



Earnings Flash Note  
Gulf Warehousing Company  
4Q 2023 / FY 2023



## Gulf Warehousing Company (GWCS)

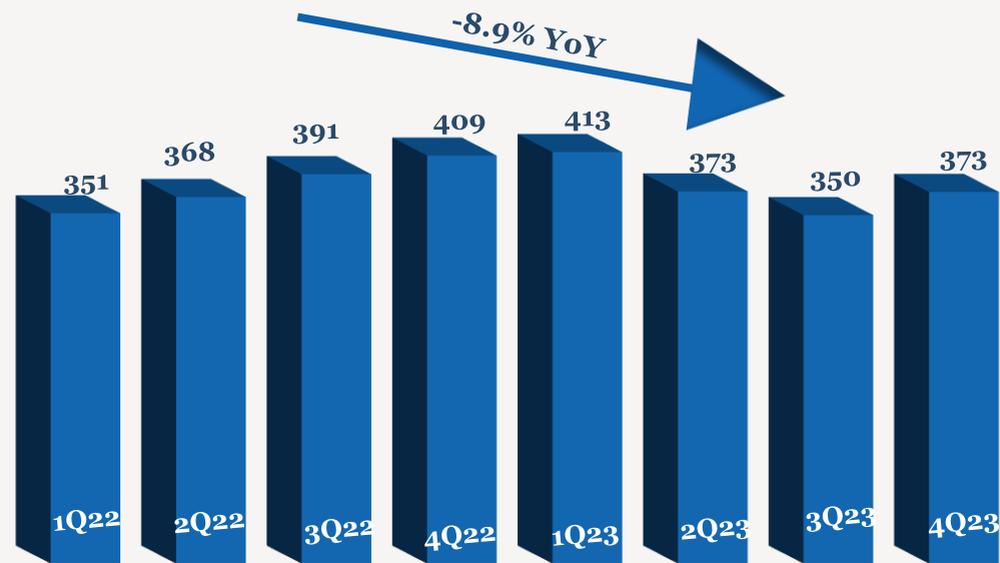
- > Net profit decreased by 27.9% YoY to QR47mn (-11.1% QoQ) in 4Q2023 primarily due to an increase in finance cost (+47.9% YoY, +3.2% QoQ). For FY2023, net profit declined by 10.2% YoY to QR215mn.
- > Revenue fell by 8.9% YoY to QR373mn (+6.6% QoQ) in 4Q2023 while for FY2023, it was down 0.7% YoY to QR1,508mn.
- > Gross profit decreased by 2.9% YoY to QR117mn (+5.9% QoQ) and margin improved to 31.4% (+1.9ppts YoY; -0.2ppts QoQ) in 4Q2023. For FY2023, gross profit grew 6.0% to QR463mn.
- > Operating profit was down by 12.5% YoY (-4.8% QoQ) to QR76mn in 4Q2023 while the corresponding margin fell to 20.3% (-0.8ppts YoY, -2.4ppts QoQ). For FY2023, operating profit increased 5.2% YoY to QR323mn.
- > For 4Q2023, EPS came at QR0.080 vs. QR0.112 in 4Q2022 while for FY2023, EPS was 0.367 vs 0.409 in FY2022.
- > As of 23rd Jan 2024, the stock has increased 7.1% YTD, outperforming the QSE index, which was down by 4.3% YTD.
- > The stock is currently trading at a TTM P/E multiple of 9.3x, lower than its 3Y historical average of 10.6x. For now, we maintain our PT of QR 4.86/share and our Accumulate rating.
- > The Board announced a DPS of QR0.11 for 2023 which translates into a yield of 3.2%.

### 4Q/FY 2023 Earnings Performance

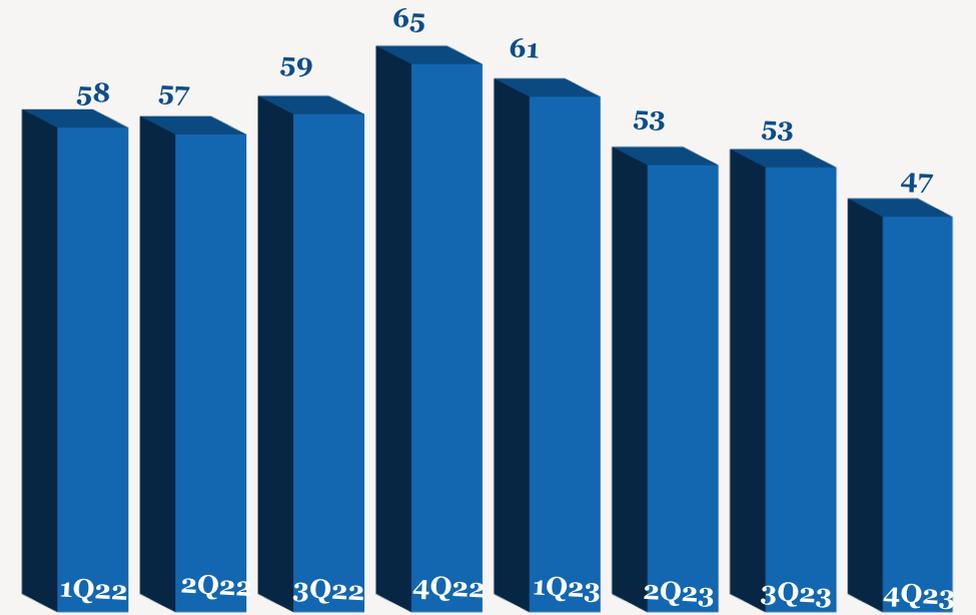
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Revenue	373	409	-8.9%	350	6.6%	1,508	1,519	-0.7%
Gross Profit	117	121	-2.9%	111	5.9%	463	437	6.0%
Gross Margin %	31.4%	29.5%		31.7%		30.7%	28.8%	
Operating Profit	76	86	-12.5%	79	-4.8%	323	307	5.2%
Operating Margin %	20.3%	21.1%		22.7%		21.4%	20.2%	
Net Profit to Equity	47	65	-27.9%	53	-11.1%	215	240	-10.2%
Net Margin %	12.7%	16.0%		15.2%		14.3%	15.8%	
EPS (QR)	0.080	0.112	-27.9%	0.091	-11.1%	0.367	0.409	-10.2%

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

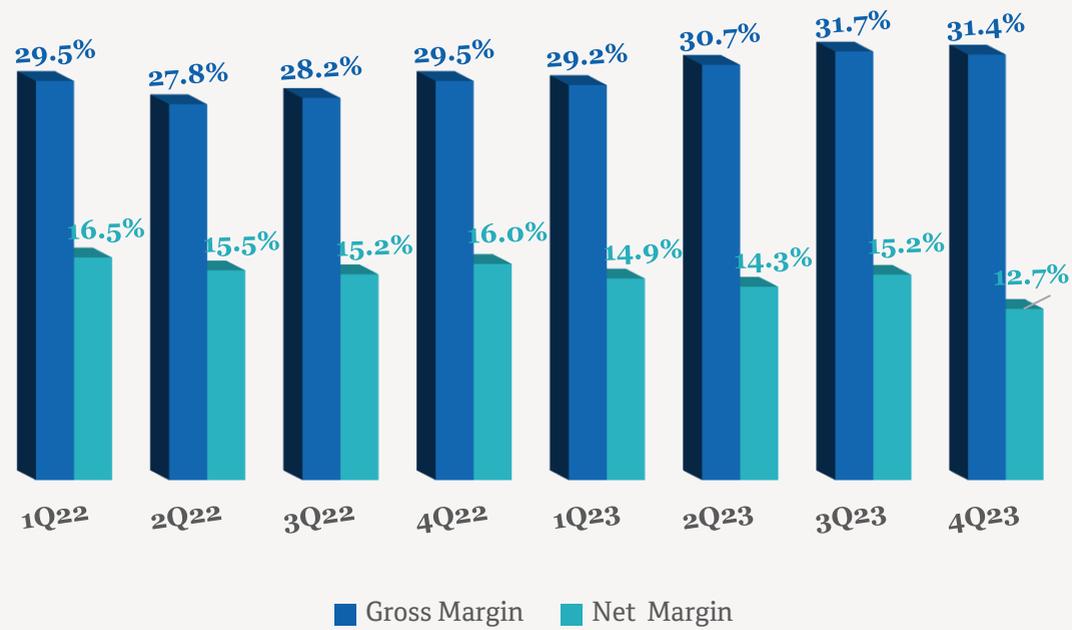
Quarterly Sales Trend (QRmn)



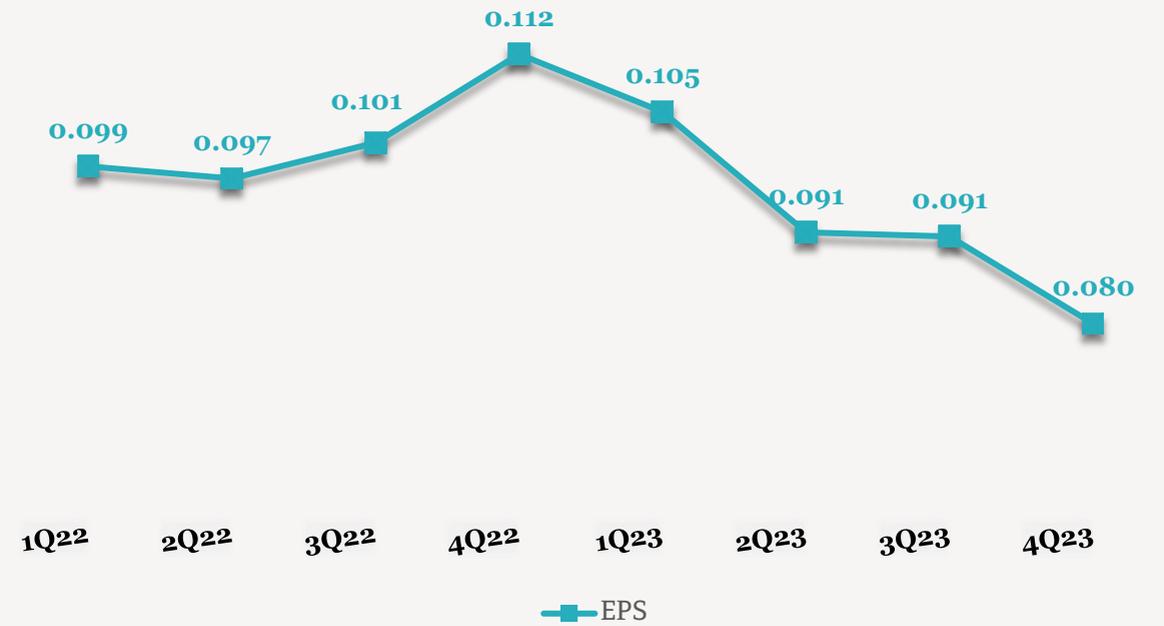
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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