



Earnings Flash Note
Qatar Electricity and Water Co.
4Q 2023 / FY 2023



Qatar Electricity and Water Co. (QEWS)

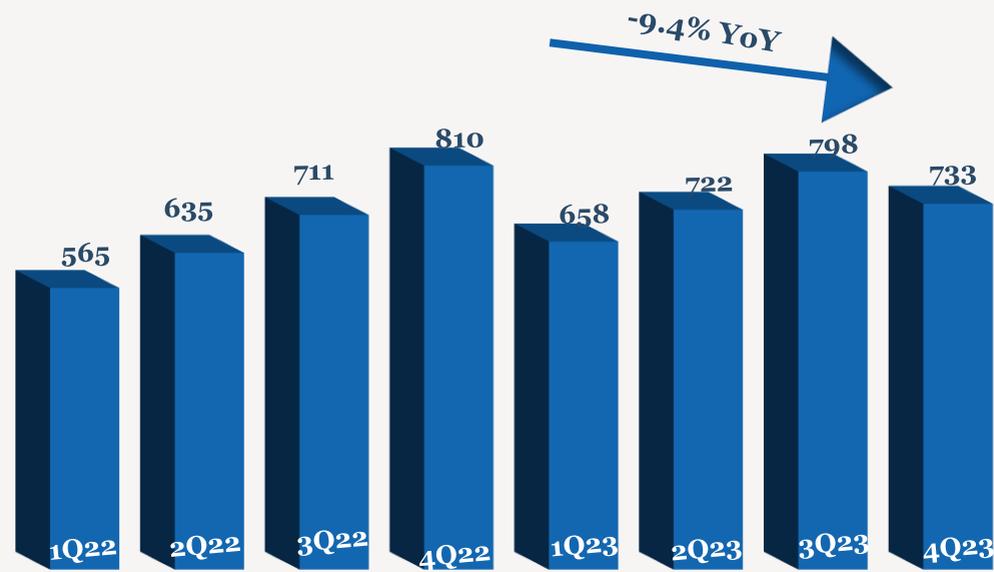
- > Net profit decreased by 4.0% YoY to QR442mn (+30.0% QoQ) in 4Q2023 primarily due to a lower share of results of equity-accounted investees and loss from discontinued operations. For FY2023, net profit declined by 9.3% YoY to QR1,551mn.
- > Total revenue fell by 9.4% YoY to QR733mn (-8.1% QoQ) in 4Q2023 while for FY2023, it was up 7.0% YoY to QR2,911mn.
- > Gross profit increased by 2.0% YoY to QR346mn (+50.7% QoQ) and margin improved to 47.2% (+5.3ppts YoY; +18.4ppts QoQ) in 4Q2023. For FY2023, gross profit fell 4.1% to QR1,009mn.
- > Operating profit was up 56.6% YoY (+62.8% QoQ) to QR419mn in 4Q2023 while the corresponding margin rose to 57.1% (+24.1ppts YoY, +24.9ppts QoQ). For FY2023, operating profit increased 10.0% YoY to QR1,319mn.
- > For 4Q2023, EPS came at QR0.40 vs. QR0.42 in 4Q2022 while for FY2023, EPS was QR1.41 vs QR1.56 in FY2022.
- > As of 14th Feb 2024, the stock has decreased 8.3% YTD, underperforming the QSE index, which was down by 5.7% YTD.
- > The stock is currently trading at a TTM P/E multiple of 12.2x, lower than its 3Y historical average of 13.2x. For now, we maintain our PT of QR22.0/share and our Accumulate rating.
- > The Board announced a DPS of QR0.86 for 2023 which translates into a yield of 5.0%.

4Q/FY 2023 Earnings Performance

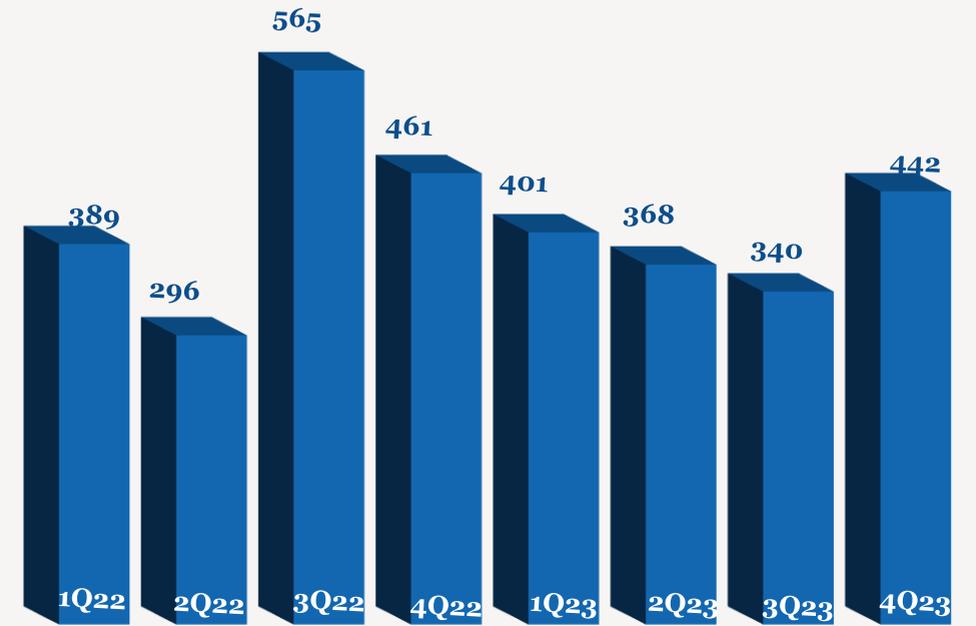
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Total Revenue	733	810	-9.4%	798	-8.1%	2,911	2,721	7.0%
Gross Profit	346	339	2.0%	230	50.7%	1,009	1,052	-4.1%
Gross Margin %	47.2%	41.9%		28.8%		35.6%	39.8%	
Operating Profit	419	268	56.6%	257	62.8%	1,319	1,199	10.0%
Operating Margin %	57.1%	33.0%		32.3%		45.3%	44.1%	
Net Profit to Equity	442	461	-4.0%	340	30.0%	1,551	1,711	-9.3%
Net Margin %	60.3%	56.9%		42.7%		53.3%	62.9%	
EPS (QR)	0.40	0.42	-4.0%	0.31	30.0%	1.41	1.56	-9.3%

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

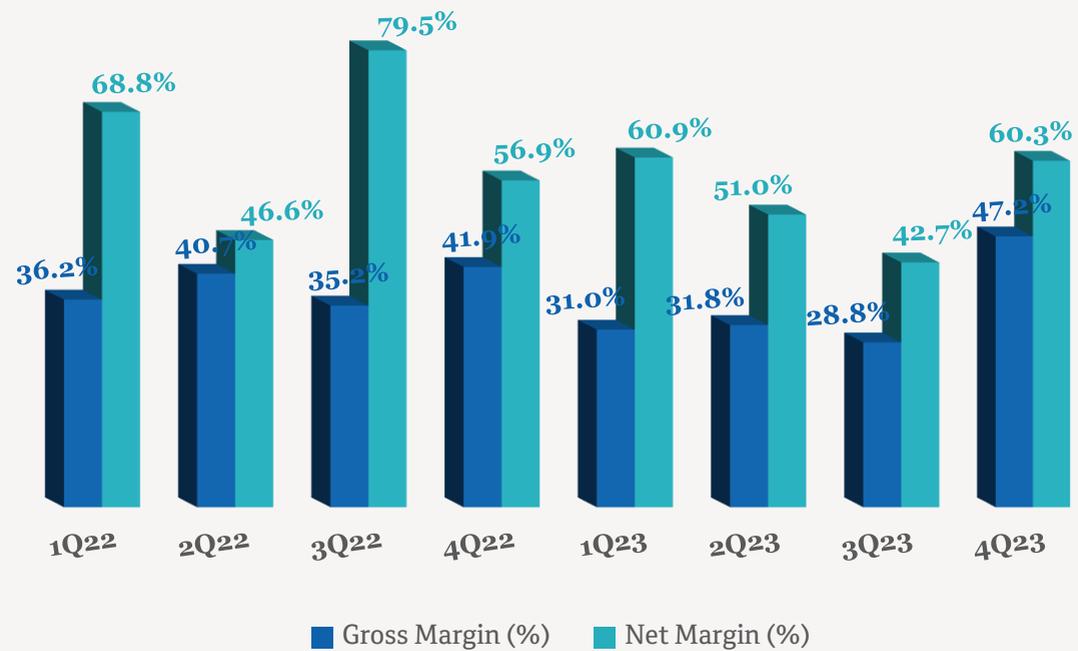
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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