



الخليج الدولية للخدمات ش.م.ق
Gulf International Services qsc

Press Release

For the period ended March 31st, 2019

GIS posts net profit of QR 25 million for the period ended 31 March 2019

- Revenue of QR 719 million for the period ended 31 March 2019.
- EBITDA of QR 188 million for the period ended 31 March 2019.
- Total Assets of QR 10.5 billion as at 31 March 2019.
- Closing cash of QR 910 million as at 31 March 2019.



Doha, Qatar • 29 April 2019 - Gulf International Services (“GIS” or “the group”; QE: GISS), one of the largest services groups in Qatar, with interests in a broad cross-section of industries, ranging from insurance and re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services, announced its financial results for the period ended 31 March 2019 with a revenue of QR 719 million, EBITDA of QR 188 million and net profit of QR 25 million.

Financial Results

Revenue & Net profit

The group’s revenue for the period ended 31 March 2019 was QR 719 million compared to revenue of QR 611 million in the previous year, up by 18%, with the insurance segment reporting the highest increase. The group’s net profit for the same period closed at QR 25 million, with earnings per share of QR 0.14, compared to QR 9.5 million net profit and QR 0.05 earnings per share in the previous year. The aviation and the catering segments were the main contributors to the increase.

Revenue in the insurance segment improved significantly versus last year mainly due to capturing new accounts within the energy and medical lines of business, in addition to regaining some of the previously lost businesses. On the other hand, net profit remained flat compared to last year due to higher net claims and reinsurance costs.

The drilling segment reported a marginal growth in revenue, mainly due to the deployment of the new offshore drilling rig “West Tucana” contracted to Qatar Gas via a strategic partnership with Seadrill. In addition, the company will continue bidding for future contracts whenever an opportunity arises. The operating profit witnessed a significant increase of more than 50% year-on-year, due to increased revenue together with optimized costs. However, the segment’s net loss remains flat on last year, primarily due to increase in finance costs.

The aviation segment reported a moderate growth in revenue compared to last year, mainly as a result of the growth of activities in its international operations, while maintaining the commercial aviation position locally. The growth in the international operations along with savings in G&A expenses resulted in a notable increase in net profits.

The catering segment, on the other hand, reported a reduction in revenue due to demobilization of major contracts and reduction in camps occupancy. However, the segment is screening for future opportunities to tender for within the service and industrial

sectors. Nevertheless, the segment witnessed an increase in net profit as result of lower direct costs and savings in G&A expenses, despite the company strictly complying with regulatory requirements including accommodations, minimum wages, and health and safety.

Cash and Debt Position

The group's closing cash stood at QR 910 million as at 31 March 2019 with a total debt of at 4.9 billion, where the drilling segment representing 90% of the group debt.

Performance Improvement Efforts

GIS has embarked on a number of initiatives to improve financial and operational performance through optimizing costs and operations. These initiatives include detailed assessments of the group's operational assets and the cost base with an objective of improving operational and cost efficiencies. GIS is continuing the execution of some of the previously identified initiatives, which are in various stages of completion and is progressing well. In addition, GIS will continue the assessment of the group's operation to capture potential revenue enhancement and cost improvement opportunities.

###

For more information about this press release, email gis@qp.com.qa or visit
www.gis.com.qa



DISCLAIMER

The companies in which Gulf International Services Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "GIS" and "the group" are sometimes used for convenience in reference to Gulf International Services Q.P.S.C.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gulf International Services Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's services, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this presentation.

Gulf International Services Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Gulf International Services Q.P.S.C., its subsidiaries, and associated company are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Gulf International Services Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

GENERAL NOTES

Gulf International Services' accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Gulf International Services' share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Cash Realisation Ratio: Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Cash Dividend / Market Capitalisation x 100 • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as [Net Profit + Interest Expense + Depreciation + Amortisation] • **Energy (Insurance):** Refers to the Energy, Plant and Construction, Marine, Fire and Other lines of business • **EPS:** Earnings per Share [Net Profit / Number of Ordinary Shares outstanding at the year end] • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **IBNR:** Incurred But Not Reported (Refers to claims incurred but not yet reported at the statement of financial position date) • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **Net Debt:** Current Debt + Long-Term Debt - Cash & Bank Balances • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings multiple [Closing market capitalisation / Net Profit] • **ROA:** Return On Assets [EBITDA/ Total Assets x 100] • **ROCE:** Return On Capital Employed [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** Return On Equity [Net Profit / Shareholders' Equity x 100] • **Utilisation (Rigs):** Number of days under contract / (Number of days available - Days under maintenance) x 100

ABOUT GIS

Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008 by Resolution Number 42 of 2008 of the State of Qatar's Ministry of Economy and Commerce, pursuant to its Memorandum and Articles of Association and Law Number 5 of 2002 concerning Commercial Companies. The authorised share capital is QR 2 billion with the issued share capital consisting of 148.7 million ordinary shares and 1 special share.

Through the group companies, Gulf International Services Q.P.S.C. operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation and catering services.

Qatar Petroleum, the largest shareholder, provides all of the head office functions for Gulf International Services Q.P.S.C. through a comprehensive service directive. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

