



Earnings Flash Note

Baladna

3Q 2023 / 9M 2023



Baladna (BLDN)

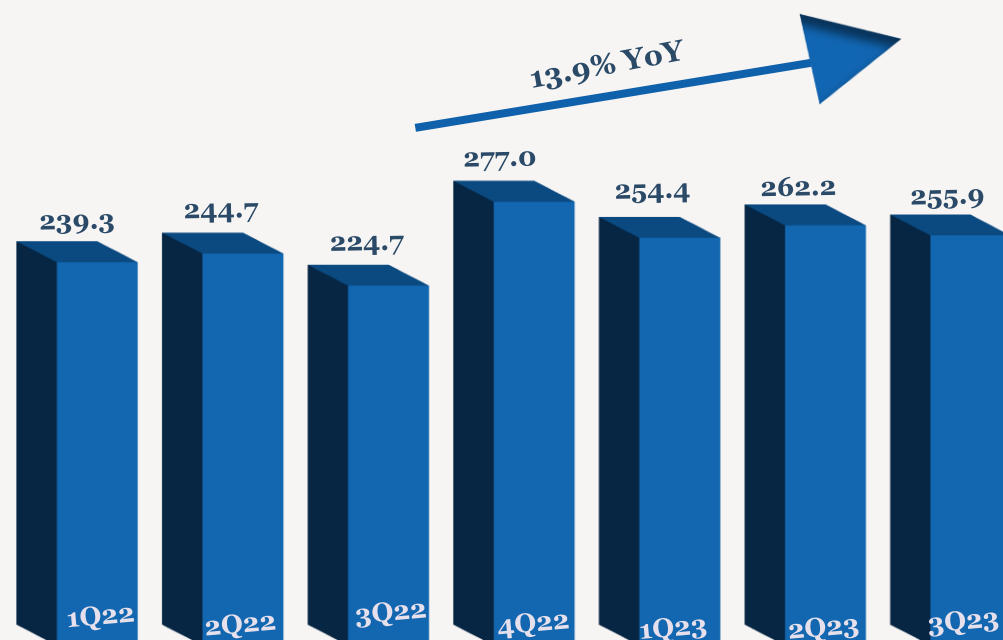
- > **Net profit increased 177.6% YoY to QR22.3mn (-0.1% QoQ)** primarily due to higher revenues and a reduction in finance charges in 3Q2023. For 9M2023, net profit was up by 16.1% YoY to QR64.6mn.
- > **Revenue grew by 13.9% YoY to QR255.9mn (-2.4% QoQ) in 3Q2023** while for 9M2023, revenue was up by 9.0% YoY to QR772.6mn.
- > **Gross profit rose by 35.3% to QR51.6mn and margin improved to 20.1% (+3.2ppts YoY; -1.3ppts QoQ) in 3Q2023.** For 9M2023, gross profit increased by 17.6% YoY to QR161.9mn.
- > **Operating profit jumped 53.1% YoY (-19.0% QoQ) to QR36.2mn** while the corresponding margin increased to 14.1% (+3.6ppts YoY, -2.9ppts QoQ) in 3Q2023. For 9M2022, operating profit rose by 30.2% to QR122.7mn.
- > **For 3Q2023, EPS came at QR0.012 vs. QR0.004 in 3Q2022** while for 9M2023, EPS was 0.034 vs 0.029 in 9M2022.
- > **As of 29th Oct 2023, the stock has decreased 30.6% YTD**, underperforming the QSE index, which was down by 12.4% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 22.5x**, lower than its 1Y historical average of 34.6x. For now, we maintain our PT of QR1.767/share and accumulate rating.

3Q/9M 2023 Earnings Performance

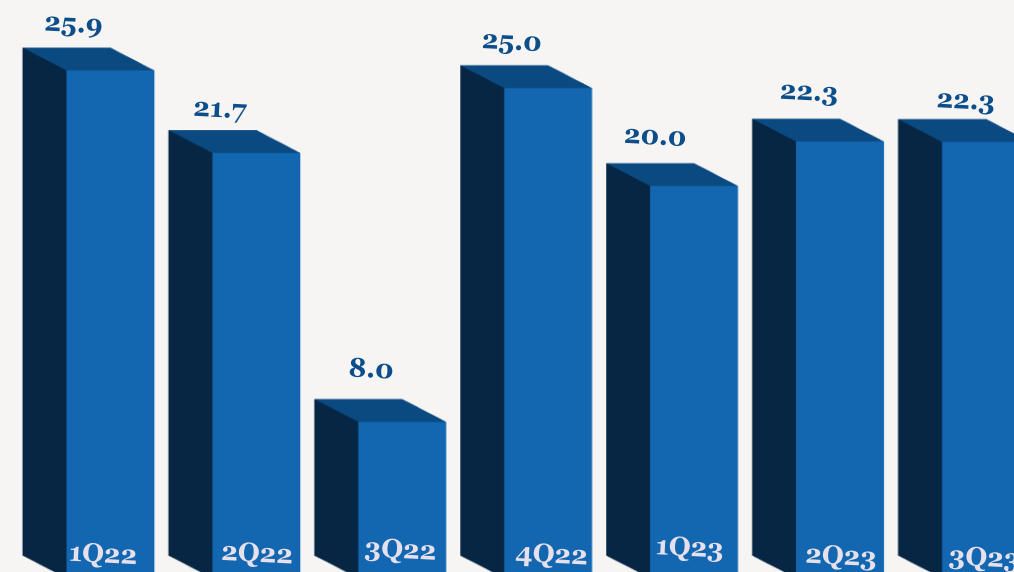
	3Q2023	3Q2022	YoY	2Q2023	QoQ	9M2023	9M2022	YoY
Revenue	255.9	224.7	13.9%	262.2	-2.4%	772.6	708.6	9.0%
Gross Profit	51.6	38.1	35.3%	56.2	-8.2%	161.9	137.6	17.6%
Gross Margin %	20.1%	17.0%		21.4%		21.0%	19.4%	
Operating Profit	36.2	23.6	53.1%	44.7	-19.0%	122.7	94.3	30.2%
Operating Margin %	14.1%	10.5%		17.0%		15.9%	13.3%	
Net Profit to Equity	22.3	8.0	177.6%	22.3	-0.1%	64.6	55.6	16.1%
Net Margin %	8.7%	3.6%		8.5%		8.4%	7.8%	
EPS (QR)	0.012	0.004	177.6%	0.012	-0.1%	0.034	0.029	16.1%

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

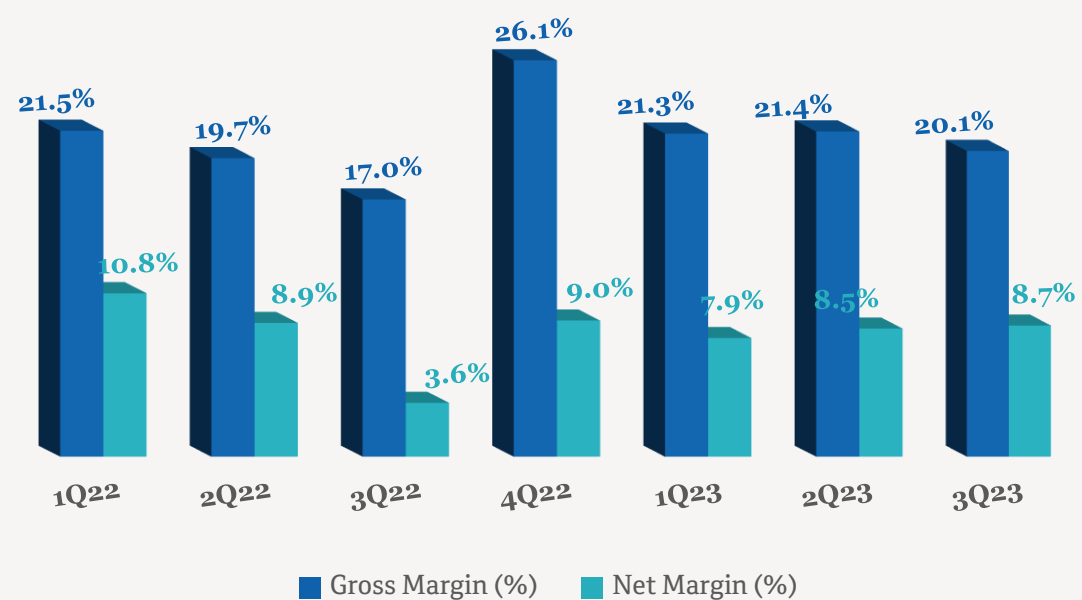
Quarterly Sales Trend (QRmn)



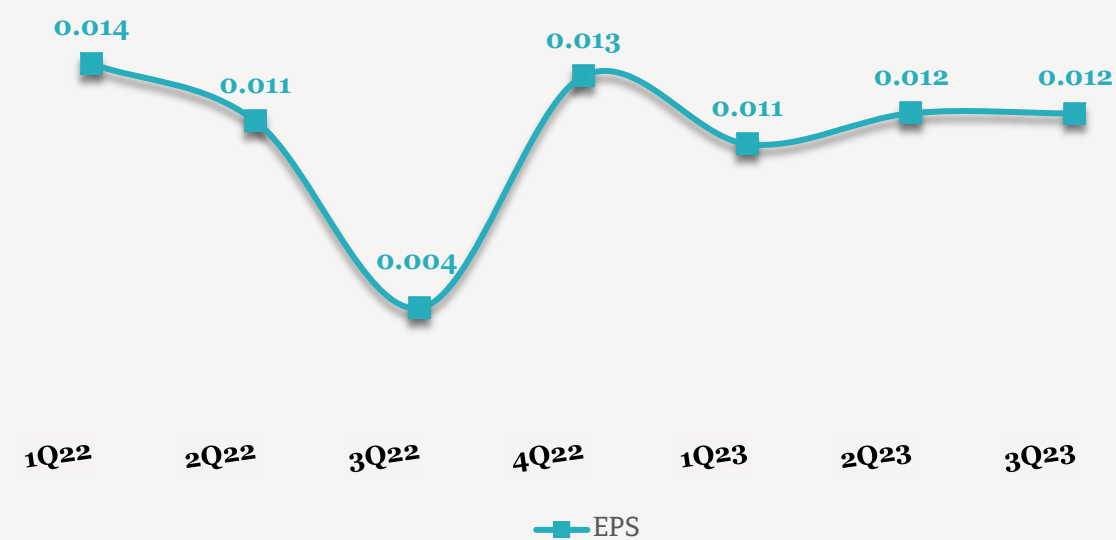
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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