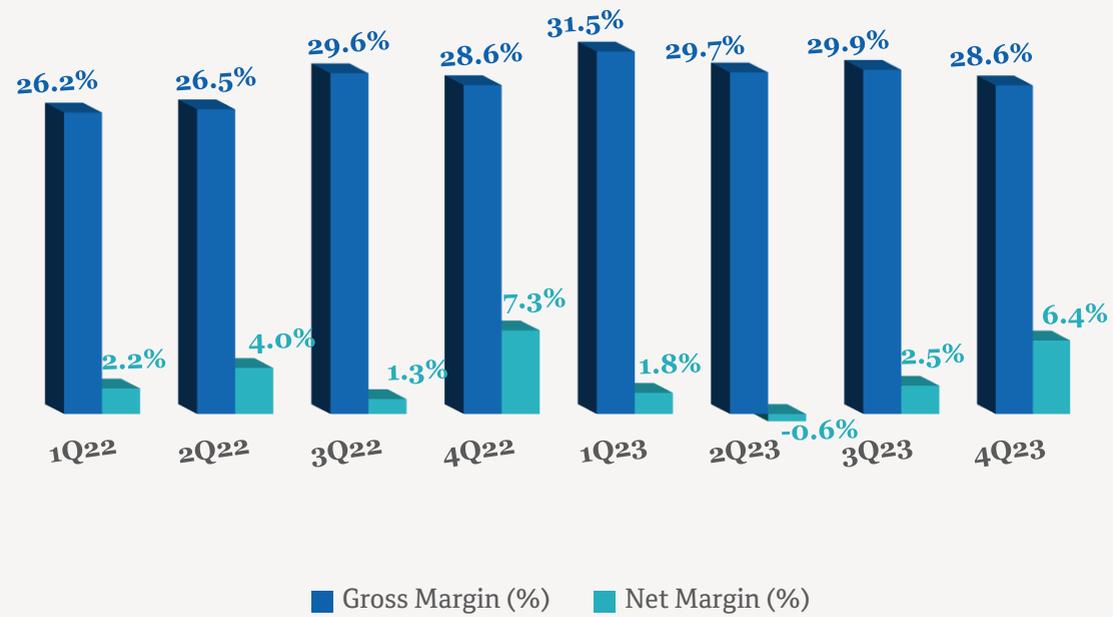
Quarterly Sales Trend (QRmn)



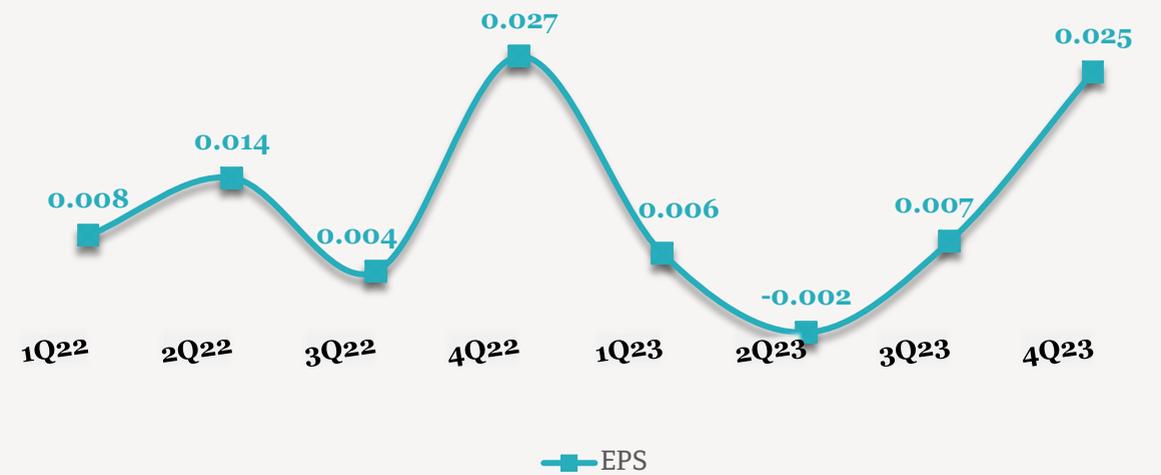
Quarterly Earnings Trend (QRmn)



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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