



# Lamasat Company

## Issuer Information

		Shareholders	Pre-IPO	Post-IPO
Market	Nomu	Aisha Badawi	34%	32%
Book-building	Jan'20-Jan'27	Mohammed Masoudi	24%	22%
Number of share offered (mn)	6.0	Ahmed Masoudi	23%	22%
% of share capital (Post-IPO)	7%	Hazem Masoudi	9%	8%
Total Share Capital (SRmn)	75.0	Abeer Masoudi	8%	8%
No. of shares- Pre-IPO (mn)	75.0	Hatim Masoudi	2%	1%
No. of shares- Post-IPO (mn)	81.0	Offering Shares	0%	7%
		<b>Total</b>	<b>100%</b>	<b>100%</b>

## Financials

Amounts in SRmn	6M24	6M23	YoY (%)	2023	2022	YoY (%)
Revenue	70	57	22.8	121	107	13.1
Cost of sales	49	46	6.5	92	76	21.1
Gross profit	20	11	81.8	29	31	(6.5)
Operating profit	16	6	270	20	24	(6.7)
Net Income	17	7	240	23	25	(8.0)
<b>EPS</b>	<b>0.23</b>	<b>0.09</b>		<b>0.31</b>	<b>0.33</b>	
Total Assets	132	120	10.0	120	112	7.1
Total Shareholder's Equity	111	102	8.8	102	92	10.9
<b>BVPS</b>	<b>1.48</b>	<b>1.36</b>		<b>1.36</b>	<b>1.23</b>	
<b>Ratios*</b>						
Gross margin (%)	28.6	19.3	9.3	24.1	28.7	(4.6)
Operating margin (%)	22.9	10.5	12.4	16.3	22.5	(6.2)
Net Margin (%)	24.3	12.2	12.1	18.6	23.4	(4.8)
RoAE (%)	16.2			19.4	-	
RoAA (%)	13.6			23.2	-	

\*6M23 balance sheet financials are not available.

## Peer Company Valuations

Company	Market Cap (SR mn)	PER* (x)	PBV* (x)	RoAE (%)
Nahdi Medical Co.	15,440	18.5	6.4	15.1
Aldawaa Medical Services Co.	6,810	19.0	4.8	27.4
<b>Average</b>		<b>18.8</b>	<b>5.6</b>	<b>21.3</b>

\*Valuations are based on a TTM basis and closing prices of Jan 20, 2025.  
Source: Company Prospectus, Tadawul, Bloomberg, and anbc research

**Lamasat Company (Lamasat) was founded in 2006 and engages in providing women's grooming services, selling cosmetics goods and products, offering personal care services and providing photography and editing services. The company is headquartered in Madinah and is one of the leading companies in its industry. For its IPO on NOMU, the company is offering 6 mn shares, representing 7.4% of post-IPO capital. The book-building process will run from Jan 20 to Jan 27, 2025. The IPO proceeds will be utilized to fund the company's future expansion plans.**

- The company specializes in offering women's grooming and personal care services, alongside selling a wide range of cosmetic products across nine branches located in Madinah, Jeddah, Riyadh, Yanbu, and Makkah. With three branches in Madinah and Jeddah each, and one branch in each of Riyadh, Yanbu, and Makkah, the company serves a diverse customer base with high-quality beauty services and products.
- In addition to its physical locations, the company also operates an online platform for selling cosmetic goods, reaching a broader market through e-commerce. Moreover, it provides professional photography and editing services through one branch in Madinah, further expanding its offerings to meet the diverse needs of its clientele.
- In 1H24, Women's Beauty Services emerged as the largest revenue segment, contributing approximately 81% to the total revenue. This was followed by Personal Care, which accounted for 12%. Additionally, Retail Sales represented 5% of the overall revenue, while E-commerce and Photography Studios each contributed 1%.
- Madinah is the company's largest revenue-generating city, accounting for 41% of total revenue in 1H24. Jeddah follows with 36%, while Yanbu, Riyadh, and Makkah each contributing approximately 7-8% to the overall sales.
- Lamasat's topline has increased by 13% YoY, reaching SAR 121 million in FY23, while the 1H24 revenues had already surged by 23% YoY. The growth in 1H24 topline was driven by a 23% increase in revenue from beauty salons, including substantial gains of 3.9x and 3.5x in Riyadh and Makkah, respectively as the company continues its expansion in these cities. Meanwhile, the company's largest expense-salaries and wages-rose modestly by just 2.9%, having a positive effect on profitability margins. The company's gross margins have improved significantly, rising from 19.3% in 1H23 to 28.6% in 1H24.
- In terms of peer comparison, the company lacks direct listed competitors. For comparison purposes, we identified beauty product retailers/pharmacies as distant peers, which trade at an average P/E of 18.8x (TTM) and P/B of 5.6x. While these peers partially operate in similar segments, Lamasat's business model is notably distinct, centered on grooming and personal care services instead of retail sales, which may warrant different valuation metrics.

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