

April 07, 2022

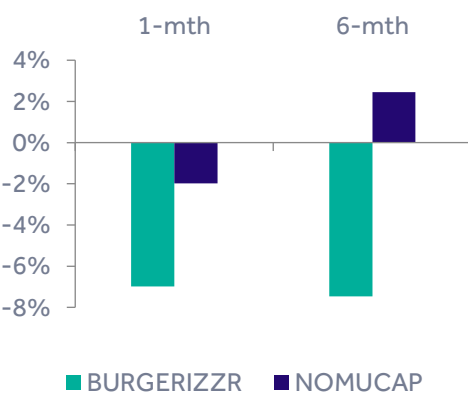
Increasing branches to 94 for 2021

Upside to Target Price	3.5%	Rating	Neutral
Expected Dividend Yield	3.0%	Last Price	SAR 210.60
Expected Total Return	6.5%	12-mth target	SAR 218.00

Market Data	
52-week high/low	SAR 336.0/205.0
Market Cap	SAR 527 mln
Shares Outstanding	2.5 mln
Free-float	100%
12-month ADTV	19,809
Bloomberg Code	BURGERIZ AB

BURGERIZZR	2H2021	2H2020	Y/Y	1H2021	H/H	RC Estimate
Sales	128	113	13%	107	20%	129
Gross Profit	42	42	(1%)	24	70%	37
Gross Margins	32%	37%		23%		29%
Operating Profit	11	15	(29%)	7	49%	19
Net Profit	9	13	(34%)	6	36%	17

(All figures are in SAR mln)



- For the full year, BURGERIZZR reported revenues of SAR 235 mln, up +20% Y/Y and matching our expectations due to the increase in number of branches to 94 in 2021. In 2021, 2 branches were replaced and 15 new branches were added.
- Net Income for 2021 came in lower by -19% Y/Y to SAR 15 mln as a result of an increase in each of the following costs: selling expenses (increased by +23% Y/Y), administrative expenses (rose by +24% Y/Y) and finance costs (up by +10% Y/Y). However, other expenses were lower by -32% Y/Y.
- During 2H2021, revenues improved by +13% Y/Y and +20% H/H to reach SAR 128 mln (matching our expectations). We believe this is a result of an improvement in market conditions, along with growth in the number of branches by 6 H/H.
- Although Gross Profit was stable at SAR 42 mln Y/Y, Gross Margin contracted by -500 bps to reach 32% in 2H2021 as it was negatively affected by the increase in raw material, labor (Saudization requirement), outsource labor, freight and packaging costs.
- Net income for 2H2021 was down by -34% Y/Y but up by +36% H/H to reach SAR 9 mln. We maintain our target price of SAR 218.00 per share and Neutral rating.

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■ 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

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