QNB FINANCIAL SERVICES

Earnings Flash Note

Gulf International Services

4Q 2025/FY 2025

Gulf International Services (GISS)

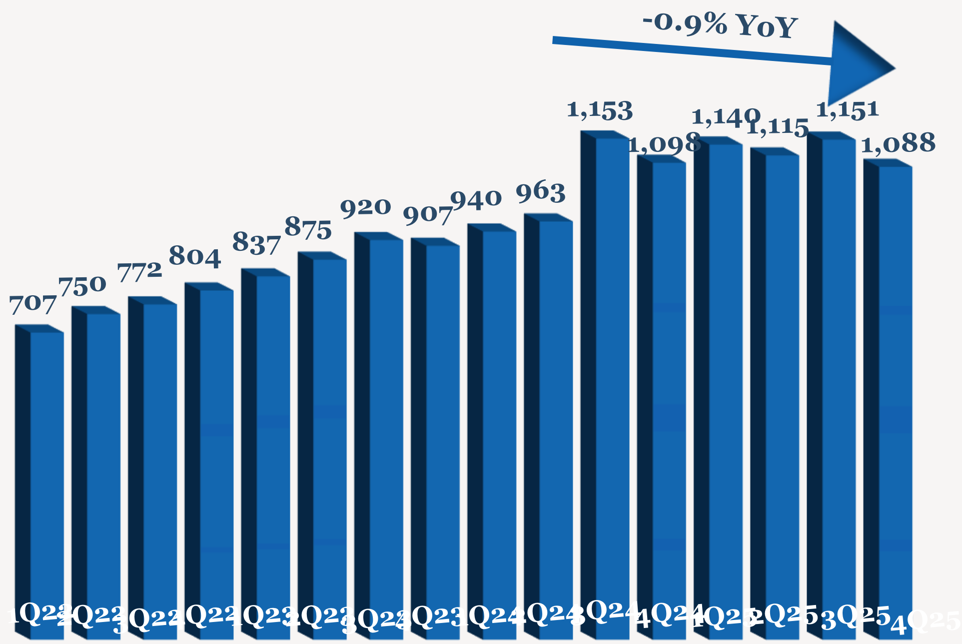
- **Net profit for 4Q2025 reached QR104mn (-24.6% YoY, -37.1% QoQ), primarily due to lower revenue from the drilling segment.** For FY2025 net profit fell 4.6% to QR678mn.
- **Total Revenue decreased by 0.9% YoY (-5.4% QoQ) to QR1,088mn in 4Q2025**. For FY2025, total revenue rose 8.2% to QR4,493mn.
- **Gross profit fell 20.4% YoY to QR180mn (-32.3% QoQ)** while the corresponding margin decreased by 4.1ppts YoY (-6.6 ppts QoQ) to 16.6% in 4Q2025. For FY2025, gross profit rose 5.6% to QR983mn.
- **For 4Q2025, EPS came at QR0.056 vs. QR0.074 in 4Q2024**. For FY2025, EPS came at QR0.365 vs 0.383 in FY2024.
- **As of 3rd February 2026, the stock increased 10.5% YTD,** Outperforming the QSE Index, which was up by 6.1% YTD.
- **The stock is currently trading at a TTM P/E multiple of 7.7x.** For now, we maintain our PT of QR 3.90/share and Outperform rating.
- **The Board of Directors recommends a cash dividend for the year 2025 of QR0.10 per share. This equates to a payout ratio of 27% of net earnings for 2025 and represents 10% of the nominal share value. DPS declined vs. QR0.17 in 2024 (payout of 44%).**

4Q/FY 2025 Earnings Performance

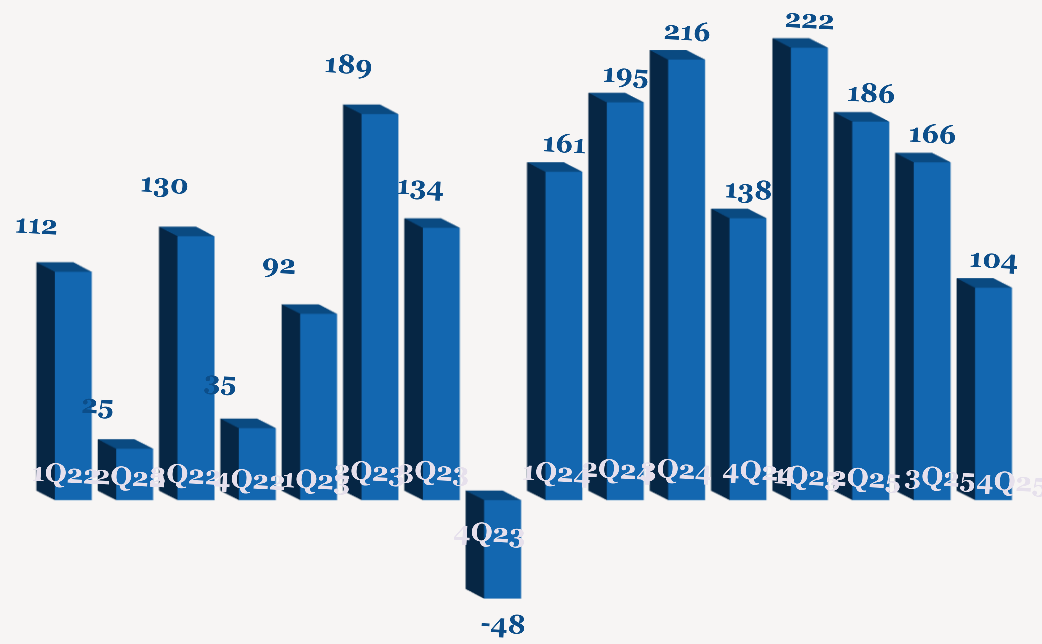
	4Q2025	4Q2024	YoY	3Q2025	QoQ	FY2025	FY2024	YoY
Total Revenue	1,088	1,098	-0.9%	1,151	-5.4%	4,493	4,154	8.2%
Gross Profit	180	226	-20.4%	266	-32.3%	983	931	5.6%
Gross Margin %	16.6%	20.6%		23.2%		21.9%	22.4%	
Net Profit to Equity	104	138	-24.6%	166	-37.1%	678	711	-4.6%
Net Margin %	9.6%	12.6%		14.4%		15.1%	17.1%	
EPS (QR)	0.056	0.074	-24.6%	0.089	-37.1%	0.365	0.383	-4.6%

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

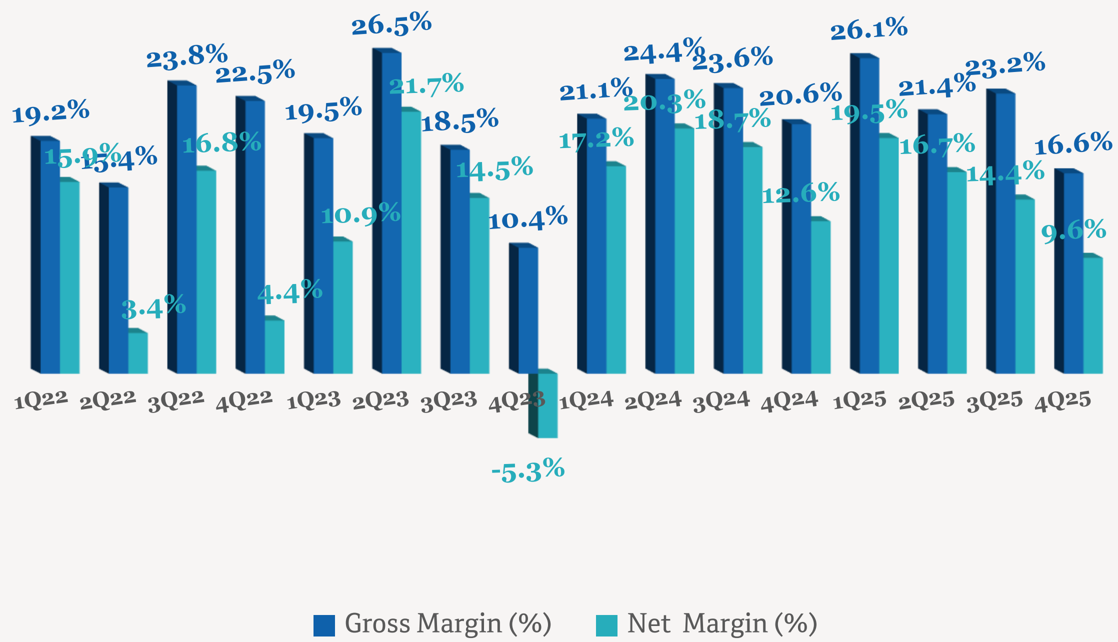
Quarterly Sales Trend (QRmn)



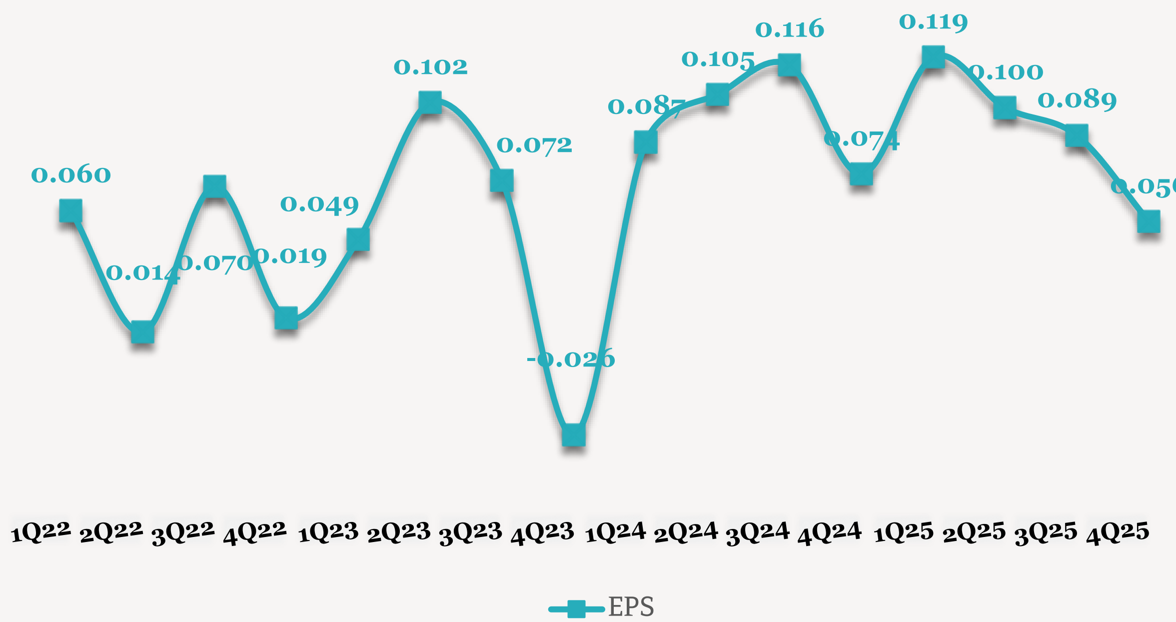
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974)4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa