



Earnings Flash Note
Qatar Navigation
3Q 2023 / 9M 2023



Qatar Navigation (QNNS)

- > **Net profit increased 5.9% YoY (-21.9% QoQ)** to QR222mn in 3Q23, driven by higher income from associates (primarily QGTS) despite weakness in revenue.
- > **Operating revenue fell 9.2% YoY to QR717mn (-3.8% QoQ)** in 3Q23 and QR2,227mn (-13.1% YoY) in 9M23.
- > **Gross profit declined 10.0% YoY to QR326mn (-18.2% QoQ)** while the corresponding margins fell 42bps YoY (-8.0ppts QoQ) to 45.5% in 3Q23.
- > **Operating profit of QR60mn was down by 47.2% YoY (-55.1% QoQ)** and the margins came at 8.4% in 3Q23.
- > **For 3Q23, EPS came at QR0.20 vs. QR0.18 in 3Q22** while for 9M23, EPS was 0.77 vs 0.75 in 9M22.

- > **As of 18th Oct 2023, the stock has declined 0.9% YTD, outperforming the QSE index, which was down by 6.8% YTD.**
- > **The stock is currently trading at a TTM P/E multiple of 10.8x, lower than its 2Y historical average of 13.3x.** For now, we maintain our PT of QR11.20/share and our Accumulate rating.

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Operating revenue	717	789	-9.2%	745	-3.8%
Gross Profit	326	362	-10.0%	398	-18.2%
Gross Margin %	45.5%	45.9%		53.5%	
Operating Profit	60	114	-47.2%	134	-55.1%
Operating Margin %	8.4%	14.4%		17.9%	
Net Profit	222	210	5.9%	284	-21.9%
Net Margin %	31.0%	26.6%		38.2%	
EPS	0.20	0.18	5.9%	0.25	-21.9%

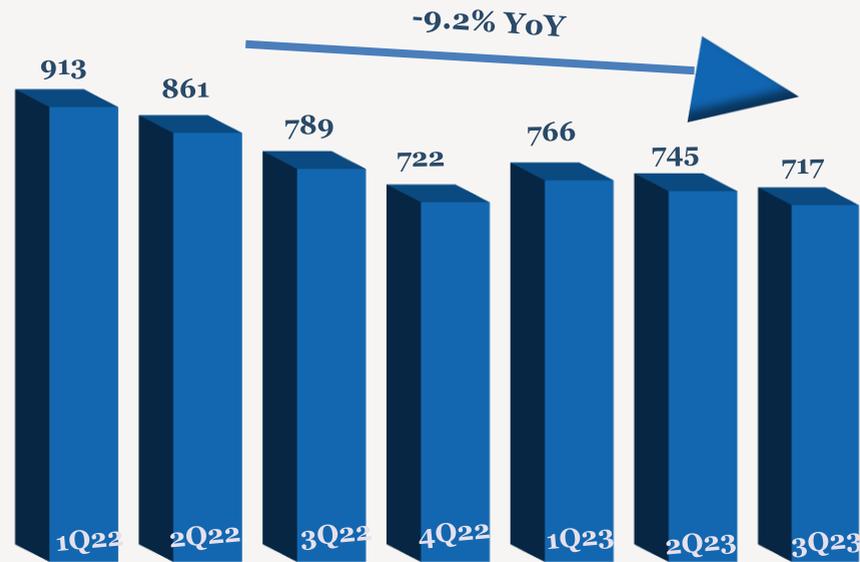
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

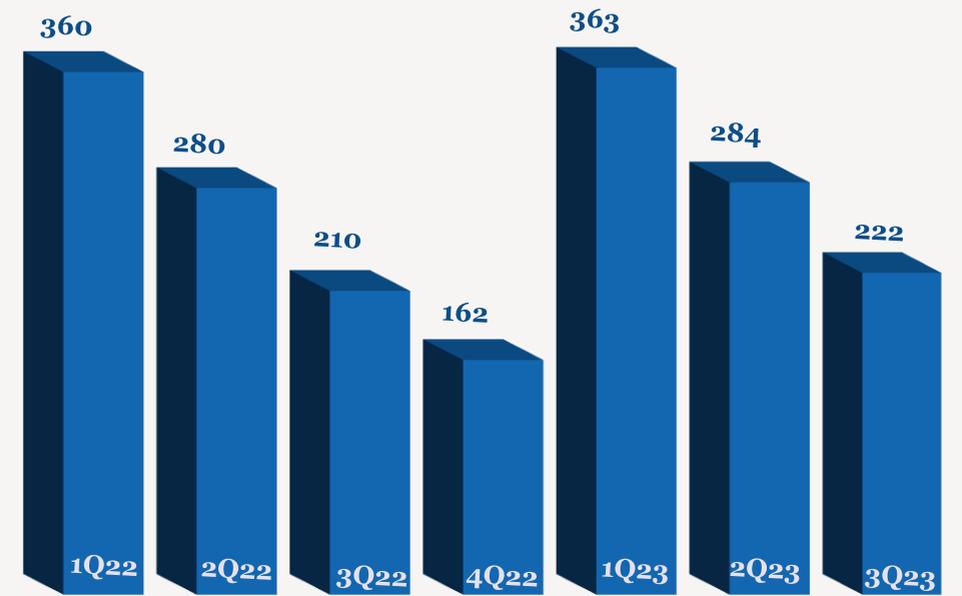
	9M2023	9M2022	YoY
Operating revenue	2,227	2,563	-13.1%
Gross Profit	1,170	1,173	-0.3%
Gross Margin %	52.5%	45.8%	
Operating Profit	404	424	-4.8%
Operating Margin %	18.1%	16.5%	
Net Profit	870	851	2.2%
Net Margin %	39.05%	33.19%	
EPS	0.77	0.75	2.2%

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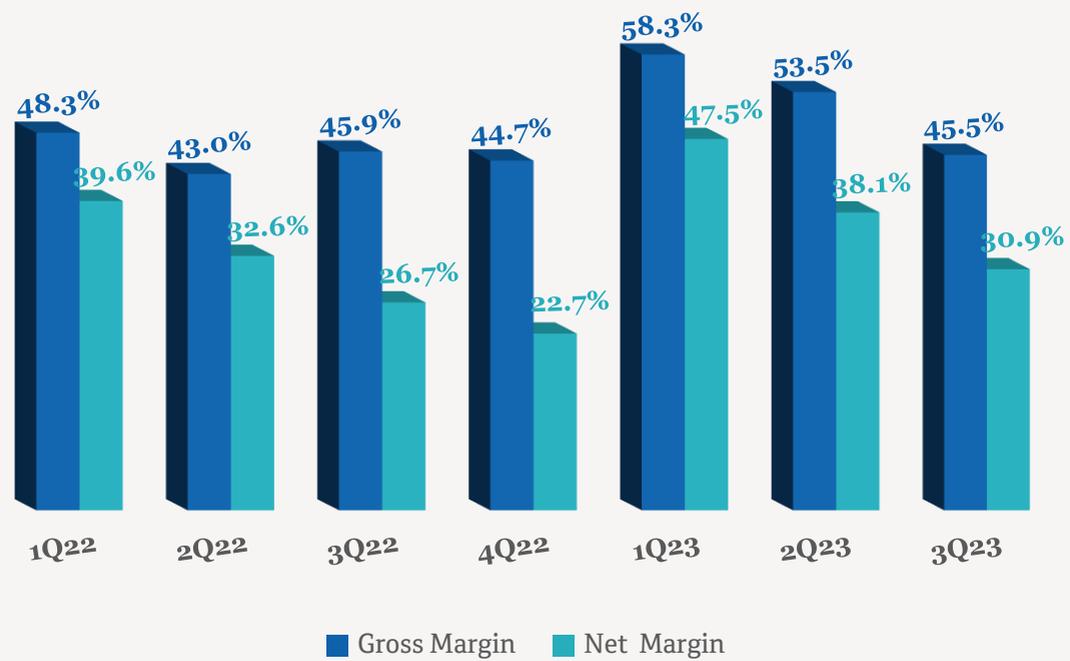
Quarterly Sales Trend (QR mn)



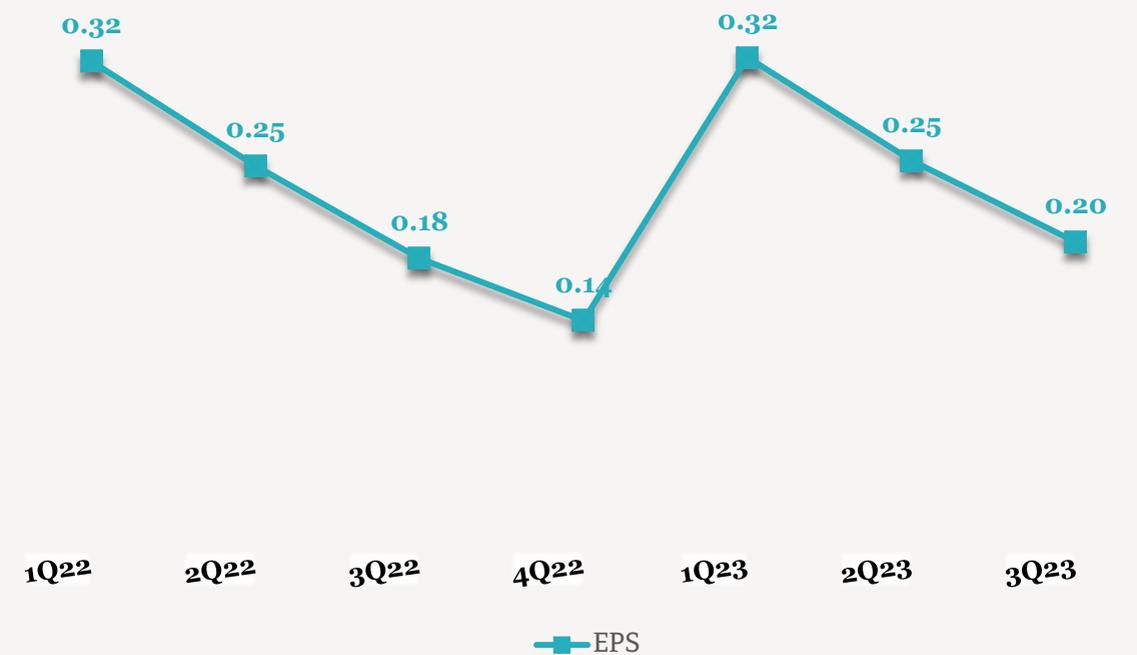
Quarterly Earnings Trend (QR mn)



Quarterly Margins Trend



EPS (QR) Trend



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