



Earnings Flash Note
Gulf International Services
4Q 2023 / FY 2023



Gulf International Services (GISS)

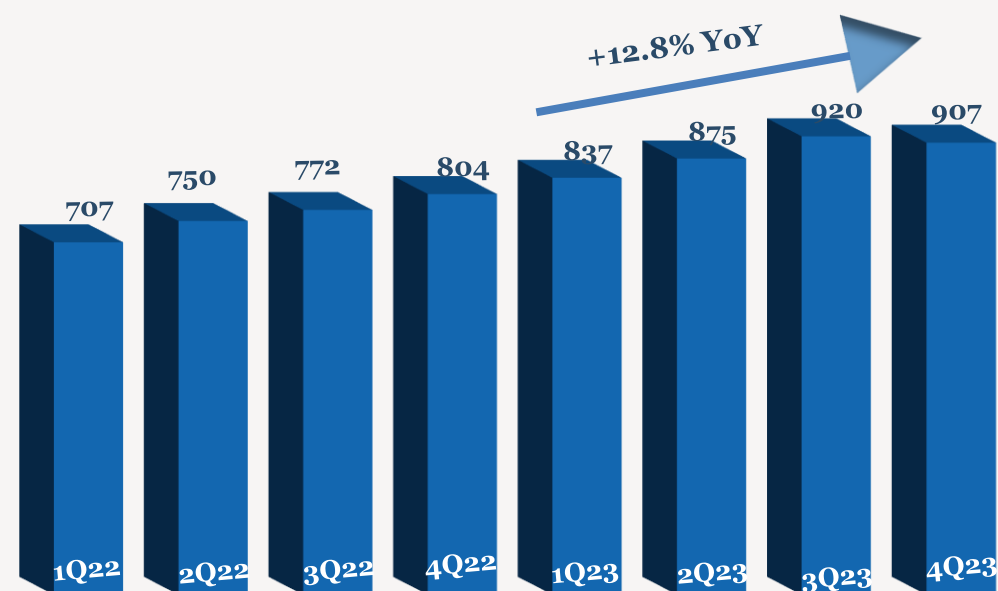
- > For 4Q2023 company reported a net loss of QR23mn vs a net profit of QR35mn in 4Q2022 and QR134mn in 3Q2023. The YoY decline in earnings resulted from reduction in insurance service results, net monetary losses arising from the accounting impact of hyperinflation from GISS's Turkish aviation subsidiary, and increase in G&A expenses. For FY2023, net profit was up by 29.6% YoY to QR392mn.
- > Total revenue grew by 12.8% YoY to QR907mn (-1.4% QoQ). For FY2023, it was up by 16.6% YoY to QR3,538mn.
- > Gross profit of QR107mn came lower by 41.1% YoY (-37.5% QoQ) and margin declined to 11.8% (-10.8ppts YoY; -6.8ppts QoQ) in 4Q2023. For FY2023, gross profit increased by 9.0% YoY to QR672mn.
- > For 4Q2023, Loss per share came at QR0.012 vs. EPS of QR0.019 in 4Q2022 while for FY2023, EPS was 0.211 vs 0.163 in FY2022.
- > As of 14th Feb 2024, the stock has decreased 0.6% YTD, outperforming the QSE index, which was down by 6.3% YTD.
- > The stock is currently trading at a TTM P/E multiple of 12.2x, lower than its 2Y historical average of 19.3x. For now, we maintain our Accumulate rating.
- > The Board announced a DPS of QR0.15 for 2023 which translates into a yield of 5.2%.

4Q/FY 2023 Earnings Performance

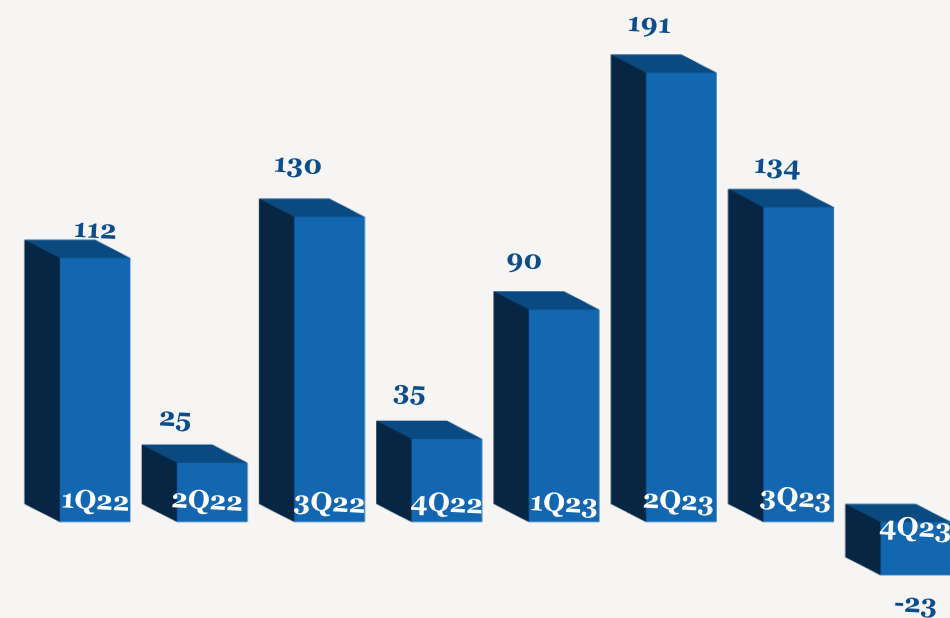
	4Q2023	4Q2022	YoY	3Q2023	QoQ	FY2023	FY2022	YoY
Total Revenue	907	804	12.8%	920	-1.4%	3,538	3,034	16.6%
Gross Profit	107	181	-41.1%	171	-37.5%	672	617	9.0%
Gross Margin %	11.8%	22.5%		18.6%		19.0%	20.3%	
Net Profit to Equity	-23	35	N/M	134	N/M	392	302	29.6%
Net Margin %	-2.5%	4.4%		14.5%		11.1%	10.0%	
EPS (QR)	-0.012	0.019	N/M	0.072	N/M	0.211	0.163	29.6%

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

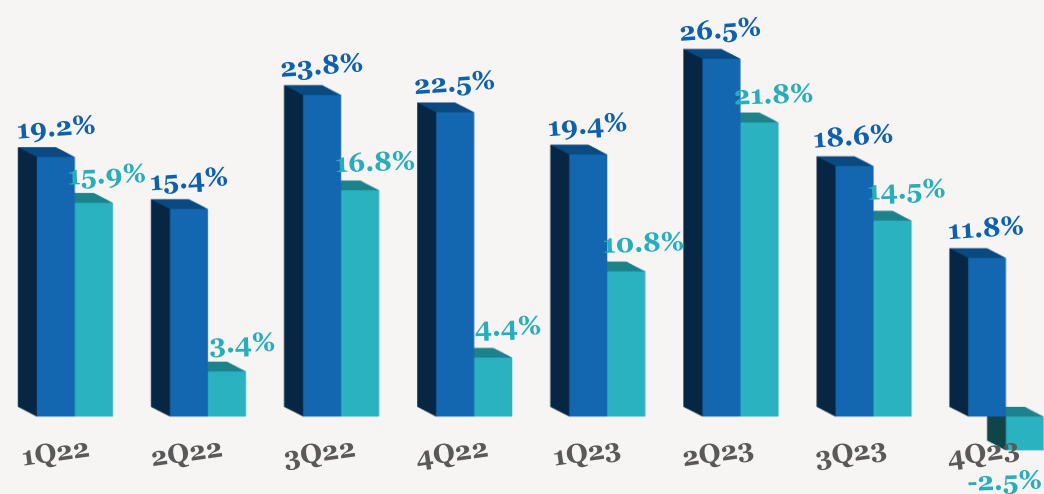
Quarterly Sales Trend (QRmn)



Quarterly Earnings Trend (QRmn)

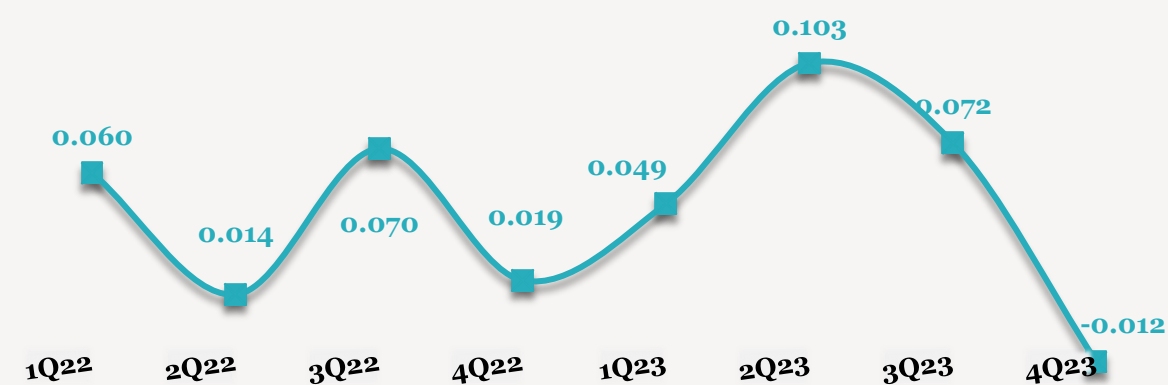


Quarterly Margin Trend



■ Gross Margin (%) ■ Net Margin (%)

EPS (QR) Trend



—■— EPS

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