

Mekdam Holding Group (MKDM)

Recommendation	Accumulate	Risk Rating	R-3
Share Price	QR3.600	Target Price	QR4.029
Implied Upside	11.9%		

An “Under The Radar” Small-Cap Play With A Strong Sales Pipeline; Initiate with Accumulate

Driven by a strong management team that has put the company in a prime position to benefit from Qatar’s North Field LNG expansion and other QNV2030 government related projects, Mekdam (MKDM) has consistently exceeded its annual targets with an industry-leading contract win ratio between 20-30%. The group had already outperformed with over QR743mn in signed contracts by November 2024, compared with management’s target of QR700mn for FY2024; the company has a Backlog-to-EV of 5.1x. Consequently, Mekdam’s financial performance over the last four years is impressive, with revenue CAGR of 39.8%, primarily driven by strong growth in securing new government contracts. However, the stock continues to fly “under the radar” of most investors even with its recent catapult to the QSE mainboard from the venture market. We expect Mekdam’s revenue to grow by 6.3% in 2024 from QR526mn in FY2023 on the back of a strong order book, which stood at QR2.60bn as at November 2024, and we see earnings growing 8.1%/9.1% for FY2024e/25e. MKDM’s high-margin CAMS division benefits from first-mover advantage and low marginal cost model, which provides stability to the bottom-line. Mekdam’s very strong customer base and retention rates (90%), which coupled with over QR4.78bn in submitted bids provide for solid earnings growth in the years ahead. Therefore, we initiate coverage with an Accumulate rating and a price target of QR4.029.

Highlights

- Mekdam has a very strong client base consisting of government, semi-government and premier/top-tier companies.** It has, over the years, built solid partnerships with leading global brands, which has resulted in a high customer retention rate of around 90%. Government contracts, as a percentage of revenue, has increased from 27% in 2021 to 60% in 2023, with new contracts coming mainly from the business segment Manpower Supply Services. Mekdam has acquired and maintained a steady client base, from the both public and private sectors, which in turn generates repeated business opportunities for the company.
- Strong moat within its highly profitable CAMS segment, augmented by low marginal costs. MKDM’s proprietary Centralized Alarm Monitoring Systems (CAMS) infrastructure** that has been set up and connected with Qatar’s National Command Center (Ministry of Interior) and various businesses, residential buildings, public and private institutions, provides for early warning systems for fire detection, theft and intrusion detection. Consequently, the costs of adding new users to the network are low, which bodes well for margins. The CAMS infrastructure provides Mekdam with a distinct first mover advantage and with regulations for improved safety standards will ensure an increasing client base and strong returns.
- We expect revenue/earnings to grow by 6.3%/8.1% in FY2024 (Fig 1) and we see the bottom-line growing by a CAGR of 9.7% between 2023 and 2026, driven by a strong sales pipeline and improving net margins.** With group revenue growing 10.0% during 9M2024, we see full-year growth printing at 6.3% driven by a 7.0% growth from Manpower Supply Services, 51.1% rise from Other Services (Steel), 2.9% from Technology Services and 2.6% from CAMS. This should translate towards an earnings growth of 8.1% in FY2024, having grown 12.1% during 9M2024. We see overall revenue growth between 2023 and 2026 averaging around 4.7% as continued strong growth from Technology Services and Manpower Supply Services support the top-line, while we forecast earnings CAGR of 9.7% in the same period.
- Increased operating cash flows has provided for a big reduction in bank loans/external financing in both 2023 and 2024. Even with downside pressures on cash flows, Mekdam eked out positive cash flows in both 2023 and 2024 (Fig 2).** In future, cash flows are expected to improve with strong earnings pushing up cash generated from operating activities, while project financing will simultaneously provide for additional financing needs for business expansion.

Catalysts

- Catalysts: (1) Private and public sectors’ rapid movement towards digital transformation (2) LNG expansion and other Q-companies’ maintenance requirements (3) Announcement of new contracts (from submitted bids) (4) Margin expansion (5) Global companies selecting MKDM as a local partner (6) Regulations providing for Mandatory CAMS adoption from all private sectors and institutions (7) Entry into new business lines (8) AI opportunities gathering pace (9) Government spending.**

Recommendation, Valuation and Risks

- Recommendation and Valuation: We launch coverage with an Accumulate rating and a 12-month TP of QR4.029 implying an 11.9% upside.** Our TP is based on the DCF valuation model. Our primary thesis is that MKDM has more than sufficient contracts of around QR2.6bn on hand and even more in submitted bids, coupled with a high contract win/retention ratio, which provide a strong platform for revenue/earnings growth. Mekdam has a strong client base of mainly government, semi-government and top-tier companies, among others, with a high customer retention rate of around 90%. Government contracts, as a percentage of total revenue, currently stands at around 60%.
- Risks: (1) Execution risk (2) Interest rate risk (3) High capex (4) Customer concentration risk (5) Cyber-attacks (6) Seasonality (7) Geopolitics.**

Key Financial Data and Estimates

	FY2023	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
EPS (QR)	0.27	0.29	0.32	0.33	0.34	0.34
P/E (x)	13.40	12.39	11.36	11.05	10.74	10.50
EV/EBITDA (x)	12.92	11.67	9.93	9.71	9.11	8.91
DPS (QR)	-	-	0.16	0.16	0.17	0.17
DY (%)	-	-	4.4%	4.5%	4.7%	4.8%

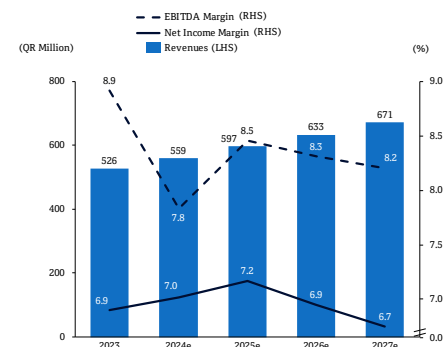
Source: Company data, QNBFS Research; Note: All data based on current number of shares

Key Data

Current Market Price	QR3.600
Dividend Yield (%)	N/A
Bloomberg Ticker	MKDM QD
ADR/GDR Ticker	N/A
Reuters Ticker	MKDM.QA
ISIN	QA000BDOVCK4
Sector*	Consumer Goods
52wk High/Low (QR)	4.299/3.266
3-m Average Vol.	119,674
Mkt. Cap. (\$ bn/QR bn)	0.1/0.5
EV (\$ bn/QR bn)	0.1/0.5
Shares O/S (mn)	135.0
FO Limit* (%)	77.8
FO (Institutional)* (%)	0.1
12-Month Total Return (%)	(7.6)
Fiscal Year-End	December 31

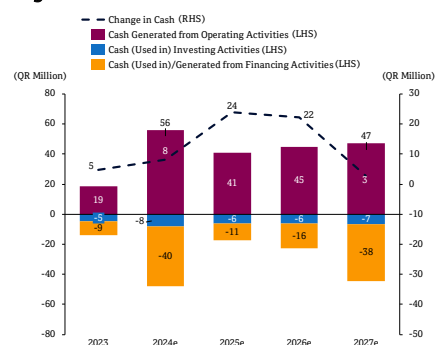
Source: Bloomberg (as of January 22, 2025), *Qatar Exchange (as of January 22, 2025); Note: FO is foreign ownership

Fig 1: Revenue



Source: Company Data, QNBFS Research

Fig 2: Cash Flows



Source: Company Data, QNBFS Research

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Valuation

We value MKDM shares at QR4.029 with an 11.9% upside potential using the DCF valuation model. We use the DCF (cash flows to firm) methodology, as we think it captures the long-term potential of Mekdam better than the market multiples. As Mekdam is primarily focused on the local market, with its niche portfolio of companies operating technology services, manpower supply services, centralized alarm monitoring systems and steel, we utilize the DCF, in order to value MKDM.

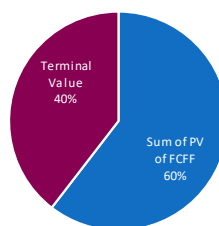
DCF Assumptions

Our DCF model implies an 11.9% upside for MKDM. While calculating the Cost of Equity, we have considered a risk free rate of 5.26% (US 10-year government bond plus Qatar's 10 year CDS rate). We use 7% as the Equity Risk Premium (ERP) and given the company's beta of 0.92x, we have reached a Cost of Equity of 11.7% for Mekdam.

DCF Model Output: Summary

GROUP	2023	2024E	2025E	2026E	2027E	2028E	2034E	2039E	Terminal
NOPLAT	44,869,642	41,640,839	47,396,040	49,355,793	51,570,520	53,705,799	74,606,611	78,776,029	81,139,310
EBIT	44,869,642	41,640,839	47,396,040	49,355,793	51,570,520	53,705,799	74,606,611	78,776,029	81,139,310
Tax	0	0	0	0	0	0	0	0	0
Reinvestment	(24,254,326)	7,955,717	(13,152,571)	(11,821,349)	(12,161,681)	(12,516,801)	(23,548,668)	(26,216,340)	(20,655,657)
D&A	2,024,019	2,131,373	3,062,397	3,247,853	3,442,156	3,646,345	5,348,506	5,751,888	
Capital Expenditure	5,027,232	8,051,652	6,134,933	6,188,223	6,522,768	6,883,708	11,055,691	12,147,404	
Change in WC	(21,251,113)	13,875,996	(10,080,034)	(8,880,979)	(9,081,068)	(9,279,438)	(17,841,483)	(19,822,825)	
Free cash flow to the firm (FCFF)	20,615,316	49,596,557	34,243,469	37,534,445	39,408,839	41,188,998	51,057,943	52,557,689	60,483,654
WACC		11.5%	11.5%	11.4%	11.5%	11.4%	11.4%	11.4%	11.4%
Discount Factor		1.00	1.12	1.24	1.39	1.54	2.95	3.29	3.66
PV of FCFF		49,596,557	30,698,470	30,231,088	28,404,386	26,719,528	17,305,423	15,987,002	16,511,278
Sum of PV of FCFF	308,564,165								
Terminal Value	201,825,341								
Terminal FCF	17,006,616								
Terminal Growth Rate	3.0%								
Terminal WACC	11.4%								
Enterprise value	510,389,506								
+Cash and cash equivalents	9,030,895								
+FVTOCI	0								
-Debt - long term and short term	30,350,646								
-Minority Interest	-880,783								
Fair Value of Equity	488,188,972								
Shares o/s	135,000,000								
12M target price per share	4.029								
12 Month Upside Potential	11.9%								

DCF Enterprise Value Breakdown



Source: QNBFS Research

Target Share Price Sensitivity to WACC and Discount Rate

		Terminal Growth Rate			
		2.00%	2.50%	3.0%	3.50%
Terminal Discount Rate	9.4%	4.142	4.292	4.466	4.670
	10.4%	3.961	4.080	4.216	4.370
	11.4%	3.824	3.921	4.029	4.152
	12.4%	3.717	3.798	3.887	3.987
	13.4%	3.632	3.701	3.776	3.860

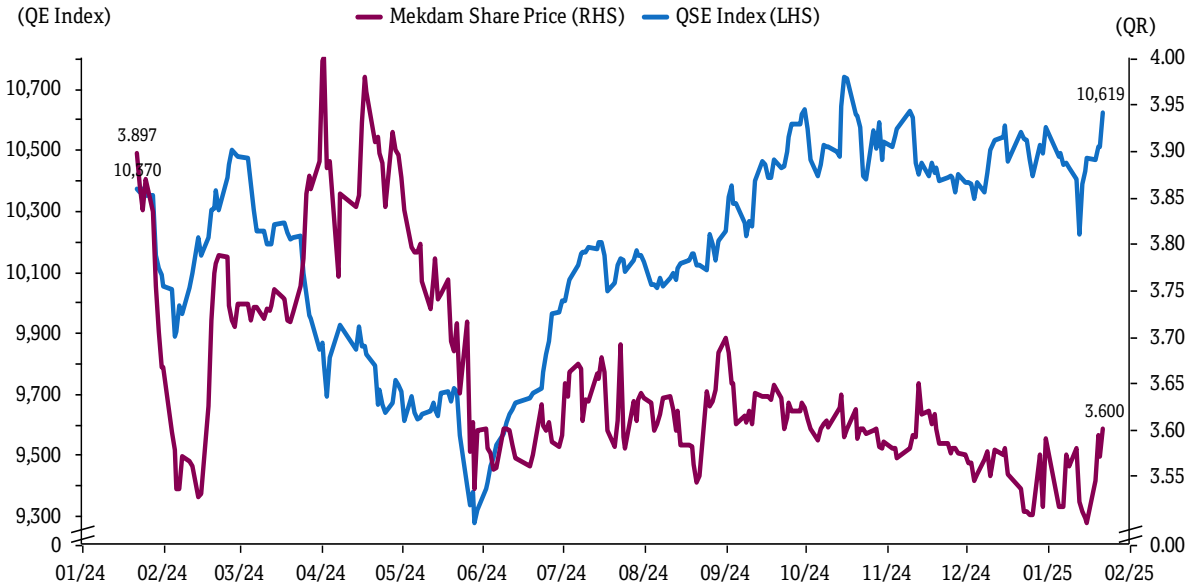
		Upside Potential			
		2.0%	2.5%	3.0%	3.5%
Terminal Discount Rate	10.4%	15.0%	19.2%	24.1%	29.7%
	10.9%	10.0%	13.3%	17.1%	21.4%
	11.4%	6.2%	8.9%	11.9%	15.3%
	11.9%	3.2%	5.5%	8.0%	10.7%
	12.4%	0.9%	2.8%	4.9%	7.2%

Source: QNBFS Research

Share Price Performance

MKDM shares have underperformed the QSE Index since the beginning of 2024. During the first half of 2024, MKDM shares dropped by 10.7%, while the QSE was down 8.0% (Fig 3). However, for the year 2024, MKDM shares were down 10.5%, while the QSE index declined 2.4%. Even as the overall financial performance of listed companies is positive and promising, the overall market has been downbeat. This has impacted MKDM share prices in 2024, even as the company has grown earnings by 12.1% during 9M2024. MKDM investors will be looking forward to the return of cash dividend payouts in the coming years, which could spark some interest in the name. In 2025, as at 22 January, MKDM shares were up by 0.3%, while the QSE Index gained 0.5%.

Fig 3: Mekdam Share Price Performance vs. QSE Index (Jan 2024 – Jan 2025*)

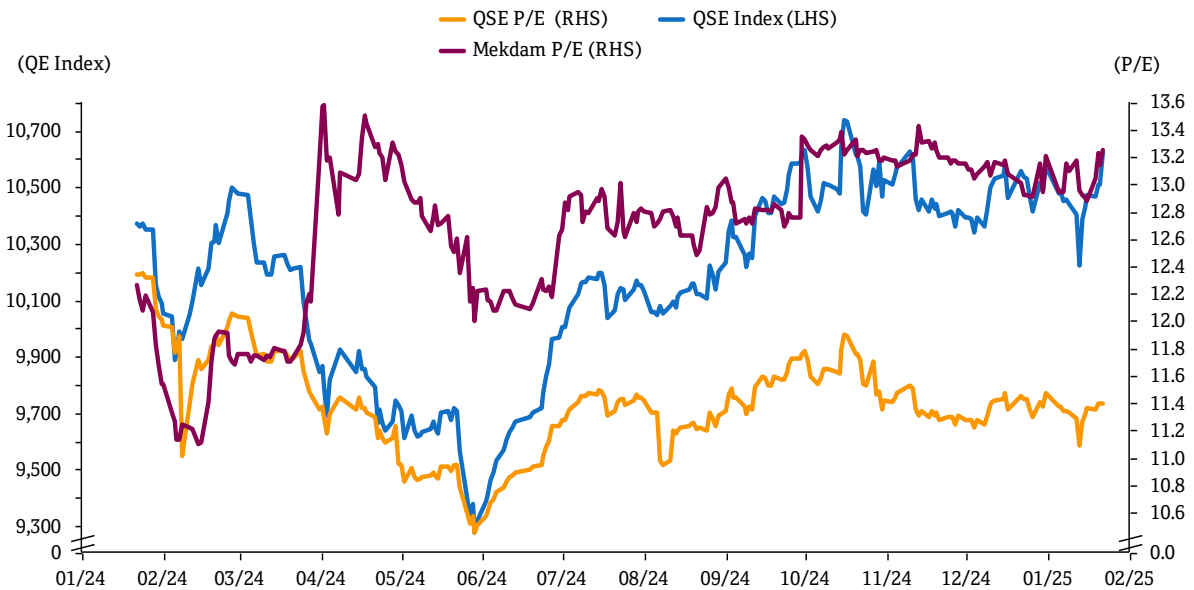


Source: Bloomberg, QNBFS Research; Note: *As at 22/01/2025

P/E Ratio Analytics

In 2023, MKDM had a higher average trailing P/E of 13.73x compared to QSE P/E of 12.01x. In 2024, MKDM had a higher average trailing P/E of 12.63x compared to QSE P/E of 11.45x. As at 22 January 2025, MKDM had a higher trailing P/E of 13.25x compared to QSE P/E of 11.40x (Fig 4).

Fig 4: Trailing P/E; MKDM Vs QE Index



Source: Bloomberg, QNBFS Research; Note: *As at 22/01/2025

Investment Themes

In this section, we highlight tailwinds expected to drive Mekdam’s valuation as follows:

- a) Strong pipeline of contracts-on-hand and revenue-to-complete
- b) Strong customer base, partnerships and retention rates
- c) Government budget and spending provide various opportunities
- d) Huge LNG expansion and GDP growth has direct and indirect opportunities
- e) Qatar National Vision-related projects
- f) CAMS infrastructure set-up and first-mover advantage
- g) Steel fabrication is an emerging revenue driver

We expand on each of these themes below:

Theme 1: Strong pipeline of contracts-on-hand and revenue-to-complete

- **Mekdam’s top-line shows contracts-on-hand valued at around QR2.6bn (Fig 5) and revenue-to-complete valued at QR1.575bn (Fig 6) as at 21 November 2024, which indicates that QR1.025bn has been completed from the overall contracts on hand.** With MKDM’s overall revenue in 2023 at QR526mn and estimated overall revenue in 2024 estimated QR559mn (Fig 7), this means that revenue-to-complete provides about three-year cover of overall revenue, based on 2023 revenue levels. MKDM’s ability to maintain a level of contracts-on-hand and revenue-to-complete provides an overall positive trend and is an indicator for future earnings power.
- **Segmental revenue breakdown also indicates the rate of completion for each business unit and potential bottom line impacts for MKDM.** With higher net margins from Manpower Supply Services and CAMS (Fig 8), it is likely that the larger revenues to complete from these two segments will provide for significant bottom-line growth prospects.

Fig 5: Contracts by Main Segments (Nov 2024)

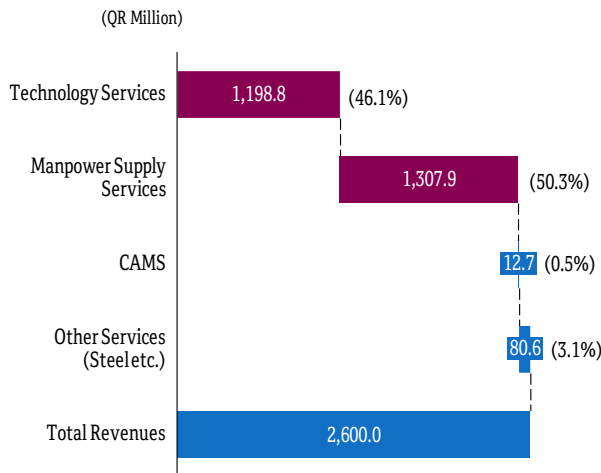


Fig 6: Revenue-to-Complete by Main Segments (Nov 2024)

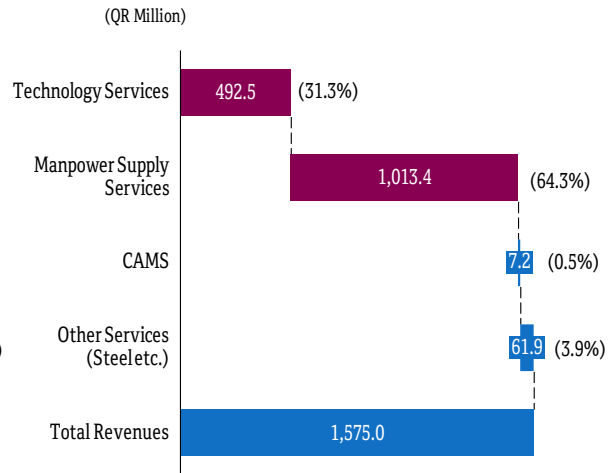


Fig 7: Total Revenue by Main Segments (2024E)

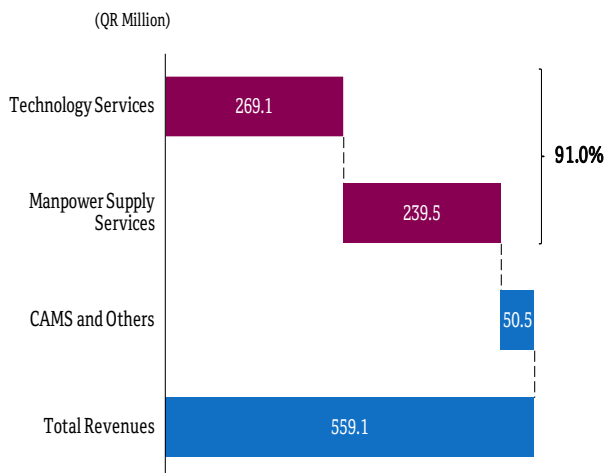
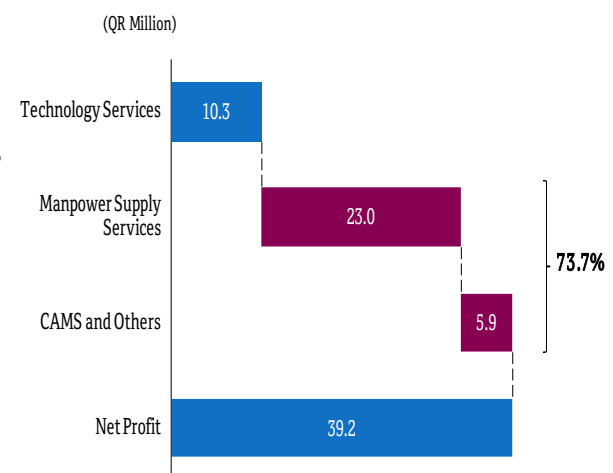


Fig 8: Net Profit by Main Segments (2024E)



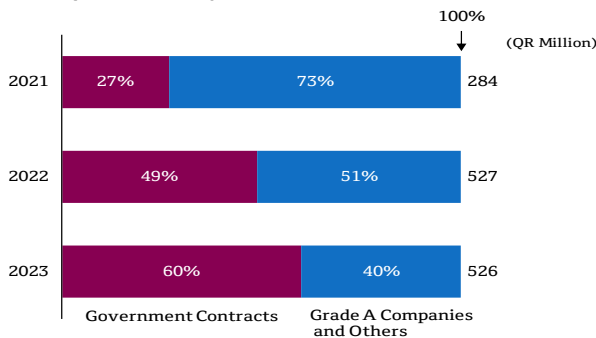
Source: Company Data, QNBFS Research

Theme 2: Strong customer base, partnerships and retention rates

- Mekdam has a strong client base consisting mainly of government, semi-government and top-tier companies, among others.** It has, over the years, built solid partnerships with leading global brands, which has resulted in a high customer retention rate of around 90%. Government contracts, as a percentage of revenue, has increased from 27% in 2021 to 60% in 2023 (Fig 9), with new contracts coming mainly from the business segment Manpower Supply Services (Fig 10). MKDM has acquired and maintained a steady client base, from the both public and private sectors, which in turn generates repeated business opportunities for the group. The average relationship with clients spans over four years. Some of the strategic and permanent clients include: Qatar Energy, Ashghal, Qatar Amiri Guard, Qatar National Bank, Al Rayan Bank, Hamad International Airport, Sidra Medical and Research Center, Hamad Medical Corporation, and QAPCO, among others. Mekdam has an excellent reputation for its high quality, accurate and reliable services. The long-term client relationships established along with their proven track record of successfully executing projects on-time are a testament to the quality of the brand and the efficiency of the services they provide.
- To provide high quality services, MKDM is in partnerships with renowned international brands in various sectors such as:**

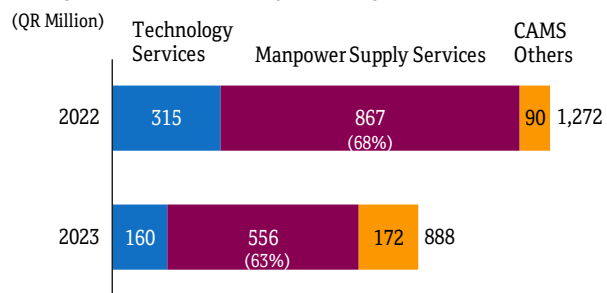
 - In the field of Information Technology: CISCO, HP, Lenovo, Dell Technologies, F5 Networks Limited, Huawei, Nordern
 - In the field of Security Systems: Milestone, Axis Communication, Bosch, Hanhwa-Techwin, Planet, Rasiliant.
 - In the field of AV systems: Apex, Avixa, Christie, PAN Acoustics, PRODISPLAY, Creston.
 - In the field of engineering: Kahramaa, Exida, Nozomi networks, IKMDsc Engineering.
 - In the field of Alarm devices: BOSCH.

Fig 9: Revenue by Main Contract Customers (2021-23)



Source: Company Data, QNBFS Research

Fig 10: New Contracts by Main Segments (2022-23)

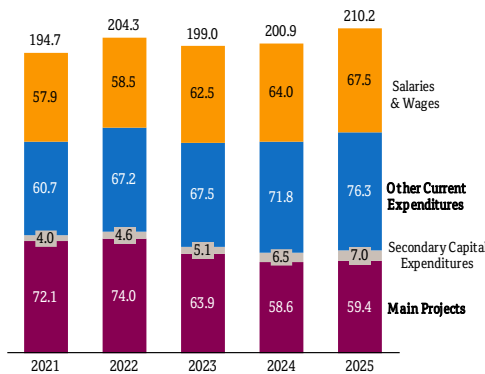


Theme 3: Government budget and spending provide various opportunities for Mekdam

- Government budgeted expenditures for 2025 increased by 4.6% to reach QR210.2bn, compared to QR200.9bn in 2024 (Fig 11).** The 2025 Budget is focused on driving forward the third National Development Strategy (NDS3), with the objectives to enhance growth in the non-oil and gas sectors of the economy. Government expenditures continue to be maintained even after the 2022 FIFA World Cup to support Qatar’s overall economic development and growth. Health and Education sectors were prioritized in the 2025 Budget, with allocations to the sectors amounting to QR41.4bn and accounting for 20% of the total budget. The 2025 Budget highlighted the additional emphasis and allocations for strategic sectors such as trade and industry, research and innovation, tourism, digital transformation, and information technology to support Qatar’s economic diversification and sustainable development. Most of these projects will provide various business opportunities and probable retentions for Mekdam Holdings.
- Government Actual Expenditures increased by 1.3% in 2023 to reach QR211.4bn, compared to QR208.7bn in 2022 (Fig 12).** The continued strong growth in current expenditures and maintained levels of main projects spending provide positive indicators for MKDM.

Fig 11: Government Budget (2021-2025)

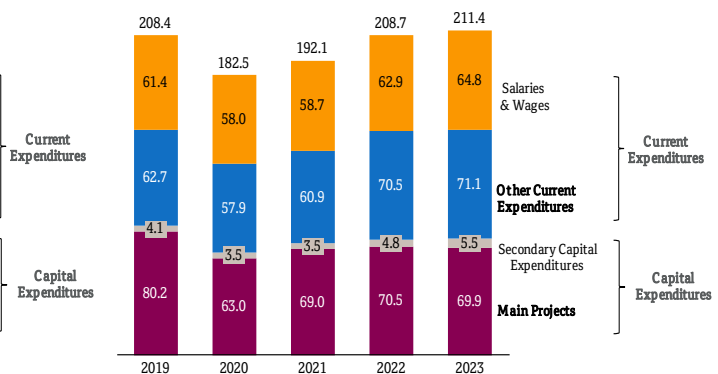
(QR Billion)



Source: Ministry of Finance

Fig 12: Government Actual Expenditures (2019-2023)

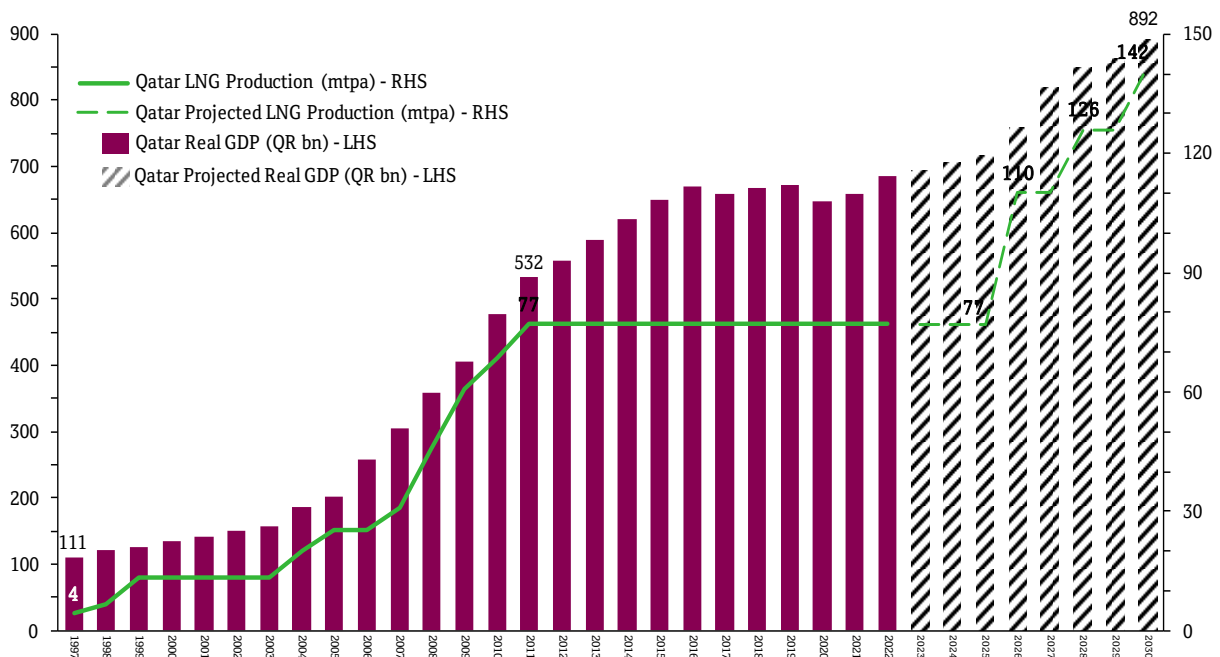
(QR Billion)



Theme 4: Huge LNG expansion and GDP growth has direct and indirect opportunities for Mekdam

- Qatar's huge LNG expansion plans will see output increase by 84.4% to reach 142 million tons in 2030 from the current 77 million tons (Fig 13). Domestic economic activity is expected to accelerate with GDP expected to average a growth rate of 5.2% over the next three years, up from 1.5% expected in 2024, according to the IMF. Qatar's economic outlook is supported by its huge LNG expansion, sustained domestic demand and various ongoing sporting, business and other tourism-related events building from the successful hosting of the World Cup. Historically, LNG output and GDP growth have exhibited a strong positive correlation of 0.7, a trend expected to continue when we extrapolate various GDP forecasts. Mekdam is expected to benefit both from overall growth in economic activity and also opportunities directly from the LNG expansion project.

Fig 13: LNG Expansion and GDP Growth (1997-2030E)



Source: IMF, National Planning Council, Qatar Energy and QNBFS Research

Theme 5: Qatar National Vision related projects

- **The framework of the Qatar National Vision 2030 (QNV 2030) aims to transform Qatar into an advanced country by 2030, sustaining its own development and providing a high standard of living for all its people for the coming generations.** The four pillars of QNV 2030 relate to Human, Social, Economic and Environment Development. QNV 2030 is translated through a series of three National Development Strategies (NDS 1, 2 and 3), with NDS3 currently being implemented. The 2025 Government Budget is focused on driving forward the third National Development Strategy (NDS3), with the objectives to enhance growth in the non-oil and gas sectors of the economy, especially the digital economy. Mekdam through its various technology services and solutions and CAMS has been instrumental in supporting and benefiting from the NDS.

Theme 6: CAMS infrastructure set up and first mover advantage

- **Mekdam CAMS has a patent registered with the Ministry of Commerce and Industry (MOCI) in 2017.** Mekdam CAMS is licensed by the Ministry of Interior to provide an early warning system connection by linking businesses, residential buildings, public and private institutions with fire detection, theft, and intrusion detection systems with a direct link to Qatar's National Command Center (NCC). The National Command Center is linked to entities including the police, ambulance, civil defense, fire security and safety services. **MKDM's high-margin CAMS division benefits from first-mover advantage and low marginal cost model, which provides stability to the bottom-line.**

Theme 7: Steel fabrication is an emerging revenue driver

- **Mekdam Steel is an engineering, fabrication & erection company that has earned a solid reputation as one of the country's foremost structural steel engineering and contracting operators by delivering quality service to a diverse range of clients.** Mekdam Steel's facility is located in Mesaieed, Qatar. The total facility is around 10,000m², equipped with state-of-the-art machineries and overhead cranes. Mekdam Steel has emerged as a strong revenue earner for the group with submitted tenders valued at over QR800mn and over QR75mn worth of contracts won as of 9M2024.

Company Overview

Mekdam Holding Group was established as a limited liability company in March 2018. In June 2021, it received the approval from the Ministry of Commerce and Industry for its transformation into a Qatari public shareholding company. In July 2021, the Group received approval to list on the secondary/ventures market of the Qatar Stock Exchange, with trading of shares starting on August 2, 2021. MKDM then transferred the listing from the venture market to the main market on January 2, 2023. The Group operates through its subsidiaries that provides ICT comprehensive and integrated services, including consulting and development, technical consulting, supply, implementation, project and program management, support and maintenance. This includes the group's network and information systems, data center systems, service management systems and software solutions, along with supply, installation, operations, activation, and maintenance of alarm devices connected to the Control Room of the Ministry of Interior/Civil Defense. In addition to its resources and capabilities to provide the services, the subsidiaries have concluded partnership and supply agreements with several internationally well-known suppliers of ICT systems and solutions around the world. These agreements grant the group non-exclusive distribution rights on the products and services developed by the group's partners and suppliers for the customers in Qatar.

MKDM's Operations Comprise 4 Main Segments:

- 1) Technology Services – Accounted for 49.7% of total revenue (Fig 14) and 17.6% of net income (Fig 15) in 2023.
- 2) Manpower Supply Services - Accounted for 42.6% of total revenue and 47.8% of earnings in 2023.
- 3) Centralized Alarm Monitoring System Services (CAMS) - Accounted for 4.3% of total revenue and 34.3% of profits in 2023.
- 4) Other Services - Accounted for 3.5% of total revenue and 0.3% of net income in 2023.

Fig 14: Total Revenue by Main Segments (2023)

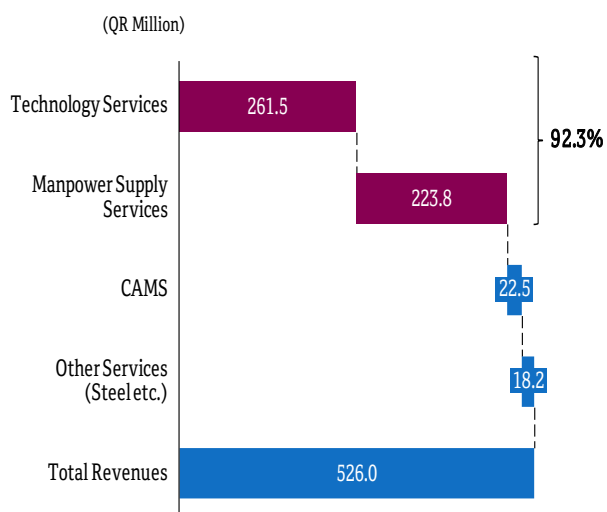
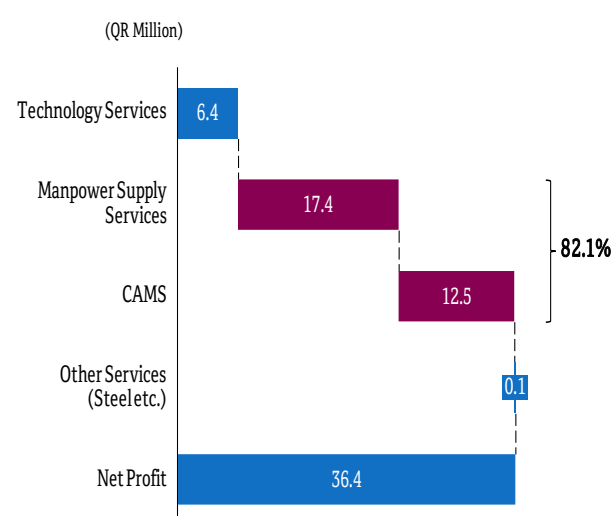


Fig 15: Net Profit by Main Segments (2023)



Source: Company Data, QNBFS Research

Technology Services

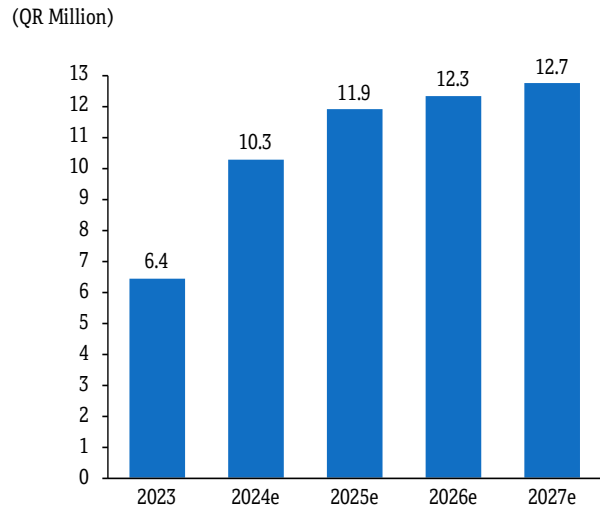
Mekdam Technology is a technology conglomerate in Qatar. It is a system integrator, which provides a wide spectrum of ICT services, audio-visual, safety & security systems, emerging technologies, cyber security, education solutions, services & maintenance and Tetra communication. With its depth and breadth of domain experience, Mekdam Technology is part to some of the largest projects in Qatar. MKDM's high customer retention rates are a testimonial to the best-practice delivery standards executed by its experienced professional team. With its broad line-up of strategic partnerships, Mekdam Technology, is relied upon by its customers for their iconic projects. Mekdam Technology has a highly skilled professional team, ranging from design capabilities, implementation and integration up to project management, under the strictest international best practices and certifications. Together with gold partnerships with many leading vendors and manufacturers, Mekdam represents the ideal solution provider to medium and large enterprises and organizations. Mekdam Engineering is part of Mekdam Technology and has a solid foundation as an EPC Contractor in key industries such as oil & gas, power, water and infrastructure. Its turn-key solutions in engineering are

attractive to fast-growing enterprises who are in need for reliable and efficient solutions in engineering. Mekdam Engineering undertakes all activities relating to Mechanical, Electrical and Plumbing (MEP) works covering large and medium scale facilities such as commercial buildings, industrial buildings, residential buildings, educational institutions and buildings for various government organizations in Qatar. Mekdam Engineering also specializes in undertaking turnarounds & plant shutdowns covering overall project planning, material procurement, manpower mobilizations coordination and complete execution of all mechanical, electrical, instrumentation, civil and related works.

Fig 16: Technology Services Revenue



Fig 17: Technology Services' Net Profit



Source: Company Data, QNBFS Research

Manpower Supply Services

Mekdam Technical Services (MTS) provides a wide range of the technological and engineering services. MTS was established to provide manpower outsourcing, operations and maintenance services to clients around the country. The company targets 18 different sectors including oil and gas, IT and others – MTS provides consultancy and human resource management services. The competitive advantage of MTS is that its clients are able to focus more on other business issues while they leave the HR recruitment function to the company. This includes temporary, mid-level executives and all the way through to executive level recruitments.

Fig 18: Manpower Supply Services Revenues

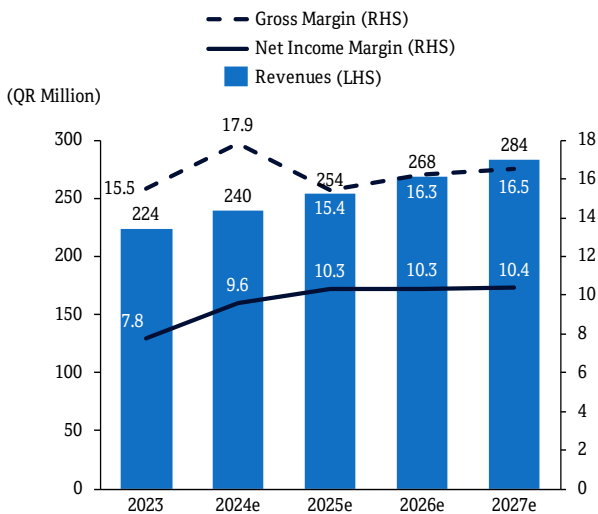
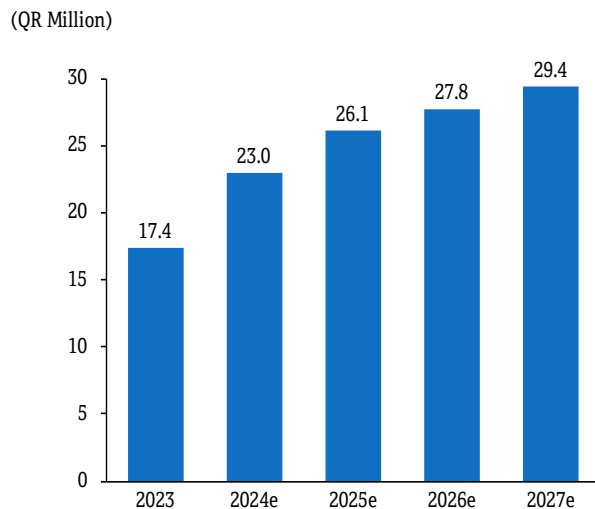


Fig 19: Manpower Supply Services Net Profit



Source: Company Data, QNBFS Research

Centralized Alarm Monitoring System Services (CAMS)

Mekdam CAMS is best known for its work with Qatar’s Ministry of Interior (MOI), where it collaborates with the government to meet the country's safety and security needs through its patented services. Mekdam CAMS is licensed by the Ministry of Interior Telecommunication Department to provide an early warning system connection by linking businesses, residential buildings, public and private institutions with fire detection, theft and intrusion detection systems with a direct link to the National Command Center (NCC). The National Command Center is linked to entities including the police, ambulance, civil defense, fire security and safety services. CAMS is widely used across Qatar and other markets to manage emergencies that could cause life threatening or asset threatening situations. With Mekdam CAMS, remote access is possible for all resources through the NCC. This seamless connectivity has enabled Mekdam CAMS to build its customer profile to more than 5,400 CAMS users across key sectors and residences around Qatar. Mekdam CAMS has a patent registered with the Ministry of Commerce and Industry (MOCI) in 2017. The CAMS system has been listed as the best way to notify the authorities of a fire or burglary. Within seconds of an incident, the system sends a signal with location data and the contact number of the person in charge of the building to the National Command Center, after which a specialized team is sent to control the situation.

Other Services (Mekdam Steel Services and Contracting)

Other Services comprise mainly of Mekdam Steel which is an Engineering, Fabrication & Erection company that has a solid reputation as a Structural Steel Engineering and Contracting Operator in Qatar. To gain maximum mileage, Mekdam Steel has setup a quality control program that enables cost effective and timely delivery of projects.

Fig 20: CAMS and Other Services Revenues

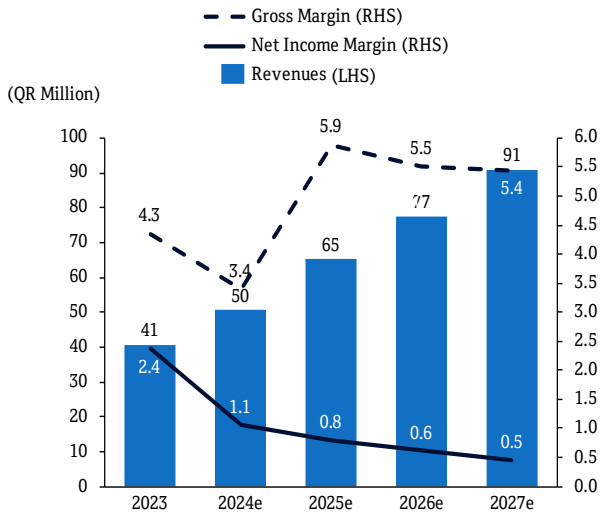
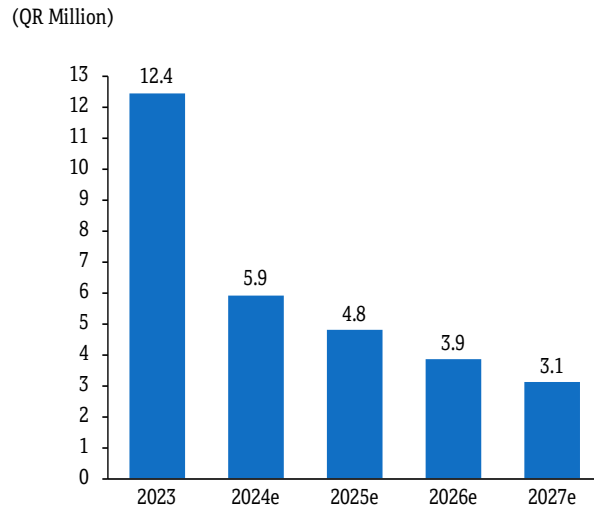
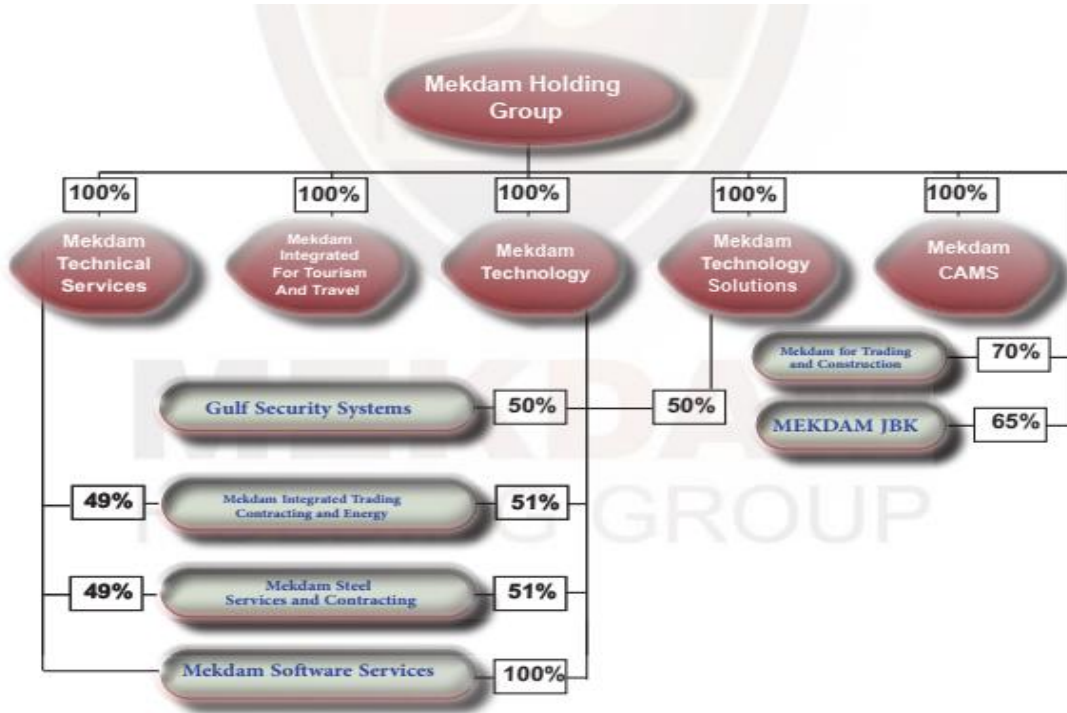


Fig 21: CAMS and Other Services Net Profit



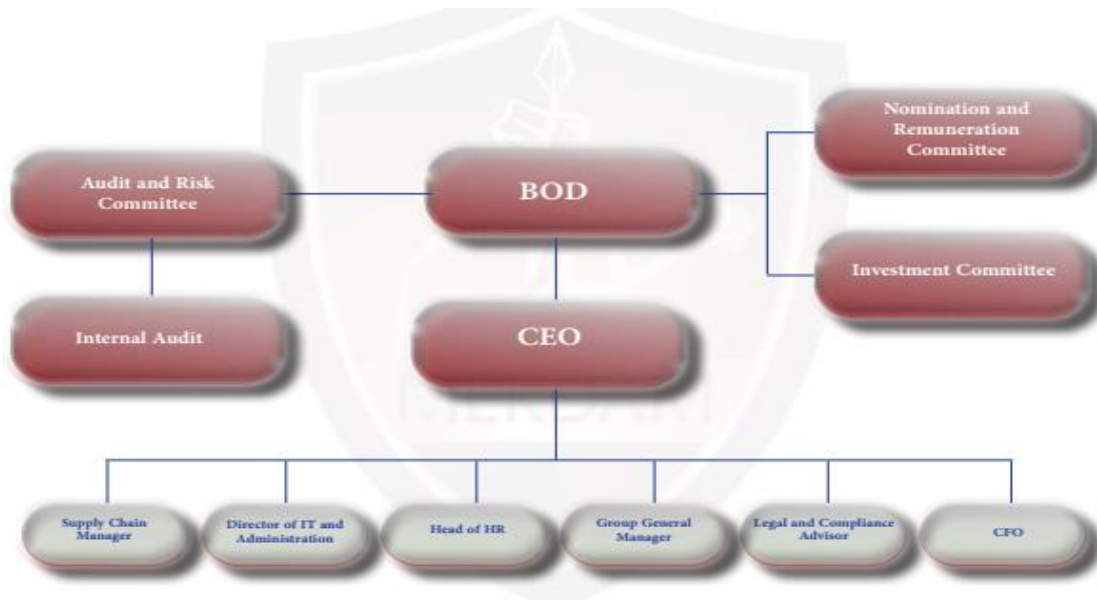
Source: Company Data, QNBFS Research

Corporate Structure



Source: Company data

Organizational Structure



Source: Company data

Major Shareholders (2025)

	Shareholder	Number of Shares	Stake (%)
1	Sheikh Mohamed Nawaf NBK Al Thani	80,365,142	59.5
2	Other Shareholders	54,634,858	40.5
	Total	135,000,000	100.00

Source: QSE data as of January 22, 2025

Management

Board Members



Sheikh Mohamed Nawaf NBK Al Thani

CHAIRMAN (NON-EXECUTIVE)



Sheikh Jassem Nawaf NBK Al Thani

VICE CHAIRMAN (NON-EXECUTIVE)



Mr. Hassan Mattar S Al-Sowaidi

INDEPENDENT BOARD MEMBER (NON-EXECUTIVE)



Mr. Jassim Sultan J M Al Rumaihi

INDEPENDENT BOARD MEMBER (NON-EXECUTIVE)



Eng. Tariq Al-Sada

INDEPENDENT BOARD MEMBER (NON-EXECUTIVE)



Mr. Rajesh Menon

INDEPENDENT BOARD MEMBER (NON-EXECUTIVE)



Mr. Saleh Mohammed Al-Nabet

INDEPENDENT BOARD MEMBER (NON-EXECUTIVE)



Mr. Ehab Naser

BOARD MEMBER (EXECUTIVE)

Source: Company data

Executive Team Profile**Mr. Ehab Naser**

Group CEO

Mr. Ehab Naser has been the CEO of Mekdam Holding Group since its establishment. Mr. Naser alongside the Executive Management members, in constant cooperation with Sheikh Mohamed bin Nawaf, laid the foundation of the company in accordance with the best international practices. He started his career with the Arab Bank Group in Jordan, in 2000, as Vice President for Financial Affairs. By 2009, he held the position of Deputy Chief Executive Officer of Global Strategy and Governance in Switzerland. Currently, Mr. Naser is responsible for the corporate strategic leadership of Mekdam Holding Group where he handles the strategic management and business growth of the subsidiaries and budgeting for them. Mr. Naser holds a bachelor's degree in accounting from the University of Jordan in Jordan, and a Master of Business Administration (MBA) from Dominican University in the United States. He also holds the following professional qualifications from the United States of America: Certified Public Accountant (CPA), Certified Financial Manager (CFM), and Certified Management Accountant (CMA). Mr. Naser is a permanent member of the international forum of Honor Beta Gamma Sigma (BGS), which recognizes the top graduates of business schools from the most prestigious international universities (AACSB International), based on his academic achievement in the study of business administration and his professional skills.

Bara Sami

Group General Manager

He has 13 years of experience in developing performance systems for renowned organizations in the Middle East and is well aligned with Corporate strategy of The Mekdam Holding Gro. He is responsible for managing the operations and business growth in affiliates in accordance with their estimated schedules and budgets. His previous career includes managing business and private enterprise units in some of the largest technology companies in Qatar where he has managed and implemented a range of giant and strategic projects in the country. He holds a degree in computer engineering from the University of Applied Sciences in Jordan.

Banan Suleiman Hussein Serhan

Chief Financial Officer (CFO)

Mr. Banan brings with him a wealth of experience, boasting over 25 years in the finance and operations domain. His extensive expertise includes successfully leading and overseeing financial operations, managing cash flow, cultivating bank relationships, handling investments, acquisitions, mergers, liquidations, launching new business ventures, and converting family business groups into publicly traded companies through Initial Public Offerings (IPOs). His specialization in investment and contracting businesses, particularly within the Investment Holding Group and Al Jabir Engineering, adds immense value to our organization.

Marwan Hanna Turjuman

General Manager of Technology Solutions

He joined Mekdam Technology in January 2018. His career history includes multiple positions at Control Contracting and Trading Company as ELV/ Telecom Manager and Senior Projects Manager. Further, he held the Position of Telecom / ELV Projects Engineer (Contractor Manager) at Consolidated Contractors Company. He holds a Bachelor of Electronics Engineering from Princess Sumaya University for Technology in Jordan, and in 2007 received a Master of Science in Communications/ Signal Processing Engineering from California State University, and is a member of the Jordanian Engineers Union, PMP, IPMO.

Ganesh Kumar Velusami

General Manager of Technology (Engineering Department)

He joined Mekdam in January 2017 and has 18 years of experience in the field of engineering, EPIC and maintenance projects. He has held various positions in Qatar, Kuwait, and UAE largely in Oil & gas, energy, and water industries. He holds a Bachelor of Electronics and Communications Engineering from Madurai Kamaraj University in India.

Shadab Mukadam

General Manager of Technical Services

With fifteen years of experience in the technical services sector, he has spent most of the years in Middle East with major companies in Saudi Arabia and Oman as well as extensive experience in India and Singapore. He holds a Bachelor of Engineering from the University of Mumbai in India, and a Postgraduate Diploma in Operations Management from Welingkar Institute of Management Development & Research in India and holds professional Certifications like PMP and PMI-RMP.

Ahmed Abdullah Ahmed Abdul Karim Al-Ibrahim

General Manager of CAMS

Mr. Ahmed Al Ibrahim joined Mekdam Holding Group in 2018 where he currently serves as General Manager of Mekdam CAMS and has been responsible for working on various strategic engagements from contracts to customer management measures.

Financial Statements & Projections

Income Statement

GROUP	FY2023	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
REVENUE	525,985	559,099	596,870	633,016	670,886	710,683
GROSS PROFIT	89,666	96,789	108,630	114,576	120,760	127,354
EBITDA	46,894	43,772	50,458	52,604	55,013	57,352
OPERATING PROFIT	44,870	41,641	47,396	49,356	51,571	53,706
NET PROFIT	36,272	39,218	42,774	43,975	45,233	46,268

Source: Company data, QNBFS Research

Balance Sheet

GROUP	FY2023	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Non-current asset						
Property and Equipment	39,507	45,481	48,554	51,494	54,574	57,812
Retention Receivables	35,153	42,932	37,577	39,853	42,237	44,742
Total non-current assets	74,660	88,413	86,131	91,347	96,811	102,554
Current assets						
Inventories	12,467	8,152	8,633	9,167	9,727	10,286
Accounts Receivable and Other Debit Balances	164,666	137,457	145,510	152,587	159,878	166,957
Advance Payments to Suppliers and Subcontractors	35,057	29,977	37,955	39,082	40,174	41,225
Contract Assets	58,862	90,233	96,329	102,163	108,275	114,697
Due from Related Parties	2,709	2,573	2,573	2,573	2,573	2,573
Cash and Bank Balances	25,343	33,391	57,325	79,623	82,437	105,538
Total Current assets	299,104	301,783	348,325	385,194	403,064	441,277
Total assets	373,764	390,196	434,455	476,541	499,875	543,831
EQUITY AND LIABILITIES						
Share Capital	105,000	135,000	135,000	135,000	135,000	135,000
Legal Reserve	54,908	58,830	63,108	67,505	72,028	76,655
Retained Earnings	31,791	36,107	73,535	90,626	108,217	126,085
Equity Attributable to Shareholders of the Group	191,699	229,937	271,642	293,131	315,246	337,740
Non-Controlling Interest	14	(986)	2,317	2,733	3,245	3,867
Total Equity	191,714	228,952	273,959	295,864	318,491	341,607
Non-current liability						
Due to Related Parties	3,000	3,000	3,000	3,000	3,000	3,000
Provision for Employees' End of Service Benefits	6,316	8,127	10,206	12,420	14,770	17,271
Total non-current liability	9,316	11,127	13,206	15,420	17,770	20,271
Current liability						
Due to Related Parties	1,878	3,500	3,500	3,500	3,500	3,500
Loans and Borrowings	63,902	25,000	15,000	25,000	15,000	25,000
Accounts Payable and Other Credit Balances	106,954	121,617	128,790	136,756	145,115	153,453
Total current liability	172,734	150,117	147,290	165,256	163,615	181,953
Total liabilities	182,050	161,244	160,496	180,677	181,384	202,223
Total equity and liabilities	373,764	390,196	434,455	476,541	499,875	543,831

Source: Company data, QNBFS Research

Cashflow Statement

GROUP	FY2023	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Cash Flow from Operating Activities	28,530	60,776	43,969	47,548	49,989	52,393
Cash Flow from Investing Activities	(4,866)	(8,106)	(6,135)	(6,188)	(6,523)	(6,884)
Cash Flow from Financing Activities	(8,970)	(39,882)	(11,069)	(16,232)	(37,725)	(19,370)
Change in Cash	4,672	8,049	23,934	22,298	2,814	23,101
Cash Beginning of Period	20,135	24,807	32,856	56,790	79,088	81,902
Restricted Cash	535	535	535	535	535	535
Cash End of Period	25,343	33,391	57,325	79,623	82,437	105,538

Source: Company data, QNBFS Research

Growth Rates and Ratios

Growth Rates and Ratios	FY2023	FY2024E	FY2025E	FY2026E	FY2027E	FY2028E
Growth Rates						
Revenue	-0.2%	6.3%	6.8%	6.1%	6.0%	5.9%
Gross Profit	14.0%	7.9%	12.2%	5.5%	5.4%	5.5%
EBITDA	15.7%	-6.7%	15.3%	4.3%	4.6%	4.3%
EBIT	15.3%	-7.2%	13.8%	4.1%	4.5%	4.1%
NP	5.9%	8.1%	9.1%	2.8%	2.9%	2.3%
EPS	5.9%	8.1%	9.1%	2.8%	2.9%	2.3%
DPS	-	-	-	2.8%	2.9%	2.3%
Operating Ratios						
Gross Margin	17.0%	17.3%	18.2%	18.1%	18.0%	17.9%
EBITDA Margin	8.9%	7.8%	8.5%	8.3%	8.2%	8.1%
EBIT Margin	8.5%	7.4%	7.9%	7.8%	7.7%	7.6%
Net Margin	6.9%	7.0%	7.2%	6.9%	6.7%	6.5%
Working Capital Ratios						
Receivable Days	114	90	89	88	87	86
Contract Asset Days	41	59	59	59	59	59
Payable Days	89	96	96	96	96	96
Finance Ratios						
Debt-to-Equity	33.3%	10.9%	5.5%	8.4%	4.7%	7.3%
Net Debt-to-Equity	20.1%	-3.7%	-15.4%	-18.5%	-21.2%	-23.6%
Net Debt-to-Capital	36.7%	-6.2%	-31.4%	-40.5%	-50.0%	-59.7%
Net Debt-to-EBITDA	82.2%	-19.2%	-83.9%	-103.8%	-122.6%	-140.4%
Interest Coverage	5.5	12.8	38.3	43.2	45.1	47.1
Return Ratios						
RoIC	16.4%	14.9%	14.3%	12.9%	13.0%	12.0%
RoE	18.9%	17.1%	15.6%	14.9%	14.2%	13.5%
RoA	9.7%	10.1%	9.8%	9.2%	9.0%	8.5%
Earnings Yield	7.5%	8.1%	8.8%	9.0%	9.3%	9.5%
Dividend Yield	-	-	4.4%	4.5%	4.7%	4.8%
Liquidity Ratios						
Current Ratio	1.7	2.0	2.4	2.3	2.5	2.4
Quick Ratio	1.7	2.0	2.3	2.3	2.4	2.4
Cash Ratio	0.1	0.2	0.4	0.5	0.5	0.6
Valuation						
EV/Revenue	1.0	0.9	0.7	0.7	0.6	0.6
EV/EBITDA	11.2	10.9	8.8	8.2	7.6	7.1
EV/EBIT	11.7	11.5	9.4	8.7	8.1	7.5
P/E	13.4	12.4	11.4	11.1	10.7	10.5
P/CF	20.4	8.7	11.8	10.9	10.3	9.8
P/BV	2.5	2.1	1.8	1.6	1.5	1.4
Other Ratios						
Asset Turnover	1.41	1.43	1.37	1.33	1.34	1.31
Financial Leverage	1.95	1.70	1.59	1.61	1.57	1.59

Source: Company data, QNBFS Research

Recommendations		Risk Ratings	
<i>Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price</i>		<i>Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals</i>	
OUTPERFORM	Greater than +20%	R-1	Significantly lower than average
ACCUMULATE	Between +10% to +20%	R-2	Lower than average
MARKET PERFORM	Between -10% to +10%	R-3	Medium / In-line with the average
REDUCE	Between -10% to -20%	R-4	Above average
UNDERPERFORM	Lower than -20%	R-5	Significantly above average

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