



OIB GCC Quarterly Earnings Monitor

4Q25 – GCC ex-Aramco Full-Year Earnings Reach a Record USD 150bn; Oman's Market Rally Outpaces Fundamentals

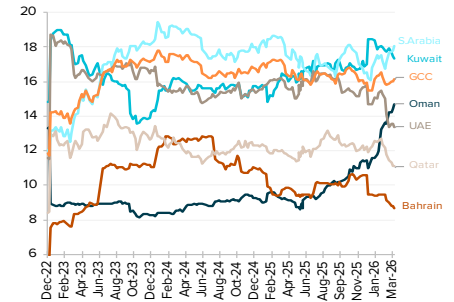
This is our fourth edition of the GCC Quarterly Earnings Monitor, analysing 730 listed companies in the region. The objective of the Monitor is threefold: (i) to identify and assess earnings trends across key sectors in the GCC; (ii) to examine earnings developments on a country-by-country basis; and (iii) to contextualise these findings within the framework of recent market price movements. Our report is primarily a quantitative strategy document, based on factual and refined data, and does not imply any direct investment recommendations on individual companies.

The key takeaways from 4Q25 GCC Earnings Monitor are as follows:

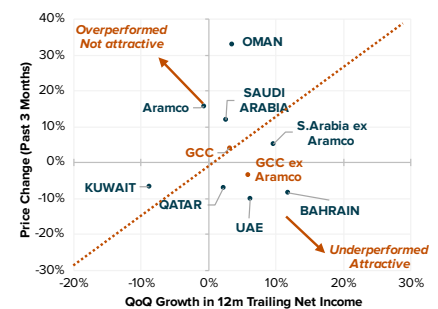
- GCC ex-Aramco Full-Year Earnings Hit a Record USD 150bn; Non-oil is the engine.** GCC combined net income (ex-Aramco) reached USD 40.1bn in 4Q25, bringing full-year 2025 earnings to USD 150.1bn; a record, and 13% above 2024. The UAE alone accounts for nearly half of the GCC earnings pool and delivered the strongest full-year growth at 17%, while Saudi ex-Aramco grew 13%. Real Estate led all sectors on a full-year basis with 41% annualized growth, followed by Industrials at 25% and Investment Companies at 22%. The sequential gain, however, was the smallest in four quarters; only USD 300m above 3Q25 that is suggesting the earnings cycle may be approaching a plateau.
- Oman's P/E Re-Rating Reflects a Closing Valuation Gap. From Discount to Regional Alignment.** Oman's trailing P/E rose from 9.2x in December 2024 to 14.7x by end-March 2026, marking a meaningful re-rating that has moved the market from a clear discount to closer alignment with regional peers. By mid-March 2026, Oman's multiple surpassed the UAE's, which eased from 15.5x to 13.4x. Oman now trades at a modest ~10% premium, alongside steady full-year earnings growth of 8% versus the UAE's 17%. As noted in our previous reports, the earlier valuation discount has largely narrowed. The re-rating appears driven by improved investor positioning, including EM-related flows, rather than a material change in earnings, with convergence accelerating since Feb 2026.
- The UAE's Valuation Disconnect Is the Story of This Quarter. Strongest earnings, weakest market.** The UAE delivered the best full-year earnings growth in the GCC at 17%, yet its market capitalisation declined 10% YTD, the widest negative gap between earnings and price in the region. Oman sits at the opposite end: its market capitalisation rose 33% YTD, the largest rally in the region; while full-year earnings grew a more modest 8%, reflecting a re-rating around EM watch list expectations rather than earnings growth. Kuwait was the weakest quarterly performer with a 39% YoY decline in 4Q25 earnings, while Bahrain led at 51% and the UAE at 25%.
- Price versus Earnings. The Broadest Misalignment We Have Recorded.** Six sectors mispriced Price-earnings misalignments widened in 4Q25 across countries and sectors alike. Six sectors—Real Estate, Investment Companies, Consumer Non-Cyclicals, Utilities, Communications, and Industrials—recorded positive trailing earnings growth, yet their market capitalisations either declined or stagnated. Real Estate stands out as the most extreme case, with annualised earnings growth of 41% alongside a 13% drop in market capitalisation. In contrast, Energy moved in the opposite direction, with prices rising 14% despite a 7% decline in earnings. Aramco is the clearest example of this divergence. Its market capitalisation rose 15.6% YTD even as full-year earnings fell 7.8%. Meanwhile, Saudi Arabia ex Aramco tells a

GCC Equities Quarterly Earnings

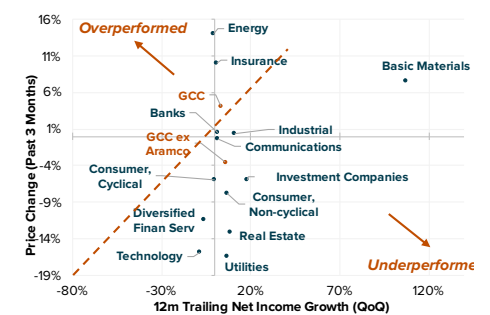
GCC Countries – 12m Trailing P/E



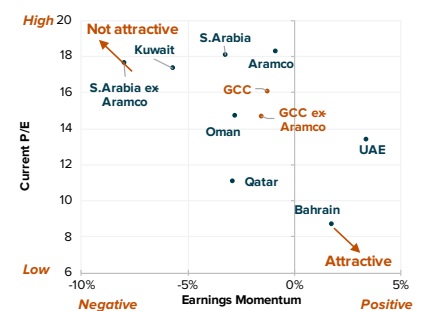
GCC– 12m Trailing Net Income QoQ Growth vs. Past 3M Price Performance



GCC– 12m Trailing Net Income QoQ Growth vs. 3M Price Performance



GCC Countries– Forward Earnings Momentum vs. P/E.



Research Analysts

Akin Tuzun

Akin.Tuzun@oib.om

Mazin Al Farsi

Mazin.Alfarsi@oib.om

Al Maamun Al Mutairi

Almaamun.Almutairi@oib.om

fundamentally different story: trailing 12-month earnings grew 12.8% YoY, yet mcap gained only 5.2% YTD.

- **Forward Momentum Is Narrowing to Three Sectors and Two Countries.** *Late-cycle signal.* Only three sectors carry positive forward earnings momentum: Investment Companies, Basic Materials and Real Estate. The remaining ten are decelerating. At the country level, only the UAE and Bahrain exhibit positive momentum, every other market is negative, with Saudi ex-Aramco the weakest. Real Estate offers the most compelling combination in the GCC: the lowest sector P/E at 7.9x paired with the strongest earnings momentum and the highest annualized growth. The UAE and Bahrain sit in the attractive quadrant of our momentum-versus-valuation framework, while Kuwait and Saudi Arabia occupy the opposite corner. Earnings are broadening; momentum is not.
- **Focus List:** Among our Focus List names, UAE real estate and banking had strong earnings performance in 4Q25. Emaar Properties carries the lowest P/E in the entire list at 5.9x while delivering 30% annualized earnings growth. ADCB posted the strongest sequential improvement among banks. On a full-year basis, EAND was the standout non-real-estate performer with 34% annualized growth. Aramco extended its declining trend for another quarter, and ADNOC Gas saw weakest quarter since 4Q23. Among Kuwaiti names, NBK reflected the broader market weakness with a 6% sequential decline. The quality of GCC earnings is increasingly concentrated in non-oil UAE names, the diversification thesis is no longer a forward expectation; it is delivering in the numbers.

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Oman Investment Bank SAOC

CR No. 1482570

P.O. Box 10, PC 133 South Al Khuwair

Tel. +968 2111 6111

Email: info@oib.om



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