

## Non-Banks Drive 4Q25 Momentum; LNG Ramp-Up Reinforces Constructive View On Qatar

We expect 4Q2025 earnings to rise 20.4% YoY (-11.3% QoQ) for our coverage universe. This follows 3Q2025's 2.8%/7.1% YoY/QoQ increase in aggregate QSE earnings. We see most of the growth coming from non-bank earnings, expected to rise 34.9% YoY (-11.1% QoQ) while banks' earnings rise by 5.4% YoY (-11.5% QoQ). **Based on our 2025 estimates, our coverage universe will grow aggregate FY2025 earnings by 4.9% and pay out ~61% as dividends, translating to a yield of 4.7%.**

### 4Q/FY2025 Estimates

Company Name	Price (QR)	Recommendation	Target (QR)	Return	Net Income (QR mn) / EPS (QR)			Revenue (QR mn)			DPS (QR)		
					4Q2025e	YoY	QoQ	4Q2025e	YoY	QoQ	FY2025e	Yield	
Ahli Bank (ABQK)	3.685	Market Perform	3.573	-3.0%	260.73	0.102	6.6%	-4.8%	466.30	11.0%	18.3%	0.275	7.5%
AlRayan Bank (MARK)	2.284	Market Perform	2.623	14.8%	249.04	0.027	13.8%	-50.1%	779.07	3.3%	-18.5%	0.100	4.4%
Commercial Bank of Qatar (CBQK)	4.510	Outperform	5.844	29.6%	603.94	0.149	-12.6%	15.2%	1,085.87	11.7%	-17.8%	0.300	6.7%
Doha Bank (DHBK)	2.948	Accumulate	2.884	-2.2%	173.54	0.056	7.8%	-37.6%	759.24	21.3%	10.9%	0.115	3.9%
Dukhan Bank (DUBK)	3.621	Market Perform	3.730	3.0%	222.32	0.042	10.5%	-41.5%	773.91	4.7%	-0.2%	0.160	4.4%
Qatar International Islamic Bank (QIIK)	11.520	Market Perform	11.260	-2.3%	250.23	0.165	13.8%	-38.8%	604.95	11.4%	5.7%	0.550	4.8%
Qatar Islamic Bank (QIBK)	24.800	Accumulate	27.100	9.3%	1,464.28	0.620	10.7%	14.4%	1,949.28	2.7%	13.5%	0.850	3.4%
Baladna (BLDN)	1.301	Market Perform	1.472	13.1%	104.35	0.052	125.3%	107.3%	314.90	10.0%	5.4%	0.000	0.0%
Medicare Group (MCGS)	6.640	Accumulate	7.300	9.9%	24.33	0.086	1.2%	16.7%	143.09	1.4%	21.4%	0.280	4.2%
Meeza (MEZA)	3.400	Outperform	4.009	17.9%	19.15	0.030	3.9%	39.5%	124.14	8.2%	25.0%	0.000	0.0%
Mekdam Holdings (MKDM)	2.389	Accumulate	3.400	42.3%	11.22	0.070	-15.7%	25.0%	160.20	11.3%	2.6%	0.000	0.0%
Qatar Fuel Co (QFLS)	15.360	Accumulate	16.565	7.8%	276.83	0.278	-1.5%	-4.9%	6,843.03	1.7%	1.5%	0.930	6.1%
Industries Qatar (IQCD)	12.070	Accumulate	15.200	25.9%	1,078.01	0.178	5.9%	-23.8%	4,060.62	21.5%	-8.5%	0.740	6.1%
Estithmar Holding (IGRD)	4.199	Accumulate	3.769	-10.2%	205.97	0.055	173.1%	-14.3%	1,387.01	10.0%	-24.1%	0.000	0.0%
Gulf International Services (GISS)	2.657	Outperform	3.900	46.8%	185.36	0.100	33.9%	11.8%	1,180.33	7.5%	2.6%	0.180	6.8%
Qatar Electricity & Water (QEWS)	15.800	Accumulate	20.000	26.6%	352.52	0.320	55.2%	-3.4%	751.95	2.6%	-10.9%	0.780	4.9%
Qatar National Cement (QNCD)	2.753	Accumulate	3.918	42.3%	24.76	0.038	-16.9%	6.0%	120.94	13.8%	17.4%	0.200	7.3%
QLM Life & Medical Insurance Co.	2.509	Accumulate	2.371	-5.5%	4.03	0.012	-60.4%	-9.3%	355.71	2.3%	N/M	0.100	4.0%
Ooredoo (ORDS)	13.300	Outperform	17.000	27.8%	951.79	0.297	85.5%	-16.6%	5,917.57	-0.3%	-5.5%	0.778	5.9%
Vodafone Qatar (VFQS)	2.470	Outperform	2.800	13.4%	183.46	0.043	12.2%	11.0%	892.19	11.2%	6.9%	0.130	5.3%
Gulf Warehousing Co. (GWCS)	2.280	Accumulate	3.800	66.7%	24.50	0.042	-1.5%	5.5%	340.27	-13.0%	2.1%	0.060	2.6%
Qatar Gas & Transport (QGTS)	4.740	Outperform	5.600	18.1%	457.99	0.083	26.5%	0.9%	949.54	5.0%	0.9%	0.144	3.0%
Qatar Navigation/Milaha (QNNS)	11.380	Outperform	13.300	16.9%	333.99	0.294	63.3%	-13.4%	875.88	23.6%	1.2%	0.500	4.4%
<b>Total</b>					<b>7,462.3</b>		<b>20.4%</b>	<b>-11.3%</b>	<b>30,836.0</b>	<b>6.3%</b>	<b>-2.9%</b>		<b>4.7%</b>

Source: QNB FS Research

### 4Q/FY2025 Estimates

Company Name	EPS (QR)			Revenue (QR mn)			Net Income (QR mn)			P/E				
	FY2023	FY2024	FY2025e	YoY	FY2023	FY2024	FY2025e	YoY	FY2023	FY2024	FY2025e	YoY	2024	2025e
Ahli Bank (ABQK)	0.311	0.332	0.350	5.3%	1,588.99	1,840.04	1,677.72	-8.8%	792.83	847.94	893.22	5.3%	11.1	10.5
AlRayan Bank (MARK)	0.151	0.157	0.164	4.3%	3,537.25	3,532.02	3,474.98	-1.6%	1,405.72	1,461.07	1,523.37	4.3%	14.5	13.9
Commercial Bank of Qatar (CBQK)	0.674	0.679	0.520	-23.4%	5,783.66	4,885.78	4,851.30	-0.7%	2,726.51	2,748.35	2,105.77	-23.4%	6.6	8.7
Doha Bank (DHBK)	0.187	0.213	0.235	10.2%	2,813.61	2,654.96	2,748.66	3.5%	579.48	661.46	728.83	10.2%	13.8	12.5
Dukhan Bank (DUBK)	0.235	0.243	0.256	5.6%	2,444.03	2,678.57	2,906.66	8.5%	1,250.23	1,270.67	1,341.99	5.6%	14.9	14.1
Qatar International Islamic Bank (QIIK)	0.704	0.770	0.828	7.6%	1,974.42	2,021.49	2,238.57	10.7%	1,065.41	1,165.23	1,253.46	7.6%	15.0	13.9
Qatar Islamic Bank (QIBK)	1.729	1.856	1.989	7.2%	6,521.41	6,760.94	6,952.13	2.8%	4,086.56	4,386.68	4,700.71	7.2%	13.4	12.5
Baladna (BLDN)	0.058	0.097	0.243	149.4%	1,056.76	1,145.23	1,256.27	9.7%	109.63	185.01	485.69	162.5%	13.4	5.4
Medicare Group (MCGS)	0.233	0.213	0.307	43.9%	485.96	523.49	519.20	-0.8%	65.70	60.06	86.40	43.9%	31.1	21.6
Meeza (MEZA)	0.093	0.093	0.095	1.8%	422.92	374.22	412.07	10.1%	60.22	60.43	61.54	1.8%	36.5	35.9
Mekdam Holdings (MKDM)	0.269	0.243	0.244	0.4%	526.98	558.90	613.77	9.8%	36.27	38.91	39.04	0.3%	9.8	9.8
Qatar Fuel Co (QFLS)	0.990	1.059	1.034	-2.3%	27,932.51	28,002.85	26,064.86	-6.9%	983.96	1,052.43	1,028.43	-2.3%	14.5	14.8
Industries Qatar (IQCD)	0.780	0.804	0.735	-8.5%	11,744.03	12,652.14	15,801.04	24.9%	4,720.14	4,862.44	4,448.74	-8.5%	15.0	16.4
Estithmar Holding (IGRD)	0.102	0.119	0.249	109.9%	2,919.08	4,216.35	6,287.42	49.1%	347.75	404.32	933.66	130.9%	35.4	16.8
Gulf International Services (GISS)	0.197	0.383	0.408	6.7%	3,538.49	4,153.63	4,585.38	10.4%	366.28	711.00	758.97	6.7%	6.9	6.5
Qatar Electricity & Water (QEWS)	1.410	1.287	1.254	-2.6%	2,911.22	2,998.50	3,040.91	1.4%	1,551.44	1,416.04	1,379.93	-2.6%	12.3	12.6
Qatar National Cement (QNCD)	0.314	0.245	0.158	-35.3%	460.79	396.98	411.63	3.7%	205.10	159.83	103.42	-35.3%	11.3	17.4
QLM Life & Medical Insurance Co.	0.218	0.186	0.146	-21.5%	1,123.64	1,222.99	1,389.45	13.6%	76.28	65.05	51.07	-21.5%	13.5	17.2
Ooredoo (ORDS)	0.942	1.073	1.261	17.6%	23,163.71	23,594.82	24,317.62	3.1%	3,015.88	3,435.89	4,040.45	17.6%	12.4	10.5
Vodafone Qatar (VFQS)	0.128	0.142	0.160	12.8%	3,110.82	3,189.54	3,478.49	9.1%	540.04	600.66	677.44	12.8%	17.4	15.4
Gulf Warehousing Co. (GWCS)	0.367	0.293	0.182	-38.0%	1,508.30	1,582.63	1,386.08	-12.4%	215.04	171.89	106.61	-38.0%	7.8	12.5
Qatar Gas & Transport (QGTS)	0.281	0.296	0.320	8.2%	3,565.15	3,613.91	3,747.56	3.7%	1,557.83	1,657.37	1,771.32	8.2%	16.0	14.8
Qatar Navigation/Milaha (QNNS)	0.907	0.988	1.225	24.1%	2,941.79	2,839.80	3,333.84	17.4%	1,030.20	1,121.97	1,391.85	24.1%	11.5	9.3
<b>Total</b>					<b>112,075.5</b>	<b>115,439.8</b>	<b>121,495.6</b>	<b>5.2%</b>	<b>26,768.5</b>	<b>28,524.7</b>	<b>29,911.9</b>	<b>4.9%</b>		

Source: QNB FS Research

We reiterate our constructive view on **Qatari equities as the mainstay LNG/fundamental story anchors the Qatari economy/equities directly/indirectly with the ramping up of the North Field project** – a significant portion of Qatar's expected annual LNG capacity increase is already signed-off in long-term supply contracts. Meanwhile, **continued government efforts to grow/diversify the economy provides another platform for more companies to grow their earnings, with PMIs since the beginning of 2024 confirming uninterrupted expansion in the non-oil economy**. According to Bloomberg consensus, Qatar's GDP is expected to have grown by 2.9% in 2025 and is projected to accelerate to 5.1%/7.2% in 26/27 as the North Field LNG project goes live.

Meanwhile, **the global economy has stayed resilient despite the burden of on-again, off-again US tariffs. Consensus is that global GDP grew by 3.2% in 2025 and is expected to grow by 2.9%/3.0% in 2026/27**. Meanwhile, global equities have continued to rise as investors renewed their focus on a much softer Fed rate policy path, the staying promise of AI and the resurgence of M&A activity. The ACWI rose 3.0% in 4Q2025 (FY2025: 20.6%). Locally, **although the QSE declined 2.6% in 4Q2025 (FY2025: +1.8%) it outperformed the GCC average**, which fell by 5.1% in 4Q2025 (FY2025: -1.5%), primarily weighed down by Tadawul. Overall, foreign institutions (excluding GCC/Arab investors) remained bullish during 4Q2025 with net buying of ~\$346mn of Qatari equities vs. \$181mn net long in 3Q2025. For FY2025, FIs turned net buyers to the tune of ~\$524mn vs. net sellers of ~\$241mn in 2024.

We note geopolitics and energy prices present nuanced risks for our market. However, we are positive longer term on the Qatari market, and we believe that **intermittent market dislocations could present both tactical and long-term opportunities for investors to optimize their portfolios due to the following reasons:**

- The North Field Gas expansion, a growing tourism/sporting/MICE sector and QNV2030 investments to make Qatar an advanced economy, will continue to be major growth drivers for company earnings. *The production stage of the first phase of the North Fields LNG project is now imminent, expected to go live mid-year. The spike in consensus growth projections for Qatar are in sync with this outlook.*** The demand for Qatar's gas should remain strong for the foreseeable future on the back of geopolitical developments, specifically in Europe, with demand for LNG expected to peak between mid-2030s and mid-2040s.
- IQCD, CBQK and DHBK announced share buybacks; IPOs/listings could add further momentum. With several QSE companies boasting strong balance sheets but beset with lower valuations, a few companies announced share buybacks during 2025 in a bid to enhance shareholder value. It is worth noting that QNB Group's approved QR2.9bn share buyback program in September 2024 is still underway – it has bought back more than 123mn shares by 12 January 2026 and the target is a total of 184.7mn shares. More companies could also follow the share buyback initiative. Moreover, new rules allowing the distribution of interim dividends by QSE-listed firms could further enhance Qatar's appeal to local and foreign investors. So far, 10 companies have been paying interim dividends since 2024: QNBK, QIBK, QIIC, DUBK and QE-affiliated companies (IQCD, MPHC, QAMC, QFLS, QEWS and QGTS). We believe this number could expand in future. In addition, a resurgence in IPOs could be on the horizon, with the direct listing of Mosanada Facilities Management Co. (MFMS) in December. Meanwhile, GISS is on track to list a portion of Al Koot, its insurance business, and Amwaj, its 30%-owned catering business.**
- With supply-demand dynamics of oil/gas remaining volatile in the interim, Qatar's conservative public budgeting regime ensures a decent margin of safety.** This year, Brent crude outlook is broadly range-bound to mildly bearish, as a persistent global supply surplus, rising inventories, and uneven demand growth limit upside, despite episodic geopolitical risk providing a floor – **consensus forecasts cluster around the mid-\$50s to low-\$60s per barrel.** Qatar utilizes a conservative oil price forecast (\$55/bbl) in its budgeting, generally below the oil market price on average even at the current depressed levels, which builds natural buffers in its budgeting and positively serves Qatar's finances. This enables flexibility in government spending and improves credit availability within the economy.
- Since the successful hosting of the World Cup, Qatar has continued to grow its sports & MICE tourism brands.** The impact is visible, with Qatar registering record 5.1mn visitor arrivals in 2025, up from 4.9mn in 2024, and on track to the 6mn/year visitors target by 2030 – in 2019 (pre-Covid), arrivals were 2.1mn, rising to 2.6mn in 2022 (World Cup). Furthermore, **the construction sector is beginning to see improvement after experiencing some moderation post-2022 World Cup activity.** Positive news flow from last year could eventually revive the sector's fortunes with a new pipeline of major infrastructure projects, spearheaded by Ashghal, Kahramaa and Simaisma.
- On top of Qatar's macro strengths, Qatari companies enjoy robust balance sheets backed by low leverage and decent RoEs. Specifically, Qatari banks stand out with their exceptional capital adequacy ratios and strong provision coverage.** The resumption of monetary loosening should further bolster the attractiveness of the Qatari equity market as a yield play.

**Anchoring our overall convictions are Qatari valuations, looking attractive historically and relative to peers,** especially given that we see earnings continuing to grow for the foreseeable future. We stay bullish longer term on Qatari equities given their defensive characteristics backed by strong fundamentals.

#### *Qatar Stock Exchange Historical Price Returns*



Source: QSE, Bloomberg, QNB FS Research

## Highlights

### Banks

- Stock price performance of banks in 2025 has outperformed the QSE Index; the banking sector index increased by 10.8%, while the QSE Total Return Index moved up by 6.7%; the increase in the indices is mainly attributable to an improvement in investor confidence, especially FIs.
- We estimate banks under coverage – excluding QNB Group (QNBK), which is not part of our coverage – to experience a 5.4% YoY increase in earnings, mainly due to strong performance from Qatar Islamic Bank (QIBK) and to a certain extent AlRayan Bank (MARK) and Qatar International Islamic Bank (QIIC). On the other hand, Commercial Bank of Qatar (CBQK) is modeled to contribute negatively to aggregate earnings (excluding CBQK, aggregate earnings are penciled to grow by 10.6%). The YoY aggregate performance is generally mixed across the banks. Earnings growth is due to a combination of lower provisions & impairments and/or increase in net interest income and to a certain extent non-funded income. Sequentially, earnings are expected to follow historical trends; aggregate bottom-line is estimated to retreat by 11.5% driven by declines across most banks, except QIBK and CBQK. The drop is mainly due to larger credit provisions and impairments.
  - QIBK is estimated to significantly contribute to aggregate earnings growth.** QIBK continues to enjoy robust fundamentals with strong double-digit RoE generation (FY2025e/26e RoE: 17%), and efficient costs management (2025e/26e C/I: 16.9%/16.4%). **QIBK is modeled to grow its net profit by 10.7% YoY in 4Q2025, driven by healthy net interest & investment income and significantly lower provisions & investments.** Sequentially, QIBK's net profit is modeled to jump by 14.4% (in-line with historical trends) on lower provisions & impairments and a rise in net interest & investment income. The name is trading at attractive 2026e/27e P/TBs of 1.8x/1.6x vs. its 5-year high of 3.0x and average of 2.1x.
  - CBQK is estimated to contribute negatively to aggregate earnings.** CBQK is expected to witness its 4Q2025 profitability drop 12.6% YoY due to credit provisions & impairments vs. net reversals in 4Q2024. However, on a net operating level, CBQK's net operating income is expected to increase by 21.0%. Sequentially, the bottom-line is modeled to increase by 15.2% on the back of 53.0% drop in provisions & impairments. Based on our estimates, the name trades at 2026e/27e P/TBs of 0.8x/0.7x and offers a generous 6.7% yield.

### Diversified

- We estimate a YoY increase of 34.9% (-11.1% QoQ) in the bottom-line of diversified non-banks under coverage. The YoY increase is driven by Ooredoo (ORDS), Estithmar Holding (IGRD), Baladna (BLDN), and Qatar Navigation (QNNS).
  - We expect IGRD to maintain its strong YoY earnings momentum into 4Q2025, where earnings could climb more than 200% YoY, driven by the healthcare unit.
  - We expect BLDN to see a spike in YoY earnings of about 137%, driven by fair value gains emanating from its equity portfolio.
- Risks:** Estimates can be impacted by one-offs, impairments/write-downs for non-financial companies, provisions for banks and investment income/capital gains (losses). Volatile oil & gas prices & geo-political tensions remain major risk factors to regional equities and have a direct detrimental impact on stocks under coverage.

Recommendations		Risk Ratings	
<i>Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price</i>		<i>Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals</i>	
<b>OUTPERFORM</b>	Greater than +20%	<b>R-1</b>	Significantly lower than average
<b>ACCUMULATE</b>	Between +10% to +20%	<b>R-2</b>	Lower than average
<b>MARKET PERFORM</b>	Between -10% to +10%	<b>R-3</b>	Medium / In-line with the average
<b>REDUCE</b>	Between -10% to -20%	<b>R-4</b>	Above average
<b>UNDERPERFORM</b>	Lower than -20%	<b>R-5</b>	Significantly above average

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