



Earnings Flash Note
Gulf International Services
1Q 2024



Gulf International Services (GISS)

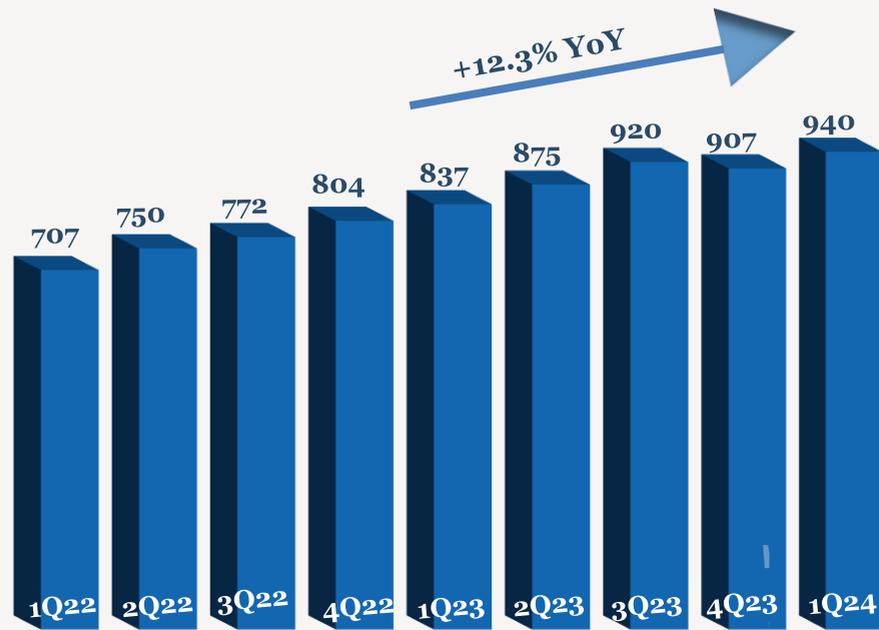
- > For 1Q2024 the company reported a net profit of QR161mn vs a net profit of QR92mn in 1Q2023 and a net loss of QR23mn in 4Q2023, primarily due to increased profitability from the drilling segment.
- > Total revenue grew by 12.3% YoY to QR940mn (+3.6% QoQ) in 1Q2024.
- > Gross profit of QR198mn grew by 21.6% YoY (+85.4% QoQ) and margin improved to 21.1% (+1.6ppts YoY; +9.3ppts QoQ) in 1Q2024.
- > For 1Q2024, EPS came at QR0.087 vs. QR0.049 in 1Q2023.
- > As of 1st May 2024, the stock has increased 2.8% YTD, outperforming the QSE Index, which was down by 10.4% YTD.
- > The stock is currently trading at a TTM P/E multiple of 10.7x, lower than its 2Y historical average of 12.2x. For now, we maintain our PT of QR2.62/share and Accumulate rating.

1Q 2024 Earnings Performance

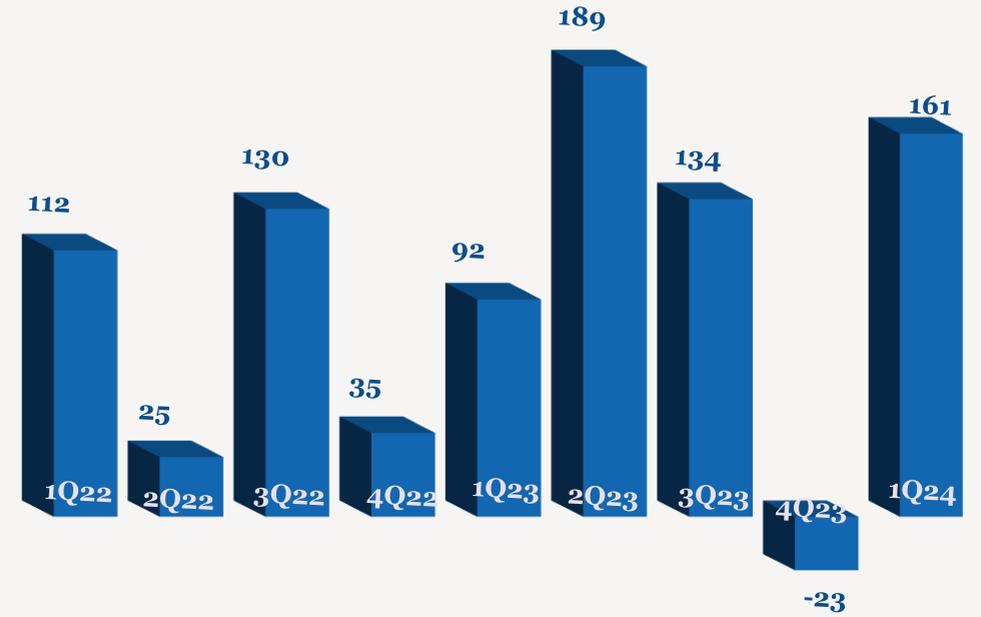
	1Q2024	1Q2023	YoY	4Q2023	QoQ
Total Revenue	940	837	12.3%	907	3.6%
Gross Profit	198	163	21.6%	107	85.4%
Gross Margin %	21.1%	19.5%		11.8%	
Net Profit to Equity	161	92	76.1%	-23	NM
Net Margin %	17.2%	10.9%		-2.5%	
EPS (QR)	0.087	0.049	76.1%	-0.012	NM

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

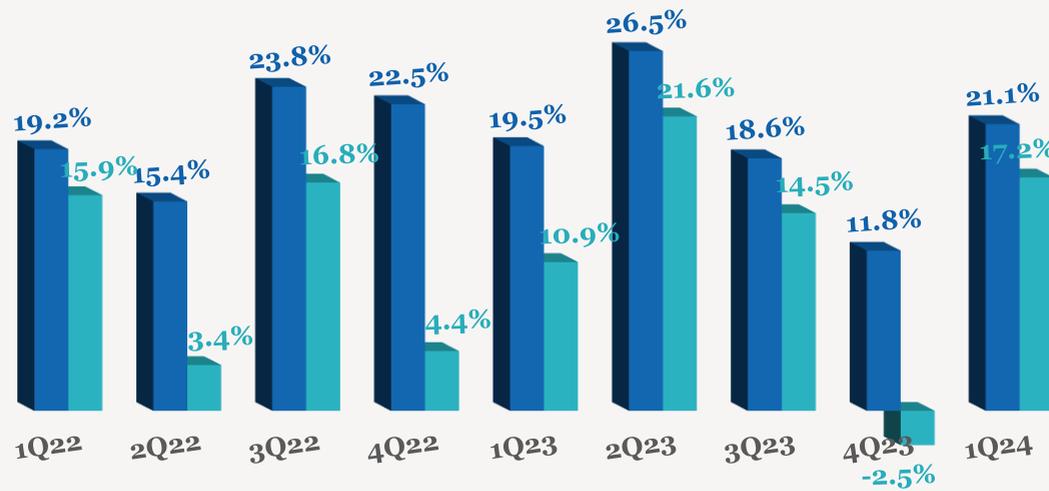
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)

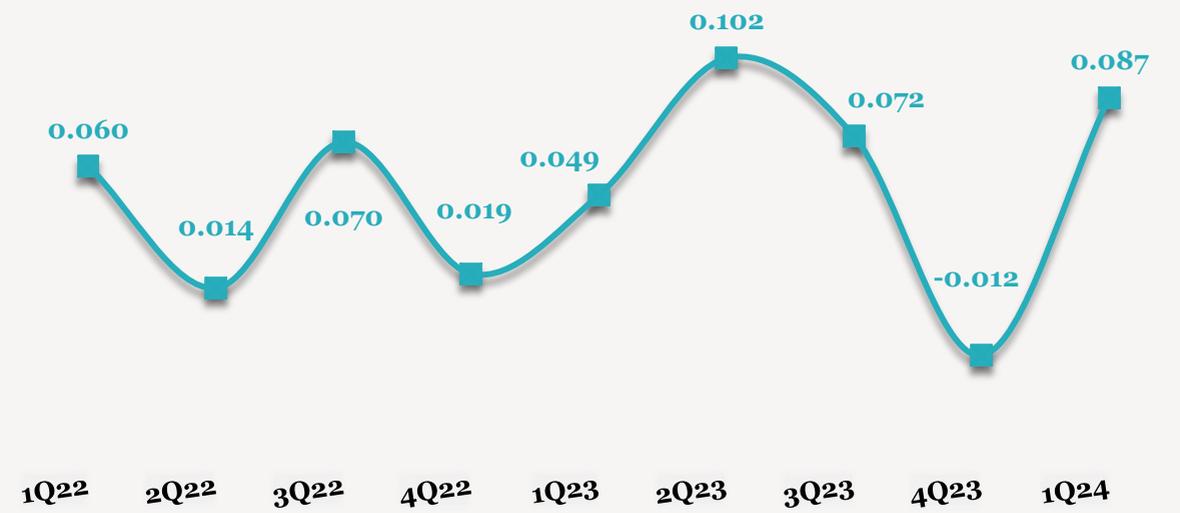


Quarterly Margin Trend



■ Gross Margin (%) ■ Net Margin (%)

EPS (QR) Trend



—■— EPS

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