

Qatar Gas Transport Co./Nakilat (QGTS)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR20.70	Current Target Price	QR24.00
Implied Upside	15.9%	Old Target Price	QR21.00

Upping Estimates & Boosting Target Price to QR24; Reiterate Accumulate

We are raising our estimates and price target on QGTS post solid 2018 results and further expected upside from its joint ventures. While our medium-term EBITDA estimates (from its wholly-owned fleet) remain fairly unchanged, we raise our 2019 and 2020 EPS estimates by 5% and 4%, respectively; our 2021 EPS jumps 20% driven by four additional LNG vessels recently announced in a JV deal with Maran Ventures called Global Shipping Co. Going forward, in terms of catalysts, we continue to believe expansion of Qatar's LNG output from 77 MTPA to 110 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. QGTS' fleet continues to provide Nakilat with stable, contractually sustainable cash flow that allow for a healthy residual income stream for equity investors after providing for debt service. Moreover, the 40-year life of QGTS' vessels vs. maximum debt life of 25 years (last debt maturing 2033), creates refinancing opportunities to increase fleet size. Thus, we think further JV deals in LNG ships and FSRUs are likely especially considering current attractive market fundamentals, which should continue to provide QGTS with growth avenues. Medium-term, we believe the shipyard business, which is no longer loss making and reportedly boosted Nakilat's 2018 bottom-line, could further improve. We continue to rate QGTS an Accumulate but raise our target from QR21 to QR24.

Highlights

- QGTS reported a solid 2018 with a 5% YoY growth in net profit to QR891mn (EPS: QR1.61). Excluding a 4Q2017 one-off item (realized gain on AFS), 2018 net profit grew 14%. While adjusted revenue/adj. EBITDA were bang in-line with our model, EPS was 2% higher. DPS was maintained at QR1 for the 3rd year in a row, slightly lower than our estimate of QR1.05. For 4Q2018, Nakilat posted a strong finish to the year with 4Q2018 EPS of QR0.42 down 3% YoY but up 9% QoQ; net profit of QR233mn beat our estimate of QR214mn (variation of +9%). However, operating metrics were in line, with adjusted revenue of QR878mn lower by 1.5% relative to our estimate of QR891mn and adjusted EBITDA of QR679mn flattish vs. our forecast of QR681mn. For more details, please see page 3 and our [4Q2018 Alert](#) on QGTS.
- Increasing EPS estimates by 5% for 2019 and 4% for 2020 due to higher JV income and lower finance charges followed by a 20% increase in 2021 EPS as 4 new JV LNG vessels are added. For 2019, we are increasing our net income estimate from QR915mn (EPS: 1.65) to QR962mn (QR1.74), which implies a YoY EPS growth of 8% vs. 2.7% previously. For 2020, our earnings estimate increases by 4%. Our estimate changes for 2019 and 2020 are mostly driven by higher JV income as: (1) Teekay JVs bounce back from a one-off tax adjustment that lowered earnings in 2018; (2) QGTS benefits from some contract rollovers at its Nakilat Maran joint venture, in our view; (3) Gulf LPG shows growth from a weak 2018 base and (4) the shipyard business continues to show progress. Our earnings estimate also benefits from lowered finance charges as we envisioned in our [preview](#). Our 2020 profit forecast also factors in another four LNG vessels via QGTS' new JV (Global Shipping Co). For more details, see page 2.

Catalysts

- Expansion of Qatar's LNG output from 77 MTPA to 110 MTPA is a significant driver. We continue to favor Nakilat, #1 owner/operator of LNG vessels globally, as a LT play geared to Qatari LNG's dominance and anticipated growth in the LNG market.

Recommendation, Valuation and Risks

- Recommendation & valuation: Our 1-Year target is QR24. QGTS trades at attractive multiples vs. peers despite higher EBITDA margins & FCF yields.
- Risks: (1) Blockade remains an overhang but business impact has been limited thus far. Shipping is ultimately the charterers' concern and comprehensive insurance policies (incl. war insurance) cover QGTS for political stress events under force majeure clauses for 36 months (plus 6 months in many cases). Blockage of the Strait of Hormuz/Gulf of Suez is unlikely. Charterers will also bear any costs of potential rerouting. (2) There is a risk existing LNG contracts get renegotiated but at current rates this looks unlikely. Overall, we do not rule out potential contract restructuring, with QGTS accepting slightly lower charter rates in return for increasing their lengths from 25 to 35+ years. However, bargaining power rests with Qatargas and Nakilat may have no choice but to accept worse contract terms. The likelihood of this is low given investment grade-rated bonds and contagion in other GRE-related bond issues.

Key Financial Data and Estimates

	FY2018	FY2019e	FY2020e	FY2021e
EPS (QR)	1.61	1.74	1.94	2.33
P/E (x)	12.9	11.9	10.7	8.9
DPS (QR)	1.00	1.00	1.00	1.10
Dividend Yield	4.8%	4.8%	4.8%	5.3%

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

Key Data

Current Market Price (QR)	20.70
Current Dividend Yield (%)	4.8
Bloomberg Ticker	QGTS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QGTS.QA
ISIN	QA000A0KD6L1
Sector*	Transportation
52wk High/52wk Low (QR)	21.10/13.55
3-m Average Volume ('000)	336.2
Mkt. Cap. (\$ bn/QR bn)	3.1/11.5
EV (\$ bn/QR bn)	7.9/28.8
Shares Outstanding (mn)	554.0
FO Limit* (%)	49.0
Current FO* (%)	14.4
1-Year Total Return (%)	42.0
Fiscal Year End	December 31

Source: Bloomberg (as of March 31, 2019), *Qatar Exchange (as of March 28, 2019); Note: FO is foreign ownership

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Summary of Estimate Changes

Increasing EPS estimates by 5% for 2019 and 4% for 2020 due to higher JV income and lower finance charges followed by a 20% increase in 2021 EPS as 4 new JV LNG vessels are added. For 2019, we are increasing our net income estimate from QR915mn (EPS: 1.65) to QR962mn (QR1.74), which implies a YoY EPS growth of 8% vs. 2.7% previously. For 2020, our earnings estimate increases by 4%. Our estimate changes for 2019 and 2020 are mostly driven by higher JV income as: **(1)** Teekay JVs bounce back from a one-off tax adjustment that lowered earnings in 2018; **(2)** QGTS benefits from some contract rollovers at its Nakilat Maran joint venture, in our view; **(3)** Gulf LPG shows growth from a weak 2018 base and **(4)** the shipyard business continues to show progress. Our earnings estimate also benefits from lowered finance charges as we envisioned in our [preview](#). Our 2020 profit forecast also factors in another four LNG vessels via QGTS' new JV (Global Shipping Co).

QNB FS Estimates and Comparisons

In QR mn	Current Previous			Current Previous			Current Previous		
	2019		▲	2020		▲	2021		▲
Revenue from Wholly-Owned Vessels	3,066	3,080	-0.5%	3,069	3,083	-0.5%	3,072	3,085	-0.5%
<i>Growth</i>	0.1%	0.5%		0.1%	0.1%		0.1%	0.1%	
Operating Costs	(677)	(700)	-3.2%	(677)	(703)	-3.7%	(679)	(707)	-3.9%
<i>Growth</i>	-0.2%	3.1%		0.0%	0.5%		0.3%	0.5%	
Gross Profit	2,389	2,380	0.4%	2,392	2,380	0.5%	2,393	2,379	0.6%
<i>GM %</i>	77.9%	77.3%		77.9%	77.2%		77.9%	77.1%	
Income from Marine and Agency Services	55	56	-2.4%	56	57	-2.4%	57	59	-2.4%
General and Administrative Expenses	(134)	(126)	6.1%	(133)	(125)	6.6%	(133)	(125)	6.6%
EBITDA	2,310	2,311	0.0%	2,315	2,312	0.1%	2,317	2,312	0.2%
<i>EBITDA Margin %</i>	75.4%	75.0%		75.4%	75.0%		75.4%	74.9%	
Depreciation & Amortization	(779)	(757)	2.8%	(779)	(758)	2.8%	(780)	(759)	2.8%
EBIT	1,532	1,553	-1.4%	1,536	1,554	-1.2%	1,536	1,553	-1.1%
Share of Operating Profits from Joint Ventures	470	432	8.8%	522	481	8.6%	673	452	49.0%
Finance Costs	(1,160)	(1,191)	-2.6%	(1,102)	(1,119)	-1.5%	(1,039)	(1,047)	-0.8%
Interest, Dividend income & Profit from Islamic Banks	87	85	2.1%	87	86	2.1%	87	86	2.1%
Vessel Sub-Chartering & Other Income	34	37	-7.4%	34	37	-7.4%	34	37	-7.4%
Profit Before Tax	963	916	5.1%	1,078	1,039	3.7%	1,292	1,081	19.6%
Taxes									
Profit After Tax	963	916	5.1%	1,078	1,039	3.7%	1,292	1,081	19.6%
Minority Interest	(1)	(1)	-8.4%	(1)	(1)	-9.6%	(2)	(1)	4.1%
<i>% of PAT</i>	-0.1%	-0.1%		-0.1%	-0.1%		-0.1%	-0.1%	
Profit for Equity Holders	962	915	5.1%	1,076	1,037	3.7%	1,290	1,079	19.6%
<i>Net Profit Margin</i>	31.4%	29.7%		35.1%	33.7%		42.0%	35.0%	
<i>Growth</i>	8.0%	2.7%		11.9%	13.4%		19.9%	4.0%	
EPS	1.74	1.65	5.1%	1.94	1.87	3.7%	2.33	1.95	19.6%
<i>Growth</i>	8.0%	2.7%		11.9%	13.4%		19.9%	4.0%	
DPS	1.00	1.10	-9.1%	1.00	1.15	-13.0%	1.10	1.20	-8.3%
<i>Payout Ratio</i>	57.6%	66.6%		51.5%	61.4%		47.2%	61.6%	
<i>Growth</i>	0.0%	10.0%		0.0%	4.5%		0.0%		
Adjusted EBITDA	2,780	2,743	1.4%	2,837	2,793	1.6%	2,989	2,764	8.2%
<i>Growth</i>	2.9%	1.5%		2.0%	1.8%		5.4%	-1.0%	
Adjusted Revenue	3,591	3,568	0.6%	3,647	3,621	0.7%	3,802	3,596	5.7%
<i>Growth</i>	2.2%	1.6%		1.6%	1.5%		4.2%	-0.7%	

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

4Q2018/2018 Review

QGTS reported a solid 2018 with a 5% YoY growth in net profit to QR891mn (EPS: QR1.61). Excluding a 4Q2017 one-off item (realized gain on AFS), 2018 net profit grew 14%. While adjusted revenue/adj. EBITDA were bang in-line with our model, EPS was 2% higher. DPS was maintained at QR1 for the 3rd year in a row, slightly lower than our estimate of QR1.05. For 4Q2018, Nakilat posted a strong finish to the year with 4Q2018 EPS of QR0.42 down 3% YoY but up 9% QoQ; net profit of QR233mn beat our estimate of QR214mn (variation of +9%). However, operating metrics were in line, with adjusted revenue of QR878mn lower by 1.5% relative to our estimate of QR891mn and adjusted EBITDA of QR679mn flattish vs. our forecast of QR681mn. For more details, please see our [4Q2018 Alert](#) on QGTS.

Much of the beat for the quarter came from lower-than-expected finance charges, which came in at QR287mn (-2.5% YoY, -6.1% QoQ) vs. our estimate of QR309mn while total debt for 2018 came in exactly in-line with our model at QR19.8bn. Lower 4Q2018 finance charges were due to higher accruals in 3Q2018 according to management.

QNB FS Estimates and Comparisons

In QR mn	4Q2018	4Q2018e	A Vs. E	4Q2017	YoY	3Q2018	QoQ	2018	2018e	A Vs. E	2017	YoY
Revenue from Wholly-Owned Vessels	762.3	776.2	-1.8%	769.3	-0.9%	774.3	-1.6%	3,063.1	3,076.9	-0.5%	3,057.1	0.2%
Gross Profit	600.9	597.2	0.6%	588.7	2.1%	596.7	0.7%	2,384.5	2,380.8	0.2%	2,359.6	1.1%
EBITDA	576.1	579.5	-0.6%	573.8	0.4%	579.4	-0.6%	2,304.4	2,307.8	-0.1%	2,281.4	1.0%
EBIT	385.2	389.5	-1.1%	381.2	1.0%	389.4	-1.1%	1,546.7	1,551.1	-0.3%	1,513.4	2.2%
Share of Operating Profits from Joint Ventures	103.4	101.2	2.1%	62.0	66.7%	101.4	1.9%	396.4	394.3	0.5%	339.0	16.9%
Finance Costs	(286.7)	(308.5)	-7.1%	(294.0)	-2.5%	(305.5)	-6.1%	(1,172.6)	(1,194.4)	-1.8%	(1,172.0)	0.0%
Net Income to Equity	232.9	214.1	8.8%	239.8	-2.9%	214.1	8.8%	891.1	872.3	2.2%	846.2	5.3%
EPS (QR)	0.42	0.39	8.8%	0.43	-2.9%	0.39	8.8%	1.61	1.57	2.2%	1.53	5.3%
DPS (QR)								1.00	1.05	-4.8%	1.00	0.0%
Adjusted Revenue	878.3	891.3	-1.5%	845.6	3.9%	889.4	-1.3%	3,513.5	3,526.5	-0.4%	3,451.3	1.8%
Adjusted EBITDA	679.5	680.7	-0.2%	635.8	6.9%	680.8	-0.2%	2,700.8	2,702.1	0.0%	2,620.4	3.1%
Gross Margin	78.8%	76.9%		76.5%		77.1%		77.8%	77.4%		77.2%	
EBITDA Margin	75.6%	74.7%		74.6%		74.8%		75.2%	75.0%		74.6%	
EBIT Margin	50.5%	50.2%		49.6%		50.3%		50.5%	50.4%		49.5%	
Net Margin	30.6%	27.6%		31.2%		27.7%		29.1%	28.4%		27.7%	
Adjusted EBITDA Margin	77.4%	76.4%		75.2%		76.5%		76.9%	76.6%		75.9%	

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

Key Growth Metrics

Growth Metrics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	2033	CAGR '17-'33
Growth Ratios (In %)													
Revenue - Wholly Owned	0.7%	(0.4%)	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Revenue - Adjusted	2.0%	(6.1%)	1.8%	2.2%	1.6%	4.2%	1.2%	1.1%	1.8%	1.6%	1.3%	1.3%	1.6%
Gross Profit	0.1%	0.4%	1.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
EBITDA	(1.1%)	0.5%	1.0%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
EBITDA - Adjusted	1.1%	(7.2%)	3.1%	2.9%	2.0%	5.4%	1.5%	1.3%	2.2%	1.9%	1.6%	1.5%	2.1%
EBIT	(6.5%)	0.7%	2.2%	(1.0%)	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EPS	(2.9%)	(11.3%)	5.3%	8.0%	11.9%	19.9%	8.6%	7.0%	12.0%	9.4%	5.6%	4.9%	8.1%
CFPS	(9.9%)	16.7%	(6.4%)	16.5%	6.7%	10.3%	5.6%	4.7%	8.3%	6.7%	4.3%	3.9%	5.5%
FCFPS	(4.9%)	22.0%	(22.1%)	33.9%	7.0%	10.7%	5.8%	(2.3%)	15.6%	7.8%	5.1%	(0.3%)	5.0%
DPS	(20.0%)	0.0%	0.0%	0.0%	0.0%	10.0%	9.1%	8.3%	15.4%	6.7%	4.8%	4.0%	6.2%

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

Ratio Analysis

Key Metrics

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030	2033
Growth Ratios (In %)												
Revenue - Wholly Owned	0.7%	(0.4%)	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Revenue - Adjusted	2.0%	(6.1%)	1.8%	2.2%	1.6%	4.2%	1.2%	1.1%	1.8%	1.6%	1.3%	1.3%
Gross Profit	0.1%	0.4%	1.1%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	(1.1%)	0.5%	1.0%	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EBITDA - Adjusted	1.1%	(7.2%)	3.1%	2.9%	2.0%	5.4%	1.5%	1.3%	2.2%	1.9%	1.6%	1.5%
EBIT	(6.5%)	0.7%	2.2%	(1.0%)	0.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
EPS	(2.9%)	(11.3%)	5.3%	8.0%	11.9%	19.9%	8.6%	7.0%	12.0%	9.4%	5.6%	4.9%
CFPS	(9.9%)	16.7%	(6.4%)	16.5%	6.7%	10.3%	5.6%	4.7%	8.3%	6.7%	4.3%	3.9%
FCFPS	(4.9%)	22.0%	(22.1%)	33.9%	7.0%	10.7%	5.8%	(2.3%)	15.6%	7.8%	5.1%	(0.3%)
DPS	(20.0%)	0.0%	0.0%	0.0%	0.0%	10.0%	9.1%	8.3%	15.4%	6.7%	4.8%	4.0%
Operating Ratios (In %)												
Gross Margin	76.6%	77.2%	77.8%	77.9%	77.9%	77.9%	77.8%	77.8%	77.7%	77.7%	77.4%	77.3%
EBITDA Margin	74.0%	74.6%	75.2%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.4%	75.3%	75.3%
Adj. EBITDA Margin	76.8%	75.9%	76.9%	77.4%	77.8%	78.6%	78.8%	79.0%	79.3%	79.6%	80.6%	81.2%
EBIT Margin	49.0%	49.5%	50.5%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	49.9%	49.9%
Net Margin	31.1%	27.7%	29.1%	31.4%	35.1%	42.0%	45.6%	48.7%	54.5%	59.6%	81.2%	94.0%
Finance Ratios												
Net Debt-to-EBITDA	8.3	7.8	7.5	7.2	6.8	6.3	5.8	5.3	4.8	4.2	1.1	-1.0
Debt-Equity Ratio	4.1	3.5	2.9	2.5	2.2	1.9	1.6	1.3	1.1	0.9	0.2	0.0
Net Debt-Equity Ratio	3.6	3.0	2.5	2.2	1.9	1.6	1.3	1.1	0.9	0.7	0.1	-0.1
Interest Coverage	1.3	1.3	1.3	1.3	1.4	1.5	1.6	1.7	1.9	2.2	5.4	37.7
EBITDA Interest Coverage	1.9	1.9	2.0	2.0	2.1	2.2	2.4	2.5	2.9	3.3	8.2	56.9
Return Ratios (In %)												
ROIC	5.6%	5.7%	5.8%	5.8%	5.9%	5.9%	6.0%	6.1%	6.2%	6.3%	6.3%	6.2%
ROAE	19.7%	15.1%	13.9%	13.3%	13.8%	15.0%	14.7%	14.3%	14.6%	14.5%	13.0%	12.1%
ROAA	3.1%	2.8%	3.0%	3.3%	3.7%	4.5%	5.0%	5.4%	6.2%	6.9%	9.8%	11.3%
Liquidity Ratios												
Current Ratio	2.0	1.6	1.4	1.3	1.2	1.2	1.1	0.9	0.9	0.9	1.0	3.5
Quick Ratio	2.0	1.6	1.4	1.3	1.2	1.2	1.1	0.9	0.9	0.9	1.0	3.5
Valuation												
EV/EBITDA-Adjusted	10.7	11.1	10.6	10.0	9.5	8.7	8.2	7.7	7.1	6.6	4.0	2.5
EV/EBIT	20.1	19.3	18.5	18.2	17.6	16.9	16.1	15.4	14.6	13.7	8.9	5.8
P/E	12.0	13.5	12.9	11.9	10.7	8.9	8.2	7.6	6.8	6.2	4.6	3.9
P/CF	10.2	8.7	9.3	8.0	7.5	6.8	6.5	6.2	5.7	5.3	4.2	3.7
P/B	2.2	1.9	1.7	1.5	1.4	1.3	1.1	1.0	0.9	0.9	0.6	0.5
Dividend Yield	4.8%	4.8%	4.8%	4.8%	4.8%	5.3%	5.8%	6.3%	7.2%	7.7%	10.6%	12.6%
FCF Yield	9.4%	11.4%	8.9%	11.9%	12.8%	14.1%	15.0%	14.6%	16.9%	18.2%	23.3%	25.2%

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

Detailed Financial Statements

Income Statement

Income Statement (In QR mn)	FY2018	FY2019e	FY2020e	FY2021e
Revenue – Wholly-Owned Ships	3,063	3,066	3,069	3,072
Direct Costs	(679)	(677)	(677)	(679)
Gross Profit	2,384	2,389	2,392	2,393
Income from Marine & Agency Services	54	55	56	57
General and Administrative Expenses	(134)	(134)	(133)	(133)
EBITDA	2,304	2,310	2,315	2,317
Depreciation	(758)	(779)	(779)	(780)
EBIT	1,547	1,532	1,536	1,536
Share of Profits from Joint Ventures	396	470	522	673
Finance Costs	(1,173)	(1,160)	(1,102)	(1,039)
Interest, Dividend & Profit from Islamic Banks	87	87	87	87
Vessels Sub-Chartering & Other Income	34	34	34	34
Profit Before Tax	892	963	1,078	1,292
Income Tax Expense	0	0	0	0
Profit After Tax	892	963	1,078	1,292
Minority Interest	(1)	(1)	(1)	(2)
Profit for Equity Shareholders	891	962	1,076	1,290
EPS (QR)	1.61	1.74	1.94	2.33
Adjusted Revenue	3,513	3,591	3,647	3,802
Adjusted EBITDA	2,701	2,780	2,837	2,989

Source: Company data, QNB FS estimates

Balance Sheet

Balance Sheet (In QR mn)	FY2018	FY2019e	FY2020e	FY2021e
Non-Current Assets	21,840	21,123	20,405	19,686
Property, Plant and Equipment	4,613	4,975	5,429	5,739
Investment in Joint Venture Companies	4,613	4,975	5,429	5,739
Loans to Joint Venture Companies	105	105	105	105
Available-for-Sale Investments	144	144	144	144
Total Non-Current Assets	26,703	26,347	26,083	25,674
Current Assets				
Receivables, Inventories and Due from Joint Ventures	398	398	399	399
Cash and Bank Balances	2,463	2,315	2,096	2,185
Total Current Assets	2,861	2,714	2,495	2,584
Total Assets	29,564	29,061	28,578	28,258
Equity				
Equity Attributable to the Parent	6,933	7,490	8,162	9,047
Minority Interest	5	6	8	9
Total Equity	6,938	7,496	8,169	9,056
Non-Current Liabilities				
Borrowings	18,867	17,856	16,786	15,623
Fair Value of Interest Rate Swaps	1,643	1,526	1,408	1,291
Provision for End of Service Benefits	116	116	116	116
Total Non-Current Liabilities	20,626	19,498	18,310	17,030
Current Liabilities				
Borrowings	928	1,017	1,070	1,163
Accounts Payables/Accruals & Due to Related Parties	773	771	771	773
Fair Value of Interest Rate Swaps	300	279	257	236
Total Current Liabilities	2,000	2,067	2,098	2,171
Equity and Liabilities	29,564	29,061	28,578	28,258

Source: Company data, QNB FS estimates

Recommendations

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

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

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