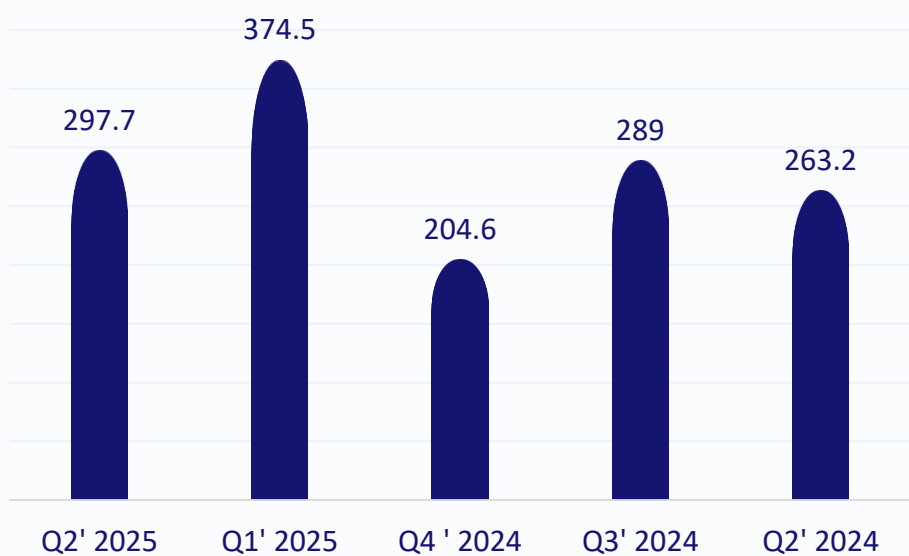


Qatar Navigation

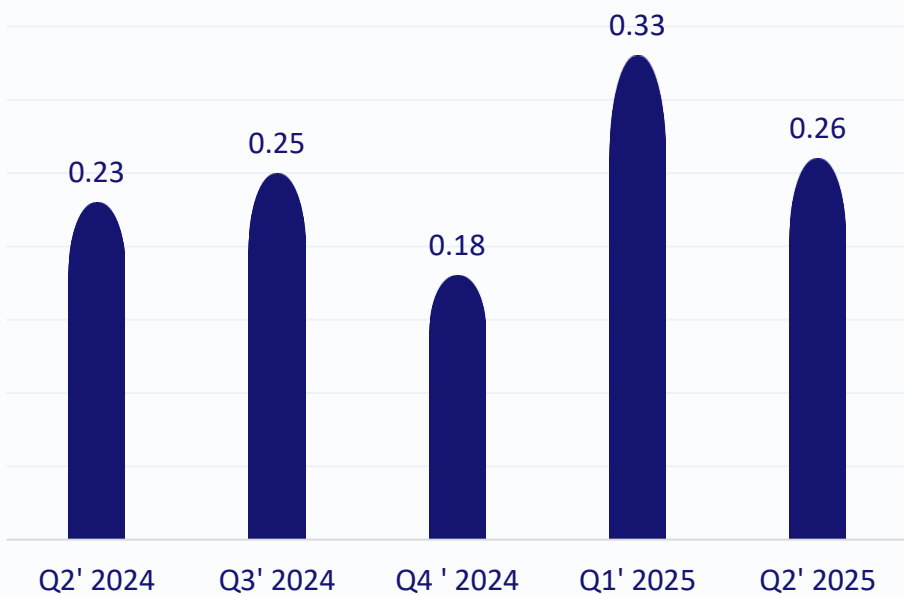
Executive Summary

- The company's profits increased by around 7% by the conclusion of June 2025, totaling QAR 672.2 million, in contrast to QAR 628.4 million. The earnings per share (EPS) were QAR 0.59, as opposed to QAR 0.55.
- Profits for Q2 '2025 rose by 13% in comparison to the same quarter in 2024, totaling QAR 297.7 million. It is important to highlight that the profits for the first quarter of 2025 were QAR 374.5 million, as the first-quarter profits for each year incorporate cash dividends from investee companies.
- The increased profits were fueled by an 11% growth in revenues, amounting to QAR 159 million, which was due to improved earnings from the offshore platform support sector and the gas and petrochemicals sector, offsetting the decline in Navigation Capital and the company's stake in joint ventures.
- As revenues grew, operating profits rose by 12%, reaching QAR 354 million, up from QAR 316 million. Nevertheless, the operating profit margin saw a slight improvement to 22.2%, compared to 22% at the close of June 2024, since the majority of the revenue increase was counterbalanced by a rise in expenses.
- By the end of June 2025, the company's stake in joint ventures increased by approximately 4%. The company's ownership comprises 50% in Gulf Gas Transport Company and 49 % in Q Terminals.
- The Navigation holds over 36% of Nakilat, and due to the rising demand for LNG stemming from the shift towards clean energy, Navigation is anticipated to gain advantages from its stake in Nakilat, which is in the process of expanding its fleet to meet the projected rise in Qatari gas output.
- Disruptions in Red Sea shipping and tensions in West Asia: The crisis in the Red Sea during October 2023 affected 30% of global container trade, compelling 70-80% of vessels to change their routes, which resulted in delays and higher expenses.
- The organization reported a revaluation loss in the statement of comprehensive income amounting to around QAR 124.8 million, in contrast to a loss of QAR 257.1 million for the equivalent period in 2024. This loss was attributed to interest rate hedging contracts and the revaluation of financial assets.
- EBITDA experienced a notable rise on a semi-annual basis, achieving QAR 598.7 million, in contrast to QAR 516.1 million for the equivalent period. It is important to highlight that the EBITDA margin was 37.6%, compared to 36.0% for the same timeframe.
- During the first six months, the company shifted its balances from bank deposits to cash. Cash and deposits account for approximately 27% of the current assets. Furthermore, the company's short-term equity trading portfolio is estimated to be worth around QAR 647 million.

Quarterly Net Income (million)



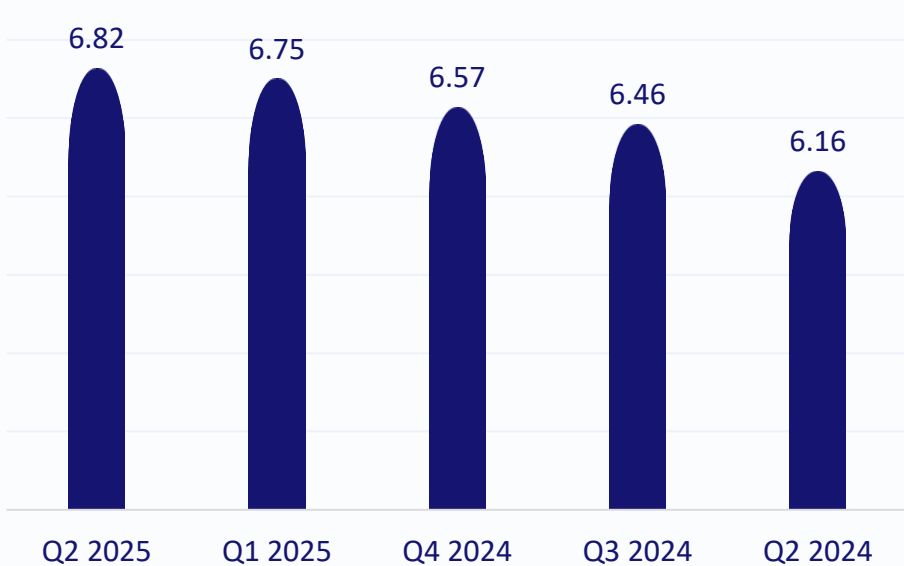
Quarterly EPS (QAR)

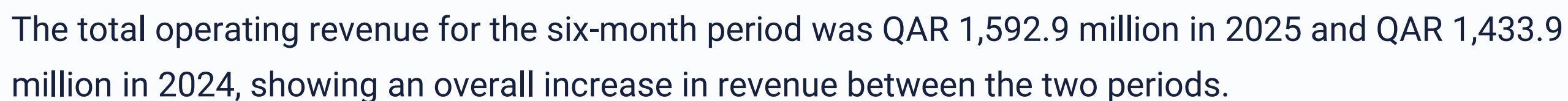


Gross Profit (QAR m)



ROE %

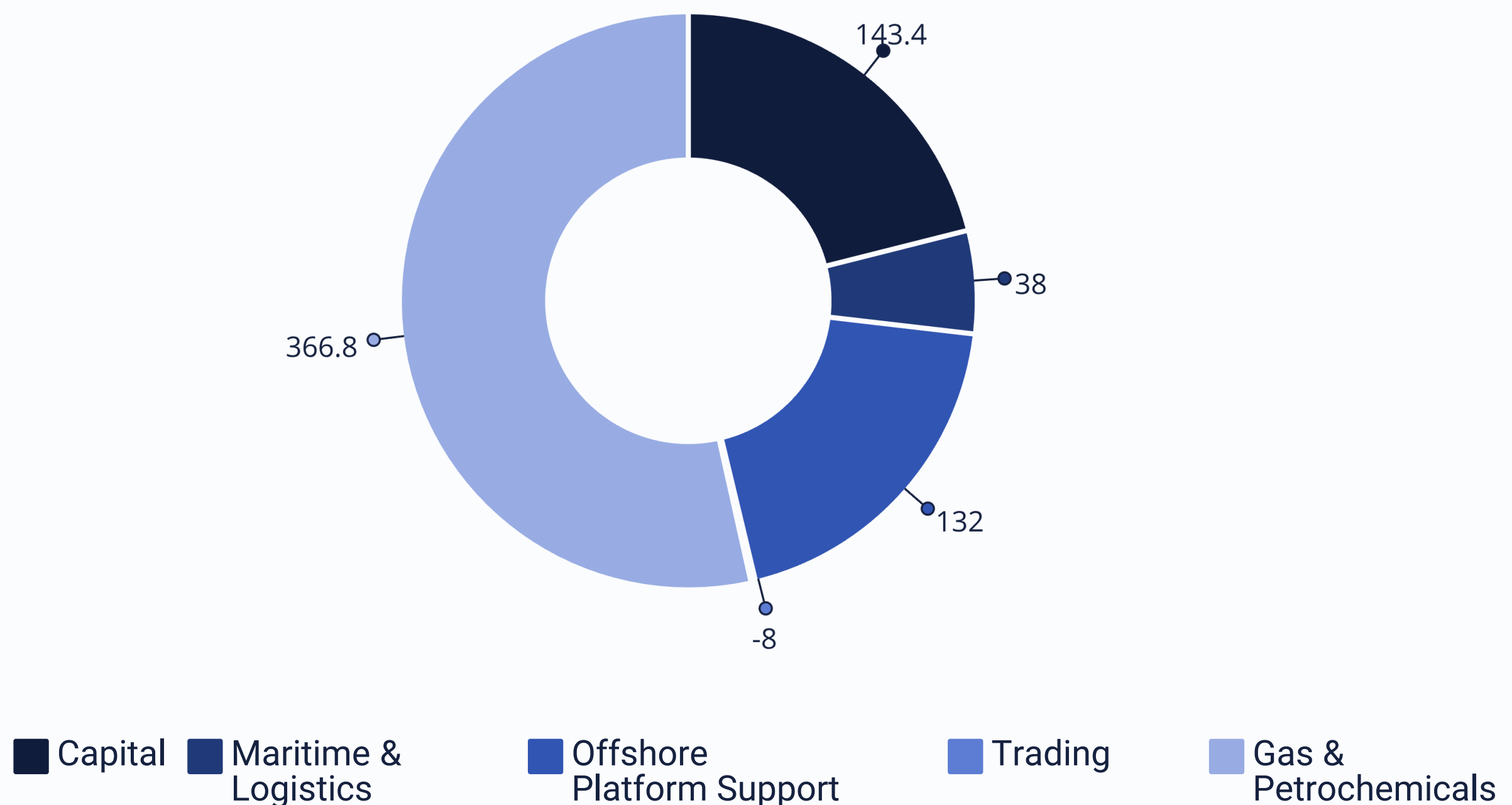




Showing growth from QAR 182.3 Million in 2025 to QAR 225.7 Million in 2024, representing a positive trend.

QAR	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Market Capitalization (m)	13,066	12,816	12,486	12,486	12,691
Revenue (m)	686.8	697.2	708.8	759.2	833.7
EBITDA(m)	209.9	229.4	232.9	329.3	269.5
Book Value per Share	14.63	14.83	15.38	15.08	15.46
Price/Book Value per Share	0.79	0.76	0.71	0.73	0.72
Dividend Yield	3.26	3.32	3.41	3.64	3.58

Net Profit Performance by Segment (QARm)



Liquidity & Debt

In Millions of QAR except Per Share	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Cash Ratio	1.01	1.16	1.35	0.89	0.91
Current Ratio	2.12	2.11	2.48	1.83	1.94
Quick Ratio	1.01	1.16	1.69	0.89	0.91
Long-Term Debt/Equity	2.37	2.31	3.07	3.18	2.93
Long-Term Debt/Capital	2.26	2.21	2.94	3.01	2.81
Long-Term Debt/Total Assets	2.14	2.10	2.80	2.80	2.61

Dividend Policy

	2020	2021	2022	2023	2024
Dividends per Share	0.30	0.30	0.35	0.38	0.40
Dividend Yield	4.23	3.93	2.96	3.61	3.41
Dividend Payout Ratio	576.7	47.1	39.3	41.4	40.5
Cash Dividend Coverage	0.17	2.12	2.54	2.42	2.47

Valuation

We recommend Holding

We use a comparable valuation.

Our analysis indicates the fair value of the stock ranges between

QAR 11.45 – 12.02

The Model Assumptions:

- Growth rate: We expect the company to grow in earnings between 4% and 5%.
- EPS is ranging between QAR 1.08 – 1.13

PE Ratio

Symbol	QNNS			
	Current	New	Expected Growth in Profit	Expected P/E
Paid in Capital	1,136,17	1,136,17	90%	9.1
Net Income 2020 (E)	1,227,096		95.0%	9.6
Current Price	10.90		100%	10.1
Number of Stocks	1		105.0%	10.6
EPS	1.08		110%	11.1
Current PE	10.09			

(P/E) x		9.1	9.6	10.1	10.6	11.1
Net Income	90%	1,104,386	1,104,386	1,104,386	1,104,386	1,104,386
EPS		0.972	0.972	0.972	0.972	0.972
Expected Price		8.83	9.32	9.81	10.30	10.79
Profit	95%	1,165,741	1,165,741	1,165,741	1,165,741	1,165,741
EPS		1.026	1.026	1.026	1.026	1.026
Expected Price		9.32	9.84	10.36	10.87	11.39
Net Income	100%	1,227,096	1,227,096	1,227,096	1,227,096	1,227,096
EPS		1.080	1.080	1.080	1.080	1.080
Expected Price		9.81	10.36	10.90	11.45	11.99
Net Income	105%	1,288,451	1,288,451	1,288,451	1,288,451	1,288,451
EPS		1.134	1.134	1.134	1.134	1.134
Expected Price		10.30	10.87	11.45	12.02	12.59
Net Income	110%	1,349,806	1,349,806	1,349,806	1,349,806	1,349,806
EPS		1.188	1.188	1.188	1.188	1.188
Expected Price		10.79	11.39	11.99	12.59	13.19

Company	Mkt Cap (QAR)	EV (QAR)	EV/EBITDA x	P/E x	Dividend Yield %
QATAR NAVIGATION	12,316	11,755	11.08	10.56	3.69
ADNOC LOGISTICS & SERVICES	34,289	39,133	9.10	13.76	2.90
QATAR GAS TRANSPORT (NAKILAT)	26,649	44,965	16.21	15.88	2.91
NATIONAL SHIPPING (KSA)	19,979	29,682	7.16	9.15	3.59

Key Risks to Consider

- Regional Instability: tensions and conflicts, especially those impacting crucial shipping routes such as the Strait of Hormuz, present a considerable threat. These disputes can result in supply chain interruptions, port shutdowns, and rerouting, all of which affect the efficiency and profitability of maritime operations.
- Market Fluctuations: The financial results of the company may be influenced by worldwide economic downturns and market fluctuations, potentially resulting in sluggish economic growth, decreased trade volumes, and a drop in contractual rates for ships.

Disclaimer

Qatar Securities Company has prepared this report to provide an unbiased analysis of the business's performance. It's important to note that the assessment is based on assumptions that may vary in interpretation and may not be entirely accurate. This document focuses on evaluating the company's financial status, not as a solicitation to buy or sell. There may be a conflict of interest since this stock is part of investment portfolios managed by Qatar Securities Company.

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