



Earnings Flash Note
Industries Qatar
4Q 2023 / FY 2023



Industries Qatar (IQCD)

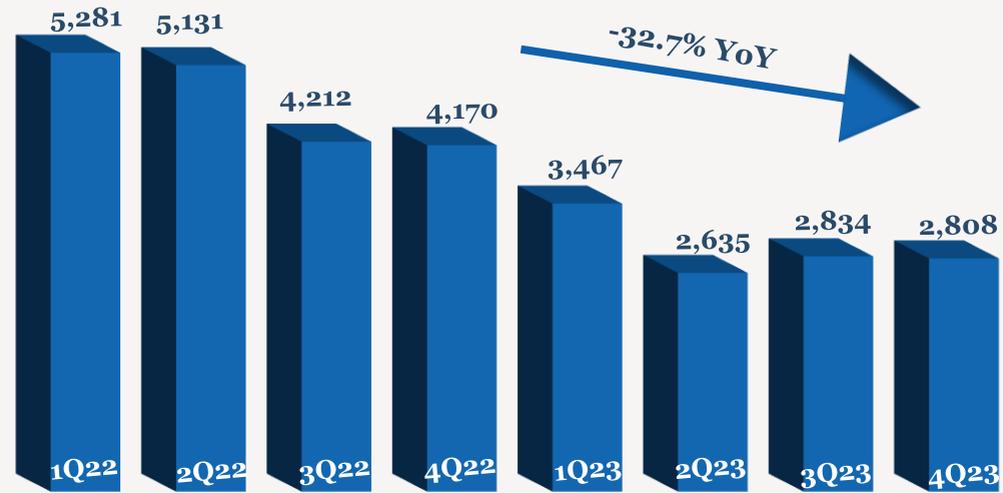
- > Net profit decreased by 19.3% YoY to QR1,427mn (+18.4% QoQ) in 4Q2023 primarily due to a decrease in revenue (-32.7% YoY, -0.9% QoQ) and an increase in general and administrative expenses (+14.3% YoY, +23.5% QoQ). For FY2023, net profit declined by 46.5% YoY to QR4,720mn.
- > Revenue fell by 32.7% YoY to QR2,808mn (-0.9% QoQ) in 4Q2023 and 37.5% YoY for FY2023 to QR11,744mn.
- > Gross profit decreased by 46.9% YoY to QR650mn (-16.8% QoQ) while gross margin came in at 23.2% (-6.2ppts YoY; -4.4ppts QoQ) in 4Q2023. For FY2023, gross profit was down 58.7% to QR2,528mn.
- > Operating profit plunged 59.8% YoY (-30.6% QoQ) to QR406mn in 4Q2023 while the corresponding margin fell to 14.5% (-9.8ppts YoY, -6.2ppts QoQ). For FY2023, operating profit fell 68.2% YoY to QR1,708mn.
- > For 4Q2023, EPS came at QR0.24 vs. QR0.29 in 4Q2022 while for FY2023, EPS was QR0.78 vs QR1.46 in FY2022.
- > As of 10th Feb 2024, the stock has decreased 10.8% YTD, underperforming the QSE index, which was down by 8.0% YTD.
- > The stock is currently trading at a TTM P/E multiple of 15.0x, lower than its 3Y historical average of 15.4x. For now, we maintain our PT of QR 14.30/share and our Accumulate rating.
- > The Board announced a DPS of QR0.78 for 2023 which translates into a yield of 6.7%.

4Q/FY 2023 Earnings Performance

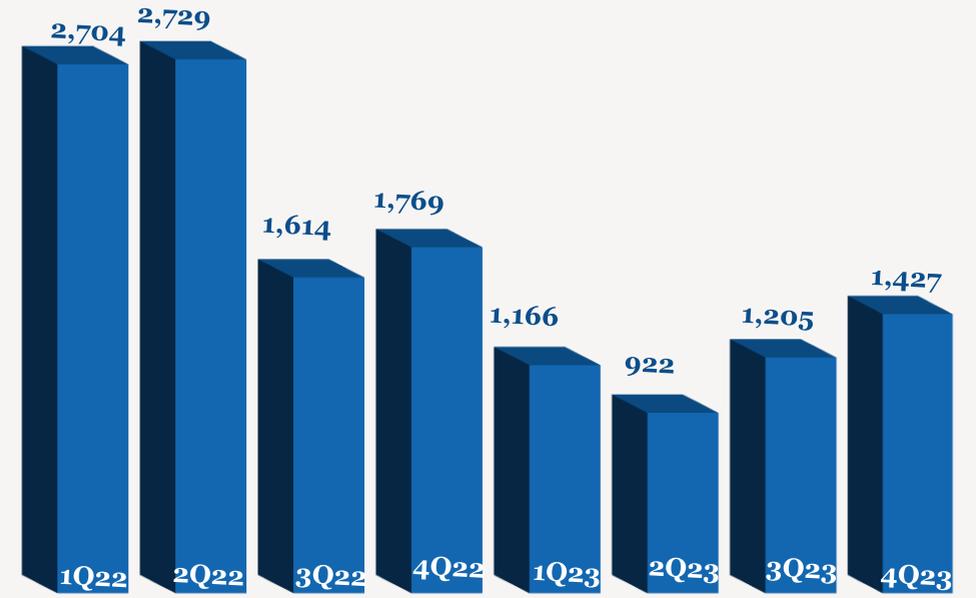
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Revenue	2,808	4,170	-32.7%	2,834	-0.9%	11,744	18,794	-37.5%
Gross Profit	650	1,225	-46.9%	782	-16.8%	2,528	6,122	-58.7%
Gross Margin %	23.2%	29.4%		27.6%		21.5%	32.6%	
Operating Profit	406	1,010	-59.8%	585	-30.6%	1,708	5,374	-68.2%
Operating Margin %	14.5%	24.2%		20.7%		14.5%	28.6%	
Share of results of investments in associate & joint venture	658	1,028	-36.0%	252	161.3%	1,642	2,888	-43.2%
Net Profit to Equity	1,427	1,769	-19.3%	1,205	18.4%	4,720	8,815	-46.5%
Net Margin %	50.8%	42.4%		42.5%		40.2%	46.9%	
EPS (QR)	0.24	0.29	-19.3%	0.199	18.4%	0.78	1.46	-46.5%

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

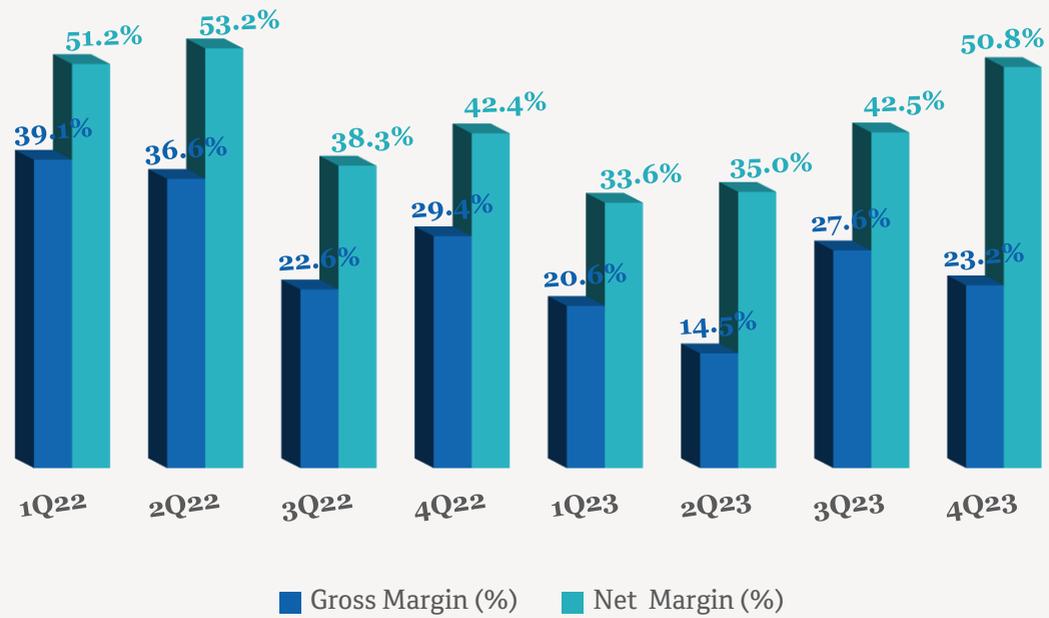
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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