



Earnings Flash Note
Zad Holding Company
4Q 2023 / FY 2023



Zad Holding Company (ZHCD)

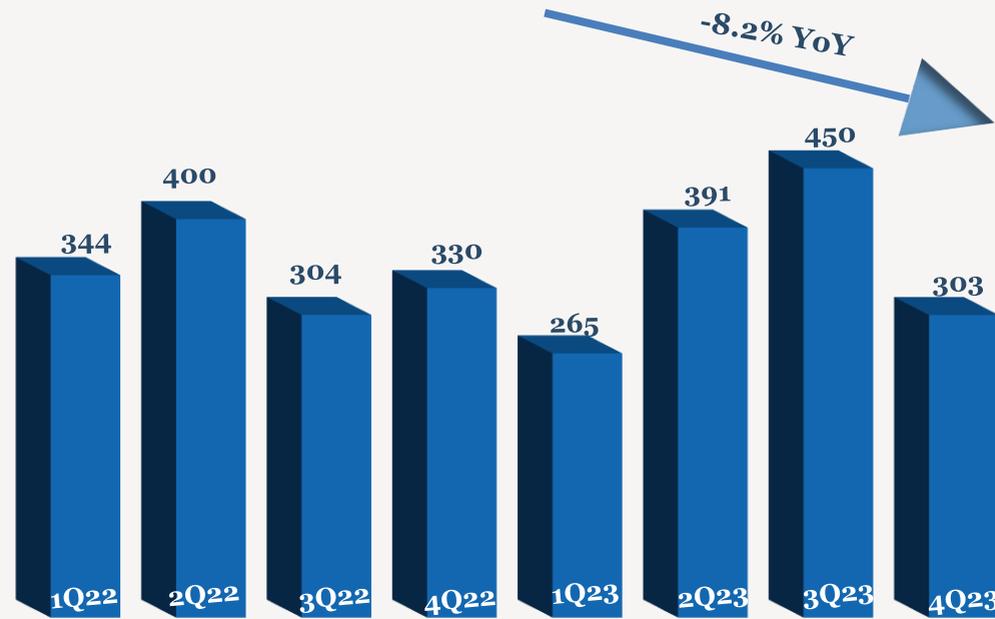
- > Net profit remained largely unchanged at QR63mn (+0.3% YoY, +49.6% QoQ) in 4Q2023, as increased finance and zakat costs offset the impact of higher operating profit. For FY2023, net profit rose by 0.6% to QR195mn.
- > Operating revenue fell by 8.2% YoY (-32.6% QoQ) to QR303mn in 4Q2023 while for FY2023, it increased by 2.4% YoY to QR1,410mn.
- > Gross profit was down by 5.8% YoY (+20.1% QoQ) to QR109mn, while the margin rose to 36.0% (+0.9ppts YoY, +15.8ppts QoQ) in 4Q2023. For FY2023, gross profit increased by 9.8% YoY to QR357mn.
- > Operating profit of QR90mn came higher by 8.7% YoY (+66.2% QoQ) while corresponding margin came at 29.8% (+4.6ppts YoY; +17.7ppts QoQ) in 4Q2023. For FY2023, operating profit grew by 12.7% to QR257mn.
- > For 4Q2023, EPS came at QR0.22 vs. QR0.22 in 4Q2022. while for FY2023, EPS was QR0.68 vs QR0.68 in FY2022.
- > As of 18th March 2024, the stock has increased 9.3% YTD, outperforming the QSE index, which was down by 4.9% YTD.
- > The stock is currently trading at a TTM P/E multiple of 22.8x, higher than its 3Y historical average of 22.0x.
- > The Board announced a DPS of QR0.65 for 2023 which translates into a yield of 4.4%.

4Q/FY 2023 Earnings Performance

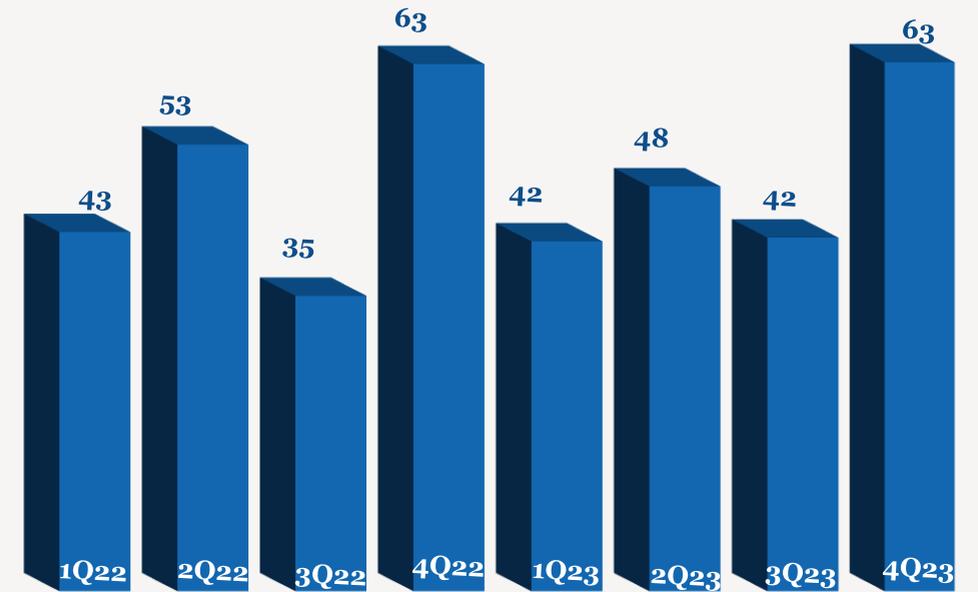
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Operating Revenue	303	330	-8.2%	450	-32.6%	1,410	1,377	2.4%
Gross Profit	109	116	-5.8%	91	20.1%	357	325	9.8%
Gross Margin %	36.0%	35.1%		20.2%		25.3%	23.6%	
Operating Profit	90	83	8.7%	54	66.2%	257	228	12.7%
Operating Margin %	29.8%	25.1%		12.1%		18.2%	16.5%	
Net Profit to Equity	63	63	0.3%	42	49.6%	195	194	0.6%
Net Margin %	20.8%	19.0%		9.4%		13.8%	14.1%	
EPS (QR)	0.22	0.22	0.3%	0.15	49.6%	0.68	0.68	0.6%

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

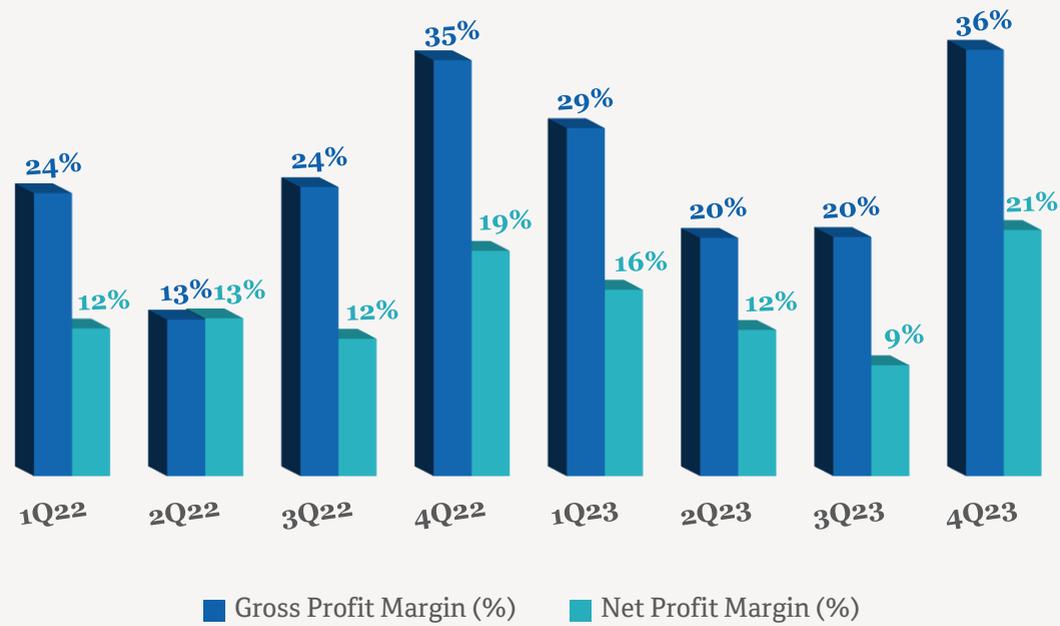
Quarterly Revenue Trend (QRmn)



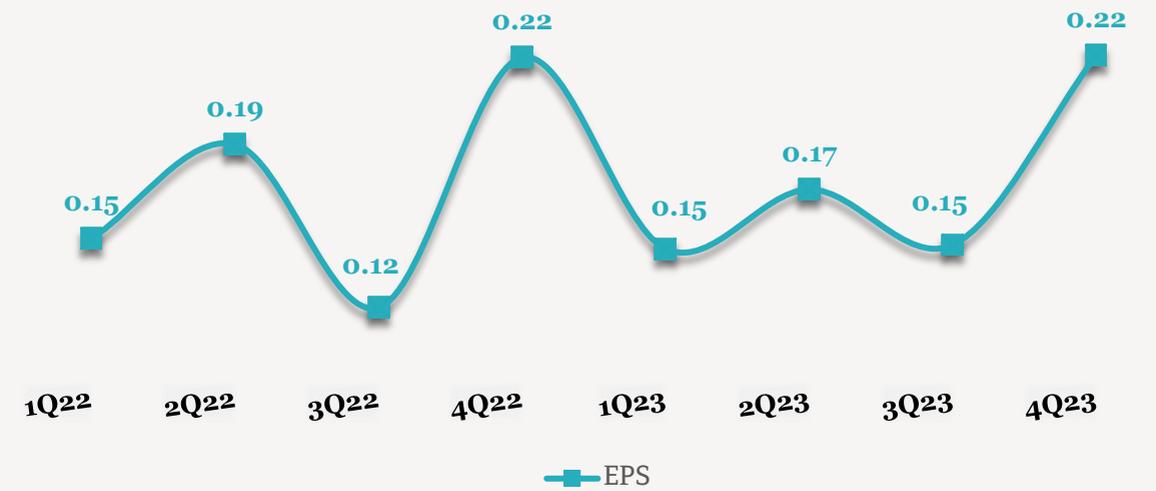
Quarterly Earnings Trend (QRmn)



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.