

# Gulf Warehousing Company: Q3 2024 Results



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# Profit Decline Overview

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## 9-Month Profit Drop

Profits decreased by 20.9 million riyals, a 12.4% decline. Net income reached 147.1 million riyals.

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## Q3 Performance

Third-quarter net income fell 9.3% compared to Q3 2023. This indicates ongoing challenges.

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## EPS Impact

Earnings per share decreased to 0.251 riyals from 0.285 riyals.



# Revenue and Contract Analysis

## Revenue Growth

Total revenues increased by 4.9% over nine months. New client contracts drove growth.

## Rental Revenue Decline

Rental revenues plummeted by 41%. This significant drop offset overall revenue gains.

## Contract Strategy

New contracts aim to counterbalance rental losses. Diversification efforts are evident.

# Margin Pressure and Cost Increases

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## **Shipping Cost Surge**

Shipping costs rose by 21%. This increase directly impacted profit margins.

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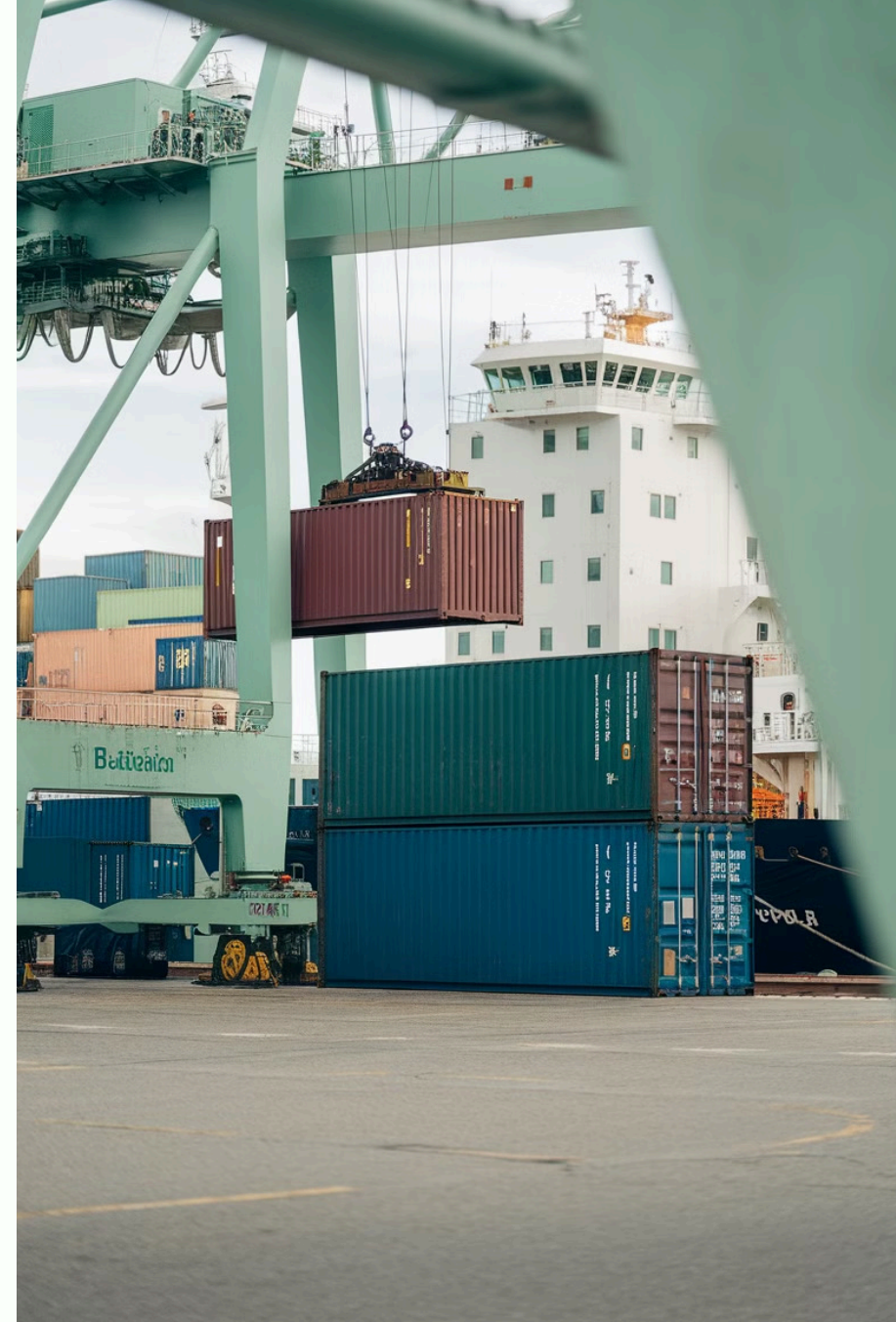
## **Gross Profit Margin Decline**

Gross profit margin fell to 28.3% from 30.5%. Cost pressures eroded profitability.

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## **Financing Expense Increase**

Financing costs jumped by 26 million riyals, a 35% rise. Loan balances remained stable.







# Market Performance Metrics

Metric	GWCS.QA	Sector Average
P/E Ratio	10.1X	16.3X
EV/EBITDA	7.2X	13.2X
ROA	3.9X	5X
ROE	8.3X	8.4X



# Dividend and Valuation Analysis

## Dividend Yield

Current dividend yield is 3.14%. Last payment of 0.11 QAR per share on 2024-03-01.

## Payout Ratio

Payout ratio stands at 32.14%. This indicates a balanced approach to shareholder returns.

## Price to Book Ratio

P/B ratio of 0.8x suggests potential undervaluation. Asset values exceed market price.

## 52-Week Range

Stock traded between 2.89 and 3.79 over past year. Current price near high end.

# Stock Price Reactions to Results

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## 2024 Reactions

Three consecutive decreases in 2024. July: -0.63%, April: -0.03%, January: -3.57%.

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## 2023 Reactions

Three increases in 2023. October: +1.19%, July: +0.93%, April: +0.25%.

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## Trend Analysis

Shift from positive to negative reactions. Indicates changing investor sentiment over time.





# Future Outlook and Challenges

## 1 Cost Management

Addressing rising shipping and financing costs is crucial. Efficiency improvements needed.

## 2 Revenue Diversification

Continued focus on new contracts to offset rental declines. Exploring new market segments.

## 3 Margin Recovery

Strategies to improve gross profit margins. Potential pricing adjustments and cost optimization.

## 4 More generous cash dividends

This would enhance market sentiment toward the share.





# Stock Performance

1 day	-0.26%	
1 week	-1.33%	
Current month	+0.52%	
1 month	+1.07%	
3 months	+4.83%	
6 months	+1.93%	
Current year	+11.46%	
1 year	+18.86%	
3 years	-31.01%	
5 years	-29.47%	
10 years	-27.27%	

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