

Target Price : QAR 11.74

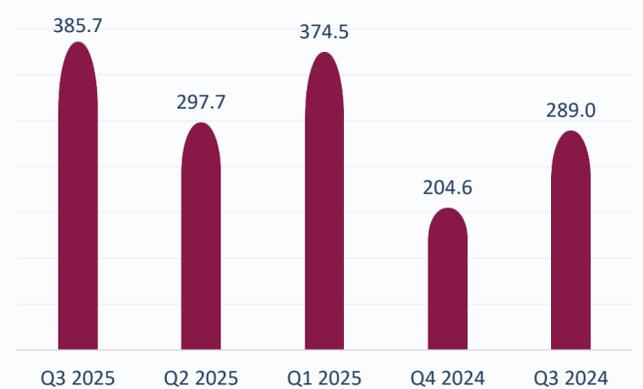
Qatar Navigation

Current Price: QAR 10.90

Executive Summary

- For the nine months ending September 30, 2025, Qatar Navigation reported a net profit of QAR1.058 billion, up 15% from QAR917 million in 2024, on operating revenues of QAR2.46 billion, up from QAR2.13 billion. EPS up from QAR 0.81 to QAR 0.93.
- Non-recurring factors, particularly a one-time gain on the sale of two Very Large Gas Carriers (VLGCs) in the Gas and Petrochem segment and strong growth in the Offshore and Maritime & Logistics segments, are the main drivers of this outstanding outcome.
- According to the figures, the operating margin, which is based on operating profit before impairments, held steady at 18point 65 % in Q3 2025 as opposed to 18point 49 % in Q3 2024, indicating that core operational efficiency remained stable. A huge QAR 85.71 million gain on the sale of property, vessels, and equipment in Q3 2025—a non-recurring item that markedly improved the bottom line—was a major factor in the net profit margin's notable increase to 44.58 % (Q3 2025) from 41.46 % (Q3 2024). The underlying operational profitability is still strong when this one-time gain is taken out of the equation, but the net profit growth would be less significant.
- From QAR 289.04 million in QA3 2024 to QAR 385.69 million in Q3 2025, the company's net profit attributable to equity holders increased by 33.44 % (YoY). Operating revenues increased by 24.09%.
- 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.
- A 29 percent increase in the offshore services support sector, which brought in QAR 312.2 million, helped the company's revenues grow by about 15 percent. This helped to offset a 12 percent decline in revenues from other activities, like Milaha capital.
- There was a roughly 6.5% increase in the company's profit share from an affiliated business. The company's portion of an associate company's profits rose by about 6.5%. The Nakilat company, which owns 36.3 percent of these investments, is the most significant.
- With total assets increasing by 9.01 percent year-to-date to QAR 20.26 billion, the balance sheet is still robust and liquid. Excellent short-term liquidity is indicated by the current ratio of 2.08 (as of September 30, 2025), albeit it has somewhat declined from 2.27 (as of September 30, 2024). At 0:12, the debt-to-equity ratio is still low, indicating a prudent and well-capitalized financial structure.
- The company reported a revaluation loss in the statement of comprehensive income amounting to around QAR 60.6 million, in contrast to a loss of QAR 320.0 million for the equivalent period in 2024. This loss was attributed to interest rate hedging contracts and the revaluation of financial assets.

Quarterly Net Income (million)



Main Indicators

Metric (QAR M)	9M 2025	9M 2024	Change (YoY)
Operating Revenue	2,458	2,130	15.4%
Operating Profit	516	445	16.0%
Net Profit	1,058	917	15.4%
EPS (QAR)	0.93	0.81	14.8%

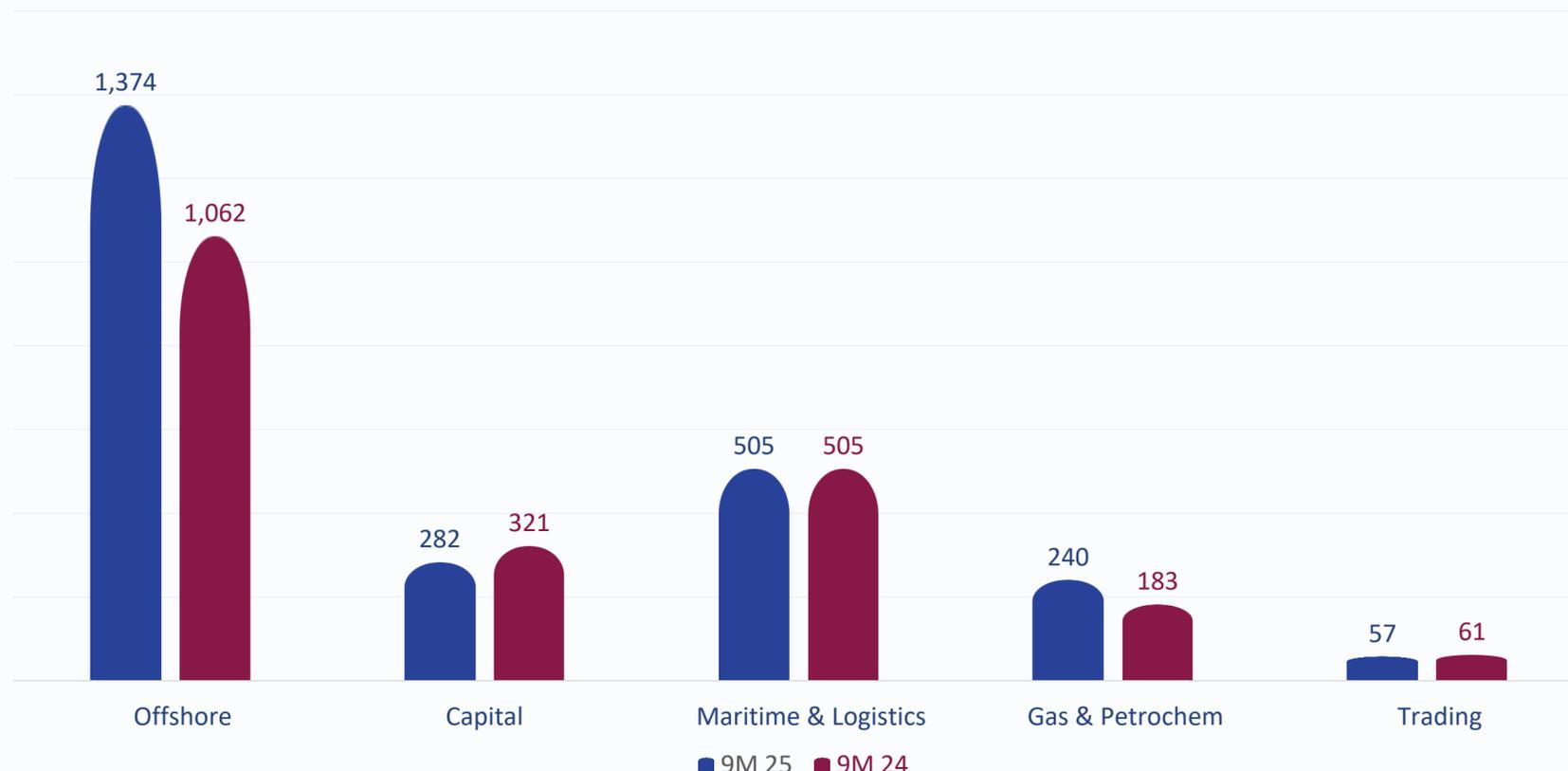
EBITDA (QAR m)



Operating Margin %



Operating Revenues by Segment (QAR' 000)



- Offshore (Strong Growth):** Increased project activity and the addition of new vessel capacity led to a QAR 312 million increase in revenues and a QAR 115 million increase in net profit. This is a true operational improvement.
- Maritime & Logistics (Stable Core):** The sector's activity turned from a loss of QAR 6.1 million in September 2024 to a profit of approximately QAR 18.0 million in September 2025., supported mainly by improved port operations joint arrangement results (QTerminals).
- Milaha Capital (Underperformer):** After a non-recurring mid-year payout in the previous year (2024), net profit dropped by QAR 41 million, primarily due to lower dividend income from the local equities portfolio.
- Gas & Petrochems (Massive growth)** due to a QAR 84M one-time gain on the sale of two VLGCs (Very Large Gas Carriers) in Q3 2025, supported by strong associate performance. This gain is non-recurring.

Main Ratios %	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Profit Margin	44.58	35.71	49.32	28.86	41.46
EBITDA Margin (T12M)	35.14	35.38	35.12	34.46	30.93
ROE	7.24	6.82	6.75	6.57	6.46
Current Ratio	1.38	0.91	0.89	1.35	1.16
Equity / Assets	88.93	89.15	88.23	90.98	90.68
Long-Term Debt/Equity	2.91	2.93	3.18	3.07	2.31

Net Profit Performance by Segment (QAR m)

Segment	M9 25	M9 24	YoY Change (%)
Offshore	208.7	147.7	41.3%
Capital	208.7	249.7	-16.4%
Maritime & Logistics	18	-6.1	395.1%
Gas & Petrochem	652.5	537.2	21.5%
Trading	-14.1	-13	-8.5%

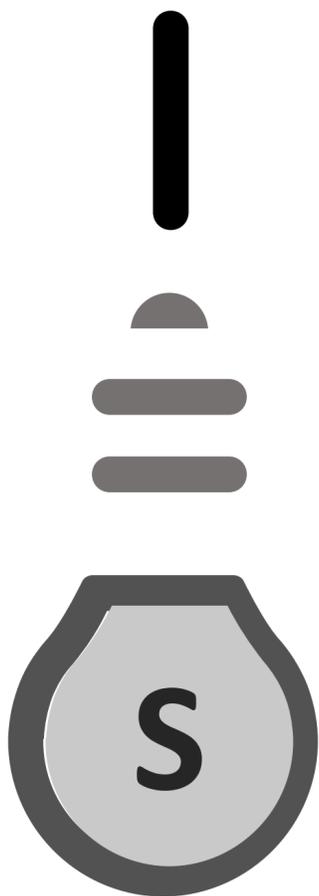


Balance sheet Items

Balance Sheet Item(QAR'000)	30-Sep-25	30-Sep-24	YoY Change (%)
Assets	20,259,526	18,584,574	9.01
Non-current assets	17,134,287	16,155,924	6.06
Current assets	3,125,239	2,428,650	28.68
Total Equity	18,018,285	16,856,077	6.89
Liabilities	2,241,241	1,728,497	29.66
Non-current liabilities	740,323	660,294	12.12
Current liabilities	1,500,918	1,068,203	40.51

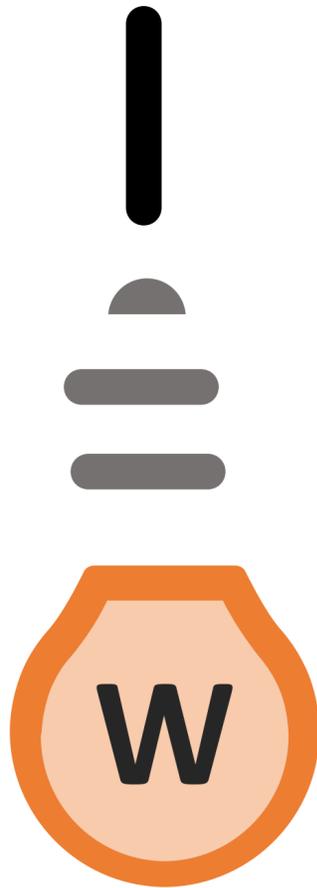
- Asset Growth:** According to the complete YTD Q3 report, total assets increased by 9.01%, mostly due to a notable 28.68% increase in total current assets. This suggests a build-up of liquid assets, particularly in cash and term deposits.
- Liquidity:** Although it remains high at 2.08x, the current ratio has dropped somewhat from 2.27x. This is because the increase in total current liabilities exceeded the growth in current assets by 40.51%. A significant rise in trade and other payables is the primary cause of the increase in current liabilities.

SWOT



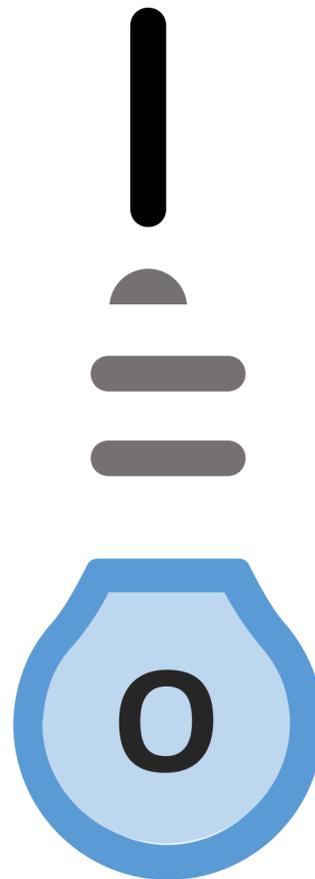
Strengths

- Diversified Business Portfolio: Milaha offers resilience against downturns specific to its industries by operating in the maritime and logistics, offshore, gas and petrochemical, and capital sectors.
- Strong Financial Health: High solvency (interest coverage) and liquidity (current ratio) ratios support future investments and act as a robust hedge against economic downturns.



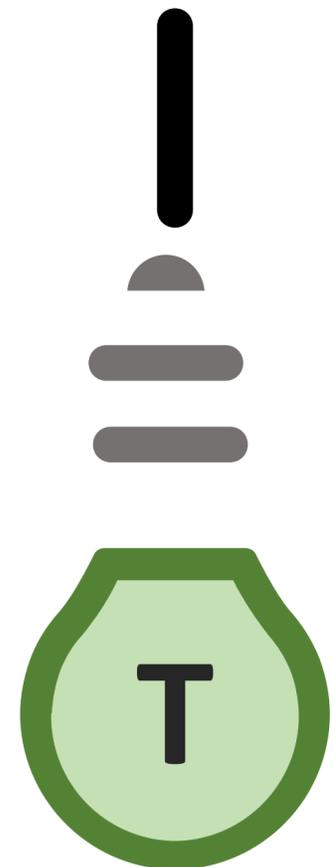
Weaknesses

- Reliance on Non-Operating Income: The significant Q3 2025 profit was heavily reliant on a one-off gain on asset disposal, masking the true operational profit growth.
- Despite diversification, a sizable amount of the company is connected to the offshore and gas and petrochemical industries, which makes revenues susceptible to changes in the world energy market.



Opportunities

- Qatar's Logistics Hub Ambition: The country's vision to become a major logistics hub, with the market expected to grow from \$10.14 billion in 2025 to \$13.49 billion by 2030.
- Regional Trade Growth: Positioning Qatar as a major regional trans-shipment hub offers long-term growth for the Maritime & Logistics segment



Threats

- Global Economic Volatility: Fluctuations in global trade, oil prices, and geopolitical tensions.
- Intense Regional Competition: Competition from major regional ports and logistics providers in the Gulf Cooperation Council (GCC) area remains a constant threat.

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 (expected) 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 2025 (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

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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