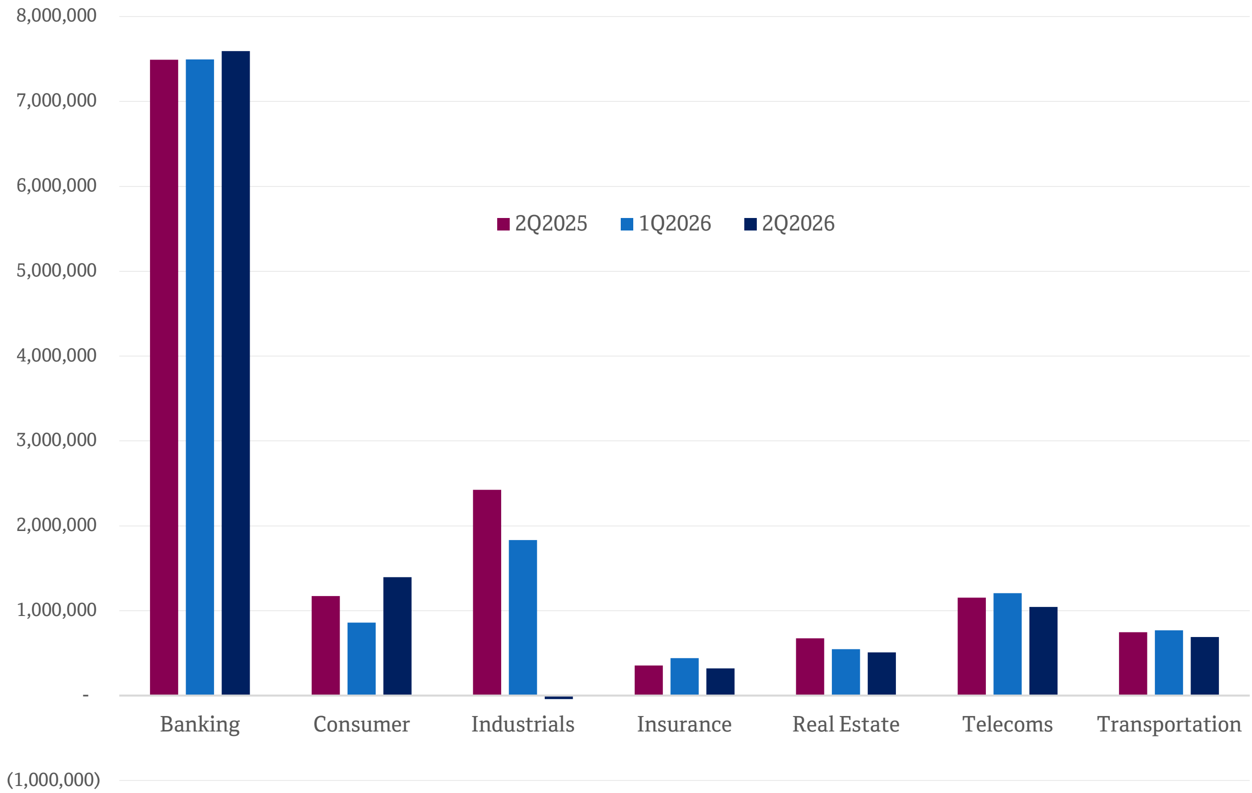
QSE 2Q2026 Aggregate Earnings Fall as Industrials Swing to a Quarterly Loss

Listed companies on the Qatar Stock Exchange reported a 19.6% YoY and 15.2% QoQ decline in aggregate earnings to QR10.8bn in 2Q2026, from QR13.5bn in 2Q2025 and QR12.8bn in 1Q2026*. Banking and Consumer Goods & Services were the only sectors to expand on a YoY basis, while the remaining six sectors recorded declines. Industrials was the main drag, swinging from a QR2.4bn profit in 2Q2025 to a QR40.3mn loss in 2Q2026. Real estate fell 24.6%, insurance 9.7%, telecoms 9.6%, transportation 7.2%, and financial services 2.1%. These declines were partly offset by growth in Consumer Goods & Services (+15.5%) and banking (+1.4%). Sequentially, only banking (+1.3%), Consumer Goods & Services (+49.9%), and financial services (+72.8%) recorded earnings growth. Industrials moved from a QR1.8bn profit in 1Q2026 to a QR40.3mn loss, while insurance, real estate, telecoms, and transportation also contracted QoQ.*

Snapshot of the 2Q2026 Earnings Season

- Six of the eight sectors experienced a fall in earnings YoY.
- 12 of the 52 companies with reported 2Q2026 data registered double-digit or higher earnings growth YoY.
- Five of the 52 reporting companies recorded losses in 2Q2026, compared with one in 2Q2025 and three in 1Q2026.
- 32 of the 52 reporting companies recorded a YoY earnings decline.
- Industrials, insurance, real estate, telecoms, and transportation declined on both a YoY and QoQ basis.
- Financial services rebounded 72.8% QoQ, while Industrials swung from profit to an aggregate loss.

QSE Sector Earnings Trend (QR'000): 2Q2026 vs. 2Q2025 vs. 1Q2026



Source: QSE, QNBFS Research

2Q2026 Net Profit for QSE-listed Companies (QR'000)

Ticker/Sector	2Q2025	1Q2026	2Q2026	YoY	QoQ
QNBK	4,140,391	4,332,460	4,338,028	4.8%	0.1%
QIBK	1,190,069	985,640	1,239,680	4.2%	25.8%
CBQK	609,950	501,429	512,278	-16.0%	2.2%
DUBK	374,215	429,527	383,231	2.4%	-10.8%
MARK	413,858	361,148	326,328	-21.1%	-9.6%
QIIK	332,771	367,760	345,550	3.8%	-6.0%
DHBK	215,715	234,412	201,559	-6.6%	-14.0%
ABQK	173,145	235,713	171,714	-0.8%	-27.2%
QFBQ	41,978	48,603	75,098	78.9%	54.5%
Banking	7,492,092	7,496,692	7,593,466	1.4%	1.3%
QFLS	229,948	162,637	235,134	2.3%	44.6%
MERS	14,200	39,630	28,170	98.4%	-28.9%
BLDN	272,779	61,496	303,118	11.1%	392.9%
ZHCD	47,893	81,907	11,000	-77.0%	-86.6%
MCCS	36,248	40,970	60,027	65.6%	46.5%
MCGS	19,618	10,003	41,096	109.5%	310.8%
MEZA	15,537	13,788	16,315	5.0%	18.3%
SIIS	26,469	26,153	26,019	-1.7%	-0.5%
WDAM	(98,326)	(5,150)	(51,772)	-47.3%	905.3%
MKDM	7,452	8,533	3,671	-50.7%	-57.0%
QCFS	6,625	1,849	1,562	-76.4%	-15.6%
QGMD	N/A	N/A	N/A	N/A	N/A
FALH	N/A	N/A	N/A	N/A	N/A
MFMS	11,886	9,459	10,890	-8.4%	15.1%
MHAR	14,212	14,449	12,885	-9.3%	-10.8%
Consumer Goods & Servs	604,541	465,724	698,114	15.5%	49.9%
NLCS	5,867	5,200	5,895	0.5%	13.4%
IHGS	1,927	584	1,540	-20.1%	163.5%
QOIS	328	4,836	(208)	-163.4%	N/M
DBIS	4,028	(3,738)	4,665	15.8%	N/M
Financial Services	12,151	6,883	11,892	-2.1%	72.8%
IQCD	967,500	734,351	(518,702)	-153.6%	-170.6%
QEWS	374,798	295,316	284,272	-24.2%	-3.7%
MPHC	192,538	(1,220)	(181,786)	-194.4%	14800.5%
GISS	185,790	75,614	(8,777)	-104.7%	-111.6%
IGRD	312,586	331,756	225,967	-27.7%	-31.9%
AHCS	119,480	90,659	102,062	-14.6%	12.6%
QAMC	185,689	208,939	10,247	-94.5%	-95.1%
QNCD	24,642	30,684	24,743	0.4%	-19.4%
QIGD	29,767	39,884	15,804	-46.9%	-60.4%
QIMD	30,528	25,294	5,831	-80.9%	-76.9%
Industrials	2,423,318	1,831,277	(40,339)	-101.7%	-102.2%
QATI	173,745	204,553	149,808	-13.8%	-26.8%
DOHI	44,562	75,826	54,324	21.9%	-28.4%
QISI	38,512	37,729	22,057	-42.7%	-41.5%
AKHI	14,987	18,354	17,667	17.9%	-3.7%
QGRI	24,843	63,850	21,230	-14.5%	-66.8%
QLMI	27,406	15,319	17,706	-35.4%	15.6%
BEMA	29,046	25,491	36,022	24.0%	41.3%
Insurance	353,101	441,122	318,815	-9.7%	-27.7%
BRES	320,695	239,735	219,568	-31.5%	-8.4%
ERES	269,906	225,026	216,939	-19.6%	-3.6%
UDCD	74,693	73,135	45,960	-38.5%	-37.2%
MRDS	10,264	8,185	27,119	164.2%	231.3%
Real Estate	675,558	546,081	509,586	-24.6%	-6.7%
ORDS	988,016	1,005,385	843,406	-14.6%	-16.1%
VFQS	166,326	201,307	199,603	20.0%	-0.8%
Telecoms	1,154,342	1,206,692	1,043,009	-9.6%	-13.6%
QGTS	426,427	438,872	418,088	-2.0%	-4.7%
QNNS	297,717	296,526	245,354	-17.6%	-17.3%
GWCS	21,195	33,784	28,504	34.5%	-15.6%
Transportation	745,339	769,182	691,946	-7.2%	-10.0%
Grand Total	13,460,441	12,763,653	10,826,488	-19.6%	-15.2%

Source: QSE, QNBFS Research.

Contents

Banking Sector

Challenging Quarter; Earnings Were A Mixed Bag

Highlights:

- **The banking sector posted a YoY and sequential growth in aggregate earnings in 2Q2026.** For 2Q2026, the banking sector posted an increase of 1.4% (+1.3% QoQ) in aggregate headline net income.
- **The Banks & Financial Services Index** underperformed the QE All Share Index. The banks' index declined by 0.7% in 2Q2026 vs. +1.4% for the QE All Share Index.

Revenue:

- **Aggregate revenue increased by 9.3% YoY in 2Q2026 to QR18.4bn, driven by a combination of net interest income and non-funded income at some banks**. Aggregate increase was attributable to QNB Group (QNBK), followed by Qatar Islamic Bank (QIBK) and Commercial Bank of Qatar (CBQK). QNBK 's revenue increased by 11.2% YoY to QR11.9bn. Moreover, QIBK's revenue grew by 9.0% driven by 4.3%/+7.6% increase in net interest income and non-funded income. Furthermore, CBQK's revenue increased by 11.7% due to a 16bps expansion in NIMs. On the other hand, AlRayan Bank's (MARK) revenue receded by 5.3% mainly on margin pressure and a large drop in non-funded income.
- **Aggregate revenue increased sequentially in 2Q2026.** The increase in revenue was attributed to all banks with DHBK being the exception.
- **NIMs, on a YoY and sequentially, on average, were flat**. In aggregate, net interest margin came in at 2.02%.

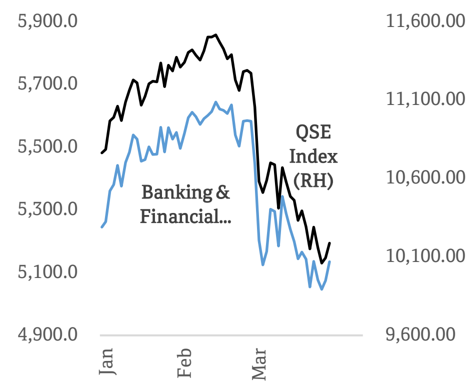
Earnings:

- **Aggregate 2Q2026 net income increased by 1.4% YoY to QR7.6bn; excluding CBQK and MARK, aggregate earnings would have increased 4.4%; earnings were a mixed bag.** QNBK, QIBK, QIIK and DUBK all witnessed their bottom-lines increase. **CBQK's** net profit dropped by 16.0% mainly due to 173% surge in provisions & impairments (excluding provisions & impairments, net operating income was up 11.0%). Moreover, **MARK's** net profit decreased by 21.1% as a result of weak revenue and GMT charges (the bank did not book in 2Q2025). On the other hand, **QNBK's** net profit increased by 4.8%.
- **Aggregate net income of banks moved up 1.3% sequentially in 2Q2026; there was no recurring theme or trend**. This was due to strong figures from **QIBK.** Most banks experienced a sequential drop in earnings due to higher CoR, weak non-funded income, margin pressure and/or a combination of the factors mentioned.

Balance Sheet:

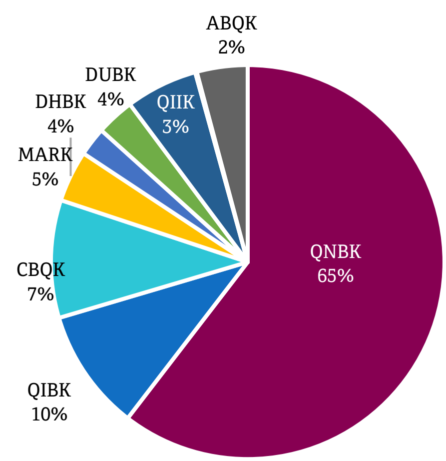
- **Loans experienced a QoQ increase.** The loan book grew by 1.8% sequentially to QR1.67trn in 2Q2026. QIBK's loan book expanded by 6.9% QoQ (+12.9% vs. FY2025) followed by DUBK's +4.1% (+5.2% vs. FY2025). Moreover, QNBK's loan climbed by 1.4% QoQ contributing 48% to total incremental loan book growth QoQ. The growth in aggregate loans was driven by international loans (loans outside Qatar) and the public sector as private sector loans receded.
- **Deposits also increased sequentially.** Aggregate deposits moved up by 0.7% QoQ (+2.1% vs. FY2025) reaching QR1.56trn; QIBK's deposits expanded the most, growing by 5.4% QoQ (+3.9% vs. FY2025), followed by MARK (+3.6% QoQ; +7.9% vs. FY2025). QNBK's deposits displayed flat performance sequentially (+1.8% vs. FY2025). Growth in deposits was primarily attributable to the public sector.
- **Capitalization levels of Qatar banks remained robust.** Average CAR came in at a robust 20.7% with all banks generating strong CARs.

Sector Index Performance for 2Q2026



Source: Bloomberg

2Q2026 Sector Revenue Contribution



Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
QNBK	Qatar National Bank	4,140,391	4,332,460	4,338,028	4.8%	0.1%
QIBK	Qatar Islamic Bank	1,190,069	985,640	1,239,680	4.2%	25.8%
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QFBQ	Lesha Bank	41,978	48,603	75,098	78.9%	54.5%
DUBK	Dukhan Bank	374,215	429,527	383,231	2.4%	-10.8%
	Total	7,492,092	7,496,692	7,593,466	1.4%	1.3%

Source: Company data; Note: Net Income is in QRmn and are headline net income figures

Industrials Sector

Revenue Contraction and Earnings Pressure Define 2Q2026

Highlights:

- **Strait of Hormuz tensions put a significant dent in operations of several companies in the sector. IQCD reported a loss for the quarter, with urea sales especially under pressure. GISS also faced offshore rig suspensions and reductions in domestic flying activity, although operations have resumed normally since end June. Qatalum (QAMC/Hydro JV) cut aluminum output to ~60% capacity in March; in June, QAMC terminated Hydro's role as Qatalum's marketing agent with Qatalum assuming that responsibility on a provisional basis. This JV continues to operate at a reduced capacity.**
- **Total traded value rose 10.3% to QR7.2bn in 2Q2026 from QR6.5bn in 1Q2026.**
- **The Industrials sector index grew by 6.1%** (QSE Index: +0.5%) in 2Q2026.
- **The industrials sector is currently trading at a P/E multiple of 19.1x (vs. the QSE Index's P/E of 11.8x)** with a dividend yield of 5.6% (vs. the QSE's 4.8%).

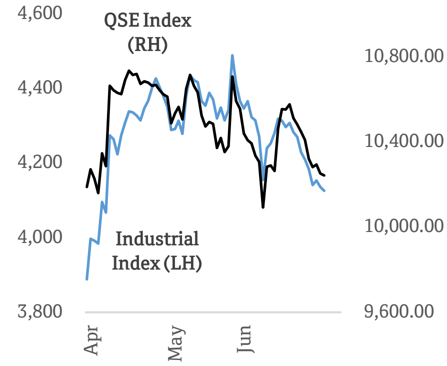
Revenue:

- **The industrials sector's revenue declined 35.5% YoY to QR5.6bn in 2Q2026 from QR8.7bn in 2Q2025.** The contraction was primarily driven by IQCD, whose top-line fell 62.2% YoY to QR1.5bn from QR3.9bn, accounting for the largest absolute decline in the sector. MPHC, QAMC and GISS also weighed on sector performance. These declines more than offset growth from AHCS (+19.5% YoY), QNCD (+10.0% YoY), and QEWS (+7.7% YoY).
- **Sequentially, sector revenue declined 28.3% QoQ to QR5.6bn in 2Q2026 from QR7.8bn in 1Q2026, as seven of the ten companies reported lower toplines.** IQCD was the largest drag on sectoral revenue, with sales falling by QR2.2bn (-59.8% QoQ) to QR1.5bn, followed by QAMC. On the other hand, IGRD posted the strongest absolute increase, with revenue rising by QR257.9mn (+17.8% QoQ) to QR1.7bn, while AHCS grew 26.0% QoQ to QR585.4mn and QEWS increased 13.4% QoQ to QR822.7mn.

Earnings:

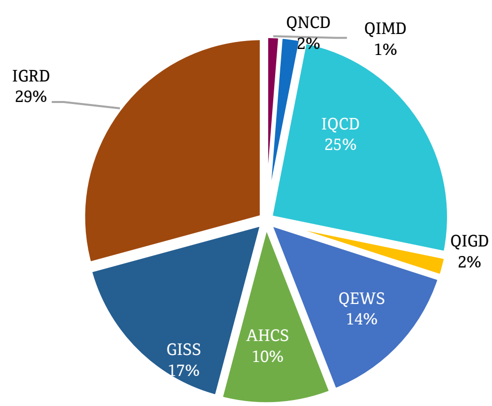
- **The industrial sector's bottom-line deteriorated sharply to a net loss of QR40.3mn in 2Q2026, compared to a net profit of QR2.4bn in 2Q2025.** The decline was primarily driven by IQCD, which swung to a net loss of QR518.7mn from a profit of QR967.5mn in 2Q2025, accounting for the largest drag on sector earnings. The fall in earnings followed a drop in revenue (-62.2%) and a loss from share of results in JV of QR205.0mn vs. a gain of QR217.8mn in 2Q2025. MPHC also remained in loss territory, reporting a net loss of QR181.8mn versus a profit of QR192.5mn a year earlier, while GISS swung to a net loss of QR8.8mn from a profit of QR185.8mn. QAMC's earnings contracted 94.5% YoY to QR10.2mn from QR185.7mn, while QEWS reported a 24.2% decline in net profit to QR284.3mn. Other contributors to the sectoral weakness included QIGD (-46.9% YoY), QIMD (-80.9% YoY), AHCS (-14.6% YoY) and IGRD (-27.7% YoY). The only company to record earnings growth was QNCD, whose bottom-line edged up 0.4% YoY to QR24.7mn from QR24.6mn.
- **On a QoQ basis, the industrial sector swung to a net loss of QR40.3mn in 2Q2026 from a net profit of QR1.8bn in 1Q2026.** The sharp deterioration was primarily driven by IQCD, which posted a net loss of QR518.7mn compared to a profit of QR734.4mn in 1Q2026, reflecting the severe contraction in revenue during the quarter. MPHC also weighed heavily on sector performance, with its net loss widening to QR181.8mn from a loss of QR1.2mn in 1Q2026, while GISS slipped to a net loss of QR8.8mn from a profit of QR75.6mn. QAMC's earnings fell 95.1% QoQ to QR10.2mn from QR208.9mn, and IGRD's bottom-line declined 31.9% to QR226.0mn from QR331.8mn. Partially offsetting these declines, AHCS reported a 12.6% increase in earnings to QR102.1mn from QR90.7mn

Sector Index Performance for 2Q2026



Source: Bloomberg

2Q2026 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
QIMD	Qatar Industrial Manufacturing Co.	30,528	25,294	5,831	(80.9%)	(76.9%)
QNCD	Qatar National Cement	24,642	30,684	24,743	0.4%	(19.4%)
IQCD	Industries Qatar	967,500	734,351	(518,702)	N/M	N/M
QIGD	Qatari Investors Holding	29,767	39,884	15,804	(46.9%)	(60.4%)
QEWS	Nebras Energy	374,798	295,316	284,272	(24.2%)	(3.7%)
AHCS	Aamal	119,480	90,659	102,062	(14.6%)	12.6%
GISS	Gulf International Services	185,790	75,614	(8,777)	N/M	N/M
MPHC	Mesaieed Petrochemical Holding	192,538	(1,220)	(181,786)	N/M	N/M
QAMC	Qatar Aluminium Manufacturing	185,689	208,939	10,247	(94.5%)	(95.1%)
IGRD	Estithmar Holding Group	312,586	331,756	225,967	(27.7%)	(31.9%)
	Total	**2,423,318**	**1,831,277**	**(40,339)**	**N/M**	**N/M**

Source: Company data; Note: Net Income is in QR'000.

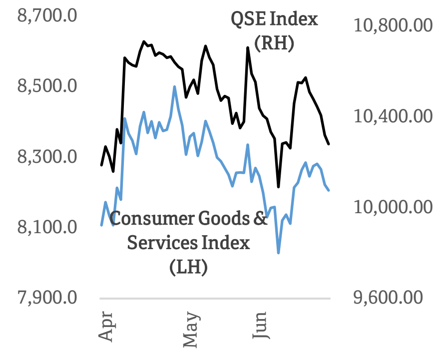
Consumer Goods & Services Sector

Bottom-Line Surges While Revenue Remains Subdued

Highlights:

- **Companies excluded from consumer sector analysis.** FALH's 3Q2026 results (ending in May 2026) are not included in this QSE 2Q2026 analysis. QGMD has been excluded from this quarterly analysis.
- **Baladna approved a 25% rights issue (1H2026) to fund international expansion, advanced its Algeria dairy project (including a 30,000-cow US airlift starting November 2026), and signed an MoU with Al Dahra for feed supply tied to its Syria operations.**
- **The consumer goods & services sector index inched up 0.9%** (QSE Index: +0.5%) in 2Q2026.
- **Sector traded value hiked 21.3% to QR4.5bn in 2Q2026 vs. QR3.7bn in 1Q2026.**
- **Consumer goods & services sector is currently trading at a P/E multiple of 12.4x** (vs. QSE Index's P/E of 11.8x) with a dividend yield of 5.1% (vs. QSE's 4.8%).

Sector Index Performance for 2Q2026



Source: Bloomberg

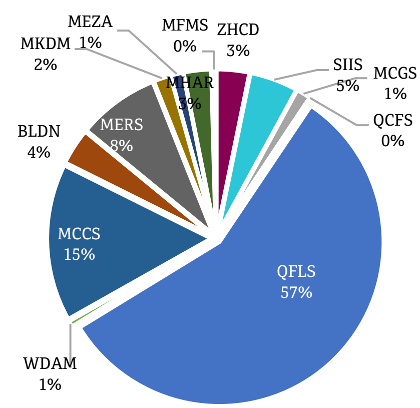
Revenue:

- **Sectoral top-line declined by 3.8% YoY to QR9.2bn in 2Q2026 from QR9.6bn in 2Q2025.** The decline was driven primarily by the sector's largest constituent, QFLS, whose revenue fell 15.0% YoY to QR5.2bn from QR6.1bn, reducing sector revenue by QR920.9mn and accounting for the bulk of the YoY contraction. The decline was further weighed by ZHCD, which dropped 18.7% YoY to QR295.3mn, and WDAM, which fell 49.0% YoY to QR52.2mn. Other YoY declines were seen in MHAR (-4.8%), MKDM (-2.6%), MCGS (-1.4%), and SIIS (-0.7%). However, the overall sector decline was partly offset by a strong performance from MCCS, whose revenue surged 82.9% YoY to QR1.4bn, along with growth at MEZA (+9.5%), MFMS (+8.2%), BLDN (+5.6%), QCFS (+5.3%), and MERS (+2.9%).
- **Sequentially, sector revenue edged up by 0.7% QoQ to QR9.2bn in 2Q2026 from QR9.1bn in 1Q2026.** The increase was mainly driven by QFLS, whose revenue rose 5.1% QoQ to QR5.2bn, adding QR252.5mn to sector revenue growth, followed by MCCS, which grew 5.6% QoQ to QR1.4bn, contributing QR75.2mn to the change. Further support came from MCGS (+15.6%), MEZA (+7.5%), MHAR (+4.0%), MFMS (+4.1%), and SIIS (+1.3%). However, the sector's overall growth was partly offset by declines at ZHCD (-29.1%), MERS (-13.3%), WDAM (-48.7%), and MKDM (-12.3%).

Earnings:

- **The sector's aggregate bottom-line expanded by 15.5% YoY to QR698.1mn in 2Q2026 from QR604.5mn in 2Q2025.** The growth was driven primarily by BLDN, whose net profit increased 11.1% YoY to QR303.1mn from QR272.8mn mainly as a result of a gain on investment in financial assets at FVTPL of QR254.5mn along with the 5.6% rise in top-line. QFLS posted a modest 2.3% rise in earnings following lower operating costs (-15.9%) and G&A expenses (-5.9%), despite a 15.0% drop in its revenues. While MCGS delivered the strongest earnings growth, with net income surging 109.5% YoY to QR41.1mn from QR19.6mn from the reversal on expected credit losses on receivables of QR35.4mn in 2Q2026. MCCS also reported a solid 65.6% YoY increase in earnings to QR60.0mn, supported by robust revenue growth of 82.9% YoY. In addition, MERS nearly doubled its earnings, rising 98.4% YoY to QR28.2mn. These gains were partially offset by sharp declines in ZHCD, whose earnings fell 77.0% YoY to QR11.0mn from QR47.9mn, QCFS (-76.4%), MKDM (-50.7%), and WDAM, which remained loss-making with a net loss of QR51.8mn in 2Q2026.
- **On a QoQ basis, sector earnings rose 49.9% to QR698.1mn in 2Q2026 from QR465.7mn in 1Q2026, despite 7 of the 13 companies reporting lower bottom-lines.** The sequential expansion was driven primarily by BLDN, whose net profit

2Q2026 Sector Revenue Contribution



Source: QSE

surged to QR303.1mn from QR61.5mn, adding QR241.6mn to sector earnings and accounting for the bulk of the QoQ increase. QFLS also supported the improvement, with earnings rising 44.6% QoQ to QR235.1mn from QR162.6mn, following the rise in top-line (+5.1%). MCGS posted a sharp rebound to QR41.1mn from QR10.0mn from the one-off item mentioned earlier. MCCS further contributed to the sector's growth, with net profit increasing 46.5% QoQ to QR60.0mn from QR41.0mn, steered by the hike in revenue (+5.6%) and other income (+133.1%). On the other hand, ZHCD earnings fell to QR11.0mn from QR81.9mn (+86.6%), WDAM's net loss widened to QR51.8mn from QR5.2mn. Additional pressure came from MERS (-28.9% QoQ), MKDM (-57.0%), MHAR (-10.8%), QCFS (-15.6%), and SIIS (-0.5%).

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
ZHCD	Zad Holding	47,893	81,907	11,000	(77.0%)	(86.6%)
SIIS	Salam International Investment	26,469	26,153	26,019	(1.7%)	(0.5%)
MCGS	Medicare Group	19,618	10,003	41,096	109.5%	310.8%
QCFS	Qatar Cinema & Film Distribution	6,625	1,849	1,562	(76.4%)	(15.6%)
QFLS	Qatar Fuel	229,948	162,637	235,134	2.3%	44.6%
WDAM	Widam Food Company	(98,326)	(5,150)	(51,772)	(47.3%)	905.3%
MCCS	Mannai Corporation	36,248	40,970	60,027	65.6%	46.5%
BLDN	Baladna	272,779	61,496	303,118	11.1%	392.9%
MERS	Al Meera Consumer Goods & Services	14,201	39,630	28,170	98.4%	(28.9%)
MKDM	Mekdam Holding Group	7,452	8,533	3,671	(50.7%)	(57.0%)
MEZA	Meeza	15,537	13,788	16,315	5.0%	18.3%
MHAR	Al Mahhar Holding	14,211.6	14,449.3	12,884.6	(9.3%)	(10.8%)
MFMS	Mosanada Facilities Management Services	11,886	9,459	10,890	(8.4%)	15.1%
	Total	604,541	465,724	698,114	15.5%	49.9%

Source: Company data; Note: Net Income is in QR'000.

Insurance Sector

QATI-Led Revenue Growth Offset by Broad Earnings Pressure in 2Q2026

Highlights:

- **The Insurance Index inched down by 1.3% (QSE Index: +0.5%) in 2Q2026.**
- **Traded value in the sector hiked 55.6% to QR1.2bn in 2Q2026 from QR797.2mn in 1Q2026.**
- **Insurance sector is currently trading at a P/E multiple of 8.9x** (vs. QSE Index's P/E of 11.8x) with a dividend yield of 5.2% (vs. QSE's 4.8%).

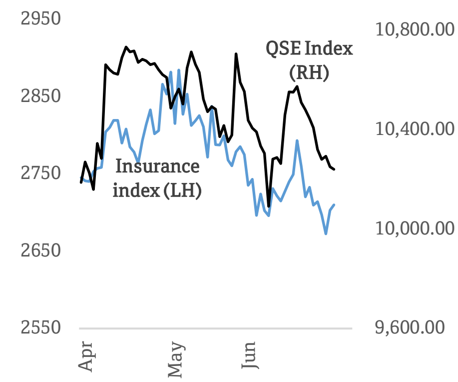
Revenue:

- **The insurance sector's revenue in 2Q2026 expanded 10.7% YoY and 5.0% QoQ to QR4.1bn from QR3.7bn in 2Q2025 and QR3.9bn in 1Q2026.** Sectoral top-line growth was primarily driven by Qatar Insurance Co. (QATI), whose revenue increased to QR2.6bn from QR2.3bn in 2Q2025 (+13.6% YoY), accounting for the majority of the sector's expansion. Doha Insurance (DOHI) also reported strong YoY growth, with revenue rising to QR595.9mn from QR470.0mn (+26.8% YoY), while QLM Life & Medical Insurance (QLMI) recorded revenue of QR427.0mn, up 1.0% YoY. Among the Islamic insurers, Damaan Islamic Insurance (BEMA) and Al Khaleej Takaful (AKHI) posted robust growth of 30.7% YoY and 11.9% YoY, respectively. In contrast, Qatar General Insurance & Reinsurance (QGRI) and Qatar Islamic Insurance (QISI) reported revenue declines of 11.9% YoY and 74.5% YoY, respectively. Sector revenue growth was led by conventional insurers, whose revenues increased 12.6% YoY to QR3.7bn and raised their contribution to 91.2% of sector revenue in 2Q2026 from 89.7% in 2Q2025, while Islamic insurers' revenues declined 5.6% YoY to QR358.6mn, reducing their share to 8.8% from 10.3% a year earlier.
- **Sequentially, sector revenue expanded 5.0% QoQ to QR4.1bn in 2Q2026 from QR3.9bn in 1Q2026, supported by revenue growth across five of the seven listed insurers.** Revenue growth was led by Qatar Insurance Co. (QATI), which reported a 15.0% QoQ increase to QR2.6bn, followed by Damaan Islamic Insurance (BEMA) (+31.1% QoQ), QLM Life & Medical Insurance (QLMI) (+17.3% QoQ), Al Khaleej Takaful (AKHI) (+14.8% QoQ), and Qatar General Insurance & Reinsurance (QGRI) (+5.4% QoQ). In contrast, Doha Insurance (DOHI) and Qatar Islamic Insurance (QISI) recorded revenue declines of 20.4% QoQ and 81.6% QoQ, respectively. Conventional insurers remained the primary driver of sector growth, with revenues rising 7.3% QoQ to QR3.7bn, while Islamic insurers' revenues declined 14.2% QoQ to QR358.6mn, resulting in their contribution to sector revenue falling to 8.8% from 10.7% in 1Q2026.

Earnings:

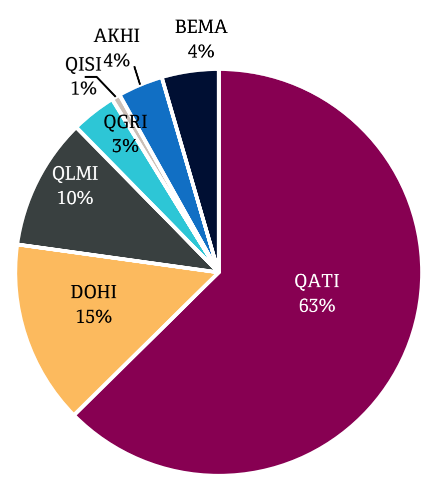
- **The insurance sector's net profit declined 9.7% YoY and 27.7% QoQ to QR318.8mn in 2Q2026, compared with QR353.1mn in 2Q2025 and QR441.1mn in 1Q2026.** The decline was primarily driven by Qatar Insurance Co. (QATI), whose earnings fell 13.8% YoY to QR149.8mn from QR173.7mn, remaining the largest contributor to sector profits despite the contraction. Earnings were also weighed down by Qatar General Insurance & Reinsurance (QGRI), which reported a 14.5% YoY decline to QR21.2mn, Qatar Islamic Insurance (QISI), whose net profit decreased 42.7% YoY to QR22.1mn, and QLM Life & Medical Insurance (QLMI), which posted earnings of QR17.7mn, down 35.4% YoY. Offsetting part of the decline, Doha Insurance (DOHI), Damaan Islamic Insurance (BEMA), and Al Khaleej Takaful (AKHI) recorded net profit growth of 21.9%, 24.0%, and 17.9% YoY, respectively. Conventional insurers' earnings fell 10.2% YoY to QR243.1mn, while Islamic insurers' profits declined 8.2% YoY to QR75.7mn, resulting in sector-wide profit contraction during the quarter.
- **On a QoQ basis, sector earnings declined 27.7% to QR318.8mn in 2Q2026 from QR441.1mn in 1Q2026, with five of the seven listed insurers reporting lower profits.** The contraction was primarily driven by Qatar Insurance Co. (QATI), whose net profit fell 26.8% QoQ to QR149.8mn from QR204.6mn, alongside a 66.8% QoQ decline in Qatar General Insurance & Reinsurance (QGRI) to QR21.2mn from QR63.9mn.

Sector Index Performance for 2Q2026



Source: Bloomberg

2Q2026 Sector Insurance Revenue Contribution



Source: QSE

Earnings also declined at Qatar Islamic Insurance (QISI) (-41.5% QoQ), Doha Insurance (DOHI) (-28.4% QoQ), and Al Khaleej Takaful (AKHI) (-3.7% QoQ). Offsetting part of the sector-wide weakness, Damaan Islamic Insurance (BEMA) reported a 41.3% QoQ increase in net profit to QR36.0mn, while QLM Life & Medical Insurance (QLMI) recorded a 15.6% QoQ rise to QR17.7mn. Conventional insurers' earnings declined 32.4% QoQ to QR243.1mn, while Islamic insurers' profits fell 7.1% QoQ to QR75.7mn, resulting in the sharp sequential contraction in sector profitability.

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
QATI	Qatar Insurance	173,745	204,553	149,808	(13.8%)	-26.8%
DOHI	Doha Insurance	44,562	75,826	54,324	21.9%	-28.4%
QGRI	Qatar General Insurance & Reinsurance	24,843	63,850	21,230	(14.5%)	-66.8%
AKHI	Al Khaleej Takaful Group	14,987	18,354	17,667	17.9%	-3.7%
QISI	Qatar Islamic Insurance	38,512	37,729	22,057	(42.7%)	-41.5%
QLMI	Qatar Life & Medical Insurance	27,406	15,319	17,706	(35.4%)	15.6%
BEMA	Damaan Islamic Insurance Company	29,046	25,491	36,022	24.0%	41.3%
	Total	**353,101**	**441,122**	**318,815**	**(9.7%)**	**(27.7%)**

Source: Company data; Note: Net Income is in QR'000

Telecoms Sector

Market Outperformance Masks Earnings Pressure in 2Q2026

Highlights:

- **Ooredoo Group launched Al Abraj, a standalone company to independently operate and manage Ooredoo Qatar's passive tower infrastructure assets, following regulatory approvals including from the CRA; the carve-out represents the first operational step under Ooredoo's broader TowerCo portfolio-optimization initiative.**
- **Vodafone Qatar completed the acquisition of Maktapp LLC through subsidiary Infinity Fintech Ventures LLC, adding a subscription-based cloud SaaS business-management platform and strengthening its digital-services strategy beyond core connectivity.**
- **The Telecoms Index grew 7.9% in 2Q2026 vs. 1Q2026**, outperforming the QSE index which inched up 0.5%.
- **Total traded value in the sector shrunk by 13.3% in 2Q2026 to QR2.1bn from QR2.4bn in 1Q2026.**
- **The telecoms sector is currently trading at a P/E multiple of 11.8x (vs. the QSE Index's P/E of 11.8x)** with a dividend yield of 5.4% (vs. the QSE's 4.8%).

Revenue:

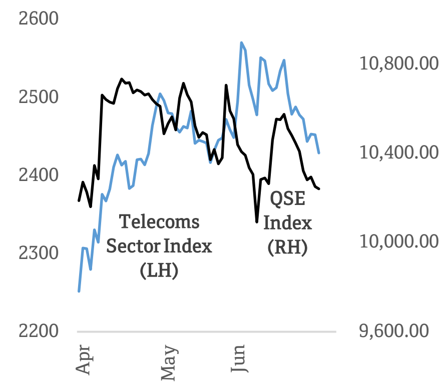
- **Sector revenue grew 2.7% YoY to QR7.1bn in 2Q2026 from QR7.0bn in 2Q2025.** ORDS led the sector with a 3.2% expansion in its top-line to QR6.3bn from QR6.1bn. VFQS's top-line declined 0.8% to QR887.7mn from QR895.1mn.
- **Sequentially, sectoral revenue edged up 0.5% from QR7.1bn in 1Q2026.** ORDS drove the movement as its revenue rose 1.0% to QR6.3bn from QR6.2bn, supported by higher revenue from rendering of services (+2.7%), partially offset by lower sales of telecommunication equipment (-24.5%). Vodafone Qatar's revenue fell 2.9% to QR887.7mn from QR914.0mn.

Earnings:

- **Aggregate net income in the telecoms sector fell 9.6% YoY to QR1.0bn in 2Q2026 from QR1.2bn in 2Q2025, weighed down by ORDS.** ORDS recorded a bottom-line decline of 14.6% YoY to QR843.4mn from QR988.0mn; the company was impacted by a provision for legal claims of QR279.3mn in 2Q2026 compared to nil in 2Q2025. VFQS posted growth of 20.0% YoY recording earnings of QR199.6mn from QR166.3mn, supported by a decline in interconnection and other direct expenses of 14.2% to QR275.9mn from QR321.6mn and lower amortization of intangible assets (-12.9% to QR42.3mn from QR48.6mn).

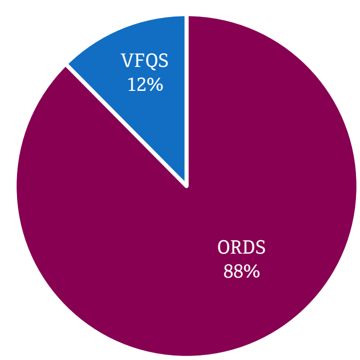
- **Sequentially, sectoral earnings declined 13.6% to QR1.0bn from QR1.2bn in 1Q2026.** ORDS drove the move with earnings down 16.1% QoQ to QR843.4mn from QR1.0bn, pressured by a provision for legal claims of QR279.3mn in 2Q2026 vs. nil in 1Q2026 and a swing in other gains/losses net to a loss of QR226.7mn vs. a loss of QR2.1mn. VFQS noted a slight dip in earnings of 0.8% to QR199.6mn from QR201.3mn, as revenue fell 2.9% to QR887.7mn from QR914.0mn, partially offset by a reduction in interconnection and other direct expenses (-8.9%) and lower amortization of intangible assets (-18.1%).

Sector Index Performance for 2Q2026



Source: *Bloomberg*

2Q2026 Sector Revenue Contribution



Source: *QSE*

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
ORDS	Ooredoo	988,016	1,005,385	843,406	-14.6%	-16.1%
VFQS*	Vodafone Qatar	166,326	201,307	199,603	20.0%	-0.8%
	Total	1,154,342	1,206,692	1,043,009	-9.6%	-13.6%

Source: Company data; Note: Net Income is in QR'000

Real Estate Sector

Sector Topline Strengthens Despite Softer Bottom Line

Highlights:

- **Qatar's real estate market remained resilient in 2Q2026, with residential sales volumes rising 23.6% QoQ and 15.8% YoY to 755 transactions, while the median ticket size increased to around QR3.0mn, supported by sustained buyer confidence and active demand in locations such as Al Wukair, The Pearl and Lusail.**
- **The Real Estate Index fell 5.9% (QSE Index: -5.3%) in 1Q2026 vs. the previous quarter.**
- **Trading activity in the sector multiplied as traded value rose to QR2.3bn from QR1.5bn.**
- **The real estate sector is currently trading at a P/E multiple of 19.7x (vs. the QSE Index's P/E of 11.8x)** with a dividend yield of 2.6% (vs. the QSE's 4.8%).

Revenue:

- **The real estate sector's 2Q2026 revenue rose 9.9% YoY to QR1.52bn from QR1.39bn.** Growth was led by MRDS, whose revenue surged 344.2% to QR161.5mn from QR36.3mn, and BRES, up 2.3% to QR469.9mn from QR459.3mn. ERES edged up 0.7% to QR466.1mn, while UDCD slipped 0.3% to QR426.4mn.

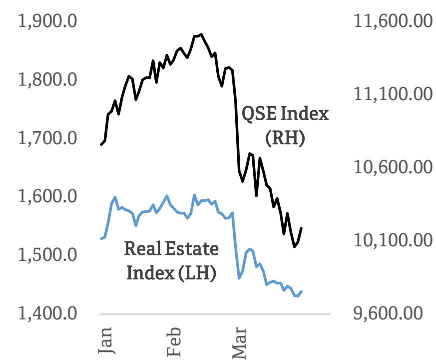
- **Sequentially, sector revenue increased 4.6% to QR1.52bn from QR1.46bn in 1Q2026.** MRDS rose 349.8% from QR35.9mn to QR161.5mn, more than offsetting declines at UDCD (-7.1%), BRES (-3.2%) and ERES (-2.3%).

Earnings:

- **The real estate sector's 2Q2026 net profit declined 24.6% YoY to QR509.6mn from QR675.6mn.** The contraction was led by BRES, whose earnings fell 31.5% to QR219.6mn, accounting for QR101.1mn of the sector's decline. ERES' net profit decreased 19.6% to QR216.9mn, while UDCD dropped 38.5% to QR46.0mn. MRDS partially offset these declines, with earnings rising 164.2% to QR27.1mn from QR10.3mn.

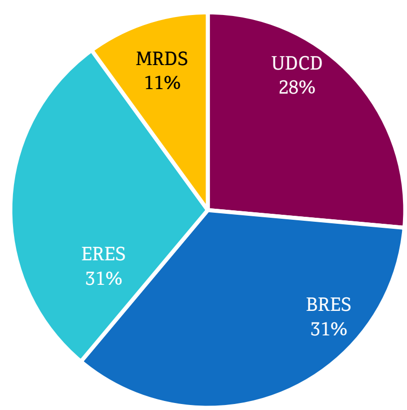
  Sequentially, sector net profit declined 6.7% to QR509.6mn from QR546.1mn in 1Q2026. UDCD posted the largest decrease, falling 37.2% to QR46.0mn, followed by BRES, down 8.4% to QR219.6mn, ERES (down 3.6%) to QR216.9mn. MRDS provided a partial offset as net profit surged 231.3% to QR27.1mn from QR8.2mn.

Sector Index Performance for 2Q2026



Source: Bloomberg

2Q2026 Sector Revenue Contribution



Source: QSE

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
UDCD	United Development Co.	74,693	73,135	45,960	-38.5%	-37.2%
BRES	Barwa Real Estate	320,695	239,735	219,568	-31.5%	-8.4%
ERES	Ezdan Real Estate	269,906	225,026	216,937	-19.6%	-3.6%
MRDS	Mazaya Real Estate	10,264	8,185	27,119	164.2%	231.3%
	Total	675,558	546,081	509,586	-24.6%	-6.7%

Source: Company data; Note: Net income is in QR'000.

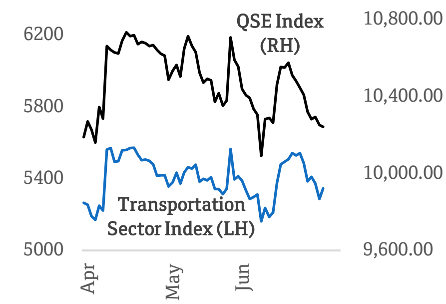
Transportation Sector

Stable Revenue, Softer Earnings in 2Q2026

Highlights:

- **QatarEnergy maintains reliable reputation amid disruptions from regional tensions.** Even amid the ongoing force majeure, Baker Hughes secured a major LNG equipment award and a significant carbon capture contract from QatarEnergy LNG as part of its first-quarter 2026 results, tied to the North Field West project's main refrigerant compressor trains and power generation packages for two mega LNG trains. This came amid ongoing supply challenges in Qatar's LNG sector, following reported damage to facilities that has impacted production capacity and extended recovery timelines.
- **The Transportation Index rose 1.5% vs. ahead of the QSE index, which rose by 0.5%.**
- **Traded value in the transportation sector fell by 25.9% to QR1.6bn in 2Q2026 from QR2.1bn in 1Q2026.**
- **The transportation sector is currently trading at a P/E multiple of 12.4x (vs. the QSE Index's P/E of 11.8x)** with a dividend yield of 3.7% (vs. the QSE's 4.8%).

Sector Index Performance for 2Q2026

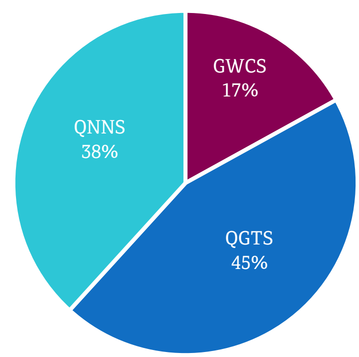


Source: Bloomberg

Revenue:

- **The transportation sector's 2Q2026 top-line edged down to QR2.1bn (-0.6% YoY).** GWCS delivered the strongest growth, with revenue increasing to QR359.2mn (+4.1% YoY), while QGTS remained broadly stable at QR947.1mn (-0.2% YoY). QNNS reported weaker top-line, with revenue declining to QR809.1mn (-2.9% YoY), weighing on overall sector growth.
- **Sequentially, sector revenue declined 0.7% QoQ to QR2.1bn in 2Q2026.** The contraction was primarily driven by QNNS, whose revenue fell 7.5% QoQ to QR809.1mn, reducing sector revenue by QR65.3mn. This more than offset gains from GWCS, which recorded the strongest quarterly increase (+13.0% QoQ) to QR359.2mn, while QGTS posted a modest rise of 0.9% QoQ to QR947.1mn.

2Q2026 Sector Revenue Contribution



Source: QSE

Earnings:

- **The sector's YoY bottom-line declined to QR691.9mn in 2Q2026 from QR745.3mn in 2Q2025 (-7.2%).** QNNS was the main drag on sector earnings, with net profit falling to QR245.4mn (-17.6% YoY), accounting for most of the YoY decline. QGTS also weighed modestly on the sector, with earnings down to QR418.1mn (-2.0% YoY), mainly due to higher G&A expenses (+107.9%). On the other hand, GWCS delivered a stronger bottom-line performance, with net profit rising to QR28.5mn (+34.5% YoY) mainly driven by higher revenue coupled with a boost in other income to QR1.2mn vs. QR0.2mn and a shrink in finance costs to QR21.4mn from QR28.5mn (-25.1%).
- **On a QoQ basis, sectoral earnings declined 10.0% to QR691.9mn in 2Q2026 from QR769.2mn in 1Q2026.** The sequential contraction was primarily pulled down by QNNS, whose earnings fell 17.3% QoQ to QR245.4mn, following the trend in its revenue (-7.5%), with a further strain from operating, supplies and expenses of QR327.0mn (+10.0%). QGTS further contributed to the weakness, with its net profit declining 4.7% QoQ to QR418.1mn vs. QR438.9mn.

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
GWCS	Gulf Warehousing Co.	21,195	33,784	28,504	34.5%	(15.6%)
QGTS	Nakilat	426,427	438,872	418,088	(2.0%)	(4.7%)
QNNS	Qatar Navigation	297,717	296,526	245,354	(17.6%)	(17.3%)
	Total	**745,339**	**769,182**	**691,946**	**(7.2%)**	**(10.0%)**

Source: Company data; Note: Net Income is in QR'000

Financial Services Sector

2Q2026 Earnings – Profitability Pressured YoY, Rebounds QoQ

Highlights:

- **The financial services sector's profitability remained under pressure in 2Q2026, with sectoral net income declining by 2.1% YoY to QR11.9mn, mainly due to QOIS moving into a net loss and lower IHGS earnings, although profits rebounded 72.8% QoQ supported by DBIS's return to profitability and stronger contributions from IHGS and NLCS.**
- **Total traded value in the Banks and Financial Services sector dropped 14.1% QoQ in 2Q2026.**
- **The Banks & Financial Services Index inched down by 0.7% (QSE Index: +0.5%) in 2Q2026.**

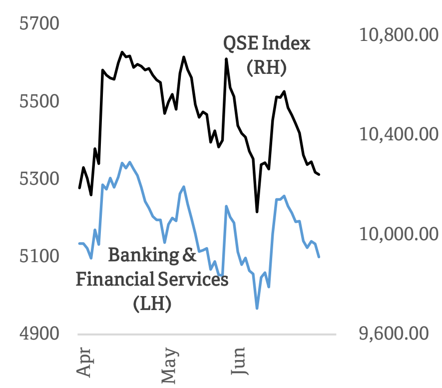
Revenue:

- **The financial services sector's 2Q2026 revenue increased by 3.7% YoY to QR19.8mn, from QR19.1mn in 2Q2025.** Growth from IHGS (+21.1% to QR4.5mn) and NLCS (+8.2% to QR10.0mn) offset declines at QOIS (-32.9% to QR0.9mn) and DBIS (-8.6% to QR4.4mn).
- **Sequentially, sector revenue declined by 6.8% QoQ, from QR21.2mn in 1Q2026.** QOIS fell 85.3% to QR0.9mn and DBIS declined 1.6% to QR4.4mn, outweighing increases at IHGS (+48.8% to QR4.5mn) and NLCS (+27.4% to QR10.0mn).

Earnings:

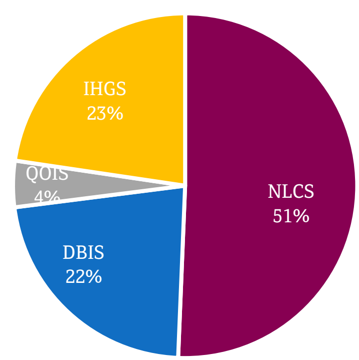
- **Sectoral earnings declined by 2.1% YoY to QR11.9mn in 2Q2026, from QR12.2mn in 2Q2025.** QOIS recorded a net loss of QR0.2mn versus QR0.3mn profit, while IHGS earnings fell 20.1% to QR1.5mn. This was partly offset by DBIS, whose profit rose 15.8% to QR4.7mn, and NLCS, up 0.5% to QR5.9mn.
- **On a QoQ basis, sectoral earnings increased by 72.8% from QR6.9mn in 1Q2026.** DBIS returned to a QR4.7mn profit from a QR3.7mn loss, while IHGS and NLCS profits rose to QR1.5mn and QR5.9mn, respectively. However, QOIS fell to a QR0.2mn loss from QR4.8mn profit.

Sector Index Performance for 2Q2026



Source: Bloomberg

2Q2026 Sector Revenue/Loss Contribution



Source: QSE

Net Income

Ticker	Company	2Q2025	1Q2026	2Q2026	YoY	QoQ
NLCS	National Leasing Holding Co.	5,867	5,200	5,895	0.5%	13.4%
DBIS	Dlala Brokerage & Investment Holding Co.	4,028	(3,738)	4,665	15.8%	N/M
QOIS	Qatar & Oman Investment Co.	328	4,836	(208)	N/M	N/M
IHGS	Inma Holding	1,927	584	1,540	(20.1%)	N/M
	Total	12,151	6,883	11,892	(2.1%)	72.8%

Source: Company data; Note: Net Income is in QR'000

Recommendations *Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*		Risk Ratings *Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*	
OUTPERFORM	Greater than +20%	**R-1**	Significantly lower than average
ACCUMULATE	Between +10% to +20%	**R-2**	Lower than average
MARKET PERFORM	Between -10% to +10%	**R-3**	Medium / In-line with the average
REDUCE	Between -10% to -20%	**R-4**	Above average
UNDERPERFORM	Lower than -20%	**R-5**	Significantly above average

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