

November 12, 2025

Perfect Presentation for Commercial Services Co.

Rating: Overweight | Target Price: SAR 12.2

Operating margins steady as one-off impact fades

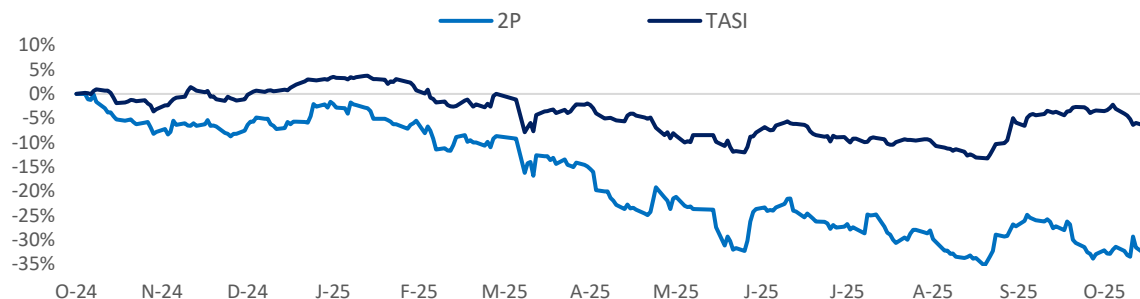
Market Data		Valuations	2024A	2025E	2026E	2027E
Last Price (SAR)*	9.0	Net Income (SAR bn)	163	177	216	245
Target Price (SAR)	12.2	EPS (SAR)	0.5	0.6	0.7	0.8
Upside / Downside (%)	36%	PER (x)	19.9	18.3	15.1	13.3
Market Cap (bn) (SAR/USD)	3/1	P/BV (x)	6.0	5.0	4.2	3.5
52 week High / Low (SAR)	13.5/8.6	DPS (SAR)	0.0	0.2	0.3	0.3
12-month ADTV (mn) (SAR/USD)	7/2	Div. Yield (%)	0.0	2.2	2.7	3.0
YTD Return (%)	-29.5%	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 12th November 2025

Financials (SAR mn)	3Q25A	3Q25E*	Var (%)	3Q24A	YoY (%)	2Q25A	QoQ (%)
Revenue	288	301	-4.5	269	7.1	298	-3.4
COGS	226	241	-6.3	210	7.7	236	-4.3
Gross profit	62	60	2.8	59	4.9	62	-0.1
Gross margin (%)	22	20		22		21	
OPEX	15	16	-2.5	17	-11.7	18	-16.7
Operating profit	47	45	4.5	42	11.5	44	5.8
Operating margin (%)	16	15		16		15	
Net income	33	35	-5.6	37	-11.3	35	-6.3
Net margin (%)	11	12		14		12	
EPS	0.10	0.11		0.11		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 33 mn (EPS: SAR 0.10) in 3Q25, down 11% YoY and 6% QoQ. While revenue grew by 7% YoY, net profit showed a YoY decline mainly because last year's 3Q results included a one-off SAR 6mn income. Gross margin expanded on QoQ basis, however stabilized on YoY basis. While net profit fell short of our estimates by 5.6%, we continue to maintain our Overweight rating on the stock. The target price has been adjusted to SAR 12.2/share (From SAR 13.9/share) in line with the recent capital increase, with no change to our fundamental view.

- In 3Q25, revenue rose 7.1% YoY to SAR 288 mn, broadly in line with our estimate of SAR 301 mn. Operations & Maintenance (O&M) segment grew 11.4% YoY (+17.9% QoQ) to SAR 108 mn. Call center services delivered a standout performance, with revenue surging 74.7% QoQ and 40.9% YoY to SAR 93 mn. Meanwhile, the Software Development (SWD) segment posted SAR 45 mn in revenue, down from SAR 60 mn in 3Q24.
- Gross margin stood at 21.5% in 3Q25 down 46bps YoY and up 54bps QoQ. Gross profit reached SAR 62 mn, marking a 4.9% YoY increase and a slight 0.1% QoQ decline.
- Operating profit increased by 11.5% YoY (+5.8% QoQ) in 3Q25 to reach SAR 47 mn, up from SAR 42 mn in 3Q24. The perceived decline in net profit versus 3Q24 stems from a one-time SAR 6 mn gain recorded last year from property compensation in Diriyah. Excluding the one-off SAR 6mn gain, the company would have reported a net profit increase of 6% YoY in 3Q25. Overall profitability was partially impacted by the delayed rollout of new projects, resulting in deferred income recognition.
- We believe 2P's overall gross margins will recover and average at 24.3% for full year 2025. The margins will improve in 4Q25 amid higher revenue recognition from 'Software Development (SWD)' segment and delivery of contracts in the final stages. However, we await further clarity by the management in 3Q25 Earnings call. We maintain our 'Overweight' rating with a target price of SAR 12.2/share, translating into an upside of 36%. The stock is currently trading at a 2025e P/E of 18.3x.

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