QNB
FINANCIAL SERVICES

Earnings Flash Note
Qatar Cinema & Film Distribution Company
2Q 2024/6M 2024

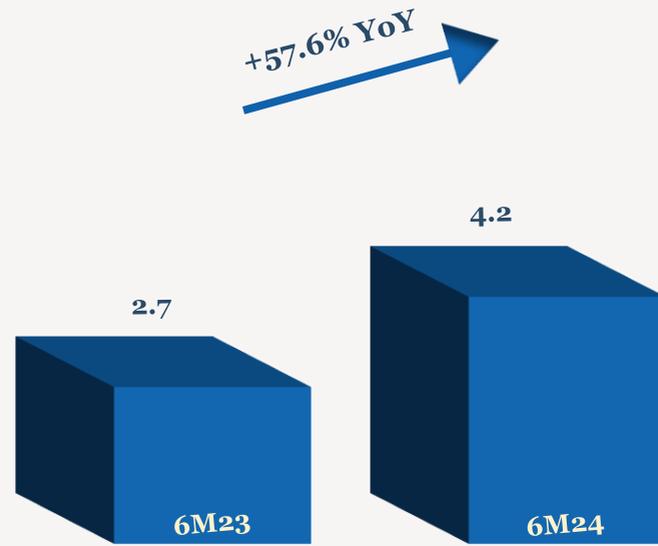# Qatar Cinema & Film Distribution Company (QCFS)

> **Net profit decreased by 5.1% YoY to QR3.0mn in 6M2024** due to higher cinema operating cost and lower net income from real estate activity. For 2Q2024, net profit fell 44.2% YoY to QR0.6mn. **Note:** Due to restatement and reclassification of most of the line items, QoQ comparison is not very meaningful.

> **Cinema revenue increased by 57.6% YoY to QR4.2mn in 6M2024.**

> **Gross loss came to QR0.04mn in 6M2024 as compared to QR0.06mn in 6M2023.**

> **Operating profit fell 5.1% YoY to QR3.2mn in 6M2024.**

> **For 6M2024, EPS came to QR0.048 vs. QR0.050 in 6M2023.** For 2Q2024, EPS came to QR0.010 vs. QR0.019 in 2Q2023.

> **As of 12th August 2024, the stock has decreased 10.3% YTD,** underperforming the QSE index, which was down by 6.8% YTD.

> **The stock is currently trading at TTM P/E multiple of 38.7x,** lower than its 3Y historical average of 60.7x.
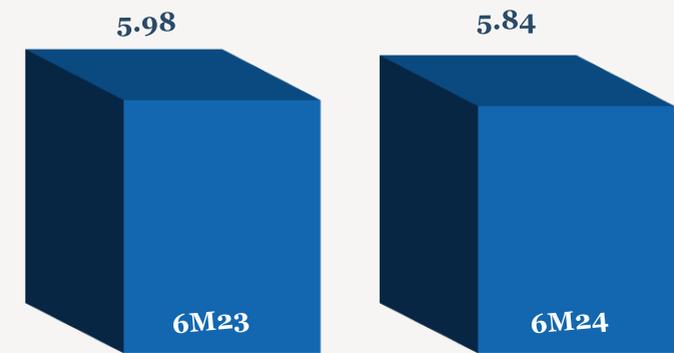
6M 2024 Earnings Performance

	6M2024	6M2023	YoY
Cinema Revenue	4.2	2.7	57.6%
Gross Profit	-0.04	-0.06	42.4%
Gross Margin %	-0.8%	-2.3%	
Net income from real estate activity	5.8	6.0	-2.4%
Operating Profit	3.2	3.4	-5.1%
Operating Margin %	75.9%	126.1%	
Net Profit to Equity	3.0	3.2	-5.1%
Net Margin %	70.6%	117.3%	
EPS (QR)	0.048	0.050	-5.1%

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

Revenue Trend (QRmn)

+57.6% YoY

	6M23	6M24
	2.7	4.2

Net Income from Real Estate Activity Trend (QRmn)

	6M23	6M24
	5.98	5.84

Quarterly Earnings Trend (QRmn)

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
1.5	0.3	0.5	0.5	2.0	1.2	0.9	0.3	2.3	0.6

EPS (QR) Trend

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
0.024	0.004	0.008	0.007	0.032	0.019	0.014	0.005	0.037	0.010

■ EPS
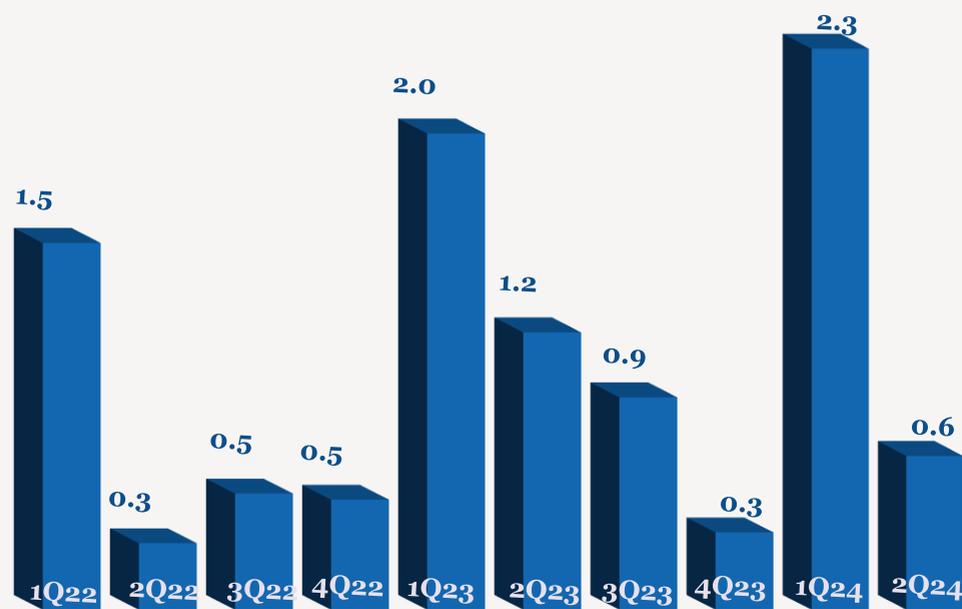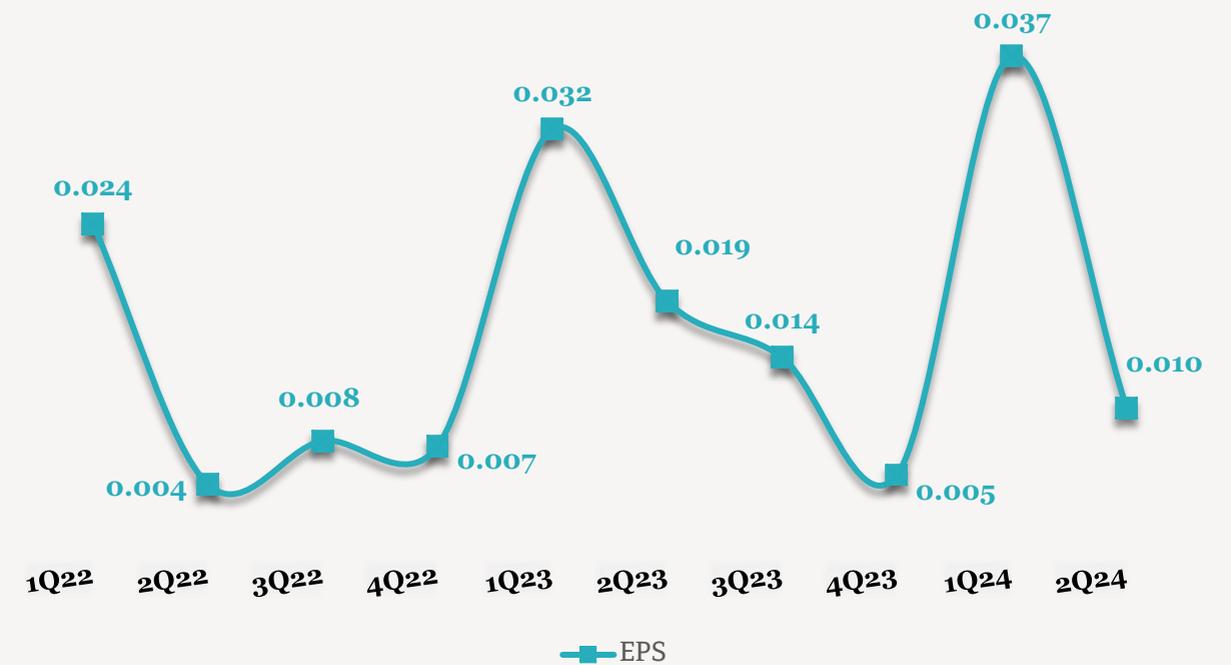
Contacts

QNB Financial Services Co. W.L.L.
 Contact Center: (+974)4476 6666
 info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa