

Taageer Finance (TFCI) - 1Q24 Result Review

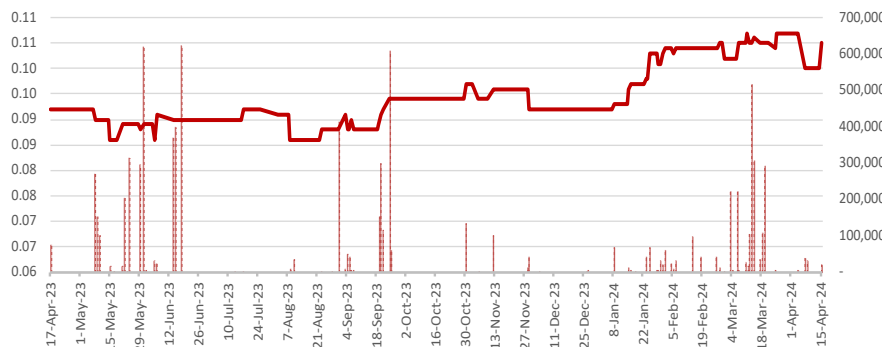
Date: 16-Apr-24

Recommendation: Accumulate

TP (OMR) 0.111

Upside / (Downside): 6%

Recommendation	Accumulate	Analyst: Ahlam Rashid Al Harthi	
Bloomberg Ticker	TFCI OM		
Current Market Price (OMR)	0.105		
52wk High / Low (OMR)	0.107/0.086		
12m Average Vol. (000)	38.4		
Mkt. Cap. (USD/OMR mn)	74 / 28		
Shares Outstanding (mn)	271.1		
Free Float (%)	35%		
3m Avg Daily Turnover (000)	4.2		
6m Avg Daily Turnover (000)	2.4		
P/E 2024e (x)	4.1		
P/Bv 2024e (x)	0.4		
Dividend Yield 2024e (%)	11%		
Price Perf. (1m/3m) (%)	-1.02 / 7.89		



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The company's net profit for 1Q24 rose by 8.2% YoY and decreased by 59.1% QoQ. The net profit for 1Q24 stood at OMR 7.6mn lower than our estimated OMR 8.05mn. Provisions in 1Q24 has increased by 21.3% YoY and by 109.4% QoQ. The company's total expenses for 1Q24 increased YoY by 13.9% and decreased by 9% QoQ, broadly higher of our estimates. Net margin was at 12.7% in 1Q24 compared to 13.5% 1Q23.

Revenue for 1Q24 has increased by 14.6% YoY

Company's revenue for 1Q24 has increased by 14.6% YoY and decreased by 12.2% QoQ. The Revenue stood at OMR 7.6mn for 1Q24. The top line is lower our estimates as we expected OMR 8.05mn for 1Q23. Revenue has increased as growing demand for financing and higher interest rates accelerated company's performance. The total borrowing of the company increased by 12% YoY and by 1.6% QoQ. Cost to income has decreased to 66.1% in 1Q24 from 66.6% in 1Q23.

Net Investment in Finance lease has increased by 13.1% YoY and 1.8% QoQ

The company's net investment in finance lease increased by 13.1% YoY basis to OMR 232.7mn, and 1.5% QoQ, pointing to growing financing asset growth. Net investment in finance in line with our estimates as we expected it OMR 239mn.

Income Statement

(OMR mn)	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24E	YoY (%)	QoQ (%)	Var (%)	1Q23	1Q24	YoY (%)
Total Income	6.6	6.91	7.23	8.62	7.6	8.05	14.6%	-12.2%	-6%	6.6	7.6	14.6%
Total Expenses	(4.39)	(4.70)	(4.95)	(5.50)	(5.0)	(5.34)	13.9%	-9.0%	-6%	(4.39)	(5.0)	13.9%
Provisions	(1.3)	(1.5)	(1.4)	(0.8)	(1.6)	(1.2)	21.3%	109.4%	33%	(1.3)	(1.6)	21.3%
Net Profit	0.89	0.67	0.91	2.35	0.96	1.51	8.2%	-59.1%	-36%	0.89	0.96	8.2%

Balance Sheet

(OMR mn)	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24E	YoY (%)	QoQ (%)	Var (%)
Shareholders' Equity	46.6	47.2	48.1	50.5	49.6	52.0	6.6%	-1.8%	-5%
Investment in finance lease (Net of unearned income)	232.1	246.2	255.2	259.5	265.7	267.8	14.5%	2.4%	-1%
Net Investment in Finance lease	205.8	218.0	225.1	228.6	232.7	239.0	13.1%	1.8%	-3%
Total Borrowings	170.3	185.6	191.3	187.8	190.8	195.1	12.0%	1.6%	-2%

Key Ratios

	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24E
Cost to Income	66.6%	68.0%	68.4%	63.8%	66.1%	66.3%
Net Margin (%)	13.5%	9.7%	12.6%	27.3%	12.7%	18.8%


Source: Company Reports, U Capital Research

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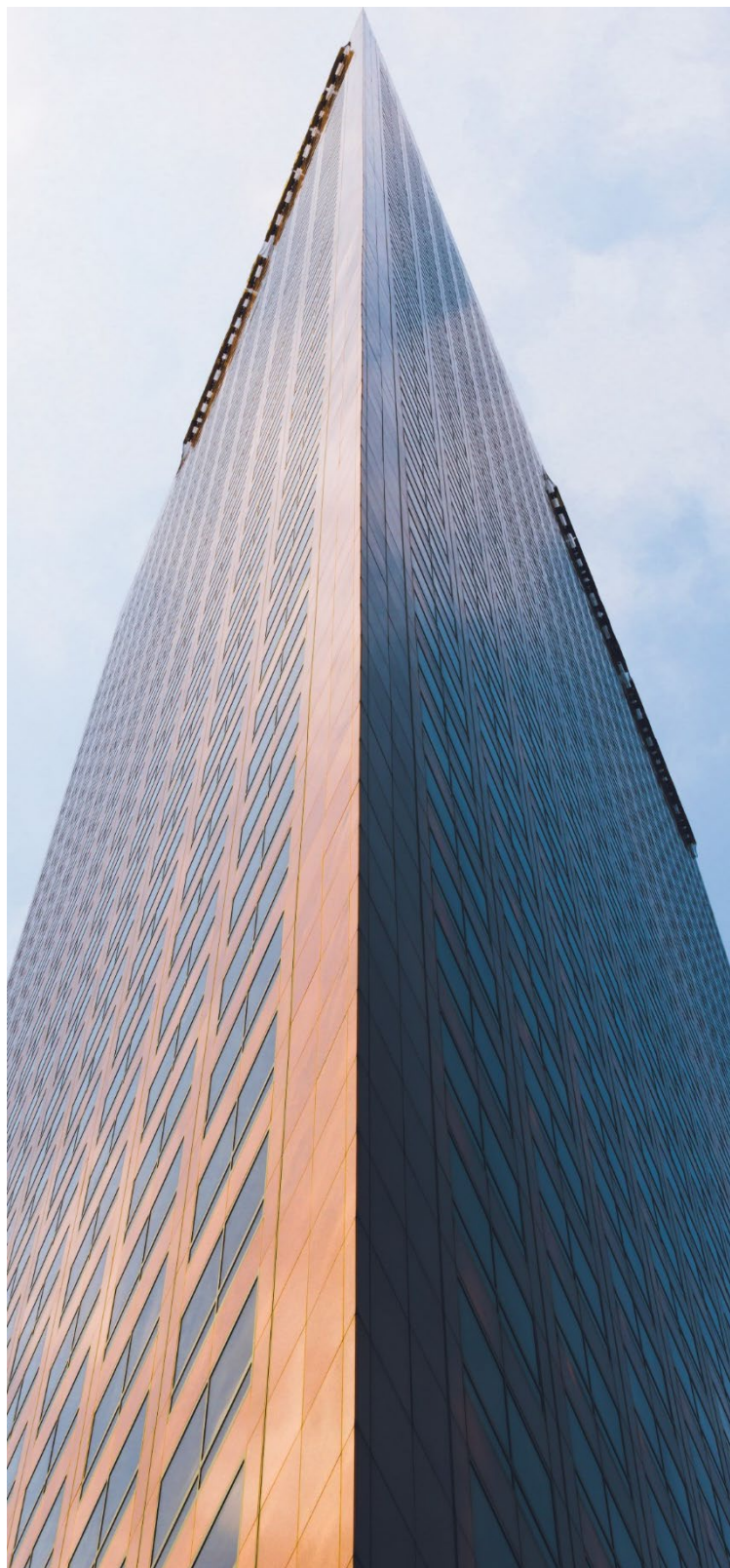
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Recommendation

BUY	Greater than 20%
ACCUMULATE	Between +10% and +20%
HOLD	Between +10% and -10%
REDUCE	Between -10% and -20%
SELL	Lower than -20%

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