



Earnings Flash Note
Qatar Navigation
2Q 2024/6M 2024



Qatari Navigation (QNNS)

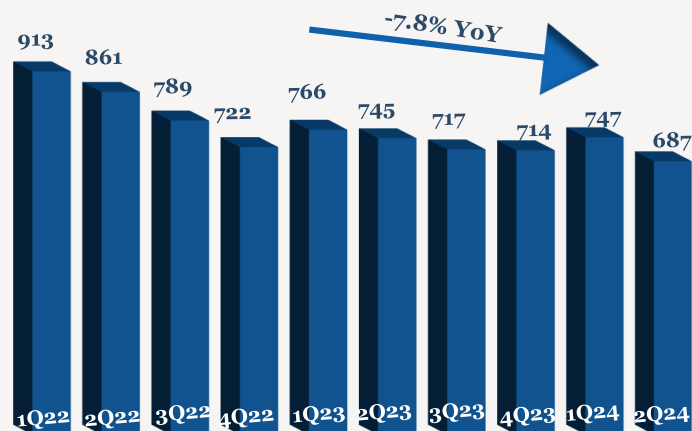
- > **Net profit decreased by 7.5% to QR263mn (-27.9% QoQ) in 2Q2024 due to lower operating revenue.** For 6M2024, net profit fell 3.0% to QR628mn.
- > **Operating revenue declined by 7.8% YoY (-8.1% QoQ) to QR687mn in 2Q2024.** For 6M2024, operating revenue was down 5.1% to QR1,434mn.
- > **Gross profit fell 2.4% YoY to QR389mn (-19.2% QoQ) while the corresponding margin came at 56.6% in 2Q2024 (vs. 53.5% in 2Q2023).** For 6M2024, gross profit was up 3.0% to QR870mn.
- > **Operating profit of QR108mn was down by 19.0% YoY (-48.0% QoQ) and the corresponding margin came at 15.8% in 2Q2024 (vs. 17.9% in 2Q2023).** For 6M2024, operating profit fell 7.9% to QR316mn.
- > **For 2Q2024, EPS came at QR0.23 vs. QR0.25 in 2Q2023.** For 6M2024, EPS came to QR0.55 vs. QR0.57 in 6M2023.
- > **As of 12th August 2024, the stock has increased 20.3% YTD, outperforming the QSE index, which was down by 6.8% YTD.**
- > **The stock is currently trading at TTM P/E multiple of 13.1x, higher than its 2Y historical average of 11.2x.** For now, we maintain our PT of QR13.30/share and our Outperform rating.

2Q/6M 2024 Earnings Performance

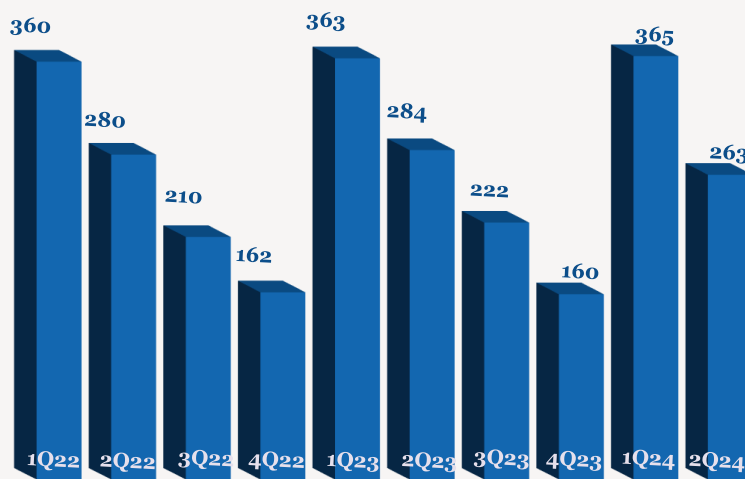
	2Q2024	2Q2023	YoY	1Q2024	QoQ	6M2024	6M2023	YoY
Operating Revenue	687	745	-7.8%	747	-8.1%	1,434	1,511	-5.1%
Gross Profit	389	398	-2.4%	481	-19.2%	870	844	3.0%
Gross Margin %	56.6%	53.5%		64.4%		60.7%	55.9%	
Operating Profit	108	134	-19.0%	208	-48.0%	316	344	-7.9%
Operating Margin %	15.8%	17.9%		27.9%		22.1%	22.7%	
Net Profit to Equity	263	284	-7.5%	365	-27.9%	628	648	-3.0%
Net Margin %	38.3%	38.2%		48.9%		43.82%	42.87%	
EPS (QR)	0.23	0.25	-7.5%	0.32	-27.9%	0.55	0.57	-3.0%

Note: Values are expressed in QR'mn unless explicitly stated

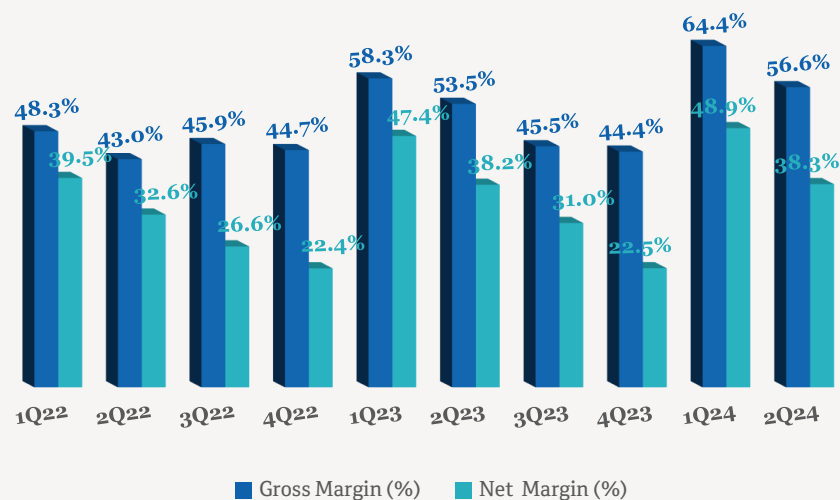
Quarterly Sales Trend (QRmn)



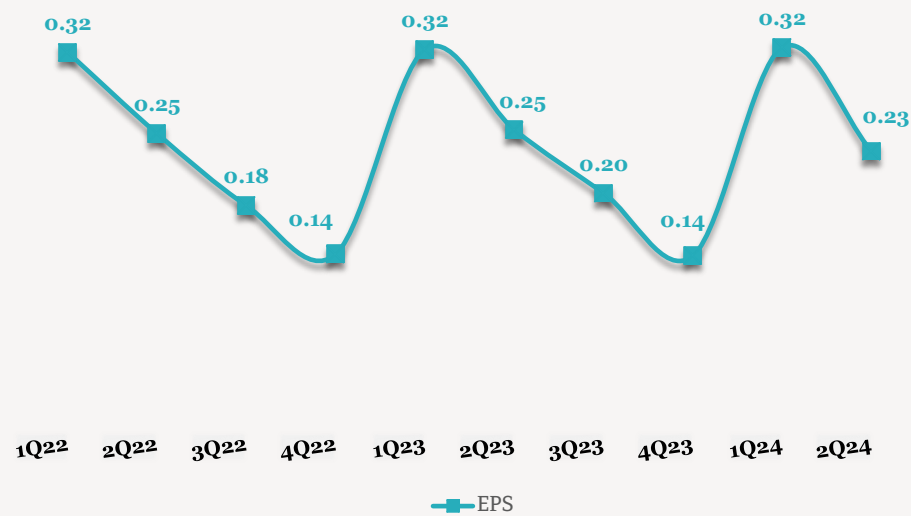
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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