

Vodafone Qatar (VFQS)

Recommendation	ACCUMULATE	Risk Rating	R-4
Share Price	QR1.613	Target Price	QR1.950
Implied Upside	20.9%	Old Target Price	QR1.800

World Cup Could Signal A Near-Term Resurgence; Stay Accumulate

We increase our price target from QR1.800 to QR1.950 and maintain our Accumulate rating. VFQS continues to deliver strong results, beating our estimates for three quarters in a row. We believe the upcoming FIFA World Cup Qatar 2022 could act as a potential boost to 2H2022 (especially 4Q2022) results. Overall, we model earnings to grow 43.9% YoY from QR327.4mn in 2021 to QR471.0mn in 2022. This implies a net income acceleration of 17.7% from QR216.3mn in 1H2022 to QR254.6mn in 2H2022. The company's stock price has been in a dead zone this year, down 3.2% vs. its competitor Ooredoo's gain of 23.2%; the QSE Index has also gained 11.4% YTD. While ORDS has enjoyed its own unique set of drivers this year, **we believe VFQS' underperformance could reverse going forward as we get closer to the World Cup. Growth in 2H2022 results would be key in driving near-term stock price. Further clarity provided by management on the potential impact of 1+mn World Cup visitors on VFQS' operations, should also help provide a catalyst.** We note over the previous five years or so, VFQS' shares have rerated from nosebleed valuation territory to in-line-to-moderately expensive levels. **Thus, the company has grown into its valuation but this has meant that its significant operational and earnings improvements have largely not had much impact on VFQS' stock price.** Beyond its near-term WC-driven catalyst, VFQS' longer-term growth prospects as a 2nd operator in a market of Qatar's size and dynamics (population size of 2.94mn in August 2022, along with a mobile penetration of ~182% as of June 2022; VFQS already has revenue market share of ~27% and subscriber market share of ~42% as of 2Q2022) is more of an open question. **We do tend to believe there is some room for improvement** (as of 2Q2022, VFQS has an EBITDA margin of 41.0% vs. ORDS' 50.2%, an ARPU of QR77 vs. ORDS' QR107.6, along with roughly 500K high-ARPU/margin postpaid customers relative to Ooredoo's almost 800K postpaid subscribers). **Going forward, as VFQS demonstrates progress in closing some of this gap beyond our modeled expectations, the stock could have more room to run. With FCF yield increasing from 5.7% in 2022 to 10.9% in 2024, we believe there could be upside to DPS, which could also act as a catalyst for the stock. Highlights**

- **We project strong top-line/EBITDA growth for 2022.** After increasing 14.8% in 2021, we model total revenue to grow 19.9% in 2022. Mobile service revenue (64.7% of 1H2022 total revenue), after increasing 4.1% in 2021, should grow 13.4% in 2022 benefitting from the WC. We note the already strong growth in Qatar's overall population (up 10.5% MoM from 2.66mn in July to 2.94mn in August) has positive implications for 2H2022 results. Prepaid revenue, after falling 2.4% in 2021, should grow 12.3% in 2022 (already up 7.8% YoY in 1H2022) due to the World Cup. Postpaid service revenue should follow 2021's 7.6% YoY growth with an increase of 13.9% in 2022 (postpaid is up 13.4% in 1H2022). We note we also expect significant growth in other revenue driven by the hardware portion of projects' revenue. EBITDA should also post an increase of 18.7% in 2022, following 2021's 27.5% growth. However, EBITDA margin should retreat from 2021's 40.8% to 40.4% in 2022.
- **Net income should jump 43.9% in 2022.** Revenue growth, along with costs improvements, should help earnings. Driven by WC-related spending, we expect 2022-capital intensity at 22.4% vs. 16.1% in 2021, with capex of QR677.2mn, up 66.0% from 2021's QR407.9mn.
- **Post WC, we are preliminarily penciling in 2023 revenue and earnings declines of 2.2% and 5.2%, respectively.** 2024 revenue/bottom-line should resume growth rates of 3.3%/2.5%.
- **VFQS declared QR0.06 in DPS for 2021 and we expect 2022 DPS to increase to QR0.08.**

Catalysts

- **WC 2022 could signal a near-term resurgence.** We also believe postpaid (68.9% of 1H2022 mobile service revenue), 5G, fixed, broadband, enterprise and bundled ICT solutions should boost growth. While capex levels remain elevated due to 5G and coverage/capacity expansion ahead of the WC, dividend and FCF yields should improve going forward.

Recommendation, Valuation and Risks

- **Recommendation and valuation: We rate VFQS as an Accumulate with a PT of QR1.9500.** The stock is trading at EV/EBITDA multiples of 6.0x for 2022 and 5.7x for 2023.
- **Risks:** 1) Increased competition leading to ARPU erosion and/or market share loss; 2) Weakening of postpaid, broadband, fixed-line and managed services traction/stickiness and 3) Fall in population/industry growth rates.

Key Financial Data and Estimates

	CY2020	CY2021	CY2022e	CY2023e	CY2024e
Revenue (QR mn)	2,200	2,526	3,029	2,961	3,059
EPS (QR)	0.04	0.08	0.11	0.11	0.11
EV/EBITDA	9.2x	7.1x	6.0x	5.7x	5.2x
Dividend Yield	3.1%	3.7%	5.0%	5.0%	5.6%

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

Key Data

Current Market Price (QR)	1.613
Dividend Yield (%)	3.7
Bloomberg Ticker	VFQS QD
ADR/GDR Ticker	N/A
Reuters Ticker	VFQS.QA
ISIN	QA000A0Q5NE9
Sector*	Telecoms
52wk High/52wk Low (QR)	1.818/1.500
3-m Average Volume ('000)	3.0
Mkt. Cap. (\$ bn/QR bn)	1.9/6.8
EV (\$ bn/QR bn)	2.0/7.4
Shares Outstanding (mn)	4,227.0
FO Limit* (%)	49.0
Current FO* (%)	6.4
1-Year Total Return (%)	3.7
Fiscal Year End	December 31

Source: Bloomberg (as of September 08, 2022), *Qatar Exchange (as of September 08, 2022); Note: FO is foreign ownership

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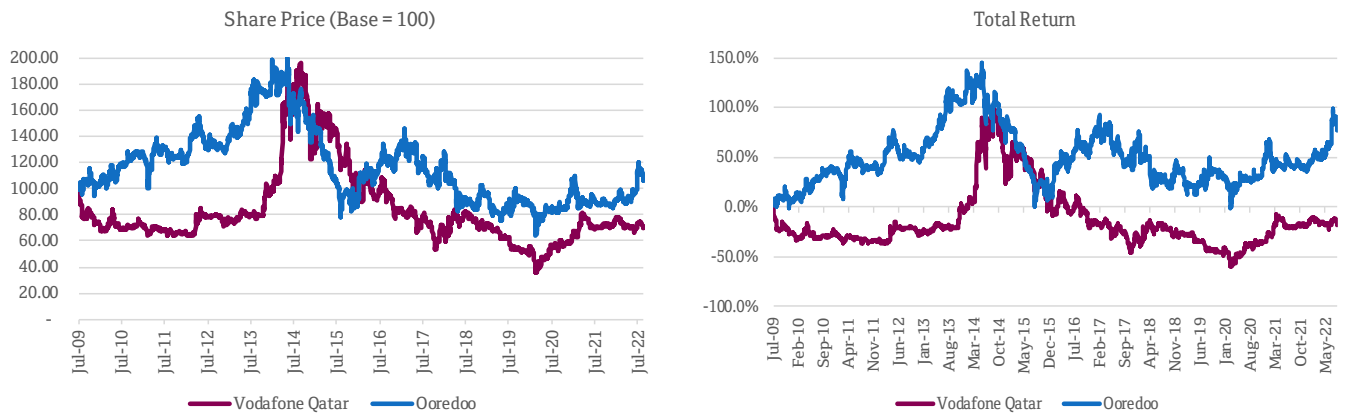
Relative Analysis

Relative Multiples Show VFQS Trades In-Line With Peers and Is Somewhat Expensive Vs. ORDS

Company	Country	Sh. Price (LCY)	Mcap \$ mn	P/E		EV/EBITDA		P/B		ROE		EBITDA Margin		Dividend Yield	
				2022e	2023.e	2022e	2023.e	2022e	2023.e	2022e	2023.e	2022e	2023.e	2022e	2023.e
OOREDOO QPSC	Qatar	8.650	7,532	11.5	11.0	4.5	4.4	0.97	0.96	8.8%	8.9%	42.7%	42.5%	4.31	4.86
EMIRATES INTEGRATED TELECOMM	UAE	6.020	7,429	21.5	20.8	5.9	5.8	3.15	3.06	14.8%	15.1%	39.9%	40.0%	3.82	3.82
EMIRATES TELECOM GROUP CO	UAE	23.580	55,832	21.6	20.3	8.6	8.5	4.01	3.92	18.9%	19.3%	50.3%	50.2%	3.73	3.91
MOBILE TELECOMMUNICATIONS CO	Kuwait	588.000	8,255	13.4	11.5	6.7	6.5	1.56	1.48	12.5%	14.5%	40.2%	40.6%	5.95	6.46
NATIONAL MOBILE TELECOMMUNI	Kuwait	1,070.000	1,740	26.8	26.8	3.1	3.0	0.79	0.78	2.9%	3.2%	35.4%	35.5%	2.80	2.80
OMAN TELECOMMUNICATIONS CO	Oman	0.928	1,808	15.5	15.5	5.0	5.0	0.23	0.23	1.4%	1.6%	40.0%	39.9%	6.47	6.47
ETIHAD ETISALAT CO	KSA	37.000	7,582	21.1	18.0	6.7	6.3	1.82	1.76	8.3%	8.4%	38.5%	38.8%	2.60	3.62
SAUDI TELECOM CO	KSA	39.800	52,961	17.5	16.0	8.1	7.7	3.43	3.21	17.2%	17.6%	36.4%	36.4%	3.89	4.18
MOBILE TELECOMMUNICATIONS CO	KSA	11.520	2,755	13.4	18.6	5.2	5.0	1.02	0.99	6.9%	5.4%	37.4%	37.7%	1.78	2.72
Peer Group Average				18.0	17.6	6.0	5.8	1.9	1.8	10.2%	10.4%	40.1%	40.2%	3.9	4.3
Peer Group Median				17.5	18.0	5.9	5.8	1.6	1.5	8.8%	8.9%	39.9%	39.9%	3.8	3.9
VODAFONEQATAR	Qatar	1.613	1,854	14.5	15.3	6.0	5.7	1.42	1.39	9.8%	9.1%	40.4%	42.0%	4.96	4.96

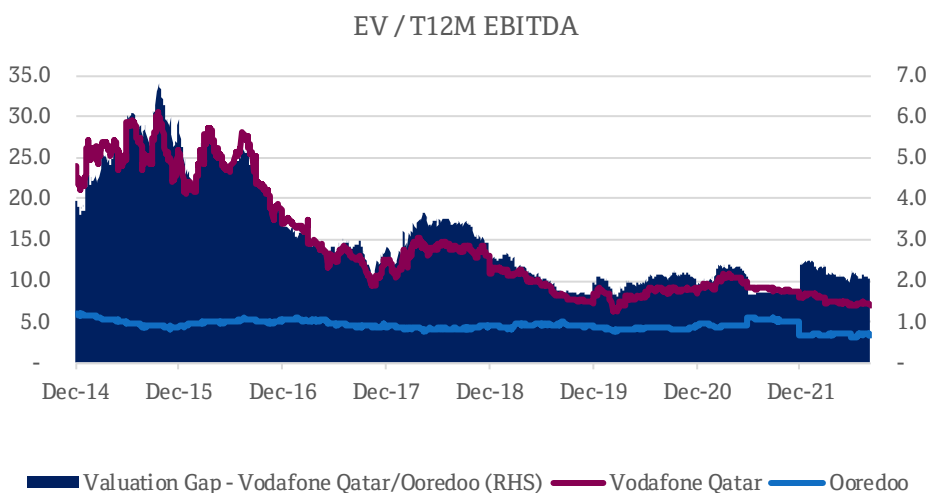
Source: Bloomberg, Company data, QNB FS Research

ORDS Has Outperformed VFQS



Source: Bloomberg

Valuation Premium Relative to ORDS Has Narrowed



Source: Bloomberg

Key Metrics & Forecasts

Key Metrics

	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024E	CY2025E	CY2026E
Mobile Subscribers (000s)										
Pre-Paid Subs	1,071	1,325	1,243	1,208	1,438	1,678	1,687	1,695	1,698	1,701
YoY Growth	(11.9%)	23.7%	(6.1%)	(2.9%)	19.0%	16.7%	0.5%	0.5%	0.2%	0.2%
Post-Paid Subs	319	396	494	454	496	579	615	630	651	669
YoY Growth	24.6%	24.0%	24.8%	(8.0%)	9.3%	16.7%	6.3%	2.4%	3.2%	2.8%
Total Mobile Subs	1,390	1,720	1,737	1,662	1,934	2,257	2,302	2,325	2,349	2,370
YoY Growth	(5.6%)	23.7%	1.0%	(4.3%)	16.4%	16.7%	2.0%	1.0%	1.0%	0.9%
Mobile ARPU (QR)										
Pre-Paid ARPU	70	66	42	39	36	33	32	31	31	31
YoY Growth	(12.9%)	(5.8%)	(35.6%)	(8.7%)	(7.9%)	(6.9%)	(5.0%)	(1.0%)	(0.5%)	(0.5%)
Post-Paid ARPU	203	200	189	186	205	204	201	203	204	205
YoY Growth	0.4%	(1.3%)	(5.5%)	(1.6%)	10.0%	(0.2%)	(1.5%)	0.8%	0.8%	0.6%
Blended Mobile ARPU	100	100	84	84	81	77	76	77	79	80
YoY Growth	(2.8%)	0.6%	(16.1%)	(0.3%)	(3.9%)	(5.2%)	(0.8%)	1.9%	1.5%	1.5%
Mobile Service Revenue (QR mn)										
Pre-Paid Service Revenue	976	855	656	563	550	618	637	634	633	631
YoY Growth	(18.9%)	(12.4%)	(23.2%)	(14.1%)	(2.4%)	12.3%	3.2%	(0.5%)	(0.2%)	(0.3%)
Post-Paid Service Revenue	692	846	1,021	1,067	1,148	1,307	1,440	1,514	1,570	1,627
YoY Growth	19.8%	22.3%	20.6%	4.5%	7.6%	13.9%	10.2%	5.1%	3.7%	3.6%
Total Mobile Service Revenue	1,668	1,701	1,677	1,630	1,697	1,924	2,078	2,149	2,203	2,258
YoY Growth	(6.4%)	2.0%	(1.4%)	(2.8%)	4.1%	13.4%	8.0%	3.4%	2.5%	2.5%
Other Service Revenue (Incl. Fixed & Man)	184	202	272	391	533	659	527	543	553	565
YoY Growth	22.3%	9.8%	34.1%	43.8%	36.4%	23.6%	(20.0%)	3.0%	2.0%	2.0%
Other Revenue (Incl. Handsets & Hardwa)	146	197	176	179	296	446	357	368	379	390
YoY Growth	16.7%	35.0%	(11.0%)	1.7%	65.4%	50.9%	(20.0%)	3.0%	3.0%	3.0%
Total Revenue (QR mn)	1,998	2,101	2,125	2,200	2,526	3,029	2,961	3,059	3,135	3,212
YoY Growth	(2.9%)	5.1%	1.1%	3.5%	14.8%	19.9%	(2.2%)	3.3%	2.5%	2.5%
EBITDA (QR mn)	538	584	709	808	1,031	1,223	1,244	1,293	1,337	1,381
EBITDA Margin	26.9%	27.8%	33.4%	36.7%	40.8%	40.4%	42.0%	42.3%	42.6%	43.0%
YoY Growth	16.0%	8.5%	21.4%	14.0%	27.5%	18.7%	1.7%	3.9%	3.4%	3.3%
Net Income (QR mn)	(256)	118	144	185	327	471	447	458	465	470
Net Margin	(12.8%)	5.6%	6.8%	8.4%	13.0%	15.5%	15.1%	15.0%	14.8%	14.6%
YoY Growth	(31.6%)	N/M	22.0%	28.8%	76.9%	43.9%	(5.2%)	2.5%	1.5%	1.3%
Distributable Profit (QR mn)	146	202	228	269	412	556	531	542	549	554
YoY Growth		37.9%	12.8%	18.1%	53.0%	35.1%	(4.5%)	2.1%	1.3%	1.1%
Capex (QR mn)	368	489	637	411	408	677	558	430	381	362
Capex Intensity	18.4%	23.3%	30.0%	18.7%	16.1%	22.4%	18.9%	14.0%	12.1%	11.3%
YoY Growth	10.9%	32.8%	30.3%	(35.5%)	(0.8%)	66.0%	(17.6%)	(23.1%)	(11.4%)	(4.9%)

Source: Company data, QNB FS Research

Ratio Analysis

Key Ratios & Valuation Metrics

Growth Rates	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022E	CY2023E	CY2024E	CY2025E	CY2026E
Revenue	-2.9%	5.1%	1.1%	3.5%	14.8%	19.9%	-2.2%	3.3%	2.5%	2.5%
Gross Profit	1.3%	2.9%	0.3%	9.1%	14.0%	21.1%	-0.9%	3.5%	2.7%	2.7%
EBIT	33.5%	N/M	38.6%	22.0%	49.7%	40.3%	-5.7%	0.9%	0.4%	0.7%
EBITDA	16.0%	8.5%	21.4%	14.0%	27.5%	18.7%	1.7%	3.9%	3.4%	3.3%
Net Income	31.6%	N/M	22.0%	28.8%	76.9%	43.9%	-5.2%	2.5%	1.5%	1.3%
Distributable Profit		37.9%	12.8%	18.1%	53.0%	35.1%	-4.5%	2.1%	1.3%	1.1%
DPS			0.0%	0.0%	20.0%	33.3%	0.0%	12.5%	11.1%	10.0%
CFPS	29.6%	43.7%	2.7%	-7.6%	28.9%	23.2%	1.5%	8.4%	1.8%	3.5%
FCPS	158.8%	80.7%	-19.3%	0.1%	138.7%	-10.3%	34.6%	41.9%	9.5%	7.4%
Operating Ratios										
Gross Margin	64.0%	62.6%	62.1%	65.5%	65.0%	65.6%	66.5%	66.7%	66.8%	67.0%
EBIT Margin	(11.2%)	7.6%	10.4%	12.2%	15.9%	18.7%	18.0%	17.6%	17.2%	16.9%
EBITDA Margin		27.8%	33.4%	36.7%	40.8%	40.4%	42.0%	42.3%	42.6%	43.0%
Net Margin	(12.8%)	5.6%	6.8%	8.4%	13.0%	15.5%	15.1%	15.0%	14.8%	14.6%
Capex Intensity	18.4%	23.3%	30.0%	18.7%	16.1%	22.4%	18.9%	14.0%	12.1%	11.3%
Finance Ratios										
Debt - Equity Ratio	18.3%	17.9%	18.1%	18.3%	15.5%	13.9%	9.4%	5.2%	3.6%	2.6%
Net Debt - Equity Ratio	13.9%	9.1%	11.4%	14.4%	11.4%	9.6%	6.5%	(1.1%)	(9.1%)	(17.4%)
Net Debt-to-Capital	12.2%	8.4%	10.3%	12.6%	10.2%	8.8%	6.1%	(1.2%)	(10.1%)	(21.1%)
Cash Interest Coverage	18.1x	16.7x	11.4x	12.5x	28.1x	27.2x	31.0x	39.9x	49.3x	55.8x
Ave. Effective Borrowing rate %	3.6%	4.3%	7.6%	7.9%	5.1%	6.7%	8.7%	12.6%	14.8%	18.6%
Return Ratios										
ROIC	(4.2%)	2.9%	3.8%	4.7%	6.8%	9.3%	9.0%	9.2%	9.2%	9.3%
ROE	(5.7%)	2.6%	3.2%	4.1%	7.1%	9.8%	9.1%	9.1%	9.1%	9.2%
ROA	(4.1%)	1.8%	2.0%	2.7%	4.8%	6.7%	6.4%	6.6%	6.7%	6.8%
Dividend Payout %		179.4%	147.1%	114.2%	77.5%	71.8%	75.7%	83.1%	91.0%	98.9%
Valuation										
EV/Sales	3.7x	3.4x	3.5x	3.4x	2.9x	2.4x	2.4x	2.2x	2.0x	1.8x
EV/EBITDA	13.8x	12.4x	10.3x	9.2x	7.1x	6.0x	5.7x	5.2x	4.8x	4.3x
EV/EBIT	N/M	45.5x	33.3x	27.7x	18.2x	12.9x	13.4x	12.6x	11.8x	10.9x
P/E	N/M	57.9x	47.5x	36.8x	20.8x	14.5x	15.3x	14.9x	14.7x	14.5x
P/BV	1.5x	1.5x	1.5x	1.5x	1.5x	1.4x	1.4x	1.4x	1.3x	1.3x
Dividend Yield	0.0%	3.1%	3.1%	3.1%	3.7%	5.0%	5.0%	5.6%	6.2%	6.8%
FCF Yield	1.8%	3.3%	2.7%	2.7%	6.4%	5.7%	7.7%	10.9%	12.0%	12.8%
Liquidity Ratios										
Current Ratio	0.7x	0.4x	0.6x	0.4x	0.4x	0.5x	0.4x	0.6x	0.8x	1.1x
Quick Ratio	0.6x	0.4x	0.6x	0.4x	0.4x	0.4x	0.4x	0.5x	0.8x	1.0x

Source: Company data, QNB FS Research

2Q2022 Recap: Another Solid Quarter With 2Q2022 Profit Beating Our Model On Margin Upside

VFQS delivers another strong quarter with 2Q2022 net profit of QR109.0mn (60.1% YoY, 1.5% QoQ) beating our forecast of QR93.2mn on better-than-expected cash gross margin:

- **Quarterly revenue of QR705.3mn (22.1% YoY, -3.5% QoQ) was in-line with our estimate of QR714.5mn (divergence of -1.3%).** While service revenue of QR619.0mn (mobile + fixed) was in-line with our forecast, revenue from managed services' projects, equipment, handsets, etc., was moderately below our estimate.
- **Vodafone Qatar also reported mobile subs of 2.015mn, which was in-line with our forecast.** Mobile subs expanded 17.6% YoY vs. 1.714mn in 2Q2021 and were flat QoQ relative to 2.013mn in 1Q2022. This exceeded the 6.1% yearly growth and 6.0% sequential decline in Qatar's population in 2Q2022.
- **Reduction in cash interconnection and other direct costs helped drive upside in 2Q2022 earnings.** Cash gross margin came in 67.2% in 2Q2022 (vs. our estimate of 63.8%) and 2Q2021's 68.7% and 1Q2022's 64.5%. Gross profit of QR474.1mn (19.5% YoY, 0.6% QoQ) was 4.0% ahead of our forecast of QR455.9mn.
- **Reported 2Q2022 EBITDA margin of 41.0% was in-line with 41.1% in 2Q2021 and 41.2% in 1Q2022.** We were forecasting an EBITDA margin of 40.3% in 2Q2022. Quarterly EBITDA of QR289.4mn grew 22.0% YoY but declined 3.8% QoQ and was just a shade above our estimate of QR288.0mn (0.5% divergence). Continued costs optimization helped drive the improvement in EBITDA on a YoY basis.

2Q2022: Actual Vs. Estimates

INCOME STATEMENT		2QCY21 A	1QCY22 A	2QCY22 A	2QCY22 E	A v E	YoY	QoQ
<i>(In QR mn Unless Specified)</i>								
Revenue		577.577	730.614	705.329	714.540	-1.3%	22.1%	-3.5%
	<i>YoY Growth (%)</i>	8.7%	24.8%	22.1%	23.7%			
Direct Costs (Interconnection & Other Opex)		(180.960)	(259.355)	(231.248)	(258.664)	-10.6%	27.8%	-10.8%
	<i>as a % of Total Revenue (%)</i>	31.3%	35.5%	32.8%	36.2%			
Gross Profit (Loss)		396.617	471.259	474.081	455.877	4.0%	19.5%	0.6%
	<i>Gross Margin (%)</i>	68.7%	64.5%	67.2%	63.8%			
Other Expenses (Employee and Other Expenses)		(159.364)	(170.382)	(184.718)	(167.917)	10.0%	15.9%	8.4%
	<i>as a % of Total Revenue (%)</i>	27.6%	23.3%	26.2%	23.5%			
Depreciation and Amortization		(153.716)	(171.605)	(157.093)	(174.179)	-9.8%	2.2%	-8.5%
Total Operating Expenses		(313.080)	(341.987)	(341.811)	(342.096)	-0.1%	9.2%	-0.1%
EBITDA		237.253	300.877	289.363	287.960	0.5%	22.0%	-3.8%
	<i>EBITDA Margin (%)</i>	41.1%	41.2%	41.0%	40.3%			
Operating Profit (Loss) - EBIT		83.537	129.272	132.270	113.781	16.2%	58.3%	2.3%
	<i>EBIT Margin (%)</i>	14.5%	17.7%	18.8%	15.9%			
Interest Income		(0.612)	0.882	1.704	0.904	88.5%	-378.4%	93.2%
Interest Expense/Lease Interest Expense		(7.064)	(11.083)	(11.960)	(11.371)	5.2%	69.3%	7.9%
Other Income/Expense		(7.792)	(11.688)	(13.054)	(10.141)	28.7%	67.5%	11.7%
Profit (Loss) Before Tax		68.069	107.383	108.960	93.172	16.9%	60.1%	1.5%
Net Profit (loss) - Adjusted		68.069	107.383	108.960	93.172	16.9%	60.1%	1.5%
	<i>Net Margin (%)</i>	11.8%	14.7%	15.4%	13.0%			
EPS (QR)		0.02	0.03	0.03	0.02	16.9%	60.1%	1.5%

Source: Company data, QNB FS Research

Detailed Financial Statements

Income Statement (In QR mn)	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022e	CY2023e	CY2024e
Revenue	1,998	2,101	2,125	2,200	2,526	3,029	2,961	3,059
Direct Costs	(719)	(785)	(805)	(759)	(885)	(1,041)	(992)	(1,020)
Gross Profit	1,279	1,316	1,320	1,440	1,641	1,988	1,969	2,039
Other Expenses, Excluding D&A	(741)	(732)	(611)	(632)	(611)	(765)	(726)	(746)
EBITDA	538	584	709	808	1,031	1,223	1,244	1,293
Depreciation & Amortization	(762)	(425)	(488)	(539)	(628)	(658)	(711)	(755)
EBIT	(224)	159	221	269	403	565	533	537
Interest Income	2	5	4	2	1	6	6	6
Interest Expense	(30)	(35)	(62)	(65)	(37)	(45)	(40)	(32)
Other Income/Expense	(4)	(12)	(18)	(21)	(40)	(55)	(52)	(54)
Profit Before Tax	(256)	118	144	185	327	471	447	458
Income Tax Expense								
Profit for Shareholders	(256)	118	144	185	327	471	447	458
EPS (QR)	(0.06)	0.03	0.03	0.04	0.08	0.11	0.11	0.11
DPS (QR)	0.00	0.05	0.05	0.05	0.06	0.08	0.08	0.09

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022e	CY2023e	CY2024e
Non-Current Assets								
Property, Plant and Equipment	1,202	1,292	1,484	1,647	1,638	1,917	2,043	2,014
Intangible Assets	4,461	4,428	4,471	4,280	4,169	4,011	3,834	3,639
Rights of Use Assets	0	0	358	372	291	276	276	276
Trade and Other Receivables	25	26	37	27	92	166	162	168
Total Non-Current Assets	5,688	5,746	6,350	6,325	6,190	6,370	6,316	6,097
Current Assets								
Inventory	36	35	38	22	35	33	33	33
Contract Assets & Costs		31	40	25	42	47	47	47
Trade and Other Receivables	302	269	367	279	347	414	404	406
Cash and Cash Equivalents	199	401	303	175	190	205	146	315
Total Current Assets	536	736	748	501	613	699	630	801
Total Assets	6,225	6,483	7,098	6,826	6,803	7,069	6,945	6,898
Equity								
Total Equity	4,472	4,591	4,519	4,489	4,596	4,802	4,899	5,007
Non-Current Liabilities								
Trade and Other Payables	52	53	107	29	0	0	0	0
Lease Liabilities	0	0	253	283	197	173	173	173
Provisions	105	103	122	72	83	107	105	109
Long-Term Borrowings	818	0	820	613	506	463	258	183
Total Non-Current Liabilities	976	156	1,302	997	786	743	536	464
Current Liabilities								
Trade and Other Payables	777	916	1,155	1,022	1,078	1,174	1,161	1,207
Lease Liabilities	0	0	121	113	136	144	144	144
Short-Term Borrowings	0	820	0	207	206	205	205	75
Total Current Liabilities	777	1,736	1,276	1,341	1,420	1,523	1,510	1,426
Total Liabilities	1,753	1,892	2,579	2,338	2,207	2,267	2,046	1,891
Equity and Liabilities	6,225	6,483	7,098	6,826	6,803	7,069	6,945	6,898

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

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