



# Earnings Flash Note

## Qatar Navigation

### 4Q 2023 / FY 2023





## Qatari Navigation (QNNS)

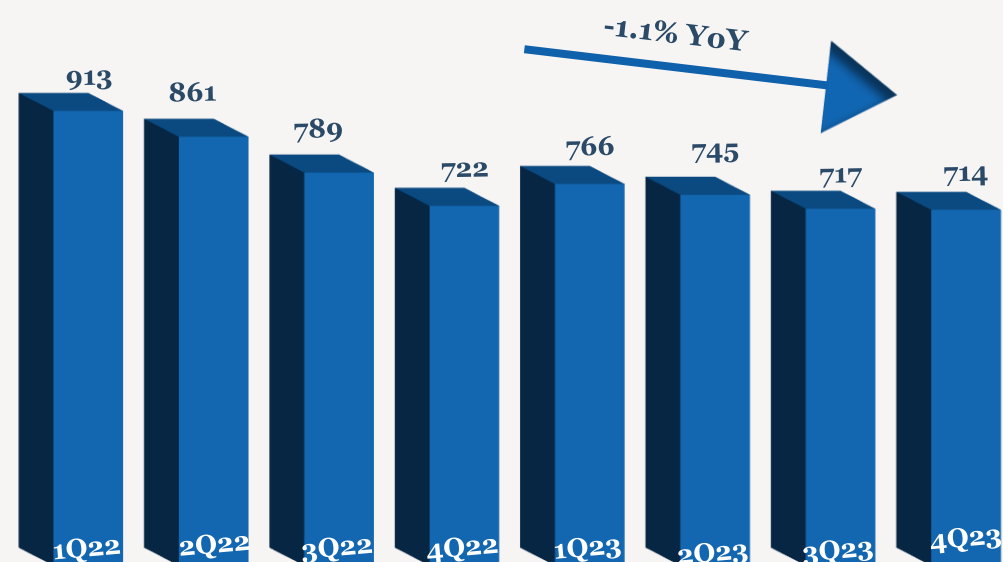
- > Net profit decreased by 1.0% to QR160mn (-27.7% QoQ) in 4Q2023 due to higher operating costs and a decline in income from associates & joint ventures, offsetting a significant decrease in impairments (QR20mn vs. QR80mn in 4Q2022). For FY2023, net profit rose 1.7% YoY to QR1,030mn.
- > Revenue declined by 1.1% YoY (-0.3% QoQ) to QR714mn in 4Q2023. For FY2023, revenue was down 10.5% YoY to QR2,942mn.
- > Gross profit fell 1.8% YoY to QR318mn (-2.5% QoQ) while the corresponding margin came at 44.4% in 4Q2023 (vs. 44.7% in 4Q2022). For FY2023, gross profit declined 0.6% YoY to QR1,488mn.
- > Operating profit of QR33mn was down by 48.1% YoY (-45.6% QoQ) and margin came at 4.6% in 4Q2023 (vs. 8.7% in 4Q2022). For FY2023, operating profit fell 10.4% YoY to QR436mn.
- > For 4Q2023, EPS came at QR0.141 vs. QR0.143 in 4Q2022 while for FY2023, EPS was QR0.907 VS QR0.891 in FY2022.
- > As of 5th Feb 2024, the stock has increased 3.1% YTD, outperforming the QSE Index, which was down by 8.7% YTD.
- > The stock is currently trading at TTM P/E multiple of 11.0x, lower than its 2Y historical average of 11.7x. For now, we maintain our PT of QR12.0/share and our Accumulate rating.
- > The Board announced a DPS of QR0.375 for FY2023, which translates into a yield of 3.8%.

### 4Q/FY 2023 Earnings Performance

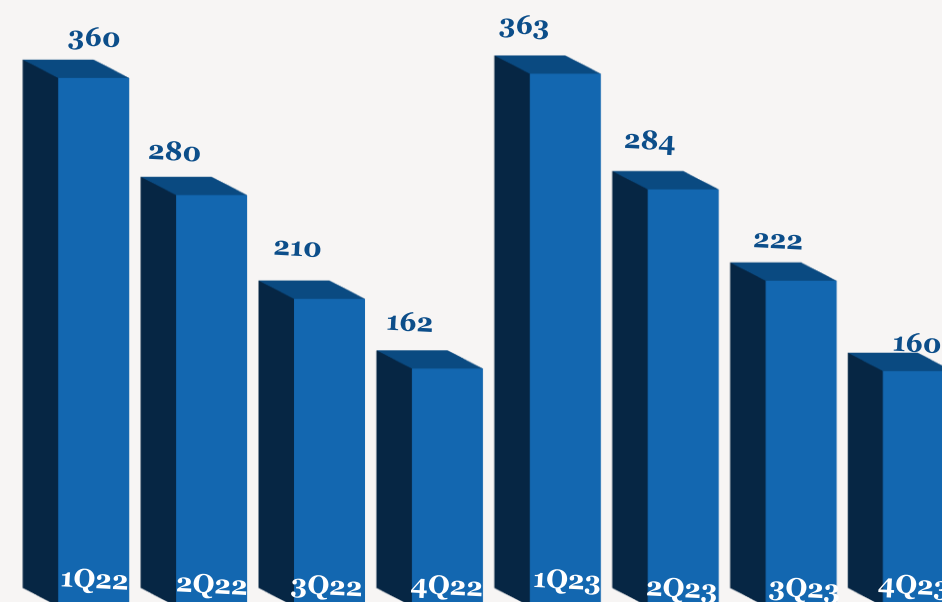
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Operating Revenue	714	722	-1.1%	717	-0.3%	2,942	3,285	-10.5%
Gross Profit	318	323	-1.8%	326	-2.5%	1,488	1,497	-0.6%
Gross Margin %	44.4%	44.7%		45.5%		50.6%	45.6%	
Operating Profit	33	63	-48.1%	60	-45.6%	436	487	-10.4%
Operating Margin %	4.6%	8.7%		8.4%		14.8%	14.8%	
Net Profit to Equity	160	162	-1.0%	222	-27.7%	1,030	1,013	1.7%
Net Margin %	22.5%	22.4%		31.0%		35.0%	30.8%	
EPS (QR)	0.141	0.143	-1.0%	0.195	-27.7%	0.907	0.891	1.7%

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

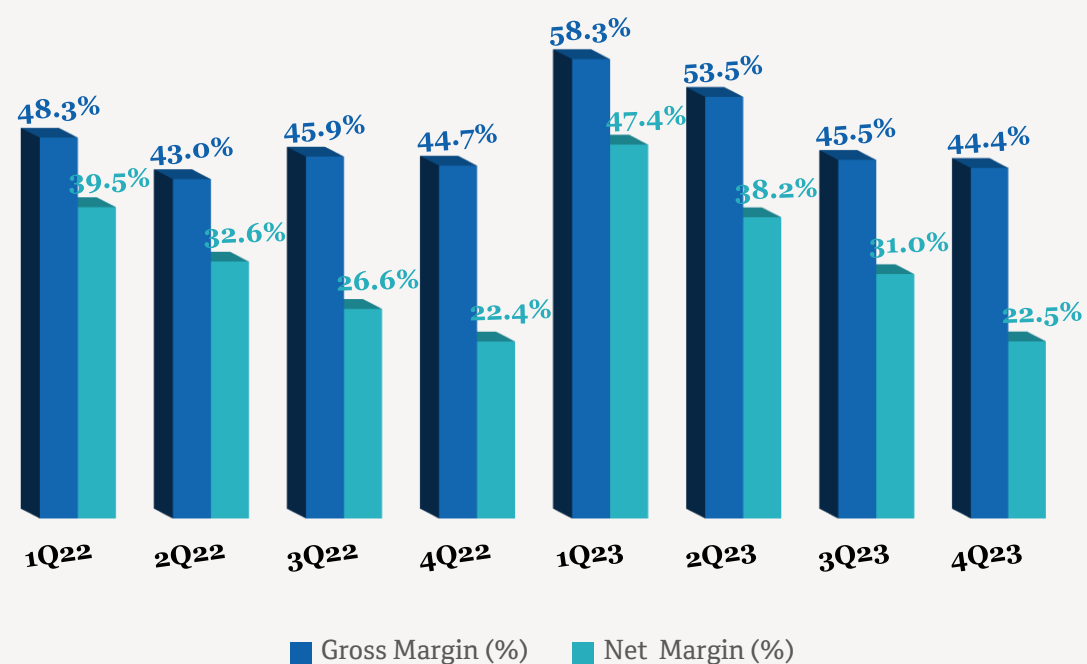
### Quarterly Sales Trend (QRmn)



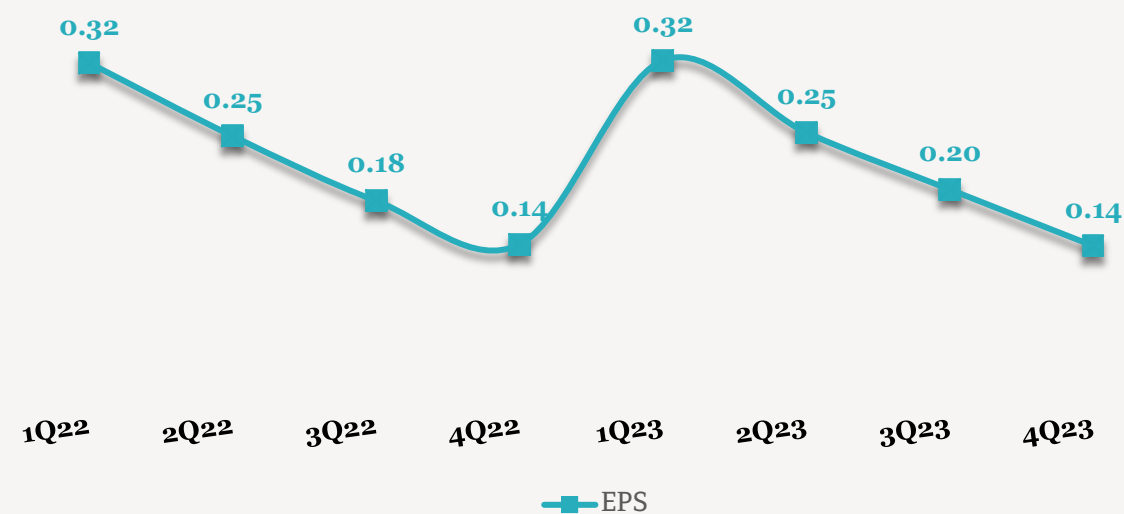
### Quarterly Earnings Trend (QRmn)



### Quarterly Margin Trend



### EPS (QR) Trend



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