KAMCO Research

Air Arabia

Research Update | **Sector – Aviation**

Investment Thesis

Industry continues to be flushed with capacity:

We believe that competition in the regional airline industry is increasing at an unprecedented rate primarily as new aircrafts are continued to be deployed focusing on largely the same set of destinations. Although there are a few new destinations being added especially in Saudi Arabia and in Iran, the market expansion continues to lag behind capacity addition. To deal with this issue, airline companies are now resorting to leasing aircrafts rather than entering into long term purchase contracts with manufacturers. Air Arabia also indicated that its new order is yet to be finalized and that it could be delayed and the company may resort to leasing to meet seasonal demand fluctuations in the short term. We believe leasing provides flexibility unless new high capacity routes are added that will help push load factor to more than 80% on a sustainable basis.

Capacity addition helped maintain topline:

Air Arabia added two net new additional aircrafts during 2015 bringing the total average aircrafts to 41. This helped the company maintain its topline as compared to previous year with approximately 12% increase in passenger count during the year. However, a majority of these additions were on shorter routes as seen from the steep decline in distance travelled that declined by 11% from 2 Bn Km to 1.81 Bn Km, according to our estimates based on RPK and number of passengers. This is also reflected in the decline in base fares per passenger, which according to our calculations, declined from AED 480.3 during 2014 to AED 428.2 during 2015.

Derivative losses continue to affect bottom-line:

Air Arabia's hedging strategy continues to be aggressive despite the decline in oil prices having a significant impact on the company's bottom-line. Nevertheless, we believe that the overall impact of hedging losses has peaked in 2015 when the company reported a total derivate/hedging loss of AED 111.9 Mn. Moreover, with the decline in spread, we expect the company to save almost AED 35 Mn in hedging loss in 2016 that will directly be incremental to the bottom-line.

Valuation – DCF based price target of AED 1.64, upside of 28%:

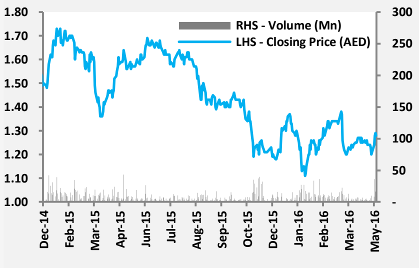
We continue to maintain our price target of AED 1.64 with an 'Outperform' rating reflecting our positive bias towards low cost carriers in the Middle East region. We expect the company to be less aggressive in capacity expansion and focus more on increasing current load factor and add fewer new aircrafts in the near term.

Key Indicators	2014	2015	2016e	2017e	2018e	2019e	2020e
Passengers (Mn)	6.8	7.6	8.4	8.8	8.9	9.1	9.3
RPK (Bn)	13.8	13.8	15.4	16.5	17.1	17.7	18.3
Load Factor	81%	79%	79%	79%	80%	80%	80%
Total Revenue (Bn)	3.73	3.83	4.17	4.44	4.63	4.82	5.02
Gross Profit Margin	18.3%	21.0%	19.1%	18.4%	17.1%	16.4%	15.6%
EBITDAR Margin	22.6%	25.0%	23.1%	23.1%	21.6%	20.6%	19.6%
Net Margin	14.8%	13.4%	12.2%	12.7%	12.0%	10.8%	10.8%
P/E Ratio (x)	12.66	12.41	11.71	10.55	10.76	11.45	11.00
P/BV Ratio (x)	1.18	1.20	1.18	1.16	1.14	1.13	1.11
EV/EBITDAR	10.41	8.63	8.20	7.70	7.34	6.86	6.35
Dividend Yield	5.7%	7.0%	7.0%	7.8%	7.8%	7.8%	7.8%

Sources: KAMCO Research, Company Financials

Outperform

CMP 11-May-2016	**AED 1.28**
Target Price	**AED 1.64**
Upside/Downside	**+28.0%**



Price Perf.	1M	3M	12M
Absolute	2.4%	6.7%	-17.9%
Relative	5.2%	-5.0%	0.3%

Stock Data	
Bloomberg Ticker	AIRARABI UH
Reuters Ticker	AIRA.DU
Last Price (AED)	1.28
YTD Change	-5.9%
M-Cap (AED Mn)	5,973.38
M-Cap (USD Bn)	1,624.76
52-week range	1.09 / 1.69
52-week Avg. Daily Volume (Mn)	7.79
52-week Avg. Daily Value (AED Mn)	10.50

Faisal Hasan, CFA
Head - Investment Research
+ (965) 2233 6907
faisal.hasan@kamconline.com

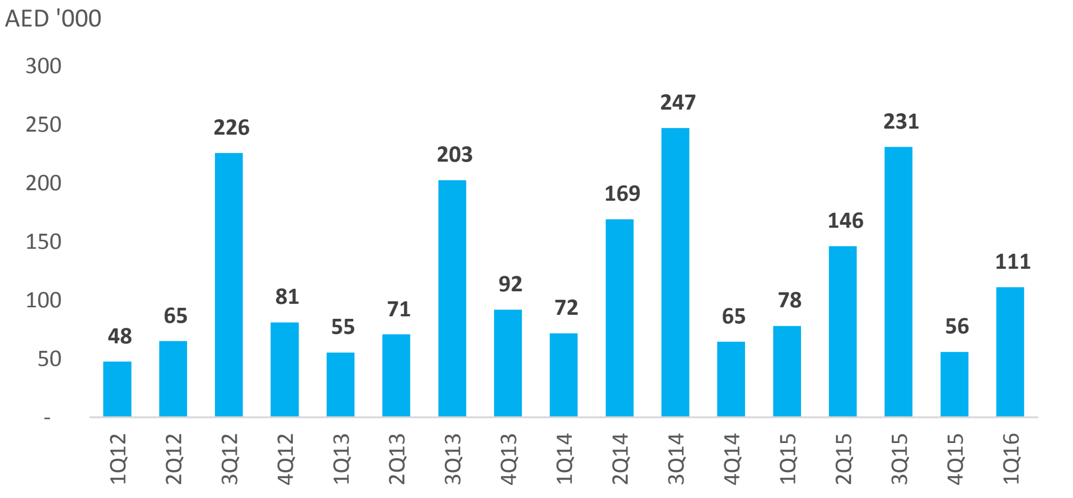
Junaid Ansari
Assistant Vice President
+ (965) 2233 6912
junaid.ansari@kamconline.com

Q1-16 Highlights

The first quarter is generally a strong quarter for the company with high load factors and passenger count. Q1-16 was no exception, when the company reported 16.5% increase in passenger carried that reached 2.1 Mn as compared to 1.8 Mn during Q1-15. On the other hand, the average load factor stood at 81%, in line with Q1-15 but higher than the 2015 average load factor of 79%.

- Quarterly revenue increased 6.8% to reach AED 946 Mn on the back of higher passenger carried and higher load factors. The company agreed that the business got a boost from spillovers from traditional carrier's business that moved to low cost carriers, due to the soft growth in the economy.
- Ticket fares dropped during the quarter due to competition as well as a decline in operating costs.
- A combination of higher revenues and a decline in direct costs both in absolute terms and as a percentage of revenue resulted in higher gross margin of 20.8% during Q1-16 as compared to 15.3% during Q1-15. Operating profit also improved by 540 bps year-on-year to 13.8%. As a result, net profit surged 42.2% during the quarter.
- The company received delivery of 1 aircraft during the quarter and another during May-16 with another four to be received by the end of the year, bringing the total year end deliveries to six.
- Air Arabia reiterated its use of leased aircraft going forward and said there would be a lag in placing a new order for aircrafts after the current order is complete. The company said that there are a plenty of leased aircrafts available in the market that are inexpensive and could be quickly deployed.

Quarterly Net Profit Trend



Source: KAMCO Research, Company Financials

Operational highlights

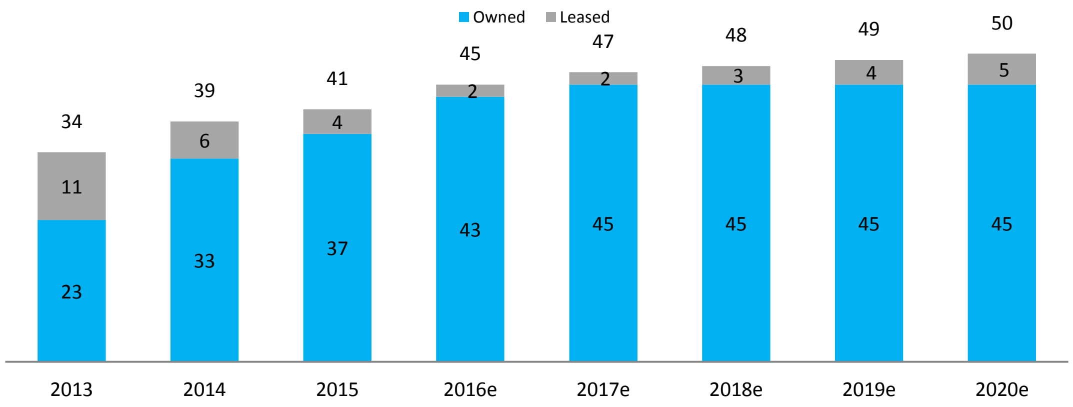
We sensed a softening of market opportunities from the full year 2015 results and the future plans of the company. However, we believe this is primarily due to the declining economic growth rate in the overall MENA region as well as globally. We believe that there is no inherent issues within the company's operations that would affect the company's valuation and future prospects. On the economic front, the decline in oil prices has dented overall spending in the region which is also reflected in the tightening of the financial markets and bank lending. A majority of the corporates in the region are in consolidation mode to save costs that is affecting their travel spending.

Nevertheless, we continue to maintain our bullish view on the low cost carrier (LCC) business model primarily due to the fact that an economic slowdown would have a primary impact initially on full scale carriers that would in turn result in business spillovers to LCCs. Only a sustained slowdown in the markets would result in sizable impact on LCCs' business.

Increasing capacity

Air Arabia added two net new additional aircrafts during 2015 bringing the total average aircrafts to 41. The company received four new aircrafts during the year under the existing aircraft order and is expected to receive six aircrafts in 2016 and the remaining five in 2017 to complete the order for 44 aircrafts. Considering returns, we believe that the company will have a portfolio of 45 aircrafts by the end of 2016, including leased aircrafts, which will gradually increase to 50 by the end of 2020. The company has not finalized any new order for aircraft for deliveries beyond the current order. We believe that the company would be less aggressive in acquiring new aircrafts and would adopt the industry trend of leasing aircrafts on a temporary basis to meet seasonal demand fluctuations. But at the same time, the company would maintain a strong portfolio of owned aircrafts to serve its existing routes.

Aircraft count



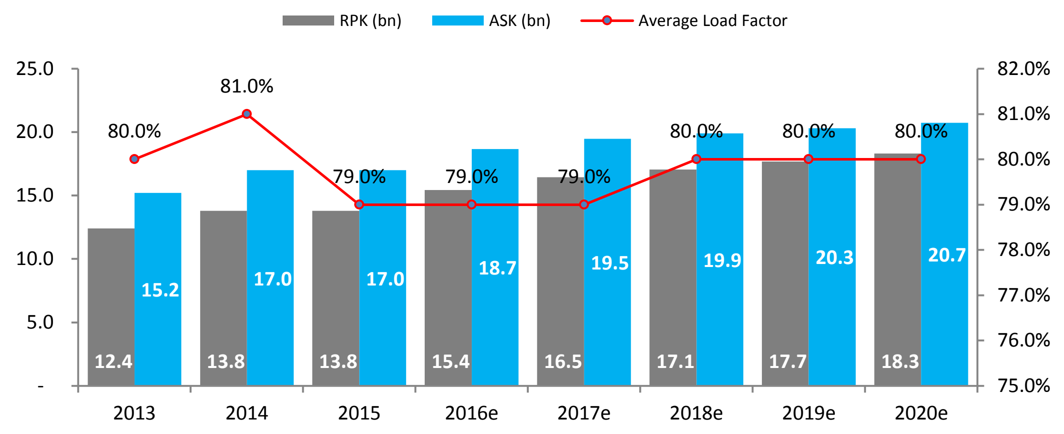
Source: KAMCO Research, Company Financials

Efficiency improvement would be a key future agenda

The company managed to maintain its topline performance as compared to previous year with approximately 12% increase in passenger count during the year as a result of introducing additional aircrafts in the business. Nevertheless, the company recorded a decline in overall load factor which stood at 79% as compared to 81% during the previous year. This was also one of the lowest load factors during the past ten years (68% load factor in 2004 and 79% in 2005).

We expect the company to focus on efficiency improvement going forward and make attempts to push load factors to above the 80% mark. The load factor during Q1-16 stood at 81%, in line with Q1-15. However, the seasonal slowdown during Q2-16 should be a challenge to maintain this level. In our forecasts, we've factored minimal increase in load factor and expect it to remain at 79% for the next two years and increase gradually to 80% for the remainder of our forecast. We believe that the additional aircraft would offset efforts to increase efficiency in the near term.

RPKs vs. Load Factor



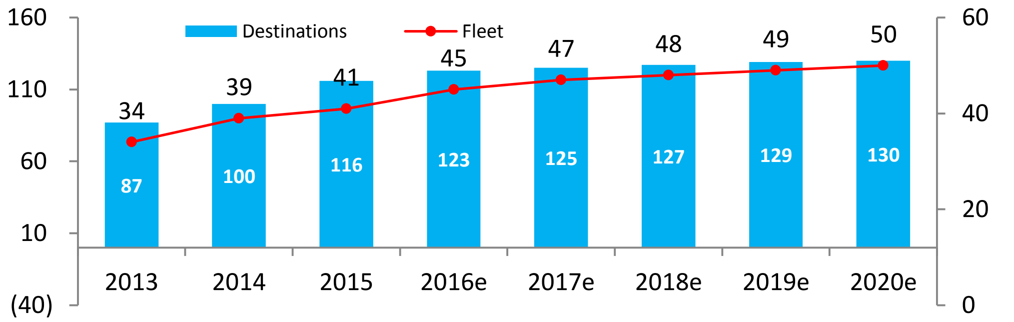
Source: KAMCO Research

In terms of overall seat capacity, RPK remained flat during 2015 despite a 12% increase in passenger count and additional capacity introduced during the year. We believe that a majority of these passenger additions were on shorter routes as seen from the steep decline in distance travelled that declined by 11% from 2 Bn Km to 1.81 Bn Km, according to our estimates based on RPK and number of passengers. This is also reflected in the decline in base fares per passenger, which according to our calculations, declined from AED 480.3 during 2014 to AED 428.2 during 2015. Going forward, we expect RPKs to increase gradually to 18.3 Bn by the end of 2020 whereas ASKs are expected to increase to 20.7 Mn.

Opportunities in the region

Air Arabia continues to add new destinations which is helping in offsetting setbacks from some of the routes in the region facing political issues that has resulted in diversions and thereby resulting in higher costs. The company added 4 additional routes during Q1-16 and as disclosed during the full year conference call, the company continues to target increasing capacity within the region and focus on specific routes.

Destinations covered

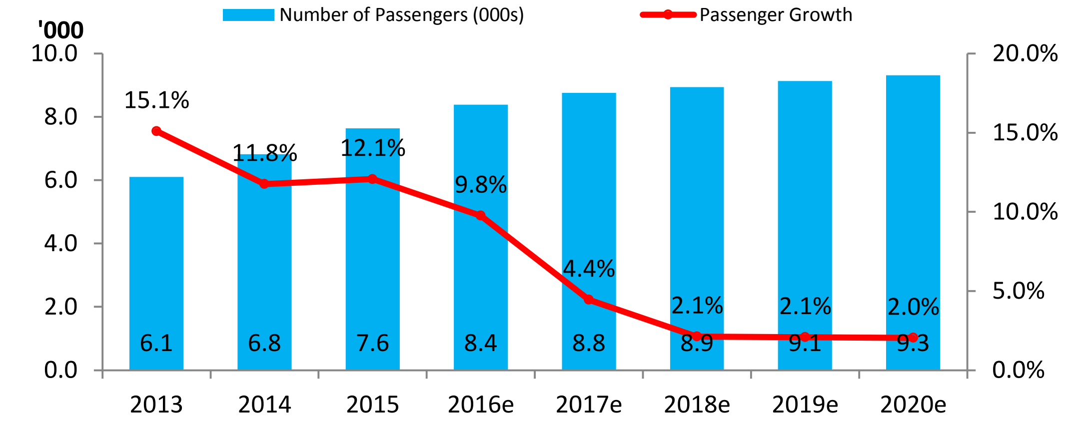


Source: KAMCO Research

Passenger growth to be more modest going forward

Although market opportunities in the region continue to exist, we believe that competition is heating-up and is favoring market leaders. Passenger growth for Air Arabia has stood strong over the past four years on the back of expanding routes and due to additional hubs being set up by the company. However, we have factored in modest growth in passenger growth going forward reflecting a focus on regional markets which is expected to post modest economic growth.

Passenger growth trend



Source: KAMCO Research, Company Financials

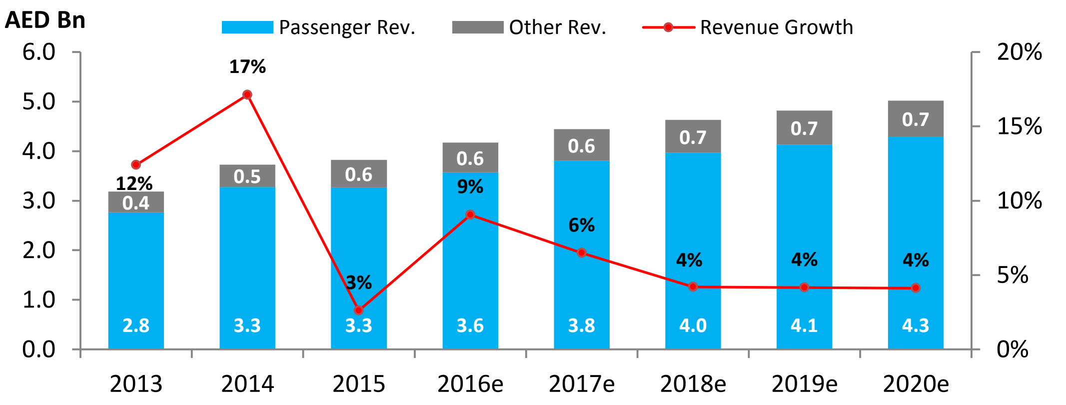
Financial Performance and Forecasts

The decline in oil price had more of a negative impact on the company's performance rather than a windfall gain. At one end, the company suffered derivative losses to the tune of AED 111.9 Mn during 2015 and on the other hand price average fares declined due to the decline in oil prices that led to competitive pricing.

Revenue growth to pick-up in 2016

We expect revenue growth to show remarkable progress in 2016 and 2017, although it will remain below the near term historical levels. Revenue growth would primarily result from higher average yield as well as increase in passenger count.

Revenue growth trend



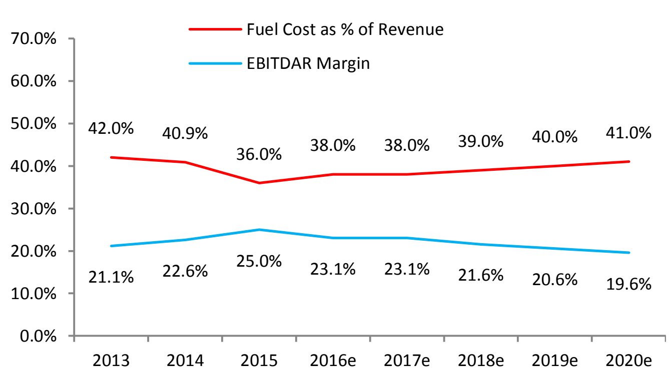
Source: KAMCO Research, Company Financials

Beyond the near term forecast, we expect revenue to grow at a modest rate of 4% during 2018-2020. Ancillary revenues, i.e. baggage and cargo revenue, are expected to remain stable at around 14-15% of total revenues.

Margins have peaked as oil benefits starts to diminish

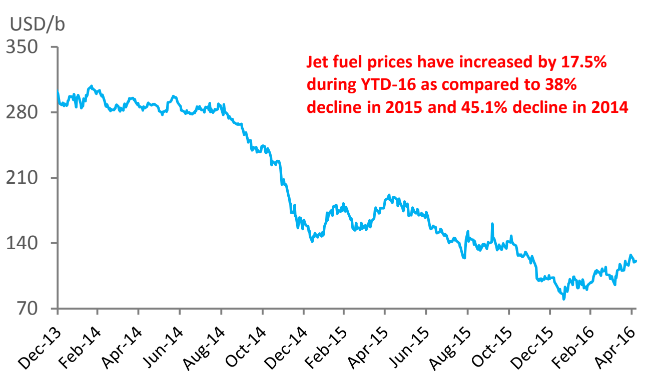
The company garnered windfall gains out of the oil price decline only to the extent of its unhedged exposure to oil purchase. However, we believe that this benefit is waning due to the recent rise in oil price. Moreover, the company insisted that cost of its oil uptake has not changed from some of its markets, indicating no response or oil savings from these regions.

Fuel Cost vs. Margin



Sources: KAMCO Research, Company Financials

Jet Fuel Prices (USD/b)



Sources: Bloomberg, KAMCO Research

The fuel cost savings that declined from 41% of revenue in 2014 to 36% of revenue in 2015 is expected to increase in line with the surge in oil prices. We have projected modest increase in oil price for the forecast period and expect fuel cost as a percentage of revenue to increase to 38% of revenue in 2016 and gradually reach 41% by the end of 2020.

Fuel hedging a bigger cost than price protection

Off late, with the decline in oil prices, fuel hedging has been a bigger cost for the company as against cost savings. The company incurred a hedging loss of AED 111.9 Mn in 2015 following an AED 12.8 Mn loss during 2014. However, the contribution on this front has been positive for 2012 and 2013. We expect a significant decline in fuel hedging losses during 2016 and later years especially tracking the significantly low average hedging price of oil as reported by the company in Q1-16. With the decline in spread, we expect the company save almost AED 35 Mn in hedging loss in 2016 that will directly be incremental to the bottom-line.

Valuation & Recommendation

"Outperform" rating with a Price Target of AED 1.64 representing an upside of 28%

We have valued Air Arabia using Discounted Cash Flow (DCF) and relative valuation based on peer EV/EBITDAR multiple. We have assigned 75% weight to the DCF-based valuation and 25% weight to the relative valuation in order to calculate our fair value estimate. We believe that the company's significant base in the region and its inventory of new aircrafts leverages the company's future growth potential in addition to our positive bias towards low cost carriers in the Middle East region. We expect the company to be less aggressive in capacity expansion and focus more on increasing current load factor and add fewer new aircrafts in the near term.

Valuation Method	Value (AED)	Weight (%)
Discounted Cash Flow (DCF)	1.85	75%
EV/EBITDAR	1.01	25%
Weighted Average Fair Value	**1.64**	
Current Market Price	**1.28**	
Upside / Downside	**28.0%**	

DCF Model

Our DCF valuation is based on explicit forecast of free cash flow for the next five fiscal years (2016e-2020e) and a terminal value afterward. Our discount factor is based on a modified Capital Asset Pricing Model which takes into account various risk premiums pertaining to equity market risk, company specific risk, as well as industry related risk factors on top of the risk free rate. The forecasted cash flows over the projected horizon are discounted back using a weighted average cost of capital of 10.29%.

DCF Valuation	Fair Value of Equity (AED Mn)	Fair Value per Share (AED)
Present Value of FCF (2014e - 2018e)	2,459.7	0.53
Present Value of Terminal Value	7,495.0	1.61
Present Value of Cash Flows	9,954.7	2.13
Investments (FY-15)	998.1	0.21
Cash (FY-15)	1,598.6	0.34
Debt (FY-15)	(3,920.8)	(0.84)
Enterprise Value	12,551.3	2.69
Equity Fair Value	**8,630.5**	**1.85**

Based on the above assumption, we arrived at the estimated fair value for Air Arabia's equity at AED 8.6 Bn, which considering 4.7 Mn outstanding shares, translates to per share fair value price of AED 1.85. The company is expected to generate positive free cash flows during the forecast period led by increased capacity and gradual growth in load factors.

Sensitivity Analysis

The sensitivity analysis for the change in fair value share price to the changes in WACC and the terminal growth rate is mentioned in the below table:

Terminal Growth Rate		Weighted Average Cost of Capital				
		8.3%	9.3%	10.3%	11.3%	12.3%
	1.25%	2.40	2.04	1.75	1.53	1.34
	1.50%	2.49	2.10	1.80	1.56	1.37
	1.75%	2.58	2.16	**1.85**	1.60	1.40
	2.00%	2.67	2.23	1.90	1.64	1.43
	2.25%	2.78	2.31	1.96	1.68	1.47

Relative Valuation

For peer-based valuation, we have used the industry mean EV/EBITDAR multiple of 4.9x resulting in a share price of AED 1.01.

	M-Cap (USD Mn)	EBITDAR 2016e (USD Mn)	Net Profit 2016e (USD Mn)	EV/EBITDAR 2016e (x)	P/E 2016e (x)
Southwest Airlines Co	26,946.2	5,955.7	2,687.9	4.5	9.7
Ryanair Holdings PLC	18,687.7	2,855.4	1,897.2	6.4	11.3
easyJet plc	8,424.4	1,443.2	830.3	5.4	9.3
JetBlue Airways Corp	6,269.1	1,819.8	782.0	3.7	8.3
Spirit Airlines Inc	2,908.1	843.5	289.5	3.2	0.0
Allegiant Travel Co	2,516.9	433.0	223.2	6.5	10.9
WestJet Airlines Ltd	1,909.2	745.1	219.0	2.6	8.6
Volara	1,822.9	110.5	108.7	13.8	16.8
Air Arabia PJSC	**1,626.3**	**261.8**	**144.5**	**8.2**	**11.7**
Norwegian Air Shuttle ASA	1,525.8	655.4	135.1	5.3	10.1
Cebu Air Inc	1,129.7	400.1	158.5	4.5	6.6
Tiger Airways Holdings Ltd	845.6	N/A	43.5	N/A	19.4
Jazeera Airways Co KSCP	**579.3**	**64.4**	**49.6**	**7.4**	**11.7**
AirAsia X Bhd	388.3	N/A	11.0	N/A	35.2
Total	**75,579.5**	**15,588.0**	**7,580.0**	**4.9**	**10.0**

Source: Reuters, KAMCO Research

Keeping in mind the mature markets in which a majority of the peer group members operate and the wide variation in their leverage ratios, we decided to use the EV/EBITDAR multiple for relative valuation. We believe that the EV/EBITDAR multiple adequately covers the leverage aspect of the valuation.

Key Risks to our Valuation and Outlook

Derivative losses

Any further decline in oil prices could be detrimental to the company’s profitability as it would result in hedging losses for the Company. The company continues to book oil hedges at oil prices not seen over the past one year and according to the IMF’s data, the average oil prices are expected to be much lower as compared to the company’s average hedge price.

Decline in economic activity in the GCC could lower leisure spend

Economic growth in the GCC region has been severely affected by the decline in oil prices over the past 18 months. This will have its fair share of impact on leisure travelers during the holiday season. However, since Air Arabia operates short haul flights, its business may not be hit as long haul leisure travelers would switch to low cost local destinations.

Stabilizing regional geopolitical situation should be a positive

Any sign of easing of the regional conflict would be positive for Air Arabia as it will help the company to resume its services to such destinations and also shorten the time required to reach existing destinations. Moreover, the company will not have to add additional capacity to serve this demand as the company’s load factor continues to remain at significantly low level.

Market continues to remain flushed with excess capacity

The market oversupply situation in the MENA aviation space continues at an unprecedented rate. This excessive competition has resulted in declining yields for airline companies. Air Arabia as well as other players in the industry are resorting to a mix of leased and owned aircrafts as it is cost effective in the short run and provides a lot of flexibility.

Financial Indicators

Balance Sheet (AED Mn)	2013	2014	2015	2016e	2017e	2018e	2019e	2020e
Assets								
Bank Balances & Cash	1,391	1,324	1,599	2,307	2,801	2,935	3,080	3,288
Trade and Other Receivables	498	396	503	553	608	669	736	810
Short Term Investments	-	234	334	334	334	334	334	334
Current Assets	**1,980**	**2,020**	**2,478**	**3,239**	**3,790**	**3,988**	**4,203**	**4,487**
Property and Equipment	4,332	5,644	6,354	6,645	7,099	6,629	6,149	5,659
Advances for New Aircrafts	708	579	344	344	-	-	-	-
Intangible Assets & Goodwill	1,282	1,294	1,296	1,296	1,296	1,296	1,296	1,296
Non-Current Assets	**7,415**	**8,555**	**8,921**	**9,250**	**9,391**	**8,951**	**8,504**	**8,048**
Total Assets	**9,395**	**10,574**	**11,399**	**12,489**	**13,181**	**12,940**	**12,707**	**12,535**
Liabilities								
Trade and other payables	1,129	2,081	2,550	2,772	2,828	2,884	2,942	3,001
Finance Lease Liabilities	2,127	2,902	3,496	4,224	4,718	4,294	3,907	3,556
Total Liabilities	**3,819**	**4,800**	**5,536**	**6,526**	**7,113**	**6,776**	**6,481**	**6,226**
Shareholders' Equity								
Share Capital	4,667	4,667	4,667	4,667	4,667	4,667	4,667	4,667
Reserves	472	583	685	787	900	1,011	1,115	1,224
Retained Earnings	346	450	443	431	417	394	345	313
Total Shareholders Equity	**5,576**	**5,774**	**5,863**	**5,963**	**6,068**	**6,163**	**6,225**	**6,309**
Total Equity & Liability	**9,395**	**10,574**	**11,399**	**12,489**	**13,181**	**12,940**	**12,707**	**12,535**

Income Statement (AED Mn)	2013	2014	2015	2016e	2017e	2018e	2019e	2020e
Revenue	**3,184**	**3,729**	**3,826**	**4,172**	**4,442**	**4,628**	**4,820**	**5,018**
Direct Costs	(2,681)	(3,046)	(3,024)	(3,375)	(3,623)	(3,835)	(4,032)	(4,238)
Gross Profit	**503**	**683**	**802**	**797**	**819**	**794**	**788**	**780**
SG&A	(159)	(200)	(238)	(259)	(275)	(287)	(299)	(311)
Operating Profit	**344**	**483**	**564**	**538**	**544**	**507**	**489**	**469**
Interest Income From Bank Deposits	50	66	79	83	92	101	111	122
Finance Cost	(43)	(66)	(74)	(81)	(98)	(109)	(99)	(90)
Other Income / (Expense)	85	83	(39)	(9)	52	83	49	73
Net Profit	**435**	**566**	**531**	**531**	**590**	**581**	**550**	**574**
Minority Interest	14	13	19	21	23	26	28	31
Net Profit Excluding Minority Interest	**421**	**553**	**511**	**510**	**566**	**555**	**522**	**543**

Cash Flow Statement (AED Mn)	2013	2014	2015	2016e	2017e	2018e	2019e	2020e
Cash Flow from Operating Activities	690	1,244	1,082	893	990	974	939	961
Cash Flow from Investing Activities	(433)	(507)	(181)	(664)	(528)	50	58	67
Cash Flow from Financing Activities	(369)	(656)	(732)	480	32	(889)	(853)	(820)
Change in Cash	(112)	81	168	709	494	134	145	208
Cash and equivalents at the end	**1,391**	**1,324**	**1,599**	**2,307**	**2,801**	**2,935**	**3,080**	**3,288**

Sources: KAMCO Research, Company Financials

Key Operating Metrics and Financial Ratios

Key Operating Metrics	2013	2014	2015	2016e	2017e	2018e	2019e	2020e
Total Aircraft	34	39	41	45	47	48	49	50
Growth	3.0%	14.7%	5.1%	9.8%	4.4%	2.1%	2.1%	2.0%
Passengers (Mn)	6.1	6.8	7.6	8.4	8.8	8.9	9.1	9.3
Growth	15.1%	11.8%	12.1%	9.8%	4.4%	2.1%	2.1%	2.0%
Base Fare (AED)	453.6	480.3	428.2	426.1	434.6	443.3	452.1	461.2
Growth	-6.3%	5.9%	-10.9%	-0.5%	2.0%	2.0%	2.0%	2.0%
RPK (Bn)	12.4	13.8	13.8	15.4	16.5	17.1	17.7	18.3
Growth	15.1%	11.3%	0.0%	12.0%	6.5%	3.7%	3.6%	3.6%
ASK (Bn)	15.2	17.0	17.0	18.7	19.5	19.9	20.3	20.7
Growth	16.9%	11.8%	0.0%	9.8%	4.4%	2.1%	2.1%	2.0%
Load Factor	80.0%	81.0%	79.0%	79.0%	79.0%	80.0%	80.0%	80.0%

Key Ratios	2013	2014	2015	2016e	2017e	2018e	2019e	2020e
Profitability Ratios								
Revenue Growth	12.4%	17.1%	2.6%	9.0%	6.5%	4.2%	4.1%	4.1%
EBITDA Growth	9.3%	38.5%	21.2%	0.8%	6.5%	-2.6%	-0.7%	-0.9%
Net Profit Growth	0.3%	31.4%	-7.5%	-0.2%	11.0%	-1.9%	-6.1%	4.1%
Gross Profit Margin	15.8%	18.3%	21.0%	19.1%	18.4%	17.1%	16.4%	15.6%
EBITDA Margin	17.9%	21.1%	25.0%	23.1%	23.1%	21.6%	20.6%	19.6%
EBITDAR Margin	21.1%	22.6%	25.0%	23.1%	23.1%	21.6%	20.6%	19.6%
Operating Margin	10.8%	13.0%	14.7%	12.9%	12.2%	10.9%	10.2%	9.4%
Net Profit Margin	13.2%	14.8%	13.4%	12.2%	12.7%	12.0%	10.8%	10.8%
Asset Structure & Liquidity Ratios								
Current Ratio (x)	1.2	0.9	1.1	1.4	1.6	1.7	1.7	1.8
Quick Ratio (x)	1.2	0.9	1.1	1.4	1.6	1.6	1.7	1.8
Debt-to-Equity (x)	0.44	0.61	0.70	0.84	0.91	0.82	0.74	0.66
Debt-to-EBITDA (x)	4.25	3.92	3.66	4.39	4.60	4.30	3.94	3.62
ROAA	4.8%	5.5%	4.7%	4.3%	4.4%	4.3%	4.1%	4.3%
ROAE	7.6%	9.7%	8.8%	8.6%	9.4%	9.1%	8.4%	8.7%
Valuation Ratios								
Price (AED)	1.550	1.500	1.360	1.280	1.280	1.280	1.280	1.280
Number of Shares (Bn)	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67
M-Cap (AED Bn)	7.23	7.00	6.35	5.97	5.97	5.97	5.97	5.97
EPS (AED)	0.090	0.118	0.110	0.109	0.121	0.119	0.112	0.116
Book Value Per Share (AED)	1.19	1.08	1.06	1.08	1.11	1.13	1.14	1.15
P/E Ratio (x)	17.2	12.7	12.4	11.7	10.6	10.8	11.5	11.0
P/BV Ratio (x)	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.1
EV/EBITDA	14.5	11.1	8.6	8.2	7.7	7.3	6.9	6.4
EV/EBITDAR	12.3	10.4	8.6	8.2	7.7	7.3	6.9	6.4
Dividend Payout	80.4%	76.0%	82.2%	91.5%	82.4%	84.0%	89.5%	85.9%
Dividend Yield	4.7%	5.7%	7.0%	7.0%	7.8%	7.8%	7.8%	7.8%

Sources: KAMCO Research, Company Financials

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KAMCO Investment Company - K.S.C. (Public)
Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq
P.O. BOX : 28873, Safat 13149, State of Kuwait
Tel: (+965) 1852626 Fax: (+965) 22492395
Email : Kamcoird@kamconline.com
Website : http://www.kamconline.com