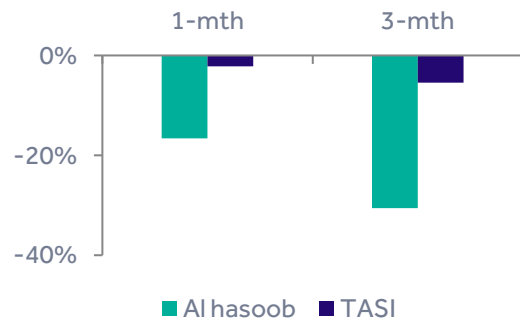


Market Data	
52-week high/low	SAR 548.00/123.40
Market Cap	SAR 418 mln
Shares Outstanding	1.40 mln
Free-float	20%
12-month ADTV	26,092
Bloomberg Code	ALHASOOB AB



## Gross Margins Expand

April 06, 2022

Upside to Target Price (26.7%)  
 Expected Dividend Yield 2.6%  
 Expected Total Return (24.1%)

Rating Sell  
 Last Price SAR 298.60  
 12-mth target SAR 219.00

Alhasoob Co.	2H2021	2H2020	Y/Y	1H2021	H/H	RC Estimate
Sales	146.3	134.6	9%	110.2	33%	126.5
Gross Profit	14.0	11.4	22%	10.1	38%	9.5
Gross Margins	9.6%	8.5%		9.2%		7.5%
Operating Profit	6.7	6.9	(2%)	6.0	12%	5.6
Net Profit	6.3	6.4	(2%)	5.7	11%	5.2

(All figures are in SAR mln)

- For the year, net income increased by +8% Y/Y to reach SAR 11.9 mln, compared with SAR 11.0 mln in 2020, despite stable revenues (SAR 256 mln in 2021 and SAR 255 mln in 2020). The increase in net income is mainly due to an improvement in gross margins, which expanded by +152 bps to stand at 9.4% in 2021.
- For the second half of 2021, revenues increased by +9% Y/Y and +33% H/H to SAR 146.3 mln while gross profit increased by +22% Y/Y and +38% H/H to SAR 14.0 mln. Gross margins expanded by +107 bps Y/Y and +40 bps H/H due to the decrease in cost of sales.
- Net income of SAR 6.3 mln beat our expectations of SAR 5.2 mln, -2% lower Y/Y but +11% higher H/H. Net profit margin contracted by -49 bps Y/Y and -84 bps H/H to stand at 4.3% due to higher G&A and S&D which together increased by +58% Y/Y and +77% H/H.
- We maintain our target price of SAR 219.00 and a Sell recommendation. The stock price has decreased by -29% since we issued our first report.

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الرياض المالية  
 riyad capital

## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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