

Industries Qatar (IQCD)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR13.03	Target Price	QR14.30
Implied Upside	9.7%		

2Q2023 Miss On Soft Urea Vol./Margin; Positive 2H Drives Accumulate Rating

- IQCD reported QR922.2mn in 2Q2023 earnings (-66.2% YoY/-20.9% QoQ)** – Industries Qatar's (IQCD) 2Q2023 earnings also fell shy of our QR987.5mn estimate by 6.6% (please refer to page 3 for a detailed table of company's performance and our estimates). For the second consecutive quarter, weakness in fertilizers led to the quarterly earnings miss. Maintenance-related shutdowns crimped urea sales, which along with a ~59% YoY/~19% QoQ decline in urea prices sent segment EBITDA margins to ~31% (vs. ~46%/~35% in 2Q2022/1Q2023), a record low over at least the past 3 ½ years. With 1H in the rearview, recent pricing has indeed firmed up with urea prices recovering to \$400/MT (vs. \$286/MT in average realizations in 2Q2023). Moreover, LDPE/LLDPE prices have also trended up helped by the strength in crude, while domestic outlook for steel demand remains constructive post a World Cup-induced lull in construction activity. **Net-net, we remain comfortable with our QR4.7bn earnings estimate for 2023, which implies a 26.2% growth from QR2.1bn in 1H2023 to QR2.6bn in 2H2023. We continue to rate IQCD an Accumulate with a PT of QR14.30. The stock trades at P/E of 16.7x/14.3x (2023/2024). From a valuation perspective, IQCD trades below its historical median of ~18x, implying limited downside. We think investors could consider accumulating IQCD at these levels given its favorable risk-reward characteristics and attractive dividend yield (5.8%/6.1% for 2023/2024).**
- IQCD could be gearing up to purchase the remaining 50% of QAFAC JV, in our view.** QAFAC is now being accounted for as discontinued operations given the impending expiry of its JV agreement/core land lease & SPA agreements for Butane/gas feedstock in June 2024. While this accounting treatment considers QAFAC as a "held-for-sale asset", management states that they are in the process of entering negotiations for QAFAC. Our sense is, much like the QAFAC deal in 2020, IQCD will seek to purchase the remaining 50% of QAFAC, either directly or through QatarEnergy (as was the case with QAFAC, where QE bought the remaining QAFAC stake and sold it to IQCD). QAFAC posted QR249.0mn in earnings, net to IQCD, in 2Q2023, down 27.5% from QR343.4mn in 2Q2022.
- As expected, price realizations continued to fall across the board YoY led by a near-60% drop in urea but stabilized sequentially for steel; sales volumes improved for petchems and steel (YoY) but retreated for fertilizers.** For segment details, please see page 4. 2Q2023 overall sales volumes improved ~3% YoY, but declined ~8% QoQ. Overall price realizations ratcheted down ~45% YoY and ~9% QoQ. Production volumes also increased ~3% YoY from 8.1mn MT in 1H2022 to 8.4mn MT in 1H2023; sequentially, production volumes declined roughly 10% from 4.4mn MT in 1Q2023 to 4.0mn MT in 2Q2023. Utilization rates climbed to 100% in 1H2023 vs. 97% in 1H2022 but did drop to 95% in 2Q2023 from 105% in 1Q2023 given the shutdowns in the fertilizer segment.
- Petchems, outperformed in 2Q2023, with segment top-line and profitability besting our forecasts given upside in sales volumes along with moderately better-than-expected pricing.** 2Q2023 segment revenue of ~QR1.4bn (~29% YoY, ~4% QoQ) was roughly 15% higher than our model on broadly better-than-expected volumes for FA & PE, along with moderately higher-than-modeled price realizations for LDPE/LLDPE offset by slight softness in fuel additives pricing relative to our model. Segment earnings of QR442.7mn fell 46.7% YoY but jumped 15.7% QoQ, and was 22.6% ahead of our model. EBITDA margins came in ~42% for 2Q2023 vs. around 49% in 2Q2022 and 40% in 1Q2023. Product prices, while down significantly YoY across the board, firmed up sequentially for MTBE/LLDPE on the back of better fundamentals. Sales volumes were up ~3% YoY/~9% QoQ, with increases across the board, except for flattish LLDPE volumes YoY. Production volumes, however, fell roughly 2% YoY/3% QoQ for 2Q2023.
- Fertilizer EBITDA margin disappointed once again, dropping to a new low of ~31%.** Revenue and income of QR1.5bn and QR212.9mn decreased 62.2% and 86.4%, YoY, respectively. Sequentially, segment revenue was down 32.9% and earnings declined 58.3%. Segment top-line was 14.3% below our model but earnings were short by 53.8%. IQCD pointed to facility maintenance in 2Q2023, which along with a ~59% YoY/~19% QoQ decline in urea prices to \$286/MT (2Q2022/1Q2023: \$702/\$352), sent 2Q2023 segment EBITDA margins to ~31% (vs. ~46%/~35% in 2Q2022/1Q2023). Urea prices have come down from decade highs in 1H2022 given downward pressure on grain, energy and other commodity prices, along with restrictive credit policies affecting small-scale farmers in developing nations. Buyers remained cautious causing further pressure on prices. IQCD also pointed to the restart-up of European production and high inventory levels in key markets following shutdowns in 2022 amid the Russia-Ukraine crises. IQCD's production volumes were down ~7% YoY and ~13% QoQ; sales volumes declined ~3% YoY and ~12% QoQ. *Continued on next page.*

Key Financial Data and Estimates

	2022	2023e	2024e	2025e	2026e
Revenue (QR mn)	18,794	11,989	12,270	12,581	13,582
EPS (QR)	1.46	0.78	0.91	0.97	1.02
P/E	8.9x	16.7x	14.3x	13.4x	12.7x
EV/EBITDA	9.0x	18.5x	17.1x	16.3x	14.6x
Dividend Yield	8.4%	5.8%	6.1%	6.9%	7.3%

Source: Company data, QNB FS Research; Note: All data based on current number of shares; These estimates may not reflect the most recent quarter

Key Data

Current Market Price (QR)	13.03
Dividend Yield (%)	8.4
Bloomberg Ticker	IQCD QD
ADR/GDR Ticker	N/A
Reuters Ticker	IQCD.QA
ISIN	QA000A0KD6K3
Sector*	Industrials
52wk High/52wk Low (QR)	18.90/10.80
3-m Average Volume ('mn)	2.9
Mkt. Cap. (\$ bn/QR bn)	21.6/78.8
EV (\$ bn/QR bn)	17.9/65.2
Shares Outstanding (mn)	6,050.0
FO Limit* (%)	100.0
Institutional FO* (%)	7.6
1-Year Total Return (%)	(17.5)
Fiscal Year End	December 31

Source: Bloomberg (as of August 8, 2023), *Qatar Exchange (as of August 8, 2023); Note: FO is foreign ownership

Saugata Sarkar, CFA, CAIA

+974 4476 6534

saugata.sarkar@qnbfs.com.qa

- Steel segment top-line/earnings beat our forecasts on a jump in rebar volumes and better-than-expected price realizations, along with upside from associate (Foulath).** Steel revenue came in at QR1.1bn (-2.4% YoY, -7.9% QoQ), which was 24.3% ahead of our model. Segment income of QR144.5mn (-59.8% YoY, 7.8% QoQ) was also 20.4% ahead of our forecast of QR120.0mn. We note that income from associates, primarily from Foulath that produces and sell iron oxide pellets, came in at QR90.8mn (-7.8% YoY, 41.6% QoQ and 54.8% ahead of our forecast of QR58.7mn). The segment also faced higher volume-related operating expenses and marginally lower other income in 1H2023. EBITDA margins halved to roughly 17% in 2Q2023 vs. ~35% in 2Q2022 but firmed sequentially vs. ~15% in 1Q2023. According to the company, steel realizations dipped by ~21% YoY but gained around 2% QoQ. IQCD pointed to constructive demand-supply dynamics in Qatar, where the market continues to recover following muted demand in 2H2022. Internationally, however, steel prices were somewhat sluggish given China's slow post-COVID recovery, along with high interest rates dampening activity in the construction sector. We do note that steel prices were higher than our forecasts – the company reported rebar realizations of \$640/MT in 2Q2023 vs. \$823/MT in 2Q2022/\$647/MT in 1Q2023 and our expectation of \$569/MT. Sales volumes increased ~24% YoY but fell ~9% sequentially. Volumes were significantly stronger than our model, especially in rebars and DRI/HBI. Production volumes were down roughly up 2% YoY/6% QoQ. Production volumes, since the beginning of 2022 for DRI/HBI, have been aided by the re-startup of the DR-2 facility in 1Q2022 that has 1,500 KTPA of capacity (as opposed to the 800 KTPA-DR-1 facility it replaced).
- We project 2023 earnings to decline 46.4% from QR8.8bn in 2022 to QR4.7bn, followed by a resumption of growth with 2024 net income growing 16.9% to QR5.5bn.** Group EBITDA (on a proportionate basis) is expected to decline 37.7% from QR11.0bn in 2022 to QR6.8bn in 2023, before gaining 10.5% to QR7.6bn (2024). **Post 2Q2023, we expect stable/rising trajectory for earnings/EBITDA.** After significant declines this year, we expect prices to stabilize/gain in 2024 unless there is significant recession-related demand destruction.
- DPS is projected to decline to QR0.75 (5.8% yield) in 2023 before increasing to QR0.80 (6.1%) in 2024; LT dividend payouts should remain high.** This translates to an average payout of roughly 92% vs. a historical payout average of ~79% between 2018-2022. **While payouts are high, IQCD retains a very strong balance sheet with cash/share of QR2.5 that can support dividends.** We note that IQCD has also paid more than 100% of its income in dividends back in 2020.
- Bulletproof balance sheet with QR14.9bn in cash/bank balances & zero long-term debt. We note that IQCD has sufficient cash to fund its entire capex outlay of QR11.0bn over 2023-2027.** The company, on a proportionate basis, generated operating CF of QR2.8bn and FCF of QR1.7bn in 1H2023. Net-net, given IQCD's strong balance sheet, we expect the company to withstand difficult market conditions, while retaining sufficient dry powder to take advantage of potential acquisition opportunities in the future. IQCD's strong FCF generating ability (QR0.77/share on average over 2023-2027, with an average yield of 5.9%), along with its large cash balances, also provide investors with lower DPS volatility.
- In terms of longer-term catalysts, the QR4.4bn Ammonia-7 project, which is also the world's largest Blue ammonia train, is expected to add 400 KTPA of sellable ammonia by 2026.** The Ammonia-7 project should also boost the company's ESG credentials. Also, in a smaller deal (roughly QR455mn net cost), IQCD expects to increase its direct stake in Qatar Vinyl Co. (QVC) to 44.8% from May 2026 from its current indirect stake (via QAPCO) of 25.52% by funding its share of the construction of a new Polyvinyl Chloride (PVC) plant. Moreover, similar to the QAFAC deal, IQCD could look to acquire Total's 20% stake in QAPCO, which could also be perceived positively by investors. The purchase of the remaining 50% of QAFAC could also be a possibility as mentioned previously.
- Risks:** Oil/urea prices influence IQCD's operations and investor sentiment. Geopolitical risks remain and cannot be modeled.

QNB FS 2Q2023 Estimates and Comparisons

Income Statement (QR Million)	2Q2022	1Q2023	2Q2023	2Q2023e	A Vs. E	YoY	QoQ
Revenue	5,131.161	3,467.196	2,634.617	2,665.085	-1.1%	-48.7%	-24.0%
Cost of Sales (Ex. D &A)	(2,881.190)	(2,425.194)	(1,893.415)	(1,762.420)	7.4%	-34.3%	-21.9%
Gross Profit	2,249.971	1,042.002	741.202	902.664	-17.9%	-67.1%	-28.9%
General & Admin. Expenses	(152.756)	(166.532)	(172.059)	(121.794)	41.3%	12.6%	3.3%
Selling & Distribution Costs	(3.789)	(13.767)	(26.803)	(12.714)	110.8%	607.4%	94.7%
EBITDA	2,093.426	861.703	542.340	768.156	-29.4%	-74.1%	-37.1%
Depreciation & Amortization	(369.486)	(329.378)	(358.154)	(370.880)	-3.4%	-3.1%	8.7%
EBIT	1,723.940	532.325	184.186	397.276	-53.6%	-89.3%	-65.4%
Finance Costs	(5.822)	(7.253)	(7.187)	(7.935)	-9.4%	23.4%	-0.9%
Share of Results from Associates	98.558	64.128	90.834	58.677	54.8%	-7.8%	41.6%
Share of Results of JVs	487.655	382.473	193.987	361.078	-46.3%	-60.2%	-49.3%
Other Income	80.880	195.318	212.623	179.302	18.6%	162.9%	8.9%
Profit Before Tax	2,385.211	1,166.991	674.443	988.398	-31.8%	-71.7%	-42.2%
Tax	(0.003)	(0.384)	(0.469)	(0.325)	44.2%	15533.3%	22.1%
Profit After Tax - Continuing Operations	2,385.208	1,166.607	673.974	988.073	-31.8%	-71.7%	-42.2%
Profit From Discontinued Operations	343.399		249.028			-27.5%	
Profit	2,728.607	1,166.607	923.002	988.073	-6.6%	-66.2%	-20.9%
Minority Interest	0.026	(0.682)	(0.840)	(0.578)	45.4%	N/M	23.2%
Profit for Equity Holders	2,728.633	1,165.925	922.162	987.495	-6.6%	-66.2%	-20.9%
Net Margin	53.2%	33.6%	35.0%	37.1%			
EPS (in QR)	0.45	0.19	0.15	0.16	-6.6%	-66.2%	-20.9%
Cost of Sales	56.2%	69.9%	71.9%	66.1%			
Gross Margin %	43.8%	30.1%	28.1%	33.9%			
G&A % Sales	3.0%	4.8%	6.5%	4.6%			
Selling Expenses % Sales	0.1%	0.4%	1.0%	0.5%			
EBITDA %	40.8%	24.9%	20.6%	28.8%			
D&A % Sales	7.2%	9.5%	13.6%	13.9%			
EBIT %	33.6%	15.4%	7.0%	14.9%			
Net Margin %	53.2%	33.6%	35.0%	37.1%			

Source: Company data, QNB FS Research

Segment Details and Comparisons

In QR Millions

Steel	2Q2022	1Q2023	2Q2023	2Q2023e	A Vs. E
Revenue	1,159.139	1,228.299	1,131.537	910.528	24%
Profit Before Tax	359.527	133.986	144.503	120.008	20%
NM %	31.02%	10.91%	12.77%	13.18%	
Revenue QoQ	-11%	64%	-8%	-26%	
Profit Before Tax QoQ	38%	16%	8%	-10%	
Revenue YoY	18%	-6%	-2%	-21%	
Profit Before Tax YoY	52%	-49%	-60%	-67%	
Petrochemicals	2Q2022	1Q2023	2Q2023	2Q2023e	A Vs. E
Revenue	2,017.000	1,362.000	1,423.000	1,239.114	15%
Profit Before Tax	831.054	382.473	442.700	361.078	23%
NM %	41.20%	28.08%	31.11%	29.14%	
Revenue QoQ	10%	-8%	4%	-9%	
Profit Before Tax QoQ	24%	-2%	16%	-6%	
Revenue YoY	16%	-26%	-29%	-39%	
Profit Before Tax YoY	-6%	-43%	-47%	-57%	
Fertilizers	2Q2022	1Q2023	2Q2023	2Q2023e	A Vs. E
Revenue	3,972.022	2,238.897	1,503.080	1,754.557	-14%
Profit Before Tax	1,561.848	511.093	212.893	461.098	-54%
NM %	39.32%	22.83%	14.16%	26.28%	
Revenue QoQ	0%	-35%	-33%	-22%	
Profit Before Tax QoQ	-11%	-57%	-58%	-10%	
Revenue YoY	78%	-44%	-62%	-56%	
Profit Before Tax YoY	65%	-71%	-86%	-70%	
Total Revenue	7,148.161	4,829.196	4,057.617	3,904.199	4%
<i>YoY Growth</i>	<i>44%</i>	<i>-32%</i>	<i>-43%</i>	<i>-45%</i>	
<i>QoQ Growth</i>	<i>0%</i>	<i>-15%</i>	<i>-16%</i>	<i>-19%</i>	
Steel	16%	25%	28%	23%	
Petrochemicals	28%	28%	35%	32%	
Fertilizers	56%	46%	37%	45%	
Total Profit Before Tax (Ex. Unallocated)	2,752.429	1,027.552	800.096	942.183	-15%
Steel	13%	13%	18%	13%	
Petrochemicals	30%	37%	55%	38%	
Fertilizers	57%	50%	27%	49%	
Group Net Income	2,728.633	1,165.925	922.162	987.495	-7%
Segment Profit Before Tax/Group NI	101%	88%	87%	95%	
Unallocated Net Income	(23.796)	138.373	122.066	45.312	169%

Source: Company data, QNB FS Research

Ratio Analysis

Key Ratios & Valuation Metrics

Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Growth Ratios (In %)											
Revenue - Proportionate Group	3.6%	14.7%	(15.9%)	(17.4%)	77.4%	27.9%	(33.2%)	4.3%	1.9%	5.4%	5.7%
Revenue - Reported	(1.0%)	25.1%	(12.0%)	45.2%	91.5%	32.6%	(36.2%)	2.3%	2.5%	8.0%	3.6%
Gross Profit	(31.8%)	24.1%	(75.7%)	803.5%	193.1%	2.2%	(44.4%)	9.5%	4.8%	10.1%	4.2%
EBITDA - Proportionate Group	(4.1%)	31.5%	(41.3%)	3.3%	170.6%	8.1%	(37.7%)	10.5%	3.7%	6.2%	7.5%
EBITDA - Reported	(38.4%)	35.9%	(93.6%)	3326.4%	229.6%	2.8%	(49.2%)	11.3%	5.5%	11.8%	4.7%
EBIT	(48.3%)	51.1%	N/M	N/M	1152.9%	2.7%	(61.5%)	23.6%	11.7%	10.7%	14.5%
JV Income	51.9%	48.8%	(43.8%)	(51.1%)	132.7%	(0.8%)	(34.9%)	15.8%	0.7%	(1.0%)	20.8%
PBT	12.2%	51.7%	(48.8%)	(28.3%)	338.4%	9.0%	(46.4%)	16.9%	6.6%	5.2%	14.0%
PAT	12.2%	51.7%	(48.8%)	(28.4%)	338.8%	9.0%	(46.4%)	16.9%	6.6%	5.2%	14.0%
Net Income	12.2%	51.7%	(48.8%)	(29.7%)	346.8%	9.0%	(46.4%)	16.9%	6.6%	5.2%	14.0%
EPS	12.2%	51.7%	(48.8%)	(29.7%)	346.8%	9.0%	(46.4%)	16.9%	6.6%	5.2%	14.0%
DPS	25.0%	20.0%	(33.3%)	(17.5%)	203.0%	10.0%	(31.8%)	6.7%	12.5%	5.6%	10.5%
Operating Ratios (In %)											
Gross Margin	20.2%	20.0%	5.5%	34.4%	52.6%	40.5%	35.4%	37.8%	38.6%	39.4%	39.6%
EBITDA Margin - Proportionate Gr	33.0%	37.8%	26.4%	33.0%	50.3%	42.5%	39.7%	42.1%	42.8%	43.1%	43.9%
EBITDA Margin - Reported	14.6%	15.9%	1.2%	27.4%	47.2%	36.6%	29.1%	31.6%	32.5%	33.7%	34.1%
EBIT Margin	9.8%	11.8%	(4.3%)	5.6%	36.9%	28.6%	17.3%	20.9%	22.7%	23.3%	25.7%
Net Margin	71.6%	86.9%	50.5%	24.5%	57.1%	46.9%	39.4%	45.0%	46.8%	45.6%	50.2%
Working Capital Ratios (Days)											
Inventory days	142.7	135.3	140.4	146.6	108.9	101.4	125.0	125.0	125.0	125.0	125.0
Average collection period	98.8	63.3	64.3	78.5	79.6	37.7	50.0	50.0	50.0	50.0	50.0
Payable days	115.2	104.6	93.9	105.7	108.2	69.7	90.0	90.0	90.0	90.0	90.0
Finance Ratios											
Net Debt-Equity Ratio	(0.2)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Interest Coverage	45.1	351.1	-19.0	11.2	206.4	227.2	65.8	82.1	96.5	112.4	135.5
Return Ratios (In %)											
ROE	9.9%	14.2%	7.5%	5.4%	20.5%	21.0%	11.8%	13.5%	14.1%	14.6%	16.2%
ROA	9.4%	13.6%	7.2%	5.0%	19.1%	19.6%	11.1%	12.7%	13.3%	13.7%	15.2%
Liquidity Ratios											
Current Ratio	7.8	10.4	11.2	8.9	10.1	10.7	10.2	9.6	9.2	8.9	9.0
Quick Ratio	6.8	9.2	9.7	7.6	9.2	9.3	8.9	8.2	7.9	7.5	7.7
Valuation											
EV/Reported EBITDA	105.1	74.1	1,151.0	34.6	9.7	9.0	18.5	17.1	16.3	14.6	13.8
EV/EBIT	157.5	99.8	(312.3)	167.8	12.4	11.5	31.2	25.9	23.4	21.1	18.2
P/E	23.8	15.7	30.6	43.5	9.7	8.9	16.7	14.3	13.4	12.7	11.2
P/BV	2.3	2.2	2.3	2.3	2.0	1.9	2.0	1.9	1.9	1.9	1.8
Dividend Yield	3.8%	4.6%	3.1%	2.5%	7.7%	8.4%	5.8%	6.1%	6.9%	7.3%	8.1%
FCF Yield	3.4%	7.4%	4.7%	3.8%	9.4%	11.3%	5.0%	3.7%	5.6%	7.0%	8.2%

Source: Company data, QNB FS Research

Detailed Financial Statements

Income Statement (In QR mn)	2020	2021	2022	2023e	2024e	2025e	2026e	2027e
Revenue	7,400	14,169	18,794	11,989	12,270	12,581	13,582	14,069
Cost of Sales, Excluding D&A	(4,856)	(6,715)	(11,174)	(7,750)	(7,629)	(7,720)	(8,231)	(8,494)
Gross Profit	2,543	7,454	7,620	4,239	4,640	4,861	5,352	5,575
G&A Expenses	(481)	(712)	(680)	(681)	(687)	(693)	(699)	(705)
Selling Expenses	(35)	(59)	(68)	(70)	(72)	(74)	(76)	(77)
EBITDA	2,028	6,683	6,872	3,488	3,882	4,094	4,577	4,793
Depreciation & Amortization	(1,610)	(1,450)	(1,498)	(1,416)	(1,322)	(1,236)	(1,414)	(1,170)
EBIT	418	5,233	5,374	2,071	2,560	2,858	3,163	3,622
Finance Costs	(37)	(25)	(24)	(31)	(31)	(30)	(28)	(27)
Share of Results of Joint Ventures	1,065	2,479	2,460	1,601	1,853	1,866	1,847	2,231
Other Income, Expenses, Taxes & Minorities	365	402	1,004	1,083	1,139	1,193	1,211	1,230
Profit for Shareholders	1,810	8,089	8,815	4,724	5,520	5,887	6,192	7,057
EPS (QR)	0.30	1.34	1.46	0.78	0.91	0.97	1.02	1.17
Group Revenue	11,361	20,150	25,770	17,223	17,961	18,305	19,289	20,387
Group EBITDA	3,748	10,140	10,960	6,833	7,553	7,836	8,322	8,945

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	2020	2021	2022	2023e	2024e	2025e	2026e	2027e
Non-Current Assets								
PP&E & PUD	13,718	12,696	11,877	13,141	15,029	15,733	15,429	15,088
Investment Properties	-	-	-	-	-	-	-	-
Investment in Associates	1,475	1,577	1,890	2,162	2,472	2,827	3,192	3,568
Investment in Joint Ventures	6,916	6,823	7,097	7,286	7,505	7,725	7,944	8,207
Available-for-Sale Investments	-	-	-	-	-	-	-	-
Right-of Use Assets & Others	227	189	242	238	238	238	238	238
Total Non-Current Assets	22,335	21,284	21,106	22,827	25,243	26,523	26,802	27,102
Current Assets								
Inventories	1,945	2,004	3,105	2,654	2,606	2,644	2,819	2,909
Accounts Rec. & Prepayments	1,587	3,090	1,943	1,642	1,676	1,723	1,861	1,927
Due from Related Parties	869	1,494	1,535	979	1,002	1,027	1,109	1,149
Financial Assets at FVTPL	348	349	397	397	397	397	397	397
Cash and Bank Balances	8,801	14,086	16,919	14,175	12,560	12,097	12,142	12,844
Total Current Assets	13,550	21,023	23,899	19,847	18,241	17,888	18,328	19,226
Total Assets	35,885	42,308	45,005	42,674	43,484	44,412	45,130	46,328
Equity								
Total Equity	33,613	39,510	42,020	39,977	40,822	41,722	42,315	43,448
Non-Current Liabilities								
Loans and Borrowings	-	-	-	-	-	-	-	-
EOS Benefits & Lease Liabilities	745	724	761	754	754	754	754	754
Total Non-Current Liabilities	745	724	761	754	754	754	754	754
Current Liabilities								
Accounts Payables & Accruals	1,403	1,991	2,132	1,911	1,876	1,904	2,029	2,094
Due to Related Parties, Lease Liabilities & Others	88	83	92	32	32	32	32	32
Loans and Borrowings	37	-	-	-	-	-	-	-
Total Current Liabilities	1,527	2,073	2,224	1,943	1,908	1,935	2,061	2,126
Equity and Liabilities	35,885	42,308	45,005	42,674	43,484	44,412	45,130	46,328

Source: Company data, QNB FS 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

Contacts

QNB Financial Services Co. W.L.L.
 Contact Center: (+974) 4476 6666
info@qnbfs.com.qa
 Doha, Qatar

Saugata Sarkar, CFA, CAIA
 Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
 Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
 Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

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