QNB FINANCIAL SERVICES

Earnings Flash Note
Gulf International Services
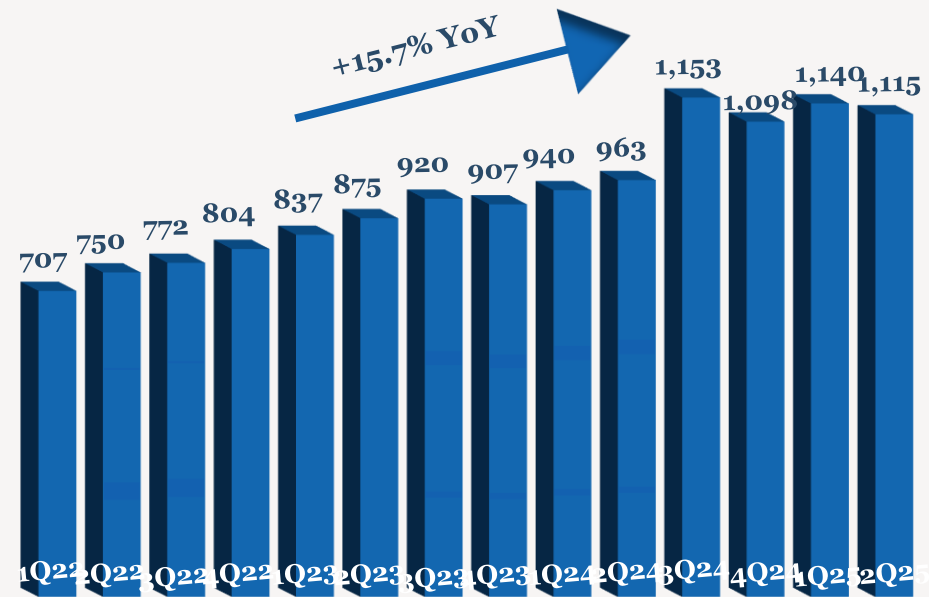2Q 2025/6M 2025

Gulf International Services (GISS)

> Net profit for the period reached QR186mn, compared to a profit of QR195mn in 2Q2024 (-16.3% QoQ), primarily due to higher general and administrative expenses and finance cost. For 6M2025 net profit rose 14.4% to QR408mn.

> Total Revenue increased by 15.7% YoY (-2.2% QoQ) to QR1,115mn in 2Q2025. For 6M2025, total revenue rose 18.5% to QR2,254mn.

> Gross profit grew 1.9% YoY to QR239mn (-19.6% QoQ) while the corresponding margin decreased by 2.9ppts YoY (-4.6 ppts QoQ) to 21.4% in 2Q2025. For 6M2025, gross profit rose 24.0% to QR536mn,

> For 2Q2025, EPS came at QR0.100 vs. QR0.105 in 2Q2024. For 6M2025, EPS came at QR0.219 vs 0.192.

> As of 14th August 2025, the stock increased 0.6% YTD, Underperforming the QSE Index, which was up by 10.2% YTD.

> The stock is currently trading at a TTM P/E multiple of 8.3x. For now, we maintain our PT of QR 3.90/share and Outperform rating.
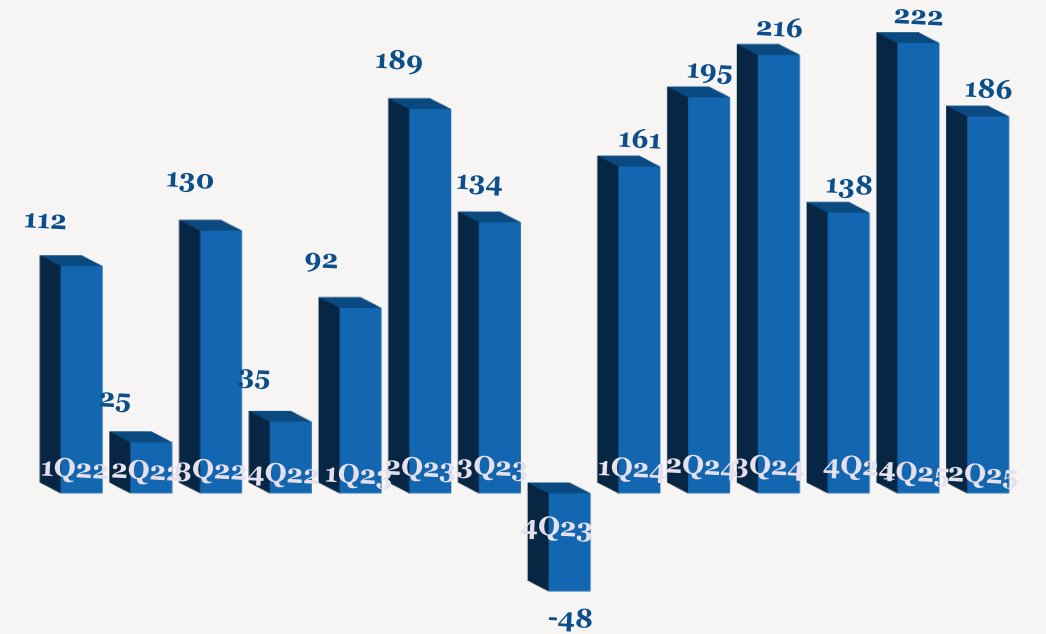
2Q/6M 2025 Earnings Performance

	2Q2025	2Q2024	YoY	1Q2025	QoQ	6M2025	6M2024	YoY
Total Revenue	1,115	963	15.7%	1,140	-2.2%	2,254	1,902	18.5%
Gross Profit	239	235	1.9%	297	-19.6%	536	433	24.0%
Gross Margin %	21.4%	24.4%		26.1%		23.8%	22.7%	
Net Profit to Equity	186	195	-4.8%	222	-16.3%	408	356	14.4%
Net Margin %	16.7%	20.3%		19.5%		18.1%	18.7%	
EPS (QR)	0.100	0.105	-4.8%	0.119	-16.3%	0.219	0.192	14.4%

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

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Quarterly Sales Trend (QRmn)

+15.7% YoY

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
	707	750	772	804	837	875	920	907	940	963	1,153	1,098	1,140	1,115

Quarterly Earnings Trend (QRmn)

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
112	25	130	35	92	189	134	-48	161	195	216	138	222	186

Quarterly Margin Trend

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Gross Margin (%)	19.2%	15.4%	23.8%	22.5%	19.5%	26.5%	18.5%	10.4%	21.1%	24.4%	23.6%	20.6%	26.1%	21.4%
Net Margin (%)	15.9%	3.4%	16.8%	4.4%	10.9%	21.7%	14.5%	-5.3%	17.2%	20.3%	18.7%	12.6%	19.5%	16.7%
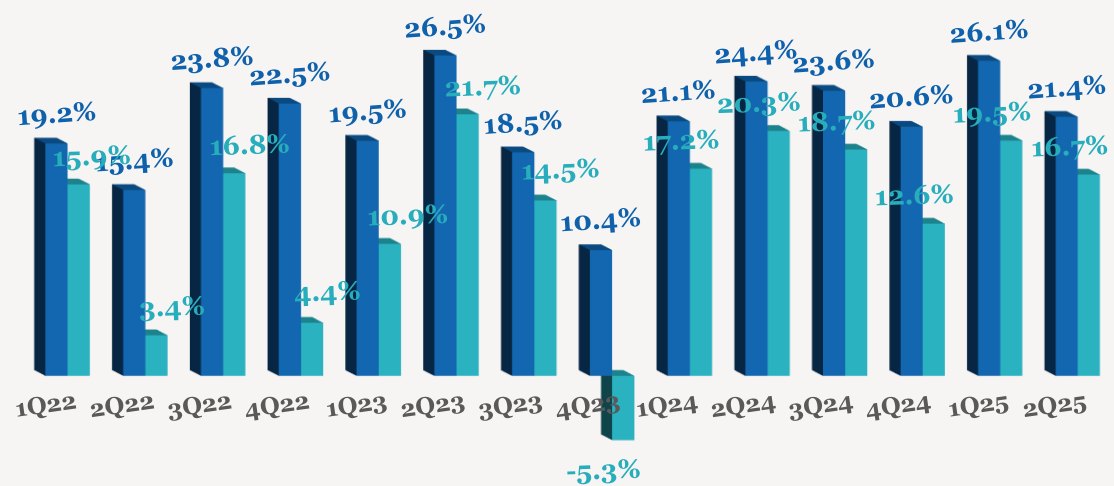
■ Gross Margin (%) ■ Net Margin (%)

EPS (QR) Trend

1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
0.060	0.014	0.070	0.019	0.049	0.102	0.072	-0.025	0.087	0.105	0.116	0.074	0.119	0.100
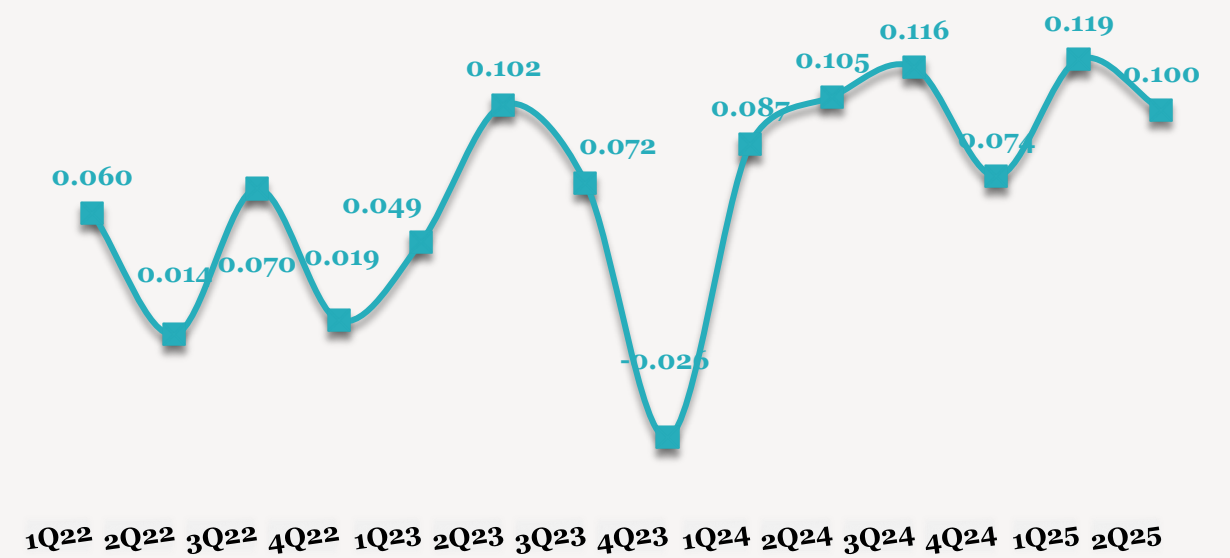
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