



Earnings Flash Note  
Qatar National Cement  
4Q 2023 / FY 2023



## Qatar National Cement (QNCD)

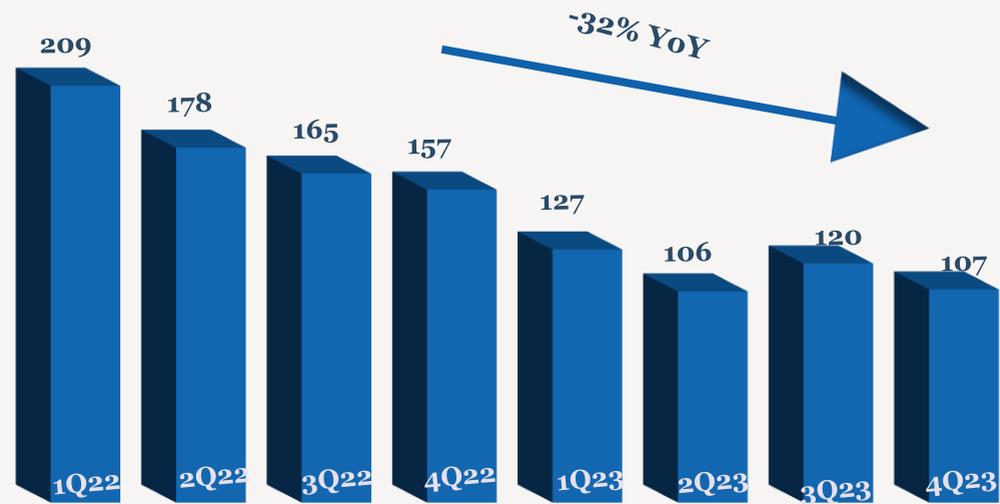
- > Net profit decreased by 5.1% YoY to QR53mn (+6.2% QoQ) in 4Q2023 primarily due to a decrease in sales. For FY2023, net profit declined by 9.7% YoY to QR205mn.
- > Revenue fell by 32.1% YoY to QR107mn (-11.3% QoQ) in 4Q2023 while for FY2023, it was down 35% YoY to QR461mn.
- > Gross profit decreased by 27.5% YoY to QR44mn (-28.3% QoQ) and margin improved to 41.6% (+2.6ppts YoY; -9.9ppts QoQ) in 4Q2023. For FY2023, gross profit decreased by 14.2% to QR189mn.
- > Operating profit was down by 41.5% YoY (-34.6% QoQ) to QR25mn in 4Q2023 while the corresponding margin fell to 23.3% (-3.8ppts YoY, -8.4ppts QoQ). For FY2023, operating profit decreased 30.0% YoY to QR129mn.
- > For 4Q2023, EPS came at QR0.08 vs. QR0.09 in 4Q2022 while for FY2023, EPS was 0.31 vs 0.35 in FY2022.
- > As of 23rd Jan 2024, the stock has increased 10.6% YTD, outperforming the QSE index, which was down by 4.3% YTD.
- > The stock is currently trading at a TTM P/E multiple of 13.8x, lower than its 3Y historical average of 14.8x.
- > The Board announced a DPS of QR0.30 for 2023 which translates into a yield of 7.5%.

### 4Q/FY 2023 Earnings Performance

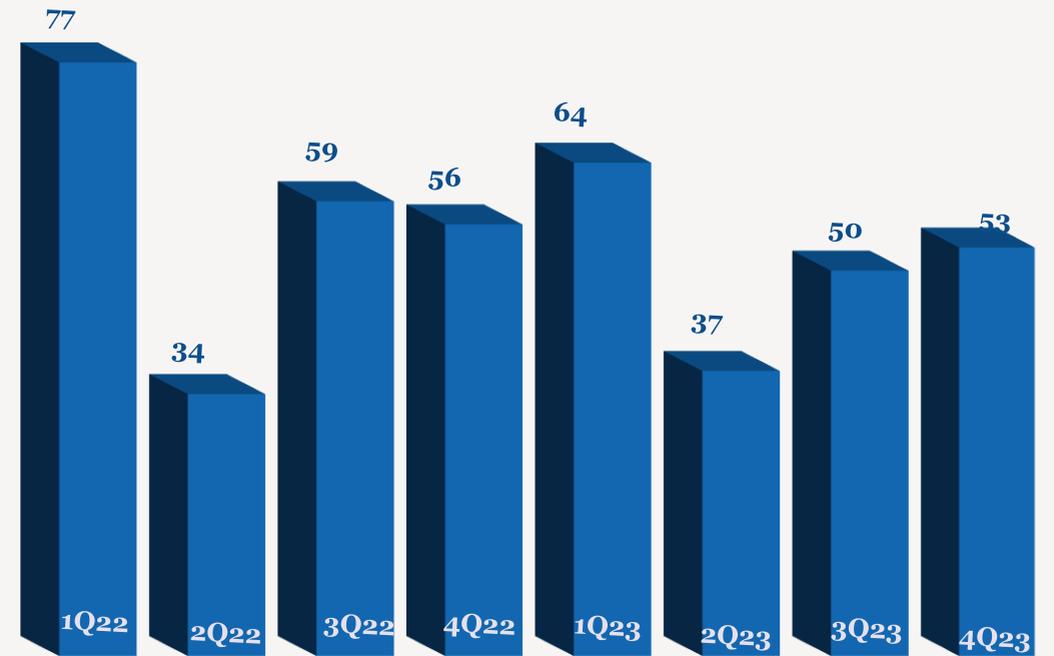
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Sales	107	157	-32.1%	120	-11.3%	461	709	-35.0%
Gross Profit	44	61	-27.5%	62	-28.3%	189	220	-14.2%
Gross Margin %	41.6%	39.0%		51.5%		41.1%	31.1%	
Operating Profit	25	43	-41.5%	38	-34.6%	129	184	-30.0%
Operating Margin %	23.3%	27.1%		31.7%		27.9%	25.9%	
Other Income	27	12	122.9%	12	117.2%	73	40	82.8%
Net Profit to Equity	53	56	-5.1%	50	6.2%	205	227	-9.7%
Net Margin %	50.1%	35.9%		41.9%		44.5%	32.0%	
EPS (QR)	0.08	0.09	-5.1%	0.08	6.2%	0.31	0.35	-10.0%

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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