



Earnings Flash Note
Gulf International Services
3Q 2023 / 9M 2023



Gulf International Services (GISS)

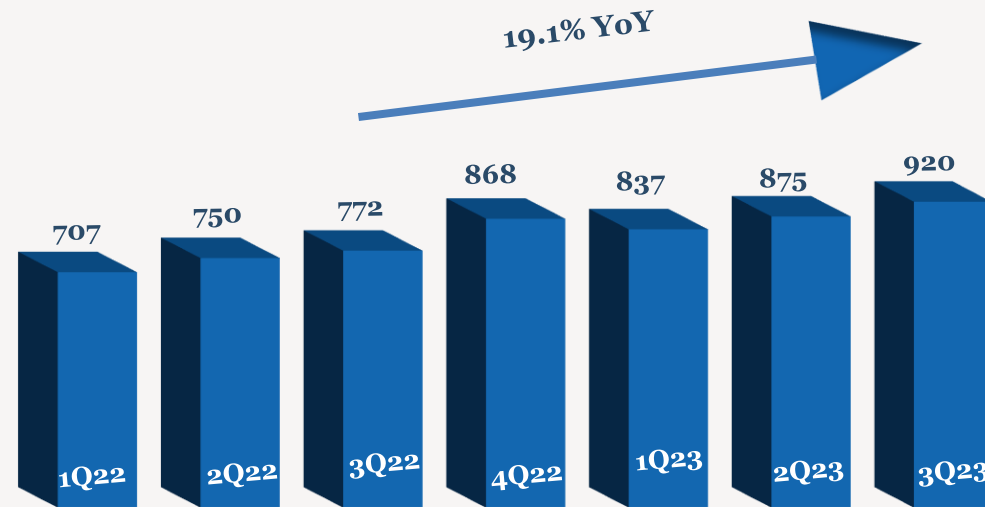
- > Net profit increased 3.2% YoY to QR134mn (-29.9% QoQ) primarily due to lower finance costs in 3Q2023. For 9M2023, net profit was up by 55.3% YoY to QR415mn.
- > Revenue grew by 19.1% YoY to QR920mn (+5.1% QoQ) driven by higher insurance revenue, along with aviation revenue in 3Q2023. For 9M2023, revenue was up by 18.0% YoY to QR2,632mn.
- > Gross profit of QR171mn came lower by 7.2% YoY (-26.4% QoQ) and margin declined to 18.6% (-5.3ppts YoY; -7.9ppts QoQ) in 3Q2023. For 9M2023, gross profit increased by 29.8% YoY to QR565mn.
- > For 3Q2023, EPS came at QR0.072 vs. QR0.070 in 3Q2022 while for 9M2023, EPS was 0.223 vs 0.144 in 9M2022.
- > As of 29th Oct 2023, the stock has increased 85.0% YTD, outperforming the QSE Index, which was down by 12.4% YTD.
- > The stock is currently trading at a TTM P/E multiple of 11.5x, lower than its 3Y historical average of 24.0x. For now, we maintain our PT of QR2.62/share and Accumulate rating.

3Q/9M 2023 Earnings Performance

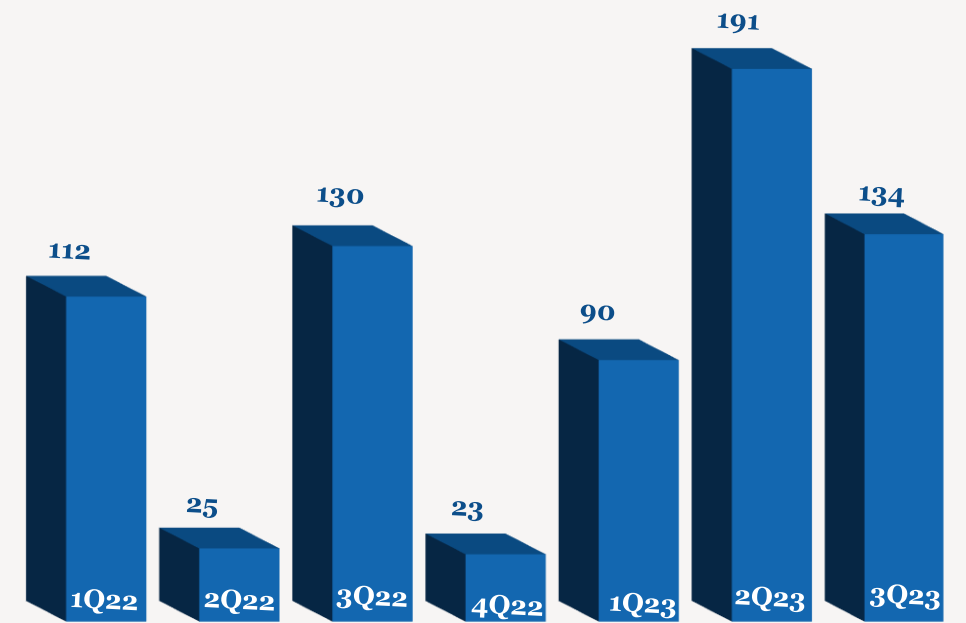
	3Q2023	3Q2022	YoY	2Q2023	QoQ	9M2023	9M2022	YoY
Revenue	920	772	19.1%	875	5.1%	2,632	2,230	18.0%
Gross Profit	171	184	-7.2%	232	-26.4%	565	436	29.8%
Gross Margin %	18.6%	23.8%		26.5%		21.5%	19.5%	
Net Profit to Equity	134	130	3.2%	191	-29.9%	415	267	55.3%
Net Margin %	14.5%	16.8%		21.8%		15.8%	12.0%	
EPS (QR)	0.072	0.070	3.2%	0.103	-29.9%	0.223	0.144	55.3%

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

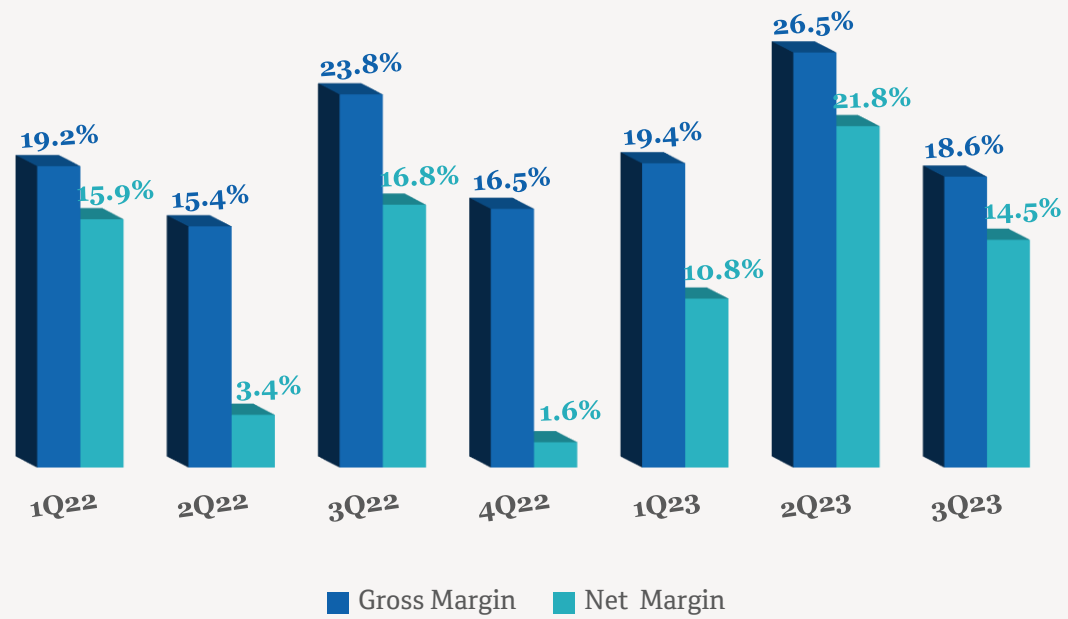
Quarterly Sales Trend (QRmn)



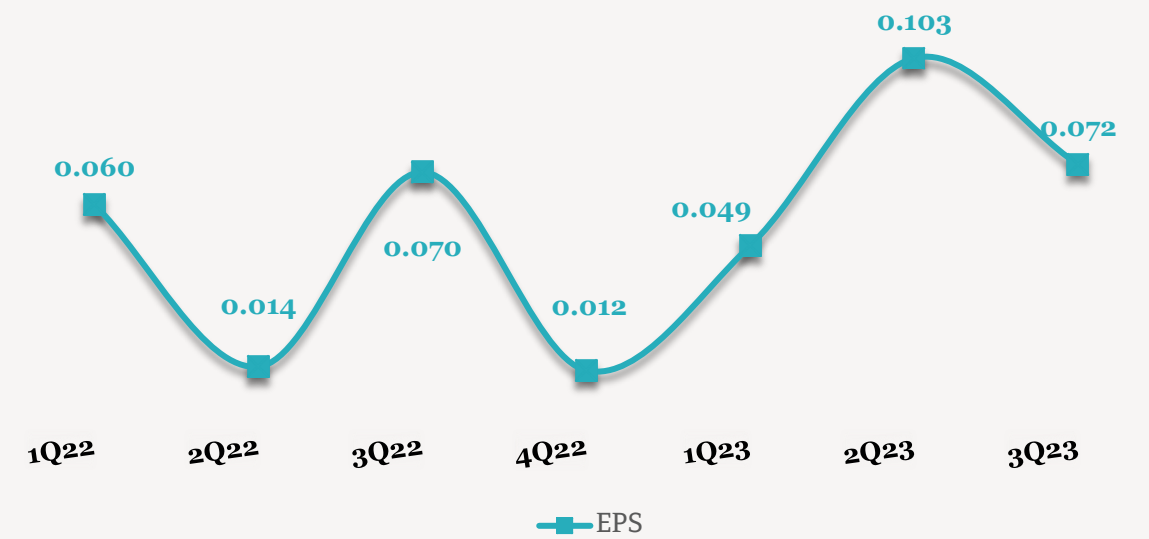
Quarterly Earnings Trend (QRmn)



Quarterly Margin Trend



EPS (QR) Trend



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