

GCC Corporate Earnings Report : Q1-2025

May-2025

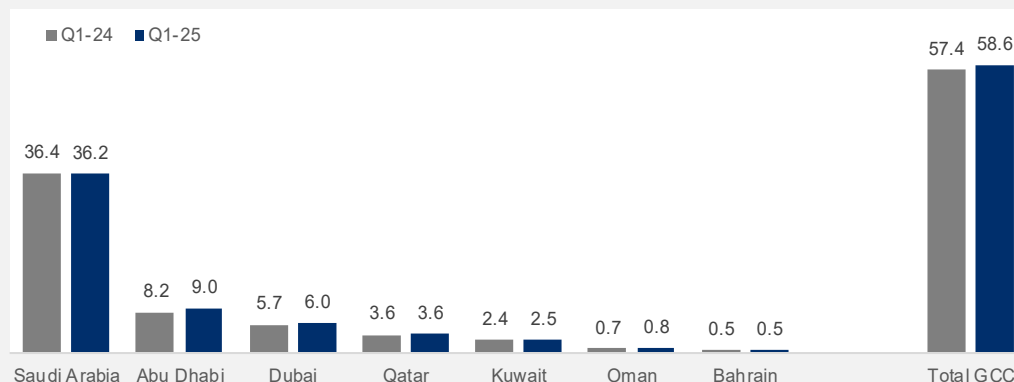
Banks, Telcos and RE drive y-o-y profit growth in Q1-2025...

Aggregate net profits reported companies listed on GCC exchanges increased by 2.0% y-o-y during Q1-2025 to reach USD 58.6 Bn as compared to USD 57.4 bn in Q1-2024. The marginal improvement in profitability was mainly led by a y-o-y increase in profits for Banks, Telecom and Real Estate sectors that more than offset a decline in profits for the Energy, Materials and F&B sectors. The sequential growth in profits was slightly better with a growth of 2.3% also led by higher profits for Banks, Telecom and the Real Estate sectors. The Capital Goods sector also showed a healthy y-o-y growth in profits with an increase of 51.9%, although there was a steep decline in profits by 42.9% as compared to Q4-2024.

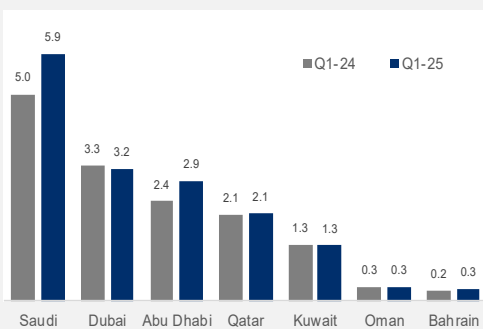
The Energy sector continued to remain a drag on overall profitability growth in Q1-2025 with a decline of 5.7% when compared to Q1-2024, although a majority of the companies in the sector reported higher y-o-y net profits during the quarter. Moreover, the sector showed significant improvement as compared to the previous quarter. The y-o-y decline in profits for the sector was led by fall in oil prices with average Brent crude prices down by 8.5% during Q1-2025 at USD 75.9 per barrel as compared to the average for Q1-2024. Net profits reported by Saudi Aramco dropped by 7.5% y-o-y during the quarter, accounting for bulk of the decline in profits at the GCC level. Excluding Aramco's results, total GCC corporate profits showed an increase of 10.7% y-o-y during Q1-2025.

On the other hand, a healthy growth in profits for the GCC banking sector helped to partially offset the bulk of the decline in earnings. Aggregate earnings for the GCC banking sector surged 10.0% y-o-y or by USD 1.5 Bn to reach USD 16.0 Bn in Q1-2025. The q-o-q growth was also strong at 11.9% vs. Q4-2024. The y-o-y growth reflected growth in earnings for five out of seven markets while the remaining two reported marginal declines. Earnings for banks in Abu Dhabi, Saudi Arabia and Bahrain showed double-digit growth during Q1-2025 as compared to Q1-2024.

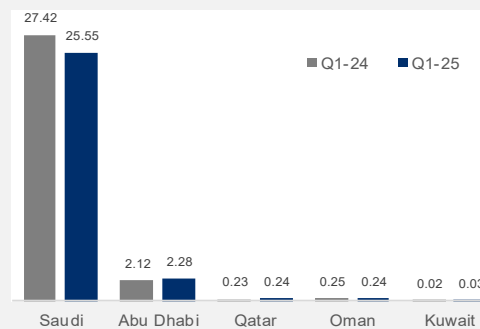
GCC Corporate Earnings : Q1-25 vs. Q1-24 (USD Bn)



GCC Banks: Q1-25 vs. Q1-24 (USD Bn)



GCC Energy Sector : Q1-25 vs. Q1-24 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

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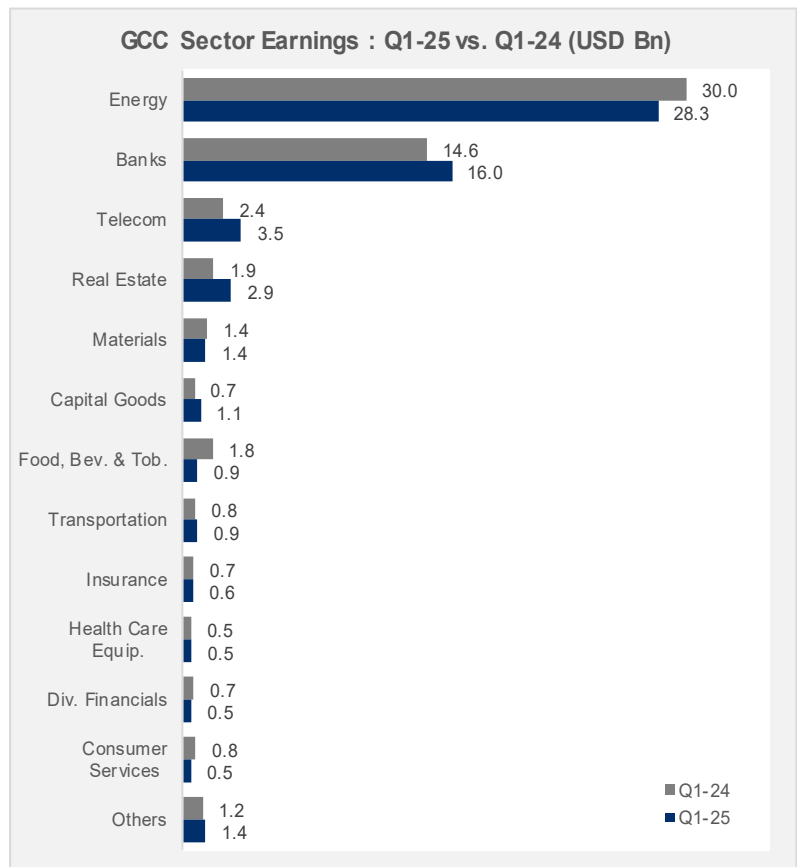
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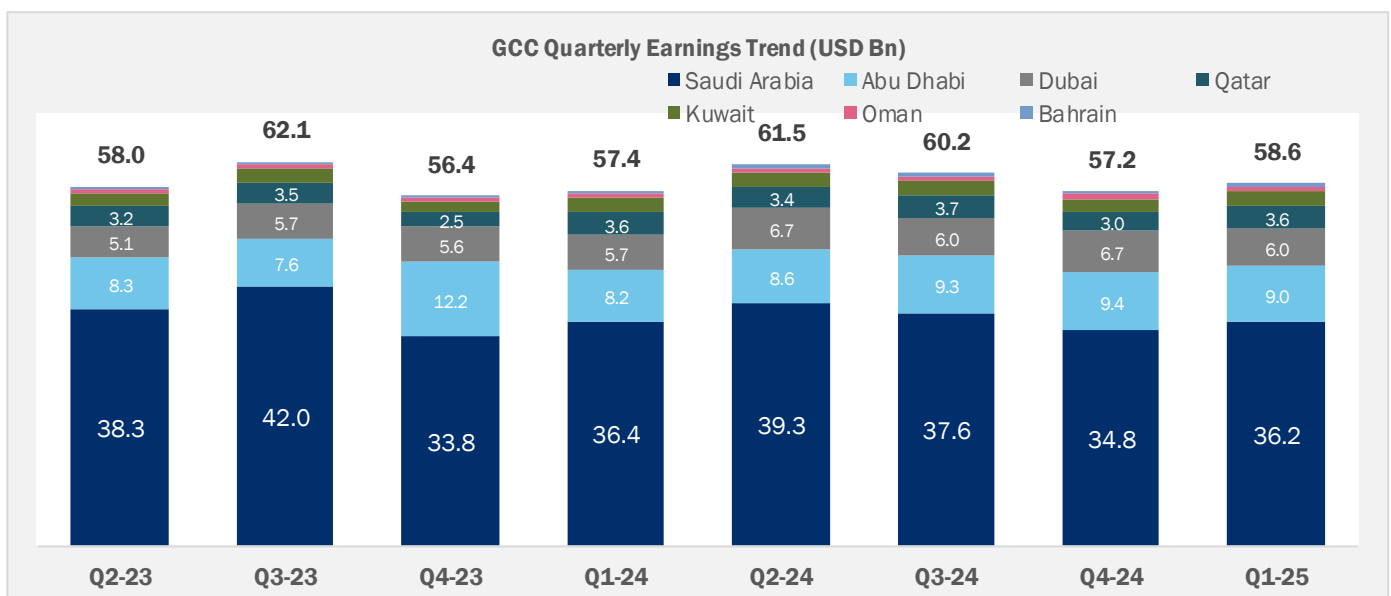
Within the energy sector, net profits for seventeen out of the twenty-seven listed companies showed improvements while ten companies reported y-o-y declines. Among the prominent gainers, net profit for Adnoc Gas increased by 6.9% during the quarter to reach USD 1.3 Bn led by higher demand for domestic gas as well as reduction in plant idle days during Q1-2025. Net profits for Adnoc Drilling also improved by almost a quarter to reach USD 340.9 Mn mainly led by 32.1% increase in total revenues backed by revenues from new onshore rigs as well as contribution from unconventional business. On the other hand, Rabigh Refining lowered its losses by USD 179.7 Mn to USD 184.2 Mn in Q1-2025 from USD 363.9 Mn in Q1-2024 led by 44% increase in revenues that was supported by higher sales volume on both refined and petrochemical products during the quarter.

Net profits for the GCC telecom sector showed a strong y-o-y growth of 45.3% to reach USD 3.5 Bn during Q1-2025. The increase was led by a broad-based double-digit growth in y-o-y profits across most countries in the GCC. Net profits for E& (Emirates Telecom) surged almost 130% to reach USD 1.46 Bn during Q1-2025 mainly led by higher revenues that increased by 18.7% during the quarter. STC also reported higher profits with an increase of 11.0% to reach USD 972.4 Mn during Q1-2025. The Telco reported 1.6% y-o-y increase in revenues during the quarter led by 9.7% increase in business unit revenues while commercial unit revenues increased by 1.7%. Net profits for Zain Group increase by two-thirds to reach USD 158.7 Mn during Q1-2025 led by 15% increase in revenues with strong performance across major countries of operations.

Net profits for the GCC Real Estate sector increased by 55.5% y-o-y during Q1-2025 to reach USD 2.9 Bn. The increase was led by strong double-digit gain in profits in most countries in the GCC. Net profits for Real Estate companies in the UAE increased by 38.0% during the quarter to reach USD 2.1 Bn while companies in Saudi Arabia showed multi-fold y-o-y increase to register total net profit of USD 472.7 Mn in Q1-2025.



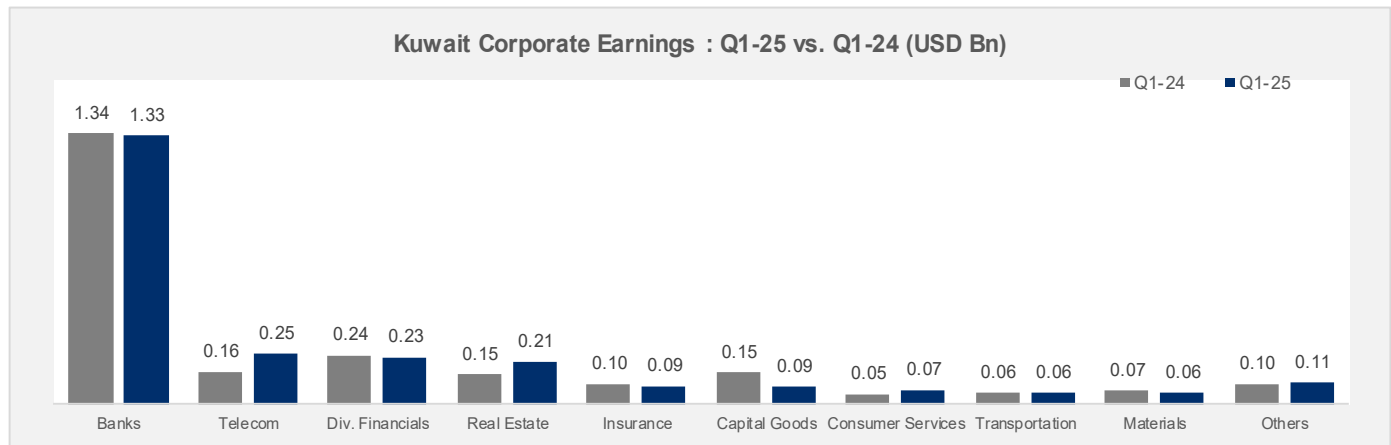
Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Kuwait

Corporate earnings reported by companies listed on Boursa Kuwait increased by 3.3% y-o-y during Q1-2025 to reach USD 2.5 Bn as compared to USD 2.4 Bn in Q1-2024. The biggest impact on aggregate earnings came from the Telecom sector, which showed a 51.3% jump in profits during Q1-2025. Real Estate, Consumer Services and Energy sectors also contributed to earnings growth during the quarter. Large-cap sectors like Banks reported a decline of 1.4%. In terms of sequential performance, the aggregate growth in profits stood at 11.1% as compared to Q4-2024.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Profits for the Banking sector declined marginally by 1.4% y-o-y to USD 1.33 Mn in Q1-2025 compared to USD 1.34 Mn in Q1-2024. Three out of nine banks reported y-o-y net profit declines during Q1-2025. NBK reported a net profit of USD 439.0 Mn during Q1-2025 as compared to a profit of USD 476.4 Mn during Q1-2024, down by 8.5%. The decrease was primarily attributed to the increase in higher operating expenses and higher taxes. Gulf Bank posted a profit decline of 27.3% that reached USD 30.6 Mn for Q1-2025 compared to USD 41.8 in Q1-2024 mainly due to the decline in the operating income. On the other hand, KFH reported a net profit of USD 550.4 Mn for Q1-2025 up by 3.2% vs. USD 529.3 Mn in Q1-2024 due to the strong growth in net finance income which increased by 21.1% to reach USD 1.04 Bn in addition to the net gain obtained by the sale of the associate company – Ahli Bank of Oman. Net profits for Boubyan Bank reached USD 86.7 Mn for Q1-2025 up by 6.0% compared to USD 81.2 Mn from Q1-2024 mainly due to the increase in the net financing income by USD 8.5 Mn in addition to the increase in net fees and commission income and decrease in impairments.

The Telecom sector outperformed other sectors as the biggest contributor to net profits during the period by recording a net profit of USD 248.2 Mn in Q1-2025 vs. USD 162.3 Mn in Q1-2024, registering a growth of 51.3%. All the constituent stocks reported net profit gains with Zain Group leading with a gain of 65.9%. Zain Group reported a net profit of USD 158.7 Mn during Q1-2025 as compared to a profit of USD 95.0 Mn during Q1-2024 led by higher revenue which grew by 15% y-o-y, driven by strong performance across main operations including Sudan (+112%), Iraq (+13%), Bahrain (+8%), Jordan (+7%), and KSA (+6%). Group customer base soared 20% to reach 50.7 Mn, mainly due to continual network restoration in Sudan, improved market access in Iraq as well as strong growth in other markets. Additionally, new business verticals contributed to the revenue growth. Ooredoo also registered strong net profit growth during Q1-2025 that reached USD 59.8 Mn compared to USD 38.7 Mn in Q1-2024, up by 53.5%. The telecom operator recorded revenues of USD 210.4 Mn up by 1%, driven by an increase in service revenue mainly from higher voice, data and digital revenue. EBITDA expanded significantly by 51% y-o-y to USD 71.1 Mn with an improvement in the EBITDA margin of 11pp to 34%. Higher service revenue and lower operating expenses contributed to the improvement in EBITDA. The customer base increased by 2% y-o-y to end Q1-2025 with 2.9 Mn customers. Similarly, STC Kuwait posted a net profit of USD 29.7 Mn for Q1-2025 against a profit of USD 28.7 Mn, up by 2.8%, driven by a 5.5% increase in revenues amounting to USD 285.02 Mn.

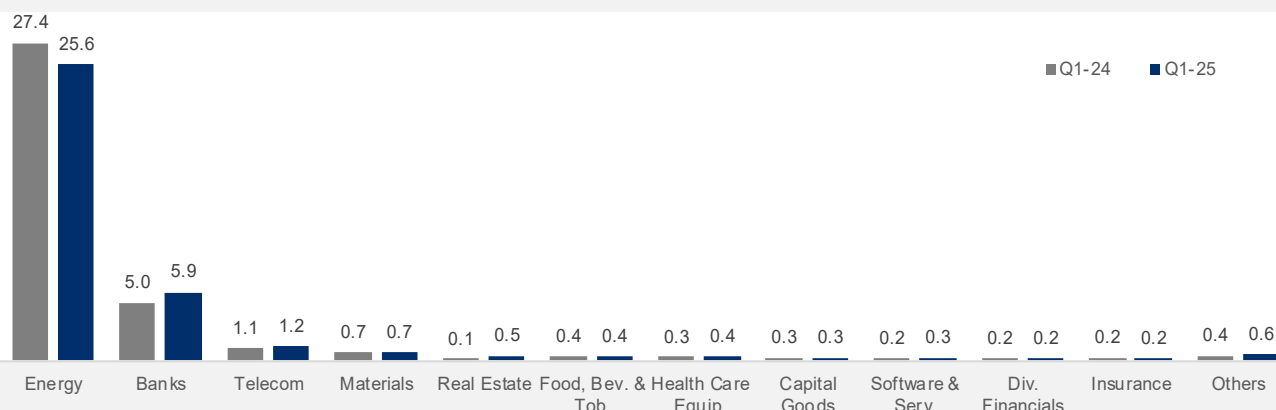
Profits for the Real Estate sector reached USD 248.2 Mn in Q1-2025 compared to a net profit of USD 162.3 Mn in Q1-2024. Mabane Co. posted a net profit of USD 109.4 Mn for Q1-2025 against a profit of USD 52.9 Mn mainly led by a sale of freehold land in Kuwait. Meanwhile, National Real Estate Co. posted a net profit of USD 4.0 Mn during Q1-2025 compared to a net profit in Q1-2024 of USD 9.4 Mn in net profit mainly due to the decrease in sales of inventory properties.

The Diversified Financials sector recorded a net profit of USD 233.9 Mn for Q1-2025 against USD 242.8 Mn for Q1-2024. Net profits for A'ayan Leasing & Investment Co. came in at USD 38.9 Mn for Q1-2025 compared to a profit of USD 11.2 Mn for Q1-2024 up by 245.9% supported by the gain on bargain purchase and gain from the revaluation of previously held interests in associates upon acquiring control. On the other hand, Asiya Capital Investment Co. reported a net loss of USD 25.3 Mn in Q1-2025 against a net profit of USD 19.2 Mn in Q1-2024.

Saudi Arabia

Aggregate net profits for Saudi Arabian listed companies witnessed a marginal decline of 0.5% y-o-y to reach USD 36.2 Bn in Q1-2025 against USD 36.4 Bn in Q1-2024. The key sectors on the exchange including Banks, Real Estate, Telecom reported a strong y-o-y growth in profitability during the quarter, whereas Energy, Insurance, and Food & Staples Retailing sectors reported profit declines during the quarter.

Saudi Arabia Corporate Earnings : Q1-25 vs. Q1-24 (USD Mn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Banking sector outperformed other sectors as the biggest contributor to net profits during the period by registering a net profit of USD 5.9 Bn in Q1-2025 vs. USD 5.0 Bn in Q1-2024, up by 19.4%. All the listed banks reported a gain in net profits during Q1-2025. Al-Rajhi Bank reported higher profits that reached USD 1.6 Bn in Q1-2025 vs USD 1.2 Bn a year earlier, mainly led by 25.7% y-o-y rise in net financing and investment income. Profits for Saudi National Bank surged 19.4% to reach USD 1.6 Bn for Q1-2025 against a profit of USD 1.34 Bn for Q1- 2024 primarily driven by an increase in the net special commission income which increased 5.7% supported by the income from the financing portfolio. Riyadh Bank reported a 19.9% increase in the net profit that reached USD 662.5 Mn in Q1-2025 compared to USD 552.6 Mn in Q1-2024 led by an increase in special commission income from loans and advances. Meanwhile, Banque Saudi Fransi reported 16.3% increase in profits that reached USD 356.5 Mn in Q1-2025 from USD 306.6 Mn in Q1-2024.

Quarterly net profits in the Energy sector declined by 6.8% y-o-y to USD 25.6 Bn down from USD 27.4 Mn during Q1-2024. Within the sector, Saudi Aramco reported a 7.2% y-o-y decline in profits during Q1-2025 primarily led by lower revenues and other income related to sales as well as higher operating expenses. On the other hand, net profits for Bahri improved by 17.6% during the quarter to reach USD 142.0 Mn led by higher income from equity accounted investees that more than offset a 6.3% decline in revenues due to a drop in revenue from Bahri Oil BU and Bahri Chemical BU due to decline in global shipping rates.

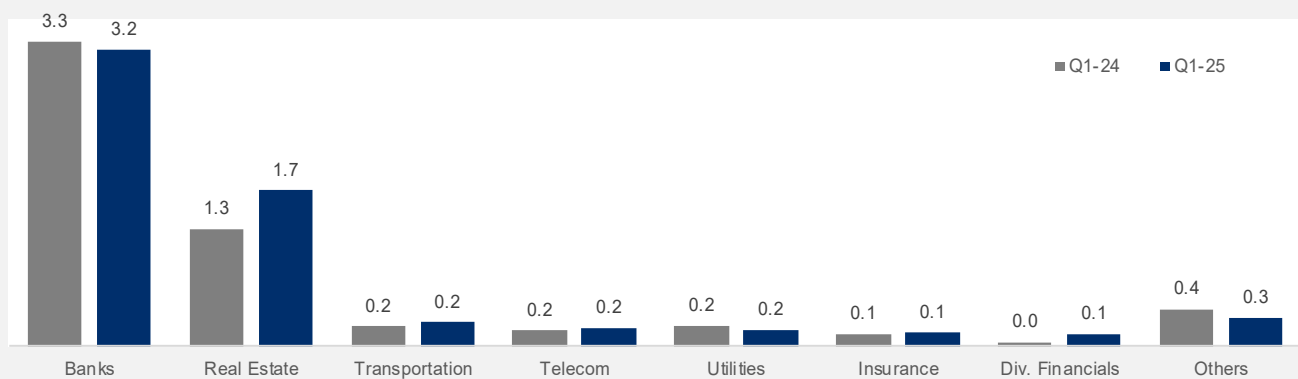
Net profits for the Telecom sector grew 12.6% y-o-y to USD 1.2 Bn in Q1-2025 as compared to USD 1.1 Bn during Q1-2024. Profits for STC increased by 11.0% y-o-y to reach USD 972.4 Mn in Q1-2025 compared to USD 876.0 Mn in Q1-2024 led by higher revenues along with lower operating expenses. STC announced a distribution of SAR 0.55 per share for the 1Q-2025. STC KSA's revenue increased by 2.59%, driven by a 9.73% rise in the Business Unit revenue and a 1.67% increase in the Commercial Unit revenue. Mobily registered a net profit of USD 204.3 Mn for Q1-2025 compared to USD 170.0 Mn in Q1-2024. The increase was driven by a 5.1% y-o-y increase in all revenue streams led by growth in the subscriber base.

Dubai

Net profits for Dubai-listed companies rose by 6.3% y-o-y to reach USD 6.0 Bn in Q1-2025, up from USD 5.7 Bn in Q1-2024, supported by an increase in profits for most sectors on the exchange. The earnings growth was primarily driven by strong performance across the Transportation, Real Estate, Telecoms, and Insurance sectors while Banks, Utilities, Consumer Services and F&B sectors registered y-o-y decline in profits. Corporate profits during the period were largely concentrated in the Banking, Real Estate, and Transportation Services sectors, which together accounted for 84.3% of the total net profits in Q1-2025.

Total net earnings for the Banking Sector declined slightly by 2.4% y-o-y in Q1-2025 to USD 3.2 Bn, compared with USD 3.3 Bn in Q1-2024. This decrease was mainly attributed to Emirates NBD, which reported a 7.3% fall in net profits to USD 1.7 Bn from USD 1.8 Bn in the same quarter last year led by an increase in impairments that more than offset an increase in net interest income and non-interest income. Despite the decline in profitability, Emirates NBD's balance sheet surpassed the AED 1 trillion milestone, supported by strong growth in loans and deposits reflecting the strength and flexibility of the regional economy.

Dubai Corporate Earnings : Q1-25 vs. Q1-24 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Dubai Islamic Bank (DIB) recorded the second-largest net profit in the sector for Q1-2025 at USD 473.7 Mn, up from USD 433.7 Mn in Q1-2024. The bank's improved earnings were primarily driven by higher net interest income and non-interest income coupled with a fall in impairments during the quarter.

In the Real Estate Sector, aggregate net earnings increased by almost a third y-o-y in Q1-2025, reaching USD 1.7 Bn compared to USD 1.3 Bn in Q1-2024. Emaar Properties led the sector with net profits of USD 1.01 Bn, after recording 27% y-o-y increase from USD 795.4 Mn during the same period last year. The company's robust performance was supported by sustained real estate demand in Dubai, successful project launches, and continued investor confidence across its diversified portfolio. The company reported a 50% y-o-y rise in revenue that reached AED 10.1 Bn (USD 2.8 Bn), while EBITDA increased by 24% to AED 5.4 Bn (USD 1.5 Bn). Similarly, Emaar Development reported a 48.3% y-o-y growth in net profits, reaching USD 522.3 Mn compared to USD 352.2 Mn in Q1-2024. Tecom Group also saw net earnings increase by 23.3% y-o-y to USD 98.3 Mn, up from USD 80 Mn in the corresponding quarter of 2024.

In the Transport Sector, total net profits rose by 18.4% y-o-y in Q1-2025 to reach USD 246.7 Mn, compared with USD 208.4 Mn in Q1-2024. Salik Co. reported a 33.6% increase in net profits that reached USD 100.9 Mn in Q1-2025, up from USD 75.5 Mn in the same period of 2024. Growth in Salik's core tolling business was underpinned by the implementation of variable pricing at the end of January-2025 and the successful launch of two new toll gates in November-2024, resulting in a total of AED 158.0 Mn chargeable trips during the quarter.

Abu Dhabi

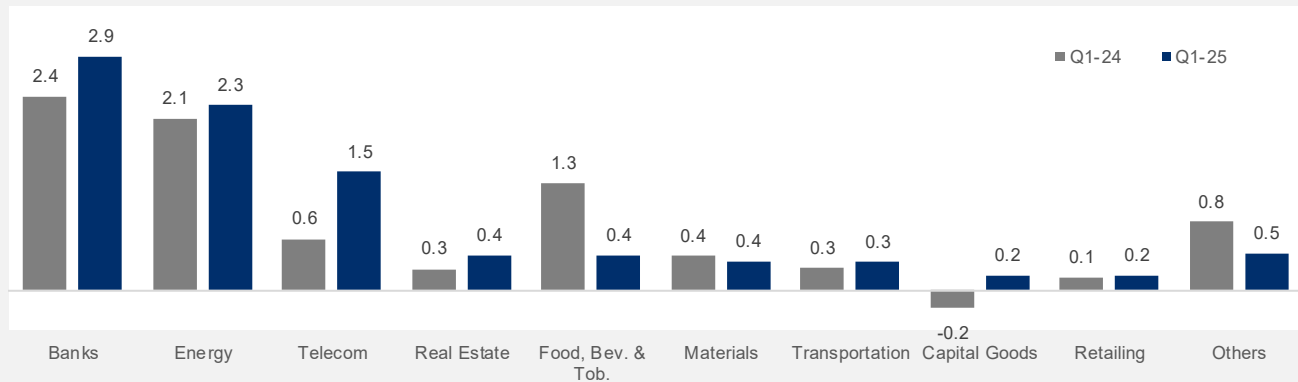
Listed companies in Abu Dhabi witnessed a 9.8% y-o-y increase in net profits during Q1-2025, reaching USD 9.0 Bn compared with USD 8.2 Bn during Q1-2024. The uptick in quarterly net profits was primarily driven by a USD 496 Mn increase in the Banking sector, coupled with a 130% y-o-y increase in profits for the Telecom Sector, which reached USD 1.5 Bn. The Banking sector recorded the highest profits in Q1-2025, with a total net profit of USD 2.9 Bn compared to USD 2.4 Bn in Q1-2024. This performance was supported by higher profitability across all listed banks, with the exception of Invest Bank, which reported a y-o-y decline in profits during the quarter. The Energy sector followed, reporting USD 2.3 Bn in profits.

In the Banking sector, First Abu Dhabi Bank's (FAB) growth in net earnings was a major factor behind the sector's overall increase. FAB reported net profits of USD 1.4 Bn in Q1-2025, reflecting a 23.4% y-o-y increase. The bank attributed its earnings growth to solid business momentum and strong client activity across diversified income streams. FAB's revenue rose to AED 8.81 Bn during the quarter, representing an 11% increase compared to Q1-2024. Abu Dhabi Commercial Bank also posted a notable rise in profitability, with net profits reaching USD 606.6 Mn in Q1-2025 versus USD 517.1 Mn in Q1-2024. The bank's robust performance was underpinned by well-diversified income streams and enhanced operational efficiencies amid continued strength in the UAE's economic fundamentals.

The Telecommunications Sector reported net profits of USD 1.5 Bn during Q1-2025, up significantly from USD 634.4 Mn during Q1-2024. This sharp increase was mainly attributed to Emirates Telecommunication Corp, which alone posted a net profit of USD 1.5 Bn during the quarter.

The company's strong earnings growth was supported by an 18.6% y-o-y increase in revenue to AED 16.9 Bn, driven by robust performance in its telecom and digital verticals. Furthermore, the company's EBITDA rose by 15.4% to AED 7.4 Bn, with an EBITDA margin of 43.6%, underscoring efficiency in its core operations.

Abu Dhabi Corporate Earnings : Q1-25 vs. Q1-24 (USD Bn)



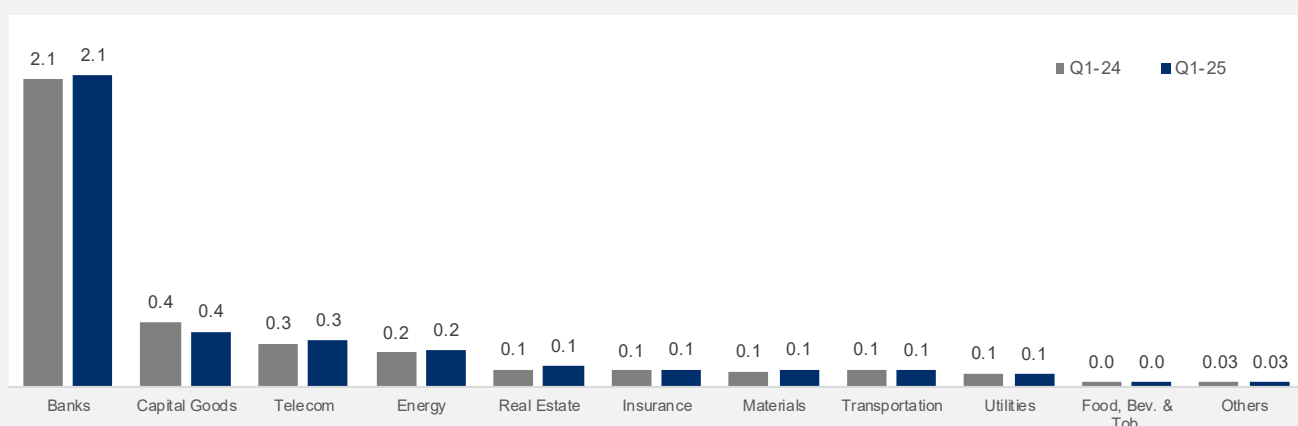
Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Total earnings in the Energy Sector grew by 7.4% y-o-y in Q1-2025, reaching USD 2.3 Bn compared to USD 2.1 Bn in Q1-2024. Four of the five companies in the sector reported y-o-y profit increases, including ADNOC Gas Company, which saw profits grow by 6.9% to USD 1.3 Bn from USD 1.2 Bn in Q1-2024. The company credited its performance to increased exports of higher-margin liquids and a continued focus on efficiency. ADNOC Gas was followed by ADNOC Drilling, which recorded a 24.1% y-o-y rise in profits to USD 341.0 Mn in Q1-2025.

Qatar

Total earnings for Qatari-listed companies witnessed a marginal gain of 0.9% during Q1-2025 to reach USD 3.62 Bn as compared to USD 3.59 Bn in Q1-2024. The surge in earnings was primarily driven by earnings growth in the Banking, Real Estate and Energy sectors. However, a decline in profits for the Capital Goods, Utilities and Food, Beverage & Tobacco sectors partially offset the overall growth in net profits.

Qatar Corporate Earnings : Q1-25 vs. Q1-24 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

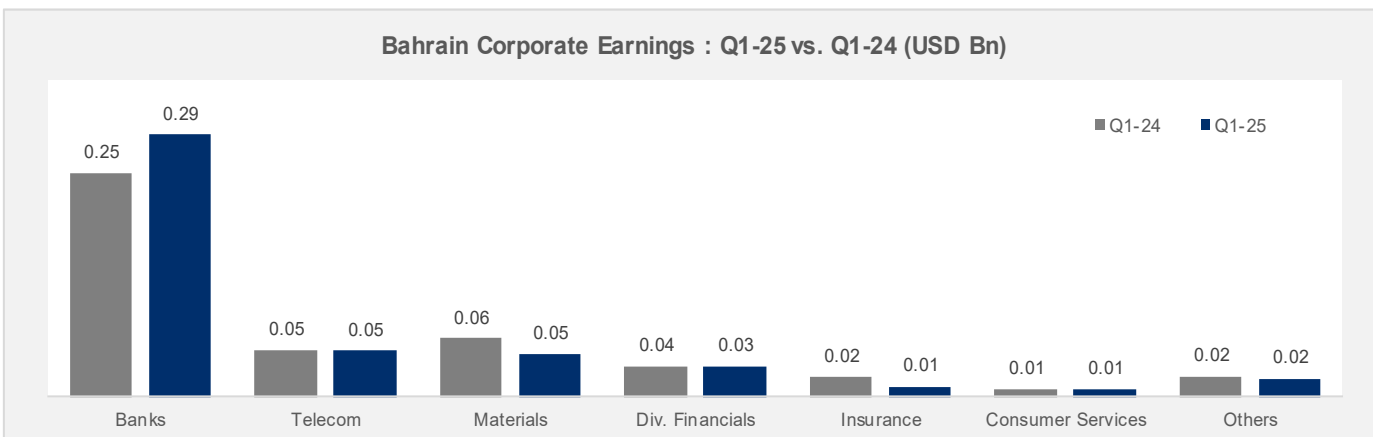
Qatar's Banking sector reported a profit growth of 1.1% in Q1-2025 that reached USD 2.09 Bn accounting for 57.7% of the overall exchange profits during the quarter. QNB's net profit reached USD 1.2 Bn in Q1-2025, up 2.9% compared to USD 1.1 Bn in Q1-2024, driven by higher operating income which increased 5.3% to reach USD 3.0 Bn. The bank reported a 6% increase in customer deposits while loans and advances increased by 9% to reach USD 260.1 Bn. Meanwhile, QIB's net profit surged 3.2% in Q1-2025 to reach USD 270.2 Mn vs USD 261.9 Mn in Q1-2024. The bank reported higher net interest income and non-interest income and a marginal decline in quarterly impairments during Q1-2025. Net profits for Qatar International Islamic Bank increased by 6.4% to USD 97.7 Mn in Q1-2025 from USD 91.9 Mn in Q1-2024 mainly led by an increase in net interest income that more than offset a decline in non-interest income. A fall in impairments during Q1-2025 also supported bottom-line growth during Q1-2025.

In the Telecom sector, Ooredoo reported net profits of USD 263.3 Mn in Q1-2025 as compared to USD 250.3 Mn in Q1-2024, up by 5.2% mainly led by lower forex impact during the quarter as well as a fall in interest expense. The increase in net profits came despite a fall in revenue by 4% y-o-y to USD 480 Mn for Q1-2025 mainly due to lower device sales, impact of Asian Football Confederation (AFC) revenue in Q1-2024 and data center carve out. EBITDA declined by 2% to reach USD 255.0 Mn. The telco's customer base declined by 3% y-o-y to 3.0 million subscribers. Vodafone Qatar reported a net profit of USD 44.5 Mn for Q1-2025, representing an increase of 8.2% y-o-y compared to USD 41.2 Mn in Q1-2024. Total revenue increased by 6.1% y-o-y to reach USD 234.8 Mn due to sustained growth across all core business segments, including mobility, fixed broadband services, managed services, Internet of Things (IoT), handsets and others. Service revenue grew by 2.5% to USD 198.0 Mn. EBITDA increased by 6.1% to reach USD 98.3 Mn impacted by the higher service revenue. EBITDA margin remained stable at 41.9%.

Net profits for the Energy sector improved by 7.5% y-o-y to reach USD 242.9 Mn supported by profits reported by Gulf International Services Co. and Qatar Gas Transport Co. (Nakilat). Net profits for Gulf International Services Co. increased by 37.8% to reach USD 60.9 in Q1-2025 vs USD 44.2 Mn for Q1-2024 driven by the strong results from the aviation, drilling, and insurance segments. The drilling segment recorded stronger performance driven by increased rig move activity during the current quarter in addition to higher rig utilization. The aviation segment benefited from higher contributions from the MRO segment, supported by additional third-party engine overhaul works. Meanwhile, revenue growth in the insurance segment was attributed to the higher earned portion of policies issued during the quarter. Qatar Gas Transport Co. posted a net profit increase of 3.2% to reach USD 118.8 Mn in Q1-2025 vs USD 115.1 Mn in Q1-2024 mainly led by the increase in revenue due to strong demand from wholly owned vessels, partially offset by lower contributions from LNG and LPG joint ventures. This was achieved despite lower income due to capital allocation towards the newbuild program. The company's LPG joint venture outperformed during the quarter mainly due to improved charter rates, cost efficiencies and increased operating days due to two vessels drydocking in Q1-2024.

Bahrain

Total net profits for Bahrain-listed companies rose by 2.2% y-o-y in Q1-2025, reaching USD 465.3 Mn compared to USD 455.3 Mn in Q1-2024. This modest growth was driven by higher earnings in three of the fourteen sector aggregates listed on the exchange, while the remaining eleven sectors recorded y-o-y declines. The sectors that contributed positively to overall earnings included Banking, Transportation, and Capital Goods while sectors like Telecom, Materials, Insurance and Real Estate registered y-o-y decline in profits.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Banking sector was the primary driver of Q1-2025 earnings growth, with total net profits increasing by 16.8% y-o-y to USD 289.4 Mn from USD 247.8 Mn in Q1-2024, helping to lift overall market performance into positive territory. The sector's growth was largely supported by a sharp rise in profits at Bahrain Islamic Bank, which reported multi-fold y-o-y increase in net profits that reached USD 26.5 Mn, up from USD 2.7 Mn in the same period last year. The increase was led by higher net interest income that more than offset a fall in non-interest income as well as higher y-o-y impairments. Arab Banking Corporation recorded the highest net profits among banks, with Q1-2025 earnings of USD 76.0 Mn, slightly up from USD 74.9 Mn in Q1-2024. The increase was mainly led by a decline in impairments during the quarter that more than offset a fall in net interest income as well as non-interest income. Similarly, the National Bank of Bahrain posted a 2.2% increase in net profits during Q1-2025, reaching USD 74.6 Mn compared to USD 72.9 Mn in Q1-2024.

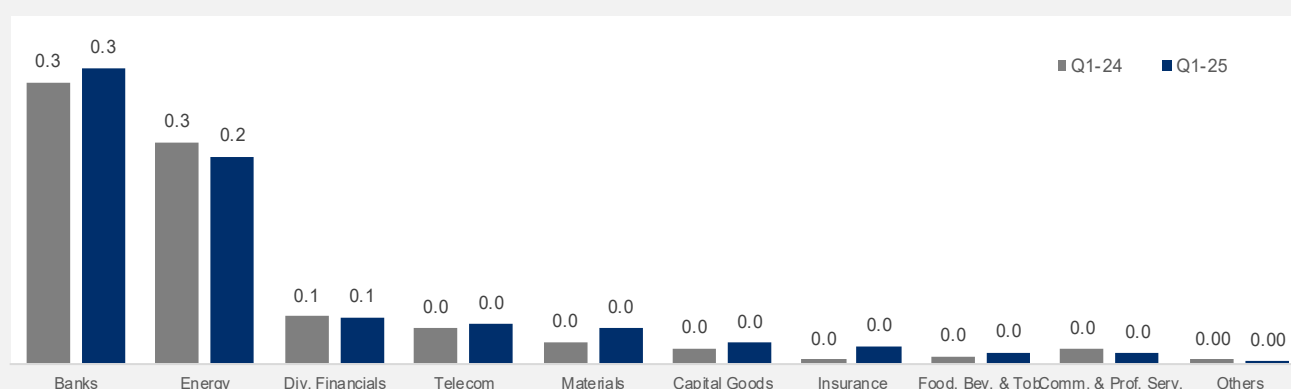
The bank's improved results were primarily attributed to an increase in non-interest income that more than offset a fall in net interest income as well as higher impairments booked during the quarter. By contrast, the Materials sector reported a significant 25.9% decline in net profits during Q1-2025, totaling USD 48.1 Mn vs. USD 64.9 Mn in Q1-2024. Aluminum Bahrain (Alba), the sole constituent of the sector, attributed the decline in profits to an increase in production costs, which significantly impacted EBITDA and consequently reduced bottom-line earnings. The decline came despite a strong top-line performance, supported by a 20% y-o-y increase in LME prices and a 38% rise in premiums.

In the Telecom Sector, total net profits declined by 3.0% y-o-y in Q1-2025 to USD 51.1 Mn from USD 52.7 Mn in Q1-2024. Batelco (Beyon), the sector's key player, reported a 3.8% decline in Q1-2025 net profits that reached USD 48.0 Mn compared to USD 49.8 Mn a year earlier. The slight reduction in Beyon's earnings was primarily due to the impact of the Domestic Minimum Top-Taxes (DMTT), which came into effect on 1 January 2025, in addition to acquisition-related costs from deals concluded during 2024.

Oman

Total net profits for listed companies in Oman rose by 5.8% y-o-y in Q1-2025, reaching USD 789.0 Mn compared to USD 746.0 Mn in Q1-2024, driven primarily by higher earnings in the Banking, Telecommunications, and Materials sectors. A decline in profits mainly for the Energy, Diversified Financials and Utilities sectors partially offset the overall growth during Q1-2025. The Banking Sector posted a 5.1% increase in net profits, reaching USD 340.0 Mn during Q1-2025, up from USD 323.5 Mn in the corresponding period of 2024. Of the seven banks that disclosed financial results, six reported growth in net earnings, while Sohar Bank was the only one to record a y-o-y decline.

Oman Corporate Earnings : Q1-25 vs. Q1-24 (USD Bn)



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Bank Muscat recorded the largest absolute increase in net earnings among the banks, with Q1-2025 net profits rising to USD 152.1 Mn from USD 140.9 Mn in Q1-2024. This growth was supported by a 6.9% y-o-y increase in net loans and advances, including Islamic financing receivables, which reached OMR 10.54 Bn compared to OMR 9.86 Bn as of March 31, 2024. This resulted in a 12.5% y-o-y increase in net interest income during the quarter, more than offsetting a 4.6% decline in non-interest income. A decline in impairments also supported profit growth during the quarter. National Bank of Oman (NBO) posted the third-largest net profit among the banks at USD 44.4 Mn in Q1-2025, up from USD 40.2 Mn a year earlier. The bank's earnings growth was attributed to a 10.6% y-o-y increase in gross loans that reached USD 10.8 Bn at the end of Q1-2025.

Meanwhile, total net profits for the Diversified Financials Sector declined by 1.5% y-o-y to USD 53.0 Mn in Q1-2025 from USD 53.8 Mn in Q1-2024. Ominvest reported the biggest absolute profit in the sector, although it declined by 3.8% y-o-y to USD 25.0 Mn in Q1-2025. Dhofar International Development and Investment followed with net earnings of USD 9.7 Mn, up from USD 8.2 Mn in Q1-2024.

The Telecommunications sector recorded an 11.8% y-o-y increase in total net profits for Q1-2025, reaching USD 45.5 Mn compared to USD 40.7 Mn in Q1-2024. The improvement was primarily driven by a 21.7% increase in OmanTel's net profits, which reached USD 40.7 Mn, up from USD 33.4 Mn in the previous year. In contrast, Ooredoo Oman reported a 34.1% y-o-y decline in net profits, falling to USD 4.8 Mn in Q1-2025, down from USD 7.3 Mn in Q1-2024.

Total net profits for the Energy Sector in Q1-2025 declined by 6.3% y-o-y, reaching USD 238.4 Mn compared to USD 254.4 Mn in Q1-2024. Out of the seven companies comprising the Energy Sector, six recorded y-o-y decreases in their Q1-2025 net earnings. Among them, OQ Exploration & Production SA reported the highest net profit at USD 194.5 Mn with a decline of 5.5% led by lower revenues due to the fall in average crude oil prices coupled with an increase in depreciation and amortization during the quarter.

In contrast, the Capital Goods Sector recorded a significant y-o-y increase of 36.5% in total Q1-2025 net earnings, reaching USD 23.9 Mn compared to USD 17.5 Mn in Q1-2024. The increase was led by a multifold increase in profits for Voltamp Energy that reached USD 7.9 Mn supported by an increase in revenues. Within the sector, Oman Cables Industry Co posted the highest net profit at USD 14.4 Mn in Q1-2025, slightly up from USD 14.3 Mn in Q1-2024.

Aggregate net earnings for the Insurance Sector surged by 392.7% y-o-y to USD 20.1 Mn in Q1-2025, compared to USD 4.1 Mn in Q1-2024. Of the five companies within the sector, two returned to profitability in Q1-2025 after reporting losses in the same period last year. This includes Liva Group SAOG, which posted net earnings of USD 10.6 Mn in Q1-2025, a sharp turnaround from a loss of USD 2.3 Mn in Q1-2024. Liva Group's strong performance was underpinned by the solid, independent results of its operating entities, supported by the expansion of distribution partnerships across Oman, the UAE, and Saudi Arabia. Similarly, Oman United Insurance Company recorded a net profit of USD 0.9 Mn in Q1-2025, recovering from a loss of USD 1.4 Mn in Q1-2024.

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