



Earnings Flash Note  
Qatar National Cement Co.  
3Q 2023 / 9M 2023



## Qatar National Cement Company (QNCD)

- > **Net Profit of QR50mn fell 15.4% YoY (+35.5% QoQ)** in 3Q23 due to weakness in revenue and higher selling & distribution expenses, which were partially offset by lower cost of sales. For 9M23, net profit declined by 11.2% YoY to QR152mn.
- > **Sales decreased 27.2% YoY to QR120mn (+13.7% QoQ)** in 3Q23 while for 9M23, sales declined to QR354mn (-35.8% YoY).
- > **Gross profit increased 8.2% YoY to QR62mn (+85.2% QoQ)** and the corresponding margin came at 51.5% in 3Q23 (+16.8ppts, +19.9ppts).
- > **Operating profit of QR38mn was down by 26.3% YoY (+52.2% QoQ)** and margins came at 31.7% in 3Q23 (+0.4ppts YoY, +8.0ppts QoQ).
- > **For 3Q23, EPS came at QR0.08 vs. QR0.09 in 3Q22** while for 9M23, EPS was 0.23 vs 0.26 in 9M22.

- > **As of 18th Oct 2023, the stock has declined 29.3% YTD**, underperforming the QSE Index, which was down by 6.8% YTD.
- > **The stock is currently trading at a TTM P/E multiple of 10.7x.**

### 3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Sales	120	165	-27.2%	106	13.7%
Gross Profit	62	57	8.2%	33	85.2%
Gross Margin %	51.5%	34.7%		31.6%	
Operating Profit	38	52	-26.3%	25	52.2%
Operating Margin %	31.7%	31.3%		23.6%	
Net Profit to Equity	50	60	-15.4%	37	35.5%
Net Margin %	41.9%	36.1%		35.1%	
EPS	0.08	0.09	-15.4%	0.06	35.5%

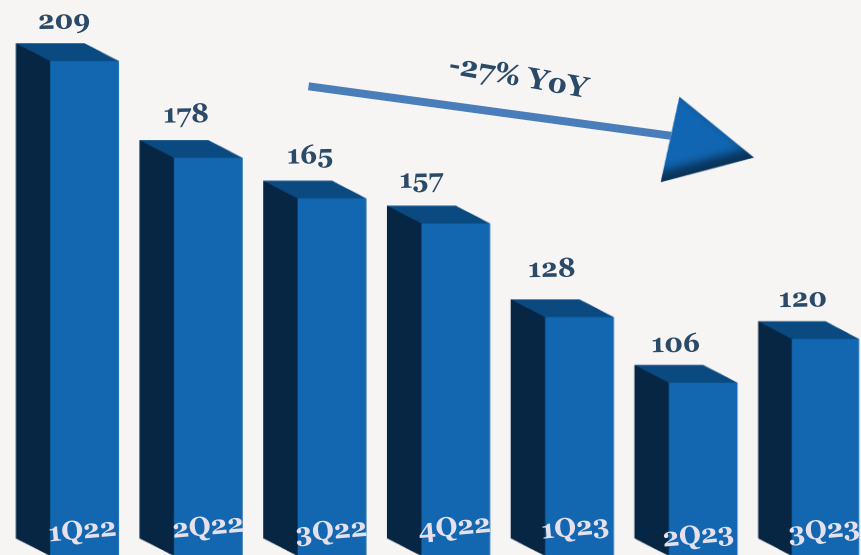
Note: Values are expressed in QR'mn unless explicitly stated

### 9M 2023 Earnings Performance

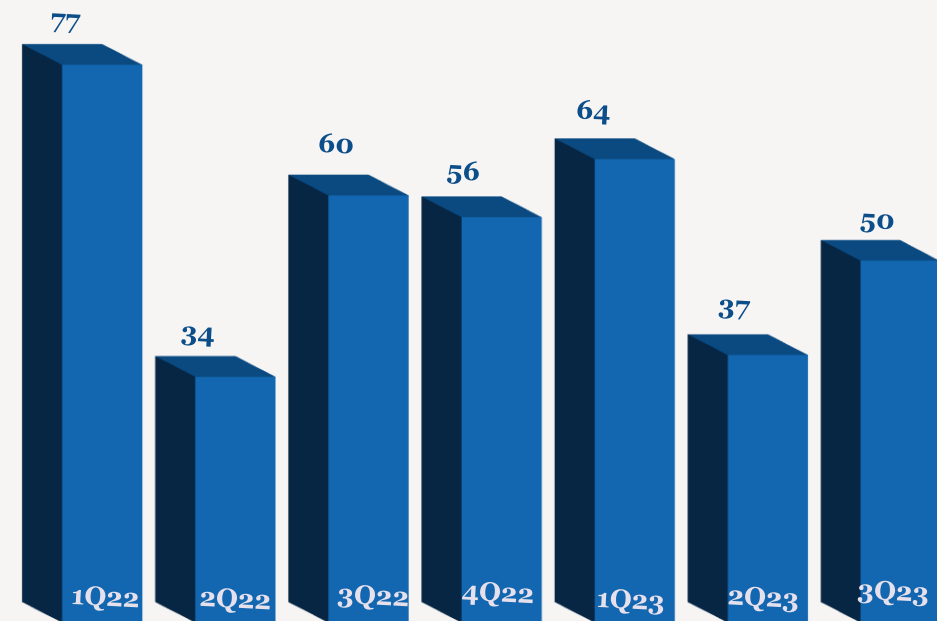
	9M2023	9M2022	YoY
Sales	354	552	-35.8%
Gross Profit	145	159	-9.1%
Gross Margin %	40.9%	28.9%	
Operating Profit	104	141	-26.5%
Operating Margin %	29.3%	25.6%	
Net Profit to Equity	152	171	-11.2%
Net Margin %	42.8%	31.0%	
EPS	0.23	0.26	-11.2%

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

Quarterly Sales Trend (QR mn)



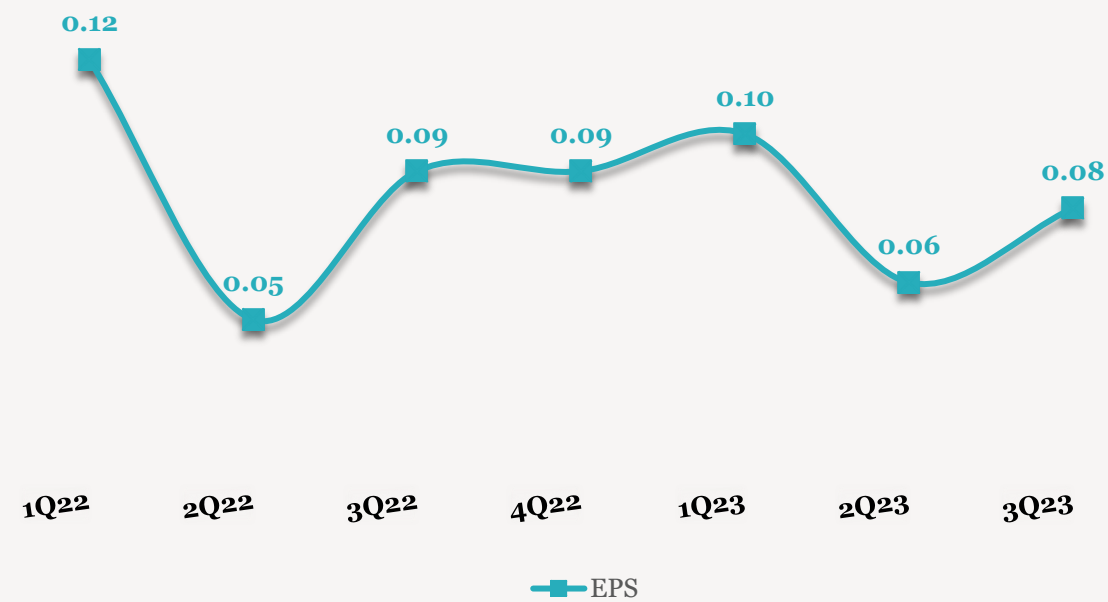
Quarterly Earnings Trend (QR mn)



Quarterly Margins Trend



EPS (QR) Trend



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