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**Executives:**

Tamer Elsayed - Group Chief Financial Officer

Tariq Al Jaber - Business Development Director

Abdulla AlKaabi - Director Development

Mohamad Daakour - Budget & Planning Controller

**Operator:**  Thank you for standing by. My name is Janis, and I will be your conference operator today. At this time, I would like to welcome everyone to the Barwa Real Estate Conference Call. All lines have been placed on mute to prevent any background noise. After the speaker’s remarks, there will be a question-and-answer session. If you'd like to ask questions during this time, just press star followed by the number one on your telephone keypad. If you'd like to withdraw your question, press star one again. Thank you.

I would now like to turn the call over to Shahan Keushgerian. Please go ahead.

**Shahan Keushgerian:**  Thank you. And hello, everyone. I want to welcome you to Barwa's Second Quarter 2025 Financial Results Conference Call. So on this call from management, we have Tamer Elsayed, Group CFO. And as usual, we will conduct this call with first management reviewing the company's results, followed by a Q&A session.

I will turn the call over now to Tamer. Please go ahead.

**Tamer Elsayed:**  Thank you. Bismillahir Rahmanir Rahim. Good day, everyone, and warm welcome to Barwa Real Estate’s 30th of June post-results conference call.

I am Tamer Elsayed, the Group Chief Financial Officer, and I am joined by our team to share our performance and outlook. First, I would like to express our gratitude to QNB Financial Services for hosting this call on behalf of Barwa Real Estate.

Before we begin, a brief note on forward-looking statements. Except for historical facts, any projections or expectations shared today regarding future events or financial performance are forward-looking. These statements are based on current assumptions and are subject to risks and uncertainties. Barwa undertakes no obligation to update or revise them based on new information or future development. Barwa Real Estate announced its half one 2025 financial results on 29th of July 2025.

The financial statements and the investor presentation are available in the Investor Relations section of our website.

For those new to Barwa, we are one of Qatar's leading real estate developers specializing in developing, leasing, and managing a diverse portfolio of assets. Our operational portfolio spans approximately 5.6 million sq m of built-up area, including 14,221 residential units and 54,646 labour accommodation rooms, warehouses, retail showrooms, offices, and hospitality properties. These assets generate roughly 80% of our operating revenue and 91% of our operating profit, as detailed in our investor presentation. Additionally, Barwa holds a strategic land bank of approximately 1.9 million sq m, with 1.84 million sq m in Qatar. Out of this, we own about 847,000 sq m., with the remainder under lease. Moving forward, we plan to selectively monetize this land bank through sales or development guided by the market demand.

Now, let's review our first half 2025 performance highlights. Total operating revenue reached QR 899 million compared to QR 919 million in half year 2024. Our operating profit was QR 625 million, down from QR 632 million in the half year 2024. Net profit, our net profit attributable to equity holders remained stable at QR 560 million, slightly up from QR 557 million in half year 2024. For the balance sheet, our financial position remains strong with net debt at QR 11.1 million, resulting in a net debt to equity ratio of QR 0.49. Our great liquidity balance and balance sheet strength position will help or support our growth of strategy. We are also actively refinancing selective facilities to optimize liquidity and cash flow projections.

With that overview, we are ready to address your questions. Thank you for joining us, and now I will hand it over to the moderator from QNB Financial Services to facilitate the question-and-answer session. Thank you.

**Operator:** At this time, I'd like to remind everyone in order to ask questions, press star then the number one on your telephone keypad.

And your first question comes from the line of Seki Mutukwa of Ashmore Group. Please go ahead.

**Seki Mutukwa:** Hi, there. Thanks. Hope you can hear me. A few questions, please, and then I'll go back in the queue. The first one was, could you talk a bit about the potential implications of the law banning unorganized labor market accommodation? I think you mentioned it in your slide deck. Just want to know how big a deal that is, what it could mean for the group? Thank you.

And then, the other question is on your slide deck, you have rental revenue for the first half of the year, about QR 719 million. Could you talk a bit about what you're seeing trends-wise in terms of the market rental rates or lease rates in the residential side, commercial versus also office, just to get a sense of how the market is shaping up? Thank you.

**Unknown Speaker:**  So regarding your first point about the…regarding the unorganized market, you know the labor which is on it. We, at Barwa, take it quite positive in a sense because it will help us organize this particular sector. So we were quite facing it in the past. There was a lot of concerns that were happening because the unorganized sector was not able to pump up the demand of the labor market. So there are contractors who are kind of increasingly consolidating their labour accommodation into different positions in order to kind of reduce the rents and to mitigate those things. So we consider it that it is too early to say, but we see how the market to behave in the years to come, and it should give us some impetus to Barwa’s labor accommodation portfolio.

Regarding your second question about the…if you really see Barwa’s portfolio performance, it remained very stable. Strong contribution coming from the income-generating assets. So if you really ask, there was a moderate recovery there that we have seen in the 2025 first half, and it is basically supported from the…if you are seeing, there is a lot of regulatory frameworks which has been carried out by the Government of Qatar, including the introduction of Aqarat last year. And in the month of July, they have unveiled a new real estate platform. And the basic purpose is to provide a digitalization from the inception, and they are making it very compulsory to make this particular platform digitalized, so that the entire purchase journey from day one to completion will be easy, and it will bring more maturity into the market.

And we have also seen that the [inaudible] are gradually shifting. There is a demand, pent-up demand for ownership of the assets rather than leasing, because of the long-term visa holders and the domestic end users. And this is, we believe, kind of a positive impact from the new mortgage law, which is now coming into the picture. And the government has also come out in terms of having an escrow account in order to safeguard the interests of the investors and the clients?

**Seki Mutukwa:** Thank you.

**Operator:**  Your next question is coming from the line of Zohaib Pervez of Al Rayan Investment. Please go ahead.

**Zohaib Pervez:**  Could you tell us what led to the…Hello. Can you hear me?

**Tamer Elsayed:** Yes, please go ahead.

**Zohaib Pervez:** Could you tell me what led to the net fair value gain and properties? Is this the Al Wakrah project because of more occupancy?

Secondly, could you give us some numbers on the occupancy levels for Salwa and Wakrah? That would be helpful.

And my third question is on debt. So when the Lusail land was sold off for about QR 6 billion, the idea was that this would be used to pay off debt. However, we've seen the debt levels reduced by half of that.

So has there been a change in strategy, or you're waiting for some majorities for another QR 3 billion of debt to be paid off? So those are my three questions. Thank you.

**Unknown Speaker 2:** Okay. Regarding the first question, this is mostly coming from the fair value gains, mostly coming from the Al Wakrah project due to the increase of occupancy rate, their future cash flows.

**Tamer Elsayed:**  I will answer the third question, then I will pass the second question to my colleague. For the debt, yes, as you properly mentioned, the plan and still this is the plan to use all the proceeds from the sale of Lusail Golf Land in settling our debts. We settled more than 50% of…or we used more than 50% of the cash in settling debt. And currently, we have only the last installment as a cash, and this will be used…or already is being used to settle in installments and rollovers when due. And we are getting the benefit from this. Till now, we are generating finance income more than the finance cost. So we keep only the last installment, and we already partially used the part of that installment to settle part of our debts. And inshallah, for sure, the remaining would be used when due… for the installment when due, we will settle it for sure. For the third question, I will pass to my colleagues to answer.

**Unknown Speaker:**  If I understand correctly, you wanted to ask the occupancy of the different asset classes. So residential is currently at 82%, commercial is 81%, worker accommodation is 56%, and warehouse is 83%. And if you want to understand the specific, Madinatna, we have reached to 69%, and Argentina neighborhood is around 68%.

**Zohaib Pervez:**  Sounds good. Thank you.

**Unknown Speaker:**  Thank you.

**Operator:**  There's no other question raised at this time. I'll now turn the call back over to Shahan for closing remarks. Please go ahead.

**Shahan Keushgerian:**  Okay. If there are no more questions, we can wrap up this call. I'd like to thank Barwa's management for giving us an update on the quarter, and we'll pick this up again next quarter. Thank you.

**Operator:**  Ladies and gentlemen, that concludes today's call. Thank you all for joining. You may now disconnect.