Qatar Equity Strategy 2026: LNG Boom, Diversification & Value Unlocked

In our 2026 Qatar equity strategy, we argue the QSE is entering a **re-rating window** where the market's persistent **valuation gap can close as earnings growth and foreign institutional flows turn into reinforcing tailwinds.** The anchor is the **North Field LNG expansion** — a multi-year ramp that lifts macro visibility and liquidity and, in our view, creates a "rising tide" setup like prior LNG upcycles, with spillovers into the listed complex via capex, trade/throughput and broader domestic activity. We translate that top-down view into clear, investable themes: **(1) LNG value-chain beneficiaries** (shipping/logistics and downstream fuel distribution) as the most direct "volume + infrastructure" expressions; **(2) banks** are positioned as the domestic intermediaries of that upswing, levered to improving system liquidity and credit/fee momentum (with an easing-rate backdrop further improving the optics); **(3) digital infrastructure** as the key secular "beyond LNG" rerating leg, where hyperscaler-driven datacenter demand and telecom infrastructure monetization can compress discounts and lift growth visibility; and **(4) domestic reform beneficiaries**, with **Seha's national health insurance reboot** a distinct domestic catalyst that can structurally expand the insured pool and drive multi-year volume/pricing optionality for the listed insurance/healthcare complex. Layered on top, we see a supportive technical backdrop — **attractive dividend carry**, still-reasonable multiples and improving foreign positioning — while the main swing factors remain energy/geopolitics and policy implementation (including the global minimum tax), which may create volatility but do not, in our base case, derail the longer-duration re-rating path. Below, we expand these broad investment themes and our top stock picks (**QGTS, QNNS, QFLS, CBQK, DHBK, MEZA, ORDS, MCGS, QLMI and GISS):**

Key Investment Themes

LNG Growth Lifting All Boats

First gas from the *North Field Expansion* is set to boost Qatar's GDP >5% in 2026, reviving earnings across the market and directly benefiting LNG carriers (QGTS), oil/gas services (QNNS), and fuel distributors (QFLS).

Banks: Indirect LNG Play + Rate Relief

Robust project activity and a potential easing of global rates position Qatari banks for **loan growth** and improving asset quality. Sector valuations (≈1.2× P/B) remain at a discount to GCC peers, with dividend yields ~5–6% on select names.

Data Centers & Digital Economy Qatar is emerging as a regional **digital hub**. Investments in cloud and data centers (e.g. Meeza's capacity expansion to ~26 MW by 2026) are attracting hyperscalers, while Ooredoo's infrastructure carve-outs (towers, fiber) unlock value.

Beyond LNG: Exporting Know-how Qatar's diversification is exemplified by **Baladna's** overseas ventures. Having achieved food security at home, the dairy leader is exporting its model to markets like Algeria and Syria – showcasing Qatar's human capital as a growth asset.

Market Cap vs GDP: Room to Rise Historically, QSE market capitalization has surged during LNG boom cycles. By 2029, with nominal GDP projected at ~QR1 trillion, QSE market cap could approach ~QR880 billion (from ~QR644 bn at end-2025) if past market cap-to-GDP ratios reassert.

Health Insurance Boost

The new "Seha" national health insurance rollout (expected 2026) is a game-changer for insurers (QLMI) and private hospitals (MCGS). Mandatory coverage for ~2.3 million new lives will vastly expand the insured pool, driving volume and profit growth.

Valuation and Yield Appeal

Qatar's market is **statistically cheap** – nearly 2 standard deviations below its historical relative valuation vs. GCC peers. With a 5%+ dividend yield and earnings growth ahead, global investors are returning; foreign institutions turned net buyers in 2025.

Source: QNB FS Research

Qatar's LNG megaproject is the centerpiece of the 2026 investment thesis. The North Field Expansion (NFE) – which will boost Qatar's annual LNG output from 77 million tons to 142 MTPA – is already **driving a step-change in economic growth**. Real GDP is forecast to accelerate from ~2.9% in 2025 to **5.1% in 2026 and 7.2% in 2027** as new gas production comes online. This LNG boom provides a powerful fundamental anchor for Qatari equities:

- **Macro upside:** LNG is Qatar's economic engine. During the last capacity ramp-up (1997–2011), the QSE Index climbed an astonishing +303% in aggregate, far outpacing the modest +29% total gain during the 2012–2024 period of flat LNG output. History suggests that as Qatar's LNG volumes and revenue surge, **corporate earnings and market valuations "lift all boats."** We expect a similar dynamic through the late 2020s. In 2026, the first barrels of new LNG will help drive GDP growth to ~5% (versus 2.9% in 2025), benefiting a wide swath of sectors from banking to services.

- **Market cap trajectory:** The relationship between Qatar's economic size and its stock market is poised to strengthen. In the prior LNG expansion era, QSE market capitalization grew +555% while nominal GDP rose +347%, with market cap-to-GDP peaking near 195% in 2005. By contrast, the market lagged during the LNG plateau of the past decade. Now, with nominal GDP expected to reach ~**QR1tn by 2029**, the **QSE's total market cap could approach ~QR880bn by 2029** (up from ~QR644bn at end-2025), assuming it reverts to its historical market cap/GDP average of ~86%. This implies substantial headroom for Qatar's equities to appreciate alongside the economy's expansion.

Key Beneficiaries Of LNG Growth: Names Tied Directly To Gas Value Chain & Infrastructure:

- **Qatar Gas Transport (Nakilat, QGTS):** *The pure-play LNG shipping giant.* Nakilat remains **the best equity proxy for Qatar's LNG growth**. It already transports ~75–80% of Qatar's current LNG output, and it has secured NF expansion-related long-term charters for **34 new vessels (25 conventional LNG carriers + 9 QC-Max supertankers)** – **27% of the entire fleet expansion** supporting NFE. As these new ships are delivered (from 2026 through 2031), Nakilat's capacity and earnings are set to jump. QNBFS estimates the expansion will boost Nakilat's earnings by ~80% over 2026–2031. Nakilat trades at just ~12× 2027e EPS –reasonable given its contracted cash flows. We remain bullish on QGTS as a **high-growth, yield-backed (3%+) LNG infrastructure play**. The long-term charters (typically ~20-25 years) insulate QGTS from spot shipping volatility, while its leverage profile (40-year vessel life vs. 25-year debt) provides optionality for shareholder value-enhancement. QNBFS rates QGTS *Outperform* with a QR5.600 target.

- **Qatar Navigation (Milaha, QNNS):** *An undervalued conglomerate leveraged to LNG and offshore projects.* Milaha owns **36.3% of Nakilat** (a stake worth 3/4th of its entire market cap) and operates in offshore services, maritime shipping and logistics, while owning a substantial investment/real estate portfolio. Essentially, at the current stock price, investors "get Milaha's core businesses for free" – its non-core assets (Nakilat stake + investment portfolio + net cash) exceed **100% of Milaha's market cap**. This deep value gap is expected to close as Milaha's fundamentals improve. Notably, the company is enjoying a **multi-year resurgence in its Offshore segment**, supplying marine services to North Field expansion projects. Container shipping has also shown green-shoots of improvement after the opening of China routes in 2H2024. Milaha trades at just ~9.6× 2026e earnings – a **steep discount for a company with renewed growth drivers and a ~4.4% dividend yield**. We see **significant upside** in Milaha's shares. QNBFS rates QNNS *Outperform* with a QR13.30 target.

- **Qatar Fuel (Woqod, QFLS):** *A play on downstream fuel demand and dividend income.* Woqod is Qatar's monopoly fuel distributor (gasoline, diesel, jet fuel) and thus an indirect beneficiary of economic and population growth. While not an LNG exporter, **Woqod should see incremental volume uplift from the NFE project** – e.g. supplying *LNG bunkering fuel* for ships as Qatar's port activity grows. Recent results underscore its defensive appeal: **FY2025 earnings were resilient** (QR1.04 billion, –1.2% YoY) despite softer oil prices, thanks to firmer fuel margins. In 4Q2025, Woqod beat estimates on gross margin, posting **EBIT margin of 3.0% vs 1.8% expected**. The company raised its capex budget to >QR200 million for 2026 to build **10 new fuel stations**, which will support future growth. For investors, Woqod offers a **secure ~6% dividend yield** (QR0.90 DPS for 2025) underpinned by a strong balance sheet (net cash) and quasi-government ownership. We view it as a **stable, income-generating component** of the LNG story – less explosive upside, but reliable cash flows. QNBFS recently nudged Woqod's target price to QR17.00 (*Accumulate*) on the back of its margin improvements.

In summary, **Qatar's LNG expansion is a multi-year growth engine** that should drive **robust earnings gains** for sector leaders like Nakilat and Milaha, while bolstering the broader market's prospects. We expect LNG-driven optimism (and cash flows) to spill over into higher investment, higher liquidity and improved sentiment toward Qatari equities through 2026 and beyond. This theme – a rising tide from LNG – forms the bedrock of our positive view on the QSE.

LNG Growth Roadmap

2024 Onward: Shipbuilding Contracts Awarded

Qatar awards contracts for 128 new LNG ships (Nakilat to operate 34). Foreign investors turn net buyers of Qatari stocks (~$524mn in 2025) amid LNG growth optimism.

Mid-2026: First Gas from North Field East

Production from the North Field East project begins, raising LNG capacity. Qatar's GDP growth jumps to ~5%, boosting earnings for LNG-linked companies; QSE Index could outperform GCC on fundamental momentum.

1H2028: Capacity Jumps to 110 MTPA

Second batch of LNG trains come online. Consensus sees GDP growth above 7% for 2027. Nakilat's new vessels and Meeza's new data centers (for hyperscalers drawn by cheap energy) start contributing, marking broad-based growth across sectors.

2029/2030: Capacity Reaches 126 MTPA With A Peak Expected At 142 MTPA

With LNG capacity reaching 126 MTPA, Qatar's nominal GDP approaches ~QR1 trillion. If QSE market cap-to-GDP reverts to ~86% historic mean, QSE capitalization nears ~QR880 billion, implying substantial equity upside from 2025 levels.

Source: QNB FS Research

Banks – Indirect LNG Exposure & Rate Tailwinds

Qatari banks offer a potent two-fold value proposition in 2026: they are poised to benefit from the **same LNG-fueled economic upswing**, and they stand to gain from an **easing interest rate environment** that could relieve pressure on funding costs and credit quality. After navigating headwinds in 2024–2025 (soaring funding costs and higher provisions), the banking sector is on the cusp of a positive turnaround. We expect **mid-single-digit loan growth (~5%+) in 2026,** fueled by project financing and broader economic expansion. At the same time, **policy rates have likely peaked** – as global inflation cools, a more accommodative rate path will help banks by modestly boosting net interest margins (cheaper deposits) and reducing stress on borrowers.

Notably, **Qatari banks remain fundamentally solid yet undervalued**. The sector's **Tier-1 capital ratios** are among the highest in the GCC (many banks at 15–18% CET1), and provisioning buffers are strong. However, stock prices have lagged: Qatar bank equities trade at **~1.2–1.3× book value on average**, a discount to peers in Saudi (~1.8×) and the UAE (~1.4×) despite comparable returns on equity. This **value gap** presents an attractive entry point, especially as **earnings are set to recover**. We foresee sector profits growing in 2026, driven by higher lending volumes, stabilizing net interest margins, improved cost control, and lower credit charges (as legacy problem loans are gradually worked through).

Several themes underpin our positive view on Qatari banks:

- **Economic leverage:** Banks provide *indirect exposure* to the LNG boom. As government and corporate cash flows rise, deposit bases will grow and lending opportunities (in energy projects, infrastructure, SMEs) will multiply. For instance, Commercial Bank noted strong loan demand from the public sector and corporates in 2025 (+26% and +23% YoY respectively). We expect **5–10% loan book expansion in 2026** for the sector, reversing the post-World Cup lull. Already in 4Q25, system loan growth turned positive (+14.3% YoY for CBQK, +11% YoY for DHBK). This credit uptick, combined with a potential peaking of interest rates, should begin to **widen net interest margins (NIMs)** slightly after a squeeze in 2025. Qatari banks' average NIM fell in 2025 (e.g., CBQK's NIM 2.25%, –13 bps; DHBK 1.93%, –16 bps) as deposit costs jumped. With rates set to decline, **funding costs will ease faster than asset yields**, especially for Islamic banks that rely on cheap CASA deposits – QNBFS projects ~10–15 bps of NIM expansion in 2026 for Sharia-compliant lenders.

- **Asset quality turning the corner:** We are cautiously optimistic that **non-performing loan (NPL) ratios will improve in 2026**. Sector NPLs remain elevated (averaging ~5–6% of loans for many banks) due to legacy real estate exposures. However, trends are slightly positive: for example, Doha Bank's NPL ratio fell to 6.6% in 2025 from 7.4% a year prior, and Commercial Bank's Stage 2 loans shrank from 19% to 15% of the book. With lower interest burdens on borrowers (as rates drop) and aggressive remediation of old problem assets, we expect industry NPL ratios to drift down further (possibly by ~50 bps) in 2026. Banks like **Doha Bank (DHBK)** and **Commercial Bank (CBQK)**, which had some of the highest NPL and Stage 2 levels, are implementing new strategies to tackle these legacy issues. This should translate into **lower credit provisions** ahead. After a spike in provisioning in 2025 (CBQK's cost of risk jumped to 0.86% from 0.34%), we anticipate a more normalized credit cost (~70–100 bps) going forward, which will boost net profits. Indeed, **Qatari banks' earnings are very sensitive to provisioning normalization** – this is a key earnings lever for 2026.

- **Efficiency and reforms:** Qatari banks are among the **most cost-efficient in MENA**, with cost-to-income ratios in the low 20%s for many (ex-outliers). We see further room to optimize. Doha Bank, for example, is investing in IT and branch rationalization to cut its cost/income from ~40% toward low-30% by 2028. Sector-wide, **digitalization** and scale should keep cost growth mild, allowing operating leverage as income rebounds. Moreover, regulatory moves like raising foreign ownership limits (FOLs to 100% for many banks) improve the investment appeal by increasing index weights and liquidity.

Top Picks In The Banking Space Offer A Mix Of Value & Growth:

- **Commercial Bank of Qatar (CBQK):** Qatar's **second-largest conventional bank** is our preferred play. It is in the **second phase of a turnaround strategy** with 2025 being a reset year – earnings fell 30.3% YoY due to heavy one-off provisioning – but this has purged a lot of legacy issues. Looking ahead, CBQK targets >12% RoE by 2030 and <5% NPL ratio under its new 5-year plan. We see earnings rebounding in 2026 on lower impairments and decent loan growth (the bank grew loans 14% in 2025, outpacing the market). Critically, CBQK's valuation remains *exceptionally low*: it trades at **~0.9× 2026e tangible book** and a P/E of ~6.5× – a **15% discount to book value** that **we view as unwarranted** given its progress. The stock also offers a generous dividend (QR0.30 DPS, ~6.3% yield for 2025). With management committed to cost discipline (target C/I <27% by 2030) and digital innovation, we expect CBQK's profitability to trend upward and its valuation gap to close. QNBFS maintains an *Outperform* on CBQK with a QR5.844 target (≈22% upside).

- **Doha Bank (DHBK):** This is a **higher-risk, higher-reward turnaround** story under new management. DHBK has historically underperformed – its **ROE is low (6.0%)** and NPLs high (6.05%) – making it trade at a **27% discount to book (≈0.7× P/B)**. However, a new executive team (appointed 2025) has laid out a 5-year strategy to transform the bank, focusing on public-sector lending, cleaning up bad loans (target NPL <6.0% by 2027), cutting costs (aim C/I 37%-38% in 2027 and below 30% by 2030) and boosting RoE above cost of equity. While those goals are ambitious (we haven't modeled full ROE recovery yet), there are early positive signs: in 2025, DHBK grew loans +11.0% and improved its NPL ratio by nearly 1 percentage point. It also surprised the market with a **10% share buyback program**, which caused the stock to rally ~40% in 2025. That move signaled management's confidence and helped rerate the stock from 0.5× to ~0.7× book, yet we see **further upside** if the turnaround stays on track. Even at 0.7× P/B, DHBK's valuation is the **cheapest in the GCC banking space** for its size, and it offers a 5.3% yield. We maintain an *Accumulate* rating (PT QR3.062), looking for incremental improvements in asset quality and earnings (DHBK's 2025 profit rose 10.4% YoY to QR706.7mn). This is a **recovery play** that could deliver outsized returns if ROE marches toward 10% in coming years (our base case ~10% by 2030).

Overall, we expect **Qatar's banking sector to regain momentum** in 2026. Stock valuations remain undemanding – the sector trades around ~7× 2026e earnings for a ~13% aggregate ROE – and the macro/monetary backdrop is turning favorable. With their healthy capital buffers and government backing, Qatari banks also offer **resilience** amid any global volatility. We recommend investors consider a basket of top Qatari banks to capture the combined benefits of the LNG upswing and the likely reflation of Qatar's financial cycle.

Digital Infrastructure: Data Centers & Telecom Re-Rating

Beyond commodities, **Qatar's digital economy is fast becoming a standout investment theme for 2026.** The country is leveraging its strengths – reliable power, strategic location and proactive policy – to establish itself as a **regional hub for data centers, cloud services, and telecommunications**. This secular trend provides Qatar with a growth avenue "beyond LNG," and it offers investors exposure to **high-growth, tech-oriented businesses** within the QSE.

Why digital infrastructure, and why now? Globally, demand for data storage and cloud computing is **exploding** thanks to AI, 5G, and cloud adoption, while supply in traditional hubs is constrained (power limits, high costs). Qatar has seized this opportunity through its **Digital Agenda 2030** program, attracting major "hyperscaler" cloud providers to host data locally. Qatar can offer abundant energy (critical for data centers) and geopolitical stability, making it an attractive new frontier for big tech. Recent developments underscore this momentum:

- In 2023–2025, **two global hyperscalers** (widely believed to be Microsoft Azure and Google Cloud) chose Qatar for large-scale cloud data center deployments, partnering with local firms. For instance, **Meeza** – Qatar's leading data center operator – signed a long-term lease for a 6 MW data center capacity with a hyperscaler in 2025, a deal worth ~QR750 mn that essentially pre-sold a significant chunk of its new facility under construction. This validates Qatar's viability as a regional cloud hub.
- Telecom incumbent **Ooredoo** is executing a bold transformation to unlock value from its network assets. In 2023, Ooredoo carved out its tower portfolio via a $2.2 billion EV transaction into a new MENA towers company (with partners). It has also launched "Syntys", a carrier-neutral **data center venture targeting 120 MW** capacity, in partnership with global player Iron Mountain. These moves systematically **"de-layer" Ooredoo's infrastructure** – monetizing towers and expanding in data centers – which should **re-rate the stock** closer to pure-play multiples (data centers command 15–20× EBITDA vs telcos at ~5×).

Key Plays In Qatar's Digital Infrastructure Boom:

- **Meeza (MEZA):** *Qatar's homegrown data center champion.* Meeza is a young public company (listed 2023) that offers a rare pure-play on data center growth in MENA. It operates ~14.4 MW of IT load across four Tier-III data centers in Doha (currently **~97% utilized, effectively full**). Critically, Meeza is **in expansion mode** – 4 MW of new capacity (its M-VAULT 4 center) comes online in 1H2026, and an even larger 24 MW campus (M-VAULT 6) is imminent. The company already secured anchor tenants for this expansion (the 6 MW hyperscaler lease mentioned), which **de-risks the project financially**. While 2025 growth is expected to be modest (revenue +10% YoY) due to capacity constraints, we expect **a jump in 2026–2027 earnings** once new capacity goes live and high-margin colocation contracts ramp up. In 3Q2025, Meeza's revenue beat expectations (+24% YoY) on a surge in lower-margin ICT projects, but gross margins temporarily dipped to ~28%. Importantly, the core **data center services remain the profit engine**, contributing >38% of revenue with stable ~40% GP margins. By the terminal year of our model (~2029), we project Meeza's data center segment will account for ~75% of group value (up from ~58% in 2022) as capacity expands. Investors should note Meeza's current valuation (~30× 2025e EPS) is rich on near-term earnings, but justifiable given its **high-growth trajectory** (we forecast ~30%+ EPS CAGR over the next 3 years as new centers fill up). With secular tailwinds (cloud outsourcing, AI compute needs) firmly in its favor and the Qatari government as a key client/supporter, **Meeza is a strategic asset** in Qatar's market. We rate it *Accumulate* with a QR4.01 target. We concur – **Meeza offers exposure to the "digital oil" of the future (data) underpinned by Qatar's competitive energy advantage**.
- **Ooredoo (ORDS):** *Leveraging transformation to drive re-rating.* Ooredoo is Qatar's dominant telecommunications operator, with a footprint across 10 markets. For years, the stock languished under low growth and conglomerate discount; but **since 2021 management has aggressively restructured Ooredoo into a leaner, digitally-focused group**. The results are starting to show. It exited underperforming markets (sold Myanmar operations, merged Indonesia unit for scale), cut costs (Group EBITDA margin now ~42%), and is extracting value from its high-quality assets:
    - In 4Q2023, Ooredoo, Zain, and TASC completed a deal to create **the MENA region's largest independent tower company**, carving out ~30,000 telecom towers. Ooredoo's towers were crystallized at a **16-21×**

EV/EBITDAal multiple – far above Ooredoo's own trading multiple – and Ooredoo retains a 49.3% stake in this venture, ensuring ongoing cashflows.

- Simultaneously, Ooredoo has **monetized its global fiber network** ("FIG"), connecting Asia–Europe internet traffic through Qatar, and is channeling the proceeds into its new **Syntys** data center business aimed at hyperscalers. Syntys (target 120 MW) already has an anchor investment of $1 billion and is building capacity to serve AI and cloud computing needs with NVIDIA-powered infrastructure.

These strategic moves unlock hidden value and should drive a **comprehensive stock re-rating**. Ooredoo currently trades at **~4.1× 2026e EV/EBITDA**, a **substantial discount to regional telco peers**, and an even larger discount to the pure-play infrastructure comps its assets deserve (for example, data center businesses at ~15-20×, tower companies at ~16–21×). We expect this valuation gap to narrow as the market begins to appreciate Ooredoo's transformed earnings mix (more stable, fee-based infrastructure income) and capital efficiency. The company's **free float increased** in late 2025 after a 5% stake sale by Qatar's sovereign fund, which already led to more than $50 million of passive inflows – further float increases or MSCI weight upsides could attract additional foreign capital. Fundamentally, Ooredoo is on a firmer footing: Qatar (its largest EBITDA contributor) is a cash cow with 50%-plus margins, and group net debt/EBITDA is only ~0.6× (mostly fixed-rate) so interest rate risk is minimal. It also offers a generous dividend (proposed payout 50–70% of normalized profit, current yield ~5–6%). In short, **Ooredoo gives investors a rare mix of defensive income and structural growth**. We reiterate Ooredoo as *Outperform* with a QR17.00 target, seeing upside from current levels as its "digital infrastructure powerhouse" narrative gains traction.

Outlook: The secular growth of Qatar's digital infrastructure is still in early innings. The government's support (e.g. incentives in Qatar Free Zones for tech firms, partnerships with global cloud providers) provides a sustained tailwind. We anticipate more **partnership announcements** – possibly additional hyperscalers or cloud services launching in Qatar – which would further validate and boost companies like Meeza and Ooredoo. Additionally, as these businesses scale up, their earnings profiles will become more robust and less project-dependent (particularly for Meeza, which had some lumpiness from one-off IT projects in 2025). Investors seeking growth **beyond the traditional resource sectors** should find Qatar's digital theme compelling: it marries Qatar's comparative advantage (cheap energy, capital) with one of the fastest-growing global industries. In a sense, **Qatar is turning its LNG wealth into the next generation of infrastructure – fiber-optic cables and data halls – laying the groundwork for diversified, long-term prosperity**.

Healthcare Insurance Reforms: A New Catalyst (QLM, MCGS, GISS)

One of the most exciting domestic reforms in Qatar – with significant implications for listed companies – is the rollout of the **new national health insurance scheme, "Seha."** This program is effectively **re-introducing mandatory health insurance for citizens and residents in phases**, after the previous system was halted in 2015. The scale of Seha's impact cannot be overstated: it will bring potentially **millions of new individuals into the private healthcare fold**, boosting demand for insurance coverage and private medical services. For the stock market, the clear winners are **QLM Life & Medical Insurance (QLMI), Gulf International Services' (GISS) Al Koot and Medicare Group (MCGS)**:

- **QLM Insurance – Qatar's health insurer of choice:** QLM is the largest health insurance provider in Qatar, with **>50% market share** and a well-known brand. It specializes in medical and life insurance and has been profitable every year since its 2021 listing. The **new Seha law is a potential game-changer for QLM's business**. To put this in numbers, QLM's management estimates **Phase 1 of Seha will add ~260,000 Qataris** (uninsured citizens who currently rely solely on public healthcare) to the insured pool. Phase 2 could mandate coverage for **~1.8–2.0 million expatriates** (particularly the blue-collar workforce). Together, these two phases would expand Qatar's privately insured population nearly **five-fold**, from ~550k currently to ~2.7 million or more. In premium terms, that represents an additional **QR1.7–2.0 billion** annual market opportunity for insurers. As the market leader, QLM is expected to capture a large share of this growth. Even assuming a conservative 25% share of the new pool, QLM's topline could double over the next few years as Seha is implemented. QNBFS has QR2.371 PT and *Accumulate* rating on the stock.

Timing has been a question – Phase 1 (Qatari nationals) is now **slated to kick off by mid-2026** (Q2 or Q3). This portion is especially lucrative, as it will be **government-subsidized insurance for high-value domestic patients**, likely offering broad benefits (potentially even overseas treatment coverage). Phase 2 (expats) could start in the future, which will greatly enlarge volumes albeit at lower per-capita premiums (basic coverage for laborers). For QLM, the key is that **scale will increase dramatically**, enabling better risk pooling. The company is already **well-capitalized (solvency ~41%)** to support the expansion.

- **Medicare Group (Al Ahli Hospital, MCGS):** If QLM/Al Koot insure the masses, **Medicare will treat them.** Medicare Group operates Al Ahli Hospital, one of Qatar's leading private hospitals (200+ bed general hospital). It stands to *directly benefit* from Seha as thousands of newly insured Qataris and expats gain access to private facilities. We expect **a surge in patient volumes** at Al Ahli once the insurance kicks in, particularly from nationals who previously only used government hospitals (Hamad Medical Corporation). During the last iteration of national insurance (circa 2013–2015), Medicare's revenues peaked at QR861mn in 2015 – compare that to QR523mn in 2024. While the new scheme may be more measured, it underscores the **order-of-magnitude potential** if occupancy ramps up. Management is **upbeat**, signaling that Phase 1 could be rolled out soon and hinting they will have the capacity to absorb the influx – operating at average 60% occupancy levels.

Financially, Medicare had been in a bit of a lull: 2023 saw flat revenue and pressure on margins from high utilities and competition. In 3Q2025, net profit was QR20.8mn (down 16% YoY, a miss vs. our estimate) amid a 4.6% YoY drop in revenue. However, there are positive signs:

  - They **shuttered an underperforming clinic in Al Wakra** in 2024, which was dragging results. This cut out losses and improved margin outlook.
  - Admin costs were well-contained (–6.6% YoY in 3Q), and gross margin ticked up QoQ to 37.7% (though still below year-ago 40.7%).
  - The company is *pursuing cost-saving initiatives* and facility upgrades, preparing for higher patient throughput. It's also engaged in marketing efforts that yielded stronger revenue in early 2024 (9M2024 saw the highest Q3 revenue since 2015, excluding the one-off COVID year).
  - Importantly, **Medicare offers an attractive dividend income**: we see the **yield rising from ~4%/5%** to around ~6%/7% as earnings improve.

At ~**14× 2026e P/E**, MCGS is reasonably valued given the **step-change in profit we anticipate post-2026**. QNBFS has a QR7.30 PT and an *Accumulate*. We concur that **Medicare is a strong "buy-and-hold" candidate to play Qatar's healthcare reform**. In the near term, there are limited macro catalysts beyond Seha, but longer-term, Qatar's favorable demographics (fast population growth, one of the world's highest income levels, and a government committed to healthcare investment) should drive sustained demand. Also, Medicare might enjoy a one-off boost if it wins a legal claim related to the old Seha program, though we do not count on this windfall in our base case.

In summary, **the new national insurance scheme is a rising tide for Qatar's private healthcare sector**. It exemplifies how government policy can create investable themes: in this case, **turning healthcare from a largely public service into a growth industry for private companies**. The stock market implications are clear – QLM, GISS (through Al Koot) and MCGS could see multi-year high growth trajectories. We advise positioning early, as share prices may move ahead of the actual rollout once clarity on timelines arrives. By 2027, Qatar's healthcare landscape – and the earnings of its listed insurers/providers – may look very different, with much higher volumes and profitability. This is a textbook example of Qatar's **"beyond LNG" diversification benefiting investors.**

Valuations & Outlook: Bridging The Gap To Peers

As we head into 2026, **Qatari equities remain fundamentally undervalued** relative to both their own history and regional markets, even as the outlook brightens. This offers an attractive entry point for foreign investors seeking **value, yield, and growth**. Key observations on valuation:

- **Compelling Relative Value:** By several measures, the QSE is trading at a discount. The index's forward P/E is around **11×**, below its 5-year average of ~13×. More importantly, Qatar looks cheap *vis-à-vis* the broader GCC. A statistical analysis shows the QSE Index is nearly **1.9 standard deviations below** its historical pricing relationship with the S&P GCC Composite index – an anomaly that historically does not persist. In fact, such a degree of underpricing (<–1σ) occurred only ~24% of the time in the past, and mean reversion eventually followed. This suggests Qatar's underperformance of regional peers is ripe to reverse as catalysts (LNG, Seha, etc.) materialize. Already in 4Q2025, we saw some reversal: QSE fell a modest 2.6% vs. a 5.1% drop for the GCC average, hinting at renewed relative strength.
- **High Dividend Yield:** Qatar offers **one of the highest dividend yields** in emerging markets. For 2025, the aggregate dividend payout for the QSE was ~55% of earnings, translating to a **4.3% dividend yield**. This comfortably exceeds the MSCI EM average (2.2%) and most GCC markets (e.g., Saudi 3.4%, UAE 4.0%). Notably, yields are supported by robust free cash flows in sectors like banks, telco, and utilities. Even after dividend hikes by multiple companies, payout ratios remain sustainable. For instance, the market's largest constituent, QNB, still has ample buffer to maintain dividends. **The strong yield provides downside protection** and makes Qatari equities attractive in a lower-for-longer global rate scenario (where income-generating equities will be in demand). It's worth highlighting that some mid-cap names have eye-popping yields: e.g., Medicare 7% (2025e), AlRayan Bank ~6%, Commercial Bank 6.3%, Woqod ~5.8%. Such yields are hard to find in other comparably rated markets.
- **Price-to-Book and ROE:** On a price-to-book basis, the QSE trades around 1.4× book, versus 2.1× for the MSCI GCC index. Yet aggregate **ROE for QSE companies is ~12–13%**, on par with GCC peers. This indicates a **valuation disconnect** – investors are not fully valuing Qatar's equity book value, even though returns on that equity are healthy. For example, Qatari banks (ex-QNBK), trade at 1.3× P/B yield and ~12–13% ROE, while Saudi banks at 1.8× P/B yield and 14% ROE. We expect this valuation gap to narrow as investor appetite improves. Likewise, the QSE's dividend yield advantage suggests it should trade at a *premium*, not a discount, to the region on a yield basis.

Key Market Indicators

QSE Forward P/E

≈10.9 x

Below 5-year avg (~13.0x) and historical relative value vs GCC

Dividend Yield

5.3%

Aggregate FY2025 yield (55% payout) – among highest regionally

Source: QNB FS Research

- **Momentum and Flows:** The valuation argument is reinforced by **improving capital flows**. After a challenging 2022–2023 (when foreign investors reduced exposure amid global tightening and MSCI weight rebalancing), sentiment turned positive in 2025. Foreign institutions (ex-GCC) were net buyers of ~$524mn of Qatari equities for the year, a sharp reversal from the ~$241 mn net selling in 2024. Notably, they accelerated purchases in late 2025 as Fed rate expectations softened and Qatar's growth story gained visibility. We expect this interest to continue – Qatar offers a **defensive profile (high dividend, strong sovereign support)** with **embedded growth options**, a mix that global investors find attractive when risk appetite returns.
- **Risks to monitor:** No outlook is without risks. For Qatar, the main external risks include **commodity price volatility** (a sharp drop in energy prices could dent sentiment and fiscal surpluses) and **geopolitical tensions**. Regionally, any flare-up in instability can cause foreign funds to pull back temporarily. However, Qatar has proven relatively resilient, and its successful World Cup hosting in 2022 markedly raised its global profile and investor comfort. Finally, execution of the ambitious growth projects (LNG timelines, Seha rollout, Ooredoo carve-outs) must be watched – delays could slow the narrative, though not derail it.

Bottom Line: We believe the **"valuation gap" will close in 2026**, with Qatar outperforming as earnings growth and capital inflows drive a re-rating.

Investors are advised to **position in the themes and top picks** highlighted:

- LNG plays (Nakilat, Milaha, Woqod) for direct growth and dividend income from Qatar's gas boom.
- Banks (CBQK, DHBK) for undervalued exposure to economic recovery and higher yields.
- Digital infrastructure (Meeza, Ooredoo) for secular growth and restructuring upside.
- Domestic demand and reform beneficiaries (Baladna, QLM, Medicare) for idiosyncratic growth drivers largely uncorrelated with oil prices.

This diversified approach should capture the breadth of Qatar's 2026 story – **a story of a market on the cusp of unlocking value, powered by both its natural resources and its strategic reforms.** With constructive fundamentals and attractive valuations, we anticipate **Qatar will continue to "enhance long-term valuations" of its equities** in the year ahead, living up to the promise of our prior theme.

TOP PICKS: BANKS

Commercial Bank of Qatar (CBQK)

Recommendation	OUTPERFORM	Risk Rating	R-3
Share Price	QR4.799	Target Price	QR5.844
Implied Upside	21.8%		

Gearing Up For Phase 2 (2026-2030) Strategy

Commercial Bank of Qatar's (CBQK) management unveiled phase 2 (2026-2030) strategy of the bank. CBQK will focus on 1) improving its digital capabilities and AI 2) maintain cost containment (C/I ratio <27% by 2030) and generate positive jaws from 2027 and onwards 3) target a sustainable CoR (70-90bps) by 2030 and onwards; reduce Stage 2 loans 4) practice prudent underwriting of loans 5) improving asset quality by targeting an NPL ratio <5.0% by managing legacy exposures 6) targeting an RoE >12.0% 7) aim to capture low-cost deposits in order to improve margins 8) rebalance revenue by deploying capital-light fee based income. Hence, we will update our estimates shortly. For the time being we maintain our PT of QR5.844 and Outperform rating.

Highlights

- **FY2025 significantly dropped due to large provisions and impairments.** CBQK reported an attributable bottom-line of QR1.86bn, declining by 30.3% YoY. Net provisions & impairments soared by 155.5% materially outpacing the 4.7% growth in net operating income. On the other hand, fee income was robust, growing by 22.0%.
- **FY2025 tangible RoE significantly declined YoY.** The company generated a RoTE of 9.1% vs. 14.4% in FY2024, lower than its CoE, which is a concern in our view. However, we believe RoE will increase beyond 14% in the short- to-medium term.
- **CBQK offers an attractive DY.** The BoD recommended a DPS of QR0.30, flat vs. 2024. This translates into an attractive DY of 6.3% (one of the highest among domestic banks and one of the highest in the GCC) and a payout ratio of 65%.
- **NIMs contracted in FY2025.** CBQK's NIMS compressed by 13bps from 2.38% in FY2024 to 2.25% in FY2025 as yield on IEAs dropped more than CoFs.
- **Legacy NPLs remain and are mainly real estate in nature and have not shown signs of improvement; NPLs increased sequentially and YoY.** NPLs increased by 5.0%/13.2% sequentially/YoY to QR6.7bn. The NPL ratio declined to 6.06% in FY2025 vs. 6.16% in FY2024 (3Q2025: 5.83%); the NPL ratio decreased due to a large YoY increase in the loan book. Coverage of Stage 3 loans worsened YoY (flat QoQ), decreasing from 67% in FY2024 to 60% in FY2025. Stage 2 loans % of total loans remain high at 15% but improved from FY2024's 19%. Moreover, 29% of ECLs are Stage 2.
- **Increase in CoR and other provisions hindered the bottom-line YoY/QoQ.** CBQK booked credit provisions of QR386.3mn vs. net reversals/recoveries of QR127.6mn in 4Q2024 (3Q2025 credit provisions: QR262.5mn; +47.2%). Moreover, other provisions came in at QR219.5mn vs. QR75.6mn in 4Q2024 (3Q2025: QR40.2mn). FY2025 CoR came in at 86bps vs. 34bps in FY2024. We are of the view that this level of CoR is most likely sustainable in the near-to-medium term. Credit provisions and impairments vs. reversals prevented the bottom-line from increasing YoY (earnings sequentially dropped due to a 91.8% surge in provisions & impairment).
- **Net loans continued its growth trajectory, which is a positive.** Net loans inched up 0.5% sequentially (+14.3% YoY) to QR104.5bn. Growth in loans was driven by the corporate segment (+23.2%) and the public sector (+26.4%). The real estate and contracting segments declined. Moreover, deposits expanded by 4.4% QoQ (+16.2% YoY) to QR89.4bn.
- **CET1/Tier-1 ratio remained at healthy levels.** CBQK generated a CET1/Tier-1 ratios of 12.2%/16.1%.

Catalysts

- Progress in improvement of asset quality and core-banking income.

Recommendation, Valuation and Risks

- **Recommendation and valuation: We maintain our PT of QR5.844 and Outperform rating.** CBQK is trading at a 2026e P/TB and P/E of 0.9x and 6.5x, respectively.

Risks: 1) Weakness in Turkish Lira & Hyperinflation & 2) Higher than expected CoR.

Key Data

Current Market Price (QR)	4.799
Dividend Yield (%)	6.3
Bloomberg Ticker	CBQK QD
Reuters Ticker	COMB.QA
ISIN	QA0007227752
Sector*	Banks & Fin Svcs.
52wk High/52wk Low (QR)	5.049/3.850
3-m Average Volume (mn)	2.4
Mkt. Cap. ($ bn/QR bn)	5.3/19.4
Shares Outstanding (000)	4,047.25
FO Limit* (%)	100.0
Institutional FO* (%)	25.1
1-Year Total Return (%)	+13.7
Fiscal Year End	December 31

Source: Bloomberg (as of February 05, 2026), *Qatar Exchange (as of February 05, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

(In QR mn)	2024	2025	2026e	2027e
EPS	0.660	0.460	0.738	0.841
EPS Growth (%)	0.8	-30.3	60.5	13.9
P/E (x)	7.3	10.4	6.5	5.7
Tangible BVPS (QR)	5.0	5.2	5.6	6.1
P/TBV (x)	1.0	0.9	0.9	0.8
RoE (%)	14.4	9.1	14.2	14.9
DPS (QR)	0.300	0.300	0.350	0.400
Dividend Yield (%)	6.3	6.3	7.3	8.3

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

Shahan Keushgerian
+974 4476 6509
shahan.keushgerian@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Detailed Financial Statements

Income Statement (In QR mn)	2023	2024	2025	2026e	2027e
Net Interest Income	3,867	3,317	3,414	3,647	4,009
Fees & Commissions	805	892	1,088	1,012	1,120
FX Income	528	(94)	(145)	310	328
Other Income	583	771	836	937	945
Non-Interest Income	**1,916**	**1,569**	**1,779**	**2,258**	**2,393**
Total Revenue	**5,784**	**4,886**	**5,193**	**5,906**	**6,403**
Operating Expenses	(1,441)	(1,273)	(1,411)	(1,512)	(1,600)
Net Operating Income	**4,343**	**3,613**	**3,781**	**4,394**	**4,803**
Net Provisions & Impairments	(917)	(467)	(1,193)	(838)	(812)
Net Profit Before Taxes	**3,425**	**3,145**	**2,588**	**3,556**	**3,991**
Tax	(80)	18	(252)	(106)	(119)
Net Profit Before Minority Interest	**3,345**	**3,164**	**2,336**	**3,450**	**3,872**
Minority Interest	0	0	0	0	0
Non-Recurring Income/(Loss)	(335)	(132)	(131)	(95)	(90)
Net Profit (Headline/Reported)	**3,010**	**3,032**	**2,205**	**3,355**	**3,782**
Interest on Tier-1 Note	(284)	(284)	(284)	(284)	(284)
Social & Sports Contribution Fund	(75)	(76)	(60)	(84)	(95)
Net Profit (Attributable)	**2,651**	**2,673**	**1,862**	**2,988**	**3,404**
Attributable EPS	0.655	0.660	0.460	0.738	0.841

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	2023	2024	2025	2026e	2027e
Cash & Balances with Central Bank	8,631	7,307	11,986	9,508	9,199
Interbank Loans	20,525	20,705	22,812	23,314	24,876
Net Investments	30,762	33,229	40,299	43,259	45,569
Net Loans	91,490	91,480	104,548	110,093	116,270
Investment In Associates	3,373	3,659	4,523	4,742	4,973
Other Assets	2,547	2,492	2,049	3,061	3,256
Net PP&E	3,063	2,925	3,162	3,264	3,396
OREO	3,921	3,767	3,434	3,434	3,434
Goodwill & Intangible Assets	62	113	100	98	98
Total Assets	**164,376**	**165,678**	**192,913**	**200,773**	**211,071**
Liabilities					
Interbank Deposits	18,805	20,840	22,100	24,703	24,826
Customer Deposits	76,541	77,007	89,445	95,080	102,211
Term Loans	34,166	35,465	40,662	42,695	43,549
Tier-1 Perpetual Notes	5,820	5,820	5,820	5,820	5,820
Other Liabilities	10,458	6,013	13,692	9,508	9,710
Total Liabilities	**145,790**	**145,144**	**171,719**	**177,806**	**186,117**
Total Shareholders' Equity	**18,586**	**20,534**	**21,143**	**22,917**	**24,904**
Total Liabilities & Shareholders' Equity	**164,376**	**165,678**	**192,913**	**200,773**	**211,071**
RWAs	**121,274**	**131,654**	**131,890**	**162,626**	**173,078**

Source: Company data, QNB FS Research

Ratios/Key Indicators	2023	2024	2025	2026e	2027e
Profitability (%)					
RoTE (Attributable)	14.5	14.4	9.1	14.2	14.9
RoAA (Attributable)	1.6	1.6	1.0	1.5	1.7
RoRWA	2.1	2.1	1.4	2.0	2.0
NIM (% of IEAs)	2.72	2.38	2.25	2.18	2.28
NIM (% of RWAs)	3.13	2.62	2.59	2.48	2.39
NIM (% of AAs)	2.32	2.01	1.90	1.85	1.95
Spread	1.8	1.5	1.4	1.5	1.8
Efficiency (%)					
Cost-to-Income (Headline)	24.9	26.1	27.2	25.6	25.0
Cost-to-Income (Core)	27.7	30.9	32.4	30.4	29.3
Liquidity (%)					
LDR	120	119	117	116	114
LDR (Including Stable Source of Funding)	83	81	80	80	80
Loans/Assets	56	55	54	55	55
Cash & Interbank Loans-to-Total Assets	17.7	16.9	18.0	16.3	16.1
Deposits to Assets	47	46	46	47	48
Wholesale Funding to Loans	58	62	60	61	59
IEAs to IBLs (x)	1.21	1.20	1.21	1.18	1.17
Asset Quality (%)					
NPL Ratio	5.8	6.1	6.0	5.5	5.0
NPLs to Shareholders' Equity	30.4	28.6	31.5	28.0	24.7
NPL to Tier-1 Capital	33.1	28.5	31.2	28.0	25.2
Coverage Ratio	105	82	89	101	114
ALL/Average Loans	5.9	5.0	5.7	5.7	5.8
Cost of Risk (bps)	99	34	86	67	62
Capitalization (%)					
CET1 Ratio	10.7	12.3	12.2	10.9	11.1
Tier-1 Ratio	14.1	15.7	16.1	14.1	14.1
CAR	14.9	17.2	17.6	15.5	15.6
Leverage (x)	8.8	8.1	9.1	8.8	8.5
Growth (%)					
Net Interest Income	-2.4	-14.2	2.9	6.8	9.9
Non-Interest Income	23.4	-18.1	13.4	27.0	6.0
Total Revenue	4.8	-15.5	6.3	13.7	8.4
Operating Expenses	26.6	-11.6	10.8	7.1	5.8
Net Operating Income	-0.8	-16.8	4.7	16.2	9.3
Net Provisions & Impairments	-27.4	-49.1	155.4	-29.8	-3.1
Net Income (Headline)	7.1	0.7	-27.3	52.2	12.7
Net Income (Attributable)	7.9	0.8	-30.3	60.5	13.9
Loans	-6.7	0.0	14.3	5.3	5.6
Deposits	-8.0	0.6	16.2	6.3	7.5
Assets	-2.7	0.8	16.4	4.1	5.1
RWAs	-3.3	8.6	0.2	23.3	6.4

Source: Company data, QNB FS Research

Doha Bank (DHBK)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR2.821	Target Price	QR3.062
Implied Upside	8.6%		

New Management & Strategy to Drive Growth; Maintain Accumulate Rating

We maintain our 13.4% CAGR (2025-30e). Doha Bank (DHBK) reported a net profit of QR706.7mn in FY2025, growing by 8.1% YoY on the back of reversals of other provisions, mitigating margin pressure and weak non-funded income. Profitability came in-line with our estimate of QR705.8mn (variation of +0.1%). NIM compressed by ~16bps YoY to 1.93% (net interest income pulled back by 1.2%), non-funded income declined by1.0% (f/x income was down 12.7%). DHBK still trades at a discount to its BV, as the bank is not expected to generate economic profits in the medium-term with RoE still expected to be below CoE over 2026 to 2030. Having said this, the stock rallied by 40% after announcing its 10% buy-back program on April 20th 2025. The stock went from a 0.5x P/B to a 0.7x P/B. Despite this rally, the name trades on a PEG of 0.9x, which is relatively inexpensive and attractive. Further, on a TTR basis, DHBK has been the best performing stock in the banking sector, with the name up 42.5%. **We maintain our PT of QR3.062 and Accumulate rating.**

Highlights

- **RoE remains weak and markedly below CoE.** FY2025 RoE came in at 6.5% vs. 6.1% in FY2024. We expect RoE to reach 10% by 2030. RoE is estimated to normalize at the 12% level beyond 2030.
- **We estimate flat CoR of 105bps in 2026 and eventually reach a reasonable 85bps by 2030 as management increases its coverage ratio; we are being conservative as CoR could reach below 85bps by 2030.** DHBK's FY2025 CoR came in at 106bps vs. 110bps in FY2024 (FY2023: 145bps).
- **C/I ratio remains higher than its peers; efficiency ratio in 2026 is estimated at 39.7% in-line with management's guidance. We model the C/I ratio to decrease to 34.4%/32.5% in 2029e/2030e.** C/I ratio increased from 38.0% in FY2024 to 40.3% in FY2025. C/I remains elevated due to declining revenue emanating from margin pressure increasing opex. Opex has been increasing as management has been investing in its IT infrastructure and digitization. Efficiency should significantly improve as the aforementioned upgrade is finalized along with further shutdowns of domestic branches.
- **Asset quality is penciled to improve with the NPL ratio falling from 6.60% in FY2024 to 6.05% in 2026 and eventually declining to 4.00% by 2030 as the bank sheds some impaired loans while also booking recoveries; coverage of Stage 3 Loans is expected to increase to 80% in 2026 and eventually reach 90%.** DHBK's NPLs declined by 1.7% YoY to QR4.8bn in FYQ2025. The NPL ratio decreased from 7.43% in FY2024 (FY2023: 7.36%) to 6.60% in FY2025; NPL ratio declined due to stable NPLs coupled with expansion in the loan book. The coverage ratio for Stage 3 loans remained flat at 76% vs. 75% in FY2024, which is still positive. Stage 2 loans contribute 26% to total loans which are still on the high side. Stage 2 ECLS increased by 14.9% YoY (-7.0% sequentially) bringing coverage to 8.1% vs. 7.0%.
- **We estimate a loan book CAGR of 6.3%, which is conservative as DHBK is taking a prudent approach to lending.** Net loans increased by 11.0% YoY to QR67.7bn in FY2025. Moreover, deposits expanded by 13.5% YoY to QR57.7bn.
- **De-risking the loan book along with optimization of RWAs is helping DHBK maintain its CET1 and Tier-1 positions.** DHBK ended 4Q2025 with a CET1 ratio of 13.2% and a Tier-1 ratio of 17.9%. We expect capitalization to hover around these levels in our forecast horizon.

Catalysts

- **With the stock outperforming its peers over the last 12 months, future gains are incumbent on the management delivering on its growth objectives.** Investors would need to see significant improvements in RoEs and NPLs for the stock to close the gap to its BV.

Recommendation, Valuation and Risks

- **Recommendation and valuation:** ***We retain our QR3.062 PT Accumulate rating.*** DHBK is trading at a 2026e/27e P/B of 0.7x and 2026e DY of 5.3%.

Risks: 1) Asset quality. 2) Execution risks remain for management's new strategy.

Key Data

Current Market Price (QR)	2.821
Dividend Yield (%)	5.3
Bloomberg Ticker	DHBK QD
Reuters Ticker	DOBK.QA
ISIN	QA0006929770
Sector*	Banks & Fin. Svcs.
52wk High/52wk Low (QR)	2.999/1.810
3-m Average Volume (mn)	4.0
Mkt. Cap. ($ bn/QR bn)	2.4/8.7
Shares Outstanding (mn)	3,100.47
FO Limit* (%)	100.0
Current FO* (%)	16.0
1-Year Total Return (%)	+42.5
Fiscal Year End	December 31

Source: Bloomberg (as of February 05, 2026), *Qatar Exchange (as of February 05, 2026); Note: FO is foreign institutional ownership

Key Financial Data and Estimates

	2025	2026e	2027e	2028e
EPS (QR)	0.228	0.246	0.276	0.311
Growth	10.4	8.1	12.2	12.7
P/E (x)	12.4	11.5	10.2	9.1
BVPS (QR)	3.77	3.87	3.99	4.13
P/B (x)	0.7	0.7	0.7	0.7
RoE (%)	6.5	6.5	7.1	0.0
DPS (QR)	0.150	0.150	0.175	0.200
Dividend Yield (%)	5.3	5.3	6.2	7.1

Source: Company data, QNB FS Research

Shahan Keushgerian
+974 4476 6509
shahan.keushgerian@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Detailed Financial Statements

Income Statement (In QR mn)	2023	2024	2025	2026e	2027e	2028e
Net Interest Income	**2,116**	**1,992**	**1,967**	**2,027**	**2,226**	**2,458**
Fees & Commissions	376	402	413	439	468	481
FX Income	105	140	122	132	144	157
Other Income	55	122	122	137	149	167
Non-Interest Income	**536**	**663**	**657**	**708**	**761**	**805**
Total Revenue	**2,652**	**2,655**	**2,624**	**2,735**	**2,986**	**3,263**
Operating Expenses	(930)	(1,010)	(1,058)	(1,086)	(1,134)	(1,183)
Net Operating Income	**1,722**	**1,645**	**1,566**	**1,649**	**1,852**	**2,080**
Net Provisions	(857)	(787)	(634)	(659)	(765)	(882)
Net Profit Before Tax	**865**	**858**	**932**	**990**	**1,088**	**1,198**
Tax	(95)	(7)	(13)	(12)	(14)	(13)
Net Profit (Reported/Headline)	**769**	**851**	**920**	**978**	**1,074**	**1,185**
Interest on Tier-1 Note	(190)	(190)	(190)	(190)	(190)	(190)
Social & Sports Contribution Fund	(19)	(21)	(23)	(24)	(27)	(30)
Attributable Net Profit	**560**	**640**	**707**	**764**	**857**	**965**
EPS	0.181	0.206	0.228	0.246	0.276	0.311

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	2023	2024	2025	2026e	2027e	2028e
Cash & Balances with Central Bank	4,842	5,888	5,989	6,878	7,135	7,625
Interbank Loans	5,497	6,843	7,118	7,685	5,249	6,389
Net Investments	30,386	34,205	36,782	39,385	44,019	47,723
Net Loans	58,010	60,984	67,722	71,156	74,985	79,868
Other Assets	1,844	1,798	2,130	1,861	1,662	1,770
Net PP&E	619	530	424	380	344	306
Total Assets	**101,198**	**110,247**	**120,165**	**127,345**	**133,393**	**143,681**
Liabilities						
Interbank Deposits	23,908	30,651	25,045	26,211	25,890	26,997
Customer Deposits	51,573	50,852	57,740	63,688	67,955	74,750
Term Loans	8,517	11,229	18,587	18,587	20,446	22,286
Other Liabilities	2,756	2,697	3,098	2,866	2,718	2,841
Tier-1 Perpetual Notes	4,000	4,000	4,000	4,000	4,000	4,000
Total Liabilities	**90,754**	**99,429**	**108,470**	**115,352**	**121,009**	**130,873**
Total Shareholders' Equity	**10,444**	**10,818**	**11,695**	**11,993**	**12,385**	**12,808**
Total Liabilities & Shareholders' Equity	**101,198**	**110,247**	**120,165**	**127,345**	**133,393**	**143,681**
Risk Weighted Assets	78,094	78,421	84,510	87,868	91,775	99,140
IEAs	92,633	98,306	105,932	112,584	120,041	129,031
IBLs	76,254	87,365	94,979	101,349	106,686	115,675
Tangible BV/share	3.37	3.49	3.77	3.87	3.99	4.13

Source: Company data, QNB FS Research

Ratios/Financial Indicators	2023	2024	2025	2026e	2027e	2028e
Profitability (%)						
RoE (Attributable)	5.6	6.1	6.5	6.5	7.1	7.8
RoAA (Attributable)	0.8	0.8	0.8	0.8	0.8	0.9
RoRWA (Attributable)	0.7	0.8	0.9	0.9	1.0	1.0
NIM (% of IEAs)	2.36	2.09	1.93	1.86	1.91	1.97
NIM (% of RWAs)	2.80	2.55	2.42	2.35	2.48	2.57
NIM (% of AAs)	2.16	1.88	1.71	1.64	1.71	1.77
Spread	1.5	1.3	1.4	1.5	1.5	1.6
Efficiency (%)						
Cost-to-Income (Headline)	33.1	38.0	40.3	39.7	38.0	36.2
Cost-to-Income (Core)	35.5	39.5	41.8	41.3	39.5	37.8
Liquidity (%)						
LDR (stable sources of funds)	104	98	95	95	96	95
Loans/Assets	57.3	55.3	56.4	55.9	56.2	55.6
Cash & Interbank Loans-to-Total Assets	10.2	11.5	10.9	11.4	9.3	9.8
Deposits to Assets	51.0	46.1	48.1	50.0	50.9	52.0
Wholesale Funding to Loans	55.9	68.7	64.4	63.0	61.8	61.7
IEAs to IBLs	1.2	1.1	1.1	1.1	1.1	1.1
Asset Quality (%)						
NPL Ratio	7.36	7.43	6.60	6.05	5.70	5.00
NPL to Shareholders' Equity	43.6	45.5	41.4	39.4	38.5	35.2
NPL to Tier 1 Capital	44.9	47.2	43.5	41.4	40.6	37.3
Coverage Ratio	83.2	106.9	115.8	146.8	179.9	229.9
ALL/Average Loans	6.1	8.2	8.0	9.2	10.6	11.9
Cost of Risk (%)	145	110	106	105	102	96
Capitalization (%)						
CET1 Ratio	13.0	13.3	13.2	13.0	12.8	12.2
Tier-1 Ratio	18.1	18.4	17.9	17.6	17.1	16.2
CAR	19.2	19.5	19.0	18.7	18.3	17.4
Tier-1 Leverage (x)	14.0	13.1	12.6	12.1	11.8	11.2
Growth (%)						
Net Interest Income	-8.9	-5.9	-1.2	3.0	9.8	10.4
Non-Interest Income	18.9	-4.9	-1.0	7.8	7.4	5.8
Total Revenue	-3.3	-5.6	-1.2	4.2	9.2	9.3
Opex	4.0	8.6	4.7	2.6	4.5	4.3
Net Operating Income	-6.5	-12.7	-4.8	5.3	12.3	12.3
Net Income (Headline/Reported)	0.5	10.7	8.0	6.3	9.8	10.4
Net Income (Attributable)	0.7	14.3	10.4	8.1	12.2	12.7
Loans	-0.1	5.1	11.0	5.1	5.4	6.5
Deposits	2.9	-1.4	13.5	10.3	6.7	10.0
Assets	3.6	8.9	9.0	6.0	4.7	7.7
RWAs	6.7	0.4	7.8	4.0	4.4	8.0

Source: Company data, QNB FS Research

TOP PICKS: DIVERSIFIED

Meeza QSTP LLC (MEZA)

Recommendation	OUTPERFORM	Risk Rating	R-3
Share Price	QR3.340	Target Price	QR4.009
Implied Upside	21.7%		

From Local Colocation Champion to Hyperscaler-Grade Digital Utility; Outperform

Meeza has become a digital infrastructure compounder in Qatar: contracted colocation capacity (with long-dated tenors), high incremental operating leverage as MW comes online, and strategic alignment with Qatar's national digital buildout. With existing halls effectively full and a large, funded expansion pipeline, the equity story is shifting from "steady managed IT" to capacity-led earnings compounding — with potential for a valuation re-rating as revenue becomes more annuity-like and less project-driven. MEZA's ability to quickly ink big-name clients (two hyperscalers contracts signed in 2025) indicates excellent execution of its growth strategy. These developments materially bolster Meeza's medium- to long-term outlook. MEZA has gone beyond the narrative as an increasingly credible, execution-driven play on secular digital infrastructure growth in Qatar, with attractive operating leverage unfolding as new capacity comes online. The fact that hyperscale cloud providers are committing to multi-year, large-scale deals is a strong testament to MEZA's capabilities and the strategic importance of its local data center capacity. **We maintain a positive outlook on MEZA. With the datacenter expansion pipeline on track and being largely de-risked by long-term leases, we expect double-digit revenue and earnings growth to resume in 2026/27 as new capacity comes online**. Near-term (4Q2025–1H2026), growth will likely remain modest given maxed current capacity and the volatile solutions segment. Any interim weakness is transitory, in our view, given the strong backlog of DC demand. We expect potential valuation re-rating as the expansion pipeline turns into tangible less-volatile earnings. We also note MEZA has just launched new niche services (GPU-as-a-Service for AI, advanced cloud offerings), which could create complementary growth avenues. **Consequently, we reiterate our QR4.009 PT and Outperform rating.**

Highlights

- **DC colocation is the growth and profit engine.** Datacenter services are the primary driver of growth/profitability, with utilization near full on the existing **14.4MW** base—supporting visibility and mix-driven margin resilience.
- **Pre-leasing de-risks near-term ramp.** The first **4MW** tranche of its medium-term growth program is **pre-leased to a global hyperscaler** under a **>10-year, QR350mn+** agreement, with go-live guided for **1H2026.**
- **The 44MW plan is a genuine scale shift (and now funded).** Management announced **+44MW** of additional DC capacity and secured a **QR800mn Sharia-compliant facility**, lifting our long-run capacity assumptions to **62.4MW**. Included in this is the **recent inking of a QR750mn DC long-term leasing agreement of 6MW with a hyperscaler and construction of the MV6 (with planned 24MW total capacity including the 6MW in question).**
- **Structural demand tailwinds remain supportive.** The attached research explicitly flags **global demand outstripping supply** (with power constraints in key hubs) and AI/hyperscaler-led requirements as key underwriters for DC expansion economics.
- **Policy pull and sovereign-grade positioning.** Meeza's positioning as a local digital infrastructure enabler is reinforced by state-led digital transformation priorities and the growing relevance of data sovereignty and in-country hosting dynamics.

Catalysts

- **Catalysts: (1)** 4MW commissioning milestones (construction → testing → go-live in **1H2026**) and initial revenue recognition., **(2)** Announcement of new leasing contracts, **(3)** Margin expansion, **(4)** Hyperscalers choosing Qatar as a DC host, **(5)** Sustained AI adoption, and **(6)** Favorable regulatory developments.

Recommendation, Valuation and Risks

- **Recommendation and Valuation**: ***We have an Outperform rating and QR4.009 PT.*** Our PT is a weighted average of various valuation models: DCF, EBITDA Exit Multiple and Relative-Valuation. Our primary thesis is that Meeza's previous and ongoing DC investments are intersecting with a secular opportunity in the global data economy. Meeza's unique strong local market positioning in the DC market (#1 market share) puts it in a prime position to benefit from the demand expected from hyperscalers, corporates and smart cities.
- **Risks: (1)** Execution risk **(2)** Perennial tail risks related to tech of either incurring exorbitant costs to stay ahead of the technology curve or, on the other extreme, the costs of trailing the technology curve **(3)** High capex **(4)** Customer concentration risk & margin-squeeze by hyperscalers **(5)** Electricity availability/cost/renewables requirements **(6)** Cyber-attacks **(7)** National data sovereignty laws **(8)** Geopolitics.

Key Data

Current Market Price	QR3.340
Dividend Yield (%)	2.4
Bloomberg Ticker	MEZA QD
ADR/GDR Ticker	N/A
Reuters Ticker	MEZA.QA
ISIN	QA000PK2KD10
Sector*	Consumer Goods
52wk High/Low (QR)	3.805/2.879
3-m Average Vol.	946,344
Mkt. Cap. ($ bn/QR bn)	0.6/2.1
EV ($ bn/QR bn)	0.6/2.3
Shares O/S (mn)	649.0
FO Limit* (%)	49.0
FO (Institutional)* (%)	13.3
1-Year Total Return (%)	3.9
Fiscal Year-End	December 31

Source: Bloomberg (as of February 05, 2026), *Qatar Exchange (as of February 05, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

GROUP	FY2024	FY2025E	FY2026E
EPS (QR)	0.093	0.095	0.123
P/E (x)	35.87	35.22	27.24
EV/EBITDA (x)	17.55	19.13	15.63
DPS (QR)	0.08	-	0.11
DY (%)	2.4%	0.0%	3.2%

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

Phibion Makuwerere, CFA
+974 4476 6589
phibion.makuwerere@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Financial Statements and Forecasts

Income Statement (QR'000)

GROUP	FY2024	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
REVENUE	**374,215**	**412,072**	**486,163**	**536,801**	**607,918**	**739,536**
Datacenter	145,969	155,209	193,871	228,936	285,568	442,855
MS+WS+CS	155,994	151,884	185,883	200,117	213,426	226,135
SS+MSI	72,252	104,978	106,408	107,748	108,923	70,546
GROSS PROFIT	118,251	117,749	140,237	160,460	189,192	253,801
EBITDA	123,188	120,219	157,378	220,781	307,132	382,675
OPERATING PROFIT	66,811	65,795	83,687	100,938	123,427	183,285
NET PROFIT	**60,430**	**61,536**	**79,580**	**93,239**	**118,506**	**179,360**

Source: Company data, QNBFS Research

Balance Sheet (QR'000)

GROUP	FY2024	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Non-current asset						
Property, Plant & Equipment	449,390	596,956	819,766	1,365,589	2,062,860	2,077,652
RoU Assets	133,991	124,915	115,679	106,284	96,729	87,015
Contract Assets	7,387	8,134	9,597	10,596	12,000	14,598
Other	4,970	4,970	4,970	4,970	4,970	4,970
Total non-current assets	**595,738**	**734,975**	**950,012**	**1,487,440**	**2,176,560**	**2,184,236**
Current assets						
Prepayments & other	20,280	20,280	20,280	20,280	20,280	20,280
Due from related parties	52,987	58,347	68,838	76,008	86,078	104,715
Contract assets	129,051	142,106	167,657	185,120	209,645	255,035
Trade & other receivables	81,264	89,485	105,574	116,571	132,015	160,597
Cash & bank balances	278,842	171,131	75,437	122,228	122,058	114,003
Total Current assets	**562,424**	**481,349**	**437,787**	**520,207**	**570,076**	**654,629**
Total assets	**1,158,162**	**1,216,324**	**1,387,799**	**2,007,647**	**2,746,636**	**2,838,865**
EQUITY AND LIABILITIES						
Share capital	648,980	648,980	648,980	648,980	648,980	648,980
Statutory reserve	20,579	26,733	34,691	44,015	55,865	73,801
Retained earnings	56,130	58,055	127,688	140,901	164,487	219,613
Total equity	**725,689**	**733,768**	**811,358**	**833,895**	**869,332**	**942,394**
Non-current liability						
Employees' end of service benefits	12,315	13,200	13,951	14,601	15,176	15,695
Contract liability	33,447	36,831	43,453	47,979	54,335	66,099
Lease	141,292	135,156	128,786	121,853	114,336	106,214
Borrowings	108,192	146,265	219,337	807,410	1,495,483	1,483,555
Total non-current liability	**295,246**	**331,452**	**405,528**	**991,844**	**1,679,330**	**1,671,563**
Current liability						
Contract liability	8,027	8,839	10,428	11,515	13,040	15,863
Lease	9,904	9,474	9,027	8,541	8,014	7,445
Borrowings	13,404	11,926	10,449	8,971	7,493	6,016
Due to related parties	5,976	5,976	5,976	5,976	5,976	5,976
Trade & other payables	99,916	114,889	135,033	146,905	163,450	189,607
Total current liability	**137,227**	**151,104**	**170,913**	**181,908**	**197,974**	**224,907**
Total liabilities	**432,473**	**482,556**	**576,441**	**1,173,751**	**1,877,304**	**1,896,470**
Total equity and liabilities	**1,158,162**	**1,216,324**	**1,387,799**	**2,007,647**	**2,746,636**	**2,838,865**

Source: Company data, QNBFS Research

Cash flow Statement (QR'000)

GROUP	FY2024	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Cash Flow from Operating Activities	**121,741**	**104,962**	**126,840**	**196,432**	**274,741**	**321,797**
Cash Flow from Investing Activities	**(8,911)**	**(180,463)**	**(277,395)**	**(650,941)**	**(864,289)**	**(197,343)**
Cash Flow from Financing Activities	**(83,963)**	**(32,210)**	**54,861**	**501,299**	**589,378**	**(132,510)**
Change in Cash	28,867	(107,711)	(95,694)	46,791	(169)	(8,056)
Cash Beginning of Period	249,975	278,842	171,131	75,437	122,228	122,058
Cash End of Period	**278,842**	**171,131**	**75,437**	**122,228**	**122,058**	**114,003**

Source: Company data, QNBFS Research

Ratios

GROUP	FY2024	FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Growth Rates						
Revenue	-11.5%	10.1%	18.0%	10.4%	13.2%	21.7%
Gross Profit	3.1%	-0.4%	19.1%	14.4%	17.9%	34.1%
EBITDA	-0.2%	-2.4%	30.9%	40.3%	39.1%	24.6%
EBIT	3.0%	-1.5%	27.2%	20.6%	22.3%	48.5%
NP	0.4%	1.8%	29.3%	17.2%	27.1%	51.4%
EPS	0.4%	1.8%	29.3%	17.2%	27.1%	51.4%
DPS	-1.2%	-100.0%	N.M.	17.2%	27.1%	51.4%
CFPS	0.0%	-13.8%	20.8%	54.9%	39.9%	17.1%
AFFOPS	0.0%	-0.1%	36.6%	42.4%	41.6%	23.9%
FFCF	0.0%	-175.6%	89.7%	184.2%	26.1%	-128.9%
Operating Ratios						
Gross Margin	31.6%	28.6%	28.8%	29.9%	31.1%	34.3%
EBITDA Margin	32.9%	29.2%	32.4%	41.1%	50.5%	51.7%
EBIT Margin	17.9%	16.0%	17.2%	18.8%	20.3%	24.8%
Net Margin	16.1%	14.9%	16.4%	17.4%	19.5%	24.3%
Working Capital Ratios						
Prepayment days	28.9	25.1	21.4	19.7	17.7	15.2
Receivables days	86.9	86.9	86.9	86.9	86.9	86.9
Related Party receivables days	60.8	60.8	60.8	60.8	60.8	60.8
Contract asset days - current	125.9	125.9	125.9	125.9	125.9	125.9
Payable Days	142.5	142.5	142.5	142.5	142.5	142.5
Finance Ratios	40.5	40.5	40.5	40.5	40.5	40.5
Debt-to-Equity	-	7.8	7.8	7.8	7.8	7.8
Net Debt-to-Equity						
Net Debt-to-Capital	37.6%	41.3%	45.3%	113.5%	187.0%	170.1%
Net Debt-to-EBITDA	-0.8%	17.9%	36.0%	98.9%	172.9%	158.0%
Interest Coverage	-0.3%	6.3%	11.7%	22.5%	29.4%	28.3%
Return Ratios	(0.05)	1.10	1.86	3.73	4.89	3.89
ROIC	3.97	4.59	7.24	9.52	12.82	21.25
ROE						
ROA	9.3%	7.6%	7.6%	6.1%	5.2%	7.5%
Earnings Yield	8.3%	8.4%	9.8%	11.2%	13.6%	19.0%
Dividend Yield	5.2%	5.1%	5.7%	4.6%	4.3%	6.3%
FCF Yield	2.79%	2.84%	3.67%	4.30%	5.47%	8.27%
AFFO Yield	2.40%	0.00%	3.15%	3.70%	4.70%	7.11%
Liquidity Ratios	5.01%	-3.79%	-7.19%	-20.43%	-25.76%	7.45%
Current Ratio	4.02%	4.01%	5.48%	7.81%	11.06%	13.70%
Quick Ratio						
Valuation	1.9	1.5	1.1	0.5	0.3	0.4
EV/Sales	1.9	1.5	1.1	0.5	0.3	0.4
EV/EBITDA						
EV/EBIT	5.8	5.6	5.1	5.6	6.0	4.9
P/E	17.5	19.1	15.6	13.6	12.0	9.6
P/CF	32.4	34.9	29.4	29.6	29.7	20.0
P/BV	35.9	35.2	27.2	23.2	18.3	12.1

Source: Company data, QNBFS Research

Medicare Group (MCGS)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR6.152	Target Price	QR7.300
Implied Upside	14.2%	Old Target Price	QR5.962

A Defensive Yield Anchor with a Policy-Driven Volume Call Option; Accumulate

Medicare Group (MCGS) is a cash-generative, dividend-led healthcare defensive that is now gaining credible upside convexity from the next phase of mandatory/expanded insurance coverage (Seha), which could lift occupancy and unlock operating leverage. Management is more upbeat about the new national insurance scheme (Seha) that it believes will be rolled out this year given some engagement it has had with the authorities. **We remind readers that the new Seha Phase 1 is imminent: This more lucrative Phase 1 is set to encompass ~260k uninsured Qatari nationals, not currently covered by employer-sponsored schemes, and is tipped to offer high-value, government-backed premiums.** During the old Seha program, MCGS full year top-line peaked at QR861mn (FY2015) vs QR523mn last year; but this is new program is likely to be more contained in nature. **From our understanding of the nature of this Seha Phase 1 program, the elevated capacity levels for MCGS is only assumed for the three years between 2026 and 2028.**

Highlights

- **MCGS's management signaled strong optimism that the insurance mandate will be a *game-changer* for patient volumes**: While the Blanket Agreement for Medical Referrals with HMC has not seen notable incremental patient flow into existing capacity, the new Seha/private health insurance program for Qataris looks imminent. The framework is designed to reduce waiting times via private capacity, which is a meaningful structural tailwind for private operators like MCGS. The more lucrative new Seha Phase 1 tranche targets ~260k uninsured Qataris, with management signaling 2026 as an inflection point. Importantly, the historical precedent is non-trivial: during the prior Seha era, MCGS annual revenue peaked at ~QR861mn (2015) vs QR523mn (2024), underscoring the scale of the addressable upside if coverage broadens meaningfully. (Qatar Tribune)
- **Margin structure already improved post-restructuring/Al Wakra clinics closure**: Uplift to GPM/NPM, supporting a cleaner base for operating leverage as volumes recover.
- **Capacity and operating leverage without "heroic" capex**: Management expects bed capacity to rise to 209 from 180 (by end of 2025), and we model an occupancy range from current ~60% toward higher levels, with ~80% as a central case, assuming new Seha.
- **Dividend-led total return (with improving rate backdrop optionality)**: The stock's appeal remains anchored by its dividend profile and cash generation, which your earlier and more recent notes consistently frame as a key support to the equity story.

Catalysts

- **Catalysts: (1)** Phased rollout of the "new" health insurance policy **(2)** Margin lift from cost-cutting initiatives including the closure of Al-Wakra Clinics **(3)** Contingent QR109mn receivable cash windfall from Medicare's court case vs. the government on "old Seha" **(4)** Ongoing marketing efforts and renovations and upgrade of hospital facilities **(5)** Improving yield dynamics as global interest rates decline.

Recommendation, Valuation and Risks

Recommendation and Valuation: ***We have a Accumulate rating and weighted 12-month PT of QR7.300.*** MCGS's short- to medium-term outlook has been invigorated by the imminent rollout of the new Seha Phase 1, while longer-term prospects are anchored by favorable population dynamics.

Key risks: (1) Escalating competitive pressure as both private and public bed-count increases **(2)** Further write-downs/offs of the Seha receivable **(3)** Low stock liquidity **(5)** Global disease outbreak.

Key Data

Current Market Price	QR6.152
Dividend Yield (%)	3.1
Bloomberg Ticker	MCGS QD
ADR/GDR Ticker	N/A
Reuters Ticker	MCGS.QA
ISIN	QA0006929754
Sector*	Consumer Goods
52wk High/52wk Low (QR)	7.213/4.215
3-m Average Vol. (mn)	1.6
Mkt. Cap. ($ bn/QR bn)	0.5/1.8
EV ($ bn/QR bn)	0.5/1.9
Shares O/S (mn)	281.4
FO Limit* (%)	100.0
FO (Institutional)* (%)	17.4
1-Year Total Return (%)	46.8
Fiscal Year-End	December 31

Source: Bloomberg (as of February 05, 2026),*Qatar Exchange (as of February 05, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

Group	2024A	2025E	2026E
EPS (QR)	0.21	0.31	0.47
DPS (QR)	0.20	0.29	0.33
P/E (x)	28.8	19.7	13.0
EV/EBITDA (x)	16.9	17.4	12.1
DY (%)	3.2%	4.7%	5.4%

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

Phibion Makuwerere, CFA
+974 4476 6589
phibion.makuwerere@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Financial Statements and Forecasts

Condensed Income Statement

	2024A	2025E	2026E	2027E	2028E
REVENUE	**523,491,870**	**519,204,360**	**578,191,102**	**662,599,241**	**724,580,949**
GROSS PROFIT	196,683,631	189,580,144	228,601,183	286,321,076	327,621,511
EBITDA	108,019,433	103,450,474	139,992,319	185,249,745	218,972,156
OPERATING PROFIT	82,617,218	76,576,477	111,469,784	154,959,351	186,870,836
PROFIT FOR THE PERIOD (LFL)	**94,152,828**	**87,917,505**	**122,927,556**	**164,970,962**	**197,140,413**
PROFIT FOR THE PERIOD	**60,056,920**	**87,917,505**	**122,927,556**	**164,970,962**	**197,140,413**

Source: Company data, QNBFS Research

Balance Sheet

	2024A	2025E	2026E	2027E	2028E
Property and equipment	1,041,449,857	1,059,375,860	1,100,853,325	1,140,562,931	1,178,461,611
Investments at fair value through other comprehensive income	73,401,634	73,401,634	73,401,634	73,401,634	73,401,634
Investment property	26,244,000	26,244,000	26,244,000	26,244,000	26,244,000
Total Non-Current Assets	**1,141,095,491**	**1,159,021,494**	**1,200,498,959**	**1,240,208,565**	**1,278,107,245**
Inventories	31,253,873	31,934,586	35,562,671	40,754,343	44,566,638
Accounts Receivable and Prepayments	131,641,714	129,937,518	153,383,523	186,934,007	211,570,449
Cash and cash equivalents	108,792,159	78,308,385	31,972,326	16,400,872	13,746,084
Total Current Assets	**271,687,746**	**240,180,489**	**220,918,520**	**244,089,222**	**269,883,171**
Total Assets	**1,412,783,237**	**1,399,201,983**	**1,421,417,479**	**1,484,297,787**	**1,547,990,416**
EQUITY AND LIABILITIES					
Share Capital	281,441,000	281,441,000	281,441,000	281,441,000	281,441,000
Legal Reserve	128,586,417	137,378,168	149,670,923	166,168,019	185,882,061
Fair Value Reserve	22,036,690	22,036,690	22,036,690	22,036,690	22,036,690
Revaluation reserve	521,092,396	521,092,396	521,092,396	521,092,396	521,092,396
Retained Earnings	55,981,067	79,381,504	107,857,147	170,281,724	232,228,422
Total Equity	**1,009,137,570**	**1,041,329,757**	**1,082,098,156**	**1,161,019,829**	**1,242,680,569**
Bank facilities	151,394,292	119,660,538	92,465,610	65,270,682	38,075,754
Employees' end of service benefits	88,808,832	96,400,610	104,164,578	112,094,308	120,193,378
Total Non-Current Liabilities	**240,203,124**	**216,061,148**	**196,630,188**	**177,364,990**	**158,269,132**
Accounts payable and accruals	129,546,099	115,019,666	121,986,535	131,299,179	138,515,740
Bank facilities st	33,896,444	26,791,411	20,702,599	14,613,788	8,524,976
Total Current Liabilities	**163,442,543**	**141,811,078**	**142,689,134**	**145,912,967**	**147,040,716**
Total Liabilities	**403,645,667**	**357,872,226**	**339,319,322**	**323,277,957**	**305,309,848**
Total Equity and Liabilities	**1,412,783,237**	**1,399,201,983**	**1,421,417,479**	**1,484,297,787**	**1,547,990,416**

Source: Company data, QNBFS Research

Summarized Cashflow Statement

	2024A	2025E	2026E	2027E	2028E
Cash Flow from Operating Activities	**110,060,450**	**108,880,331**	**139,106,838**	**173,761,575**	**216,108,625**
Cash Flow from Investing Activities	**(134,016,414)**	**(3,800,000)**	**(50,000,000)**	**(43,000,000)**	**(70,000,000)**
Cash Flow from Financing Activites	**32,248,486**	**(94,564,104)**	**(115,442,897)**	**(119,333,029)**	**(148,763,414)**
Change in Cash	8,292,522	10,516,226	(26,336,059)	11,428,546	(2,654,788)
Opening Cash	12,499,637	20,792,159	31,308,385	4,972,326	16,400,872
Cash End of Period	**20,792,159**	**31,308,385**	**4,972,326**	**16,400,872**	**13,746,084**

Source: Company data, QNBFS Research

Ratios

	2024A	2025E	2026E	2027E	2028E
GROWTH METRICS					
Revenue	7.7%	-0.8%	11.4%	14.6%	9.4%
Gross Profit	11.7%	-3.6%	20.6%	25.2%	14.4%
EBITDA	15.9%	-3.5%	35.3%	32.3%	18.2%
Operating Profit	21.9%	-7.3%	45.6%	39.0%	20.6%
Net Profit	-8.6%	46.4%	39.8%	34.2%	19.5%
Net Profit - Sustainable	43.3%	-6.6%	39.8%	34.2%	19.5%
EPS (QR/share)	21.3%	31.2%	43.7%	58.6%	70.0%
DPS (QR/share)	19.8%	29.2%	30.6%	41.0%	49.0%
OPERATING RATIOS					
Gross Margin	37.6%	36.5%	39.5%	43.2%	45.2%
EBITDA Margin	20.5%	19.9%	24.2%	28.0%	30.2%
EBIT Margin	15.8%	14.7%	19.3%	23.4%	25.8%
Net Profit Margin	18.0%	16.9%	21.3%	24.9%	27.2%
RETURN RATIOS					
RoE	9.3%	8.4%	11.4%	14.2%	15.9%
RoIC	7.6%	6.9%	9.6%	12.7%	14.7%
RoA	5.8%	5.5%	7.8%	10.4%	12.1%
VALUATION RATIOS					
EV/Sales	3.5	3.5	3.1	2.7	2.4
EV/EBITDA	16.9	17.4	12.9	9.7	8.1
EV/EBIT	21.9	23.5	16.3	11.6	9.4
PE Ratio	28.8	19.7	14.1	10.5	8.8
PEG Ratio	0.6	0.7	1.1	15.1	-
P/CF	15.7	15.9	12.4	10.0	8.0
P/B	1.7	1.7	1.6	1.5	1.4
Dividend Yield	3.2%	4.7%	5.0%	6.7%	8.0%
FCF Yield	3.2%	3.7%	4.0%	6.0%	8.4%
LEVERAGE RATIOS					
Debt/Equity Ratio	18.4%	14.1%	10.5%	6.9%	3.8%
Net Debt/Equity Ratio	7.6%	6.5%	7.5%	5.5%	2.6%
Net Debt/Capital Ratio	8.5%	7.1%	7.7%	5.5%	2.7%
Net Debt/EBITDA	71.3%	65.9%	58.0%	34.3%	15.0%
Interest coverage	N.A.	N.A.	N.A.	99.0	130.9
LIQUDITY RATIOS					
Current Ratio	1.7	1.7	1.5	1.7	1.8
Quick Ratio	1.5	1.5	1.3	1.4	1.5
WORKING CAPITAL DAYS	140	159	158	156	155
Inventory Days	127	127	127	127	127
Average Collection Period	145	145	145	145	145
Payables Days	145	145	145	145	145

Source: Company data, QNBFS Research

Qatar Fuel/Woqod (QFLS)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR15.50	12M Target Price	QR17.00
Implied Upside	10.1%	Old Target Price	QR16.56

Quiet Compounding Story as Margins Stabilize and Optionality Grows; Accumulate

We view Woqod as a defensive, cash-heavy compounder with (1) dominant/strategic positioning in Qatar's fuel value chain, (2) an improving margin narrative despite price/mix headwinds, and (3) underappreciated upside from jet fuel + LNG-linked bunkering + balance sheet optionality — offset by policy/price controls and long-term EV disruption risk. We see the 4Q2025 print as constructive for the margin narrative. While revenue remains pressured by pricing/mix dynamics, operating profitability outperformed materially versus our model. The key watch items into 2026 are (1) whether the improved margin profile persists as jet fuel volumes normalize, (2) execution on station/FAHES expansion and any operating leverage, and (3) the trajectory of non-core income, which was the principal offset to 4Q operational strength.

Highlights

- **Structural moat in domestic fuels:** Woqod holds exclusive rights for fuel storage/distribution in Qatar and is the sole entity that can establish future fuel stations—creating a regulated, high-barrier franchise.
- **Margins are the real story (not revenue):** 4Q2025 showed a clear *profitability beat* on firmer GPM/EBIT margins despite flat-to-soft revenue/volumes—supporting the thesis that operating income dynamics and inventory/trading effects (esp. jet fuel) can drive earnings resilience even when realized prices pressure reported revenue.
- **Jet fuel is the key growth bridge:** Jet fuel is positioned as the most attractive near-to-medium-term growth lever, with demand tied to Qatar Airways expansion and recovering global travel. Customer concentration is real, but so is visibility.
- **LNG expansion creates a "second engine" via bunkering:** Qatar's LNG ramp-up (North Field expansion) and QatarEnergy carrier buildout should lift marine fuel activity over time—though dual-fuel shipping tempers the upside and makes the mix shift a nuance to watch.
- **Balance sheet optionality stays under-monetized:** A large cash/investment buffer underpins downside protection and creates flexibility for capex, special dividends, or opportunistic value-unlocks—this is a meaningful part of the "why own it" case in a low-growth core business.

Catalysts

- **(1)** The business lacks notable catalysts but Woqod's balance sheet contains enough fuel for various corporate actions including buybacks, special dividends and acquisitions – including improved non-fuel income. However, there is little visibility on if or when this happens. **(2)** Successful execution of station openings and retail initiatives. **(3)** Re-negotiate better terms with Qatar Energy (QE) and QA. **(4)** Qatar Airways fleet growth (jet demand), LNG-linked bunkering expansion. **(5)** Sustained rollback of EV targets by auto manufacturers.

Recommendation, Valuation and Risks

- **Recommendation and Valuation**: ***We have a PT of QR17.10 and maintain an "Accumulate" rating specifically for income-oriented investors. Woqod's improving margin profile and balance sheet optionality underpin medium-term upside – we estimate that ~29% of PT comes from its non-core operations (investments+cash).*** Our TP is a weighted average of various valuation models: DCF, Dividend Model and Relative Valuation. The primary thesis is that Woqod's petroleum business still has select pockets (jet fuel and LNG expansion-linked bunkering) of potential growth in the short- to- medium-term helped by its dominant market position in Qatar and recovering profitability in core operation. Plus, more value could be unlocked from optimizing the balance sheet.
- **Risks: (1)** Customer/supplier concentration (QA/QE) risk & margin-erosion **(2)** Commodity price swings and inventory valuation effects **(3)** Regulatory/pricing changes risk **(4)** structural demand erosion from EV adoption **(5)** Geopolitics

Key Data

Current Market Price (QR)	15.50
Dividend Yield (%)	5.8
Bloomberg Ticker	QFLS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QFLS.QA
ISIN	QA0001200771
Sector*	Consumer Goods
52wk High/Low (QR)	15.57/13.37
3-m Average Vol.	366,039
Mkt. Cap. ($ bn/QR bn)	4.2/15.4
EV ($ bn/QR bn)	2.6/9.3
Shares O/S (mn)	994.3
FO Limit* (%)	100%
FO (Institutional)* (%)	13.2
1-Year Total Return (%)	7.7
Fiscal Year-End	December 31

Source: Bloomberg (as of February 05, 2026), *Qatar Exchange (as of February 05, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

GROUP	2025	2026e	2027e
EPS (QR)	1.05	1.07	1.13
P/E (x)	14.82	14.43	13.76
EV/EBITDA (x)	16.35	15.64	14.41
DPS (QR)	0.90	0.90	0.95
DY (%)	5.8%	5.8%	6.1%

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

Phibion Makuwerere, CFA
+974 4476 6589
phibion.makuwerere@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Financial Statements and Forecasts

Income Statement (QR MN)

	2025	2026e	2027e	2028e	2029e	2030e
REVENUE	**25,943**	**26,773**	**28,467**	**29,285**	**31,049**	**33,206**
GROSS PROFIT	869.5	888.5	970.6	999.5	1,062.0	1,138.6
EBITDA	882.3	914.8	977.4	1,013.3	1,079.6	1,164.6
OPERATING PROFIT	643.1	667.9	741.5	772.1	827.3	898.6
NET PROFIT	**1,040**	**1,068**	**1,120**	**1,143**	**1,203**	**1,278**

Source: Company data, QNBFS Research

Balance Sheet (QR MN)

GROUP (QR'MN)	2025	2026e	2027e	2028e	2029e	2030e
Non-current assets						
Property, plant & equipment	2,997	3,113	3,310	3,405	3,610	3,861
Right of use assets	1,160	1,098	1,059	1,019	979	940
Investment properties	827	813	797	781	765	749
Investment securities	4,438	4,429	4,429	4,429	4,429	4,429
Goodwil & intangibles	165	144	144	144	144	144
	9,586	**9,597**	**9,738**	**9,778**	**9,927**	**10,122**
Current assets						
Inventories	537	606	644	662	702	751
Due from related parties	195	265	282	290	307	329
Trade receivables	1,656	1,690	1,797	1,849	1,960	2,096
Prepayments/other receivables	71	147	147	147	147	147
Cash and bank balances+short term deposits	2,809	2,774	2,973	3,185	3,367	3,559
Total Current Assets	**5,268**	**5,482**	**5,842**	**6,132**	**6,483**	**6,882**
TOTAL ASSETS	**14,854**	**15,078**	**15,580**	**15,910**	**16,411**	**17,004**
EQUITY & LIABILITIES						
Equity						
Share capital	994	994	994	994	994	994
Legal reserve	499	499	499	499	499	499
Fair value reserve	18	23	23	23	23	23
Revaluations surplus	498	502	502	502	502	502
Retained earnings	6,967	7,048	7,245	7,415	7,594	7,796
Common equity	**8,976**	**9,066**	**9,264**	**9,433**	**9,612**	**9,814**
Non-controlling interest	109	192	239	285	334	386
Total equity	**9,084**	**9,258**	**9,503**	**9,719**	**9,946**	**10,200**
Non-current liabilities						
Employees benefits	179	179	179	179	179	179
Decomissioning Provision	90	37	37	37	37	37
Finance lease liability	1,071	1,047	1,023	999	974	950
Total non-current liabilities	**1,340**	**1,263**	**1,238**	**1,214**	**1,190**	**1,166**
Current liabilities						
Trade and other payables	1,043	1,180	1,253	1,289	1,367	1,461
Due to related parties	3,362	3,354	3,563	3,665	3,885	4,155
Finance lease liability	25	24	24	23	22	22
Total current liabilities	**4,429**	**4,557**	**4,839**	**4,977**	**5,274**	**5,638**
TOTAL EQUITY & LIABILITIES	**14,854**	**15,078**	**15,580**	**15,910**	**16,411**	**17,004**

Source: Company data, QNBFS Research

Cash flow Statement (QR MN)

	2025	2026e	2027e	2028e	2029e	2030e
Cash flow from operations	1,057	1,163	1,257	1,232	1,366	1,477
Cash flow from investing activities	131	61	(87)	1	(113)	(165)
Cash flow from financing activities	(1,136)	(1,083)	(971)	(1,021)	(1,071)	(1,120)
(Decrease)/Increase in cash	**52**	**141**	**199**	**212**	**182**	**192**
Beginning cash	2,024	2,033	2,174	2,373	2,585	2,767
Closing cash	**2,076**	**2,174**	**2,373**	**2,585**	**2,767**	**2,959**

Source: Company data, QNBFS Research

Ratios

	2025	2026e	2027e	2028e	2029e	2030e
Growth Rates						
Revenue	-7.5%	3.2%	6.3%	2.9%	6.0%	6.9%
Gross Profit	7.4%	2.2%	9.2%	3.0%	6.3%	7.2%
EBITDA	12.8%	3.7%	6.8%	3.7%	6.5%	7.9%
EBIT	11.1%	3.9%	11.0%	4.1%	7.1%	8.6%
NP	-1.2%	2.7%	4.9%	2.0%	5.3%	6.2%
EPS	-1.2%	2.7%	4.9%	2.0%	5.3%	6.2%
DPS	-10.0%	0.0%	5.6%	5.3%	5.0%	4.8%
CFPS	20.0%	7.2%	8.0%	-1.9%	10.7%	8.1%
FCFF						
Operating Ratios						
Gross Margin	3.35%	3.32%	3.41%	3.41%	3.42%	3.43%
EBITDA Margin	3.40%	3.42%	3.43%	3.46%	3.48%	3.51%
EBIT Margin	2.5%	2.5%	2.6%	2.6%	2.7%	2.7%
Net Margin	4.0%	4.0%	3.9%	3.9%	3.9%	3.8%
Working Capital Ratios						
Inventory Days	8.2	8.6	8.6	8.6	8.6	8.6
Average Collection Period	27.5	28.3	28.3	28.3	28.3	28.3
Payable Days	64.1	63.9	63.9	63.9	63.9	63.9
NWC days	-28.4	-27.0	-27.0	-27.0	-27.0	-27.0
Finance Ratios						
Debt-Equity Ratio	12.2%	11.8%	11.3%	10.8%	10.4%	9.9%
Net Debt -Equity Ratio	-10.9%	-12.2%	-14.3%	-16.6%	-18.4%	-20.2%
Net Debt -to-Capital	-9.7%	-10.9%	-12.9%	-14.9%	-16.7%	-18.4%
Net Debt -to-EBITDA	-1.1	-1.2	-1.4	-1.5	-1.6	-1.7
Interest Coverage	-16	N.M.	N.M.	N.M.	N.M.	N.M.
Return Ratios						
ROIC	7.7%	8.0%	8.9%	9.2%	9.9%	10.7%
ROE	11.6%	11.8%	12.1%	12.1%	12.5%	13.0%
ROA	7.3%	7.4%	7.5%	7.5%	7.6%	7.8%
Liquidity Ratios						
Current Ratio	1.2	1.2	1.2	1.2	1.2	1.2
Quick Ratio	1.1	1.1	1.1	1.1	1.1	1.1
Cash Ratio	0.5	0.5	0.5	0.5	0.5	0.5
Current Ratio (+investments)	2.2	2.2	2.1	2.1	2.1	2.0
Valuation Ratios						
EV/Sales	0.6	0.5	0.5	0.5	0.4	0.4
EV/EBITDA	16.4	15.6	14.4	13.7	12.6	11.5
EV/EBIT	16.4	15.6	14.4	13.7	12.6	11.5
P/E	14.8	14.4	13.8	13.5	12.8	12.1
P/CFO	13.9	13.0	12.0	12.2	11.1	10.2
P/BV	1.7	1.7	1.7	1.6	1.6	1.6
Dividend Yield	5.8%	5.8%	6.1%	6.5%	6.8%	7.1%
FCF Yield	7.7%	9.3%	10.8%	10.0%	11.7%	12.8%

Source: Company data, QNBFS Research

Ooredoo QPSC (ORDS)

Recommendation	OUTPERFORM	Risk Rating	R-3
Share Price	QR14.01	Target Price	QR17.00
Implied Upside	21.4%		

Digital Roadmap To Propel Stock Rerating; Reiterate Outperform

ORDS remains an attractive investment, anchored on a strategic, multi-year transformation that the market fundamentally underestimates. We believe the stock has more room to run despite being up ~10% since we started coverage on Nov. 24, 2025. ORDS is executing a deliberate **de-layering of its businesses**, evolving from a **traditional, integrated telco operator into a high-growth digital infrastructure powerhouse.** For years, the intrinsic value of ORDS's premium assets, including **towers, data centers and sea cable and fiber, have remained embedded within the group, constrained by conventional telco multiples (4.0x-7.0x EV/EBITDA).** By systematically **carving them out into standalone, pure-play entities (10.0x-20.0+x EV/EBITDA), management plans to unlock substantial latent value – a process we believe will drive a comprehensive re-rating. Trading at <5x EV/EBITDA, a ~30% haircut to regional peers, we believe ORDS is a compelling investment. Dividend policy has recently been upped to 50-70% of normalized net profit, with a ~5.6% DY placing ORDS in the upper quartile of regional peers.** ADIA's sale of a 5% stake hiked free float (FF) from 22% to 27%, attracting more than $50mn in MSCI/FTSE passive inflows. **Future hikes in FF could further aid ORDS.**

Highlights

- **ORDS's financial bedrock, its Qatar operations, remain a highly cash generative engine contributing ~35% of Group EBITDA.** This mature, high-margin domestic market generates predictable, stable cash flows, fueling capex-intensive expansion into higher-growth verticals.
- **High-grading existing operations with an emphasis on the core…** after a muddy 5-years of eroding metrics & limited growth, **Group CEO Aziz Aluthman Fakhroo and a new leadership team took charge in 2020 with a clear mandate to reinvigorate ORDS and secure long-term resilience.** Over the next three years, their efforts centered on strengthening core operations through tighter management discipline, costs optimization, digitalizing sales channels and rationalizing capex.

  …Along with a razor-focus on portfolio optimization to further reinforce the group's foundation. Exit from Myanmar & consolidation in Indonesia have concentrated resources in markets where ORDS holds #1/#2 spots (7 out of 9 countries currently), enhancing operational efficiency and financial resilience. Low leverage (Net Debt/EBITDA: 0.6x) and a 92% fixed-rate debt structure sustain a fortress-like balance sheet, insulating ORDS from interest rate volatility and ensuring firepower to fund accretive infrastructure projects while enhancing shareholder returns.
- **Unbundling and scaling the digital infrastructure stack by carving out towers & fiber assets could add ~QR2.8 to our PT (2030). DCs & platform adjacencies (Fintech) could lead to more upside.**
- **We expect ORDS to achieve consistent, efficient growth through digital expansion and sound financial management. Revenue is projected to grow at a 3.1% CAGR (2025 to 2030E) vs. 1.9% in 2024.** Stable-to-moderate growth in the mostly mature GCC markets (Qatar/Kuwait/Oman; 52% of 9M2025 top-line), along with accelerating momentum in growth markets (Iraq, Algeria, Tunisia & others) should drive revenue. With **76% of revenue now coming from $-linked/stable currency markets, F/X-related bottom-line volatility is now greatly reduced.** Group **EBITDA margins should remain strong at around 42%-43%** over our forecast horizon, **reflecting ongoing costs optimization. ROIC is forecasted to improve to 15.5% in 2030E (vs. 6.5% in 2020) exceeding the blended WACC of 14.8%** highlighting stronger capital productivity. **DPS is estimated to grow at a CAGR of 7.4%,** underscoring Ooredoo's commitment to sustained shareholder value creation.

Catalysts

- **TowerCo: Monetizing Infrastructure.** ORDS's partnership with Zain Group & TASC to create MENA's largest independent tower company represents a landmark deal. **The transaction crystallizes Ooredoo's tower portfolio at a $2.2bn EV,** while ORDS retains a 49.3% stake, providing predictable, recurring cash flows. The TowerCo structure reduces ORDS's future capex obligations and enhances balance sheet efficiency, freeing resources to invest in growth initiatives. **Once up & running, this JV could have a revenue/EBITDAal run-rate of $500mn/$200mn and command a 16.0-21.0x EV/EBITDAal multiple.**
- **Syntys Data Centers: Capitalizing On Hyperscaler & AI Demand.** Ooredoo's carrier-neutral data center venture (longer-term 120MW capacity target), Syntys, is backed by a $1bn investment and a strategic partnership with Iron Mountain. Syntys targets hyperscaler and AI-driven workloads using NVIDIA-ready infrastructure. By establishing a standalone entity, it unlocks previously embedded value within ORDS's operation. **Syntys has a run-rate of ~$46mn/$12.6mn in revenue/EBITDAal in 2025 and could command a 15.0-20.0+x EV/EBITDAal multiple.**
- **Fiber in Gulf (FIG): Strategic Digital Artery.** FIG builds a resilient terrestrial link between Asia & Europe, avoiding major maritime chokepoints. It enhances global data flow reliability and **drives high-value traffic to Syntys, reinforcing ORDS's digital infrastructure ecosystem. Together with SONIC, FIG could generate $120+mn in EBITDA and achieve a 10.0-12.0x EV/EBITDAal multiple.**

Recommendation, Valuation and Risks

- ***Recommendation & Valuation:*** **ORDS is an Outperform with a PT of QR17.0. ORDS trades at a 2026E EV/EBITDA of ~4.1x (~30% discount to peers).** The market is applying a liquidity discount, undervaluing predictable, cash-generating Qatar operations while failing to recognize the latent value in high-growth infrastructure/fintech ventures. As these businesses are carved out, scaled and appropriately-valued, we expect material re-rating, creating a significant upside potential.
- ***Risks:*** High growth initiatives like TowerCo, data centers and sea cables & fiber face risks from regulatory delays, costs overruns and integration, impacting expected returns.

Key Data

Current Market Price (QR)	14.01
Dividend Yield (%)	4.6
Bloomberg Ticker	ORDS QD
ADR/GDR Ticker	N/A
Reuters Ticker	ORDS.QA
ISIN	QA0007227737
Sector*	Telecoms
52wk High/52wk Low (QR)	14.49/10.86
3-m Average Volume (mn)	2.8
Mkt. Cap. ($bn/QR bn)	12.3/44.9
EV ($bn/QR bn)	12.8/46.6
Shares Outstanding (mn)	3,203.2
FO Limit* (%)	100
Institutional FO* (%)	14.7
1-Year Total Return (%)	15.4%
Fiscal Year End	December 31

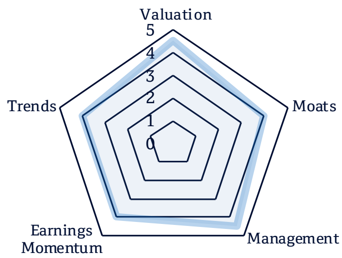
Source: Bloomberg (as of February 03, 2026), *Qatar Exchange (as of February 03, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

	2024	2025E	2026E
Sales (QRmn)	23,595	24,318	25,300
EPS (QR)	1.07	1.26	1.26
P/E	13.1	11.1	11.1
EV/EBITDA	4.6	4.4	4.1
Dividend Yield	4.6%	5.6%	5.8%

Source: Company data, QNB FS Research

Company Evaluation Snapshot



Source: QNB FS Research

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Detailed Financial Statements

Income statement (In QRmn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	**23,164**	**23,595**	**24,318**	**25,300**	**26,119**	**26,865**	**27,613**	**28,387**
Network, Interconnect &Other Op.Ex	(10,762)	(10,730)	(11,007)	(11,490)	(11,851)	(12,093)	(12,431)	(12,840)
Employee Salaries &Associated Costs	(2,651)	(2,892)	(2,869)	(3,087)	(3,239)	(3,385)	(3,534)	(3,634)
Share Of Net Profit Of Associates & JV	398	373	349	359	369	293	300	307
Impairment Losses On Financial Assets	(432)	(317)	(317)	(317)	(317)	(317)	(317)	(317)
EBITDA	**9,717**	**10,027**	**10,472**	**10,765**	**11,080**	**11,362**	**11,631**	**11,903**
Depreciation And Amortization	(4,584)	(4,318)	(4,426)	(4,579)	(4,675)	(4,701)	(4,722)	(4,741)
EBIT	**5,133**	**5,710**	**6,047**	**6,185**	**6,405**	**6,661**	**6,909**	**7,162**
Other Income	672	235	250	250	250	250	250	250
Royalty Fees	(238)	(230)	(219)	(228)	(235)	(242)	(249)	(255)
Finance Costs	(861)	(779)	(679)	(654)	(694)	(611)	(650)	(652)
Finance Income	325	504	593	491	550	710	746	873
Impairment Losses On Goodwill And Other Non-Financial Assets	(702)	(130)	0	0	0	0	0	0
Other Gains/(Losses) – Net	(42)	(434)	(200)	(200)	(100)	(100)	(50)	(50)
Profit Before Income Tax And Other Tax Related Fees	**4,287**	**4,876**	**5,791**	**5,844**	**6,176**	**6,669**	**6,957**	**7,328**
Income Tax And Other Tax Related Fees	(775)	(848)	(1,100)	(1,110)	(1,173)	(1,267)	(1,322)	(1,392)
Profit For Shareholders	**3,016**	**3,436**	**4,040**	**4,031**	**4,265**	**4,649**	**4,875**	**5,100**
Non-Controlling Interests	496	591	650	702	737	752	760	836
EPS (QR)	**0.94**	**1.07**	**1.26**	**1.26**	**1.33**	**1.45**	**1.52**	**1.59**
DPS (QR)	**0.55**	**0.65**	**0.78**	**0.82**	**0.93**	**1.02**	**1.07**	**1.11**

Source: Company data, QNB FS Research

Revenue (In QRmn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Qatar	7,286	7,123	7,201	7,338	7,473	7,603	7,735	7,868
Iraq	4,452	5,164	5,560	5,755	5,957	6,166	6,383	6,608
Oman	2,453	2,381	2,295	2,397	2,440	2,464	2,477	2,488
Myanmar	850	318	0	0	0	0	0	0
Kuwait	2,914	3,132	3,179	3,252	3,399	3,478	3,558	3,641
Tunisia	1,470	1,542	1,666	1,734	1,774	1,803	1,831	1,857
Algeria	2,462	2,839	3,095	3,283	3,401	3,530	3,648	3,769
Maldives	495	520	520	535	548	561	575	589
Palestine	397	397	394	401	406	410	414	418
Others	1,122	1,111	1,200	1,278	1,395	1,524	1,666	1,822
Intercompany	-738	-932	-792	-674	-674	-674	-674	-674
Total	**23,164**	**23,595**	**24,318**	**25,300**	**26,119**	**26,865**	**27,613**	**28,387**

Source: Company data, QNB FS Research

EBITDA (In QRmn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Qatar	3,603	3,683	3,745	3,818	3,881	3,948	4,017	4,086
Iraq	1,953	2,374	2,530	2,624	2,722	2,818	2,917	3,020
Oman	1,156	1,084	1,049	1,090	1,122	1,146	1,159	1,169
Myanmar	327	102	0	0	0	0	0	0
Kuwait	971	839	1,001	1,008	1,059	1,089	1,114	1,140
Tunisia	556	642	681	706	729	739	751	762
Algeria	992	1,199	1,377	1,451	1,503	1,560	1,612	1,666
Maldives	278	284	289	297	303	311	318	325
Palestine	155	146	150	152	153	155	156	157
Others	-274	-325	-349	-382	-393	-404	-413	-422
Group	**9,717**	**10,027**	**10,472**	**10,765**	**11,080**	**11,362**	**11,631**	**11,903**

Source: Company data, QNB FS Research

Capex (In QRmn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Qatar	675	614	828	844	859	874	889	905
Iraq	467	710	1,334	1,266	1,251	1,233	1,213	1,189
Oman	427	534	436	407	390	345	334	336
Myanmar	48	16	0	0	0	0	0	0
Kuwait	207	277	382	325	306	306	306	306
Tunisia	276	348	416	347	319	306	311	316
Algeria	501	454	805	788	680	671	675	697
Maldives	121	101	26	27	28	29	30	31
Palestine	43	40	20	20	24	29	33	38
Others	56	85	360	383	419	457	500	546
Total	**2,821**	**3,178**	**4,607**	**4,408**	**4,277**	**4,251**	**4,291**	**4,364**

Source: Company data, QNB FS Research

Balance Sheet (In QRmn)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Property, Plant & Equipment	13,906	13,886	13,744	13,239	12,492	11,663	10,814	9,965
Intangible Assets & Goodwill	15,515	13,991	14,314	14,647	14,997	15,375	15,794	16,267
Right-Of-Use Assets	2,790	2,830	2,830	2,830	2,830	2,830	2,830	2,830
Investment Properties	119	106	106	106	106	106	106	106
Investment In Associates & JV	7,085	6,980	7,329	7,688	6,237	6,530	6,831	7,138
Financial Assets at Fair Value	966	1,070	1,057	1,057	1,057	1,057	1,057	1,057
Other Non-Current Assets	260	299	779	779	779	779	779	779
Deferred Tax Assets	321	311	311	311	311	311	311	311
Contract Costs	166	153	153	153	153	153	153	153
Total Non-Current Assets	**41,128**	**39,626**	**40,624**	**40,812**	**38,963**	**38,805**	**38,676**	**38,606**
Inventories	308	352	486	506	653	672	690	710
Contract Costs	223	228	228	228	228	228	228	228
Trade And Other Receivables	5,087	4,804	6,079	6,325	7,052	7,253	7,511	7,721
Bank Balances and Cash	11,463	16,933	14,019	15,723	20,292	21,322	24,933	27,918
Total Current Assets	**17,080**	**22,317**	**20,812**	**22,782**	**28,225**	**29,475**	**33,362**	**36,576**
Total Assets	**58,208**	**61,944**	**61,436**	**63,593**	**67,188**	**68,280**	**72,037**	**75,183**
Share Capital	3,203	3,203	3,203	3,203	3,203	3,203	3,203	3,203
Legal Reserve	12,434	12,434	12,434	12,434	12,434	12,434	12,434	12,434
Fair Value and Other Reserves	312	396	396	396	396	396	396	396
Employees' Benefits Reserve	-4	-4	-4	-4	-4	-4	-4	-4
Translation Reserve	-6,307	-6,258	-6,258	-6,258	-6,258	-6,258	-6,258	-6,258
Other Statutory Reserves	1,457	1,516	1,516	1,516	1,516	1,516	1,516	1,516
Retained Earnings	15,362	16,950	19,558	21,799	23,816	25,963	28,186	30,551
Equity Attributable to Shareholders of The Parent	**26,458**	**28,237**	**30,846**	**33,087**	**35,104**	**37,251**	**39,473**	**41,839**
Non-Controlling Interests	4,116	4,212	4,862	5,564	6,302	7,054	7,814	8,650
Total Equity	**30,574**	**32,449**	**35,708**	**38,651**	**41,406**	**44,305**	**47,287**	**50,489**
Loans And Borrowings	11,943	11,862	10,201	11,543	12,491	9,733	11,514	11,606
Employees' Benefits	610	638	638	638	638	638	638	638
Lease Liabilities	3,131	2,358	2,358	2,358	2,358	2,358	2,358	2,358
Deferred Tax Liabilities	26	36	36	36	36	36	36	36
Other Non-Current Liabilities	352	306	306	306	306	306	306	306
Contract Liabilities	13	14	14	14	14	14	14	14
Provisions	218	227	227	227	227	227	227	227
Total Non-Current Liabilities	**16,293**	**15,442**	**13,781**	**15,123**	**16,071**	**13,313**	**15,094**	**15,186**
Loans And Borrowings	468	3,280	2,017	120	60	960	46	0
Lease Liabilities	615	522	522	522	522	522	522	522
Trade And Other Payables	7,639	7,651	6,809	6,578	6,530	6,582	6,489	6,387
Deferred Income	1,397	1,191	1,191	1,191	1,191	1,191	1,191	1,191
Contract Liabilities	53	68	68	68	68	68	68	68
Income Tax and Other Tax Related Payables	907	1,035	1,035	1,035	1,035	1,035	1,035	1,035
Provisions	262	305	305	305	305	305	305	305
Total Current Liabilities	**11,341**	**14,052**	**11,947**	**9,819**	**9,711**	**10,663**	**9,656**	**9,508**
Total Liabilities	**27,634**	**29,494**	**25,728**	**24,942**	**25,782**	**23,975**	**24,750**	**24,694**
Total Equity and Liabilities	**58,208**	**61,944**	**61,436**	**63,593**	**67,188**	**68,280**	**72,037**	**75,183**

Source: Company data, QNB FS Research

Cash Flow Statement	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Net Cash Generated From Operating Activities	**8,361**	**8,032**	**6,240**	**8,284**	**8,153**	**9,249**	**9,259**	**9,482**
Net Cash Used In Investing Activities	**-2,979**	**-2,943**	**-4,799**	**-4,235**	**-2,225**	**-3,858**	**-3,863**	**-3,809**
Net Cash Used In Financing Activities	**-8,101**	**-270**	**-4,356**	**-2,345**	**-1,360**	**-4,361**	**-1,785**	**-2,688**
Change In Cash	-2,719	4,819	-2,915	1,704	4,569	1,030	3,611	2,985
Cash And Cash Equivalents At The Beginning Of The Period	12,423	10,120	15,117	12,202	13,906	18,476	19,505	23,116
Cash And Cash Equivalents At The End Of The Period	**10,120**	**15,117**	**12,202**	**13,906**	**18,476**	**19,505**	**23,116**	**26,101**

Source: Company data, QNB FS Research

KPIs	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Subscribers								
Qatar	**2,990,739**	**2,988,040**	**2,997,604**	**3,013,295**	**3,029,996**	**3,043,333**	**3,054,188**	**3,065,340**
Postpaid	829,725	846,242	863,167	880,430	892,756	905,255	917,928	930,779
Prepaid	1,840,444	1,835,249	1,837,084	1,844,433	1,854,577	1,861,068	1,864,790	1,868,520
Fixed Line	320,570	306,549	297,353	288,432	282,663	277,010	271,470	266,040
Iraq	**17,693,516**	**19,127,156**	**19,758,352**	**20,351,103**	**20,961,636**	**21,590,485**	**22,238,199**	**22,905,345**
Prepaid	17,693,516	19,127,156	19,758,352	20,351,103	20,961,636	21,590,485	22,238,199	22,905,345
Algeria	**13,371,448**	**14,732,749**	**15,273,616**	**15,701,158**	**16,141,201**	**16,440,030**	**16,744,706**	**17,055,345**
Postpaid	1,363,069	1,795,721	1,436,577	1,450,943	1,465,452	1,472,779	1,480,143	1,487,544
Prepaid	11,857,550	12,751,005	13,643,575	14,052,883	14,474,469	14,763,958	15,059,238	15,360,422
Wireless Broadband	150,829	186,023	193,464	197,333	201,280	203,293	205,326	207,379
Oman	**3,084,859**	**2,781,704**	**3,006,229**	**3,032,899**	**3,054,070**	**3,075,395**	**3,088,128**	**3,100,916**
Postpaid	724,508	724,672	886,999	895,869	903,035	910,260	914,811	919,385
Prepaid	2,200,813	1,899,360	1,960,139	1,977,780	1,991,625	2,005,566	2,013,589	2,021,643
Fixed Line	159,538	157,672	159,091	159,250	159,409	159,569	159,728	159,888
Kuwait	**2,846,590**	**2,897,922**	**2,936,341**	**2,951,399**	**2,966,000**	**2,978,885**	**2,991,846**	**3,004,309**
Postpaid	517,505	525,600	551,880	557,399	562,415	567,477	572,584	577,165
Prepaid	1,675,987	1,767,532	1,788,742	1,797,686	1,806,675	1,813,901	1,821,157	1,828,441
Wireless Broadband	653,098	604,790	595,718	596,314	596,910	597,507	598,105	598,703
Tunisia	**7,260,161**	**7,033,233**	**7,376,189**	**7,448,842**	**7,496,445**	**7,541,491**	**7,579,911**	**7,612,352**
Postpaid	647,924	701,449	736,521	743,887	747,606	751,344	754,350	757,367
Prepaid	6,114,369	5,763,149	6,022,491	6,076,693	6,113,153	6,149,832	6,180,581	6,205,304
Wireless Broadband	379,458	420,857	425,066	428,466	431,894	434,485	437,092	439,715
Fixed Line	118,410	147,778	192,111	199,796	203,792	205,830	207,888	209,967
Maldives	**391,563**	**404,891**	**421,595**	**427,969**	**434,460**	**440,003**	**445,633**	**451,352**
Postpaid	81,658	89,096	89,898	90,527	91,161	91,617	92,075	92,535
Prepaid	260,178	265,555	281,488	287,118	292,860	297,839	302,902	308,052
Wireless Broadband	3,781	2,526	2,400	2,424	2,448	2,465	2,482	2,500
Fixed Line	45,946	47,714	47,809	47,900	47,991	48,082	48,174	48,265
Palestine	**1,438,539**	**1,552,902**	**1,552,902**	**1,568,431**	**1,579,410**	**1,587,307**	**1,595,244**	**1,603,220**

Source: Company data, QNB FS Research

ARPU (QR)	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Qatar								
Postpaid	261.7	250.0	250.7	252.0	253.2	254.5	255.8	257.0
Prepaid	33.7	33.7	34.0	34.3	34.6	34.8	35.1	35.4
Blended ARPU	103.2	102.0	103.3	104.6	105.6	106.7	107.9	109.1
Fixed Line	44.0	42.1	41.7	41.3	40.9	40.5	40.1	39.7
Iraq								
Prepaid	22.5	22.9	22.7	22.8	22.9	23.0	23.2	23.3
Algeria								
Postpaid	35.5	28.9	30.3	31.5	32.6	33.3	34.0	34.6
Prepaid	13.7	15.0	15.4	15.8	16.1	16.4	16.6	16.9
Wireless Broadband	13.0	15.6	16.9	17.7	18.2	18.6	19.0	19.4
Blended ARPU	15.6	16.7	16.8	17.3	17.6	17.9	18.2	18.4
Oman								
Postpaid	93.1	90.9	76.4	78.8	81.4	83.0	83.8	84.5
Prepaid	21.0	20.5	20.9	21.2	21.6	21.8	22.0	22.2
Blended ARPU	39.5	38.9	38.2	39.2	40.3	40.9	41.3	41.6
Fixed Line	307.9	309.0	305.9	307.4	308.6	309.9	311.1	312.4
Kuwait								
Postpaid	172.3	179.4	180.9	182.3	183.8	185.2	186.7	188.2
Prepaid	34.0	33.9	35.6	36.2	36.7	37.1	37.5	37.8
Wireless Broadband	42.0	41.7	42.9	43.3	43.8	44.2	44.6	45.0
Blended ARPU	61.3	61.5	64.4	65.2	66.0	66.7	67.4	68.1
Tunisia								
Postpaid	17.1	22.1	22.8	23.1	23.3	23.5	23.6	23.7
Prepaid	12.6	12.9	13.9	14.2	14.4	14.6	14.7	14.9
Wireless Broadband	30.1	31.4	33.0	33.7	34.0	34.3	34.7	35.0
Blended ARPU	13.9	14.8	15.9	16.2	16.5	16.7	16.8	17.0
Maldives								
Postpaid	108.5	117.5	116.3	117.5	118.4	119.4	120.2	121.0
Prepaid	61.6	54.7	47.6	48.3	49.0	49.8	50.5	51.3
Wireless Broadband	8.9	51.0	49.2	50.2	51.2	52.2	53.3	54.4
Blended ARPU	69.4	69.8	64.1	64.8	65.4	66.1	66.7	67.3
Fixed Line	98.0	122.6	128.7	130.0	131.3	132.6	134.0	135.3
Palestine	20.3	18.7	18.5	18.7	18.8	18.9	19.0	19.1

Source: Company data, QNB FS Research

Qatar Gas Transport Company/Nakilat (QGTS)

Recommendation	Outperform	Risk Rating	R-3
Share Price	QR4.800	Target Price	QR5.600
Implied Upside	16.7%		

Embarking On A Remarkable Growth Journey; Reiterate Outperform

We are incorporating Nakilat's fleet expansion into our model with earnings expected to accelerate 12%, on average, from 2025 to 2027. Our target price remains unchanged at QR5.60 and we reiterate our Outperform rating. Nakilat stands out as a true growth story, leveraged to the massive anticipated growth expected from Qatar's North Field Expansion project, with its: **(1) existing operations valued at QR4.100 a share; (2) upcoming fleet expansion of 27 conventional LNG vessels/4 VLGCs adding a QR1/share;** and **(3) contract win of 9 QC-Max LNG carriers adding another QR0.50/share.** Nakilat is presently involved in 75-80% of Qatar's current LNG exports. As QatarEnergy looks to increase LNG capacity from 77 MTPA to 142 MTPA, it has awarded contracts for 128 LNG ships (104 conventional & 24 QC-Max vessels). **QGTS has secured contracts for 25 conventional LNG ships and 9 QC-Max vessels (27% of total fleet expansion). We stay bullish on Nakilat, which is the best avenue for equity investors to participate in the LT growth expected in Qatar's LNG sector.** Irrespective of the volatility of the LNG shipping market, QGTS's business should remain relatively unaffected given the LT nature of its charters. Nakilat's fleet continues to provide QGTS with stable, contractually sustainable cash flow that allows for a healthy residual income stream for equity investors after providing for debt service. Moreover, the 40-year life of existing vessels vs. maximum debt life of 25 years, could allow for value-enhancement. **QGTS is trading at P/Es of 14.0x/12.4x for 2026/2027. P/E further drops to 11.2x for 2028.**

Highlights

- **New vessel deployments commence in 2026:** QGTS embarked on its ~$10bn newbuild project in 2024, with 3-5 vessels expected in 3Q-4Q2026, followed by 16-18 ships in 2027 and 6-8 vessels in 2028. Furthermore, 3-5 ships/year will be added over 2029-2031. As stated above, Nakilat's new fleet expansion will comprise of 27 conventional LNG tankers, 9 QC-Max LNG vessels and 4 VLGCs or 40 ships in total. Currently, QGTS wholly owns 14 Q-Max vessels, 15 Q-Flex tankers, or 29 LNG carriers in total, along with 2 VLGCs. Moreover, Nakilat, through its JVs, owns 16 Q-Flex ships, 24 conventional carriers and 1 FSRU.
- **We expect earnings to increase at a 12% CAGR over 2025-2028.** Factoring in contributions from 2 VLGCs and 2 conventional LNG ships in the latter part of 2026, we forecast net income to increase from QR1,688.5mn in 2025 to QR1,899.0mn in 2026. For next year, we model in another 2 VLGCs and 15 conventional LNG tankers, again staggered throughout the year, but with LNG-vessel contributions starting around 2H2027. This should propel 2027 profit by another 13% to QR2,139.3mn. Finally for 2028, we expect net income to grow a further 10% to QR2,363.9mn. We are assuming another 7 conventional LNG ships for 2028, again mostly coming in around 2H2028. Our ship deployment forecasts are conservative and remain in the mid-point of management guidance. Moreover, we push vessel deployments toward the back-end of these years.
- **Leverage to increase significantly but is not a source of concern in terms of debt servicing or dividend payments.** Indications are that around 90% of this expansion will be funded by debt, as has been the norm historically. **This could potentially send Nakilat's 2031 net debt-to-equity ratio to 2.1x vs. 1.2x in 2025. However, this debt would also be secured by LT charters and hence, not cause for concern for either debt servicing or dividend payments.**
- **We envision a roughly 80% boost to our earnings estimates over 2026-2031 once all expansion is factored in.** We do note that our estimates are subject to change once more granular details, including leverage and charter economics, are revealed.
- **What about dividends? We are projecting DPS to increase at par with 2025's growth of 3%.** QGTS announced QR0.144 in DPS for 2025 (QR0.072 per half) and we expect DPS to grow to QR0.148 in 2026 (DY: 3.1%). Payout is, however, expected to drop to 43.2% in 2026 vs. 47.2% in 2025.

Catalysts

- **With Nakilat on the cusp of a significant growth cycle, we expect the stock to appreciate.**

Recommendation, Valuation and Risks

- **Recommendation & valuation***: Our price target is QR5.600 and we rate QGTS an* ***Outperform***. We think Nakilat is the best avenue for equity investors to participate in Qatar's LNG sector's LT growth.
- **Risks:** Execution risks remain given the magnitude of the expansion.

Key Data

Current Market Price (QR)	4.800
Current Dividend Yield (%)	3.0
Bloomberg Ticker	QGTS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QGTS.QA
ISIN	QA000A0KD6L1
Sector*	Transportation
52wk High/52wk Low (QR)	5.150/4.261
3-m Average Volume ('mn)	3.4
Mkt. Cap. ($ bn/QR bn)	7.3/26.6
EV ($ bn/QR bn)	11.9/43.4
Shares Outstanding (mn)	5,540.0
FO Limit* (%)	100.0
Current Institutional FO* (%)	15.1
1-Year Total Return (%)	14.7
Fiscal Year End	December 31

Source: Bloomberg (as of February 03, 2026), *Qatar Exchange (as of February 03, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

	2025	2026E	2027E
Revenue (QRmn)	3,741	3,906	5,369
EPS	0.30	0.34	0.39
P/E	15.7	14.0	12.4
EV/EBITDA	12.4	13.2	12.2
Dividend Yield	3.0%	3.1%	3.2%

Source: Company data, QNB FS Research

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Key Metrics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Operating Ratios (In %)													
Gross Margin	76.6%	77.2%	77.8%	78.0%	79.1%	78.9%	78.5%	77.7%	77.6%	72.6%	70.8%	69.7%	68.9%
EBITDA Margin	74.0%	74.6%	75.2%	75.6%	77.8%	77.6%	76.9%	76.2%	76.0%	77.0%	77.6%	74.1%	71.9%
Adj. EBITDA Margin	76.8%	75.9%	76.9%	78.1%	79.1%	79.3%	79.6%	79.4%	78.8%	75.1%	73.6%	71.2%	69.6%
EBIT Margin	49.0%	49.5%	50.5%	47.7%	52.5%	52.3%	50.2%	50.0%	52.8%	53.0%	54.1%	51.3%	49.4%
Net Margin	31.1%	27.7%	29.1%	31.6%	33.0%	38.2%	40.5%	43.7%	45.3%	45.1%	48.6%	39.8%	35.7%
Finance Ratios													
Net Debt-to-EBITDA	8.3	7.8	7.5	7.9	6.6	6.0	5.2	4.9	6.1	5.8	7.0	7.4	6.7
Debt-Equity Ratio	4.1	3.5	2.9	3.1	3.0	2.3	1.7	1.5	1.5	1.4	1.7	2.1	2.2
Net Debt-Equity Ratio	3.6	3.0	2.5	2.8	2.5	1.9	1.3	1.1	1.3	1.2	1.4	1.8	1.8
Debt-to-Capital	80.3%	77.7%	74.1%	75.6%	74.7%	69.4%	62.6%	59.3%	59.5%	59.0%	62.5%	67.5%	68.4%
Interest Coverage	1.3	1.3	1.3	1.3	1.6	1.8	1.6	1.4	1.7	2.0	2.3	2.1	2.0
EBITDA Interest Coverage	1.9	1.9	2.0	2.0	2.4	2.6	2.4	2.2	2.4	2.8	3.3	3.0	2.9
Return Ratios (In %)													
ROIC	5.6%	5.7%	5.8%	5.4%	6.6%	6.5%	5.9%	6.0%	5.8%	5.9%	5.3%	5.5%	5.8%
ROAE	19.7%	15.1%	13.9%	14.5%	16.6%	17.1%	14.4%	13.4%	12.9%	12.5%	13.2%	13.7%	13.9%
ROAA	3.1%	2.8%	3.0%	3.2%	3.6%	4.2%	4.5%	4.9%	4.9%	4.8%	4.8%	4.5%	4.2%
Valuation													
EV/EBITDA-Adjusted	16.1	16.9	16.2	15.4	14.2	13.2	11.9	11.4	12.6	12.4	13.2	12.2	10.9
EV/EBIT	30.2	29.3	28.3	30.0	24.1	23.1	22.8	22.4	22.7	21.8	22.6	20.3	17.9
P/E	27.9	31.4	29.8	26.5	22.9	19.6	18.5	17.1	16.2	15.7	14.0	12.4	11.2
P/CF	23.7	20.3	21.7	18.7	10.4	14.3	11.0	13.2	13.4	9.2	9.9	7.7	6.8
P/B	5.1	4.5	3.8	3.9	3.7	3.0	2.4	2.2	2.0	1.9	1.8	1.6	1.5
Dividend Yield	2.1%	2.1%	2.1%	2.1%	2.3%	2.5%	2.7%	2.9%	2.9%	3.0%	3.1%	3.2%	3.3%
FCF Yield	4.0%	4.9%	3.8%	4.3%	9.2%	6.9%	8.7%	5.3%	-8.8%	3.7%	-14.5%	-27.6%	-7.4%

Source: Bloomberg, QNB FS Research; Note: Adjusted revenue includes wholly-owned revenue, income from shipyard, marine & agency services and income from JVs, while Adjusted EBITDA includes income from JVs

Detailed Financial Statements

Income Statement (In QR mn)	FY2025	FY2026E	FY2027E	FY2028E
Revenue – Wholly-Owned Ships	**3,741**	**3,906**	**5,369**	**6,623**
Direct Costs	(1,027)	(1,141)	(1,626)	(2,061)
Gross Profit	**2,714**	**2,765**	**3,744**	**4,562**
Income from Shipyard, Marine and Agency Services	298	428	466	489
General and Administrative Expenses	(130)	(162)	(231)	(289)
EBITDA	**2,882**	**3,030**	**3,979**	**4,761**
Depreciation	(898)	(916)	(1,226)	(1,488)
EBIT	**1,984**	**2,114**	**2,753**	**3,274**
Share of Profits from Joint Ventures	610	594	608	627
Finance Costs	(1,013)	(922)	(1,337)	(1,654)
Interest, Dividend & Profit from Islamic Banks	132	140	146	151
Profit Before Tax	**1,713**	**1,926**	**2,170**	**2,398**
Income Tax Expense	(23)	(26)	(29)	(33)
Profit After Tax	**1,689**	**1,900**	**2,140**	**2,365**
Minority Interest	(1)	(1)	(1)	(1)
Profit for Equity Shareholders	**1,688**	**1,899**	**2,139**	**2,364**
EPS (QR)	**0.30**	**0.34**	**0.39**	**0.43**
Adjusted Revenue	**4,649**	**4,927**	**6,444**	**7,739**
Adjusted EBITDA	**3,492**	**3,624**	**4,587**	**5,389**

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	FY2025	FY2026E	FY2027E	FY2028E
Non-Current Assets				
Property, Plant and Equipment	25,721	31,337	40,925	45,318
Investment in Joint Venture Companies	5,517	5,637	5,761	5,888
Loans to Joint Venture Companies	641	641	641	641
Equity Investments & Intangibles	534	534	534	534
Total Non-Current Assets	**32,413**	**38,149**	**47,861**	**52,381**
Current Assets				
Receivables, Inventories, Due from Joint Ventures & Others	837	871	1,170	1,426
Cash and Bank Balances	3,179	3,558	4,355	6,257
Total Current Assets	**4,017**	**4,429**	**5,525**	**7,683**
Total Assets	**36,430**	**42,578**	**53,385**	**60,064**
Equity				
Equity Attributable to the Parent	13,845	14,920	16,209	17,696
Minority Interest	5	6	7	9
Total Equity	**13,850**	**14,926**	**16,216**	**17,705**
Non-Current Liabilities				
Borrowings	18,614	23,320	31,975	36,318
Lease Liability, Provision for End of Service Benefits and Other Liabilities	777	777	777	777
Total Non-Current Liabilities	**19,391**	**24,097**	**32,752**	**37,095**
Current Liabilities				
Borrowings	1,318	1,526	1,717	1,960
Accounts Payables/Accruals, Due to Joint Ventures & Others	1,870	2,029	2,701	3,305
Total Current Liabilities	**3,189**	**3,555**	**4,418**	**5,264**
Equity and Liabilities	**36,430**	**42,578**	**53,385**	**60,064**

Source: Company data, QNB FS Research

QLM Life & Medical Insurance Company (QLMI)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR2.500	Target Price	QR2.371
Implied Upside	(5.2%)		

New Seha Program is a Game Changer

QLM Life & Medical Insurance Company (QLMI) should be a primary beneficiary of the new Seha program. We are still of the view **Seha could be a game changer – Seha rollout presents a sizable structural growth opportunity, with QLMI estimating ~2.1–2.3mn new individuals entering the private insured pool across two phases. Seha Phase 1 targeting Qatari nationals is underway and is expected to be implemented by 2nd or 3rd quarter of 2026, the timing remains uncertain. Phase 1 encompasses ~260k uninsured Qatari nationals not currently covered by employer-sponsored schemes, offering high-value, government-backed premiums. Coverage could be very broad with an extensive table of benefits and cover international services as well. Phase 2 could potentially follow extending mandatory coverage to ~1.8-2.0mn expatriates (1.4-1.5mn blue-collar workers), dramatically expanding the private insured base from the current ~550k. Phase 2 could grow the total addressable insurance premium pool by QR1.7–2.0bn, setting the stage for long-term demand uplift across Qatar's healthcare system. We are of the view that QLMI could be one of the primary beneficiaries of the Seha program and this could magnify the company's earnings profile. As such we will update our estimates shortly. For the time being, we maintain our QR2.371 PT and Accumulate rating.**

Highlights

- **QLMI's 9M2025 net profit declined on weak results from insurance activities.** The company reported a net income of QR47.0mn, declining by 14.3% YoY.
- **Combined ratio weakened YoY and sequentially in 9M2025.** Combined ratio increased from 98.5% in 9M2024 to 99.8% in 9M2025, resulting in small returns from insurance activities. Losses from insurance activities most likely stemmed from increased billing and utilization from vendors.
- **9M2025 annualized RoE declined vs. 9M2024.** QLMI generated 9M2025 RoE of 9.5% (<CoE, which is a negative) vs. 11.7% in 9M2024 (1H2025: 14.3%). ROIC deteriorated sequentially from 8.9% in1H2025 to 7.3% in 9M2025. We estimate RoE of 10.8% for FY2025, lower than CoE.
- **Medical/life insurance revenue increased 18.0%/18.5% YoY vs. net loss from the medical segment in 9M2025; life insurance resulted in profits YoY, increasing by 38.1%.** 9M2025's bottom-line was negatively affected from losses in medical insurance; losses came in at QR18.5mn in 9M2025 vs. a marginal profit of QR4.0mn in 9M2024.
- **Investment income increased in 9M2025, mitigating weak net insurance results; investment yield was strong.** QLMI's net investment income gained 8.2% YoY, which was able to mitigate muted results from insurance operations. QLMI generated investment income of QR45.7mn in 9M2025 vs. QR4.7mn from insurance services. Investment yield was a healthy 4.7% in 9M2025.
- **QLMI maintained a strong balance sheet.** The company had a strong capitalization of 41% in 9M2025, which shields it from adverse market conditions.

Catalysts

- 1) Implementation of mandatory health insurance 2) Increase in the stock's liquidity/volume

Recommendation, Valuation and Risks

- **Recommendation and valuation:** ***we keep our PT of QR2.371/sh. and Accumulate rating.*** QLMI trades at FY2025e P/B and P/E of 1.3x and 17.6x, respectively.

Risks: 1) Geo-political factors & 2) Decrease in local expat population

Key Data

Current Market Price (QR)	2.500
Dividend Yield (%)	4.0
Bloomberg Ticker	QLMI QD
Reuters Ticker	QLMI.QA
ISIN	QA000QLM003
Sector	Insurance
52wk High/52wk Low (QR)	2.699/1.886
3-m Average Volume	135,477
Mkt. Cap. ($ bn/QR bn)	0.2/0.9
Shares Outstanding (mn)	350
FO Limit* (%)	49.0
Current Institutional FO (%) (%)	13.8
1-Year Total Return (%)	+28.8
Fiscal Year End	December 31

Source: Bloomberg (as of January 28, 2026), *Qatar Exchange (as of January 28, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

	2024	2025e	2026e	2027e
Attributable EPS (QR)	0.181	0.142	0.243	0.258
EPS Growth (%)	-14.7	-21.5	70.7	6.1
P/E (x)	13.8	17.6	10.3	9.7
BVPS (QR)	1.88	1.90	2.05	2.17
P/BV (x)	1.3	1.3	1.2	1.2
Combined Ratio	99.3	100.5	98.1	97.8
RoE (%)	10.1	7.6	12.8	12.6
DPS (QR)	0.100	0.100	0.140	0.150
Dividend Yield (%)	4.0	4.0	5.6	6.0

Source: Company data; Note: All data is based on current number of shares

Shahan Keushgerian
+974 4476 6509
shahan.keushgerian@qnbfs.com.qa

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Detailed Financial Statements

Income Statement (In QR mn)	2022	2023	2024	2025e
Insurance Revenue	1,212	1,124	1,223	1,325
Insurance Service Expense	(1,140)	(1,041)	(1,160)	(1,245)
Insurance Service Result From Insurance Contracts	**72**	**83**	**63**	**79**
Net Expenses from Reisnurance Contracts Held	(20)	(39)	(35)	(43)
Insurance Service Results	**52**	**44**	**28**	**37**
Net Investment Income	39	55	57	58
Net Insurance Financial Results	0	(2)	2	2
Net Insurance & Investment Results	**91**	**97**	**87**	**97**
Other Operating Expenses	19	20	21	23
Net Profit Before Income Tax	**72**	**77**	**66**	**74**
Net Tax	2	(0)	(1)	(0)
Net Profit (Headline)	**73**	**76**	**65**	**73**
Social & Sports Contibution Fund	2	2	2	2
Net Profit (Attributable to Shareholders)	**71**	**74**	**63**	**71**
EPS (Headline)	0.209	0.218	0.186	0.209
EPS (Attributable)	0.204	0.212	0.181	0.204

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	2022	2023	2024	2025e
Bank Balances & ST Deposits	575	611	603	639
Financial Investments	775	686	749	821
Reinsurance Contracts	38	45	59	43
Other Assets & Receivables	106	51	25	57
PP&E	2	4	3	3
Total Assets	**1,496**	**1,398**	**1,439**	**1,563**
Liabilities				
Provisions & Other Payables	151	158	168	214
Short-Term Borrowings	393	254	273	301
Insurance & Reinsurance Contract Liabilities	373	359	340	359
Total Liabilities	**917**	**771**	**781**	**875**
Total Shareholders' Equity	**580**	**627**	**658**	**688**
Total Liabilities & Shareholders' Equity	**1,496**	**1,398**	**1,439**	**1,563**
BVPS	1.66	1.79	1.88	1.97

Source: Company data, QNB FS Research

Ratios/Financial Indicators	2022	2023	2024	2025e
Profitability (%)				
Combined Ratio	97.3	98.0	99.3	98.8
RoE (Based on Beginning BV)	11.1	12.8	10.1	10.8
RoAE	11.7	12.3	9.9	10.6
RoAA	4.9	5.1	4.5	4.8
ROIC	7.3	8.4	6.8	7.2
Net Profit Margin	5.9	6.6	5.2	5.4
Net Operational Margin	4.3	3.7	2.5	2.9
Investment Yield	3.4	5.6	5.4	4.9
Investment Income/Total Income	53.9	73.5	90.0	81.1
Contract Liabilities/Revenue	30.7	31.9	27.8	27.1
Balance Sheet Structure (%)				
Cash to Assets	38	44	42	41
Investments to Assets	52	49	52	53
Other Assets to Assets	10	7	6	7
Investments to Shareholders' Equity	134	109	114	119
Leverage (x)				
Debt /Equity	0.7	0.4	0.4	0.4
Debt/Capital	0.4	0.3	0.3	0.3
Interest Coverage	8.9	5.3	4.9	5.9
Growth (%)				
Insurance Revenue	N/A	-7.3	8.8	8.3
Insurance Service Expense	N/A	-8.7	11.4	7.4
Insurance Service Result From Insurance Contracts Issues	N/A	14.4	-23.6	25.7
Net Expenses from Reisnurance Contracts Held	N/A	92.3	-9.6	22.5
Insurance Service Results	N/A	-15.5	-35.9	29.7
Net Investment Income	N/A	41.9	4.4	1.4
Net Insurance & Investment Results	N/A	6.3	-10.0	11.1
Other Operating Expenses	N/A	3.5	6.8	8.0
Net Profit Before Income Tax	N/A	7.0	-14.4	12.2
Net Profit (Headline)	N/A	4.2	-14.7	12.5
Net Profit (Attributable to Shareholders)	N/A	4.2	-14.7	12.5
Cash & Depos	-16.0	6.2	-1.4	6.0
Financial Investments	13.7	-11.4	9.2	9.6
Total Assets	3.8	-6.6	2.9	8.6
Shareholders' Equity	-10.1	8.2	4.8	4.6

Source: Company data, QNB FS Research

Milaha/Qatar Navigation (QNNS)

Recommendation	Outperform	Risk Rating	R-4
Share Price	QR11.47	Target Price	QR13.30
Implied Upside	16.0%		

Earnings Buoyed By Offshore & Nakilat; Reiterate Outperform

Exposure to offshore/Nakilat, along with an undemanding valuation makes Milaha a top pick. We continue to rate the stock an Outperform with a QR13.30 price target. We remain bullish on QNNS. **The stock, since we first started coverage in 2011, has usually traded at a discount to its sum-of the-parts**, sometimes worth only/or less than the value of its investment stake in Nakilat and its equity/bond portfolio. **This remains the case currently, with Milaha's "non-core" assets (Nakilat + Investment book), along with its net cash position, making up more than 100% of QNNS' market cap. This implies that investors continue to get Milaha's "core" or operating businesses for free.** Milaha's shares offer value and the company is enjoying a multi-year resurgence in its offshore segment (MO) that is leveraged to Qatar's massive North Field Expansion project. A lack of large impairments in the future should also help Milaha's earnings trajectory and highlight its growth story to investors.

Highlights

- **Milaha is set to benefit from the significant ramp-up in earnings from its 36.3%-owned associate Nakilat.** Given the expected new vessel deployments at QGTS, we expect QNNS's share of Nakilat's earnings to grow at a CAGR of 13% over 2025-2028; earnings contribution from QGTS should climb from 47% of QNN's profit in 2025 to 52% by 2028.
- **Offshore is leveraged to the growth in Qatar's oil and gas sector and should grow its earnings by a CAGR of 14% over 2025-2028.** The company's services and vessel chartering operations remain pockets of growth and management remains optimistic about continued long-term momentum. Milaha is committed to spending QR1-1.5bn in capex over the next couple of years, with a majority of that focused on its offshore division.
- **Overall, we expect QNNS earnings to grow at an 8% CAGR.** The company's Maritime & Logistics segment continues to face challenges and we have adopted a conservative view on QNNS's Capital, Trading and Gas & Petrochem segments.
- **Dividend growth to accelerate with 2026 yield expected to improve to 4.4%.** After growing at an average of 6.9% over 2023 and 2024, DPS growth accelerated to 12.5% in 2025 (DY: 3.9%) to QR0.45 (payout: 40%) and we expect another 11.1% growth to QR0.50 in 2026 (DY: 4.4%). Overall, we expect dividend yield to climb to 4.8% and 5.2% in 2027 and 2028 as earnings accelerate and QNNS maintains an average payout of 42%.

Catalysts

- **(1) Milaha's exposure to Qatar's O&G sector**, primarily via MO, could help momentum. **(2) An improvement in MM&L's profitability** could also help. **(3) Nakilat remains the biggest value driver,** both through its earnings growth and through its exposure to the NF project. **(4) QNNS also has the ability to boost dividends** given its strong balance sheet (2025 net cash of QR1.4bn) and solid FCF profile (despite increased offshore capex needs).

Recommendation, Valuation and Risks

- **Recommendation & valuation:** ***We recommend an Outperform rating on QNNS.*** We value Milaha using a SOTP methodology, which comprises of these major parts: **1)** Separate DCF-based values for the core businesses (MO, MM&L, MG&P and MT); **2)** A DCF-based value for QNNS' 36.3% stake in Nakilat **(QGTS: Outperform/QR5.600 TP)**; **3)** A P/E-based value for Milaha's 49.0%-owned JV QTerminals; **4)** Investment (stocks & bonds) portfolio at a 10% discount to its value; and **5)** Real estate investment properties at a 30% haircut to 2025 estimated FV. We also apply a conglomerate discount.
- **Risks: Milaha stock remains in a "show-me" mode – always optically undervalued relative to its SOTP.** For the stock to rerate, investors need to see earnings/EBITDA acceleration without large impairments muddling up the story. Other risks remain, including: **(1)** Weakness/volatility in oil prices; **(2)** Execution/integration issues with major fleet additions/acquisitions; **(3)** Fall in local equity/RE prices; **(3)** A slowdown in Qatar's economy; and **(4)** Geopolitical crisis in the MENA region.

Key Data

Current Market Price	11.47
Current Dividend Yield	3.9
Bloomberg Ticker	QNNS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QNNC.QA
ISIN	QA0007227695
Sector*	Transportation
52wk High/52wk Low	12.00/10.01
3-m Average Volume	495,823
Mkt. Cap. ($ bn/QR bn)	3.6/13.0
EV ($ bn/QR bn)	3.2/11.7
Shares Outstanding	1,136.2
FO Limit* (%)	100.0
Current Institutional	16.4
1-Year Total Return (%)	16.5
Fiscal Year End	December 31

Source: Bloomberg (as of February 05, 2026), *Qatar Exchange (as of February 05, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

	2025	2026E	2027E
Revenue (QRmn)	3,327	3,612	3,833
EPS	1.12	1.20	1.31
P/E	10.3	9.6	8.7
EV/EBITDA	9.8	8.8	8.0
Dividend Yield	3.9%	4.4%	4.8%

Source: Company data, QNB FS Research

Saugata Sarkar, CFA, CAIA
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Key Metrics

Key Ratios & Valuation Multiples	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Growth (%)									
Revenue	(6.49)	22.78	18.01	(10.45)	(3.47)	17.15	8.59	6.10	4.61
Gross Profit	(0.66)	(0.06)	21.59	(0.59)	12.95	18.33	8.61	6.12	4.63
EBITDA	0.20	(3.87)	38.05	(3.41)	18.24	21.19	8.77	6.49	4.99
EBIT	(1.35)	(9.26)	92.46	(10.38)	22.93	24.78	7.66	5.54	4.04
Net Profit	(89.19)	1,125.18	39.85	1.72	8.91	13.26	7.34	9.25	7.35
Net Profit (Ex. Impairments & One-Offs)	4.64	4.39	32.08	(10.19)	18.46	(1.31)	12.22	9.25	7.35
Profitability (%)									
Gross Margin	54.32	44.21	45.56	50.58	59.18	59.77	59.79	59.80	59.81
EBITDA Margin	28.48	22.29	26.08	28.13	34.46	35.65	35.71	35.84	35.97
EBIT Margin	12.30	9.09	14.82	14.83	18.89	20.12	19.95	19.84	19.73
Net Margin	2.61	26.01	30.83	35.02	39.51	38.20	37.76	38.88	39.90
RoE	0.42	5.10	6.58	6.30	6.42	6.96	7.30	7.62	7.80
RoE (Ex. Impairments & One-Offs)	5.95	6.17	7.53	6.35	7.05	6.66	7.30	7.62	7.80
RoAA	0.34	4.20	5.66	5.64	5.84	6.19	6.52	6.87	7.09
Efficiency									
Fixed Asset Turnover	0.62	0.89	1.12	1.05	0.92	1.03	1.08	1.07	1.08
Total Asset Turnover	0.13	0.16	0.18	0.16	0.15	0.16	0.17	0.18	0.18
Sales-to-Net Working Capital	29.91	35.67	10.41	10.12	9.34	(8.70)	(23.17)	(72.63)	66.73
Receivables-to-Payables	1.00	0.97	1.24	1.26	1.29	0.70	0.93	1.01	1.11
Capex-to-Sales (%)	9.77	8.00	6.89	7.45	29.03	14.46	16.76	14.62	12.36
Liquidity (x)									
Current Ratio	1.16	1.54	1.96	2.19	2.48	2.37	2.91	3.29	3.76
Quick Ratio	1.11	1.47	1.89	2.12	2.41	2.33	2.86	3.24	3.70
Cash Ratio	0.25	0.47	0.92	0.88	0.70	1.22	1.58	1.89	2.25
Leverage Ratios									
Net Debt/Equity (%)	12.73	6.03	(2.56)	(3.39)	(0.30)	(7.44)	(8.76)	(10.42)	(11.89)
Net Debt-to-Capital (%)	11.34	5.82	(2.59)	(3.50)	(0.30)	(7.74)	(9.06)	(10.94)	(12.58)
Net Debt-to-EBITDA	2.70	1.43	(0.48)	(0.68)	(0.05)	(1.15)	(1.30)	(1.52)	(1.73)
Interest Coverage Ratio (x)	3.33	3.48	8.22	8.77	16.72	15.98	19.43	21.02	22.67

Valuation Multiples	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
P/E (x)	220.5	18.0	12.9	12.6	11.6	10.3	9.6	8.7	8.1
P/E Ex. Impairments & One-Offs (x)	15.5	14.9	11.3	12.5	10.6	10.7	9.6	8.7	8.1
P/B (x)	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6
EV/EBITDA (x)	22.9	22.4	14.7	15.1	13.3	9.8	8.8	8.0	7.3
Dividend Yield (%)	2.6	2.6	3.1	3.3	3.5	3.9	4.4	4.8	5.2
FCFF Yield (%)	6.6	6.2	6.3	7.4	4.3	9.1	5.4	7.4	8.4

Source: Bloomberg, QNB FS Research

Detailed Financial Statements

Income Statement (In QR mn)	FY2025	FY2026E	FY2027E	FY2028E
Revenue	**3,327**	**3,612**	**3,833**	**4,010**
COGS	(1,338)	(1,453)	(1,541)	(1,612)
Gross Profit	**1,988**	**2,160**	**2,292**	**2,398**
SG&A	(803)	(870)	(918)	(956)
EBITDA	**1,186**	**1,290**	**1,374**	**1,442**
Depreciation & Amortization	(517)	(569)	(613)	(651)
EBIT	**669**	**721**	**761**	**791**
Net Interest Income (Expense)	(29)	(22)	(18)	(14)
Share of Results From JVs	63	67	72	75
Share of Results From Associates	580	670	754	833
Impairments & Others	52	0	0	0
Net Profit Before Taxes & Minority Interest	**1,336**	**1,435**	**1,568**	**1,685**
Taxes	(68)	(74)	(81)	(88)
Net Profit Before Minority Interest	**1,268**	**1,361**	**1,487**	**1,596**
Minority Interest	3	3	3	3
Net Profit	**1,271**	**1,364**	**1,490**	**1,600**
Net Profit Excluding Impairments & One-Offs	**3,327**	**3,612**	**3,833**	**4,010**

Source: Company data, QNB FS Research

Balance Sheet (In QR mn)	FY2025	FY2026E	FY2027E	FY2028E
Current Assets				
Cash & Cash Equivalents	1,834	2,173	2,537	2,896
Loan to a Related Party	0	0	0	0
Equity Investments at FVTPL	656	655	643	642
Trade & Other Receivables	1,015	1,102	1,169	1,220
Inventories	62	67	71	74
Total Current Assets	**3,567**	**3,997**	**4,420**	**4,832**
Non-Current Assets				
Other Assets	339	280	202	108
Investment Securities at FVOCI	2,653	2,413	2,280	2,206
Investment In Associates	8,780	9,148	9,591	10,104
Investments in JVs	1,107	1,120	1,135	1,150
Intangible Assets	9	8	8	7
Investment Property	857	838	818	797
Property, Vessels & Equipment	3,227	3,476	3,664	3,774
Total Non-Current Assets	**16,972**	**17,282**	**17,696**	**18,147**
Total Assets	**20,540**	**21,280**	**22,117**	**22,979**
Current Liabilities				
Trade & Other Payables	1,324	1,190	1,158	1,099
Loans, Borrowings & Lease Liabilities	182	186	186	186
Total Current Liabilities	**1,505**	**1,375**	**1,344**	**1,284**
Non-Current Liabilities				
Loans & Borrowings	430	450	400	350
Others	350	350	350	350
Total Non-Current Liabilities	**780**	**800**	**750**	**700**
Total Liabilities	**2,286**	**2,176**	**2,094**	**1,985**
Minority Interest	0	(2)	(6)	(9)
Shareholders' Equity	**18,253**	**19,106**	**20,028**	**21,003**
Total Liabilities & Shareholders' Equity	**20,540**	**21,280**	**22,117**	**22,979**

Source: Company data, QNB FS Research

Recommendations *Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*	
OUTPERFORM	Greater than +20%
ACCUMULATE	Between +10% to +20%
MARKET PERFORM	Between -10% to +10%
REDUCE	Between -10% to -20%
UNDERPERFORM	Lower than -20%

Risk Ratings *Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*	
R-1	Significantly lower than average
R-2	Lower than average
R-3	Medium / In-line with the average
R-4	Above average
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

Dana Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa