

## Industries Qatar (IQCD)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR12.89	Target Price	QR14.30
Implied Upside	10.9%		

### In-Line 3Q2023 Driven By Uptick In Fertilizer Profitability; Stay Accumulate

- IQCD reported QR1,205.2mn in 3Q2023 earnings (-25.3% YoY/30.7% QoQ), bang in-line with our estimate of QR1,202.7mn.** Please refer to page 3 for a detailed table of company's performance and our estimates. Modestly better-than-expected 3Q2023 urea price realization of \$354/MT (-33% YoY, 24% QoQ) vs. our model of \$343/MT, along with a significant downtick in segment direct costs (as higher-priced fertilizer inventory was consumed during 1H2023) and a moderate sequential uptick in volumes post 2Q2023's maintenance shutdowns, supercharged IQCD's fertilizer EBITDA margin to ~48% in 3Q2023 (vs. approximately 35%/31% in 3Q2022/2Q2023). This contributed almost entirely to the in-line overall earnings performance for the quarter despite generally lower-than-expected sales volumes/pricing across the board. With less than two months left in year, urea prices have continued to strengthen exceeding \$400/MT, while PE/steel prices remain stable. However, higher urea prices will likely put pressure on fertilizer EBITDA margins in 4Q2023, which along with planned shutdowns in fertilizer/fuel additives facilities could crimp 4Q2023 earnings. **Net-net, our sense is that our QR4.7bn earnings estimate for 2023 is probably a tad too high and an earnings haircut of around 8-10% to QR4.3bn is possible. This implies ~18x P/E for 2023, which is right around its historical median of ~18x, implying limited downside. We continue to rate IQCD an Accumulate with a PT of QR14.30. We think LT investors could consider accumulating IQCD at these levels given its favorable risk-reward characteristics and attractive dividend yield (5.8%/6.2% for 2023/2024).**
- As expected, 3Q2023 price realizations continued to fall across the board YoY led by ~68%/33% drop in ammonia/urea but recovered sequentially for the fertilizer complex, led by urea; fertilizer sales volumes outperformed, gaining sequentially.** For segment details, please see page 4. 3Q2023 overall sales volumes fell ~4% YoY and ~1% QoQ. Overall price realizations ratcheted down ~28% YoY but eked out a marginal ~2% QoQ due to fertilizer realizations. Production volumes also increased ~2% YoY from 12.4mn MT in 9M2022 to 12.7mn MT in 9M2023; sequentially, production volumes grew roughly 9% from 4.0mn MT in 2Q2023 to 4.3mn MT in 3Q2023 aided by a snapback in fertilizers following 2Q2023 shutdowns. Utilization rates climbed to 100% in 9M2023 vs. 99% in 9M2022 with 3Q2023 clocking in at a 103% rate vs. 95% for 2Q2023.
- Petchems, underperformed in 3Q2023, with top-line and profitability falling short of our forecasts driven by lower-than-expected pricing/sales volumes.** 3Q2023 revenue of ~QR1.2bn (~24% YoY, ~13% QoQ) was ~14% lower than our model on broadly lower-than-expected volumes/pricing for both FA & PE. Earnings of QR322.6mn fell 43.2% YoY/27.1 QoQ, and was 31.3% below our model. EBITDA margins came in at ~39% for 3Q2023 vs. around 45% in 3Q2022 and 42% in 2Q2023. Product prices, while down significantly YoY across the board (except for MTBE), exhibited stability QoQ for MTBE/methanol on the back of better fundamentals. Sales volumes fell ~10% YoY/~6% QoQ, with decreases across the board, except for flattish LLDPE volumes YoY. Production volumes, however, fell roughly 2% YoY but grew 4% QoQ for 3Q2023.
- Fertilizer EBITDA margin shot up to ~48% in 3Q2023, its highest level since 1Q2022, as IQCD benefited from a sequential uplift in pricing along with sales of lower-priced inventory.** Revenue and income of QR1.9bn and QR634.8mn decreased 38.8% and 26.1%, YoY, respectively. Sequentially, segment revenue was up 28.5% and earnings increased 198.2%. Segment top-line was 10.5% below our model but earnings were higher by 15.6%. IQCD's production volumes were down ~2% YoY but up ~10% QoQ; similarly sales volumes declined ~1% YoY but gained ~6% QoQ.
- Steel top-line fell below our forecast but profitability was moderately better driven by a provision reversal of QR60mn related to Foulath.** Steel revenue came in at QR902.2mn (-14.5% YoY, -20.3% QoQ), which was 11.1% shy of our model. Income of QR130.0mn (-15.0% YoY, -10.0% QoQ) was 5.6% ahead of our forecast of QR123.2mn due to the previously mentioned one-off reversal. We note that income from associates, primarily from Foulath that produces/sell iron oxide pellets, came in at QR75.3mn (-34.1% YoY, -17.1% QoQ and 17.5% below our forecast of QR91.2mn). Steel also faced higher volume-related operating expenses and marginally lower other income in 9M2023. EBITDA margins fell to ~14% in 3Q2023 vs. ~19% in 3Q2022 and ~17% in 2Q2023. Management commentary indicated a subdued outlook, both globally and in Qatar, with sluggish construction activity given the high-interest rate environment and growing recessionary fears. According to the company, steel realizations dipped by ~8% YoY/~5% QoQ. Sales volumes for 9M2023 gained ~9% YoY but 3Q2023 volumes fell ~16% QoQ. 3Q2023 Production volumes were up roughly up 12% YoY/9% 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). *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	8.8x	16.5x	14.1x	13.2x	12.6x
EV/EBITDA	8.9	18.3x	16.9x	16.1x	14.4x
DPS (QR)	1.10	0.75	0.80	0.90	0.95
Dividend Yield	8.5%	5.8%	6.2%	7.0%	7.4%

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)	12.89
Dividend Yield (%)	8.5
Bloomberg Ticker	IQCD QD
ADR/GDR Ticker	N/A
Reuters Ticker	IQCD.QA
ISIN	QA000A0KD6K3
Sector*	Industrials
52wk High/52wk Low (QR)	16.60/10.80
3-m Average Volume ('mn)	2.6
Mkt. Cap. (\$ bn/QR bn)	21.4/78.0
EV (\$ bn/QR bn)	17.6/64.0
Shares Outstanding (mn)	6,050.0
FO Limit* (%)	100.0
Institutional FO* (%)	7.4
1-Year Total Return (%)	(14.4)
Fiscal Year End	December 31

Source: Bloomberg (as of October 24, 2023), \*Qatar Exchange (as of October 24, 2023); Note: FO is foreign ownership

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- **We continue to project DPS to decline to QR0.75 (5.8% yield) in 2023 before increasing to QR0.80 (6.2%) 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 QR2.6 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 QR15.8bn 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 QR4.0bn and FCF of QR2.3bn in 9M2023. 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 by management.
- **Risks:** Oil/urea prices influence IQCD's operations and investor sentiment. Geopolitical risks remain and cannot be modeled.

**QNB FS 3Q2023 Estimates and Comparisons**

Income Statement (QR Million)	3Q2022	2Q2023	3Q2023	3Q2023e	A Vs. E	YoY	QoQ
<b>Revenue</b>	<b>4,212.022</b>	<b>2,634.617</b>	<b>2,833.906</b>	<b>3,173.058</b>	<b>-10.7%</b>	<b>-32.7%</b>	<b>7.6%</b>
Cost of Sales (Ex. D &A)	(2,929.675)	(1,893.415)	(1,615.618)	(2,176.717)	-25.8%	-44.9%	-14.7%
<b>Gross Profit</b>	<b>1,282.347</b>	<b>741.202</b>	<b>1,218.288</b>	<b>996.340</b>	<b>22.3%</b>	<b>-5.0%</b>	<b>64.4%</b>
General & Admin. Expenses	(157.217)	(172.059)	(179.510)	(172.111)	4.3%	14.2%	4.3%
Selling & Distribution Costs	(12.344)	(26.803)	(16.590)	(26.924)	-38.4%	34.4%	-38.1%
<b>EBITDA</b>	<b>1,112.786</b>	<b>542.340</b>	<b>1,022.188</b>	<b>797.306</b>	<b>28.2%</b>	<b>-8.1%</b>	<b>88.5%</b>
Depreciation & Amortization	(328.763)	(358.154)	(436.737)	(357.760)	22.1%	32.8%	21.9%
<b>EBIT</b>	<b>784.023</b>	<b>184.186</b>	<b>585.451</b>	<b>439.546</b>	<b>33.2%</b>	<b>-25.3%</b>	<b>217.9%</b>
Finance Costs	(5.534)	(7.187)	(7.150)	(7.108)	0.6%	29.2%	-0.5%
Share of Results from Associates	114.266	90.834	75.287	91.243	-17.5%	-34.1%	-17.1%
Share of Results of JVs	430.215	193.987	176.660	328.496	-46.2%	-58.9%	-8.9%
Other Income	154.176	212.623	229.895	211.602	8.6%	49.1%	8.1%
<b>Profit Before Tax</b>	<b>1,477.146</b>	<b>674.443</b>	<b>1,060.143</b>	<b>1,063.779</b>	<b>-0.3%</b>	<b>-28.2%</b>	<b>57.2%</b>
Tax	(0.528)	(0.469)	(0.215)	(0.740)	-70.9%	-59.3%	-54.2%
<b>Profit After Tax - Continuing Operations</b>	<b>1,476.618</b>	<b>673.974</b>	<b>1,059.928</b>	<b>1,063.039</b>	<b>-0.3%</b>	<b>-28.2%</b>	<b>57.3%</b>
Profit From Discontinued Operations	138.121	249.028	145.620	140.784	3.4%	5.4%	-41.5%
<b>Profit</b>	<b>1,614.739</b>	<b>923.002</b>	<b>1,205.548</b>	<b>1,203.823</b>	<b>0.1%</b>	<b>-25.3%</b>	<b>30.6%</b>
Minority Interest	(0.951)	(0.840)	(0.343)	(1.096)	-68.7%	-63.9%	-59.2%
<b>Profit for Equity Holders</b>	<b>1,613.788</b>	<b>922.162</b>	<b>1,205.205</b>	<b>1,202.727</b>	<b>0.2%</b>	<b>-25.3%</b>	<b>30.7%</b>
<b>Net Margin</b>	<b>38.3%</b>	<b>35.0%</b>	<b>42.5%</b>	<b>37.9%</b>			
<b>EPS (in QR)</b>	<b>0.27</b>	<b>0.15</b>	<b>0.20</b>	<b>0.20</b>	<b>0.2%</b>	<b>-25.3%</b>	<b>30.7%</b>
Cost of Sales	69.6%	71.9%	57.0%	68.6%			
Gross Margin %	30.4%	28.1%	43.0%	31.4%			
G&A % Sales	3.7%	6.5%	6.3%	5.4%			
Selling Expenses % Sales	0.3%	1.0%	0.6%	0.8%			
EBITDA %	26.4%	20.6%	36.1%	25.1%			
D&A % Sales	7.8%	13.6%	15.4%	11.3%			
EBIT %	18.6%	7.0%	20.7%	13.9%			
Net Margin %	38.3%	35.0%	42.5%	37.9%			

Source: Company data, QNB FS Research

## Segment Details and Comparisons

### In QR Millions

<b>Steel</b>	<b>3Q2022</b>	<b>2Q2023</b>	<b>3Q2023</b>	<b>3Q2023e</b>
Revenue	1,054.591	1,131.537	902.184	1,014.434
Profit Before Tax	152.943	144.503	130.038	123.152
NM %	14.50%	12.77%	14.41%	12.14%
Revenue QoQ	-9%	-8%	-20%	-10%
Profit Before Tax QoQ	-57%	8%	-10%	-15%
Revenue YoY	50%	-2%	-14%	-4%
Profit Before Tax YoY	15%	-60%	-15%	-19%
<b>Petrochemicals</b>	<b>3Q2022</b>	<b>2Q2023</b>	<b>3Q2023</b>	<b>3Q2023e</b>
Revenue	1,639.000	1,423.000	1,241.000	1,449.288
Profit Before Tax	568.336	442.700	322.595	469.279
NM %	34.68%	31.11%	25.99%	32.38%
Revenue QoQ	-19%	4%	-13%	2%
Profit Before Tax QoQ	-32%	16%	-27%	6%
Revenue YoY	5%	-29%	-24%	-12%
Profit Before Tax YoY	-16%	-47%	-43%	-17%
<b>Fertilizers</b>	<b>3Q2022</b>	<b>2Q2023</b>	<b>3Q2023</b>	<b>3Q2023e</b>
Revenue	3,157.431	1,503.080	1,931.722	2,158.623
Profit Before Tax	858.375	212.893	634.760	548.938
NM %	27.19%	14.16%	32.86%	25.43%
Revenue QoQ	-21%	-33%	29%	44%
Profit Before Tax QoQ	-45%	-58%	198%	158%
Revenue YoY	17%	-62%	-39%	-32%
Profit Before Tax YoY	-33%	-86%	-26%	-36%
<b>Total Revenue</b>	<b>5,851.022</b>	<b>4,057.617</b>	<b>4,074.906</b>	<b>4,622.345</b>
<b>YoY Growth</b>	<b>18%</b>	<b>-43%</b>	<b>-30%</b>	<b>-21%</b>
<b>QoQ Growth</b>	<b>-18%</b>	<b>-16%</b>	<b>0%</b>	<b>14%</b>
Steel	18%	28%	22%	22%
Petrochemicals	28%	35%	30%	31%
Fertilizers	54%	37%	47%	47%
<b>Total Profit Before Tax (Ex. Unallocated)</b>	<b>1,579.654</b>	<b>800.096</b>	<b>1,087.393</b>	<b>1,141.370</b>
Steel	10%	18%	12%	11%
Petrochemicals	36%	55%	30%	41%
Fertilizers	54%	27%	58%	48%
Group Net Income	1,613.788	922.162	1,205.205	1,202.727
Segment Profit Before Tax/Group NI	98%	87%	90%	95%
Unallocated Net Income	34.134	122.066	117.812	61.357

Source: Company data, QNB FS Research

## Ratio Analysis

### Key Ratios & Valuation Metrics

Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Growth Ratios (In %)</b>											
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%
<b>Operating Ratios (In %)</b>											
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%
<b>Working Capital Ratios (Days)</b>											
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
<b>Finance Ratios</b>											
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
<b>Return Ratios (In %)</b>											
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%
<b>Liquidity Ratios</b>											
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
<b>Valuation</b>											
EV/Reported EBITDA	103.9	73.1	1,136.7	34.1	9.6	8.9	18.3	16.9	16.1	14.4	13.6
EV/EBIT	155.6	98.5	(308.4)	165.8	12.2	11.4	30.8	25.6	23.1	20.8	18.0
P/E	23.5	15.5	30.3	43.1	9.6	8.8	16.5	14.1	13.2	12.6	11.1
P/BV	2.3	2.2	2.3	2.3	2.0	1.9	2.0	1.9	1.9	1.8	1.8
Dividend Yield	3.9%	4.7%	3.1%	2.6%	7.8%	8.5%	5.8%	6.2%	7.0%	7.4%	8.1%
FCF Yield	3.5%	7.5%	4.7%	3.9%	9.5%	11.4%	5.0%	3.7%	5.6%	7.0%	8.3%

Source: Company data, QNB FS Research

## Detailed Financial Statements

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

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	2020	2021	2022	2023e	2024e	2025e	2026e	2027e
<b>Non-Current Assets</b>								
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
<b>Total Non-Current Assets</b>	<b>22,335</b>	<b>21,284</b>	<b>21,106</b>	<b>22,827</b>	<b>25,243</b>	<b>26,523</b>	<b>26,802</b>	<b>27,102</b>
<b>Current Assets</b>								
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
<b>Total Current Assets</b>	<b>13,550</b>	<b>21,023</b>	<b>23,899</b>	<b>19,847</b>	<b>18,241</b>	<b>17,888</b>	<b>18,328</b>	<b>19,226</b>
<b>Total Assets</b>	<b>35,885</b>	<b>42,308</b>	<b>45,005</b>	<b>42,674</b>	<b>43,484</b>	<b>44,412</b>	<b>45,130</b>	<b>46,328</b>
<b>Equity</b>								
<b>Total Equity</b>	<b>33,613</b>	<b>39,510</b>	<b>42,020</b>	<b>39,977</b>	<b>40,822</b>	<b>41,722</b>	<b>42,315</b>	<b>43,448</b>
<b>Non-Current Liabilities</b>								
Loans and Borrowings	-	-	-	-	-	-	-	-
EOS Benefits & Lease Liabilities	745	724	761	754	754	754	754	754
<b>Total Non-Current Liabilities</b>	<b>745</b>	<b>724</b>	<b>761</b>	<b>754</b>	<b>754</b>	<b>754</b>	<b>754</b>	<b>754</b>
<b>Current Liabilities</b>								
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	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,527</b>	<b>2,073</b>	<b>2,224</b>	<b>1,943</b>	<b>1,908</b>	<b>1,935</b>	<b>2,061</b>	<b>2,126</b>
<b>Equity and Liabilities</b>	<b>35,885</b>	<b>42,308</b>	<b>45,005</b>	<b>42,674</b>	<b>43,484</b>	<b>44,412</b>	<b>45,130</b>	<b>46,328</b>

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>	
<b>OUTPERFORM</b>	Greater than +20%	<b>R-1</b>	Significantly lower than average
<b>ACCUMULATE</b>	Between +10% to +20%	<b>R-2</b>	Lower than average
<b>MARKET PERFORM</b>	Between -10% to +10%	<b>R-3</b>	Medium / In-line with the average
<b>REDUCE</b>	Between -10% to -20%	<b>R-4</b>	Above average
<b>UNDERPERFORM</b>	Lower than -20%	<b>R-5</b>	Significantly above average

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