Earnings Flash Note

Gulf International Services

1Q 2026

Gulf International Services (GISS)

> **Net profit for 1Q2026 reached QR76mn (-65.9% YoY, -27.5% QoQ), primarily due to lower revenue from the drilling segment.** Offshore drilling has been temporarily scaled back, with several rigs suspended at the direction of clients. This was communicated by GISS via a press release back on March 4. Drilling dipped into the red slightly (almost break-even with a loss of QR162,000) before taxes. This was the first time drilling fell into a loss since 4Q2023.

> **Total Revenue decreased by 8.5% YoY (-4.2% QoQ) to QR1,042mn in 1Q2026.** Drilling revenue fell 25.0% YoY (-10.2% QoQ) to QR375mn. Aviation was also weak, down 6.0% YoY (+4.2% QoQ) to QR303mn with lower domestic revenue (and flying hours) toward the end of the quarter, offset by higher international revenue. Insurance revenue of QR365mn increased 14.5% YoY (-4.1% QoQ) driven by the medical segment.

> **Gross profit fell 44.5% YoY to QR165mn (-8.6% QoQ)** while the corresponding margin decreased by 10.3ppts YoY (-0.8 ppts QoQ) to 15.8% in 1Q2026.

> **For 1Q2026, EPS came at QR0.041 vs. QR0.119 in 1Q2025.**

> **As of 26th April 2026, the stock decreased 17.6% YTD,** underperforming the QSE Index, which was down 0.9% YTD.

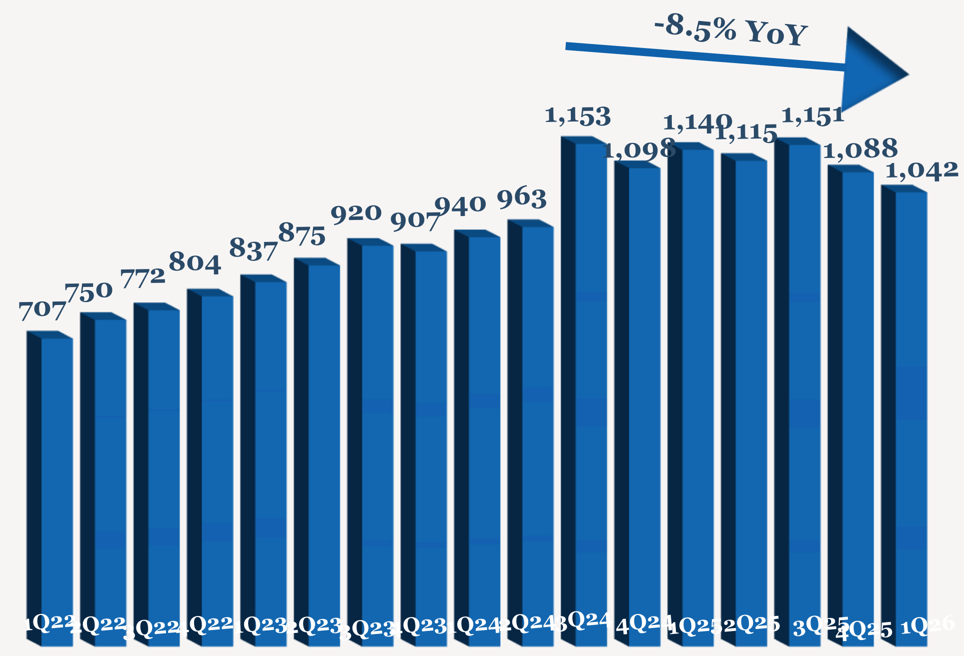
> **The stock is currently trading at a TTM P/E multiple of 7.4x.**

1Q 2026 Earnings Performance

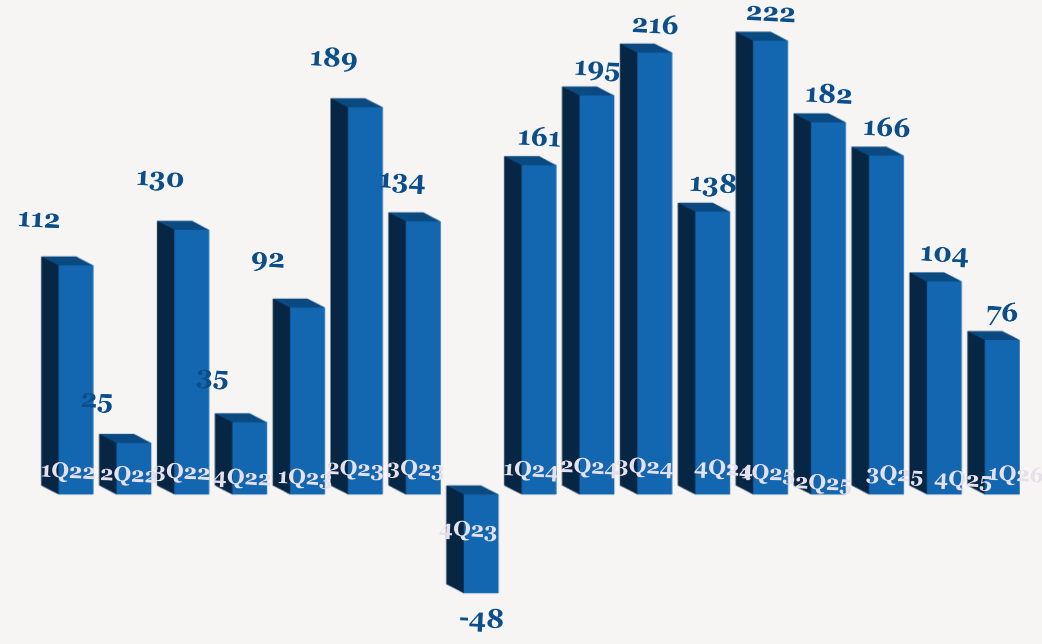
	1Q2026	1Q2025	YoY	4Q2025	QoQ
Total Revenue	1,042	1,140	-8.5%	1,088	-4.2%
Gross Profit	165	297	-44.5%	180	-8.6%
Gross Margin %	15.8%	26.1%		16.6%	
Net Profit to Equity	76	222	-65.9%	104	-27.5%
Net Margin %	7.3%	19.5%		9.6%	
EPS (QR)	0.041	0.119	-65.9%	0.056	-27.5%

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

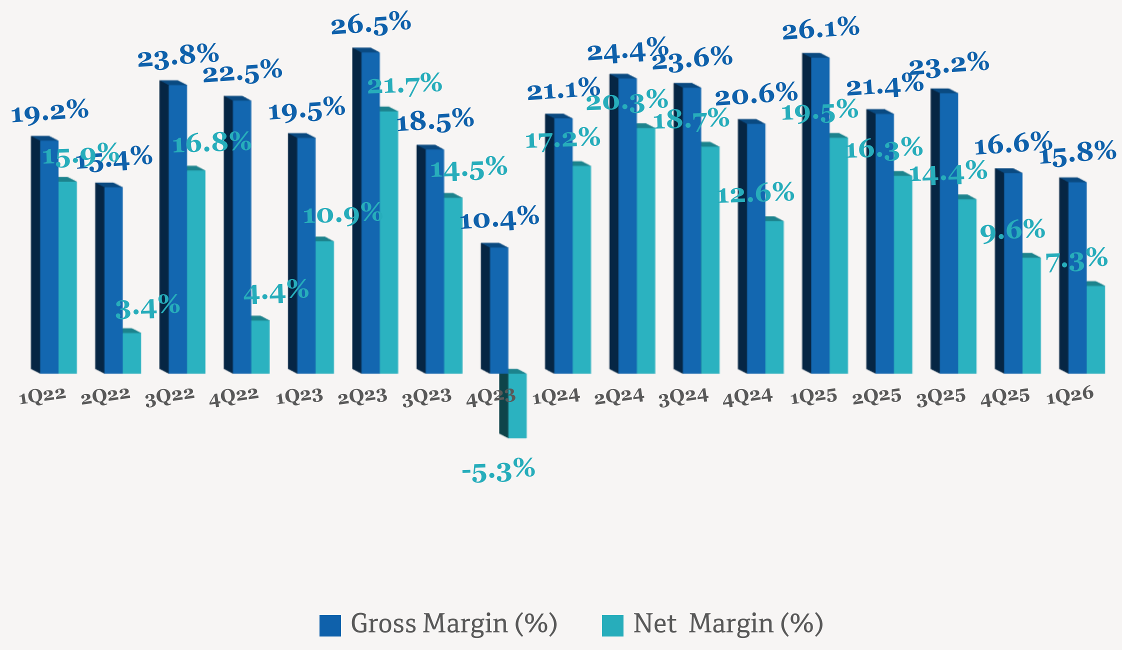
Quarterly Sales Trend (QRmn)



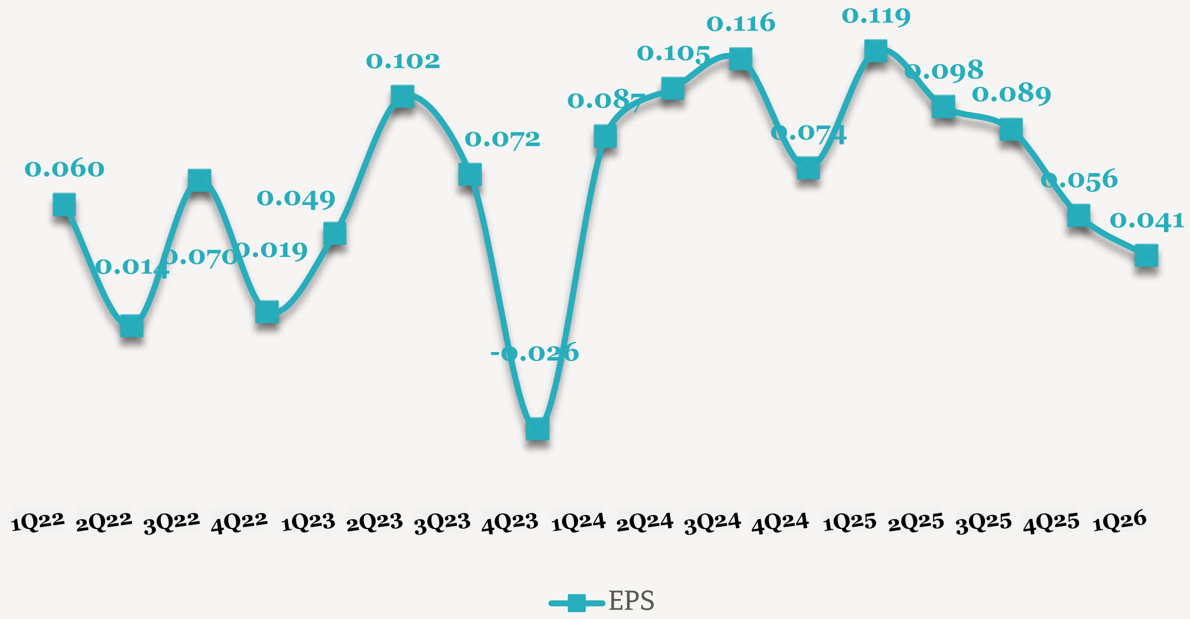
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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