



Earnings Flash Note
Mekdam Holding Group
3Q 2023 / 9M 2023



Mekdam Holding Group (MKDM)

- > **Net profit increased 10.6% YoY (+21.3% QoQ) to QR7.3mn in 3Q2023**, driven by lower cost of operations (-7.6% YoY, +14.0% QoQ). However, higher general and administrative expenses (+27.9% YoY, +13.1% QoQ) limited the gains. For 9M2023, net profit was up by 8.2% YoY to QR22.9mn.
- > **Revenue fell 3.7% YoY to QR131.7mn (+11.8% QoQ) in 3Q2023**, while it rose 3.9% YoY to QR377.1mn in 9M2023.
- > **Gross profit increased 23.1% YoY to QR21.4mn (+1.5% QoQ) while the corresponding margins improved 3.5 ppts YoY (-1.6ppts QoQ) to 16.2% in 3Q2023.**
- > **Operating profit of QR9.5mn was up by 17.6% YoY (-10.0% QoQ) and the margins came at 7.2% (+1.3 ppts YoY, -1.7ppts QoQ) in 3Q2023.**
- > **For 3Q2023, EPS came at QR0.094 vs. QR0.088 in 3Q2022 while for 9M2023, EPS was 0.297 vs 0.282 in 9M2022.**

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q23	QoQ
Revenue	131.7	136.8	-3.7%	117.9	11.8%
Gross Profit	21.4	17.4	23.1%	21.1	1.5%
Gross Margin %	16.2%	12.7%		17.9%	
Operating Profit	9.5	8.1	17.6%	10.6	-10.0%
Operating Margin %	7.2%	5.9%		9.0%	
Net Profit	7.3	6.6	10.6%	6.0	21.3%
Net Margin %	5.5%	4.8%		5.1%	
EPS (QR)	0.094	0.088	7.3%	0.077	21.3%

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

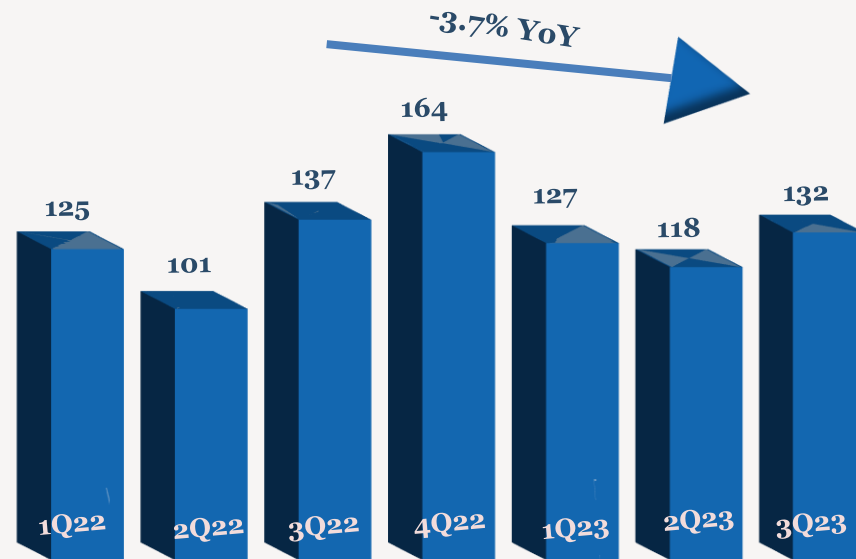
- > **As of 21st Oct 2023, the stock has declined 11.8% YTD**, underperforming the QSE index, which was down by 8.2% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 11.9x.**

9M 2023 Earnings Performance

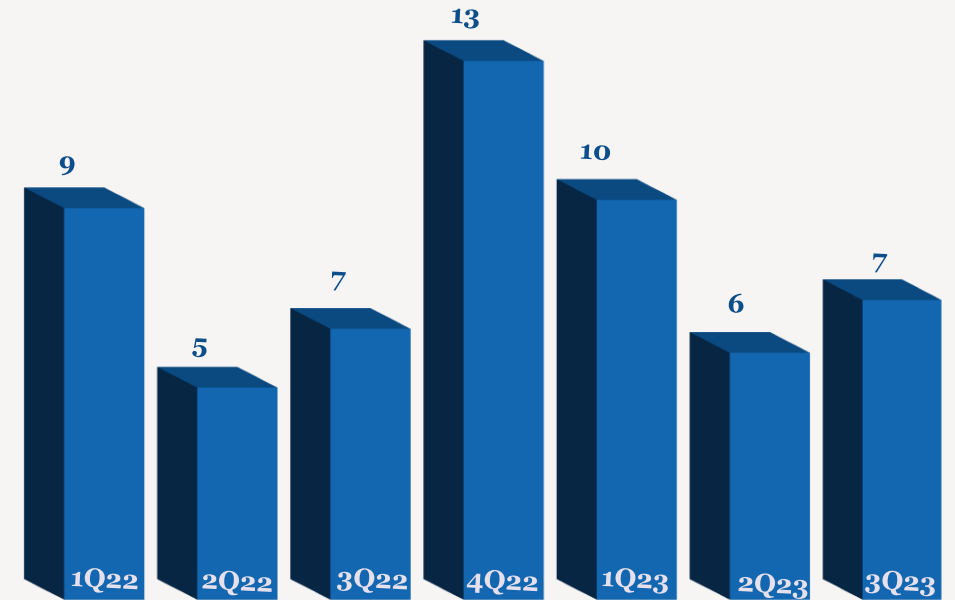
	9M2023	9M2022	YoY
Revenue	377.1	363.1	3.9%
Gross Profit	64.4	52.4	22.7%
Gross Margin %	17.1%	14.4%	
Operating Profit	32.4	24.9	29.9%
Operating Margin %	8.6%	6.9%	
Net Profit	22.9	21.2	8.2%
Net Margin %	6.08%	5.83%	
EPS (QR)	0.297	0.282	5.3%

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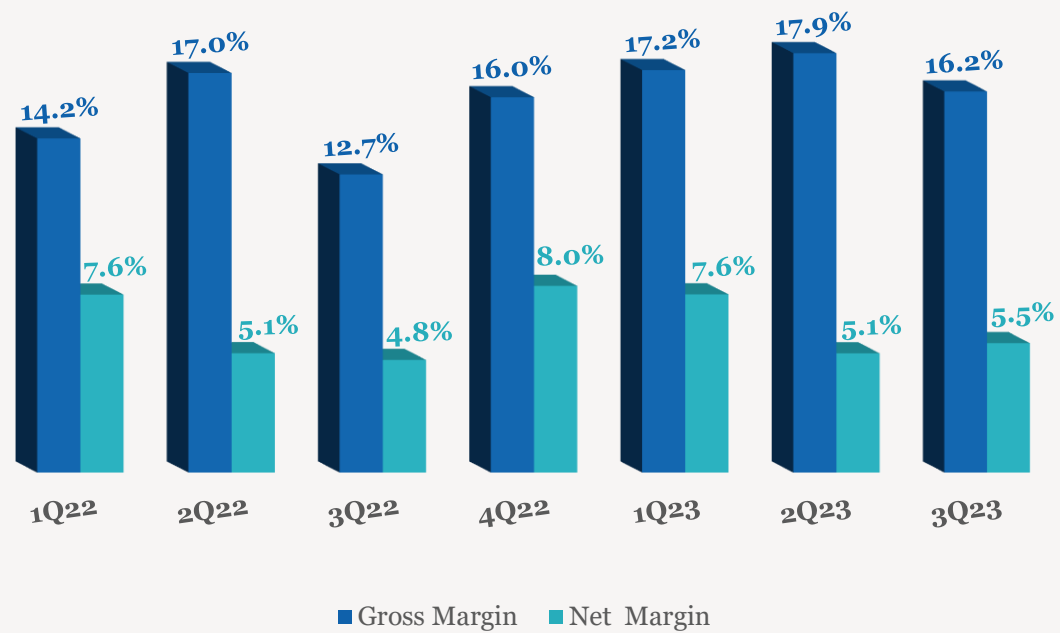
Quarterly Sales Trend (QR mn)



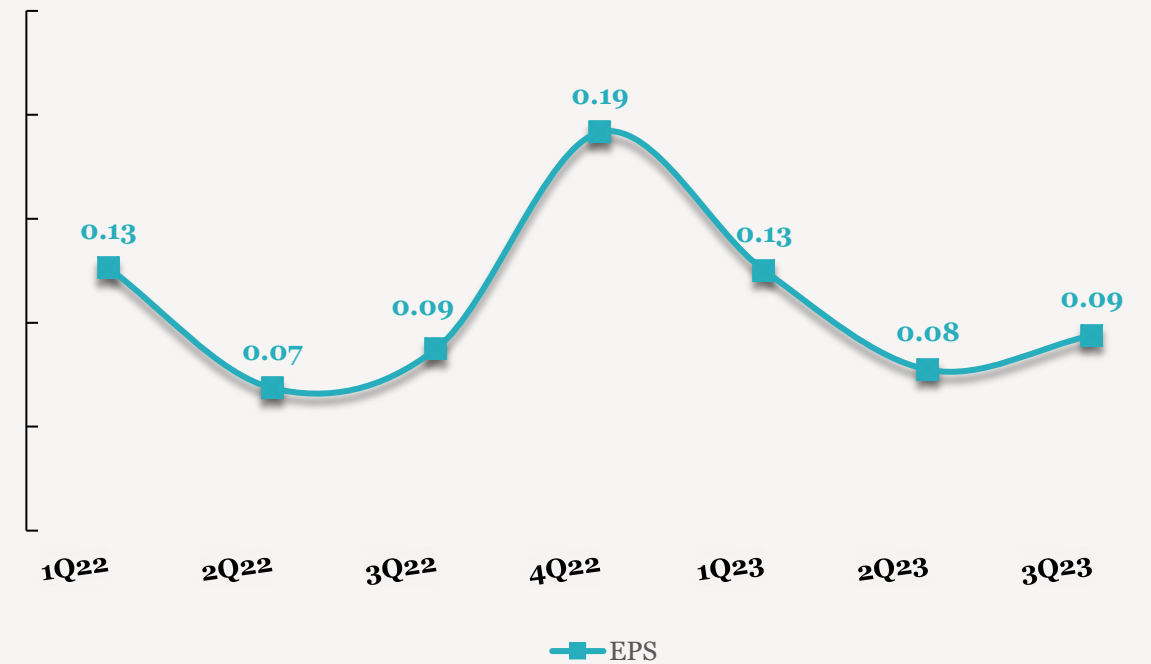
Quarterly Earnings Trend (QR mn)



Quarterly Margins Trend



EPS (QR) Trend



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