

## Qatar Gas Transport Co./Nakilat (QGTS)

Recommendation	OUTPERFORM	Risk Rating	R-3
Share Price	QR3.210	Current Target Price	QR3.500
Implied Upside	9.0%	Old Target Price	QR3.400

### Tweaking Estimates & Upping Price Target; Maintain Outperform

We maintain QGTS as an Outperform and raise our price target. QGTS capped off a strong 2020 despite the global pandemic posting [generally in-line 4Q2020 operating results](#) with one-offs at the JV level contributing to the quarterly earnings miss. For 1Q2021, we are projecting 16.2%/24.5% YoY/QoQ earnings increases driven by lower G&A, higher JV income and a continued decline in finance charges. We remain bullish on Nakilat and consider it as the best avenue for equity investors to participate in the LT growth expected in Qatar's LNG sector. Since we upgraded the stock to an Outperform, QGTS' share price has appreciated by 18%, significantly beating the QE Index's increase of 8% as Nakilat was re-included in the MSCI EM Index. Irrespective of the volatility of the LNG shipping market, Nakilat's business should remain relatively unaffected given the LT nature of its charters. QGTS' fleet continues to provide the company with stable, contractually sustainable cash flow that allow for a healthy residual income stream for equity investors after providing for debt service. Moreover, the 40-year life of QGTS' vessels vs. maximum debt life of 25 years (last debt maturing 2033), continues to create refinancing opportunities to increase fleet size. Thus, we think further deals in LNG ships and FSRUs are likely. In the near-term, addition of 4 LNG vessels (1 added in early January followed by one each in 2H2021 and in early 2022) via Global Shipping, should help earnings growth in 2020 and 2021. In terms of catalysts, we continue to believe expansion of Qatar's LNG output from 77 MTPA to 126 MTPA is a significant driver. Currently our model does not assume any fleet growth and we will incorporate such expansion once more details become available. We foresee significant upward revision to our estimates and price target once we factor in this expansion.

#### Highlights

- We project 12.5% EPS growth for 2021 followed by a 7.5% increase in 2022. In 2021, JV income should benefit from two new LNG vessels in QGTS' 60%-owned Global Shipping JV and improving shipyard performance, along with lower finance charges given principle repayments and considering that ~25% of Nakilat's debt (including JV debt) is unhedged. For 2022, another ship should be added, increasing Global Shipping's fleet to four LNG carriers, along with a further decline in finance costs.
- 1Q2021 preview: expect profit of QR325mn, up 16.2% YoY and 24.5% QoQ. Wholly-owned ship revenue of QR858mn (-1.7% YoY, -1.2% QoQ) is impacted by lower number of available operating days in 1Q2021. Adjusted EBITDA of QR784mn (+1.0% YoY, +7.7% QoQ) benefits from higher JV income (two vessels in Global Shipping vs. none in 1Q2020/one in 4Q2020, along with a lack of one-offs seen in 4Q2020) and lower G&A. Finally, earnings also benefit from lower finance costs.
- Transition of fleet management in-house from STASCO has enhanced profitability. QGTS has successfully completed phase II of its fleet management transition program with management/operations of an additional 10 vessels (including the one delivered in January 2021). So far, this has played a major role in expanding QGTS' EBITDA margin from 74.6% in 2017 to 77.7% in 2020. We could see upside to our future margin assumptions when QGTS is able to transition the remaining eight wholly-owned LNG vessels (17 already brought in-house) from STASCO.
- Stable profile with industry-leading EBITDA margins & attractive dividend/FCF yields. Charter agreements result in stable revenue along with operating costs pass-through (a mixture of capped and uncapped inflation rates) leading to flattish absolute EBITDA. Nakilat's stable business profile is highlighted by its industry-leading margins (average adjusted EBITDA margin of 78.3% over 2010-2020 followed by 80.0% over 2021-2033). We model in a dividend yield of 3.4% in 2021 growing to 4.7% by 2033, with 9.9% in FCF yield growing to 17.0% over the same period.

#### Catalysts

- Expansion of Qatar's LNG output from 77 MTPA to 126 MTPA is a significant driver. QP has signed major LNG shipbuilding capacity agreements to build 100+ LNG vessels, worth in excess QR70bn, to cater to this expansion. Recently QP issued an "Invitation to Tender" package to ship owners in relation to this project. While details are yet to be released, we expect QGTS to be a major beneficiary of this LNG expansion. We note every vessel (@100%) adds roughly 1% to QGTS' target price and we should hear more about carrier selection by end of 2022. We continue to favor Nakilat, #1 owner/operator of LNG vessels globally, as a LT play geared to Qatari LNG's dominance.

#### Recommendation, Valuation and Risks

- Recommendation & valuation: Our 1-Year target is QR3.500 vs. QR3.400 previously. We have rolled forward our DCF-based valuation model to 2021.
- Risks: (1) Shipping is ultimately the charterers' concern and comprehensive insurance policies (incl. war insurance) cover QGTS for political stress events under force majeure clauses for 36 months (plus 6 months in many cases). Blockage of the Strait of Hormuz/Gulf of Suez is unlikely. Charterers will also bear any costs of potential rerouting. (2) There is a risk existing LNG contracts are renegotiated – we do not rule out potential contract restructuring, with QGTS accepting slightly lower charter rates in return for increasing their lengths from 25 to 35+ years. However, bargaining power rests with Qatargas and Nakilat may have no choice but to accept worse contract terms. However, the likelihood of this is low given investment grade-rated bonds and contagion in other GRE-related bond issues.

#### Key Financial Data and Estimates

	FY2019	FY2020	FY2021e	FY2022e
EPS (QR)	0.18	0.21	0.24	0.25
P/E (x)	17.7	15.3	13.6	12.7
DPS (QR)	0.10	0.11	0.11	0.12
Dividend Yield	3.1%	3.4%	3.4%	3.7%

Source: Company data, QNB FS estimates; Note: All data based on current number of shares

#### Key Data

Current Market Price (QR)	3.210
Current Dividend Yield (%)	3.4
Bloomberg Ticker	QGTS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QGTS.QA
ISIN	QA000A0KD6L1
Sector*	Transportation
52wk High/52wk Low (QR)	3.509/2.150
3-m Average Volume ('mn)	2.8
Mkt. Cap. (\$ bn/QR bn)	4.9/17.8
EV (\$ bn/QR bn)	9.8/35.8
Shares Outstanding (mn)	5,539.0
FO Limit* (%)	49.0
Current FO* (%)	16.3
1-Year Total Return (%)	54.0
Fiscal Year End	December 31

Source: Bloomberg (as of April 15, 2021), \*Qatar Exchange (as of April 14, 2021); Note: FO is foreign ownership

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## Summary of Estimate Changes

### QNB FS Current Estimates Vs. Previous Estimates

In QR mn	Current Previous			▲	Current Previous			▲	Current Previous			▲
	2020	2021	2021		2022	2022	2022		2023	2023	2023	
<b>Revenue from Wholly-Owned Vessels</b>	<b>3,501</b>	<b>3,522</b>	<b>3,522</b>	<b>0.0%</b>	<b>3,527</b>	<b>3,527</b>	<b>0.0%</b>	<b>3,532</b>	<b>3,532</b>	<b>0.0%</b>		
<i>Growth</i>	10.6%	0.6%	0.6%		0.1%	0.1%		0.1%	0.1%			
Operating Costs	(734)	(737)	(737)	0.0%	(739)	(739)	-0.1%	(740)	(740)	-0.1%		
<i>Growth</i>	5.2%	0.5%	0.5%		0.2%	0.3%		0.1%	0.1%			
<b>Gross Profit</b>	<b>2,767</b>	<b>2,785</b>	<b>2,785</b>	<b>0.0%</b>	<b>2,788</b>	<b>2,788</b>	<b>0.0%</b>	<b>2,792</b>	<b>2,791</b>	<b>0.0%</b>		
<i>GM %</i>	79.0%	79.1%	79.1%		79.1%	79.0%		79.1%	79.0%			
Income from Marine and Agency Services	46	49	52	-6.6%	50	53	-6.6%	51	54	-6.6%		
General and Administrative Expenses	(93)	(94)	(96)	-2.0%	(97)	(99)	-2.0%	(100)	(99)	0.9%		
<b>EBITDA</b>	<b>2,720</b>	<b>2,739</b>	<b>2,741</b>	<b>-0.1%</b>	<b>2,741</b>	<b>2,742</b>	<b>0.0%</b>	<b>2,743</b>	<b>2,747</b>	<b>-0.1%</b>		
<i>EBITDA Margin %</i>	77.7%	77.8%	77.8%		77.7%	77.7%		77.7%	77.8%			
Depreciation & Amortization	(891)	(891)	(891)	0.0%	(891)	(891)	0.0%	(890)	(890)	0.0%		
<b>EBIT</b>	<b>1,828</b>	<b>1,848</b>	<b>1,850</b>	<b>-0.1%</b>	<b>1,850</b>	<b>1,851</b>	<b>-0.1%</b>	<b>1,852</b>	<b>1,856</b>	<b>-0.2%</b>		
<b>Share of Operating Profits from Joint Ventures</b>	<b>390</b>	<b>479</b>	<b>490</b>	<b>-2.2%</b>	<b>526</b>	<b>554</b>	<b>-5.1%</b>	<b>535</b>	<b>572</b>	<b>-6.4%</b>		
Finance Costs	(1,137)	(1,103)	(1,117)	-1.3%	(1,055)	(1,068)	-1.3%	(1,004)	(1,008)	-0.4%		
Interest, Dividend income & Profit from Islamic Banks	58	59	60	-2.9%	60	92	-34.7%	61	92	-33.5%		
Vessel Sub-Chartering & Other Income	22	23	23	-1.9%	23	24	-3.8%	24	25	-5.6%		
Profit Before Tax	1,161	1,306	1,307	0.0%	1,404	1,452	-3.3%	1,468	1,537	-4.5%		
Taxes												
Profit After Tax	1,161	1,306	1,307	0.0%	1,404	1,452	-3.3%	1,468	1,537	-4.5%		
Minority Interest	(1)	(1)	(1)	0.0%	(1)	(1)	-3.3%	(1)	(1)	-4.5%		
<i>% of PAT</i>	-0.1%	-0.1%	-0.1%		-0.1%	-0.1%		-0.1%	-0.1%			
<b>Profit for Equity Holders</b>	<b>1,160</b>	<b>1,306</b>	<b>1,306</b>	<b>0.0%</b>	<b>1,403</b>	<b>1,451</b>	<b>-3.3%</b>	<b>1,467</b>	<b>1,536</b>	<b>-4.5%</b>		
<i>Net Profit Margin</i>	33.1%	37.1%	37.1%		39.8%	41.2%		41.5%	43.5%			
<i>Growth</i>	15.8%	12.5%	12.6%		7.5%	11.1%		4.6%	5.8%			
<b>EPS</b>	<b>0.21</b>	<b>0.24</b>	<b>0.24</b>	<b>0.0%</b>	<b>0.25</b>	<b>0.26</b>	<b>-3.3%</b>	<b>0.26</b>	<b>0.28</b>	<b>-4.5%</b>		
<i>Growth</i>	15.8%	12.5%	12.6%		7.5%	11.1%		4.6%	5.8%			
<b>DPS</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>	<b>0.0%</b>	<b>0.12</b>	<b>0.12</b>	<b>0.0%</b>	<b>0.12</b>	<b>0.12</b>	<b>0.0%</b>		
<i>Payout Ratio</i>	52.5%	46.7%	46.7%		47.4%	45.8%		45.3%	43.3%			
<i>Growth</i>	10.0%	0.0%	0.0%		0.0%	0.0%		0.0%	0.0%			
<b>Adjusted EBITDA</b>	<b>3,110</b>	<b>3,219</b>	<b>3,231</b>	<b>-0.4%</b>	<b>3,266</b>	<b>3,295</b>	<b>-0.9%</b>	<b>3,277</b>	<b>3,318</b>	<b>-1.2%</b>		
<i>Growth</i>	5.3%	3.5%	3.9%		1.5%	2.0%		0.3%	0.7%			
<b>Adjusted Revenue</b>	<b>3,937</b>	<b>4,050</b>	<b>4,065</b>	<b>-0.4%</b>	<b>4,102</b>	<b>4,134</b>	<b>-0.8%</b>	<b>4,117</b>	<b>4,157</b>	<b>-1.0%</b>		
<i>Growth</i>	4.2%	2.9%	3.2%		1.3%	1.7%		0.4%	0.6%			

Source: QNB FS estimates

## Key Growth Metrics

### Growth Metrics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	2031	2032	2033
<b>Growth Ratios (In %)</b>														
Revenue - Wholly Owned	0.7%	(0.4%)	0.2%	3.4%	10.6%	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Revenue - Adjusted	2.0%	(6.1%)	1.8%	7.6%	4.2%	2.9%	1.3%	0.4%	0.9%	1.0%	0.7%	0.7%	0.7%	0.7%
Gross Profit	0.1%	0.4%	1.1%	3.5%	12.1%	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EBITDA	(1.1%)	0.5%	1.0%	3.9%	13.6%	0.7%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EBITDA -Adjusted	1.1%	(7.2%)	3.1%	9.3%	5.3%	3.5%	1.5%	0.3%	1.0%	1.2%	0.8%	0.8%	0.8%	0.8%
EBIT	(6.5%)	0.7%	2.2%	(2.3%)	21.0%	1.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
EPS	(2.9%)	(11.3%)	5.3%	12.4%	15.8%	12.5%	7.5%	4.6%	9.6%	10.0%	5.4%	5.1%	4.9%	4.7%
CFPS	(9.9%)	16.7%	(6.4%)	15.9%	78.1%	(25.9%)	3.8%	2.9%	6.1%	6.6%	4.0%	3.8%	3.7%	3.6%
FCFPS	(4.9%)	22.0%	(22.1%)	10.9%	113.4%	(27.2%)	4.1%	3.1%	1.5%	12.3%	9.3%	3.9%	3.8%	3.7%
DPS	(20.0%)	0.0%	0.0%	0.0%	10.0%	0.0%	9.1%	0.0%	0.0%	8.3%	0.0%	7.1%	0.0%	0.0%

Source: Company data, QNB FS estimates; Note: Adjusted revenue includes wholly-owned revenue, income from marine & agency services and income from JVs, while Adjusted EBITDA includes income from JVs

## Ratio Analysis

### Key Metrics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	2031	2032	2033
<b>Growth Ratios (In %)</b>														
Revenue - Wholly Owned	0.7%	(0.4%)	0.2%	3.4%	10.6%	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Revenue - Adjusted	2.0%	(6.1%)	1.8%	7.6%	4.2%	2.9%	1.3%	0.4%	0.9%	1.0%	0.7%	0.7%	0.7%	0.7%
Gross Profit	0.1%	0.4%	1.1%	3.5%	12.1%	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EBITDA	(1.1%)	0.5%	1.0%	3.9%	13.6%	0.7%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EBITDA -Adjusted	1.1%	(7.2%)	3.1%	9.3%	5.3%	3.5%	1.5%	0.3%	1.0%	1.2%	0.8%	0.8%	0.8%	0.8%
EBIT	(6.5%)	0.7%	2.2%	(2.3%)	21.0%	1.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
EPS	(2.9%)	(11.3%)	5.3%	12.4%	15.8%	12.5%	7.5%	4.6%	9.6%	10.0%	5.4%	5.1%	4.9%	4.7%
CFPS	(9.9%)	16.7%	(6.4%)	15.9%	78.1%	(25.9%)	3.8%	2.9%	6.1%	6.6%	4.0%	3.8%	3.7%	3.6%
FCFPS	(4.9%)	22.0%	(22.1%)	10.9%	113.4%	(27.2%)	4.1%	3.1%	1.5%	12.3%	9.3%	3.9%	3.8%	3.7%
DPS	(20.0%)	0.0%	0.0%	0.0%	10.0%	0.0%	9.1%	0.0%	0.0%	8.3%	0.0%	7.1%	0.0%	0.0%
<b>Operating Ratios (In %)</b>														
Gross Margin	76.6%	77.2%	77.8%	78.0%	79.0%	79.1%	79.1%	79.1%	79.1%	79.1%	79.1%	79.1%	79.1%	79.1%
EBITDA Margin	74.0%	74.6%	75.2%	75.6%	77.7%	77.8%	77.7%	77.7%	77.6%	77.6%	77.5%	77.4%	77.4%	77.4%
Adj. EBITDA Margin	76.8%	75.9%	76.9%	78.1%	79.0%	79.5%	79.6%	79.6%	79.7%	79.8%	80.2%	80.2%	80.3%	80.4%
EBIT Margin	49.0%	49.5%	50.5%	47.7%	52.2%	52.5%	52.5%	52.4%	52.5%	52.5%	52.6%	52.6%	52.6%	52.6%
Net Margin	31.1%	27.7%	29.1%	31.6%	33.1%	37.1%	39.8%	41.5%	45.4%	49.9%	66.5%	69.8%	73.1%	76.4%
<b>Finance Ratios</b>														
Net Debt-to-EBITDA	8.3	7.8	7.5	7.9	6.6	6.2	5.7	5.2	4.8	4.2	1.0	0.3	-0.5	-1.4
Debt-Equity Ratio	4.1	3.5	2.9	3.1	3.0	2.5	2.1	1.8	1.3	1.0	0.2	0.1	0.1	0.0
Net Debt-Equity Ratio	3.6	3.0	2.5	2.8	2.5	2.1	1.7	1.4	1.2	0.9	0.1	0.0	-0.1	-0.1
Debt-to-Capital	80.3%	77.7%	74.1%	75.6%	74.7%	71.3%	67.8%	63.8%	57.0%	51.2%	19.2%	12.7%	6.3%	0.0%
Interest Coverage	1.3	1.3	1.3	1.3	1.6	1.7	1.8	1.8	2.1	2.4	5.8	8.1	13.5	40.5
EBITDA Interest Coverage	1.9	1.9	2.0	2.0	2.4	2.5	2.6	2.7	3.1	3.5	8.5	11.9	19.9	59.5
<b>Return Ratios (In %)</b>														
ROIC	5.6%	5.7%	5.8%	5.4%	6.5%	6.6%	6.6%	6.7%	7.2%	7.3%	7.4%	7.4%	7.3%	7.1%
ROAE	19.7%	15.1%	13.9%	14.5%	16.6%	17.3%	16.5%	15.5%	15.2%	15.0%	12.2%	11.7%	11.2%	10.7%
ROAA	3.1%	2.8%	3.0%	3.2%	3.6%	4.0%	4.4%	4.6%	5.2%	6.0%	8.5%	8.9%	9.3%	9.7%
<b>Valuation</b>														
EV/EBITDA-Adjusted	13.0	13.6	12.9	12.4	11.5	10.7	10.2	9.8	9.3	8.7	5.9	5.2	4.6	3.9
EV/EBIT	24.3	23.5	22.6	24.2	19.5	18.7	18.0	17.3	16.6	15.7	10.9	9.8	8.6	7.4
P/E	18.6	21.0	20.0	17.7	15.3	13.6	12.7	12.1	11.1	10.1	7.5	7.1	6.8	6.5
P/CF	15.8	13.6	14.5	12.5	7.0	9.5	9.1	8.9	8.4	7.8	6.4	6.1	5.9	5.7
P/B	3.4	3.0	2.6	2.6	2.5	2.2	2.0	1.8	1.6	1.4	0.9	0.8	0.7	0.7
Dividend Yield	3.1%	3.1%	3.1%	3.1%	3.4%	3.4%	3.7%	3.7%	3.7%	4.0%	4.4%	4.7%	4.7%	4.7%
FCF Yield	6.1%	7.4%	5.7%	6.4%	13.6%	9.9%	10.3%	10.6%	10.8%	12.1%	15.2%	15.8%	16.4%	17.0%

Source: Company data, QNB FS estimates; Note: Adjusted revenue includes wholly-owned revenue, operating profits from marine & agency services and income from JVs, while Adjusted EBITDA includes income from JVs

## Detailed Financial Statements

### Income Statement

Income Statement (In QR mn)	FY2020	FY2021e	FY2022e	FY2023e
<b>Revenue – Wholly-Owned Ships</b>	<b>3,501</b>	<b>3,522</b>	<b>3,527</b>	<b>3,532</b>
Direct Costs	(734)	(737)	(739)	(740)
<b>Gross Profit</b>	<b>2,767</b>	<b>2,785</b>	<b>2,788</b>	<b>2,792</b>
Income from Marine & Agency Services	46	49	50	51
General and Administrative Expenses	(93)	(94)	(97)	(100)
<b>EBITDA</b>	<b>2,720</b>	<b>2,739</b>	<b>2,741</b>	<b>2,743</b>
Depreciation	(891)	(891)	(891)	(890)
<b>EBIT</b>	<b>1,828</b>	<b>1,848</b>	<b>1,850</b>	<b>1,852</b>
Share of Profits from Joint Ventures	390	479	526	535
Finance Costs	(1,137)	(1,103)	(1,055)	(1,004)
Interest, Dividend & Profit from Islamic Banks	58	59	60	61
Vessels Sub-Chartering & Other Income	22	23	23	24
<b>Profit Before Tax</b>	<b>1,161</b>	<b>1,306</b>	<b>1,404</b>	<b>1,468</b>
Income Tax Expense	0	0	0	0
<b>Profit After Tax</b>	<b>1,161</b>	<b>1,306</b>	<b>1,404</b>	<b>1,468</b>
Minority Interest	(1)	(1)	(1)	(1)
<b>Profit for Equity Shareholders</b>	<b>1,160</b>	<b>1,306</b>	<b>1,403</b>	<b>1,467</b>
<b>EPS (QR)</b>	<b>0.21</b>	<b>0.24</b>	<b>0.25</b>	<b>0.26</b>
<b>Adjusted Revenue</b>	<b>3,937</b>	<b>4,050</b>	<b>4,102</b>	<b>4,117</b>
<b>Adjusted EBITDA</b>	<b>3,110</b>	<b>3,219</b>	<b>3,266</b>	<b>3,277</b>

Source: Company data, QNB FS estimates

### Balance Sheet

Balance Sheet (In QR mn)	FY2020	FY2021e	FY2022e	FY2023e
<b>Non-Current Assets</b>				
Property, Plant and Equipment	23,161	22,387	21,614	20,842
Investment in Joint Venture Companies	4,194	4,565	4,883	5,205
Loans to Joint Venture Companies	1,271	1,271	1,271	1,271
Equity Investments	120	120	120	120
<b>Total Non-Current Assets</b>	<b>28,746</b>	<b>28,343</b>	<b>27,888</b>	<b>27,438</b>
<b>Current Assets</b>				
Receivables, Inventories and Due from Joint Ventures	911	916	917	918
Cash and Bank Balances	2,995	2,937	3,242	3,261
<b>Total Current Assets</b>	<b>3,907</b>	<b>3,853</b>	<b>4,159</b>	<b>4,179</b>
<b>Total Assets</b>	<b>32,653</b>	<b>32,197</b>	<b>32,047</b>	<b>31,617</b>
<b>Equity</b>				
Equity Attributable to the Parent	7,097	7,993	8,986	9,988
Minority Interest	7	8	8	9
<b>Total Equity</b>	<b>7,104</b>	<b>8,001</b>	<b>8,995</b>	<b>9,997</b>
<b>Non-Current Liabilities</b>				
Borrowings	19,835	18,878	17,636	14,751
Fair Value of Interest Rate Swaps	2,606	2,429	2,252	2,075
Lease Liability, Provision for End of Service Benefits and Other Liabilities	336	336	336	336
<b>Total Non-Current Liabilities</b>	<b>22,776</b>	<b>21,643</b>	<b>20,223</b>	<b>17,162</b>
<b>Current Liabilities</b>				
Borrowings	1,165	954	1,242	2,885
Accounts Payables/Accruals & Due to Joint Ventures	1,442	1,449	1,452	1,454
Fair Value of Interest Rate Swaps and Lease Liability	165	150	134	119
<b>Total Current Liabilities</b>	<b>2,772</b>	<b>2,553</b>	<b>2,829</b>	<b>4,458</b>
<b>Equity and Liabilities</b>	<b>32,653</b>	<b>32,197</b>	<b>32,047</b>	<b>31,617</b>

Source: Company data, QNB FS estimates

### Recommendations

*Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*

<b>OUTPERFORM</b>	Greater than +20%
<b>ACCUMULATE</b>	Between +10% to +20%
<b>MARKET PERFORM</b>	Between -10% to +10%
<b>REDUCE</b>	Between -10% to -20%
<b>UNDERPERFORM</b>	Lower than -20%

### Risk Ratings

*Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*

<b>R-1</b>	Significantly lower than average
<b>R-2</b>	Lower than average
<b>R-3</b>	Medium / In-line with the average
<b>R-4</b>	Above average
<b>R-5</b>	Significantly above average

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