



Earnings Flash Note
Gulf Warehousing Company
3Q 2023 / 9M 2023



Gulf Warehousing Company (GWCS)

- > Net profit decreased by 10.7% YoY to QR53mn (-0.5% QoQ) in 3Q2023 primarily due to an increase in net finance cost (+87.6% YoY, +4.0% QoQ). For 9M2023, net profit declined by 3.6% YoY to QR168mn.
- > Revenue fell by 10.5% YoY to QR350mn (-6.3% QoQ) in 3Q2023 while for 9M2023, it rose by 2.3% YoY to QR1,136mn.
- > Gross profit increased by 0.4% YoY to QR111mn (-3.3% QoQ) and margin improved to 31.7% (+3.4ppts YoY; +1.0ppts QoQ) in 3Q2023. For 9M2023, gross profit grew 9.4% to QR346mn.
- > Operating profit was up by 4.7% YoY (+0.1% QoQ) to QR79mn in 3Q2023 while the corresponding margin improved to 22.7% (+3.3ppts YoY, +1.5ppts QoQ). For 9M2023, operating profit increased 12.0% YoY to QR248mn.
- > For 3Q2023, EPS came at QR0.091 vs. QR0.101 in 3Q2022 while for 9M2023, EPS was 0.286 vs 0.297 in 9M2022.

- > As of 24th Oct 2023, the stock has decreased 28.6% YTD, underperforming the QSE Index, which was down by 11.0% YTD.
- > The stock is currently trading at a TTM P/E multiple of 7.3x, lower than its 3Y historical average of 11.0x. For now, we maintain our PT of QR 4.86/share and our Accumulate rating.

3Q 2023 Earnings Performance

| | 3Q2023 | 3Q2022 | YoY | 2Q2023 | QoQ |
|--------------------|--------|--------|--------|--------|-------|
| Revenue | 350 | 391 | -10.5% | 373 | -6.3% |
| Gross Profit | 111 | 110 | 0.4% | 115 | -3.3% |
| Gross Margin % | 31.7% | 28.2% | | 30.7% | |
| Operating Profit | 79 | 76 | 4.7% | 79 | 0.1% |
| Operating Margin % | 22.7% | 19.4% | | 21.2% | |
| Net Profit | 53 | 59 | -10.7% | 53 | -0.5% |
| Net Margin % | 15.2% | 15.2% | | 14.3% | |
| EPS (QR) | 0.091 | 0.101 | -10.7% | 0.091 | -0.5% |

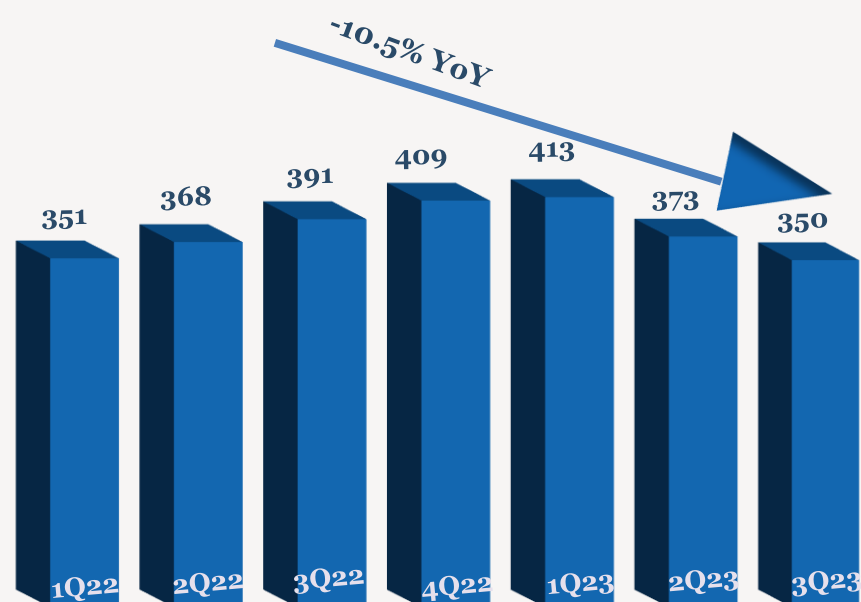
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

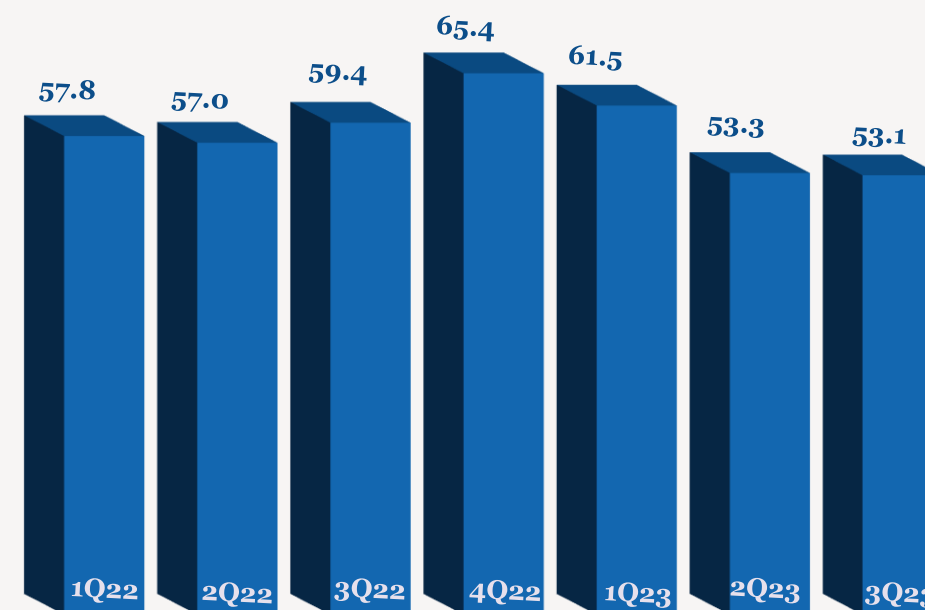
| | 9M2023 | 9M2022 | YoY |
|--------------------|--------|--------|-------|
| Revenue | 1,136 | 1,110 | 2.3% |
| Gross Profit | 346 | 316 | 9.4% |
| Gross Margin % | 30.4% | 28.5% | |
| Operating Profit | 248 | 221 | 12.0% |
| Operating Margin % | 21.8% | 19.9% | |
| Net Profit | 168 | 174 | -3.6% |
| Net Margin % | 14.78% | 15.70% | |
| EPS (QR) | 0.286 | 0.297 | -3.6% |

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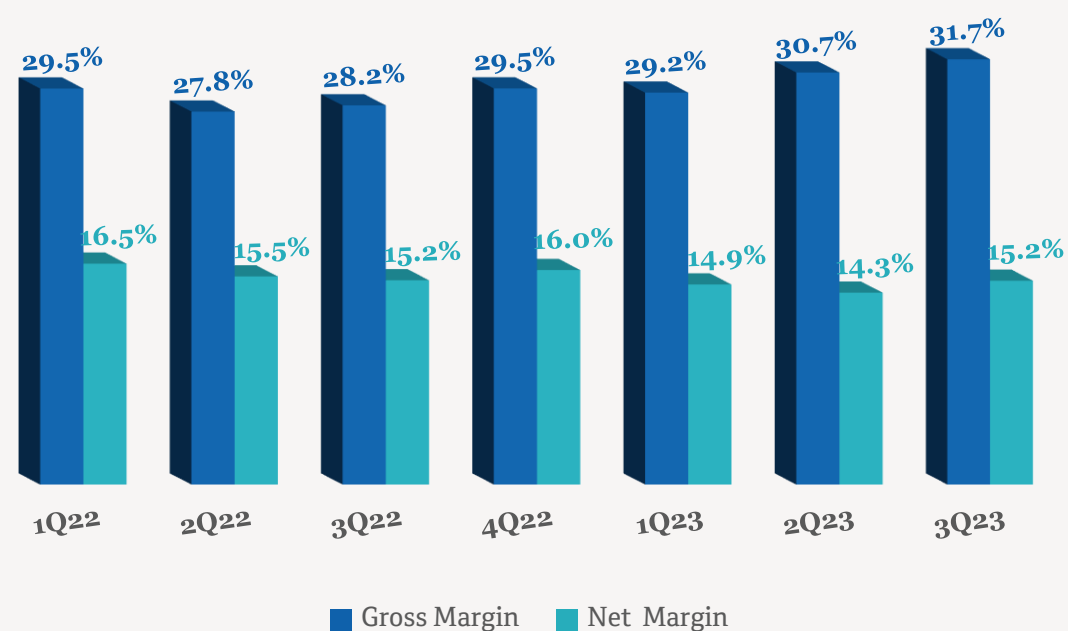
Quarterly Sales Trend (QRmn)



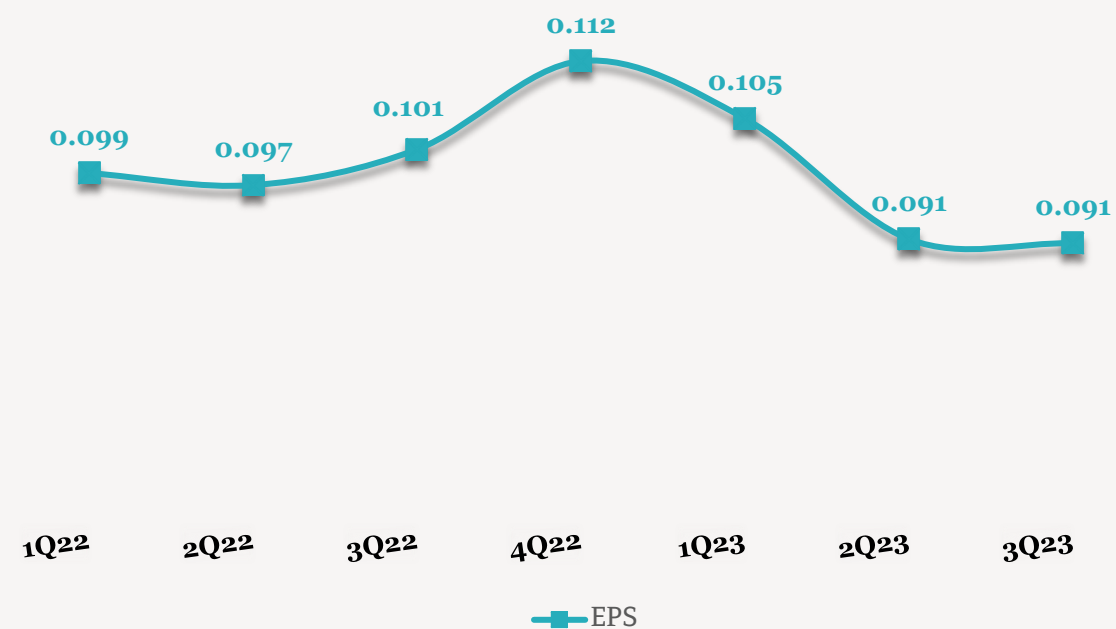
Quarterly Earnings Trend (QRmn)



Quarterly Margins Trend



EPS (QR) Trend



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