



Earnings Flash Note
Medicare Group
2Q 2024/6M 2024



Medicare Group (MCGS)

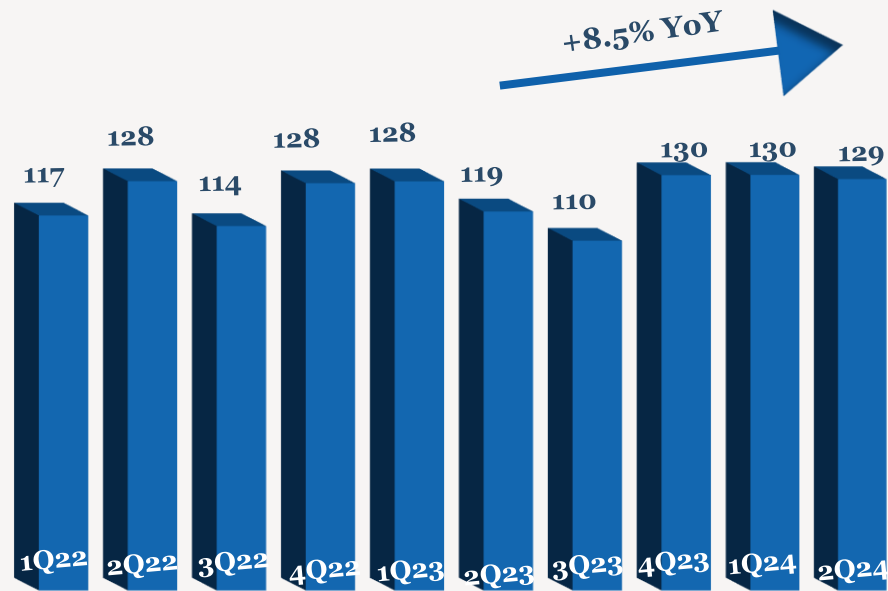
- > For 2Q2024 the company reported a net loss of QR8mn as compared to a net profit of QR18mn in 2Q2023 primarily due to loss from discontinued operations of QR34mn in 2Q2024. For 6M2024 the net profit was down 69% to QR11mn.
- > Operating income rose by 8.5% YoY to QR129mn (-1.0% QoQ) in 2Q2024. For 6M2024, operating income was QR259mn (+4.9% YoY).
- > Gross profit grew by 6.4% YoY to QR50mn (+6.1% QoQ) while the corresponding margin fell to 38.5% (-0.8ppts YoY; +2.6ppts QoQ) in 2Q2024. For 6M2024, gross profit was up 4.8% YoY to QR96mn.
- > Operating profit was up 6.7% YoY (+39.7% QoQ) to QR23mn in 2Q2024 while the corresponding margin fell to 17.8% (-0.3ppts YoY, +5.2ppts QoQ). For 6M2024, operating profit came in at QR39mn (+6.0% YoY).
- > For 2Q2024, loss per share came at QR0.030 vs earnings per share at QR0.062 in 2Q2023. For 6M2024, EPS was 0.04 vs 0.13 in 6M2023.
- > As of 21st July 2024, the stock has decreased 20.3% YTD, underperforming the QSE index, which was down by 7.4% YTD.
- > The stock is currently trading at a TTM P/E multiple of 18.5x, lower than its 3Y historical average of 21.4x. For now, we maintain our PT of QR5.52/share and upgrade our rating to Accumulate from Market Perform.

2Q/6M 2024 Earnings Performance

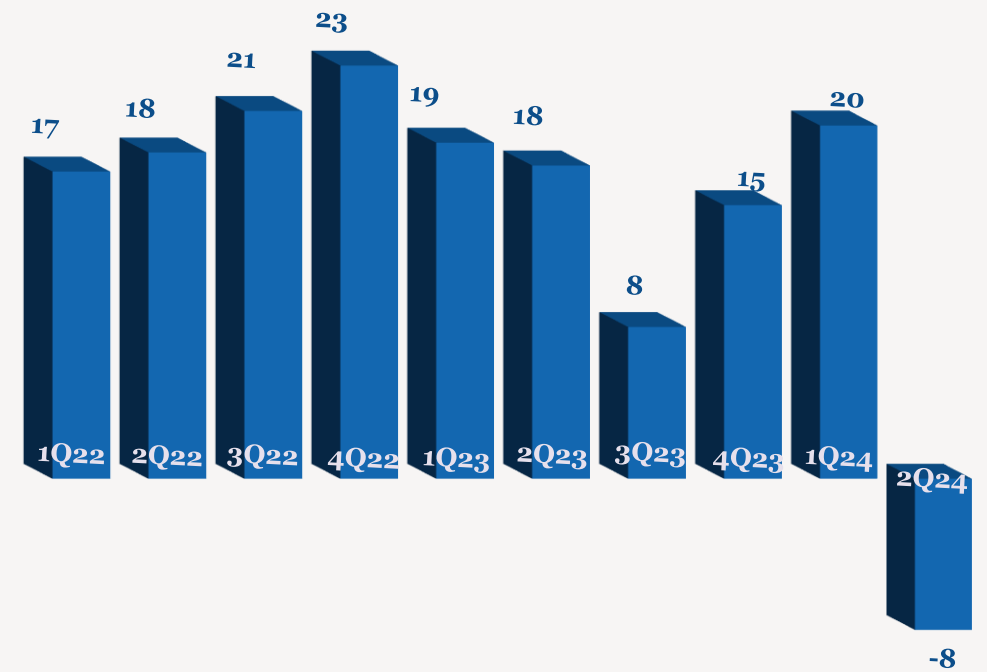
	2Q2024	2Q2023	YoY	1Q2024	QoQ	6M2024	6M2023	YoY
Operating Income	129	119	8.5%	130	-1.0%	259	247	4.9%
Gross Profit	50	47	6.4%	47	6.1%	96	92	4.8%
Gross Margin %	38.5%	39.3%		35.9%		37.2%	37.2%	
Operating Profit	23	21	6.7%	16	39.7%	39	37	6.0%
Operating Margin %	17.8%	18.1%		12.6%		15.2%	15.0%	
Net Profit to Equity	-8	18	NM	20	NM	11	36	-69.0%
Net Margin %	-6.6%	14.8%		15.2%		4.4%	14.7%	
EPS (QR)	-0.030	0.062	NM	0.070	NM	0.04	0.13	-69.0%

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

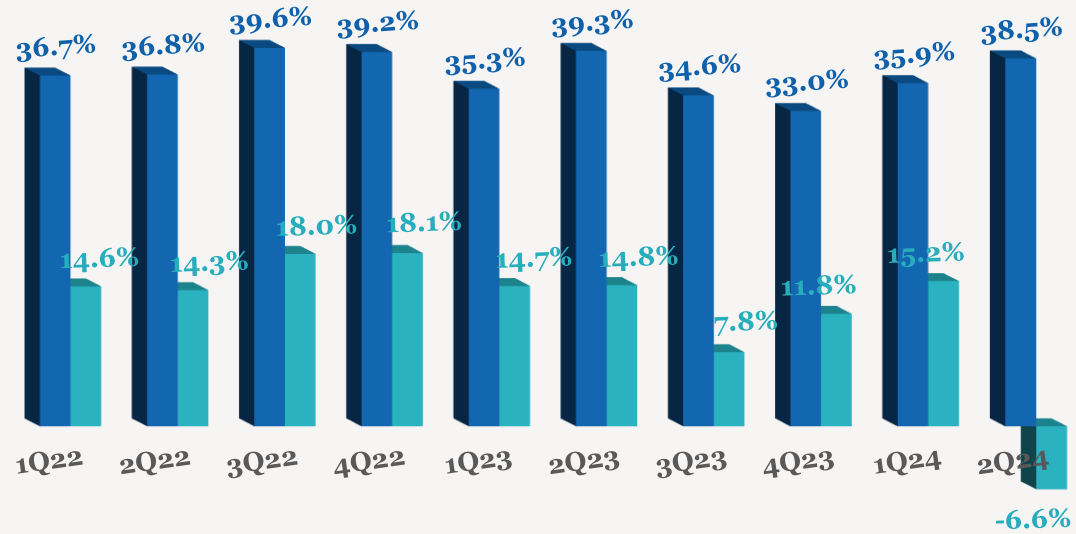
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)

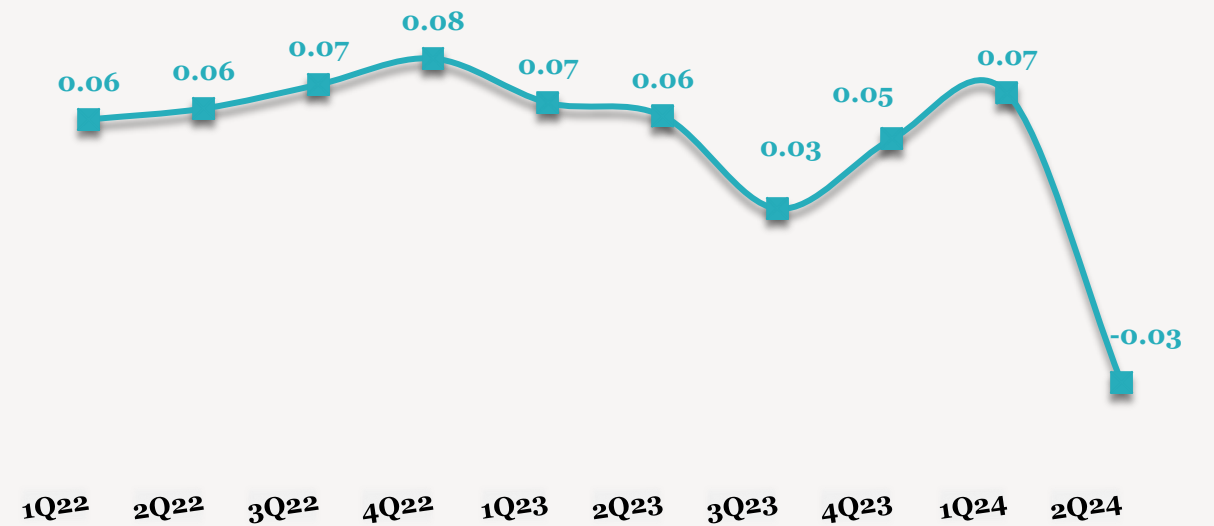


Quarterly Margin Trend



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

EPS (QR) Trend



■ EPS

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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