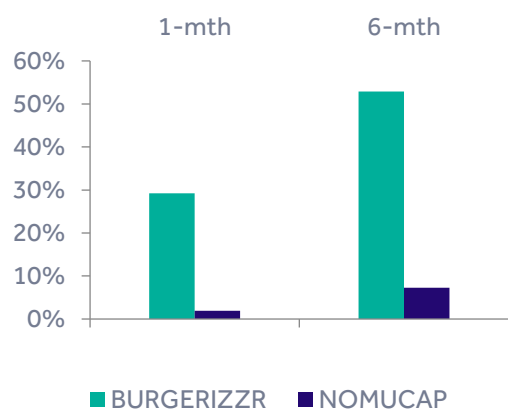


Market Data	
52-week high/low	SAR 14.40/6.29
Market Cap	SAR 502 mln
Shares Outstanding	35 mln
Free-float	28.8%
12-month ADTV	12,680
Bloomberg Code	BURGERIZ AB



Margin Expansion Leads Profitability

February 12, 2024

Upside to Target Price	(9.3%)	Rating	Neutral
Expected Dividend Yield	0.4%	Last Price	SAR 14.34
Expected Total Return	(8.9%)	12-mth target	SAR 13.00

BURGERIZZR	2H2023	2H2022	Y/Y	1H2023	H/H	RC Estimate
Sales	149	130	15%	132	13%	149
Gross Profit	48	34	41%	37	30%	42
Gross Margins	32%	26%		28%		28%
Operating Profit	10	1	900%	6	67%	8.6
Net Profit	9.0	(0.3)	-	3.3	173%	7.4

(All figures are in SAR mln)

- Burgerizzr reported full year 2023 revenues of SAR 281mln (+12%Y/Y), mainly attributed to higher branches revenue and increase in the number of customers. Net profit was recorded at SAR 12 mln, up +356% Y/Y, despite higher financing costs. 2 new branches were added in the year while 5 were closed, ending 2023 at 105 branches.
- For 2H2023, Burgerizzr's sales increased by +15%Y/Y and +13% compared to 1H2023, reaching SAR 149 mln, matching our estimates. We believe this was a result of improved market conditions and an increase in customer numbers.
- Gross Profit grew +41% Y/Y and +30% H/H to SAR 48 mln, due to an increase in average sales per branch. Gross margin witnessed significant expansion, rising from 28% in 1H2023 to 32% in 2H2023, largely on lower costs.
- Selling expenses continue to increase, up by +20% Y/Y on the back of higher delivery fees due to increased contribution of online-channels.
- Burgerizzr reported a bottom-line of SAR 9.0 mln in 2H2023 versus SAR 3.3 mln in 1H2023, exceeding our forecast of SAR 7.4 mln. We increase our target price to SAR 13.00 on better profitability expectations going forward, but maintain a Neutral rating. The stock has rallied by around 40% since mid-January.

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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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