



# Gulf International Services

## Investor Relations Presentation

30 June 2023

# DISCLAIMER

The companies in which Gulf International Services Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “GIS” and “the Group” are sometimes used for convenience in reference to Gulf International Services Q.P.S.C.

This presentation may contain 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 realization 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.

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## GENERAL NOTES

Gulf International Services Q.P.S.C.'s accounting year follows the calendar year. No adjustment has been made for leap years. 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



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# About GIS

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# About GIS

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- Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008.
- The authorized share capital is **QR 2 billion** with an issued share capital consisting of 1.85 Billion ordinary shares and 1 special share, with **100%\*** of the market capitalization as a foreign ownership limit, and a maximum shareholding size for general shareholders of **2.0%** of the issued share capital.
- QatarEnergy provides most of the head office functions for Gulf International Services through a comprehensive service-level agreement.
- The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.



# Group Structure

- Through group companies, Gulf International Services operates in four distinct segments - **insurance and reinsurance**, **drilling**, **aviation services** and **catering services**.
- QatarEnergy owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~22%.



Gulf International  
Services Q.P.S.C.

Al Koot Insurance and  
Reinsurance  
Company - 100%

AMWAJ Catering  
Services Company -  
100%

Gulf Drilling  
International - 100%

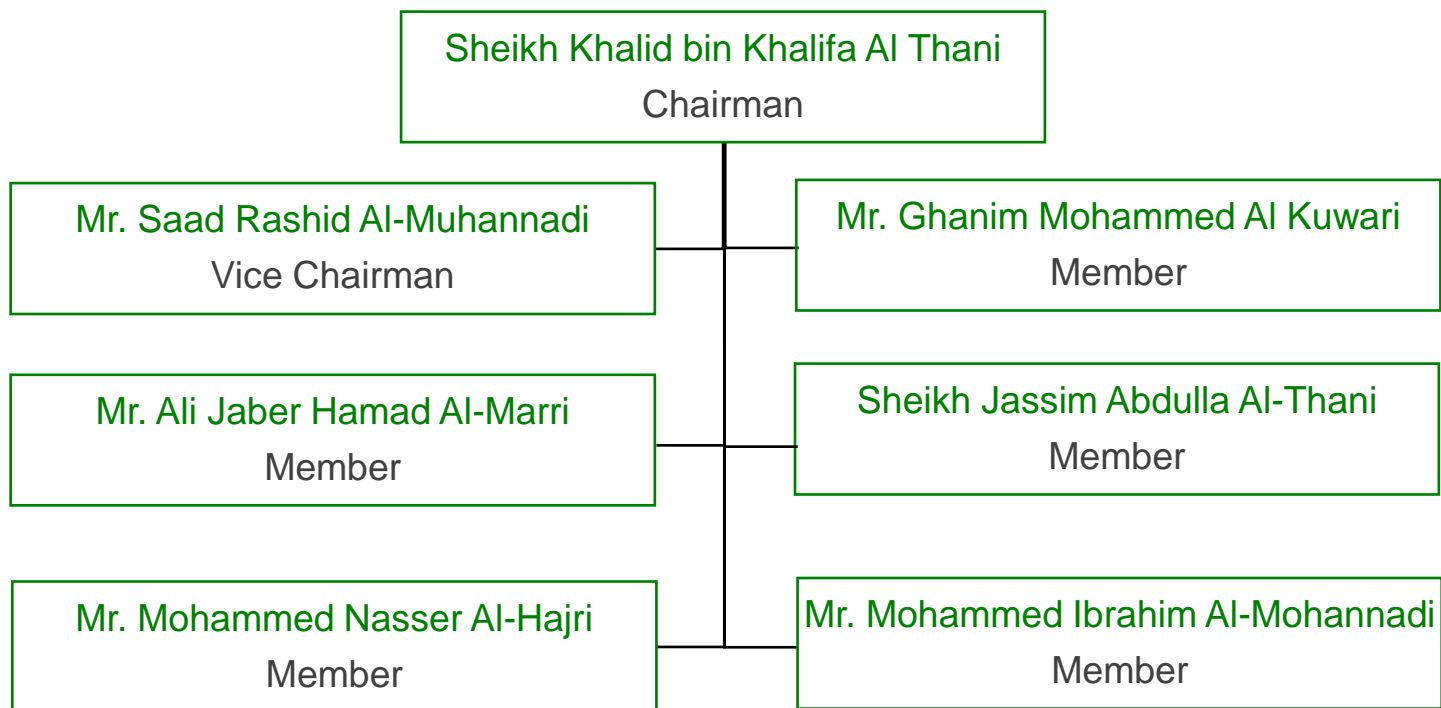
Gulf Helicopters  
Company - 100%

- All of the subsidiaries are **100%** owned by GIS.



# Board of Directors

The Board of Directors of the group consists of:



# Competitive Advantages

- The only Qatari drilling services provider.
- Maintaining market share of over 50% of offshore and 100% onshore oil & gas drilling services.
- Fleet with a proven track record.

Reputable  
provider for  
drilling  
services

Leading  
aviation  
service  
provider

- Sole provider of oil & gas helicopter services in Qatar
- One of the largest operator in the MENA.
- Modern and well-maintained fleet.
- Regionally diversified operations.

- Operating in diversified segments.
- One of the leading medical insurance providers
- Providing catering services for Offshore operations.

Diversified  
holding

Experienced  
senior  
leadership  
team

- Selected experienced management team in different service industries
- Internationally diversified management team.





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## Results at a glance (2015-2022)

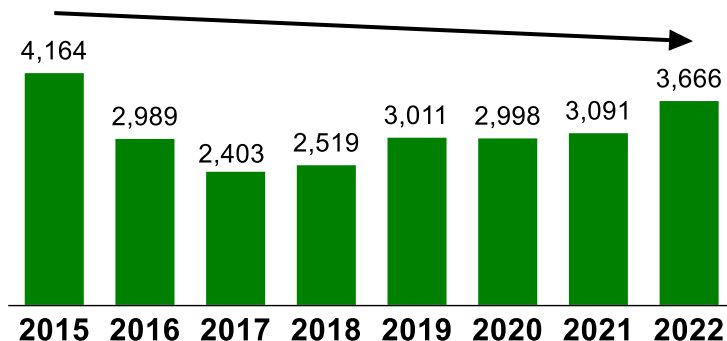
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# Results at a Glance (2015-2022)

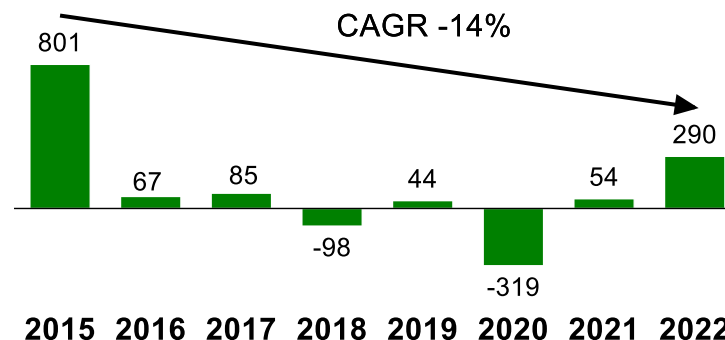
## Revenue (QR million)

CAGR -2%



## Net profit (QR million)

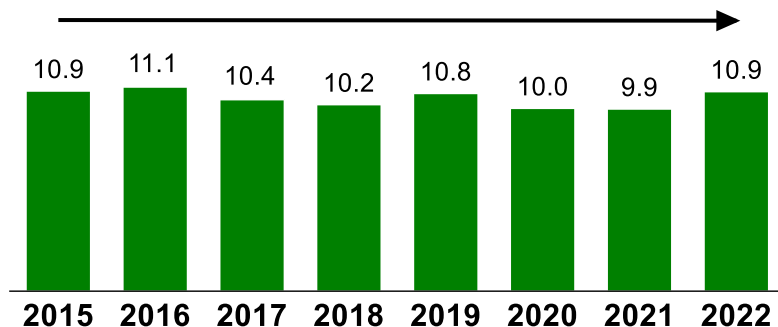
CAGR -14%



• **Revenue** for 2022 recovered significantly on account of constructive business dynamics with better macroeconomic context • **Net profit** improved significantly during 2022, owing to robust market dynamics, with constructive macro-drivers, however, finance cost continue to weigh on the bottom-line results • **Total Assets** remained relatively stable, after a significant increase amid GDI's acquisition of remaining stake and as well as, acquisition of new drilling assets in 2014 • **Total Debt** continue to weigh on Group's financial position

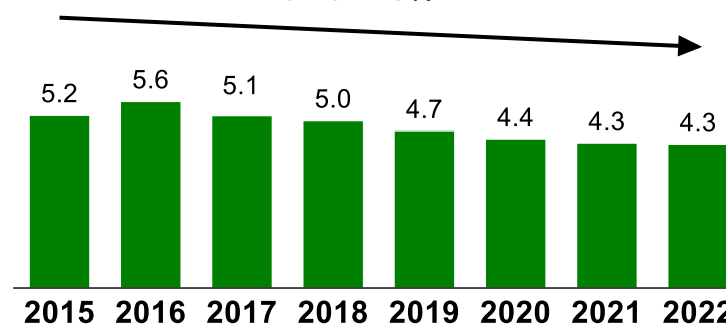
## Total Assets (QR billion)

CAGR 0.0%



## Total Debt (QR billion)

CAGR -3%



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**Results at a glance  
(For the six-month period  
ended 30 June 2023)**

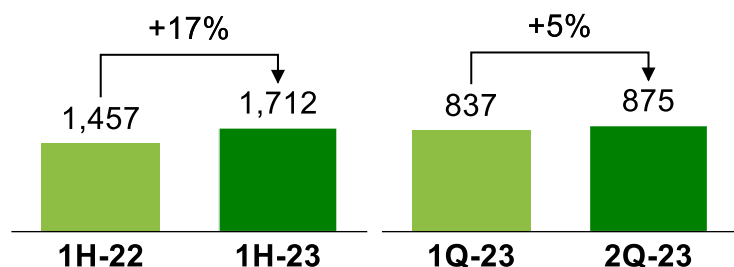
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# Results at a Glance

For the six-month period ended 30 June 2023

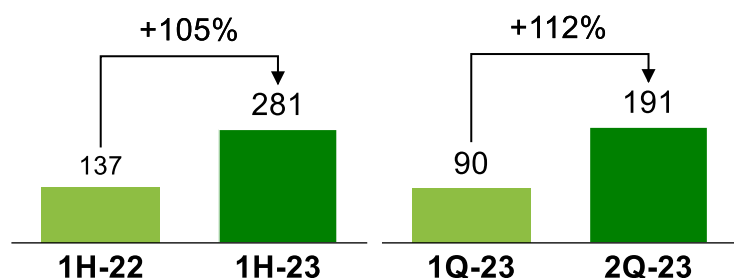
## Revenue (QR million)



**H1-22 vs H1-23:** All business segments witnessed growth in revenue. Amwaj's revenue of QR 216 million for 1H-23 (vs QR 249 million for 1H-22) is presented separately as part of discontinued operations as per IFRS 5 requirements

**1Q-23 vs 2Q-23:** Growth in group revenue mainly on account of better revenue reported from the aviation segment, which was slightly offset by negative movement from the drilling segment. :

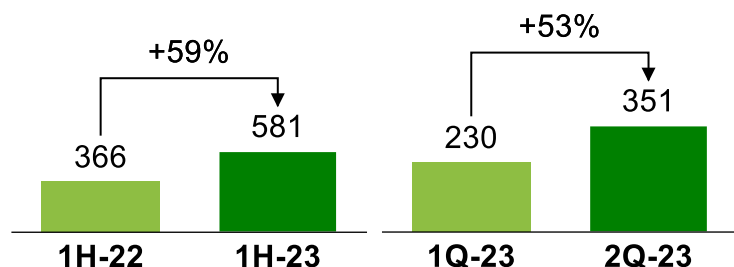
## Net profit (QR million)<sup>1</sup>



**H1-22 vs H1-23:** Profitability increased mainly due to growth in revenue and positive impact on hyperinflationary accounting in one of the overseas operations. This was partially offset by higher direct and finance costs.

**1Q-23 vs 2Q-23:** Growth in bottom line profitability mainly supported by growth in bottom line profitability from the aviation and drilling segments. Supported mainly by revenue growth from the aviation segment and lower operational costs from the drilling segment

## EBITDA (QR million)



**H1-22 vs H1-23:** EBITDA improved compared to the same period of last year, mainly due to higher revenues being partially offset by higher direct costs.

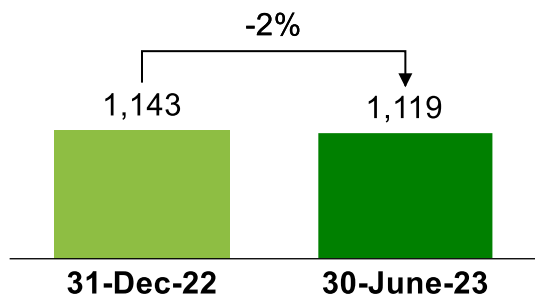
**1Q-23 vs 2Q-23:** EBITDA improved due to overall increase in Group's operating profit.



# Results at a Glance

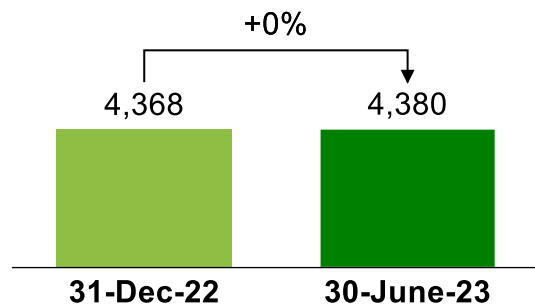
For the six-month period ended 30 June 2023

## Cash Balance (including Short-Term investments - QR million)



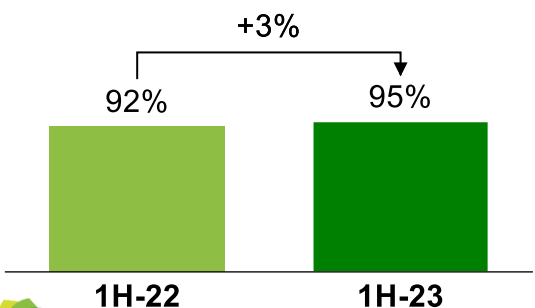
Cash balance marginally declined compared to last year-end, Total cash includes QR 49 million of unclaimed dividends from shareholders.

## Total Debt (QR million)



Total debt remained unchanged compared to last year-end. GDI debt represents 99% of total Group's debt, while the remaining 1% is from GHC.

## Av. Rig Utilization (%)<sup>1</sup>



Rig utilization reached 95% all marketable rigs and lift boats were contracted and operated except for the below:

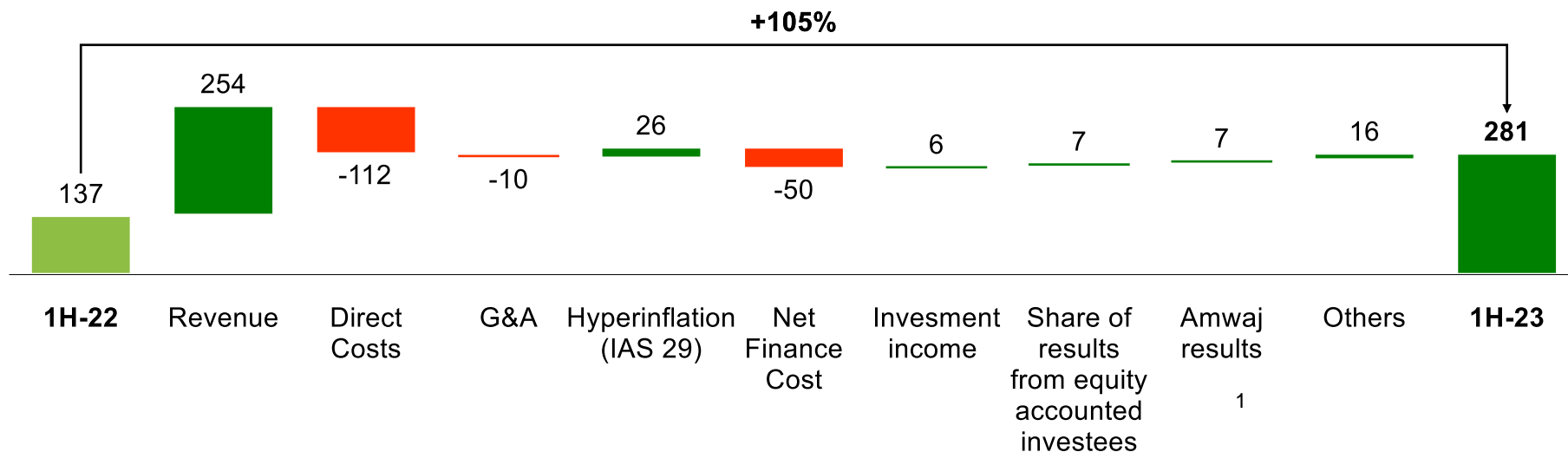
- GDI 4 has already been awarded a contract and expected to operate during Q3 2023.
- One of the liftboats went off contract during Mid May 23 and already awarded a new contract in Saudi Arabia.
- Another lift boat went off contract during end of March 23.



# Net Profit

For the six-month period ended 30 June 2023

Amounts reported in QR' millions



Profitability improved mainly due to the overall increase in revenues and positive impact on hyperinflationary accounting in one of the overseas operations. This was partially offset by the increase in direct costs, general & administrative expenses and net finance costs.

1. Catering business (i.e. 100% Amwaj operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.



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# Segmental Details

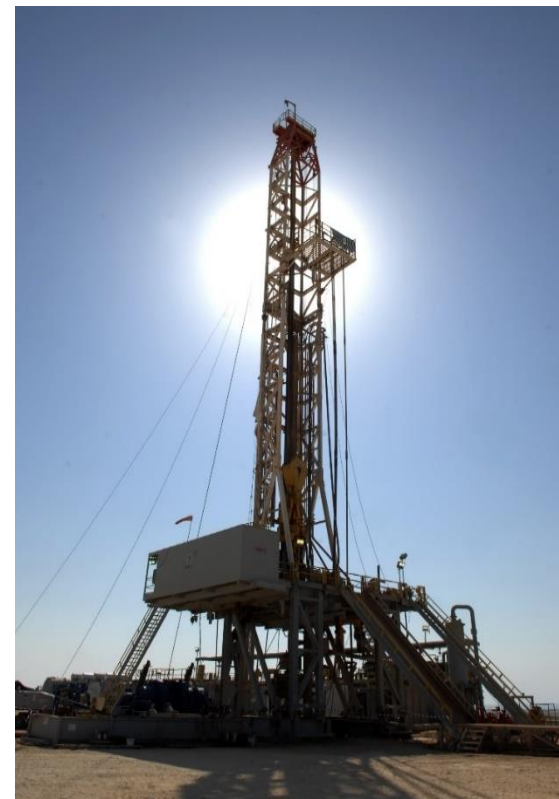
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# Segmental Details

## Drilling Segment

- **Gulf Drilling International (GDI)** incorporated in 2004 as a joint venture between QatarEnergy (60%) and Japan Drilling Company (40%).
- In 2014, GIS acquired the remaining stake of GDI, resulting in GDI becoming a wholly owned subsidiary of GIS.
- GDI is a world class drilling company and a market leader in Qatar that focuses on providing safe, efficient & cost effective drilling, Liftboat and Jack-up Accommodation services.
- GDI Assets consist of:
  - 7 offshore rigs.
  - 7 onshore rigs
  - 1 Accommodation- Jackup
  - 2 liftboats
- GDI in joint venture with Seadrill Limited, has formed 'Gulf Drill JV' with a 50% stake, with an objective to support the execution of the drilling contracts which have been awarded to GDI in relation to the North Field Expansion project. The contract cover provision of premium jack-up rigs, which commenced operations in various phases during 2020 & 2021.





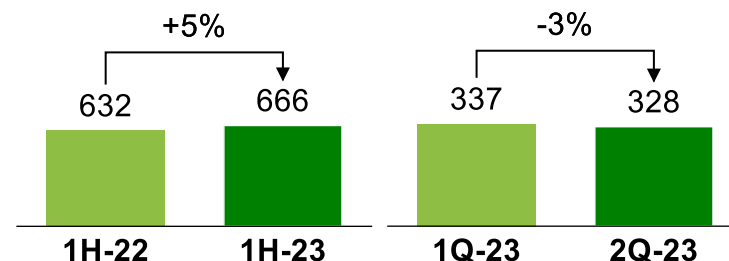
# Segmental Details

For the six-month period ended 30 June 2023

## Drilling Segment

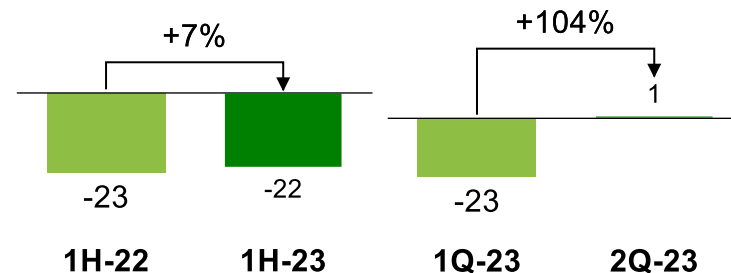
- **H1-22 vs H1-23:** Revenue growth has been driven by higher rig utilization which increased to 95%, due to deployment of an onshore drilling rig (GDI-8) during mid of 4Q-22. In addition, to one of the offshore rigs which was under maintenance during the previous year.
- **1Q-23 vs 2Q-23:** segmental revenue slightly reduced due to lower utilization of the lift boats. One went off contract during end off March 23 while the second went off-contract starting from mid May 2023 and starting a new contract in Saudi Arabia.

### Revenue QR million



- **H1-22 vs H1-23:** Reduction in losses was mainly attributed to the growth in segment's topline in addition to positive contribution from the Joint venture with Seadrill. Result was partially offset by increase in finance costs due to higher interest rates.
- **1Q-23 vs 2Q-23:** profit reported during Q2-23 was mainly due to lower operational costs and several crew change reversal accruals from the previous year which was done in Q1 2023.

### Net Profit/loss (before taxes) QR million



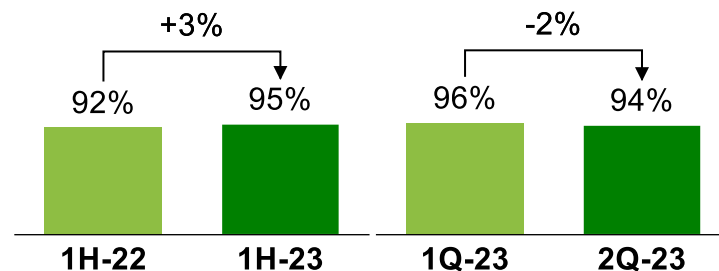
# Segmental Details

For the six-month period ended 30 June 2023

## Drilling Segment

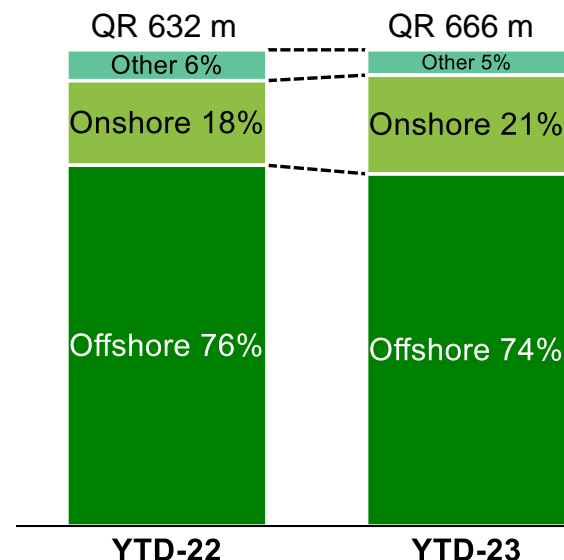
- **H1-22 vs H1-23:** Rig utilization reached 95%. One of the lift boats went off contract during end of March 23 while the second lift boat went off-contract during mid May 2023 and awarded a new contract with Aramco in Saudi Arabia. GDI 4 awarded a new contract and expected to be mobilized during Q3 2023.
- **2Q-23 vs 1Q-23:** Rig utilization dropped compared to the previous quarter mainly due to lower utilization experienced from the lift boat and barge segment.

### Rig utilization (%)<sup>1</sup>



- Offshore operations continue to contribute significantly towards the segment's topline.

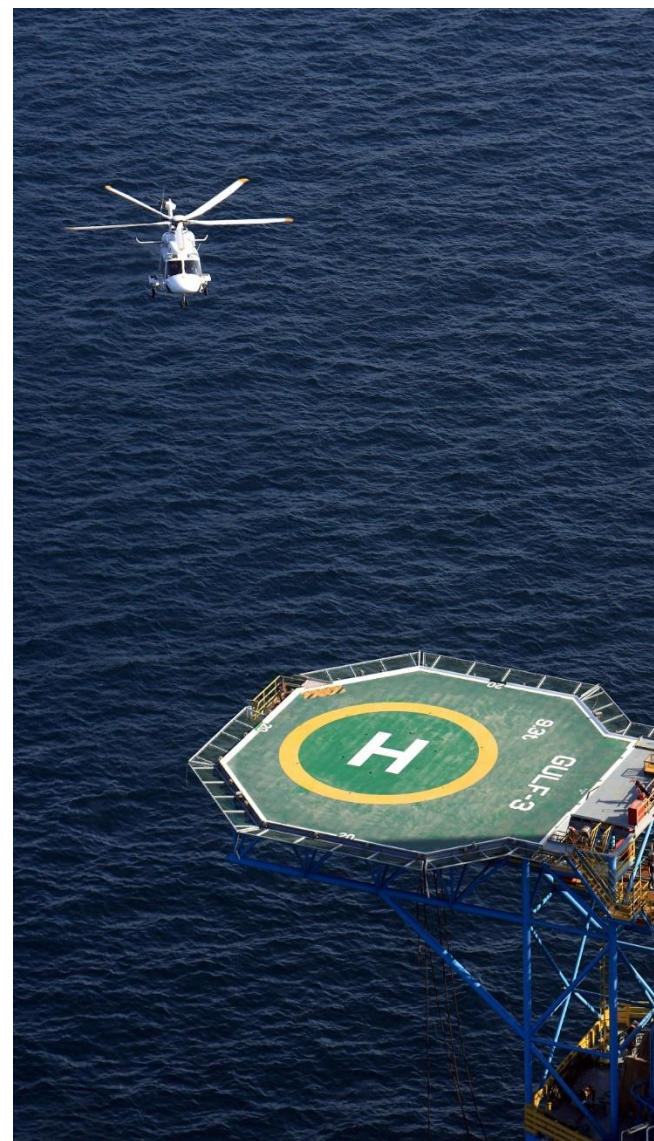
### Revenue Mix



# Segmental Details

## Aviation Segment

- **Gulf Helicopter Company (GHC)** is one of the leading commercial aviation service provider. With global footprints extending from Europe , Africa, Middle East, and South Asia with a fleet of **61 aircrafts**;
- **GHC has 3 Direct subsidiaries:**
  - Al Maha Aviation Company: 100% ownership.
  - Redstar Havacilik Hizmetleri A.S. In Turkey: 100% ownership
  - United Helicharters Pvt Ltd (90%), India
  - Gulf Helicopters Investment & Leasing Company (100%), Morocco
- **GHC has also investment in joint ventures in the following countries:**
  - Gulf Med Aviation Services Ltd (49%), Malta
  - Air Ocean Maroc (49%), Morocco



# Segmental Details

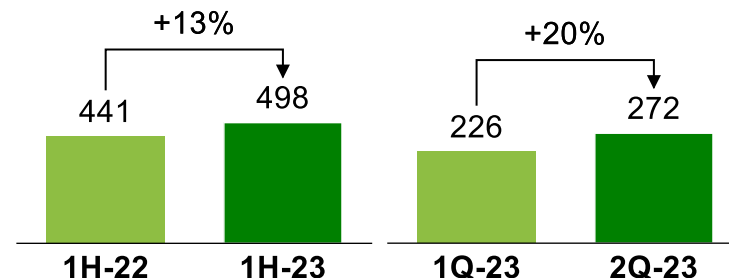
For the six-month period ended 30 June 2023

## Aviation Segment

- **H1-22 vs H1-23:** The increase was mainly attributed to higher flying activity recorded, within both domestic and international operations. Within international segment, the highest increase was reported from the Turkish operations, mainly as a result of local fleet expansion and improved flying hours. Also, MRO business remained strong with positive topline contribution.
- **1Q-23 vs 2Q-23:** segment revenue increased, mainly due to higher revenue from the Turkish subsidiary and additional revenue from the MRO segment.

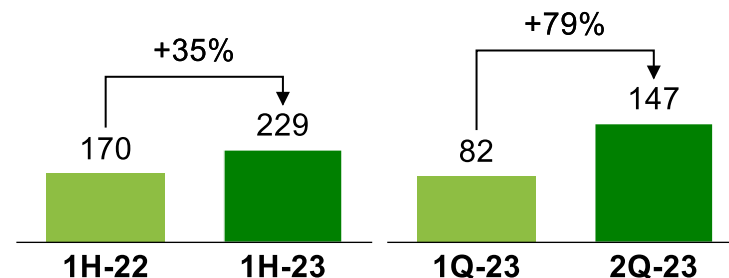
### Revenue

QR million



### Net profit (before taxes)

QR million



- **H1-22 vs H1-23:** Bottom-line profitability improvement was mainly supported by overall growth in segmental revenues in addition to higher finance income, lower losses from currency revaluation and positive inflationary impact in relation to IAS 29 accounting adjustment.
- **1Q-23 vs 2Q-23:** The increase in net profit was mainly driven by higher revenue as explained above. In addition to positive hyper inflation impact in relation to IAS 29 accounting adjustment.



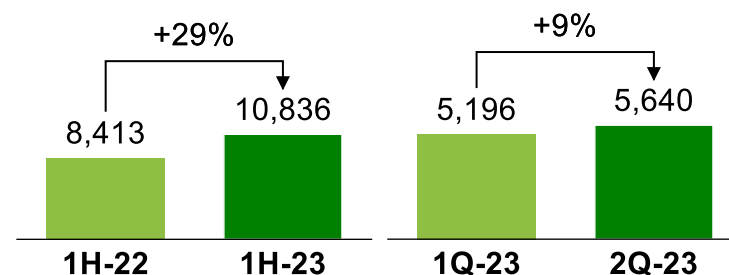
# Segmental Details

For the six-month period ended 30 June 2023

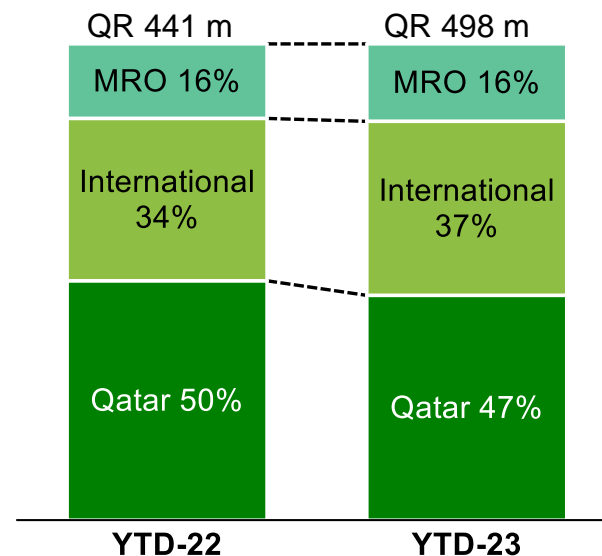
## Aviation Segment

- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations.
- Total flying hours increased by 29% on a year-on-year basis, where locally the flying hours increased by 17%, while within the international segment flying hours increased by 76%.

### Actual Flying hours



### Revenue Mix



- Qatar Operations continue to remain a key contributor to the overall segment revenue.



# Segmental Details

## Insurance Segment

- **Alkoot insurance**, incorporated in 2003, is mainly engaged in business of medical and general insurance and reinsurance activities, except for vehicle insurance & individual insurance against risk of death and accidents.
- In 2008, QatarEnergy transferred the ownership of Al-Koot to GIS. The company has changed its operations, from a captive insurer to a fully commercial insurance and re-insurance company in 2016.
- The company has a large client base within both the medical and energy segments, and is one of the largest insurance providers in Qatar.



# Segmental Details

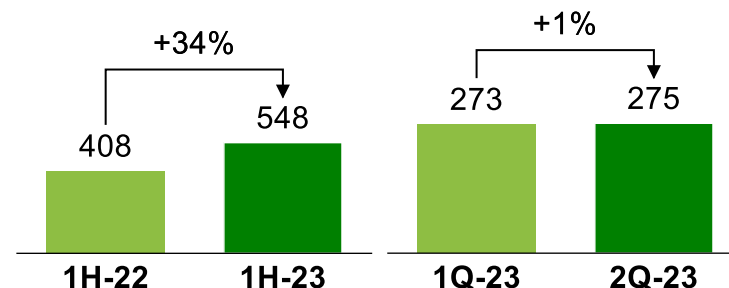
For the six-month period ended 30 June 2023

## Insurance Segment

- **H1-22 vs H1-23:** Increase in revenue was mainly linked to winning new contracts within both medical line of business and the general line of business.
- **1Q-23 vs 2Q-23:** Revenue marginally up by 1% compared to the previous quarter.

### Revenue

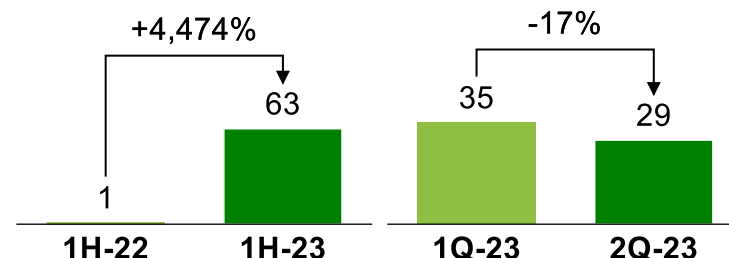
QR million



- **H1-22 vs H1-23:** The increase in profit was mainly driven by higher insurance revenue from both the medical and general line of business. In addition to higher investment income compared to last year due to increase in the market valuation of investment through FVTPL and higher finance income due to higher interest from fixed deposits.
- **1Q-23 vs 2Q-23:** Lower profit mainly due higher net claims reported in addition to lower investment income.

### Net profit (before taxes)

QR million





# Segmental Details

For the Six-month period ended 30 June 2023

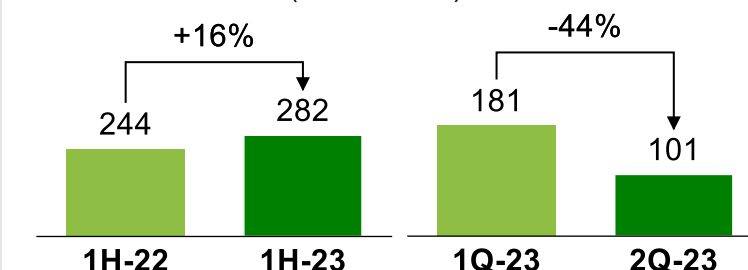
## Insurance Segment

- **H1-22 vs H1-23:** On year-on-year basis, claims incurred increased due to rise in medical claims. The mandatory health insurance for expats were not in full swing in 2022, thus, new clients were obtained towards the end of 2022. Claims related to new clients were incurred towards Q1 and Q2 2023.
- **1Q-23 vs 2Q-23:** On a quarter by quarter basis, incurred claims decreased due to the decrease in the estimated future cashflows for GI business claims and slow down of medical reported claims as policies issued towards the Q3 2022 and Q4 2022 began to expire.
- **H1-22 vs H1-23:** Investment income increased significantly mainly due to favorable movement in market value of FVTPL investment in addition to higher finance income on the back of increase in interest rate from deposit.
- **1Q-23 vs 2Q-23:** Investment income reduced compared to the previous quarter mainly due to lower number of trading transactions during the second quarter.

- General and medical insurance line of businesses remain equal contributors to the segment's revenue mix.

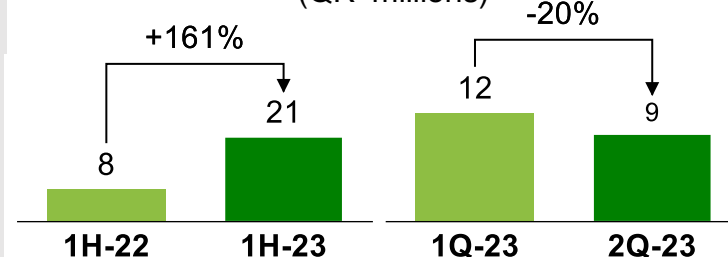
### Actual claims incurred

(QR 'millions)



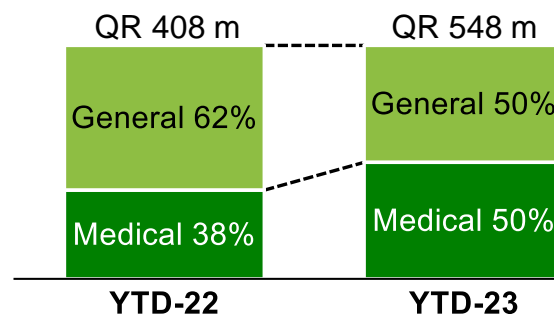
### Analysis of investment income on investment portfolio<sup>1</sup>

(QR 'millions)



<sup>1</sup>: Investment income includes dividend income, realized gains on disposal of investments, unrealized gain / loss on market-to-market of investment portfolio and finance income.

### Revenue Mix





# Segmental Details

## Catering Segment

- Amwaj Catering Services Company, incorporated in 2006 as a wholly-owned subsidiary of QatarEnergy
- Amwaj was subsequently acquired by GIS in 2012.
- Amwaj Provides diverse services which include:
  - Business & Industrial catering
  - Corporate Hospitality & VIP dining
  - Cleaning & Janitorial Services
  - Camp Management
  - Pest Control
  - Office & Manpower Services

Catering business (i.e. 100% Amwaj operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.



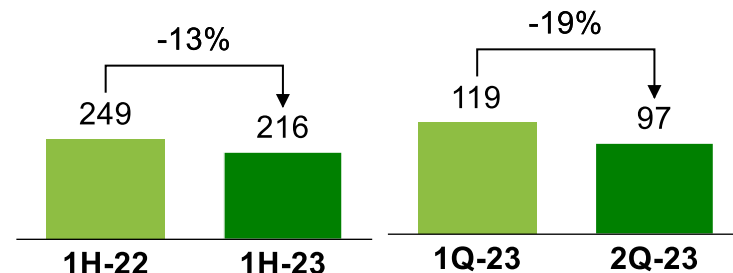
# Segmental Details

For the six-month period ended 30 June 2023

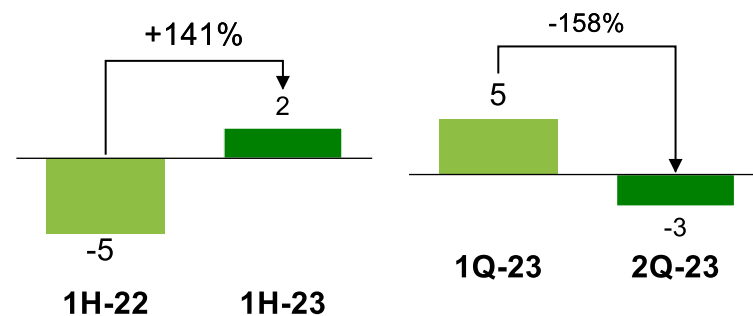
## Catering Segment

- **H1-22 vs H1-23:** Revenue reduction was mainly due to the completion of FIFA world cup related contracts, non-renewal of certain contract within the catering segment and lower occupancy level experienced from the accommodation segment.
- **1Q-23 vs 2Q-23:** segmental revenue witnessed a reduction of 19% mainly due to reduction in revenue from the manpower services business due to completion of certain contracts.

### Revenue QR million



### Net profit / (loss) (before income taxes) QR million



- **H1-22 vs H1-23:** Segment profitability improved mainly due to lower operational costs pertaining to the manpower segment.
- **1Q-23 vs 2Q-23:** Reduction in profitability mainly due to reduction in revenue affected by the completion of certain manpower contract.

Note: Catering business (i.e. 100% Amwaj operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.



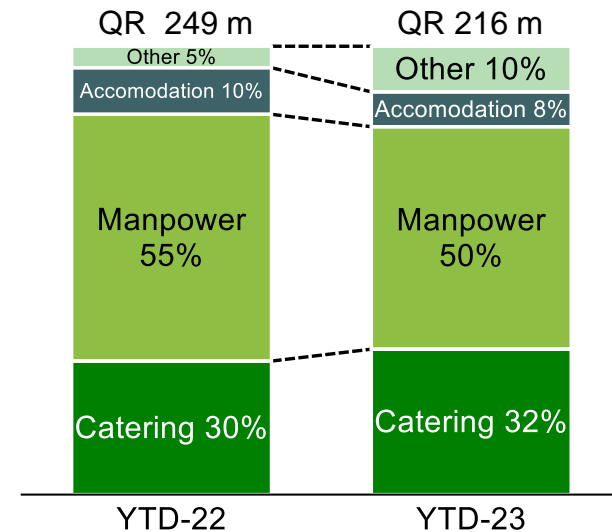
# Segmental Details

For the six-month period ended 30 June 2023

## Catering Segment

- Manpower and catering businesses continue to remain key contributors to segmental revenues.

### Revenue mix



Note: Catering business (i.e. 100% Amwaj operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.

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# Governance Structure

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# Governance Structure

## Board Structure

- GIS Board of Directors consists of seven (7) Directors, three (3) Directors of whom were appointed by the Special Shareholder, which is QatarEnergy, and four (4) Directors were elected with effect from 10/03/2021.
- QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

## Board Committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are (i) Audit Committee (ii) Nomination and Remuneration Committee, and (iii) Steering Committee

## Governance and Compliance

- GIS is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company's AoA.
- The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementation whenever required.

## Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company's Manual of Authorities and the relevant regulations.



# Governance Structure

## Remuneration

### • Board of Directors

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

### • Executive Management

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement

## Shareholders rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

## Disclosure and Transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

## Company's control system

- The Company adopted an internal control system that consists of policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.
- The internal control framework is overseen by the senior Executive Management, the Audit Committee and the Board of Directors.





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

For further information, **Gulf International Services** can be contacted as follows:

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