



Earnings Flash Note  
Barwa Real Estate Company  
4Q 2023 / FY 2023



## Barwa Real Estate Company (BRES)

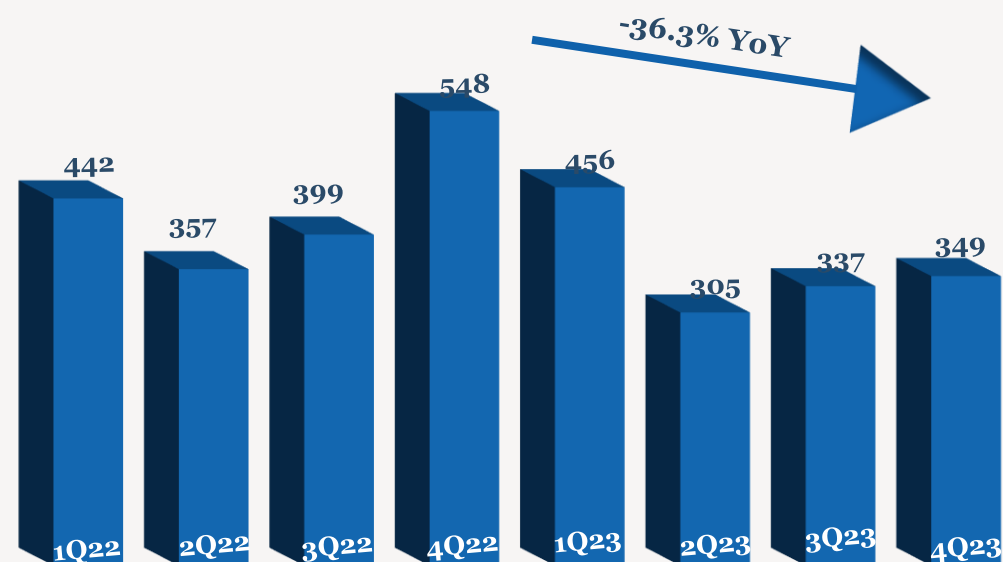
- > **Net Income increased by 13.8% YoY (+99.3% QoQ) to QR450mn in 4Q2023** due to the gain from sale of non-current asset held for sale (QR471mn). However, lower rental income limited the gains. For FY2023, net income was up by 8.0% YoY to QR1,229mn.
- > **Rental operating profit declined by 35.6% YoY (+5.8% QoQ) to QR283mn in 4Q2023.** Meanwhile, rental operating margin improved by 0.9ppts YoY to 81.1% (+1.7ppts QoQ) in 4Q2023. For FY2023, the rental operating profit was down 9.3% to QR1,180mn.
- > **Operating profit jumped by 5.9% YoY to QR642mn (+59.1% QoQ) in 4Q2023.** For FY2023, operating profit grew by 20.9% YoY to QR1,973mn.
- > **For 4Q2023, EPS came to QR0.116 vs. QR0.102 in 4Q2022 while for FY2023, EPS was QR0.316 vs 0.292 in FY2022.**
- > **As of 12th Feb 2024, the stock has dropped 0.4% YTD, outperforming the QSE index, which is down by 7.3% YTD.**
- > **The stock is currently trading at a TTM P/E multiple of 9.1x, lower than its 3-year historical average of 10.3x.**
- > **The Board announced a DPS of QR0.18 for 2023 which translates into a yield of 6.3%.**

### 4Q/FY 2023 Earnings Performance

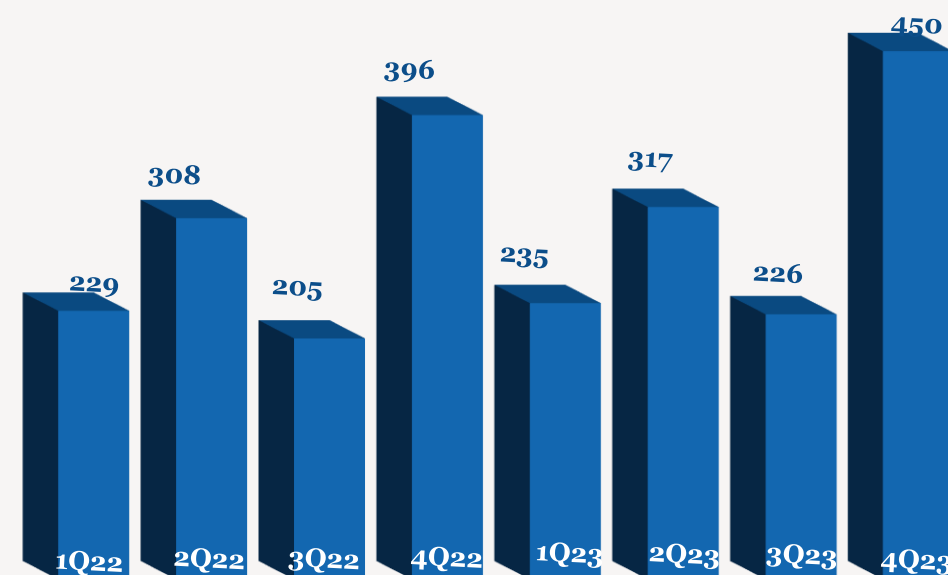
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Rental Income	349	548	-36.3%	337	3.6%	1,447	1,746	-17.2%
Rental Operating Profit	283	439	-35.6%	267	5.8%	1,180	1,302	-9.3%
Rental Operating Margin (%)	81.1%	80.2%		79.4%		81.6%	74.5%	
Operating Profit	642	606	5.9%	404	59.1%	1,973	1,633	20.9%
Operating Margin (%)	184.0%	110.7%		119.8%		136.4%	93.5%	
Net Income	450	396	13.8%	226	99.3%	1,229	1,138	8.0%
Net Margin (%)	129.1%	72.3%		67.1%		85.0%	65.2%	
EPS (QR)	0.116	0.102	13.8%	0.058	99.3%	0.316	0.292	8.0%

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

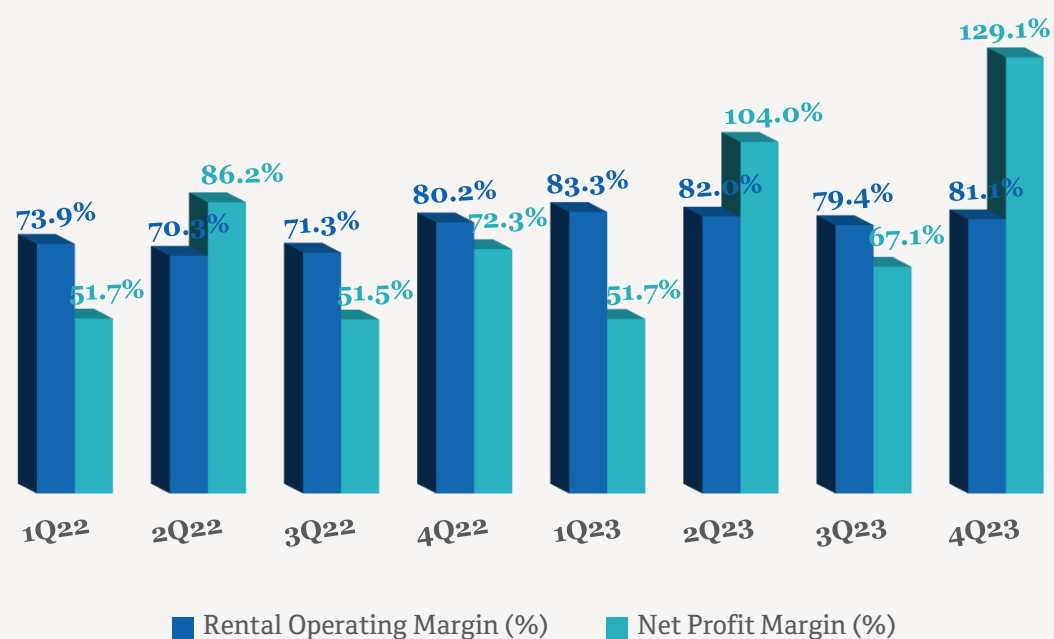
### Quarterly Sales Trend (QRmn)



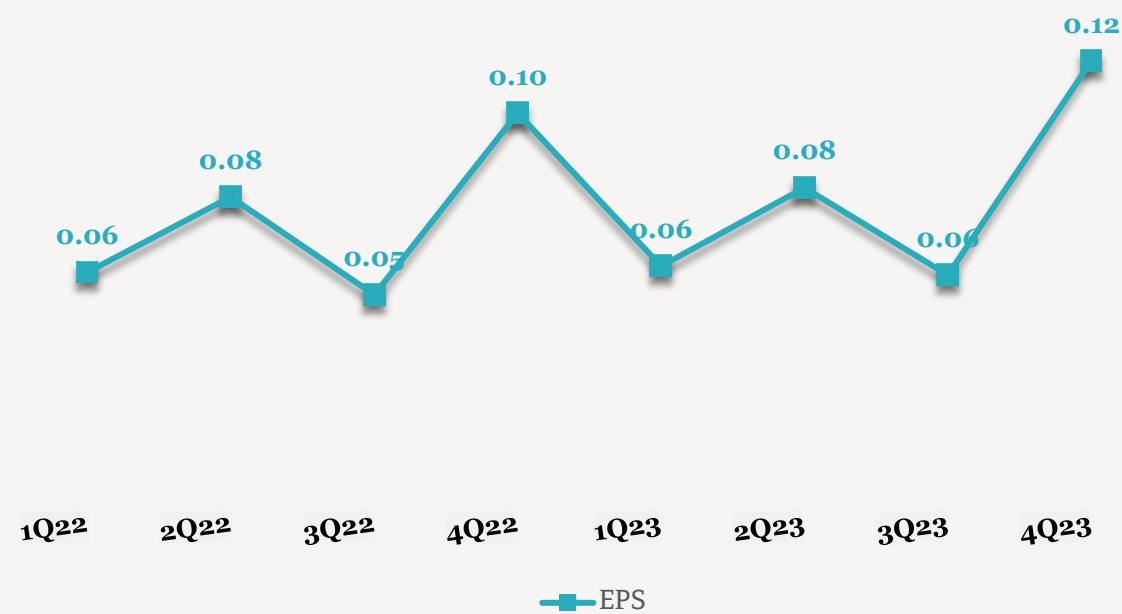
### Quarterly Earnings Trend (QRmn)



### Quarterly Margin Trend



### EPS (QR) Trend



## Contacts

QNB Financial Services Co. W.L.L.

Contact Center: (+974)4476 6666

[info@qnbfs.com.qa](mailto:info@qnbfs.com.qa)

Doha, Qatar

Saugata Sarkar, CFA, CAIA

Head of Research

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

Shahan Keushgerian

Senior Research Analyst

[shahan.keushgerian@qnbfs.com.qa](mailto:shahan.keushgerian@qnbfs.com.qa)

Phibion Makuwerere, CFA

Senior Research Analyst

[phibion.makuwerere@qnbfs.com.qa](mailto:phibion.makuwerere@qnbfs.com.qa)

Roy Thomas

Senior Research Analyst

[roy.thomas@qnbfs.com.qa](mailto:roy.thomas@qnbfs.com.qa)

Dana Saif Al Sowaidi

Research Analyst

[dana.alsowaidi@qnbfs.com.qa](mailto:dana.alsowaidi@qnbfs.com.qa)

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