

GCC Corporate Earnings Estimates

3Q22e



October 02, 2022

Oman Banks

Oman Leasing

Oman Insurance

Oman Telecommunications

GCC Ceramic Products Manufacturing

Oman Other

GCC Banks

GCC Consumer Sector

GCC Petrochemicals

GCC Cement Sector

UAE Real Estate Sector

KSA IT Sector

GCC Agri-nutrients / Oil & Gas

GCC Utilities Sector

GCC Education Sector

GCC Telecommunications

Sector-wise Outlook

Oman Banks are expected to post strong growth in their 3Q22 revenues while their net profits are also expected to grow as operating costs remain largely in control and likelihood of any significant rise in cost of risk remains low. It must be noted that most banks have adequate provision buffers, and the final winding down of regulatory forbearance measures are expected to have been completed by 30th September 2022. While we see net interest margin to remain under pressure, due to stiff competition amid ample system liquidity, we believe that new loan originations will drive earnings growth for the banks together with a normalizing cost of risk.

Oman Leasing sector is expected to continue its growth for 3Q22 in net financing revenues, given the improving macroeconomic conditions warranting continued financing growth. Risk of unprecedented rise in cost of risk remains low. Financing growth is expected to have continued in 3Q22, while bank deposit growth is expected to have picked up notably on higher Government oil & gas revenues as well as other revenues e.g., VAT. However, fears of recession and the current drop of oil and gas prices will come in later this year and start of next year, as the market might be lagging for 2 quarters.

Oman Insurance companies are expected to post improved top-line performance on an average YoY basis in the third quarter of the year with the mandatory health insurance in Oman. The investment Income of the companies is also expected to improve considering the recovery in market performance and companies' shift from equity to fixed securities

Oman Telecommunications companies are expected to show higher revenue growth supported by increase in subscribers as Oman has a rising young population who continue using data services for social media and OTT platforms. Also, Oman is rapidly expanding on 5G fixed wireless access and the 2 operators, **Omantel** and **Ooredoo**, are looking forward to investing to expand their 5G networks, which will drive revenue growth.

GCC Ceramic Products Manufacturing **Oman's ceramic** products manufacturing companies are expected to post higher revenue growth supported by the increase in the construction activities in Oman boosting the demand for tiles. Rapid urbanization will boost housing demand which will directly lead to an increase in tile sales as its one of the major building materials. Margins for the companies are also expected to increase with a further decline in logistics costs and raw materials costs which will improve the net profit of the companies.

Saudi Ceramic Co., being one of the oldest players with 40 years of experience in the industry, is expected to see improvement in its top-line, supported by the demand for tiles and sanitary ware with higher construction activities. The company will be benefited from the Saudi Arabia import duty of 40% for India and China which are the major importer of tiles in GCC. This move will benefit the local players and Saudi ceramic is expected to see the impact on the top line.

RAK Ceramics is a UAE-based company is the largest player in the GCC with a market presence in India and Bangladesh. The company is expected to show tremendous top-line growth supported by RAK porcelain. Furthermore, the company has acquired 100% business of the Kludi Group, whose impact is expected to reflect in the revenue growth in the third and fourth quarters of 2022. The company is also planning to increase its production capacity to fulfill the demand.

Oman Other – Galfar is likely to post positive net income with an increase in the order additions and completion of some of the infrastructure projects. Though increasing raw materials prices might be a concern going ahead, the top-line growth will offset the cost increase.

Al Jazeera Steel Products' revenue is expected to decline by 12% YoY in 3Q 2022 with the decline in steel prices due to the global economic slowdown. The company's 70% revenue comes from GCC countries so the increase in construction activities in GCC will lead to higher steel sales but the price being low on the other side will lead to a decline in revenue in Q3 2022. The profit of the company is also expected to decline by 73% in 3Q 2022 with less control over raw material prices and S&D expenses.

GCC Banking Sector is expected to continue to post robust operating performance, amid rising interest rates as well as string credit growth outlook in KSA and Qatar, where we cover banks. While some banks may feel pressure in terms of falling yields on fixed income, net interest margin expansion is likely to be supported by new loan originations and significantly large low-cost deposit base.

GCC Consumer Sector Saudi consumer stocks in the food & beverage sector under our coverage are expected to post decent performance in 3Q 2022, supported by the resumption of the Hajj pilgrimage which remained suspended for outside pilgrims for the past two years. **SADAFCO** is expected to be better placed since it is less exposed to vagaries in the prices of raw materials as compared to **Almarai**, partly owing to its presence in Poland which gives it an advantage in the sourcing of raw materials. The trend in global prices of major raw materials for Almarai is softening (on a QoQ basis) which should help it in maintaining profitability. We also expect **KSA's retail companies** to have benefitted from the return of overseas Hajj pilgrims. Together, with relatively better economic conditions viz-a-viz last year; this is likely to help these companies accelerate the ramp-up of their newly opened stores, which have been weighing on the top-line growth of most of these companies. We expect the start of the new academic year in Saudi in September to lead to improved performance for **Jarir**. However, the rising inflation and interest rate environment is posing a threat as it would adversely impact consumers' purchasing capacity, in our opinion, and can lead to a cut or hold back in their discretionary spending (negative for most consumer companies, particularly mall operators, consumer electronics segment of Jarir and fitness centers operator **Leejam**).

GCC Petrochemicals

Global macroeconomic outlook is weakening as central banks around the world including US Federal Reserve aggressively hike rates. During the quarter China continued to pursue zero Covid policy and imposed restrictions on several regions. This could impact overall demand for petrochemicals. With the fall in feedstock and end-product, we expect margins to be hit in the third quarter compared to the second quarter of 2022.

The price of feedstock like Naptha and Propane fell on average by 20% QoQ and 14% QoQ, respectively. Prices of all major end products, on average, fell by 16% QoQ during 3Q22.

GCC Cement Sector - Oman Cement's top line is expected to increase in the third quarter of 2022 supported by increasing demand in the construction activities in Oman and GCC countries. **Raysut** has also embarked on aggressive capacity expansion plans to fulfill the demand domestically and export its product to other countries in GCC, which is expected to boost its top line. The current capacity of Raysut's plant is 7.4 MTPA and the company's global capacity target is 10 MTPA by 2022e which is mostly expected to reflect in 4Q 2022 instead of 3Q 2022. However, the continued prohibitive cement hauling costs from neighboring countries, and the ongoing elevated demand, will likely reflect in improved sales for both Oman Cement as well as Raysut.

Qatar National Cement is a major player with a 50% domestic cement production capacity. The revenue for the company is expected to show a sharp increase with increasing demand for construction activities supported by FIFA World Cup 2022 development projects. As Qatar's government controls natural gas feedstock prices, the domestic companies get a competitive advantage of raw materials at cheaper price which will reflect an improvement in margins of Qatar National cement and lead to an increase in net profit in future periods.

UAE Real Estate is seeing an increase in demand for quality projects, especially for off-plan property, buoyed by economic recovery, higher energy prices, and the recovery witnessed in the services sector. Moody's Ratings has forecasted the UAE's real GDP to grow by 6-7% in 2022, further increasing investors' confidence in UAE. However, rising inflation and an increase in interest rates continue to pose a risk to property buyers taking the mortgage route.

KSA IT We expect Saudi IT companies to register decent earnings growth, led by the market leader **Solutions. MIS** is progressing ahead with its data centers that have also started contributing to its top line and we expect a further increase in this revenue stream. Core revenue is also anticipated to increase on the back of good order backlog (MIS), though it will depend on the achieving revenue recognition milestones.

GCC Agri-nutrients The price of natural gas, the key feedstock for fertilizer producers, increased on an average by 8% QoQ in 3Q22. Despite the price of natural gas that is more likely procured at a fixed contract price, the companies still remain exposed to an increase/decrease in inflation. Margins of companies manufacturing fertilizers are likely to get hit in the third quarter compared to the second quarter resulting from an increase in inflation; however, we expect the volumes to remain stable. In the short-medium term, we expect ammonia and urea prices to remain buoyed by increased demand; however, we expect some ease in the price of natural gas with the buildup in the inventory levels. The natural gas price has been easing lately from the highs observed in August as Europe has shown resilience and has managed to top off supplies ahead of winter.

Oil Crude oil prices, on average, have been falling month over month since the start of the quarter. Oil prices on average for the month of July remained at USD 105/bl while the prices in August were at USD 98/bl before falling further to USD 92/bl until the mid of September. The downward trajectory in the oil price has more to do with prospects of weak demand going forward due to rapid rate hikes and subsequent damage to economic growth. We expect the oil prices to hover around USD 85-100/bl in the short to medium term amid recessionary pressure, an increase in interest rates and rising inventory levels. **ADNOC Drilling** is not impacted by volatility witnessed in oil prices because of the relationship with its parent ADNOC. ADNOC provides long term outlook which helps Adnoc Drilling plan its capex and deploy accordingly. Hence, we do not see Adnoc Drilling getting impacted from the oil market volatility.

GCC Utilities Sector The Omani utility companies are expected to generate stable business with the summer season continuing in the third quarter and their resilient business model where the bulk of the revenue is dependent on the available plant capacity, which is likely to remain high. We remain optimistic about **Tabreed's** prospects and expect decent earnings growth, with the company remaining firm on its organic capacity expansion plans. The Omani utility companies are expected to generate stable business with the summer season continuing in the third quarter and their resilient business model where the bulk of the revenue is dependent on the available plant capacity, which is likely to remain high. Among the education companies, Humansoft is estimated to show a decline in earnings primarily as it readjusts towards normal revenue recognition pattern, which was altered during COVID. Ataa, on the other hand, is expected to register revenue and earnings growth during the October quarter. This is because in October last year, only certain grades were allowed resumption of physical classes, while this year will be seen normal school operations as before COVID.

GCC Education Sector Amongst the education companies, **Humansoft** is estimated to show a decline in earnings primarily as it readjusts towards normal revenue recognition pattern, which was altered during COVID. **Ataa**, on the other hand, is expected to register revenue and earnings growth during the October quarter. This is because in October last year, only certain grades were allowed resumption of physical classes, while this year will be seen normal school operations as before COVID

GCC Telecommunications -The GCC telecom sector has likely witnessed increased traffic in 3Q22 resulting from increased travel, including religious tourism, and some impact of the holiday season.

Corporate Earnings Estimates FY22e / 3Q22e

Company Name	CMP (LCY)	YTD Chg. (%)	Market Cap (LCY mn)	Revenue FY22e (LCY mn)	YoY %	Revenue 3Q22e (LCY mn)	YoY %	QoQ %	Net Profit FY22e (LCY mn)	YoY %	Net Profit 3Q22e (LCY mn)	YoY %	QoQ %	P/E'22e (x)	P/E'23e (x)	P/B'22e (x)	P/B'23e (x)	Dividend Yield'22e (%)	RoE'22e (%)	RoA'22e (%)	Target Price, LCY	
I. Oman Banks																						
1	Bank Muscat	0.572	24%	2,146.8	483.9	2%	124.7	8%	-3%	200.7	6%	50.4	11%	-1%	10.7	10.4	1.2	1.2	6%	12%	2%	0.640
2	Bank Dhofar	0.142	14%	425.5	142.1	12%	37.6	9%	3%	34.7	38%	9.6	-15%	3%	12.2	9.9	0.8	0.7	2%	6%	1%	UR
3	National Bank of Oman	0.263	34%	427.6	134.6	9%	35.4	19%	8%	44.8	48%	12.5	59%	6%	9.5	7.9	0.9	0.9	3%	10%	1%	0.290
4	Sohar International	0.102	-11%	468.2	121.7	10%	31.0	11%	2%	34.7	22%	9.8	14%	-1%	13.5	11.1	1.1	1.1	1%	8%	1%	UR
5	Oman Arab Bank	0.128	-20%	213.7	109.9	-10%	32.3	11%	2%	15.0	112%	3.7	357%	4%	14.2	8.6	0.6	0.6	2%	4%	0%	UR
6	Ahli Bank	0.130	12%	253.5	94.4	14%	22.7	10%	1%	32.6	18%	8.4	7%	1%	7.8	6.8	0.8	0.8	4%	10%	1%	UR
7	HSBC Oman	0.153	47%	306.0	80.3	19%	17.3	3%	-7%	14.6	-21%	10.2	158%	8%	21.0	16.6	0.9	0.9	3%	4%	1%	UR
8	Bank Nizwa	0.096	-1%	214.7	55.1	24%	12.7	22%	0%	15.0	20%	3.1	3%	1%	14.3	11.4	0.9	0.8	4%	6%	1%	0.108
II. Oman Leasing																						
9	Al Omaniya Fin Services	0.150	24%	43.8	11.4	4%	2.9	2%	19%	2.9	14%	0.7	6%	34%	14.9	13.8	0.7	0.7	5%	5%	2%	UR
10	National Finance	0.117	27%	63.0	27.3	3%	7.5	13%	5%	10.1	17%	3.1	49%	25%	6.2	5.8	0.5	0.5	8%	9%	2%	0.136
11	Muscat Finance	0.063	9%	19.4	6.8	2%	1.3	-24%	-21%	1.5	28%	0.6	134%	29%	12.9	10.2	0.5	0.5	0%	4%	1%	UR
12	Taageer Finance	0.093	32%	23.6	12.1	13%	2.5	1%	-6%	2.9	15%	0.7	44%	32%	8.1	7.4	0.5	0.5	7%	6%	1%	0.104
13	United Finance	0.090	53%	31.4	6.9	1%	1.3	3%	-19%	1.8	-7%	0.4	-35%	-17%	17.7	14.8	0.6	0.6	0%	4%	2%	UR
III. Oman Insurance																						
14	Oman Qatar Insurance Company	0.194	-9%	19.4	36.8	16%	10.5	9%	-3%	3.4	-2%	1.0	29%	461%	5.7	5.4	0.8	0.7	4%	15%	4%	0.243
15	National Life & General Insurance Company	0.340	0%	90.1	157.7	8%	39.1	8%	20%	9.0	45%	3.2	41%	199%	10.0	8.7	1.3	1.2	6%	13%	4%	0.391
16	Oman United Insurance Company	0.290	-23%	29.0	31.6	8%	6.5	8%	-9%	3.5	8%	1.0	1827%	586%	8.3	7.7	0.9	0.9	12%	11%	3%	UR
17	Al Madina Takaful	0.085	-11%	14.9	46.7	6%	13.3	10%	57%	1.5	59%	0.5	-59%	25%	9.8	9.3	0.7	0.7	9%	7%	1%	0.109
IV. Oman Telecommunication																						
18	Omantel	0.880	17%	660.0	2,586.2	7%	646.3	6%	-2%	58.5	-13%	14.0	-15%	-13%	11.3	8.8	1.1	1.0	5%	10%	1%	1.008
19	Ooredoo Oman	0.408	7%	265.6	264.6	8%	65.0	15%	1%	20.2	59%	5.1	109%	-1%	13.2	12.2	1.1	1.1	6%	8%	4%	0.404

Source: Bloomberg & U Capital , Price as of 30-Sep-22 UR = Under Review; nm = not meaningful

Corporate Earnings Estimates FY22e / 3Q22e

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V. Ceramic Product Manufacturing																						
20	Al Anwar Ceramic	0.392	-11%	86.2	29.1	13%	7.1	18%	3%	6.6	6%	1.5	22%	0%	13.0	10.9	2.4	2.3	7%	19%	12%	0.485
21	Al Maha Ceramic	0.440	-1%	24.2	10.3	5%	2.6	5%	5%	2.7	9%	0.7	7%	8%	9.1	7.8	2.3	2.0	7%	25%	20%	0.485
22	RAK Ceramics	2.940	3%	2,921.5	3,518.7	23%	869.5	27%	-6%	333.0	35%	85.0	61%	-7%	8.8	7.3	1.4	1.2	7%	16%	6%	3.67
23	Saudi Ceramic Co.	39.150	-29%	3,132.0	1,527.1	0%	383.9	7%	13%	205.2	-12%	54.8	6%	44%	15.3	12.9	1.8	1.6	2%	12%	7%	47.36
VI. Oman Other																						
24	Renaissance Services	0.474	10%	112.1	119.5	9%	29.9	7%	0%	11.1	21%	2.5	0%	3%	10.1	9.3	1.6	1.5	4%	15%	5%	UR
25	Galfar Engineering & Contracting	0.166	127%	48.3	167.4	-4%	47.5	21%	25%	4.6	252%	1.7	1066%	131%	10.5	3.2	1.8	1.2	0%	17%	2%	UR
26	Al Jazeera Steel Products	0.252	-32%	31.5	152.0	1%	34.5	-12%	-17%	4.3	-54%	0.6	-73%	-45%	7.4	14.1	0.6	0.6	6%	8%	4%	0.273
VII. GCC Banking Sector																						
27	Saudi National Bank	63.100	-2%	282,561.8	22,500.0	21%	9,124.5	17%	9%	16,871.0	33%	4,896.8	28%	6%	16.7	15.2	1.8	1.7	4%	11%	2%	68.50
28	Al Rajhi Bank	81.300	-8%	325,200.0	32,790.6	28%	7,744.0	17%	8%	18,984.0	29%	4,441.3	17%	4%	17.1	14.4	3.3	2.8	2%	19%	2%	98.13
29	Saudi British Bank	39.150	19%	80,445.2	10,481.0	32%	2,475.2	26%	7%	4,823.6	51%	1,115.2	26%	3%	16.7	12.9	1.4	1.3	4%	8%	2%	32.40
30	Qatar National Bank	19.900	-1%	183,804.9	31,599.0	12%	8,345.7	17%	-3%	14,500.0	10%	4,126.6	18%	-1%	12.7	11.3	2.2	2.1	3%	17%	1%	28.70
VIII. GCC Consumer Sector																						
31	Jarir Marketing Company	167.000	-15%	20,040.0	8,980.8	-1%	2,305.9	4%	15%	992.7	0%	278.9	2%	57%	20.2	18.4	11.5	11.0	5%	57%	26%	187.00
32	Saudia Dairy and Foodstuff Co. (SADAF)	194.000	18%	6,305.0	2,170.3	3%	563.3	6%	-11%	207.3	-20%	60.7	12%	12%	30.4	25.4	4.1	4.0	3%	13%	9%	180.00
33	Almarai Company	53.200	9%	53,200.0	18,325.6	16%	4,643.6	18%	1%	1,887.5	21%	510.3	25%	-2%	28.2	27.1	3.1	3.0	2%	11%	6%	50.50
34	BinDawood Holding	68.000	-29%	7,772.4	4,774.0	9%	1,241.8	15%	2%	215.8	-10%	84.2	20%	99%	36.0	27.8	5.4	5.3	2%	15%	5%	84.50
35	Abdullah Al Othaim Marketing	123.400	14%	11,106.0	9,381.2	12%	2,311.6	16%	3%	992.9	225%	724.9	1516%	1454%	11.2	22.3	5.6	5.2	3%	50%	16%	130.00
36	Al Meera Consumer Goods	17.940	-8%	3,588.0	2,862.9	1%	692.5	7%	-2%	192.3	-2%	31.4	16%	-32%	18.7	12.8	2.3	2.2	5%	12%	7%	22.50
37	Alandalus Property	15.700	-13%	1,465.3	223.3	4%	57.2	3%	6%	70.9	4%	18.9	-2%	22%	20.7	19.0	1.3	1.3	3%	7%	3%	20.80
38	Arabian Centres	19.400	-14%	9,215.0	2,037.5	10%	587.9	18%	4%	436.8	-10%	157.3	72%	25%	21.1	15.6	1.6	1.6	8%	8%	2%	25.50
39	Leejam Sports	77.300	-29%	4,049.2	999.3	13%	260.4	3%	12%	216.8	5%	63.0	-17%	75%	18.7	17.4	4.6	4.1	3%	25%	8%	89.00

Source: Bloomberg & U Capital , Price as of 30-Sep-22 UR = Under Review; nm = not meaningful

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IX. GCC Petrochemicals																						
40	Advanced Petrochemicals	44.650	-24%	11,609.0	3,064.5	-2%	696.2	-14%	-14%	460.7	-44%	88.5	-59%	-19%	25.2	23.5	3.4	3.4	5%	13%	6%	57.50
41	Yanbu National Petrochemical Company	46.300	-33%	26,043.8	7,798.8	5%	1,855.4	4%	-10%	1,883.3	23%	248.0	38%	-14%	13.8	13.0	1.8	1.8	8%	13%	11%	65.40
42	Saudi Industrial Investment Group (SIIG)	22.860	-27%	17,254.7	1,295.4	-32%	319.0	-9%	-5%	1,116.2	-2%	267.9	31%	-6%	15.5	10.1	1.4	1.3	3%	9%	9%	24.90
43	Mesaieed Petrochemical Holding Co.	2.350	12%	29,523.5	1,848.5	0%	412.1	-21%	-30%	1,894.3	2%	423.2	-20%	-29%	15.6	14.3	1.7	1.6	5%	11%	11%	2.57
44	Industries Qatar	16.900	9%	102,245.0	19,665.4	39%	4,869.1	44%	-5%	9,103.7	13%	2,576.0	23%	-6%	11.2	12.6	2.4	2.3	6%	21%	20%	23.70
45	Rabigh Refining and Petrochemical Co.	13.720	-5%	22,926.1	52,687.5	15%	16,207.5	44%	-10%	2,003.4	-2%	1,068.0	382%	-23%	11.4	13.8	1.3	1.2	0%	11%	3%	24.13
46	Sahara International Petrochemical	41.850	0%	30,690.0	9,934.7	0%	2,047.5	-18%	-36%	3,415.5	-5%	683.3	-34%	-46%	9.0	12.2	1.9	1.7	5%	21%	13%	53.37
47	National Industrialization Co. (Tasnee)	13.640	-32%	9,124.0	3,881.0	6%	986.6	-2%	-8%	1,189.5	-12%	247.7	-26%	-17%	7.7	7.5	0.9	0.8	0%	12%	5%	22.00
48	Saudi Basic Industries Corp.(SABIC)	88.800	-23%	266,400.0	216,168.5	24%	53,485.5	22%	-4%	25,418.6	10%	6,082.2	9%	-23%	10.5	14.3	1.4	1.4	5%	13%	8%	106.26
X. GCC Cement																						
49	Oman Cement	0.296	20%	97.9	69.1	47%	17.7	62%	4%	7.8	76%	2.6	221%	13%	12.5	16.6	0.6	0.6	3%	5%	4%	0.356
50	Raysut Cement	0.195	-21%	39.0	86.9	-7%	28.8	6%	110%	-12.7	-6%	1.4	42%	-154%	(3.1)	(3.8)	0.4	0.4	0%	-12%	-4%	UR
51	Qatar National Cement	4.610	-10%	3,012.8	821.7	0%	224.0	13%	26%	230.2	3%	67.6	-7%	100%	13.1	10.9	1.0	1.0	7%	7%	7%	6.30
XI. UAE Real Estate																						
52	Emaar Properties	5.790	18%	47,360.7	19,381.2	-31%	6,799.1	0%	-2%	4,780.7	-16%	2,252.3	57%	-8%	9.9	10.9	0.7	0.7	2%	7%	4%	8.00
53	Aldar Properties	4.210	6%	33,101.7	10,711.5	25%	2,741.3	31%	3%	2,769.9	19%	788.9	66%	-6%	12.0	11.9	1.2	1.1	3%	10%	5%	6.24
XII. KSA IT Sector																						
54	Solutions by STC	238.000	26%	28,560.0	9,174.0	17%	2,227.2	14%	-1%	1,097.5	32%	277.5	8%	2%	26.0	21.7	10.5	8.7	2%	40%	11%	233.50
55	Al Moammar Information Systems (MIS)	95.000	-25%	2,850.0	680.2	6%	188.7	-29%	10%	83.6	48%	25.2	32%	49%	34.1	35.5	8.0	7.4	2%	23%	6%	135.40
XIII. GCC Agri-nutrients / Oil & Gas Sector																						
56	Adnoc Drilling	3.390	0%	54,240.0	2,410.2	6%	652.9	14%	-2%	665.7	10%	195.4	10%	-5%	81.5	70.3	19.5	19.1	1%	24%	13%	4.40
57	TAQA	2.410	86%	270,966.5	46,094.2	1%	12,817.1	6%	-2%	5,802.1	-3%	1,374.4	1%	-42%	46.7	46.5	4.1	4.2	2%	9%	3%	1.90
58	Maaden	69.600	77%	171,298.3	31,147.5	16%	11,347.8	69%	-4%	9,487.8	81%	3,710.9	192%	-8%	18.1	24.4	3.8	3.3	0%	21%	8%	65.30
59	SABIC Agri	158.000	-11%	75,213.6	16,425.4	71%	5,092.7	131%	-11%	9,741.8	86%	2,586.7	114%	-14%	7.7	8.9	4.2	3.8	10%	54%	41%	169.90

Source: Bloomberg & U Capital , Price as of 30-Sep-22 UR = Under Review; nm = not meaningful

Corporate Earnings Estimates FY22e / 3Q22e

Company Name	CMP (LCY)	YTD Chg. (%)	Market Cap (LCY mn)	Revenue FY22e (LCY mn)	YoY %	Revenue 3Q22e (LCY mn)	YoY %	QoQ %	Net Profit FY22e (LCY mn)	YoY %	Net Profit 3Q22e (LCY mn)	YoY %	QoQ %	P/E'22e (x)	P/E'23e (x)	P/B'22e (x)	P/B'23e (x)	Dividend Yield'22e (%)	RoE'22e (%)	RoA'22e (%)	Target Price, LCY	
XIV. GCC Utilities																						
60	Tabreed	2.820	14%	8,023.7	2,176.4	11%	631.2	6%	14%	574.1	-2%	160.2	4%	5%	14.0	11.5	1.3	1.2	5%	9%	4%	3.40
61	Phoenix Power	0.044	-10%	64.4	148.7	2%	52.4	4%	2%	19.8	17%	14.2	0%	2%	3.3	3.3	0.3	0.3	10%	9%	3%	0.051
62	Sembcorp Salalah	0.067	-8%	64.0	73.4	2%	18.4	4%	-12%	19.8	8%	4.9	19%	-17%	3.2	3.0	0.4	0.4	12%	14%	7%	0.084
63	Sharqiya Deslination	0.122	9%	11.9	13.7	0%	3.6	0%	-1%	1.1	12%	0.3	36%	22%	11.2	11.7	0.7	0.7	9%	6%	2%	0.145
64	Musandam Power	0.318	6%	22.4	18.6	2%	6.8	3%	7%	2.7	-13%	2.0	-8%	6%	8.4	8.6	1.9	1.8	9%	23%	3%	0.393
XV. GCC Education																						
65	Ataa Educational Company	57.000	-2%	2,280.0	554.0	98%	154.9	10%	10%	83.3	125%	22.4	-66%	87%	27.4	42.9	2.9	2.8	2%	11%	4%	68.00
66	Humasoft Holding	3.275	2%	400.3	83.7	-13%	18.9	39%	-10%	48.0	-23%	10.0	72%	-16%	8.3	10.1	3.1	2.8	8%	37%	30%	4.10
XVI. GCC Telecommunication																						
67	Saudi Telecom (STC)	39.350	-12%	196,750.0	66,784.2	5%	17,134.5	9%	1%	12,080.1	7%	3,078.2	5%	8%	16.3	14.8	2.7	2.6	4%	16%	9%	35.50
68	Etihad Etisalat (Mobily)	35.600	14%	27,412.0	15,174.1	2%	3,969.3	10%	2%	1,274.1	19%	378.0	34%	5%	21.5	21.3	1.7	1.7	3%	8%	3%	32.40
69	Ooredoo QSC (Qatar)	8.900	27%	28,508.5	21,522.3	-28%	5,614.3	-26%	1%	1,153.6	10%	900.0	171%	-2%	24.7	27.7	1.0	1.0	1%	4%	2%	11.60
70	Emirates Telecommunication Group (Etisalat)	23.360	-26%	203,156.2	54,666.2	2%	13,107.6	-1%	1%	10,817.2	-2%	2,265.8	-21%	-1%	18.8	18.4	4.2	4.1	4%	22%	8%	19.20
71	Mobile Telecommunication Co KSA (Zain KSA)	11.460	-5%	10,299.4	8,312.1	5%	2,249.4	13%	2%	227.1	6%	172.5	186%	29%	45.4	25.5	1.1	1.1	0%	2%	1%	13.82

Source: Bloomberg & U Capital , Price as of 30-Sep-22 UR = Under Review; nm = not meaningful

Recommendation

BUY	Greater than 20%
ACCUMULATE	Between +10% and +20%
HOLD	Between +10% and -10%
REDUCE	Between -10% and -20%
SELL	Lower than -20%

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