



Earnings Flash Note
National Leasing
3Q 2023 / 9M 2023



National Leasing (NLCS)

- > **NLCS 3Q23 net profit fell 66.6% YoY to reach QR3.2mn.** The 9M23 net profit decreased 27.5% YoY (QR11.8mn) due to the decline in income from investments (QR2.4Mn; -76.9% YoY).
- > **Gross profit was down by 75.1% YoY (48.4% QoQ)** while the corresponding margin contracted by 30.4pps YoY to 48.5% in 3Q23.
- > Operating loss came at QR0.4mn in 3Q23 compared to operating profit of QR8.0mn in 3Q22 owing to significant decline in other income.
- > **Net profit to equity shareholders was down by 29.4% QoQ** to QR3.2mn with net margin declining by 7.6pps YoY (+3.9pps QoQ) to 36.2% in 3Q23.
- > **For 3Q23, EPS came at QR0.006 vs. QR0.019 in 3Q22** while for 9M23, EPS was 0.024 vs 0.033 in 9M22.
- > **As of 3Q23, the company's ROE and ROA stood at 2.24% and 2.03%, respectively.**

- > **As of 15 Oct 2023, the stock has gained 9.5% YTD**, outperforming the QSE index, which is down by 5.2% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 26.58x.**

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Revenue	8.85	21.90	-59.6%	14.07	-37.0%
Gross Profit	4.30	17.29	-75.1%	8.32	-48.4%
Gross Margin %	48.5%	78.9%		59.2%	
Operating Profit	-0.36	8.0	NM	0.85	NM
Operating Margin %	-4.1%	36.41%		6.01%	
Net Profit	3.21	9.60	-66.6%	4.54	-29.4%
Net Margin %	36.2%	43.8%		32.3%	
EPS	0.006	0.019		0.009	

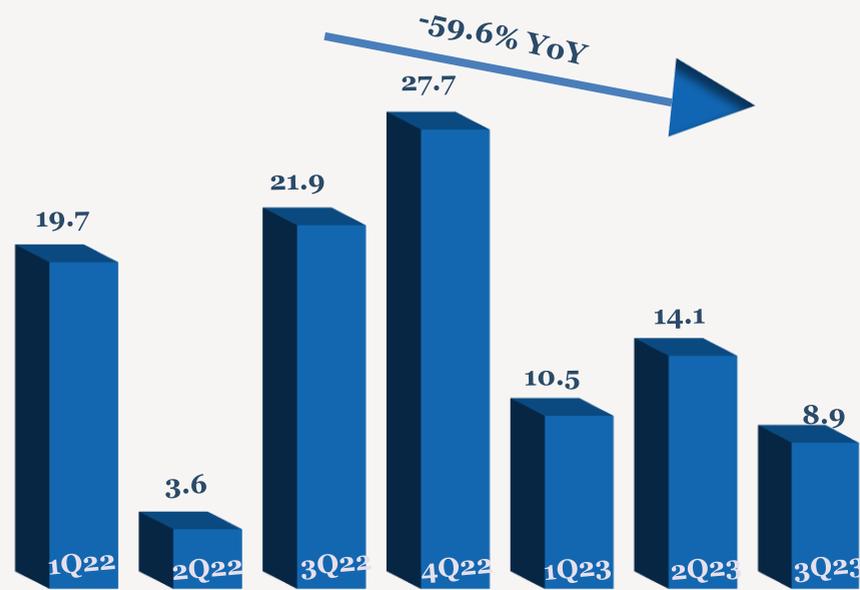
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

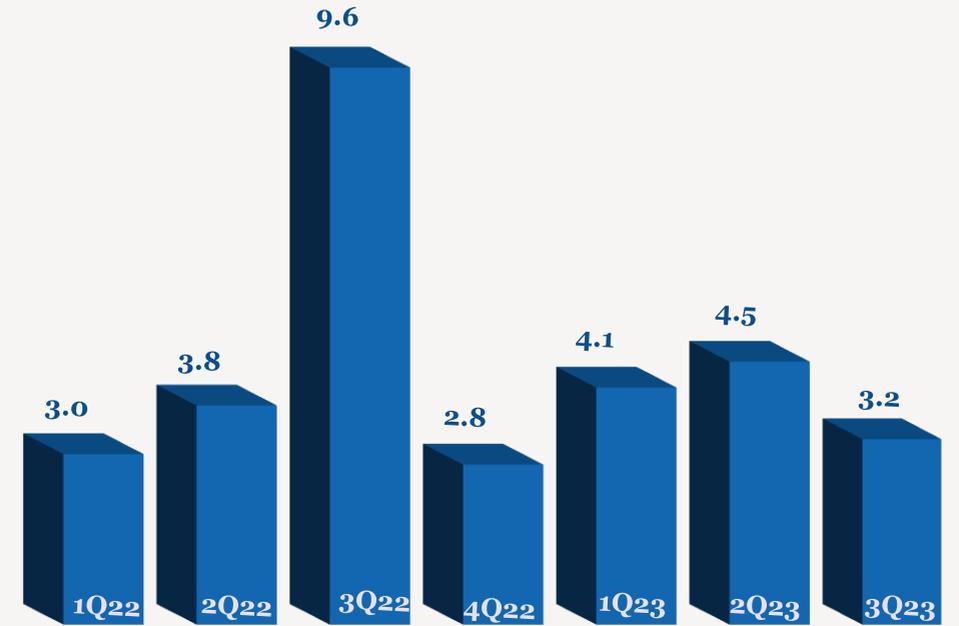
	9M2023	9M2022	YoY
Revenue	33.39	45.21	-26.2%
Gross Profit	18.27	32.50	-43.8%
Gross Margin %	54.7%	71.9%	
Operating Profit	0.86	13.26	-93.5%
Operating Margin %	2.6%	29.3%	
Net Profit	11.84	16.34	-27.5%
Net Margin %	35.5%	36.1%	
EPS	0.024	0.033	

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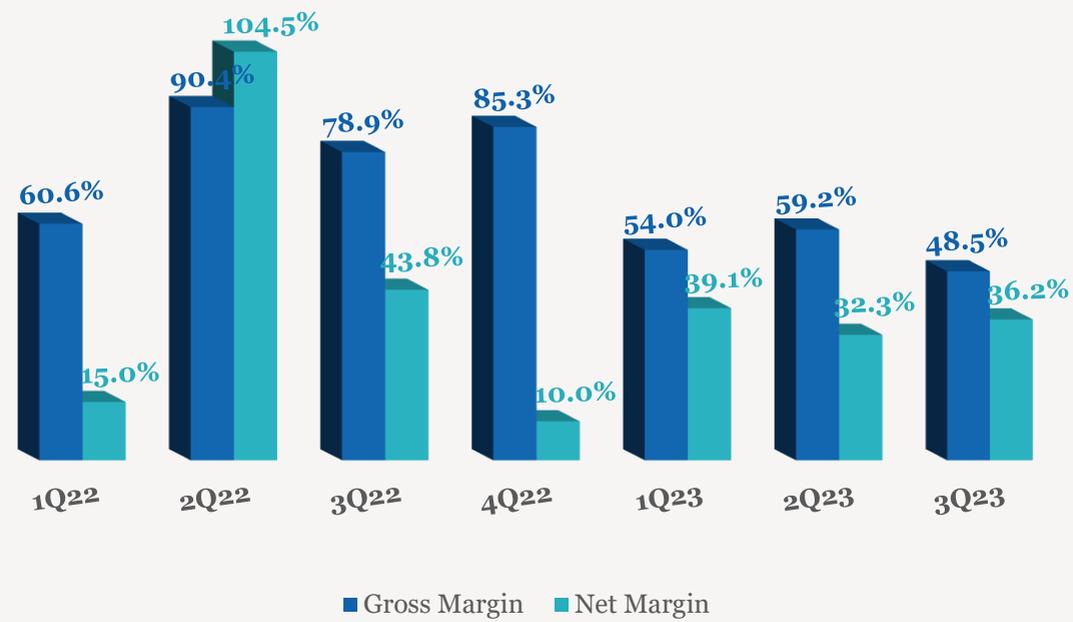
Quarterly Sales Trend (QAR mn)



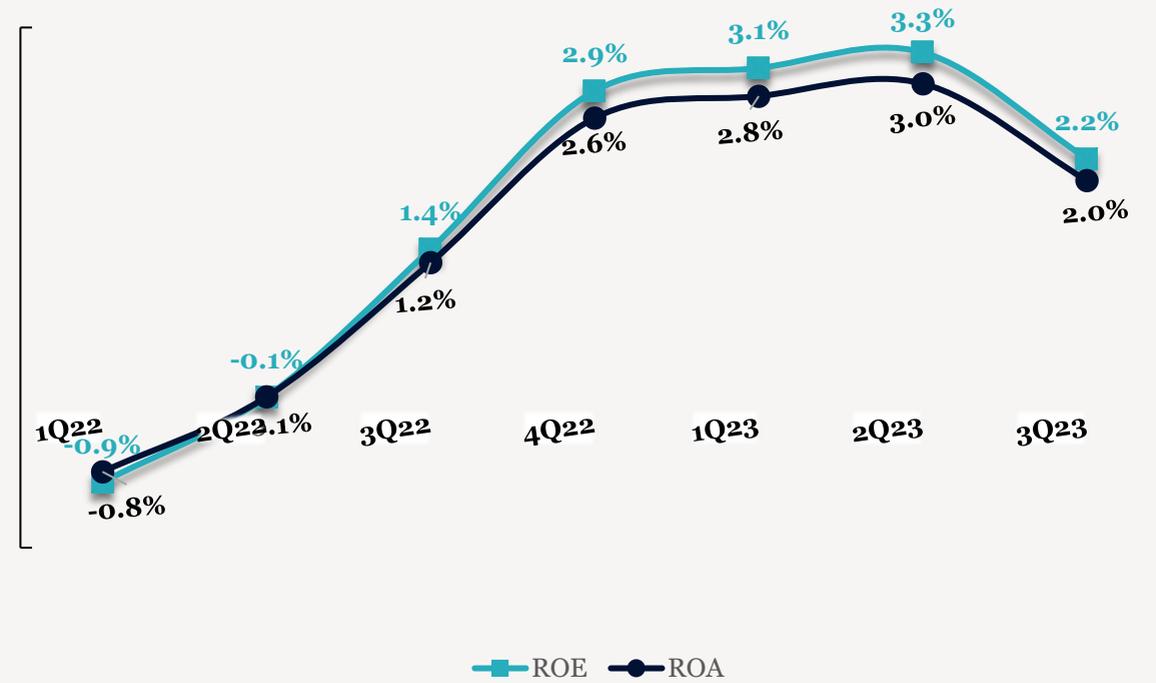
Quarterly Earnings Trend (QAR mn)



Quarterly Margins Trend



ROA and ROE Trend



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