



Earnings Flash Note
Medicare Group
3Q 2024/9M 2024

Medicare Group (MCGS)

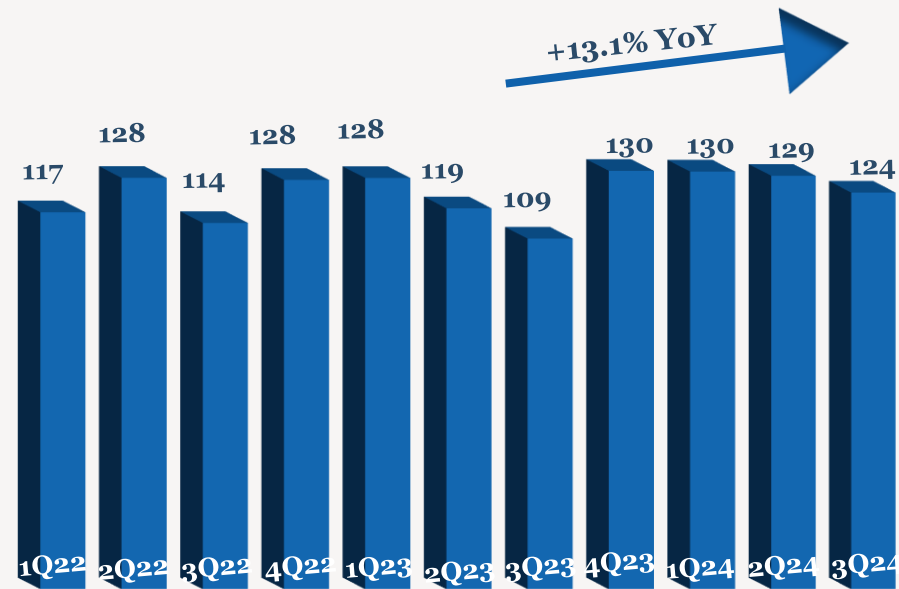
- > For 3Q2024 the company reported a net profit of QR25mn as compared to a net profit of QR14mn in 3Q2023 and a net loss of QR8mn in 2Q2024, primarily due to higher operating income. For 9M2024 the net profit was down 28.5% to QR36mn.
- > Operating income rose by 13.1% YoY to QR124mn (-4.1% QoQ) in 3Q2024. For 9M2024, operating income was QR382mn (+7.4% YoY).
- > Gross profit grew by 24.1% YoY to QR50mn (+1.3% QoQ) while the corresponding margin rose to 40.7% (+3.7ppts YoY; +2.2ppts QoQ) in 3Q2024. For 9M2024, gross profit was up 10.7% YoY to QR147mn.
- > Operating profit was up 33.4% YoY (-7.0% QoQ) to QR21mn in 3Q2024 while the corresponding margin increased to 17.2% (+2.6ppts YoY, -0.5ppts QoQ). For 9M2024, operating profit came in at QR61mn (+14.2% YoY).
- > For 3Q2024, EPS came at QR0.088 vs QR0.050 in 3Q2023. For 9M2024, EPS was 0.13 vs 0.18 in 9M2023.
- > As of 23rd Oct 2024, the stock has decreased 20.0% YTD, underperforming the QSE index, which was down by 3.8% YTD.
- > The stock is currently trading at a TTM P/E multiple of 24.1x, higher than its 3Y historical average of 20.9x. For now, we maintain our PT of QR5.52/share and our Accumulate rating.

3Q/9M 2024 Earnings Performance

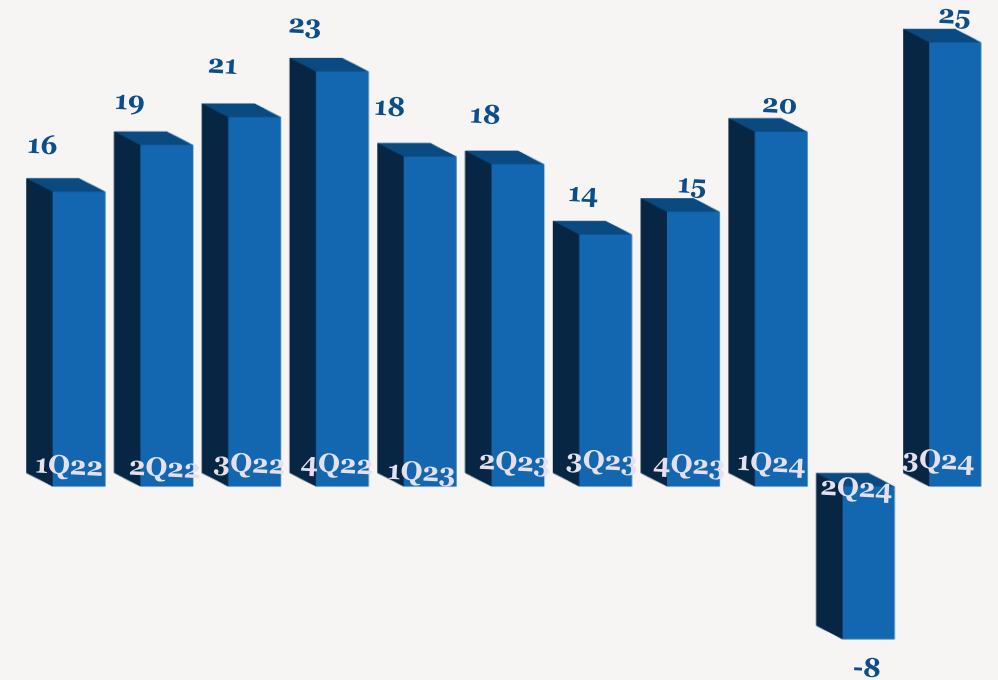
| | 3Q2024 | 3Q2023 | YoY | 2Q2024 | QoQ | 9M2024 | 9M2023 | YoY |
|----------------------|--------|--------|-------|--------|-------|--------|--------|--------|
| Operating Income | 124 | 109 | 13.1% | 129 | -4.1% | 382 | 356 | 7.4% |
| Gross Profit | 50 | 40 | 24.1% | 50 | 1.3% | 147 | 132 | 10.7% |
| Gross Margin % | 40.7% | 37.1% | | 38.5% | | 38.3% | 37.2% | |
| Operating Profit | 21 | 16 | 33.4% | 23 | -7.0% | 61 | 53 | 14.2% |
| Operating Margin % | 17.2% | 14.6% | | 17.8% | | 15.8% | 14.9% | |
| Net Profit to Equity | 25 | 14 | 76.2% | -8 | NM | 36 | 50 | -28.5% |
| Net Margin % | 20.0% | 12.9% | | -6.6% | | 9.4% | 14.2% | |
| EPS (QR) | 0.088 | 0.050 | 76.2% | -0.030 | NM | 0.13 | 0.18 | -28.5% |

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

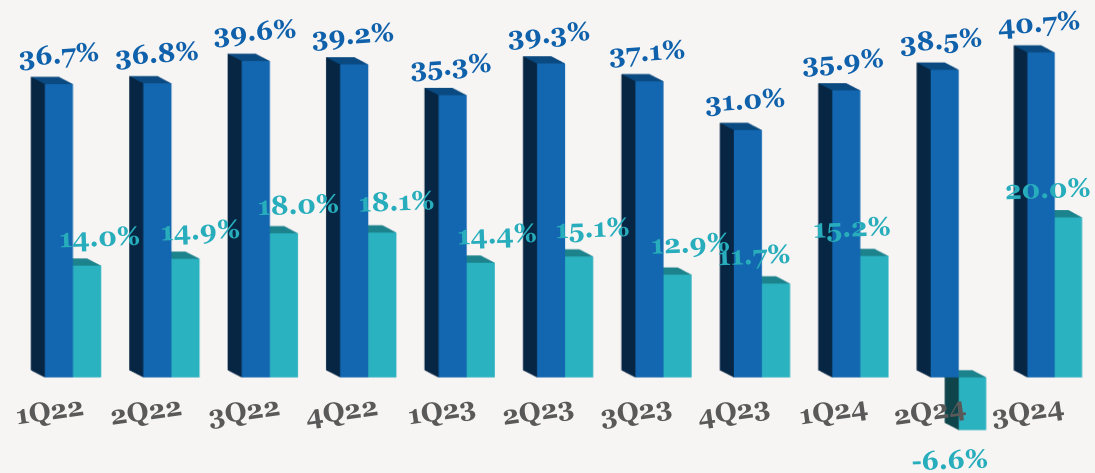
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)

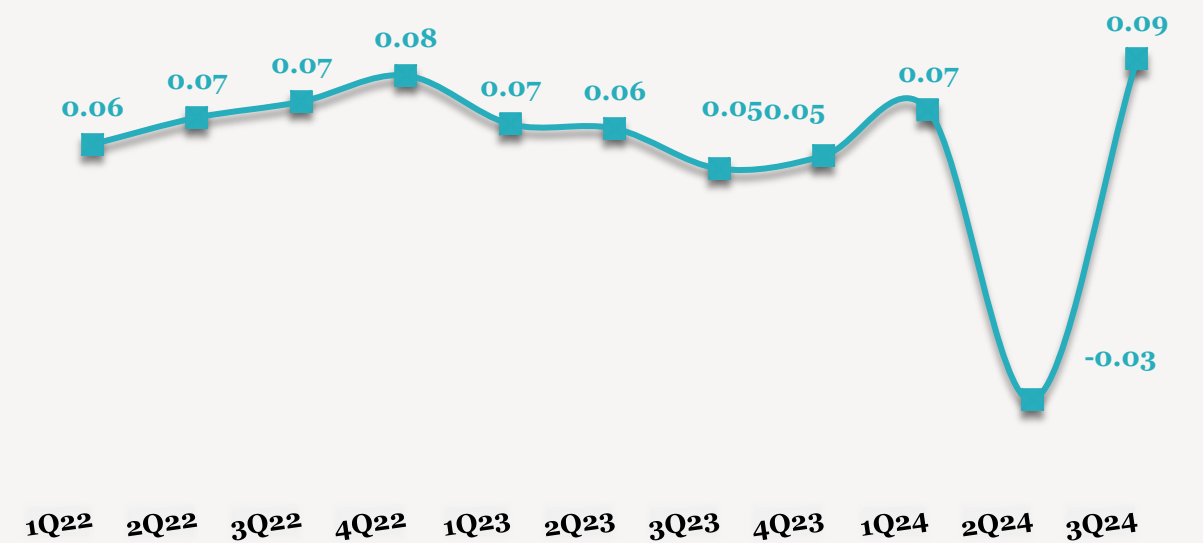


Quarterly Margin Trend



■ Gross Margin (%) ■ Net Profit Margin (%)

EPS (QR) Trend



— EPS

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