QGTS Alert – 3Q2020 Earnings Beat on JV Income Resurgence & Lower Finance Costs; Accumulate

•Nakilat posts 39.0% YoY & 29.8% QoQ increase in 3Q2020 earnings fueled by higher shipyard profitability, LPG growth, income from an additional vessel deployed in Global Shipping JV and lower finance charges - QGTS posted 3Q2020 bottom-line of QR350.4mn vs. QR252.0mn in 3Q2019 and QR269.9mn in 2Q2020 (QNB FS estimate: QR281.1mn). Lower G&A and higher-than-anticipated JV income, along with lower-than-expected finance charges, contributed to the majority of the earnings beat. (1) Revenue from wholly-owned ships of QR884.3mn (14.1% YoY, 1.1% QoQ) was bang inline with our estimate of QR883.9mn. As expected, the YoY growth in ship revenue was driven by the purchase of QGTS' remaining 49.9% stake in 4 LNG ships held under its OSG joint venture in October 2019. (2) Adjusted revenue of QR1,027.5mn (14.8% YoY, 4.8% QoQ) was ahead of our estimate of QR993.0mn (3.5% divergence) and was driven by the previously mentioned YoY surge in wholly-owned revenue along with growth in JV income. (3) EBITDA of QR701.0mn (17.8% YoY, 3.1% QoQ) was also better than our forecast of QR685.2mn (2.3% difference). Improvement in SG&A vs. our model also helped Nakilat during 3Q2020. (4) Adjusted EBITDA of QR834.7mn (19.0% YoY, 8.4% QoQ) was also better than our forecast of QR778.8mn (7.2% difference). (5) JV income of QR133.7mn (25.7% YoY, 47.9% QoQ) was significantly above our estimate of QR93.7mn. A resurgence in shipyard profitability relative to subdued global shipyard fundamentals in 1H2020, growth in LPG and contribution from the new LNG vessel (delivered in May to 60%-owned JV Global Shipping Co. and operating under a multi-month contract with an international charterer) helped drive this growth in JV income. (6) Lower-than-modeled finance costs of QR278.4mn (-0.7% YoY, -6.0% QoQ), which beat our est. of OR293.0mn by 5.0%, also contributed to the EPS beat. Overall, we find these results encouraging and consistent with the overall progress we see Nakilat making on the operational/costs front.

•We remain bullish on QGTS and consider it as 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, Nakilat's business should remain relatively unaffected given the LT nature of its charters. In the near-term, addition of 4 LNG vessels (1 more in 2020, with 2 next year) via Global Shipping, should help earnings growth in 2020 and 2021. Going forward, in terms of catalysts, we continue to believe expansion of Qatar's LNG output from 77 MTPA to 126 MTPA is a significant driver. Currently our model does not assume any fleet expansion and we will incorporate such expansion once more details are revealed. We foresee significant upward revision to our estimates and price target once we factor in this expansion. We do not envision substantial risks to QGTS' business model due to the ongoing oil price volatility/COVID-19 pandemic. We remain Accumulate on QGTS and will be increasing our estimates and price target shortly.



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Revenue from Wholly-Owned Vessels 774.837 874.313 884.327 883.921 0.0% 14.1% 1 Operating Costs (162.910) (185.596) (172.096) (187.636) -8.3% 5.6% -7 Gross Profit 611.927 688.717 712.231 696.285 2.3% 16.4% 3. Gross Margin 79.0% 78.8% 80.5% 78.8% 16.4% 3. General and Administrative Expenses (30.822) (24.298) (20.727) (26.518) -21.8% -32.8% 17.0% -60 -58.6% -71.4% -33.6% 17.0% -0.1% <td< th=""><th>Income Statement</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></td<>	Income Statement							
Operating Costs (162.910) (185.596) (172.096) (187.636) -8.3% 5.6% -7 Gross Profit 611.927 688.717 712.231 696.283 2.3% 16.4% 3 Gross Margin 79.0% 78.8% 80.5% 78.8% -7 Income from Marine and Agency Services 13.779 15.382 9.448 15.400 -38.6% -31.4% -33 General and Administrative Expenses (30.822) (24.298) (20.727) (26.518) -21.8% -32.8% -1 EBIT DA 594.884 679.801 700.952 685.168 2.3% 17.8% 3 Depreciation & Amortization (190.308) (222.815) (222.748) -0.1% 17.0% -0 EBIT Margin 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% -8.6% -18.2% 47.8 Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% <t< th=""><th>In QR mn Except Otherwise Noted</th><th>3Q2019</th><th>2Q2020</th><th>3Q2020</th><th>3Q2020e</th><th>A Vs. E</th><th>YoY</th><th>QoQ</th></t<>	In QR mn Except Otherwise Noted	3Q2019	2Q2020	3Q2020	3Q2020e	A Vs. E	YoY	QoQ
Gross Profit 611.927 688.717 712.231 696.285 2.3% 16.4% 3. Gross Margin 79.0% 78.8% 80.5% 78.8% -33 Income from Marine and Agency Services 13.779 15.382 9.448 15.400 -38.6% -31.4% -33 General and Administrative Expenses (30.822) (24.298) (20.727) (25.18) -21.8% -32.8% -11 EBITDA 594.884 679.801 700.952 685.168 2.3% 17.8% 33 Depreciation & Amortization (190.308) (222.815) (222.494) -0.1% 17.0% -0 EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4. EBIT Margin 52.2% 52.3% 54.1% 52.3% -1.6% -24.6% 25.7% 47 Finance Costs (280.396) (296.120) (278.411) (292.92) -5.0% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -26.8% -18.2%	Revenue from Wholly-Owned Vessels	774.837	874.313	884.327	883.921	0.0%	14.1%	1.1%
Gross Margin 79.0% 78.8% 80.5% 78.8% 78.8% Income from Marine and Agency Services 13.779 15.382 9.448 15.400 -38.6% -31.4% -33 General and Administrative Expenses (30.822) (22.498) (20.727) (26.518) -21.8% -32.8% -14 EBITDA 594.884 679.801 700.952 685.168 2.3% 17.8% 3 Depreciation & Amortization (190.308) (222.815) (222.748) -0.1% 17.0% -0 EBIT Margin 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% -0.1% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% 18.2% -22 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority	Operating Costs	(162.910)	(185.596)	(172.096)	(187.636)	-8.3%	5.6%	-7.3%
Income from Marine and Agency Services 13.779 15.382 9.448 15.400 -38.6% -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -31.4% -33.69 -32.8% -14.66 EBIT -34.848 679.801 700.952 685.168 2.3% 17.8% 33.09 -33.69 (222.594) (222.748) -0.1% 17.0% -00 -00 EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4. EBIT Margin 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 53.68 42.8% 25.7% 47. Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6.6 11.676 13.800 -1.68 53.00 -26.8% 18.2% -22.5 Profit Before	Gross Profit	611.927	688.717	712.231	696.285	2.3%	16.4%	3.4%
General and Administrative Expenses (30.822) (24.298) (20.727) (26.518) -21.8% -32.8% -14 EBITDA 594.884 679.801 700.952 685.168 2.3% 17.8% 3 Depreciation & Amortization (190.308) (222.515) (222.594) (222.748) -0.1% 17.0% -0 EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4 EBIT Margin 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 53.8% 55.0% 6.0% 66.431 90.393 133.734 93.650 42.8% 25.7% 47 Finance Costs (280.396) (296.120) (278.411) (292.962) 5.0% 64.8% 38.9% 29 Profit Before Tax 252.320	Gross Margin	79.0%	78.8%	80.5%	78.8%			
EBITDA 594.884 679.801 700.952 685.168 2.3% 17.8% 3. Depreciation & Amortization (190.308) (222.815) (222.748) -0.1% 17.0% -0.0 EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4. EBIT Margin 52.2% 52.3% 54.1% 52.3% 55.0% -0.7% -6 54.5% 52.3% 54.1% 53.00 -16.% -24.6% 68 53.00 -26.8% -18.2% -24.6% 58.9% 29 70151 56.35	Income from Marine and Agency Services	13.779	15.382	9.448	15.400	-38.6%	-31.4%	-38.6%
Depreciation & Amortization (190.308) (222.815) (222.748) -0.1% 17.0% -0 EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4. EBIT 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% Share of Operating Profits from Joint Ventures 106.431 90.393 133.734 93.650 42.8% 25.7% 47 Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -24 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -22 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 32.5% 30.9% 39.6% 31.8% -24.7	General and Administrative Expenses	(30.822)	(24.298)	(20.727)	(26.518)	-21.8%	-32.8%	-14.7%
EBIT 404.576 456.986 478.358 462.420 3.4% 18.2% 4. EBIT Margin 52.2% 52.3% 54.1% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 54.5% 56.5% 42.8% 62.5% 67.6% 61.6% 61.6% 61.6% 61.6% 61.6% 61.6% 61.6% 61.2% 74.5% 52.3% 52.3% 50.354 281.408 24.5% 38.9% 29.5% 50.351 281.063 24.5% 38.9% </td <td>EBITDA</td> <td>594.884</td> <td>679.801</td> <td>700.952</td> <td>685.168</td> <td>2.3%</td> <td>17.8%</td> <td>3.1%</td>	EBITDA	594.884	679.801	700.952	685.168	2.3%	17.8%	3.1%
EBIT Margin 52.2% 52.3% 54.1% 52.3% Share of Operating Profits from Joint Ventures 106.431 90.393 133.734 93.650 42.8% 25.7% 47 Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -24 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Adjusted EBITDA 0.05 0.05 0.06 0.05 24.7% 39.0% 29 A	Depreciation & Amortization	(190.308)	(222.815)	(222.594)	(222.748)	-0.1%	17.0%	-0.1%
Share of Operating Profits from Joint Ventures 106.431 90.393 133.734 93.650 42.8% 25.7% 47 Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -24 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.0320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.31) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 72% 19.0% 8 Adjusted EBITDA 701.315 770.194 834.686 778.818	EBIT	404.576	456.986	478.358	462.420	3.4%	18.2%	4.7%
Finance Costs (280.396) (296.120) (278.411) (292.962) -5.0% -0.7% -6 Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -24 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 24.7% 39.0% 29 Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% <td< td=""><td>EBIT Margin</td><td>52.2%</td><td>52.3%</td><td>54.1%</td><td>52.3%</td><td></td><td></td><td></td></td<>	EBIT Margin	52.2%	52.3%	54.1%	52.3%			
Interest, Dividend income & Profit from Islamic Banks 16.965 13.747 12.793 13.000 -1.6% -24.6% -6 Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -24 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 31.8% 39.0% 29 Adjusted EBITDA 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4. Particulars 3Q2019 2Q2020 3Q2020 3Q2020 32.3% 78.4% 66	Share of Operating Profits from Joint Ventures	106.431	90.393	133.734	93.650	42.8%	25.7%	47.9%
Vessel Sub-Chartering & Other Income 4.744 5.213 3.880 5.300 -26.8% -18.2% -24 Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 72.4% 39.0% 29 Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 3Q2020 3Q2020 Ad/// Ad/// Ad/// Ad/// 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3%	Finance Costs	(280.396)	(296.120)	(278.411)	(292.962)	-5.0%	-0.7%	-6.0%
Profit Before Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 24.7% 39.0% 29 Adjusted EBITDA 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 Ad2020 Ad2020 Ad2020 Ad2020 Ad2020 3Q2020 34.6% 78.4% 4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 34.6% 78.4% 78.4% 78.4% 78.4% 78.4% 78.4% 78.4% 78.4% </td <td>Interest, Dividend income & Profit from Islamic Banks</td> <td>16.965</td> <td>13.747</td> <td>12.793</td> <td>13.000</td> <td>-1.6%</td> <td>-24.6%</td> <td>-6.9%</td>	Interest, Dividend income & Profit from Islamic Banks	16.965	13.747	12.793	13.000	-1.6%	-24.6%	-6.9%
Profit After Tax 252.320 270.219 350.354 281.408 24.5% 38.9% 29 Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 39.0% 29 Adjusted EBITDA 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4.4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 3Q2020 3Q2020 Adj. EBITDA Margin 78.4% 78.6% 81.2% 78.4% 78.6% 81.2% 78.4% 52.3% 54.1% 52.3%	Vessel Sub-Chartering & Other Income	4.744	5.213	3.880	5.300	-26.8%	-18.2%	-25.6%
Minority Interest (0.281) (0.331) 0.039 (0.345) N/M N/M N Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 39.0% 29 Adjusted EBITDA 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4. Particulars 3Q2019 2Q2020 3Q2020 3Q2	Profit Before Tax	252.320	270.219	350.354	281.408	24.5%	38.9%	29.7%
Net Income to Equity 252.039 269.888 350.393 281.063 24.7% 39.0% 29 Net Profit Margin 32.5% 30.9% 39.6% 31.8% 31.8% 29 EPS (QR) 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 </td <td>Profit After Tax</td> <td>252.320</td> <td>270.219</td> <td>350.354</td> <td>281.408</td> <td>24.5%</td> <td>38.9%</td> <td>29.7%</td>	Profit After Tax	252.320	270.219	350.354	281.408	24.5%	38.9%	29.7%
Net Profit Margin 32.5% 30.9% 39.6% 31.8% EPS (QR) 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 3Q2020 Adj. EBITDA Margin 78.4% 78.6% 81.2% 78.4% 78.4% 60.5% 78.8% 80.5% 78.8% EBIT Margin 52.2% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3% 54.1% 52.3%		(0.281)	(0.331)	0.039	(0.345)	N/M	N/M	N/M
EPS (QR) 0.05 0.05 0.06 0.05 24.7% 39.0% 29 Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4 Particulars 3Q2019 2Q2020 3Q2020	Net Income to Equity	252.039	269.888	350.393	281.063	24.7%	39.0%	29.8%
Adjusted EBITDA 701.315 770.194 834.686 778.818 7.2% 19.0% 8 Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4 Particulars 3Q2019 2Q2020 3Q2020 3Q2020 3Q2020 Adj. EBITDA Margin 78.4% 78.6% 81.2% 78.4% 78.4% 60.5% 78.8% 80.5%		32.5%	30.9%	39.6%	31.8%			
Adjusted Revenue 895.047 980.088 1,027.509 992.971 3.5% 14.8% 4. Particulars 3Q2019 2Q2020 3Q2020 3Q2020 Adj. EBITDA Margin 78.4% 78.6% 81.2% 78.4% Gross Margin 79.0% 78.8% 80.5% 78.8% EBIT Margin 52.2% 52.3% 54.1% 52.3%	EPS (QR)	0.05	0.05	0.06	0.05	24.7%	39.0%	29.8%
Particulars3Q20192Q20203Q20203Q2020Adj. EBITDA Margin78.4%78.6%81.2%78.4%Gross Margin79.0%78.8%80.5%78.8%EBIT Margin52.2%52.3%54.1%52.3%	Adjusted EBITDA	701.315	770.194	834.686	778.818	7.2%	19.0%	8.4%
Adj. EBITDA Margin78.4%78.6%81.2%78.4%Gross Margin79.0%78.8%80.5%78.8%EBIT Margin52.2%52.3%54.1%52.3%	Adjusted Revenue	895.047	980.088	1,027.509	992.971	3.5%	14.8%	4.8%
Adj. EBITDA Margin78.4%78.6%81.2%78.4%Gross Margin79.0%78.8%80.5%78.8%EBIT Margin52.2%52.3%54.1%52.3%	Particulars	3Q20 <u>19</u>	2Q20 <u>20</u>	3Q20 <u>20</u>	3Q20 <u>20</u>			
Gross Margin79.0%78.8%80.5%78.8%EBIT Margin52.2%52.3%54.1%52.3%				-		I		
EBIT Margin 52.2% 52.3% 54.1% 52.3%	, .	79.0%	78.8%	80.5%	78.8%			
	-							
G & A % of Sales 4.0% 2.8% 2.3% 3.0%	G & A % of Sales	4.0%	2.8%	2.3%	3.0%			

24.6%

25.5%

Depreciation & Amortization % of Sales



Saugata Sarkar, CFA, CAIA

25.2%

25.2%

+974 4476 6534 | saugata.sarkar@qnbfs.com.qa

Recommendations Based on the range for the upside / downside offered by the 12- month target price of a stock versus the current market price			Risk Ratings Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals			
OUTPERFORM	Greater than +20%	F	R-1	Significantly lower than average		
ACCUMULATE	Between +10% to +20%	F	R-2	Lower than average		
MARKET PERFORM	Between -10% to +10%	F	R-3	Medium / In-line with the average		
REDUCE	Between -10% to -20%	F	R-4	Above average		
UNDERPERFORM	Lower than -20%	F	R-5	Significantly above average		

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

Mehmet Aksoy, PhD

Senior Research Analyst +974 4476 6589 mehmet.aksoy@gnbfs.com.ga Shahan Keushgerian Senior Research Analyst +974 4476 6509 shahan.keushgerian@gnbfs.com.ga Zaid Al Nafoosi, CMT, CFTe

Senior Research Analyst +974 4476 6535 zaid.alnafoosi@qnbfs.com.qa

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