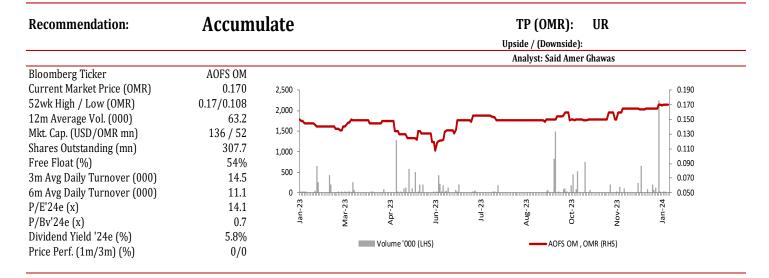




Al Omaniya Financial Services (AOFS) - 4Q23 Result Review

Date: 15 January 2024



Net profit 4Q23 up 42% YoY and 0% QoQ

AOFS reported net profit of OMR 0.82mn for 4Q23 up by 42% YoY although above our estimates by 19%. The company net profit was stable QoQ. Net profit margin for the quarter stood at 18.2%, compared to 14.3% same period last year. The increase in bottom line for 4Q23 was mainly driven by the reduction of the net ECL.

Revenue of the company in 4Q23 increased by 12% YoY but decreased by 1% QoQ.

The company's total revenue stood at OMR 4.5mn in 4Q23, above our estimates. Revenue in 4Q23 was higher by 12%YoY but down by 1% QoQ. Expenses was above our estimates and stood at OMR 3.1mn, increase by 4% QoQ and 19% YoY. Operating profit decreased by 2% YoY to stand at OMR 1.4mn for 4Q23 matching our estimates.

Gross installment finance receivables was higher 6% YoY but down 2% QoQ

The company's gross installment finance receivables was higher 6% YoY but down 2% QoQ, to stand at OMR 140mn, below our estimates.

U Capital view

We maintain Accumulate rating on the stock while we put the target price 'Under Review' as Al Omaniya Financial Services has achieved our originally set target price of OMR 0.170. AOFS is one of our top picks on MSX.

Income Sta	tement
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(OMR mn)	4Q22	1Q23	2Q23	3Q23	4Q23	4Q24e Y	oY (%)	QoQ (%) V	ar (%)	FY22	FY23	YoY (%)
Total Revenue	4.0	4.2	4.1	4.6	4.5	4.2	12%	-1%	6%	14.8	17.3	17%
Total expenses	(2.6)	(2.6)	(2.8)	(3.0)	(3.1)	(2.9)	19%	4%	7%	(9.3)	(11.4)	23%
Operating profit	1.4	1.6	1.3	1.6	1.4	1.4	-2%	-12%	4%	5.5	5.9	6%
Net ECL charges	(0.7)	(0.6)	(0.5)	(0.6)	(0.5)	(0.6)	-38%	-28%	-17%	(2.3)	(2.1)	-8%
PBT	0.7	1.0	8.0	1.0	1.0	8.0	37%	-1%	19%	3.2	3.8	16%
Taxes	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	27%	-6%	-12%	(0.5)	(0.5)	-1%
Net Profit	0.58	0.85	0.71	0.82	0.82	0.69	42%	0%	19%	2.8	3.20	16%
Balance Sheet												
(OMR mn)	4Q22	1Q23	2Q23	3Q23	4Q23	4Q24e Y	oY (%)	QoQ (%) V	ar (%)			
Gross Installment finance receivables	132	131	140	144	140	150	6%	-2%	-7%			
Key Ratios												
	4Q22	1Q23	2Q23	3Q23	4Q23	4Q24e						
Net Profit Margin	14.3%	20.4%	17.4%	17.9%	18.2%	16.2%						

Source: Company Reports, U Capital Research

For our latest report on the sector, please click here.





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Disclaimer

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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