

# Perfect Presentation for Commercial Services Co.

Rating: Overweight | 12M Target Price: SAR 14

August 10, 2025

YoY profitability down due to one-off – Maintain Overweight

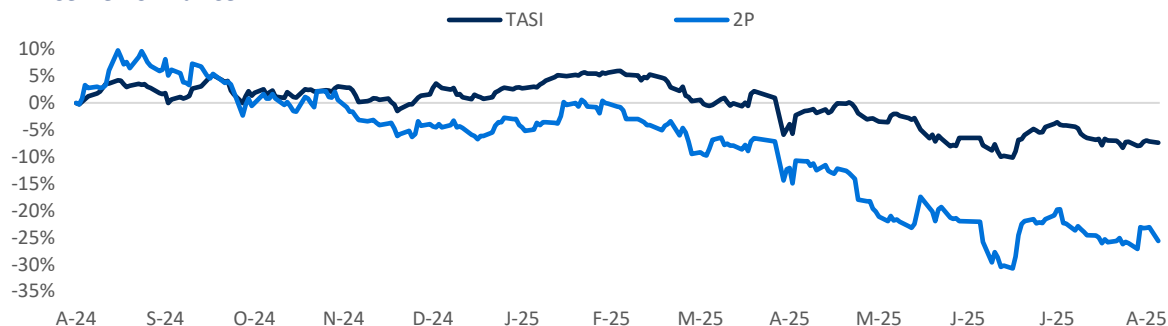
Market Data		Valuations	2024A	2025E	2026E	2027E
Last Price (SAR)*	10.8	Net Income (SAR bn)	0.2	0.2	0.2	0.2
Target Price (SAR)	13.9	EPS (SAR)	0.5	0.6	0.7	0.8
Upside / Downside (%)	29%	PER (x)	19.9	18.3	15.1	13.3
Market Cap (bn) (SAR/USD)	3/1	P/BV (x)	6.0	5.0	4.2	3.5
52 week High / Low (SAR)	17/10	DPS (SAR)	0.0	0.2	0.3	0.3
12-month ADTV (mn) (SAR/USD)	11/3	Div. Yield (%)	0.0	2.2	2.7	3.0
YTD Return (%)	-22.9%	RoAE (%)	35.2	29.6	30.1	28.7
Bloomberg Code	2P AB	RoAA (%)	12.5	12.4	14.4	14.6

\*last price as of 10<sup>th</sup> August 2025

Financials (SAR mn)	2Q25A	2Q25E*	Var (%)	2Q24A	YoY (%)	1Q25A	QoQ (%)
Revenue	298	289	3	287	4	289	3
COGS	236	223	6	234	1	226	4
Gross profit	62	65	-5	54	16	63	-1
Gross margin (%)	21	23		19		22	
OPEX	18	20	-10	12	44	21	-15
Operating profit	44	46	-3	41	8	42	5
Operating margin (%)	15	16		14		15	
Net income	35	36	-3	59	-40	32	9
Net margin (%)	12	13		20		11	
EPS	0.12	0.12		0.20		0.11	

\*anbc estimates

## Price Performance



Source: Tadawul, Bloomberg and anbc research

**Perfect Presentation for Commercial Services Co. (2P AB) reported a net profit of SAR 35 mn (EPS: SAR 0.12) in 2Q25, down 40.4% YoY and up 8.5% QoQ. Gross margin expanded on YoY basis, however saw some contraction on QoQ basis. The net profit was in line with our estimates, down by 3.3%. We maintain our Overweight rating on the stock with a Dec-25 target price of SAR 14/sh, offering potential upside of 28.8%.**

- In 2Q25, revenue grew by 3.9% YoY (+3.1% QoQ.) to SAR 298 mn, in line with our estimates of SAR 287 mn, down slightly by 3.4%. Operations & maintenance (O&M) segment's topline increased by 30.7% YoY (+17.4% QoQ) to SAR 115 mn, whereas the contact services sector's revenue increased by 9.6% YoY (+1.1% QoQ) to SAR 91 mn. Company reported stable performance across other sectors on sequential basis.
- Gross margin was recorded at 20.8% in 2Q25 (+214bps YoY, -95bps QoQ). Gross profit reached SAR 62 mn, rising 15.8% YoY (-1.4% QoQ).
- Operating profit increased by 7.6% YoY (+5.4% QoQ) in 2Q25 to reach SAR 44 mn, up from SAR 41 mn in 2Q24. This was supported by a rise in gross profit and expansion in operating margin by 51bps YoY (+33bps QoQ).
- The bottom line in 2Q25 decreased by 40.4% YoY and 8.5% QoQ to reach SAR 35 mn.
- Notably, 2P recorded a one-off gain of SAR 26 mn in 2Q24 from the expropriation of its property in Diriyah. Adjusting for that, net profit in 2Q25 increased by 7.8% YoY.
- We believe 2P's overall gross margins will recover and average at 24.3% for full year 2025. Margins compression in 2Q25 may be attributable to higher revenue from low-margin contact services segment; however, we await further clarity by the management in 2Q25 Earnings call. This will improve in 2H25 amid higher revenue recognition from 'Software Development (SWD)' segment and delivery of contracts in the final stages. For context, 2P's 59.5% of 2025 backlog is concentrated in SWD and O&M segment. We maintain our 'Overweight' rating with a Dec-25 target price of SAR 14/share, translating into an upside of 28.8%. The stock is currently trading at a 2025e P/E of 18.3x.

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