

GCC Corporate Earnings Report : Q3-2022

November-2022

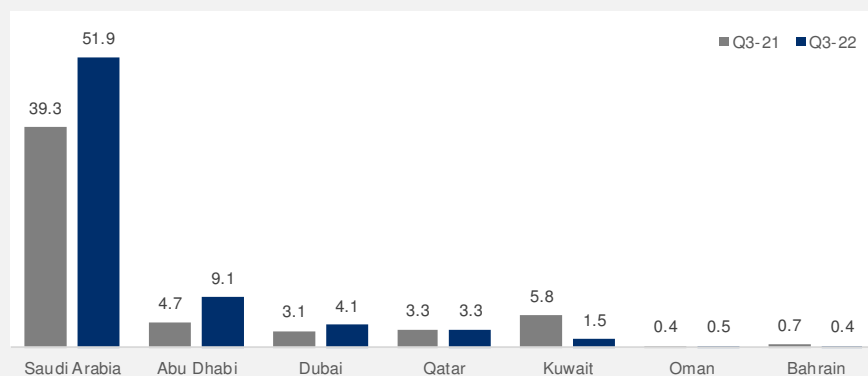
Energy and Materials companies dent GCC quarterly profits...

After reaching a record during Q2-2022, quarterly profits for GCC-listed companies witnessed a q-o-q decline of 8.0% or USD 6.1 Bn during Q3-2022 mainly led by a fall in earnings for Energy and Materials companies. The declines were also reflected in the respective sectoral indices with the Bloomberg Global Basic Materials Index declining by 10.5% during Q3-2022 while crude oil prices dropped by 23.4% during the quarter. However, higher profits mainly for the Food, Beverage & Tobacco, Capital Goods and Utilities sectors partially offset the overall decline. Banks also reported marginally higher q-o-q profits that reached USD 11.3 Bn during Q3-2022 as compared to USD 10.9 Bn during the previous quarter. In terms of regions, only UAE-listed companies showed higher profits during the quarter, whereas aggregates for the rest of the GCC countries showed a q-o-q decline during Q3-2022.

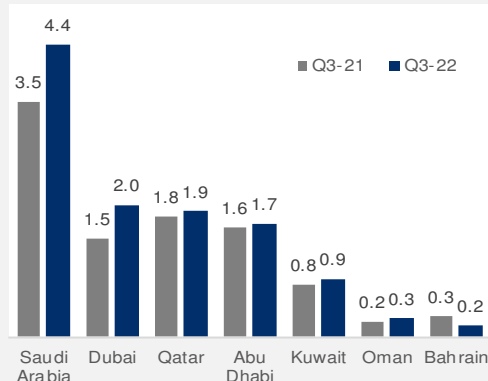
In terms of y-o-y performance, net profits continued to show growth in Q3-2022 and was up by almost a quarter to reach USD 70.7 Bn as compared to USD 57.2 Bn during Q3-2021. Higher profits also reflected better economic performance in the region as compared to last year. The y-o-y profit improvement was broad-based with more than two-thirds of the sectors showing higher profits during Q3-2022. Profits for Energy, Banks, Capital goods and Food, Beverage & Tobacco sectors were the main growth drivers during Q3-2022 vs. Q3-2021 that was partially offset by decline in profits mainly for the Transportation and Materials companies.

Abu Dhabi-listed companies showed the biggest y-o-y profitability improvement during Q3-2022 with net profits almost doubling to USD 9.1 Bn as compared to USD 4.7 Bn in Q3-2021, reflecting both new listings as well as higher profits for the bulk of the listed companies on the Abu Dhabi exchange. Saudi and Dubai-listed companies showed y-o-y profit growth of around 30%, whereas aggregates for Kuwaiti and Bahraini companies showed double-digit declines.

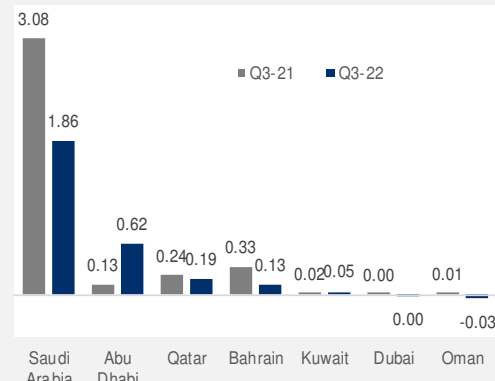
GCC Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



GCC Banks : Q3-22 vs. Q3-21 (USD Bn)



GCC Materials Sector: Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

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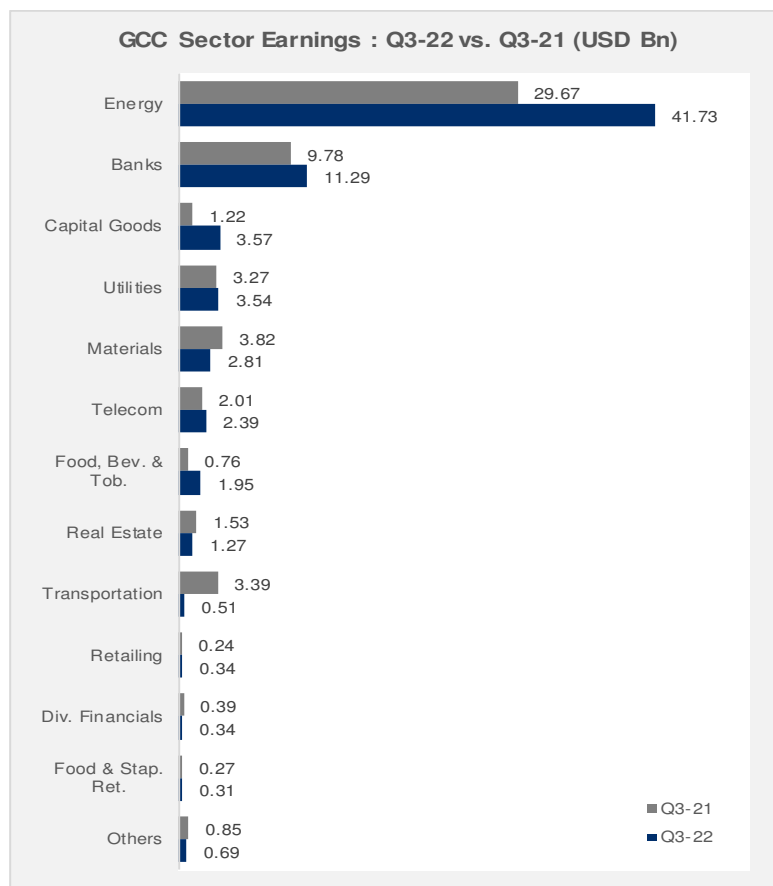
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Earnings for companies in the Energy sector increased by 40.6% or USD 12.1 Bn y-o-y mainly led by higher profits reported by Saudi Aramco and Bahri that was partially offset by losses reported by Rabigh Refining. In terms of q-o-q performance, profits for the sector dropped by 11.5% or USD 5.5 Bn mainly led by 10.3% or USD 4.8 Bn drop in profits for Saudi Aramco. Profits for the oil major reached USD 42 Bn, the second highest quarterly profits since listing in 2019, mainly led by higher oil prices and higher volumes.

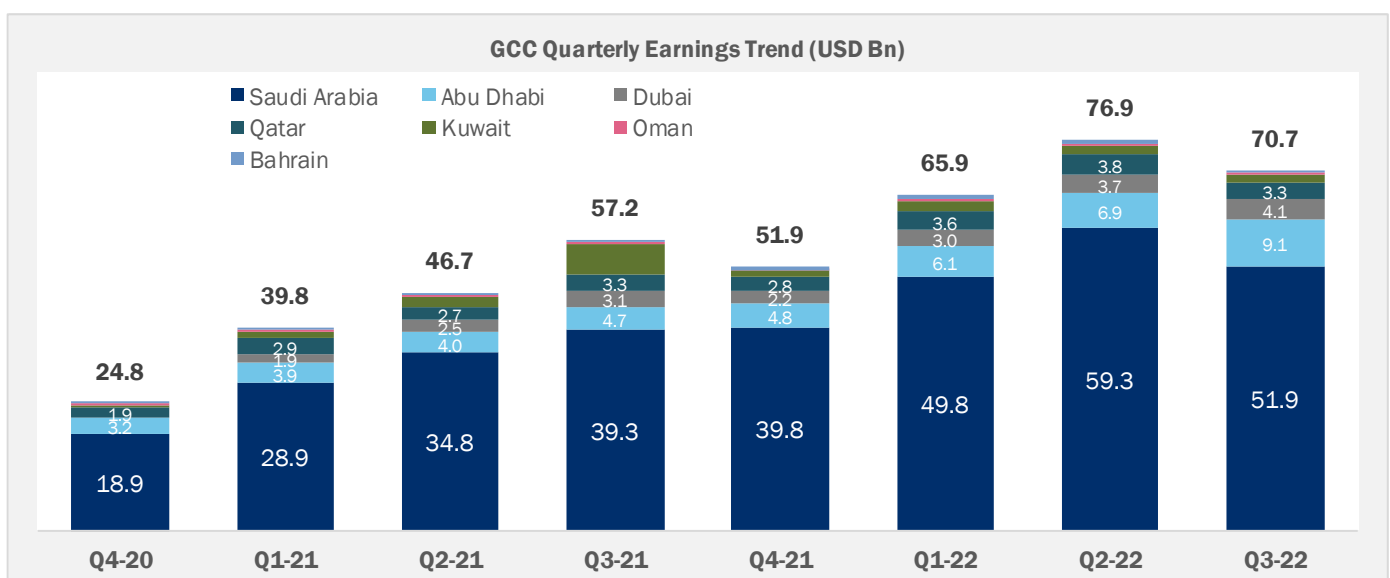
In the Materials sector, more than two-thirds of listed companies in the GCC reported a q-o-q decline and almost 60% of the 81 listed companies in the sector reported y-o-y decline in profits during Q3-2022 mainly led by lower commodity prices. Net profits for SABIC dropped by more than two-thirds mainly led by a 15% drop in average selling prices coupled with higher costs and impairments.

Net profit for the Capital Goods sector was up almost 3x during Q3-2022 to reach USD 3.6 Bn as compared to USD 1.2 Bn during Q3-2021. The growth was mainly led by a multifold increase in profits reported by newly-listed Multiply Group that reached USD 2.5 Bn during Q3-2022. Profits for the Food, Beverage & Tobacco sector also showed significant improvement (USD 1.9 Bn in Q3-2022 vs. USD 0.76 Bn in Q3-2021) that came mainly on the back of higher profits for International Holding Co.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

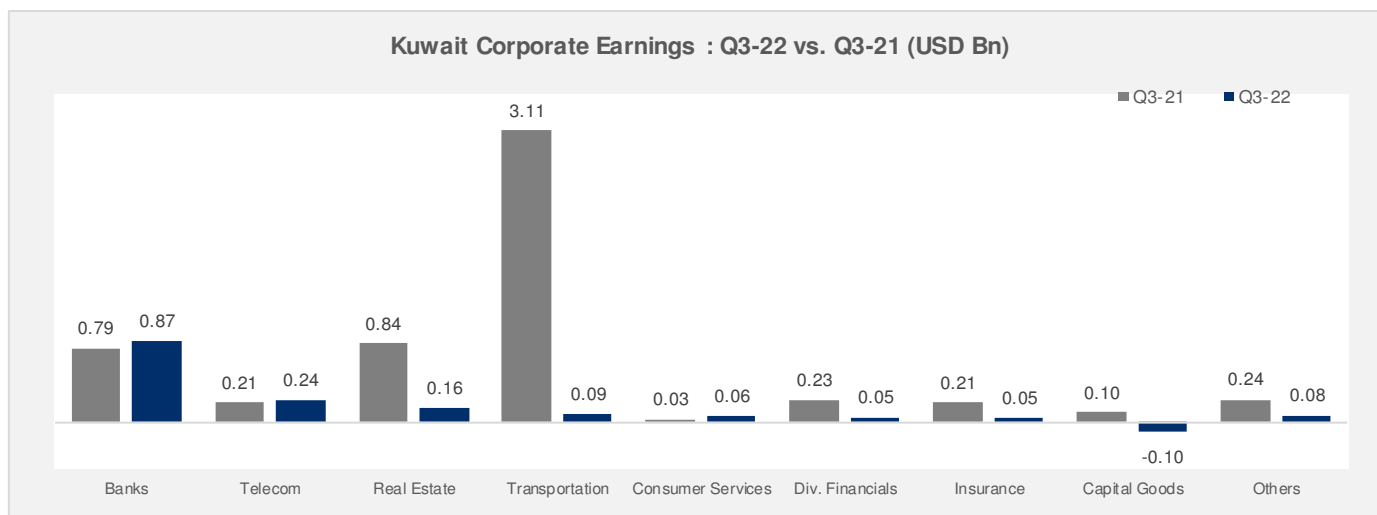
For the Banking sector, net profits increased by 15.4% y-o-y and 3.4% q-o-q to reach USD 11.3 Bn during Q3-2022. A majority of the banks in the GCC reported higher profits benefitting from the rate hikes this year which has a positive impact on net interest margins along with higher lending during the quarter. However, an increase in loan loss provisions that reached a three-quarter high of USD 3.2 Bn partially offset the overall increase in profits. Gross loans for the listed banks in GCC reached a new record high of USD 1.9 Trillion at the end of Q3-2022 while deposits also reached a new record high of USD 2.2 Trillion. In terms of topline performance, the quarter benefitted from higher net interest income that increased by 8.4% to reach USD 18.6 Bn while non-interest income dropped by 5.2% during the quarter to reach USD 7.4 Bn, partially offsetting the overall revenues.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Kuwait

Aggregate net profits for Bursa Kuwait-listed companies witnessed a y-o-y decline of 74.0% in Q3-2022 to reach USD 1.5 Bn compared to USD 5.8 Bn during Q3-2021. The decline was mainly led by lower y-o-y profits reported by Agility that had booked an extraordinary gain of around USD 3.1 Bn (KWD 918.4 Mn) in Q3-2021 post the sale of its integrated logistics business to DSV Panalpina. The transaction also increased Q3-2021 net profits for National Real Estate (NREC) by USD 720.5 Mn (KWD 216.8 Mn) as the company held 23.7% stake in Agility. Excluding the extraordinary gains for Agility and NREC, the decline in profits for Kuwaiti-listed companies was 24.6% reflecting lower profits for Transportation, Real Estate, Capital Goods and Diversified Financials sectors. These declines were partially offset by higher profits for Banks, Telecommunication Services, Materials and Consumer Services sectors that reported y-o-y increase in profits during Q3-2022.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

In the banking sector, NBK reported a net profit of USD 439.9 Mn for Q3-2022 up 44.1% vs. a profit of USD 311.8 Mn in Q3 - 2021 mainly led by higher net interest income and non-interest income coupled with lower impairment losses as compared to Q3-2021. Boubyan Bank reported a net profit of USD 50.0 Mn for Q3-2022 up 44.5% compared to USD 34.6 Mn from the previous year also due to lower provisions coupled with strong growth in net financing and commission income. Meanwhile, Commercial Bank of Kuwait reported a loss of USD 8.0 Mn during the quarter as compared to a profit of USD 71.9 Mn during the Q3-2021. Losses came as a result of higher quarterly impairments as well as higher operating expenses.

Net Profits for the Telecom sector increased by 16.1% y-o-y to reach USD 243.4 Mn for Q3-2022 compared to USD 209.6 Mn for Q3-2021. Zain recorded a net profit of USD 175.0 Mn in Q3-2022 compared to USD 164.1 Mn in Q3-2021 an increase of 6.6%. Zain Group generated consolidated revenue of USD 4.2 Bn, up by 12% y-o-y, attributable mainly due to the positive performance of operations in Sudan, KSA and Kuwait. EBITDA for the quarter reached USD 1.6 Bn, up 3% y-o-y, resulting in an EBITDA margin of 39%. Zain Group's saw its customer base grow notably by 12% to 2.6 Mn customers. Ooredoo Kuwait recorded a net profit of USD 38.7 Mn in Q3-2022 vs USD 21.4 Mn in Q3-2021, up by 80.6%. STC Kuwait also reported higher profits that reached USD 29.7 Mn in Q3-2022 as compared to USD 24.1 Mn during Q3-2021.

Net profits for the Materials sector witnessed a y-o-y growth of 177.2% in Q3-2022 to reach USD 46.2 Mn vs. USD 16.7 Mn during Q3-2021. Al Kout for Industrial Projects Co. witnessed y-o-y increase in Q3-2022 net profit that reached USD 8.1 Mn from a net profit of USD 5.7 Mn during Q3-2021 driven by improvement in sales volume and prices of products globally. Results for Kuwait Cement turned from a net loss of USD 8.0 Mn in Q3-2021 to a net profit of USD 2.1 Mn in Q3-2022 mainly led by an increase in topline.

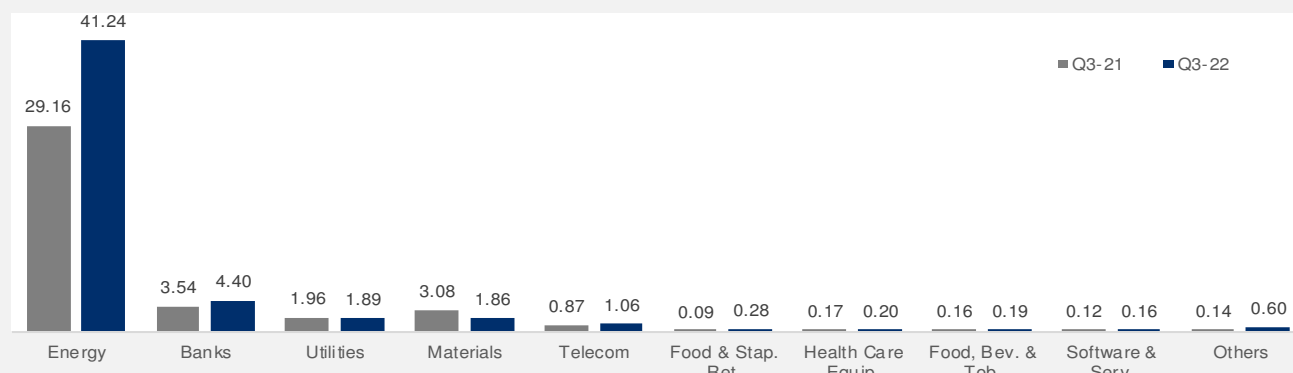
Profit for the Consumer Services sector almost doubled to reach USD 60.3 Mn in Q3-2022 compared to a net profit of USD 31.1 Mn in Q3-2021. HumanSoft posted a net profit of USD 35.2 Mn for Q3-2022 against a profit of USD 19.4 Mn led by higher revenues and lower operating costs during the quarter. IFA Hotels & Resorts also reported a strong growth in quarterly net profits that reached USD 14.2 Mn against a net profit of USD 1.1 Mn mainly led by an increase in net income from the sale of properties & hotel operation, fees and commission income and profits from the discontinued operations.

In the Energy Sector, Independent Petroleum Group posted a net profit of USD 9.4 Mn for Q3-2022 against a profit of USD 3.9 Mn due to higher y-o-y revenues during the quarter. National Petroleum Services Co. also reported an increase in y-o-y net profits that reached USD 7.8 Mn against a net profit of USD 2.9 Mn mainly led by an increase in net operating revenue and high operating margin.

Saudi Arabia

Aggregate net profits for listed companies in Saudi Arabia witnessed a y-o-y increase of 32.0% to reach USD 51.9 Bn in Q3-2022 against USD 39.3 Bn in Q3-2021. The key sectors on the exchange including Energy, Banks, Telecommunication Services and Food & Staples Retailing reported a strong y-o-y growth in profitability during the quarter, whereas the Materials, Utilities, Pharmaceuticals, Biotechnology & Life Sciences and Consumer Durables & Apparel reported profit declines during the quarter.

Saudi Arabia Corporate Earnings : Q3-22 vs. Q3-21 (USD Mn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Energy sector recorded a net profit of USD 41.2 Bn during Q3-2022 vs. USD 29.2 Bn in Q3-2021. Saudi Aramco posted a net profit of USD 41.5 Bn for Q3-2022 compared to USD 29.1 Bn for Q3-2021, up by 43% led by rise in crude oil prices and volumes sold. The Q3-2022 net profit of the National Shipping Co of Saudi Arabia showed multi-fold growth to reach USD 71.8 Mn compared to USD 4.8 Mn in Q3-2021 supported by the 74% y-o-y rise in the revenue and decrease in the provisions by USD 13.30 Mn. Aldrees Petroleum & Transport Co. reported profits of USD 16.4 Mn during Q3-2022 vs. a net profit of USD 12.6 Bn during Q3-2021 driven by an increase in sales from the transport and petrol segments. Meanwhile, Rabigh Refining and Petrochemical Co. turned to a net loss of USD 376.1 Mn for Q3-2022 mainly due to higher input costs.

Aggregate profits for the Banking sector increased to USD 4.4 Bn during Q3-2022 as compared to USD 3.5 Bn during Q3-2021. Within the sector, Al Rajhi Bank recorded a profit of USD 1.2 Bn Mn for Q3-2022 against a profit of USD 1.0 Bn for Q3-2021, up by 14.6% supported by higher net financing and investment income, fees from banking services, and exchange income. Saudi National Bank reported a 24.6% increase in the net profit that reached USD 1.3 Bn in Q3-2022 compared to USD 1.0 Bn in Q3-2021 driven by a 16.1% drop in operating expenses due to lower net impairment charge for credit losses. The Q3-2022 results were also driven by higher net special commission income and lower operating expenses.

Net profit for the Telecom sector grew by 22.2% y-o-y to USD 1.1 Bn in Q3-2022 as compared to USD 0.9 Bn during Q3-2021. STC reported a 20.9% y-o-y increase in net profits that reached USD 942.3 Mn due to a revenue increase of USD 194.8 Mn y-o-y. Mobily registered a net profit of USD 99.1 Mn for Q3-2022 compared to USD 74.9 Mn in Q3-2021. The increase was driven by higher revenues and EBITDA. Zain KSA net profit soared to USD 22.6 Mn in Q3-2022, registering an increase of 40.5%, from a net profit of USD 16.1 Mn in Q3-2021 due to higher revenue partially offset by higher OPEX and finance costs.

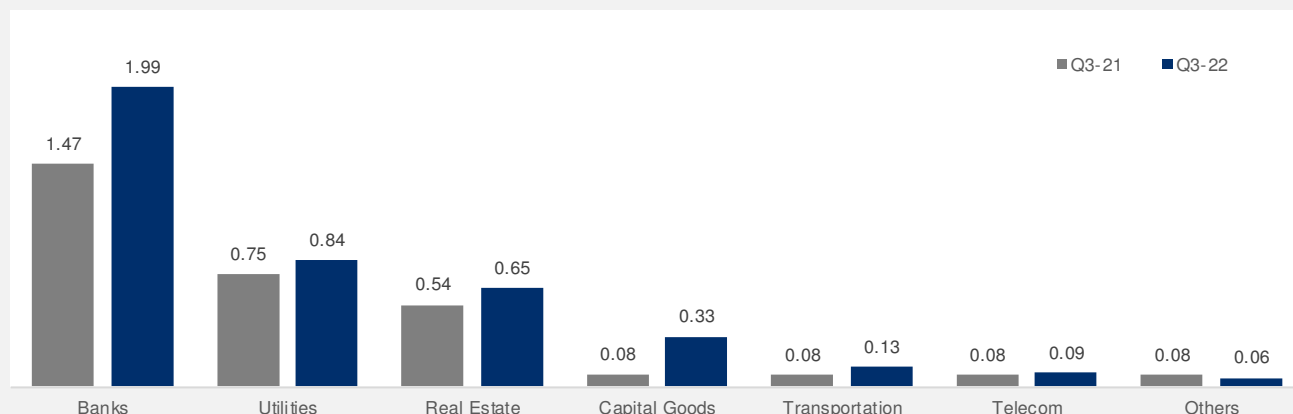
Meanwhile, profits for the Food & Staples Retailing sector almost tripled y-o-y during Q3-2022 to reach USD 281.6 Mn. The increase came mainly on the back of higher profits for Abdullah Al Othaim Markets Co. and Al Dawaa Medical Services Co. Q3-2022 net profits for Abdullah Al Othaim Markets Co. reached USD 198.1 Mn buoyed by a 17.4% growth y-o-y in sales from existing and new stores. Aldawaa Medical Services Co. reported a net profit of USD 12.8 Mn for the Q3-2022 on a 4% y-o-y rise in revenue and 6.3% y-o-y growth in operating profit.

Dubai

Net profits for Dubai-listed companies increased by 32.8% y-o-y to USD 4.1 Bn in Q3-2022 against USD 3.1 Bn in Q3-2021. Earnings growth during the quarter were mainly driven by Banks, Utilities and Real Estate companies with the three sectors accounting for 85.3% of the aggregate earnings in the exchange during the quarter. It is noteworthy that out of the twelve sectors in Dubai, seven have witnessed a y-o-y increase in profits during Q3-2022 while the remaining five sectors including the Insurance and Consumer Services sectors reported declines.

Total Net profits for the Banking Sector rose by USD 513.9 Mn in Q3-2022 to reach USD 2.0 Bn up from USD 1.5 Bn in Q3-2021. The sector's rise in total earnings was primarily driven by Mashreq Banks over five-fold jump in profits during Q3-2022. The bank's Q3-2022 profits reached USD 321.5 Mn compared with USD 48.9 Mn during the corresponding period of 2021 mainly led by lower provisions during the quarter further supported by higher interest and non-interest income. Furthermore, the sector's total earnings were supported by Emirates NBD which announced a y-o-y profit increase of 50.7% to reach USD 1.0 Bn during Q3-2022. The UAE's biggest lender attributed the strong performance to higher interest rates which buoyed the margins combined with strong lending growth. Moreover, Dubai Islamic Bank registered 14.2% increase in Q3-2022 earnings which reached USD 374.8 Mn up from USD 328.1 Mn in net profits during Q3-2021.

Dubai Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Aggregate profits for the Real Estate Sector rose by 19.9% y-o-y in Q3-2022 to reach USD 649.8 Mn up from USD 542 Mn in Q3-2021. The Tecom Group registered 70% y-o-y profits growth during Q3-2022 which reached USD 57.6 Mn up from USD 33.8 Mn during the corresponding period of 2021. The real estate company attributed its healthy quarterly performance to improving commercial rates, strong occupancy levels underpinned by Dubai governments pro-growth strategy. Emaar Properties and Emaar Development posted the largest and the second largest net profits in the sector with USD 405.7 Mn and USD 176.4 Mn during the quarter, respectively. Emaar Properties attributed better results to improving real estate market in Dubai, new project launches and higher sales of property units.

The Utilities Sector registered the second largest Q3-2022 aggregate net profits on the exchange. Q3-2022 net profits for Dubai Electricity & Water Authority (DEWA), the sector's only constituent, reached USD 840.7 Mn witnessing 12.7% rise from USD 746 Mn in Q3-2021 driven by increased energy and water demand in the UAE that rose by 5% and 6.4%, respectively, during the quarter fueling its profits growth. DEWA announced that it has plans to distribute a dividend of AED 8.2 Bn (USD 2.2 Bn) for the year including a one-time special dividend of AED 2.03 Bn (USD 0.55 Bn).

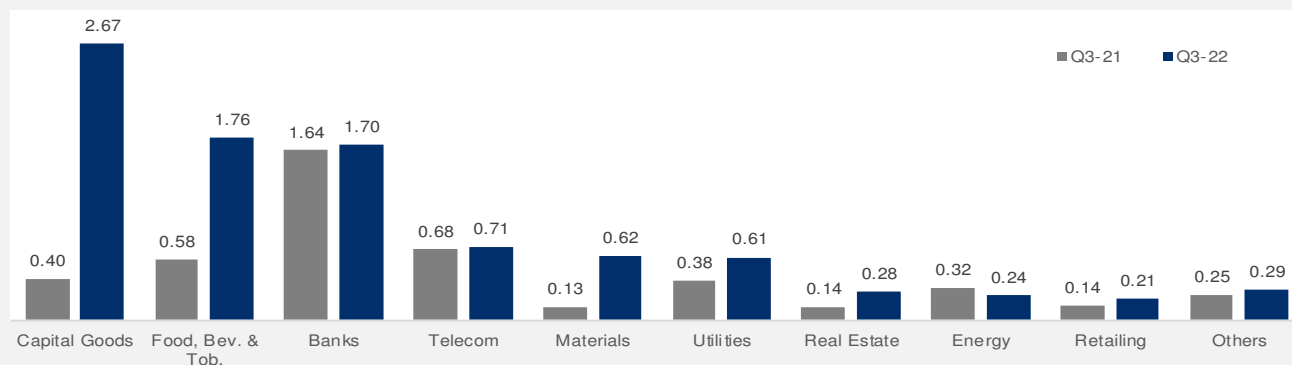
Abu Dhabi

Listed companies in Abu Dhabi witnessed a 94.8% jump in net profits during Q3-2022 to reach USD 9.1 Bn compared with USD 4.7 Bn during Q3-2021. In line with most of the GCC markets, the Banking sector in Abu Dhabi witnessed an increase in net profits, albeit marginally, with aggregate sector profit of USD 1.7 Bn as compared to USD 1.6 Bn during Q3-2021, registering a y-o-y rise of USD 58.8 Mn or 3.6%. The Capital Goods sector posted the largest net profits growth in the exchange during Q3-2022 with a 561.5% y-o-y increase in profit which reached USD 2.7 Bn compared with USD 403.4 Mn during Q3-2021. Food and Beverage, Telecom, and Material sectors were some of the other sectors that reported rise in net profits during the quarter. On the other hand, Insurance and Pharmaceutical sectors reported decline in profits during the quarter.

In the Capital Goods Sector, recently listed Multiply Group lead the way posting the largest net profits in Q3-2022 in the sector witnessing over 90-fold increase in net profits which reached USD 2.5 Bn compared with a net profit of USD 27.6 Mn during Q3-2021. Multiply Group's soaring quarterly net profits were underpinned by a combination of surging revenues and increasing assets of the company. Moreover, the investment holding company's strategic investments such as its 7.3% stake in Abu Dhabi National Energy Company (Taqa) and 80% stake in International Energy Holding contributed to its earnings growth during the quarter. Comparatively, Q3-2022 net profits of Alpha Dhabi Holding Company decreased by 65.7% y-o-y to reach USD 123.8 Mn down from USD 360.5 Mn during Q3-2021 mainly led by higher direct and operating costs coupled with higher impairments during the quarter.

In the Food, Beverages and Tobacco sector, Q3-2022 net profits soared 201.4% to reach USD 1.8 Bn as compared to USD 583.6 Mn during Q3-2021 mainly driven by International Holding Company (IHC) which reported Q3-2022 net earnings of USD 1.7 Bn up from USD 574 Mn during Q3-2021. IHC's continued strategic acquisitions were attributed to the robust growth in the investment company's quarterly performance. The company's acquisition total value reached AED 13.5 Bn (USD 3.7 Bn) during Q3-2022 including stakes in TAQA (AED 10 Bn) and AED 1.5 Bn (USD 0.4 Bn) in Burjeel Holdings.

Abu Dhabi Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

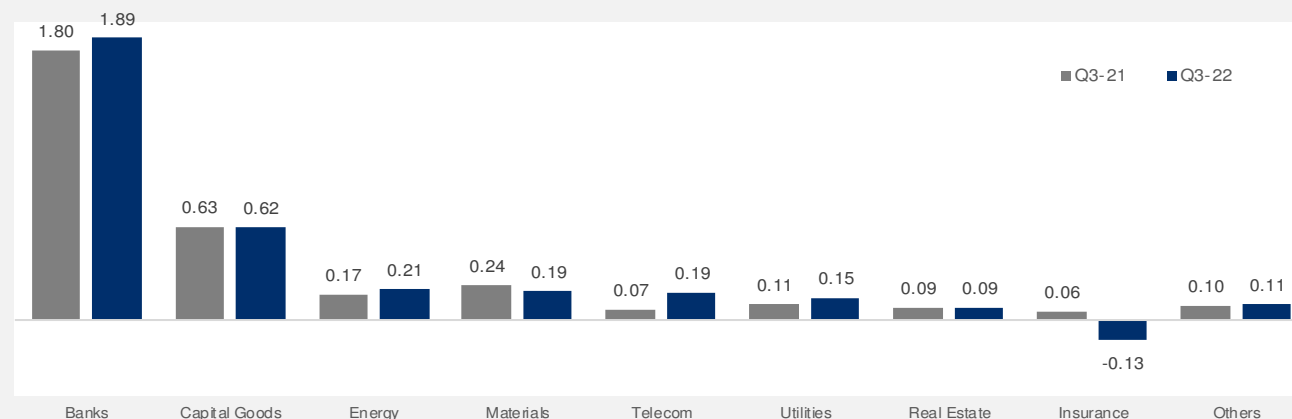
In the Banking sector, Q3-2022 net profits reached USD 1.7 Bn as compared to USD 1.6 Bn in Q3-2021. Third quarter profits of First Abu Dhabi Bank fell 24.2% to reach USD 795.7 Mn as compared to USD 1 Bn during Q3-2021 mainly led by lower non-interest income that more than offset higher interest income and lower provisions during the quarter. Comparatively, Q3-2022 net profits of Abu Dhabi Islamic Bank jumped 104.9% to USD 274.9 Mn up from USD 134.1 Mn during Q3-2021 on the back of decreasing costs.

In the Utilities sector, the sole constituent Abu Dhabi National Energy (TAQA) reported a net profit of USD 608.8 Mn in Q3-2022 registering 59.4% jump from its Q3-2021 earnings which stood at USD 382 Mn. The company attributed its strong performance to the rise in oil and gas prices around the world due to geopolitical tensions which increased demand and instability.

Qatar

Total earnings for Qatari-listed companies increased by 1.7% during Q3-2022 y-o-y to reach USD 3.32 Bn as compared to USD 3.27 Bn in Q3-2021. Qatar's Banking sector reported a profit growth of 4.8% in Q3-2022 that reached USD 1.9 Bn accounting for 56.9% of the overall exchange profits during the quarter. QNB reported a net profit increase of 13.1% during the quarter reaching USD 1.1 Bn compared to a net profit of USD 951.9 Mn in Q3-2021. The increase in profits was mainly driven by higher net interest income and non-interest income that was partially offset by an increase in provisions during the quarter. Qatar Islamic Bank reported a net profit of USD 281.0 Mn for Q3-2022 as compared to 254.1 Mn for the same period in 2021. Income from financing and investing activities registered a y-o-y growth of 7.6% during the quarter to reach USD 523.3 Mn as compared to USD 490.9 Mn for the same period of 2021. Fees and Commission income also increased from USD 48.2 Mn

Qatar Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

during Q3-2021 to USD 59.1 Mn during Q3-2022 supporting further growth in profits for the bank. Qatar International Islamic Bank reported a net profit of USD 89.8 Mn for Q3-2022 as compared to USD 80.9 Mn for the same period in 2021, up by 11.1%. Net interest income for the bank increased by 9.8% to USD 102.5 Mn during Q3-2022 as compared with USD 93.3 Mn achieved in the same period in 2021. Meanwhile, quarterly net profit for Masraf Al Rayan declined by 41.7% to USD 90.7 Mn in Q3-2022 compared to USD 155.7 Mn in Q3-2021 despite a healthy growth in net interest income and non-interest income. The decline was mainly led by increase in operating expenses and net impairment charges.

In the Telecom sector, Ooredoo reported net profits of USD 155.8 Mn in Q3-2022 as compared USD 53.7 Mn in Q3-2021. The Telco's revenue grew by 4% y-o-y to USD 5.8 Bn for Q3-2022 driven by growth in post-paid services, Ooredoo TV and B2B services excluding Indosat Ooredoo. The company's customer base stood at 55 million subscribers at the end of 9M-2022. Vodafone Qatar reported a net profit of USD 32.1 Mn for Q3-2022, representing an increase of 76.9% y-o-y. Total revenue increased by 24.7% y-o-y to reach USD 597.8 Mn driven by continued growth in the company's postpaid revenue and fixed broadband services in addition to projects revenue.

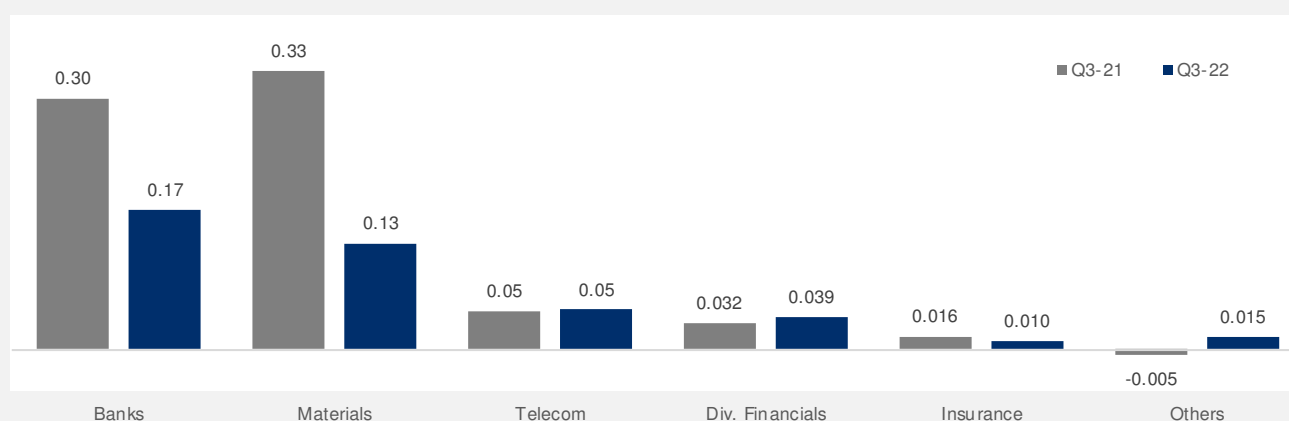
The Utilities sector reported the third biggest earnings during the quarter at USD 153.5 Mn as compared to USD 106.9 Mn in Q3-2021. Net profits reported by Qatar Electricity & Water Co. surged 43.6% to USD 153.5 Mn in Q3-2022 compared to USD 106.9 Mn in Q3-2021. QEWC reported a revenue of USD 190 Mn, an increase of 12.2% compared to USD 169.4 Mn during the same period in 2021. Operating profits grew by 3.1% to USD 67.3 Mn from USD 65.3 m during the Q3-2022.

Net profits for the Energy sector improved by 18.9% y-o-y to reach USD 207.7 Mn supported by the profits reported by Nakilat and Qatar Fuel Company (WOQOD). Nakilat registered a net profit increase of 9.4% to reach USD 110.0 Mn for Q3-22 vs USD 100.5 Mn for Q3-2021. Qatar Fuel Company posted a net profit increase of 13.2% to reach USD 71.0 Mn in Q3-2022 vs USD 62.7 Mn in Q3-2021 mainly driven by increase in sales.

Bahrain

Total Q3-2022 net profits for Bahrain-listed companies decreased by 44% y-o-y to USD 405.5 Mn after six of its 13 sectors led by the two largest sectors by market cap posted a decrease in net profits during the quarter. The Banking Sector reported the biggest Q3-2022 aggregate profits among the sectors in the exchange. Aluminum Bahrain, the only company in the Materials Sector, reported Q3-2022 net profits of USD 127.1 Mn registering 61.9% y-o-y decrease from its Q3-2021 net earnings which stood at USD 334.1 Mn. Aluminum Bahrain's quarterly profits was mainly affected by lower LME prices.

Bahrain Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

In the Banking Sector, Q3-2022 net profits of Al Ahli United Bank decreased by 99.1% y-o-y to USD 1.3 Mn against USD 152.1 Mn in Q3-2021 dragging down the aggregate profits of the Banking Sector. The fall of the bank's quarterly profits was mainly due to higher provisions. Arab Banking Corporation posted the largest Q3-2022 net profits among the banks with USD 44 Mn in profits against USD 25 Mn in Q3-2021. ABC's strong quarterly performance was driven by higher net interest income underpinned by the rise interest rates and a fall in impairment charges. Meanwhile, Q3-2022 net profits for National Bank of Bahrain fell 25.6% y-o-y to reach USD 30.2 Mn as compared with USD 40.6 Mn in Q3-2021. The decrease in net profits was attributed to higher provisions in Q3-2022 following the termination of the loan deferral programme.

In the Diversified Financials Sector, total Q3-2022 net profits reached USD 38.7 Mn registering 20.8% y-o-y increase from USD 32 Mn in Q3-2021. Q3-2022 net profits of United Gulf Investment Corporation jumped 161.5% to reach USD 15.7 Mn as compared to USD 6 Mn in Q3-2021. Meanwhile, GFH Financial Group posted the largest Q3-2022 net profits among the sector companies with USD 24 Mn against USD 23.3 Mn in Q3-2021.

On the other hand, aggregate net profits for the Insurance Sector declined by 36.8% during the quarter after three out of the five companies in the sector witnessed y-o-y net profit decreases. Q3-2022 net profits of Bahrain National Holding Co fell by 45.6% to reach USD 2.9 Mn as compared to USD 5.4 Mn in Q3-2021. Similarly, Arab Insurance Group's Q3-2022 net earnings suffered a decline of 59.6% to reach USD 2.4 Mn as compared to USD 6 Mn in Q3-2021. Arab Insurance Group's fall in profits was attributed to lower investment income.

Oman

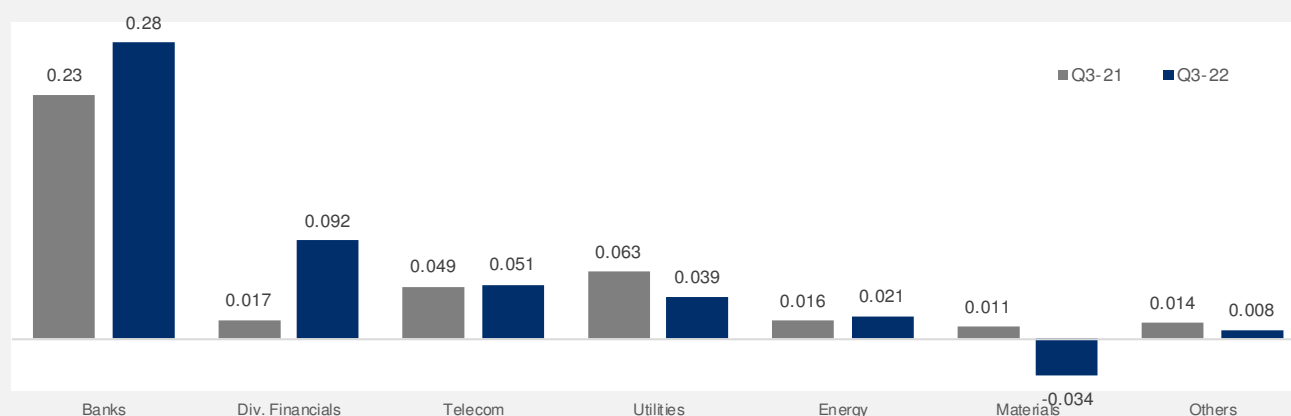
Total net profits for listed companies in Oman increased by 14% y-o-y to USD 457.6 Mn in Q3-2022 as compared with USD 401.4 Mn in the corresponding quarter in 2021. Q3-2022 earnings of the Banking Sector, the biggest sector in the exchange by market cap, improved 21.4% to reach USD 279.8 Mn up from USD 230.6 Mn in Q3-2021. The Diversified Financials Sector followed with the second largest total net profits among the sectors with USD 92.4 Mn during Q3-2022 up from USD 17.2 Mn in Q3-2021.

All the eight banks which announced Q3-2022 net profits registered y-o-y growth in earnings except for Bank Dhofar which witnessed 14.1% profits slide to USD 25.1 Mn. Bank Muscat's Q3-2022 net profits witnessed 7.7% y-o-y growth to reach USD 127.4 Mn as compared to USD 118.2 Mn in Q3-2021. The bank attributed the quarterly earnings growth to revenue increase from both non-interest income and net interest income from the conventional banking business. Bank Muscat's Q3-2022 earnings represented 45.5% of the total profits in the Banking sector. National Bank of Oman recorded Q3-2022 net profits of USD 34.9 Mn as compared to USD 20.4 Mn in Q3-2021. The bank attributed its quarterly performance to a combination of growth in net interest income, fee income and a fall in operating expenses.

In the Diversified Financials sector, Ominvest posted the biggest profits during Q3-2022 with net profits of USD 86.8 Mn as compared to USD 14.6 Mn during Q3-2021. The investment company attributed the jump in its quarterly net profits to an increase in revenue on the back of its acquisition of RSA ME by National Life and General Insurance Company.

Despite witnessing subdued growth of 3.9% y-o-y during Q3-2022, the Telecom Sector's aggregate profits were the third largest among the sectors reaching USD 51.2 Mn as compared to USD 49.2 Mn during the corresponding period of 2021. Q3-2022 net profits of OmanTel dipped 7.9% y-o-y to reach USD 39.5 Mn down from USD 42.9 Mn. The dip in profits was attributed to the growth of Oman Telecom's total service expenses as well as cost of material consumed, and goods sold. Comparatively, Q3-2022 net earnings for Ooredoo Oman jumped 83.4% y-o-y to USD 11.7 Mn.

Oman Corporate Earnings : Q3-22 vs. Q3-21 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Total Q3-2022 net profits of the Energy Sector reached USD 21.3 Mn as compared to USD 16.3 Mn in Q3-2021 witnessing a 30.2% y-o-y growth. Al Maha Petroleum Products registered the largest absolute profit rise among the five companies in the sector with Q3-2022 net profits of USD 6.2 Mn up from USD 2.7 Mn in Q3-2021. The company attributed its robust performance to the expansion of its customer reach underpinned by a strategic repositioning to meet changing customer preferences after the Covid-19 period. On the other hand, Renaissance Services Co recorded the biggest Q3-2022 net profit among the companies in the sector with USD 6.7 Mn against USD 6.5 Mn in Q3-2021. Of the five companies in the sector National Gas was the only loss-making company registering a loss of USD 0.61 Mn in Q3-2022 as compared with a loss of USD 0.9 Mn in Q3-2021.

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