

Daily Bulletin

March 5, 2026

GAS's net profit rose 32% YoY, in line with consensus estimates

Last Price: SAR 12.6 | Consensus Target Price: SAR 17.5 | Performance since transition to TASI: -25.8%

GAS Arabian Services Co. (GAS) posted a net profit of SAR 150.8 mn during 2025, up 32.3% YoY, primarily led by backlog execution and improved cost efficiencies. The result was in line with the consensus net profit of SAR 144.0 mn, up by 4.7%. Along with the result, the company announced a dividend of SAR 0.30/share for 2H25, taking the full year dividend payout to SAR 0.50/share.

During 2025, GAS recorded new orders of SAR 1,762 bn, taking its backlog to SAR 1,983 bn (+19.4% YoY) as of Dec-25. Revenue for the year was recorded at SAR 1.4 bn, up 31.8% YoY, led by backlog execution in Technical Services and higher trading volumes. Within Technical Services segment, revenue grew by 79.1% YoY to SAR 920.6 mn. The Technical Services segment remained the largest revenue contributor, with a share of 64% of total revenue, followed by the trading segment, which contributed 33% to total revenue during 2025. The Manufacturing segment made up the remaining 3% share in total revenue. Revenue for the trading segment declined by 8.8% YoY to SAR 479.2 mn, while Manufacturing segment reported a 24.7% YoY decrease in revenue to SAR 40.5 mn during 2025.

GAS's cost of sales rose by 31.9% YoY to SAR 1,214.1 mn during the year, primarily due to an 86.8% YoY increase in cost of sales in the Technical Services segment to SAR 821.4 mn. However, the increase in cost of sales was partially offset by a 16.1% YoY decline in cost of sales from Trading, and 42.7% YoY downtick in cost of sales from Manufacturing segments during 2025. Resultantly, gross profit for the year increased to SAR 226.2 mn, up 31.2% YoY. Gross margins remained relatively stable at 15.7% in 2025 vs. 15.8% in 2024.

Operating income amounted to SAR 149.0 mn, up 34.5% YoY during 2025, with operating margins of 10.3%, compared to 10.1% in 2024. ROE was recorded at 31.2% for 2025, up from 28.2% in 2024.

During 2025, GAS completed the acquisition of a 12.9% stake in Eagle Burgmann Saudi Arabia Company Ltd. (EBKSA) and a 40% stake in TCR Arabia Company Ltd. (TCR). The company's investments in associates and JVs increased to SAR 201.0 mn in 2025, from SAR 113.6 mn in 2024, due to additional investments of SAR 66.5 mn and a strong share of results of SAR 42.6 mn.

Looking ahead, GAS continues to focus on improving operating efficiency and selective participation in market opportunities. Recently, the company announced receiving approval from its BoD to establish a 100% owned limited liability subsidiary company, Arabian Building Solutions for Projects Execution. The subsidiary will specialize in Engineering, Procurement, and Construction (EPC) services within the technical services and industrial sectors.

GAS Arabian Services Co.'s stock has declined 25.8% since its transition to the Main Market on 9th Oct-25, underperforming TASI which declined 7.5% over the same period. Currently, the stock is trading at a 2026f P/E of 11.1x, with a consensus target price of SAR 17.5/share. The company has a potential upside of 39.4% from the last close of SAR 12.6/share.

Relative price chart



Source: Bloomberg, anbc research

Key financials (SAR mn)

	2025	2024	YoY (%)	Consensus	Var (%)
Revenue	1,440	1,093	31.8	1,345	7.1
COGS	(1,214)	(921)	31.9	(1,130)	7.5
Gross profit	226	172	31.2	215	5.1
Gross margin (%)	15.7	15.8		16.0	
Operating exp.	(77)	(62)	25.3	(69)	11.6
Operating profit	149	111	34.5	146	2.1
Opt. margin (%)	10.3	10.1		10.9	
Net income	151	114	32.3	144.0	4.7
Net margin (%)	10.5	10.4		10.7	
EPS	0.96	0.72		0.91	

Source: Company financials, anbc research

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