

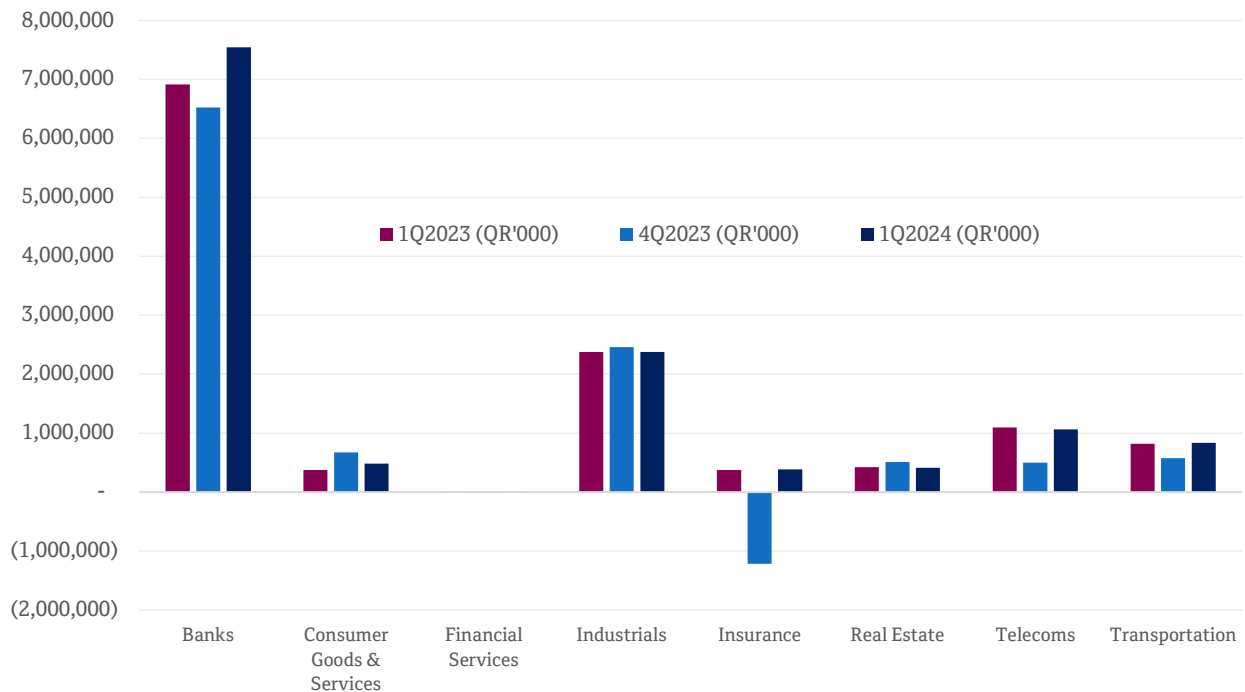
QSE 1Q2024 Aggregate Profit YoY/QoQ Rise Sets Positive Tone For 2024

Listed companies on the Qatar Stock Exchange reported a 5.8%/30.7% YoY/QoQ growth in aggregate earnings to QR13.1bn during 1Q2024. Sectoral performances were mixed but banks, insurance and transportation are the only three sectors out of eight that saw positive earnings growth both YoY and sequentially. **Aggregate topline increased 4.2% YoY but saw a modest 2.3% sequential decline to QR42.8bn.** Aggregate NP margin came in at 30.6% compared with 30.1% in 1Q2023 and 22.9% in 4Q2023. Banks remained the biggest contributor to the QSE's aggregate earnings at 57.5% (1Q2023: 55.8%) followed by industrials (18.1% vs. 19.2% in 1Q2023) and telecoms (8.1% vs. 8.8% in 1Q2023).

Snapshot of the 1Q2024 Earnings Season

- Five (4Q2023: four) of the eight sectors exhibited positive earnings growth YoY
- As expected, like the previous quarter, Banks account for bulk of the bourse's earnings
- Consumer Goods & Services saw the strongest growth YoY driven by BLDN, MCCS & WDAM
- Insurance flips to a profit from a loss in 4Q2023
- 16 (1Q2023: 12) companies registered double-digit or more of earnings growth YoY
- Only one (1Q2023: two) companies out of the 52-listed recorded losses
- 15 (1Q2023: 22) companies recorded YoY earnings decline

QSE Sector Earnings Trend: 1Q2024 vs. 1Q2023 vs. 4Q2023



Source: QSE, QNBFS Research

1Q2024 Net Profit for QSE-listed Companies (QR'000)

Sector	Ticker	1Q2023	4Q2023	1Q2024	YoY	QoQ
Banks	QNBK	3,881,745	3,638,267	4,143,260	6.7%	13.9%
	QIBK	905,341	1,249,959	955,144	5.5%	-23.6%
	CBQK	577,253	644,785	801,623	38.9%	24.3%
	DUBK	413,961	194,796	423,002	2.2%	117.2%
	MARK	384,954	214,077	406,072	5.5%	89.7%
	QIIK	315,916	187,775	335,188	6.1%	78.5%
	DHBK	208,634	142,625	231,319	10.9%	62.2%
	ABQK	204,596	221,187	218,064	6.6%	-1.4%
	QFBQ	22,118	27,624	28,770	30.1%	4.1%
Banks Total		6,914,518	6,521,095	7,542,442	9.1%	15.7%
Consumer Goods & Services	QFLS	223,214	272,344	243,469	9.1%	-10.6%
	MERS	43,189	65,358	50,785	17.6%	-22.3%
	BLDN	20,018	45,073	48,251	141.0%	7.1%
	ZHCD	41,729	63,091	44,165	5.8%	-30.0%
	MCCS	12,153	127,000	28,033	130.7%	-77.9%
	MCGS	18,810	15,311	19,770	5.1%	29.1%
	MEZA	10,886	14,199	11,662	7.1%	-17.9%
	SIIS	6,965	28,536	11,332	62.7%	-60.3%
	WDAM	(17,373)	25,748	10,529	N.M.	-59.1%
	MKDM	9,679	13,351	10,513	8.6%	-21.3%
	FALH*	3,228	1,897	2,867	-11.2%	51.1%
	QCFS	1,995	327	2,349	17.7%	617.5%
	QGMD	270	1,162	284	5.5%	-75.5%
Consumer Goods & Services Total		374,764	673,398	484,009	29.2%	-28.1%
Financial Services	NLCS	4,095	3,554	4,768	16.4%	34.1%
	IHGS	1,288	4,244	3,636	182.3%	-14.3%
	QOIS	4,553	(6,570)	562	-87.6%	N.M.
	DBIS	(2,376)	6,702	(4,987)	N.M.	N.M.
Fin. Serv. Total		7,559	7,930	3,979	-47.4%	-49.8%
Industrials	IQCD	1,165,925	1,426,847	1,280,504	9.8%	-10.3%
	QEWS	400,663	442,425	318,492	-20.5%	-28.0%
	MPHC	268,624	233,853	194,016	-27.8%	-17.0%
	GISS	91,514	(22,872)	161,173	76.1%	N.M.
	IGRD	101,214	45,128	111,697	10.4%	147.5%
	AHCS	87,495	102,063	94,019	7.5%	-7.9%
	QAMC	92,624	92,481	85,587	-7.6%	-7.5%
	QNCD	64,102	53,472	51,372	-19.9%	-3.9%
	QIGD	54,474	63,621	43,456	-20.2%	-31.7%
		QIMD	48,197	19,813	36,469	-24.3%
Industrials Total		2,374,831	2,456,830	2,376,785	0.1%	-3.3%
Insurance	QATI	173,153	154,880	194,563	12.4%	25.6%
	DOHI	65,585	17,173	71,401	8.9%	315.8%
	QISI	29,297	39,516	43,009	46.8%	8.8%
	AKHI	28,226	11,987	27,028	-4.2%	125.5%
	QGRI	44,990	(1,477,996)	17,985	-60.0%	N.M.
	QLMI	20,029	23,213	17,435	-13.0%	-24.9%
	BEMA	13,670	17,353	16,156	18.2%	-6.9%
Insurance Total		374,949	(1,213,873)	387,578	3.4%	N.M.
Real Estate	BRES	235,486	450,375	238,227	1.2%	-47.1%
	ERES	91,042	(120,015)	95,453	4.8%	N.M.
	UDCD	88,022	171,915	72,493	-17.6%	-57.8%
	MRDS	10,199	8,143	7,075	-30.6%	-13.1%
Real Estate Total		424,749	510,418	413,248	-2.7%	-19.0%
Telecoms	ORDS	960,566	351,634	912,931	-5.0%	159.6%
	VFQS	133,391	147,920	150,107	12.5%	1.5%
Telecoms Total		1,093,957	499,554	1,063,038	-2.8%	112.8%
Transportation	QGTS	395,488	368,349	419,757	6.1%	14.0%
	QNNS	363,285	160,462	365,180	0.5%	127.6%
	GWCS	61,484	47,171	50,879	-17.2%	7.9%
Transportation Total		820,257	575,982	835,816	1.9%	45.1%
Grand Total		12,385,584	10,031,333	13,106,894	5.8%	30.7%

Source: QSE, QNBFS Research; FALH* is based on its latest 2Q2024 results

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Banking Sector

Earnings Generally In-Line With Estimates as Expected

Highlights:

- The banking sector posted a large increase in 1Q2024 aggregate earnings, both YoY and sequentially. For 1Q2024, the banking sector posted a 9.1/15.7% YoY/QoQ growth in aggregate headline net income.
- The Banks & Financial Services Index underperformed the QSE Index and dropped by 10.6% (QSE Index: -9.1%) in 1Q2024.
- The banking sector is currently trading at a P/B multiple of 1.5x with an average RoE of 12.3% vs. 1.4x KSA (RoE: 13.5%), 1.2x UAE (RoE: 16.1%) and 1.2x Kuwait (RoE: 7.9%); Qatar banks appear to be expensive based on a P/B-to-RoE of 12.3x. The sector offers a 2024e dividend yield of 4.4% vs. the QSE's DY of 5.2%.

Revenue:

- Aggregate revenue gained by 9.9% YoY in 1Q2024 to QR12.7bn, driven mainly by margin expansion. Aggregate growth was attributable to QNB Group (QNBK), which is always the case (contributes 64% to aggregate revenue).
- Aggregate revenue declined by 1.6% QoQ in 1Q2024. Aggregate decline was mainly attributable to margin compression and to some extent, weak non-funded income.
- NIMs, on a YoY basis on average expanded, while compressing on a sequential basis. In aggregate, net interest margin expanded by 8bps to 2.44% YoY. On the other hand, NIMs contracted by 9bps sequentially.

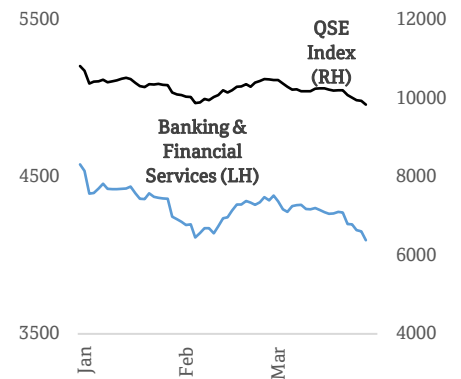
Earnings:

- Aggregate 1Q2024 net income jumped up by 9.1% YoY to QR7.5bn due to a combination of margin expansion and lower provisions and impairments. All banks witnessed their bottom-line increase. Commercial Bank of Qatar (CBQK) experienced the highest increase, growing by 38.9%, driven by a sharp drop in provisions & impairments as margins and f/x losses were an overhang. Doha Bank's (DHBK) net income grew by 10.9% on the back of a drop in credit provisions and investment gains (vs. losses).
- Aggregate net income of banks surged by 15.7% sequentially in 1Q2024, in-line with historical trends. This was due to sharp drop in provisions & impairments (generally in-line with historical trends). Dukhan Bank's (DUBK) profitability surged by 117.2%, followed by Masraf Al Rayan's (MARK) growth of 89.7%, Qatar International Islamic Bank's (QIIK) of +78.5% and DHBK's 62.2%.

Balance Sheet:

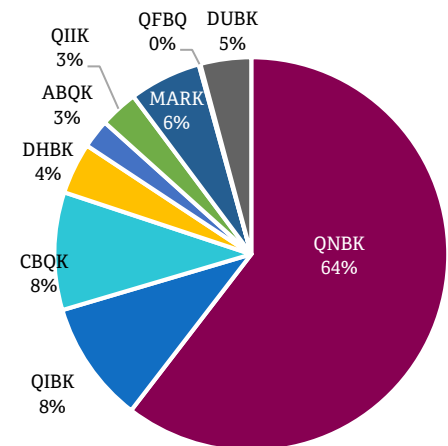
- Loans experienced an increase QoQ and YoY; loans performance was mixed. The loan book grew by 1.3% sequentially (+4.4% YoY) to QR1.40trn in 1Q2024. Some banks witnessed their loan books contract while others increased, both QoQ and YoY. DUBK's loan book expanded by 4.2% sequentially (+9.1% YoY) followed by QIIK' +2.6% (+7.2% YoY). Moreover, QNBK's loan portfolio grew by 1.7% QoQ (+7.1% YoY).
- Deposits also increased both sequentially and YoY. Aggregate deposits increased by 3.2% sequentially (+6.8% YoY) reaching QR1.39trn; MARK's deposits expanded the most, growing by 13.6% QoQ (+12.4% YoY). DUBK's Loans expanded by 12.1% YoY followed by QIIK (+10.8%)
- Capitalization levels of Qatar banks remained robust. Sector average Tier-1 ratio came in at a robust 18.8%. All the banks generated strong Tier-1 ratios with CBQK improving the most.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
QNBK	Qatar National Bank	3,881.7	3,638.3	4,143.3	6.7%	13.9%
QIBK	Qatar Islamic Bank	905.3	1,250.0	955.1	5.5%	-23.6%
CBQK	Commercial Bank of Qatar	577.3	644.8	801.6	38.9%	24.3%
DUBK	Dukhan Bank	414.0	194.8	423.0	2.2%	117.2%
MARK	Masraf Al Rayan	385.0	214.1	406.1	5.5%	89.7%
QIIK	Qatar International Islamic Bank	315.9	187.8	335.2	6.1%	78.5%
DHBK	Doha Bank	208.6	142.6	231.3	10.9%	62.2%
ABQK	Ahli Bank	204.6	221.2	218.1	6.6%	-1.4%
QFBQ	Lesha Bank	22.12	27.62	28.77	30.1%	4.1%
Total		6,914.52	6,521.10	7,542.44	9.1%	15.7%

Source: Company data; Note: Net Income is in QRmn and are headline net income figures

Industrials Sector

Mixed Performances by Sector Constituents YoY/QoQ

Highlights:

- There is both top and bottom line sector recovery YoY following decline in 2023 due to high base effects by sector heavyweight IQCD. This could mark the beginning of earnings recovery/momentum for the sector for the rest of the year.
- The Industrials Index was down by 1.4% (QE Index: -9.1%) in 1Q2024.
- Total traded value was QR8.2bn in 1Q2024 vs. QR7.6bn in 4Q2023.

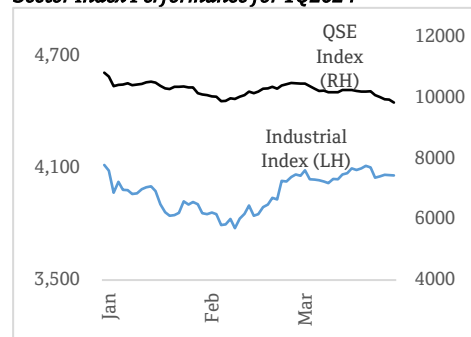
Revenue:

- Sector revenue declined 7.2% YoY in 1Q2024 to QR6.5bn, weighed down by six of the ten sector constituents including heavyweight IQCD's revenue, which fell 16.0%; IQCD accounted for 45.1% (1Q2023: 49.8%) of sector revenue.
- Sequentially, sector revenue rose marginally by 2.8% in 1Q2024. IQCD rose 3.7%. Notable growth came from IGRD (+15.4%), partially offset by MPHC's topline (-18.4%).

Earnings:

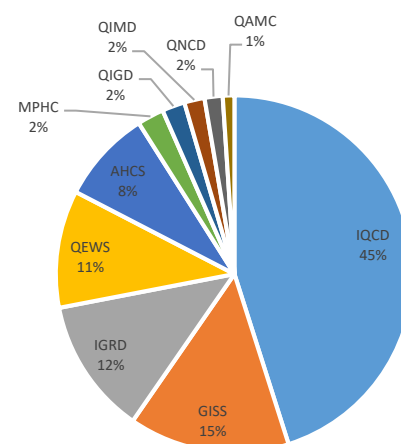
- The sector's 1Q2024 net profit edged up by 0.1% YoY with six out of 10 companies recording declines in earnings. Meanwhile, IQCD (+9.8%), GISS (+76.1%), IGRD (+10.4%) and AHCS (+7.5%) more than offset declines by peers.
- Sequentially, 1Q2024 sector profit declined modestly by 3.3%. Seven out of the 10 sector constituents recorded earnings declines QoQ including IQCD (-10.3%). However, IGRD (+147.5%) and QIMD (+84.1%) saw their earnings climb, while GISS flipped to profit of QR161.2mn from a loss of QR22.9mn.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
IQCD	Industries Qatar	1,165,925	1,426,847	1,280,504	9.8%	-10.3%
QEWS	Qatar Electricity & Water Co.	400,663	442,425	318,492	-20.5%	-28.0%
MPHC	Mesaieed Petrochemical Holding Co.	268,624	233,853	194,016	-27.8%	-17.0%
GISS	Gulf International Services	91,514	(22,872)	161,173	76.1%	N.M.
IGRD	Estithmar Holding Group	101,214	45,128	111,697	10.4%	147.5%
AHCS	Aamal Co.	87,495	102,063	94,019	7.5%	-7.9%
QAMC	Qatar Aluminium Manufacturing Co.	92,624	92,481	85,587	-7.6%	-7.5%
QNCN	Qatar National Cement Co.	64,102	53,472	51,372	-19.9%	-3.9%
QIGD	Qatari Investors Holding	54,474	63,621	43,456	-20.2%	-31.7%
QIMD	Qatar Industrial Manufacturing Co.	48,197	19,813	36,469	-24.3%	84.1%
Total		2,374,831	2,456,830	2,376,785	0.1%	-3.3%

Source: Company data; Note: Net Income is in QR'000

Consumer Goods & Services Sector

Revenue/bottom line increased YoY but declined QoQ

Highlights:

- Both sector revenue and bottom line increased YoY but declined QoQ.
- The sector saw a new entry, Al Faleh Educational Holding (FALH), at the beginning of the year, through a transfer of its listing from the venture market to the QSE mainboard. This increased sector constituents to 13, and the mainboard to 52 listings. However, FALH has a different reporting cycle than other companies as its financial year ends in August instead of December. Its latest set of results pertains to its 2Q2024, which we have aggregated with 1Q numbers for the rest of the market.
- The Consumer Goods & Services Index went down 5.1% (QSE Index: -9.1%) in 1Q2024. Sector traded value was QR2.9bn in 1Q2024 vs QR2.9bn in 4Q2023.

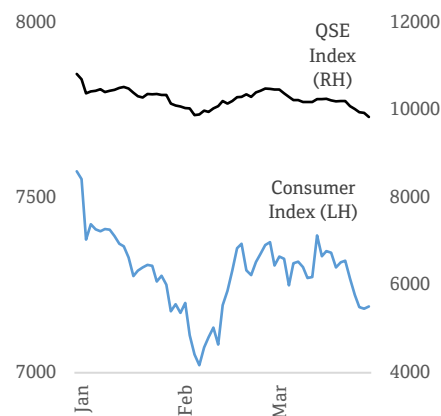
Revenue:

- Sector revenue grew by 5.9% YoY to QR10.7bn in 1Q2024, with 10 of the 13 sector constituents registering positive top line growth. Meanwhile, FALH (-17.1%), QGMD (-16.0) and MEZA (-10.1%) saw their revenues declining YoY.
- Sequentially, revenue for sector fell 7.1% as the sector's heavyweights, QFLS and MCCS, experienced revenue declines.

Earnings:

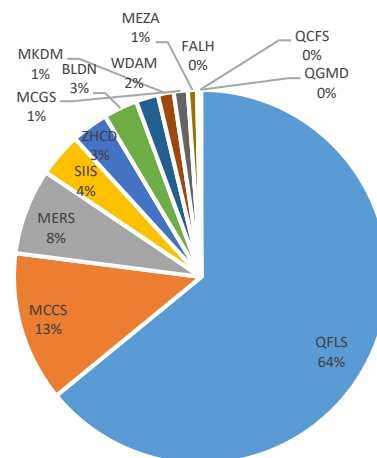
- The sector's 1Q2024 net profit climbed 29.2% as Baladna (+141.0%) and Mannai (+130.7%) more than doubled their bottom lines, while Widam emerged from a loss of QR17.4mn to a profit of QR10.5mn.
- Sequentially, sector bottom line declined 28.1%. Bar three of the 13 sector players, it was a broad-based sector earnings decline.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
QFLS	Qatar Fuel	223,214	272,344	243,469	9.1%	-10.6%
MCCS	Mannai Corporation	12,153	127,000	28,033	130.7%	-77.9%
MERS	Al Meera Consumer Goods & Services	43,189	65,358	50,785	17.6%	-22.3%
SIIS	Salam International Investment	6,965	28,536	11,332	62.7%	-60.3%
ZHCD	Zad Holding	41,729	63,091	44,165	5.8%	-30.0%
BLDN	Baladna	20,018	45,073	48,251	141.0%	7.1%
WDAM	Widam Food Company	(17,373)	25,748	10,529	N.M.	-59.1%
MKDM	Mekdam Holding Group	9,679	13,351	10,513	8.6%	-21.3%
MCGS	Medicare Group	18,810	15,311	19,770	5.1%	29.1%
MEZA	Meeza QSTP LLC	10,886	14,199	11,662	7.1%	-17.9%
FALH	Al Faleh Educational Holding	3,228	1,897	2,867	-11.2%	51.1%
QCFS	Qatar Cinema & Film Distribution	1,995	327	2,349	17.7%	617.5%
QGMD	Qatari German Co. for Medical Devices	270	1,162	284	5.5%	-75.5%
Total		374,764	673,398	484,009	29.2%	-28.1%

Source: Company data; Note: Net Income is in QR'000

Insurance Sector

Strong Performance from QISI and QATI Drive Overall Profitability

Highlights:

- **Strong performances from both Qatar Islamic Insurance and Qatar Insurance drove overall sector profitability, even as Qatar General Insurance & Reinsurance witnessed a significant YoY drop that caused a drag to the overall sector and to conventional insurance companies.** Overall conventional insurance companies (QATI, DOHI, QLMI and QGRI) net profit declined marginally by 0.8% YoY, while Islamic insurance companies (AKHI, QISI and BEMA) witnessed a yearly rise in net profit by 21.1% during 1Q2024.
- **Industry heavyweight QATI accounted for half of net profit during 1Q2024**, with gross written premiums by lines of business in recent years revealing a major shift from a high share in motor insurance and property, losing out to increasing shares from health and life and marine and aviation insurance. The introduction of mandatory health insurance being implemented in a phased manner for visitors to Qatar and resident expatriates have had a positive impact on the sectors premium income. Qatar's LNG fleet expansion and Qatar Airways new aircraft purchases have provided for additional premium growth.
- **The Insurance Index dropped 9.9% (QSE Index: -9.1%) in 1Q2024.**
- **Traded value during 1Q2024 was QR498.9mn.**

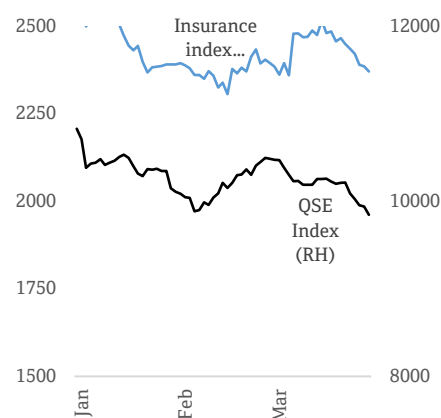
Revenue:

- **The insurance sector's revenue in 1Q2024 increased 18.9% YoY to QR2.96bn from QR2.48bn**, driven mainly by a growth in QATI's insurance revenue (21.4%). Conventional insurance companies accounted for 84.7% of overall insurance revenue during 1Q2024, while Islamic insurance companies accounted for only 15.3%.
- **Conventional insurance companies' revenue went up 16.6% YoY to QR2.50bn from QR2.15bn**, while **Islamic insurance companies' revenue surged by 34.2% (AKHI up 58.1%) during 1Q2024 to reach QR451.7mn from QR336.6mn achieved during 1Q2023.**

Earnings:

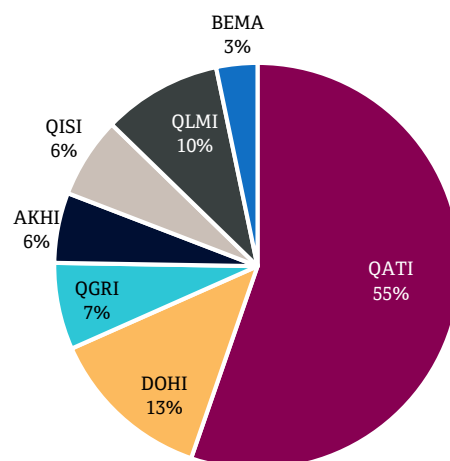
- **The sector's 1Q2024 net profit moved up by 3.4% YoY to reach QR387.6mn, compared to a net profit of QR374.9mn for 1Q2023.**
- **QATI and QISI were the main contributors to the overall rise in sector bottom-line. QATI net profit surged by 12.4% YoY, while the other star performer for 1Q2024 QISI had net profit shoot up by 46.8% YoY.** QISI net profit growth was driven mainly by a huge increase in gross written premiums from business line of takaful and health.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Insurance Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	1Q2024	YoY
QATI	Qatar Insurance	173,153	194,563	12.4%
DOHI	Doha Insurance	65,585	71,401	8.9%
QGRI	Qatar General Insurance & Reinsurance	44,990	17,985	(60.0%)
AKHI	Al Khaleej Takaful Group	28,226	27,028	(4.2%)
QISI	Qatar Islamic Insurance	29,297	43,009	46.8%
QLMI	Qatar Life & Medical Insurance	20,029	17,435	(13.0%)
BEMA	Damaan Islamic Insurance Company	13,670	16,156	18.2%
Total		374,949	387,577	3.4%

Source: Company data; Note: Net Income is in QR'000 and QATI earnings are headline net income figures

Telecoms Sector

Positive Momentum Continues

Highlights:

- The telecoms sector remained healthy with its aggregate top-line up YoY and down only marginally sequentially.
- Aggregate net income, while down modestly YoY, increased significantly vs. 4Q2023.
- The Telecoms Index was lower by 2.2% (QSE Index: -9.1%) in 1Q2024.
- Total traded value was QR1.9bn in 1Q2024 vs QR1.4bn during 4Q2023.

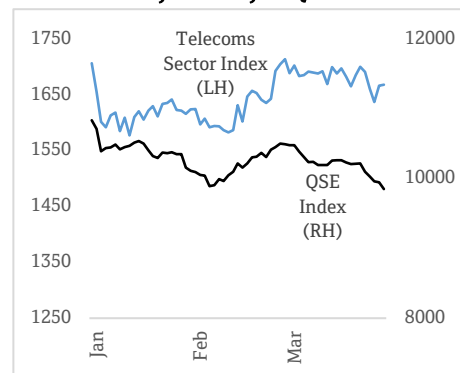
Revenue:

- For 1Q2024, aggregate sector revenue grew 4.0% YoY to QR6.7bn driven by growth in the sector giant Ooredoo's revenue (up 4.0%) to QR5.9bn and supported by Vodafone Qatar's 3.9% YoY increase to QR806.1mn. Ooredoo's revenue growth was driven by its service revenue and the company's performance for the quarter was underpinned by the strong operational performance in Iraq, Algeria, Maldives and Tunisia. Vodafone Qatar's revenue was mainly backed by continued growth in its service revenue that expanded 2.5% YoY.
- Sequentially, revenue dropped slightly by 1.0% in 1Q2024 due to a 1.0% lower revenue QoQ exhibited by ORDS and a 0.8% decline in revenue seen by VFQS.

Earnings:

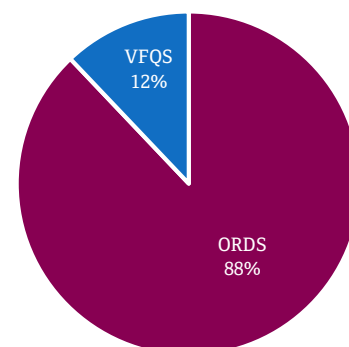
- The sector's 1Q2024 aggregate net profit declined 2.8% YoY to QR1.1bn. The YoY fall in sector earnings was driven by ORDS, which reported a 5.0% decline in profits. However, Ooredoo's normalized earnings grew ~26% YoY to QR1.0bn. VFQS, on the other hand, posted a 12.5% yearly increase in earnings, boosted by continued progress in costs optimization and margin expansion.
- Sequentially, sectoral bottom-line surged 112.8% in 1Q2024 as Ooredoo's earnings surged 159.6% from 4Q2023 that faced higher impairment charges, whereas Vodafone's earnings also increased 1.5% QoQ.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
ORDS	Ooredoo	960,566	351,634	912,931	-5.0%	159.6%
VFQS	Vodafone Qatar	133,391	147,920	150,107	12.5%	1.5%
	Total	1,093,957	499,554	1,063,038	-2.8%	112.8%

Source: Company data; Note: Net Income is in QR'000

Real Estate Sector

Lower Housing and Retail Demand Result in Dropping Rental Rates

Highlights:

- Dropping rental rates due to lower demand from both the residential and retail market and oversupply has pushed the real estate sector profitability down. Freehold property ownership, huge ongoing increase in inbound tourism and government regulatory measures to support the Real Estate sector are expected to provide a major boost to the sector in the coming years.
- The Real Estate Index was up by 1.5% (QSE Index: -9.1%) in 1Q2024.
- Trading value in the sector was QR2.0bn in 1Q2024 vs. QR2.2bn in 4Q2023.

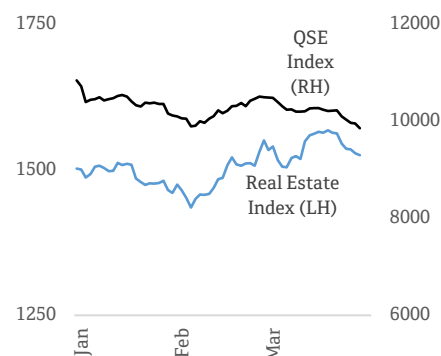
Revenue:

- The real estate sector's 1Q2024 revenue declined 13.3% YoY to QR1.3bn pushed down mainly by the main three players UDCD, BRES and ERES. Sequentially, revenue dropped 19.2% in 1Q2024 mainly lowered by a 43.9% slide from UDCD.

Earnings:

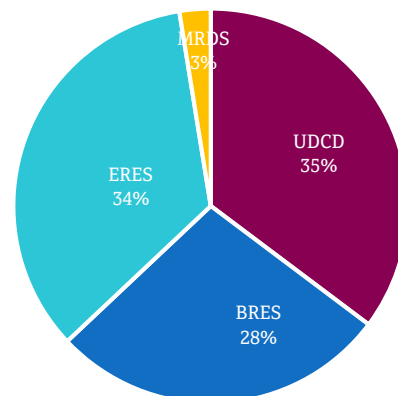
- The sector's 1Q2024 net profit moved down by 2.7% YoY to QR413.2mn weighed down mainly by UDCD.
- Sequentially, sectoral bottom-line dropped 19.0% in 1Q2024 dragged lower mainly by BRES and UDCD. BRES and UDCD earnings dropped by 47.1% and 57.8%, respectively, in 1Q2024. However, ERES recorded a recovery in earnings for 1Q2024, after recording a loss during 4Q2023.

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
UDCD	United Development Co.	88,022	171,915	72,493	(17.6%)	(57.8%)
BRES	Barwa Real Estate Co.	235,486	450,375	238,227	1.2%	(47.51%)
ERES	Ezdan Real Estate Co.	91,042	(120,015)	95,453	4.8%	N/M
MRDS	Mazaya Qatar Real Estate Dev.	10,199	8,143	7,075	(30.6%)	(13.1%)
Total		424,749	510,418	413,248	(2.7%)	(19.0%)

Source: Company data; Note: Net income is in QR'000

Transportation Sector

Leveraged to LNG Growth, Sector Remains Attractive

Highlights:

- In February 2024, QatarEnergy announced that it will further raise Qatar's LNG production capacity to 142 MTPA before the end of 2030. QatarEnergy has announced that it is proceeding with a new LNG expansion project, the North Field West project, to further raise Qatar's LNG production capacity by 16 MTPA to 142 MTPA before the end of this decade, representing an increase of almost 85% from current production levels. Concurrently, QatarEnergy also announced the discovery of additional gas quantities in the NF estimated at 240tn cubic feet, which raises Qatar's gas reserves to more than 2,000tn cubic feet from 1,760tn cubic feet and raises the condensates reserves to more than 80bn barrels from 70bn barrels. As a result, Qatar's total LNG production will reach about 142 MTPA when this new expansion is complete (~+85% compared to current production levels).
- In February 2024, as expected by QNB FS, QatarEnergy chose Nakilat as the owner and operator of up to 25 conventional LNG vessels tied to the massive 100+ vessels North Field expansion program. Further, in March, QatarEnergy and Nakilat signed long-term charter party agreements for 25 conventional LNG ship related to this agreement. QGTS will own 100% of the 25 LNG vessels, which will be chartered to affiliates of QatarEnergy. They are scheduled for construction in Korean shipyards as part of QatarEnergy's historic LNG Fleet Expansion Project, which is intended to cater for the LNG transportation requirements of QatarEnergy's LNG expansion projects as well as its fleet renewal requirements. **Milaha is also set to benefit from this deal given its 36.3% ownership in QGTS.**
- **The Transportation Index increased 14.5% (QSE Index: -9.1%) in 1Q2024.**
- Trading interest in the transportation sector expanded in 1Q2024 to QR2.9bn in traded value from QR2.6bn in 4Q2023.

Revenue:

- **The transportation sector's 1Q2024 revenue dropped 1.9% YoY to QR2.2bn weighed down by declines in Gulf Warehousing's (-9.0%) and Milaha's top-line (-2.5%), which continues to face a challenging container shipping rate environment.** For GWCS, YoY comparisons remain challenging in logistics due to the residual impact of the World Cup. Freight forwarding, while also down YoY, came in relatively stronger as the segment continued to accelerate vs. 3Q2023's lows. Finally, Nakilat's wholly-owned LNG shipping business remained stable as usual, with revenue up 1.9%.
- **Sequentially, revenue grew 1.4% in 1Q primarily due to a 4.6% increase in Milaha's revenue,** which enjoyed the usual sequential uptick in dividend income.

Earnings:

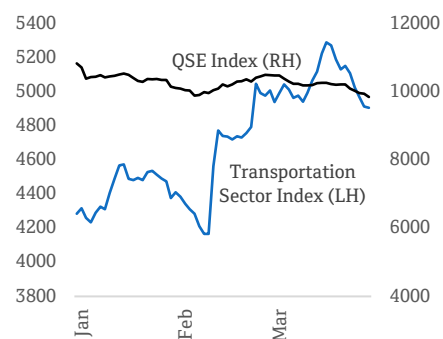
- **The sector's 1Q net profit increased 1.9% YoY to QR835.8mn from QR820.3mn.** QGTS benefited from higher revenue and cash margins, along with lower operating costs.
- **Sequentially, sectoral bottom-line surged by 45.1% in 1Q2024** since 4Q2023 aggregate earnings were only QR576.0mn, with Milaha, in 1Q2024, benefiting from dividend income, lack of impairments and higher profitability across all segments, except its trading division. QGTS, also benefitted from lower sequential depreciation, among other things.

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
GWCS	Gulf Warehousing Co.	61,484	47,171	50,879	-17.2%	7.9%
QGTS	Nakilat	395,488	368,349	419,757	6.1%	14.0%
QNNS	Qatar Navigation	363,285	160,462	365,180	0.5%	127.6%
	Total	820,257	575,982	835,816	1.9%	45.1%

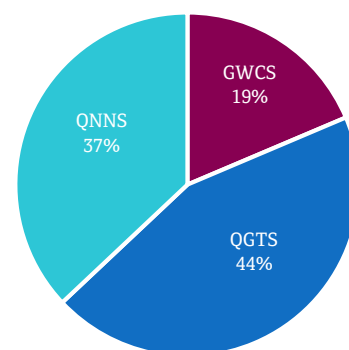
Source: Company data; Note: Net Income is in QR'000

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Financial Services Sector

Sector Displayed Lackluster Performance

Highlights:

- The financial services sector shows weak performance. Aggregate profitability dropped by 47.4% and 49.8% YoY and sequentially, respectively.
- The Banks & Financial Services Index underperformed the QSE Index and dropped by 10.6% (QSE Index: -9.1%) in 1Q2024.

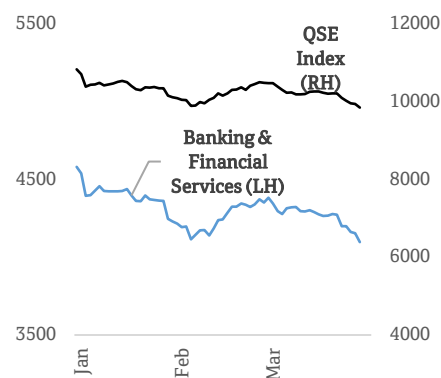
Revenue:

- The financial services sector's revenue gained by 12.2% YoY to QR29.1mn driven by Inma Holding (IHGS). IHGS's revenue surged by 212.0% to driven by higher brokerage and commission income. Moreover, National Leasing Holding's (NLCS) top-line increased by 4.9% to QR14.9mn, driven by higher core revenues (+8.3% YoY) and lower operating costs (-18.4% YoY).
- Sequentially, revenue receded 4.4% in 1Q2024 as all the companies witnessed their top-line decline with QOIS, being the exception. QOIS, reported revenue of QR1.2mn vs. a loss QR1.6mn in 4Q2023.

Earnings:

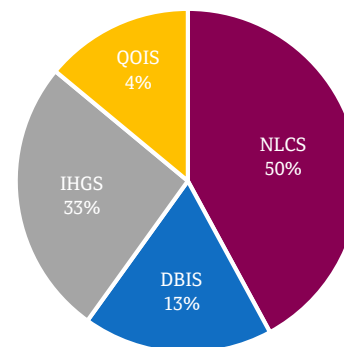
- The sector reported a net profit of QR4.0mn in 1Q2024 vs. a net profit of QR7.6mn in 1Q2023 and a net profit of QR7.9mn in 4Q2023. Aggregate net income dropped by 47.4/49.8% YoY/QoQ. The weak performance was attributable to Dlala (DBIS) and Qatar Oman Investment Co (QOIS). DBIS' losses widened from QR2.4mn in 1Q2023 to QR5.0mn in 1Q2024, while QOIS' bottom-line dropped by 87.6%
- Sequentially, sectoral bottom-line also displayed weakness. Aggregate bottom-line dropped by 49.8%, mainly attributable to DBIS. DBIS recorded a net loss of QR5mn in 1Q2024 vs. a profit of QR6.7mn in 4Q2023

Sector Index Performance for 1Q2024



Source: Bloomberg

1Q2024 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	1Q2023	4Q2023	1Q2024	YoY	QoQ
NLCS	National Leasing Holding	4.1	3.6	4.8	16.4%	34.1%
IHGS	Inma Holding	1.3	4.2	3.6	182.3%	(14.3%)
QOIS	Qatar & Oman Investment	4.6	(6.6)	0.6	(87.6%)	N/M
DBIS	Dlala	(2.4)	6.7	(5.0)	N/M	N/M
Total		7.6	7.9	4.0	(47.4%)	(49.8%)

Source: Company data; Note: Net income is in QRmn

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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