



Dr. Sulaiman Al Habib Medical Services Group - “In the pink of health” Initiating Coverage

AGM-Head of Research

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Dr. Sulaiman Al Habib Medical Services Group

"In the pink of health" - Initiating Coverage

Dr. Sulaiman Al Habib Medical Services Group (HMG) leads KSA's healthcare private sector. Multiple capacity expansion plans to consolidate its leadership position, supported by strong balance sheet. It offers a compelling investment opportunity from a LT perspective. However, the upside seems limited in the near term, as most positives seem to be factored in the price at current levels. We initiate coverage on HMG with a "Neutral" recommendation and TP of SAR 89/share.

Attractive healthcare fundamentals to benefit HMG: Growing population, increase in lifestyle-related diseases, and low healthcare penetration have spurred demand for healthcare. With the pandemic still in existence, the demand for healthcare is expected to grow.

Leadership position and technological excellence to capture market share: HMG has the highest market share (over 28%) among private listed players. It has also developed cutting-edge technologies, supported by experienced physicians, with 59% being certified by Western medical and Saudi boards. This enables the company to expand its service offering and strengthen its market leadership position.

Expansion plans to capitalize on potential increase in healthcare demand: The Company's expansion plans aims to increase its number of beds and clinics to more than 3,100 and 2,000, respectively, thus outperforming its peers. HMG has a solid balance sheet with low leverage, putting it in a favorable position to fund expansion plans.

Increased capacity to drive revenue and net profit: Revenue growth has been supported by stable gross margin. We expect revenue to grow in mid-single digits over the next few years, while the GP Margin would expand due to the group's experience in scaling up operations. We forecast net profit to increase at a CAGR of 13.4% during FY17–24, driven by capacity expansion and a gradual rise in GP Margin.

High valuation limits upside: HMG commands a premium of close to 35% based on the FY21E EV/EBITDA multiple, while the P/E multiple premium is marginally higher than its peers' at 26x. The high valuation limits the upside, as most positives seem to be priced in at current levels.

AJC view & valuation: We value HMG on 50% weight for DCF (3.0% terminal growth, 5.2% average WACC), and 25% weight each for P/E (29.6x FY21E EPS) and EV/ EBITDA (21.2x FY21E EBITDA) based on relative valuation. Even though the company has strong fundamentals, supported by ambitious growth plans, most of the positives seem to be factored in the current price. Delay in the expansion plans and any adverse development on the macro-economic front pose a downside risk to our valuation. We initiate HMG with a "Neutral" recommendation and TP of SAR 89/share. A material decline from the current price levels can be exploited to invest in the stock from a LT perspective.

Neutral

Target Price (SAR)	89.0
Upside / (Downside)*	-6.9%

*prices as of 8th of November 2020

Key Financials

SARmn (unless specified)	FY18	FY19	FY20E	FY21E
Revenue	4,588	5,031	5,682	5,775
Growth %	4.8%	9.7%	12.9%	1.6%
Gross Profit	1,362	1,538	1,775	1,824
Net Profit	801	870	1,023	1,081
EPS*	2.29	2.49	2.92	3.09

Source: Company reports, Aljazira Capital *After capital raise

Key Ratios

	FY18	FY19	FY20E	FY21E
Gross Margin	29.7%	30.6%	31.2%	31.6%
Net Margin	17.5%	17.3%	18.0%	18.7%
P/E	NA	NA	32.7x	30.9x
P/B	NA	NA	6.7x	6.4x
EV/EBITDA	NA	NA	24.8x	24.3x
ROA	11.0%	10.9%	11.6%	10.8%
ROE	18.5%	20.0%	21.8%	21.1%

Source: Company reports, Aljazira Capital

Shareholding Pattern

Name of shareholders	Holdings
Sulaiman Abdulaziz Sulaiman Al-Habib	40.03%
Mohammed Abdulaziz Al Habib and Sons Holding Co.	33.75%

Source: Argaam, Aljazira Capital

Key Market Data

Market Cap (bn)	33.5
YTD%	83.5%
52 week (High)/(Low)	100.0/51.9
Share Outstanding (mn)	350.0

Source: Tadawul, Aljazira Capital

HMG offers comprehensive healthcare services

HMG experienced in healthcare since over two decades

Established in 1995, Dr. Sulaiman Al Habib Medical Services Group (HMG) provides comprehensive healthcare services in KSA and UAE. The group's activities include establishing, managing, and operating hospitals, medical centres, pharmacies, and medical diagnostics and radiology laboratories. HMG owns and operates 7 hospitals and 13 pharmacies in KSA and UAE. It also operates a hospital in Bahrain through a management agreement.

Hospitals account for majority (%80) of revenue; Pharmacies contribute %17, HMG solutions & Others, %3

Hospitals: HMG offers primary, secondary, and tertiary medical services in the Kingdom, UAE, and Bahrain. Its hospitals are located in Riyadh (4), Khobar (1), Qassim (1), and Dubai (1); it also operates a hospital in Bahrain. HMG has a capacity of 1,913 beds and 1,371 clinics. The company has expansion plans, post which its capacity would increase to over 3,100 beds and 2,000 clinics by the end of FY24.

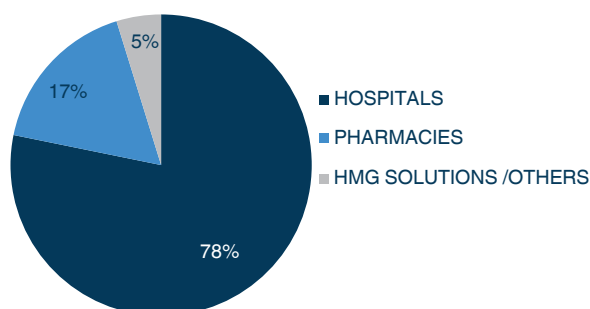
Pharmacies: HMG has 13 pharmacies that offer over 40,000 medical products and all types of medicines. Revenue is generated through sales of medicines to outpatients as well as inpatients in hospitals and other direct customers. The group operates its pharmacy business through Afia Pharmacies Company and Middle East Pharmacies Company in KSA and Pharmachoice in Dubai.

HMG Solutions and Others: The group provides health and support services through Mokhtabarar Diagnostic Medical Company (MD Labs) and home care services through Home Healthcare Company. It also provides facility maintenance services through Serco Services and IT and systems services through Cloud Solutions.

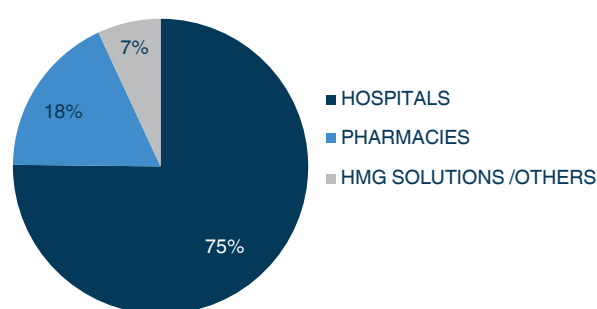
Key specialized technical products offered include:

- **Patient Health Information System (VIDA):** VIDA is the first integrated electronic health system that meet international standards and follows the best practices adopted by the Healthcare Information and Management Systems Society (HIMSS). VIDA connects medical devices and systems through protocols and technologies such as Web Services, HL7, Decision Support System, and Drug Interaction. The group has won a contract to implement VIDA in 17 government hospitals within the Kingdom.
- **Patients Mobile Application:** HMG provides self-services that allow patients to review laboratory results, create and present schedules, obtain prescriptions and insurance approvals, view notices, and so on.
- **E-Prescription System:** It enables physicians to provide electronic prescriptions and communicate with commercial pharmacies.

Revenue by Segment (TTM)



Gross Profit by Segment (TTM)



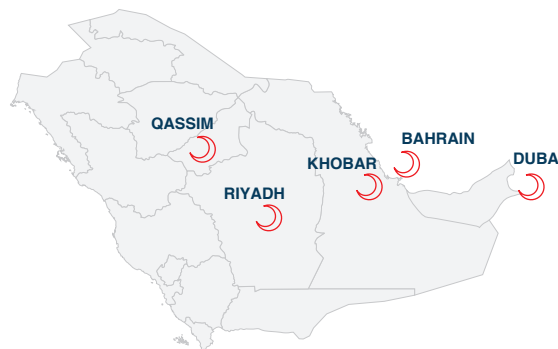
Source: Company prospectus, Quarterly reports, Aljazira Research

Diversified presence enables HMG to record steady revenue and margin growth

Presence of HMG hospitals and clinics in major cities in KSA

HMG's seven hospitals are located in Riyadh (4), Khobar (1), Qassim (1), and Dubai (1); it also operates a hospital in Bahrain. The group has a capacity of 1,913 beds and 1,371 clinics.

HMG plans to add over 1,150 beds and around 700 clinics by the end of FY24. The upcoming projects would add 500 beds and 300 clinics in North Riyadh, 350 beds and 270 clinics in North Jeddah, and 330 beds and 245 clinics in South West Jeddah.



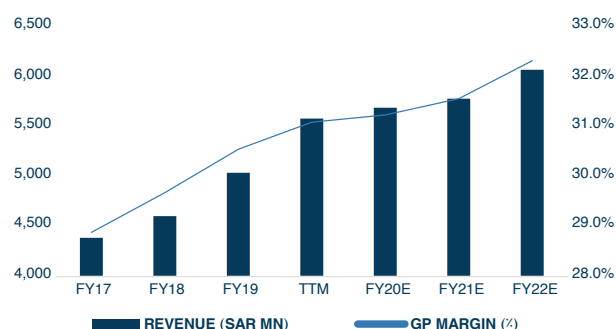
Source: Company Q3-20 earnings Presentation, Aljazira Research

High single-digit revenue growth supported by expansion in margins

Revenue increased 4.8% and 9.7% in FY18 and FY19, respectively. The growth in FY19 was driven by the revenue from hospitals', primarily with the launch of the Khobar hospital (456 beds and 307 clinics).

We expect the top line to continue to increase at a CAGR of 6.7% to SAR 6.1bn in FY22 from SAR 4.4bn in FY17. The GP Margins increased to 30.6% in FY19 from 28.9% in FY17 and is expected to improve to 32.3% in FY22. This would lead to a CAGR of 12.3% in net profit over FY17–FY22.

Revenue (SAR mn) and Margin Trend



Source: Company reports, Aljazira Research

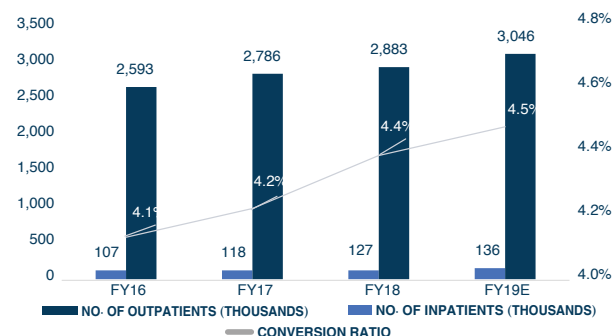
Steady growth witnessed in inpatient and outpatient traffic as well as conversion ratio

Inpatients traffic increased 9.6% and 7.6% in FY17 and FY18, respectively. We estimate an increase of 7.8% in FY19.

Outpatient traffic increased 7.4% and 3.5% in FY17 and FY18, respectively. We estimate an increase of 5.7% in FY19.

With capacity additions following the opening of a new hospital at Khobar in Q2-19 and further additions in FY24, we expect significant growth in the inpatient and outpatient traffic.

Inpatient and outpatient Trend (in 000s)



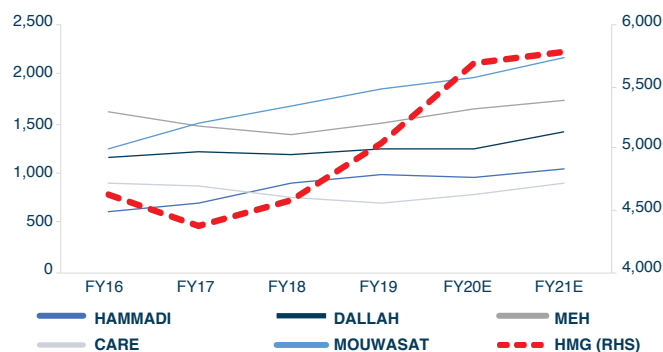
Source: Company reports, Aljazira Research

Note: Figures for FY19 represent estimated figures

HMG stands out among peers on most operating parameters

Revenue to increase at %7.2 CAGR in FY21–17E, above sector CAGR of %6.5

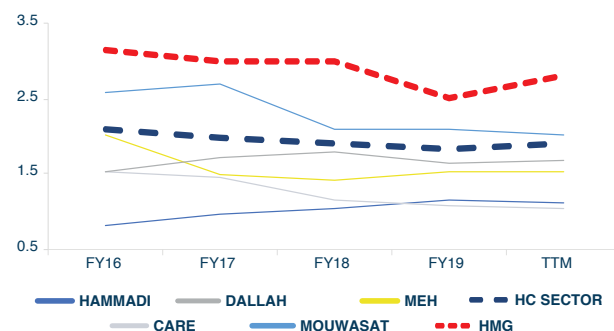
HMG's revenues increased at a CAGR of 2.9% during FY16–19, while that of Mouwasat and Al Hammadi increased at 14.3% and 17.1% CAGR, respectively, during same period. With the opening of the Khobar hospital (456 beds and 307 clinics) in Q2-19, we expect HMG's revenue to increase in mid-single digits during the next 2–3 years. With the recent capacity additions by other players, the sector revenue is estimated to increase 8.5% and 6.1% in FY20E and FY21E, respectively.



Source: Company prospectus, Company reports, Aljazira Capital Research

HMG has highest revenue/bed capacity compared with peers (2.8x vs sector average of 1.9x on TTM basis)

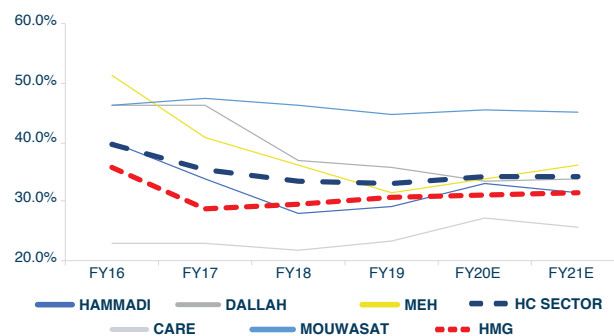
HMG's revenue/bed capacity has consistently been the highest compared with its peers and the sector average. Despite a decline in revenue/bed capacity to 2.5x in FY19 from 3.0x in FY17, it was still higher than its closest peer (Dallah), whose revenue/bed capacity stood at 2.1x. HMG's revenue/bed capacity would improve further with the increase in capacity utilization at Khobar hospital.



Source: Company prospectus, Company reports, Aljazira Capital Research

HMG the only entity to witness GP Margin expansion in both FY18 and FY19

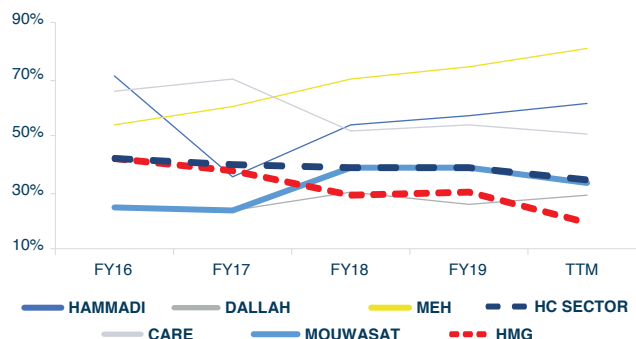
HMG's GP Margin has increased steadily since FY17. Mouwasat and Dallah had the highest GP Margins (44.7% and 35.8%, respectively) in FY19, followed by MEH and HMG at 31.6% and 30.6%, respectively. In FY19 and FY18, HMG was the only entity to have witnessed improvements in the GP Margin. The group's GP Margin jumped the highest (~170 bps) to 30.6% in FY19 from 28.9% in FY17 vis-à-vis a decline of 220 bps at the sector level. The GP Margins of Dallah and MEH contracted the maximum to 35.8% and 31.6% in FY19 from 46.0% and 40.9% in FY17, respectively.



Source: Company prospectus, Company reports, Aljazira Capital Research

HMG's receivable as percentage of sales lowest on TTM basis, almost 1.5x better than closest peer

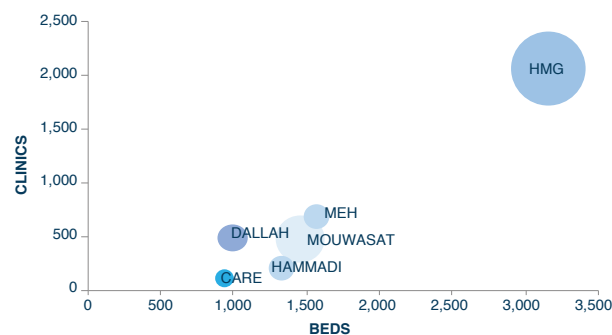
HMG's receivables as a percentage of sales stood at 19.6% on a TTM basis, followed by Dallah (29.3%). This compares with a sector average of 34.0%. The ratio declined from 42.0% in FY16, which was beneficial for the group. Hammadi and Care have also witnessed declines in the receivables/sales ratios since FY16. Hammadi's ratio improved to 61.4% from 71.0% in FY16, while Care's ratio declined to 51.1% from 66.1% in FY16. MEH's ratio rose the maximum to 80.4% from 54.0% in FY16.



Source: Company Q3-20 earnings Presentation, Aljazira Research

HMG expected to account for one-third of total bed capacity and more than half of total clinics among private listed peers by FY24

HMG leads in the sector in terms of capacity expansion pipeline, followed by MEH and Mouwasat. Three hospital additions expected by FY24 coupled with expansion at the Takhassusi hospital would propel HMG's current bed capacity by more than 50%. Among other players, Mouwasat is estimated to add 329 beds and 76 clinics, while MEH is expected to add 447 beds and 166 clinics. Hence, HMG's expansion plans would enable it to outpace its peers and further strengthen its market leadership position.

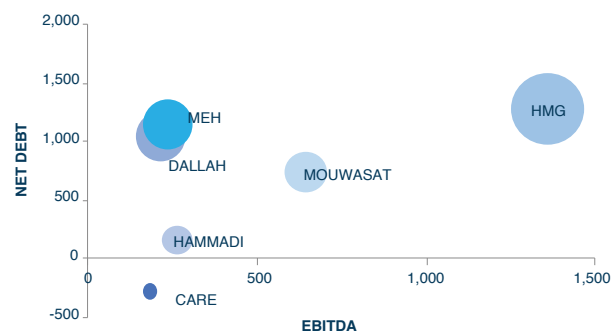


Size Reflects Enterprise Value

Source: Company prospectus, Company reports, Aljazira Capital Research

Low net debt/EBITDA places HMG in favorable position to fund expansion plans

The capacity to fund expansion plans through debt financing differs across companies. HMG, as well as Hammadi and Care appear to be well placed with Net Debt/EBITDA ratio of less than 1. Care has a net debt/EBITDA ratio of -1.5x due to its positive net cash position. HMG and Hammadi's net debt/EBITDA ratio stand at 0.9x and 0.6x, respectively. Dallah and MEH have the most leveraged balance sheet resulting in net debt/EBITDA ratios of 4.9x and 4.8x, respectively, compared with the sector average of 1.4x. Companies with high leverage levels would need to make prudent capital allocation decisions while executing their expansion plans.



Size Reflects Debt

Source: Company prospectus, Company reports, Aljazira Capital Research

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Market leadership position, ambitious expansion plans, and strong fundamentals make HMG a compelling long-term bet; however, most positives seem to be priced in at current levels

Attractive healthcare fundamentals, along with potential for increase in demand after COVID19-, to benefit HMG:

Growing population, increase in lifestyle-related diseases, and relatively low healthcare penetration in the Kingdom have boosted demand for healthcare. Despite the drop in COVID19- cases over the last few months, the pandemic is far from over; this is expected to further fuel demand for healthcare services. The government has taken various initiatives to develop the sector, such as allocating SAR 167bn in the FY20 in the healthcare and social budget, building hospitals, giving loans at preferential conditions, and encouraging privatization. These measures bode well for healthcare companies over the long term; especially, HMG, given its expansion plans.

Leadership position, complemented by medical and technological expertise, helps company increase existing market share:

HMG has presence in major cities of KSA, with hospitals in Riyadh, Khobar, and Qassim. Based on the number of beds, it has the highest market share (over %28) among private listed players. The group has modern medical equipment, and is also developing cutting-edge technologies such as VIDA, tele-radiology, and tele-ICU, and maintaining records of patients anytime anywhere. Technological adoption is supported by experienced physicians, of which %42 are certified by Western medical boards, including North America and the UK, and %17 by the Saudi board. These factors would enable the company to expand its service offering and strengthen its position in the market.

Ambitious expansion plans to capitalize on potential increase in demand allow HMG to leverage growth prospects in Saudi healthcare industry:

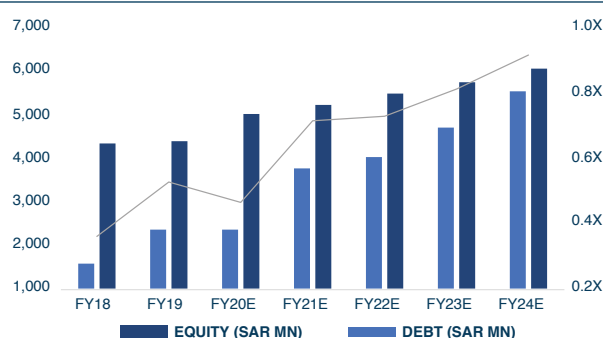
The company has identified the increase in demand for healthcare and has expansion plans in place to capitalize on this growth. After the expansion, the number of beds and clinics would be more than 3,100 and 2,000, respectively, thus outperforming its peers.

Location	No. of beds	No. of clinics	Est. year of completion	Capex (SAR)	Ownership
South West Jeddah	330	245	2023	1.5bn	50%
North Riyadh	500	300	2023	2.2bn	100%
North Jeddah	350	270	2024	1.5bn	100%
Riyadh “Takhassusi”	150	N.A.	2023	472mn	100%

Source: Company prospectus, Company reports, Aljazira Capital Research

Solid balance sheet with low leverage makes it favorable for HMG to fund expansion plans: Even though the debt-equity ratio would increase due to the funding of expansion plans, it is expected to be below 1.0x.

Debt/Equity Ratio



Source: Company prospectus, Company reports, Aljazira Capital Research

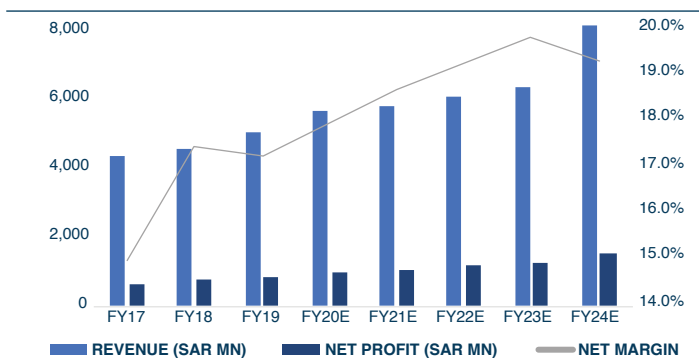
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Consistent revenue growth, supported by GP margin expansion; increased capacity to drive revenue and net profit:

Growth in the revenue has been supported by stable gross margin. Revenue increased at a CAGR of 2.8% from FY17 to FY19, while Gross Margin expanded 170 bps to 30.6% in FY19. We expect revenue to grow in mid-single digits, driven by Khobar hospital (456 beds and 307 clinics) over the next few years. The company's experience in scaling up operations would prove valuable in sustaining GP Margin after the expansion. We project net profit to surge at a CAGR of 13.4% during FY17–24, led by capacity expansion and a gradual rise in GP Margin.

Revenue and Net profit

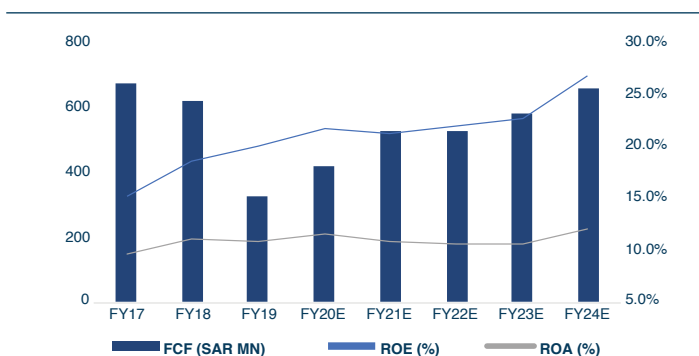


Source: Company prospectus, Company reports, Aljazira Capital Research

Continued FCF generation supported by double-digit return ratios results in attractive return to stakeholders:

The ability to fund its expansion plans from operating activities has enabled the company to generate positive free cash flow consistently. Return on assets (ROA) and Return on Equity (ROE) are estimated to be in low double-digits and mid-teens, respectively, led by the steady increase in net income.

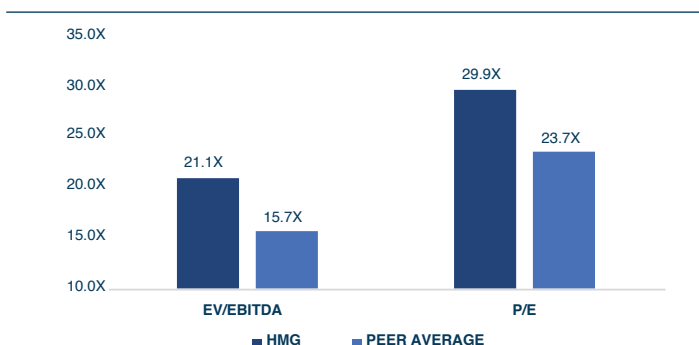
Free cash flow and Return ratios



Source: Company prospectus, Company reports, Aljazira Capital Research

High valuation limits upside: HMG commands a premium of close to 35% based on the FY21E EV/EBITDA multiple, while the P/E multiple premium is marginally higher than its peers at 26%. While the company is expected to outperform its listed peers on most parameters, its high valuation limits the upside, as most positives seem to be priced in at current levels. A decline from the current levels would be a good opportunity to accumulate the stock from a LT perspective.

HMG vs Peers (FY21E)



Source: Bloomberg, Aljazira Capital Research

Risk factors to investing lie majorly on adverse change in macro-economic scenario and delay in expansion plans

Adverse change in macro-economic scenario could hurt business: The Company's performance depends on the economy's health. Despite KSA's diversification into non-oil avenues, the oil sector accounts for a significant portion of GDP. Hence, a plunge in oil prices could impact economic activity, and the healthcare sector in which the group operates. The government may lower healthcare expenditure, which could affect the existing and future contracts related to the healthcare sector. The exodus of expatriates in Dubai and Bahrain has considerably hampered the company's operations in those regions.

Delay in expansion plans would dent revenue and profit growth: The Company's revenue and profit growth in the long term would be spurred by expansion plans. Any significant delay in these plans due to factors such as shortage of resources, natural disasters, and failure or delay to obtain permits and approval from government authorities would restrict the revenue and profit growth.

Inability to retain qualified professionals could impact quality of services: The group's activities rely on qualified health professionals, who are in high demand. Their ability to maintain close relationships with patients enable the company to provide superior health services to patients. If HMG is unable to retain existing professionals and recruit new ones due to competition, its quality of services could be adversely impacted.

Supply disruption might limit company's ability to provide continued services: The group procures a majority of its medical supplies, equipment, devices, and pharmaceuticals from local and external suppliers, most of whom are outside the country. Any adverse development in these countries, regulatory changes, or geopolitical factors could disrupt the supply of the requirements mentioned above, and thereby restrict the group's ability to provide continued services.

Changes in health insurance market dynamics could hamper the company's operations: HMG's revenues largely depend on customers covered by insurance policies. Any changes in the health insurance sector could adversely impact the company's operations. The health insurance market might not be stable in terms of premium value subscribed, number of insured persons, etc. This could lead to insurance companies negotiating with the group for providing higher discounts to insured customers. As the insured customers represent large chunk of the company's customer base, HMG's results of operations could be negatively affected.

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Based on our blended valuation approach, we arrive at a TP of SAR 89/share for the company

Peer Comparison Table (FY21E)

Company Name	EV/EBITDA	P/E
Al Hammadi Company	13.1x	22.9x
Dallah Health Care	17.9x	24.3x
Middle East Healthcare Co. (MEH)	14.0x	22.7x
Mouwasat Medical	18.5x	25.0x
National Medical Care Co.	10.1x	19.7x
Sector Median	15.7x	23.7x

EV/EBITDA (FY21)

All figures in SAR mn, unless specified	
Sector EV/EBITDA (FY21)	15.7
Premium/(Discount) to peers	35.0%
Implicit EBITDA Value	30,450
Net Debt	1,275
Net Worth	29,176
Shares (Mn)	350
Relative value (SAR/share)	83

P/E (FY21)

All Figures in SAR mn, unless specified	
Sector P/E (FY21)	23.7
Premium/(Discount) to peers	25.0%
Implicit Market Cap	32,024
Net Worth	32,024
Shares (Mn)	350
Relative Value (SAR/share)	91

We have assigned a premium of %35 and %25 to EV/EBITDA and P/E multiples, respectively, over the median of peer set, due to superior margins of HMG and larger scale of operations.

Blended Valuation

Valuation Summary	Fair Value	Weight	Weighted Avg
DCF	91	50%	46
P/E	91	25%	23
EV/EBITDA	83	25%	21
Weighted Avg 12-month TP (SAR)			89
CMP (SAR /share)			95.9
Expected Capital Gain			-6.9%

We value HMG Holding Group on a %50 weight for DCF and %25 weight on P/E and EV/EBITDA based on relative valuation. These yield a TP of SAR 89/share. Based on our derived TP of **SAR 89**, the implied PE multiple based on FY21E earnings is 28.9x, as compared to the PE of 30.9x based on the CMP of SAR 95.9.

Key Financial Data

Amount in SARmn, unless otherwise specified	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Income statement								
Revenues	4,617	4,379	4,588	5,031	5,682	5,775	6,064	6,367
Y/Y	NA	-5.2%	4.8%	9.7%	12.9%	1.6%	5.0%	5.0%
Gross profit	1,643	1,265	1,362	1,538	1,775	1,824	1,960	2,085
OPEX	(25.7)	(214.9)	(243.5)	(278.9)	(225.8)	(317.6)	(333.5)	(350.2)
Operating profit	930	655	802	868	1,080	1,102	1,202	1,289
Y/Y	NA	-29.6%	22.3%	8.3%	24.5%	2.0%	9.1%	7.2%
Financial charges	(2.2)	(19.4)	(19.3)	(28.0)	(50.5)	(51.4)	(62.0)	(54.2)
Other income/income from associates	127.0	90.8	99.2	63.5	58.8	88.6	93.0	97.5
Profit before zakat & minority interest	1,055	727	881	903	1,089	1,139	1,233	1,332
Zakat and minority interest	(39.8)	(70.8)	(81.3)	(65.7)	(99.8)	(104.8)	(113.5)	(122.6)
Net income	1,015	656	801	870	1,023	1,081	1,170	1,264
Y/Y	NA	-35.4%	22.1%	8.6%	17.5%	5.7%	8.2%	8.0%
Balance sheet								
Assets								
Cash & bank balance	871	1,141	1,369	1,197	1,210	2,292	2,115	2,358
Other current assets	2,356	2,153	1,842	2,088	2,247	2,223	2,306	2,404
Property & Equipment	3,448	3,662	4,287	5,142	5,736	6,295	6,891	7,524
Other non-current assets	44	44	43	40	40	40	40	40
Total assets	6,720	7,000	7,541	8,467	9,234	10,850	11,352	12,327
Liabilities & owners' equity								
Total current liabilities	1,221	1,303	1,364	1,495	1,620	1,737	1,814	1,841
Long-term loans	904	927	1,338	1,780	1,790	3,089	3,294	4,004
Total other non-current liabilities	180	220	281	601	653	683	719	758
Non-controlling interest	140	230	229	197	163	117	67	13
Total owners' equity	4,274	4,319	4,328	4,394	5,007	5,224	5,458	5,711
Total equity & liabilities	6,720	7,000	7,541	8,467	9,234	10,850	11,352	12,327
Cashflow statement								
Operating activities	902	1,094	1,447	1,060	1,327	1,418	1,501	1,631
Investing activities	(1,251)	(408)	(820)	(731)	(909)	(895)	(970)	(1,051)
Financing activities	120	(417)	(399)	(501)	(404)	559	(707)	(338)
Change in cash	(228)	269	229	(172)	14	1,081	(176)	243
Ending cash balance	871	1,141	1,369	1,197	1,210	2,292	2,115	2,358
Key fundamental ratios								
Liquidity ratios								
Current ratio (x)	2.6x	2.5x	2.4x	2.2x	2.1x	2.6x	2.4x	2.6x
Quick ratio (x)	2.4x	2.3x	2.1x	2.0x	1.9x	2.4x	2.3x	2.4x
Profitability ratios								
Gross profit margin	35.6%	28.9%	29.7%	30.6%	31.2%	31.6%	32.3%	32.7%
Operating margin	20.1%	15.0%	17.5%	17.2%	19.0%	19.1%	19.8%	20.2%
EBITDA margin	23.7%	19.6%	21.8%	22.3%	24.6%	24.9%	26.0%	26.8%
Net profit margin	22.0%	15.0%	17.5%	17.3%	18.0%	18.7%	19.3%	19.9%
Return on assets	15.1%	9.6%	11.0%	10.9%	11.6%	10.8%	10.5%	10.7%
Return on equity	23.8%	15.3%	18.5%	20.0%	21.8%	21.1%	21.9%	22.6%
Leverage ratio								
Debt / equity (x)	0.3x	0.3x	0.4x	0.5x	0.5x	0.7x	0.7x	0.8x
Market/valuation ratios								
EV/sales (x)	NA	NA	NA	NA	6.1x	6.1x	5.8x	5.6x
EV/EBITDA (x)	NA	NA	NA	NA	24.9x	24.4x	22.5x	21.0x
EPS (SAR)	2.90	1.87	2.29	2.49	2.92	3.09	3.34	3.61
Market price (SAR)*	NA	NA	NA	NA	95.90	95.90	95.90	95.90
Market-Cap (SAR mn)	NA	NA	NA	NA	33,565	33,565	33,565	33,565
Dividend yield	NA	NA	NA	NA	1.2%	2.6%	2.8%	3.0%
P/E ratio (x)	NA	NA	NA	NA	32.8x	31.0x	28.7x	26.6x
P/B ratio (x)	NA	NA	NA	NA	6.7x	6.4x	6.1x	5.9x

Sources: Argaam, Company Prospectus, Aljazeera Capital Research



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1. **Overweight:** This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. **Underweight:** This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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