



# Gulf International Services

## Investor Relations Presentation

30 June 2024

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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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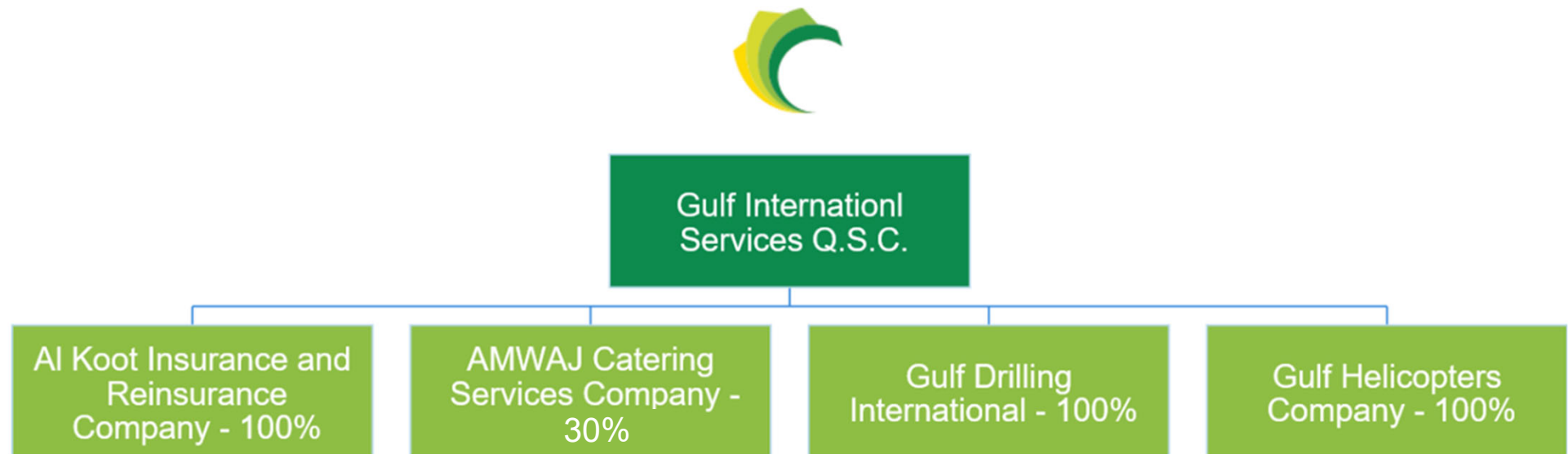
# About GIS

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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 ~22.0%.

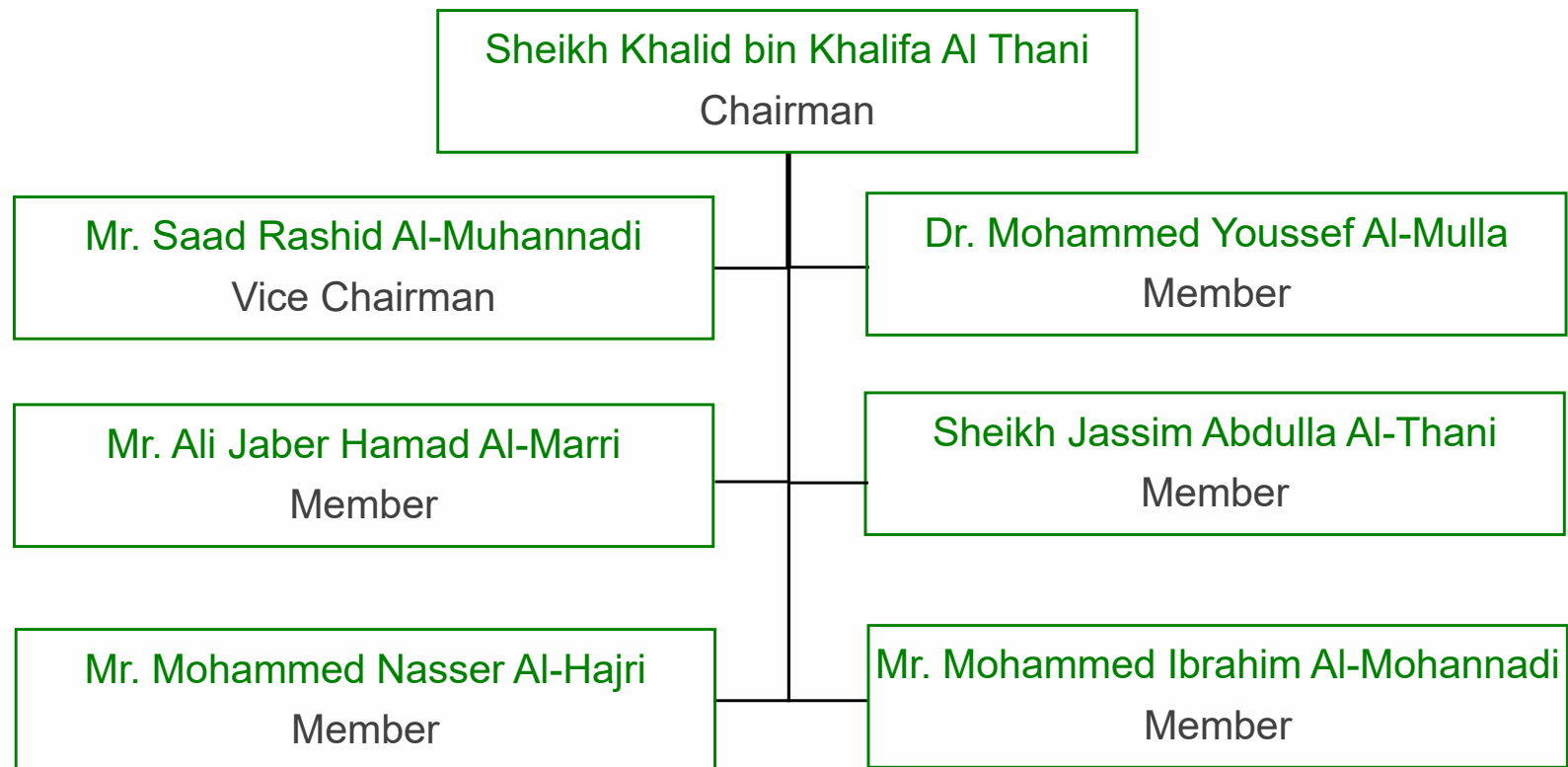


- Most of the subsidiaries are **fully** owned by GIS.
- Post-merger, GIS holds a **30%** ownership stake in **AMWAJ Catering**.

# Board of Directors

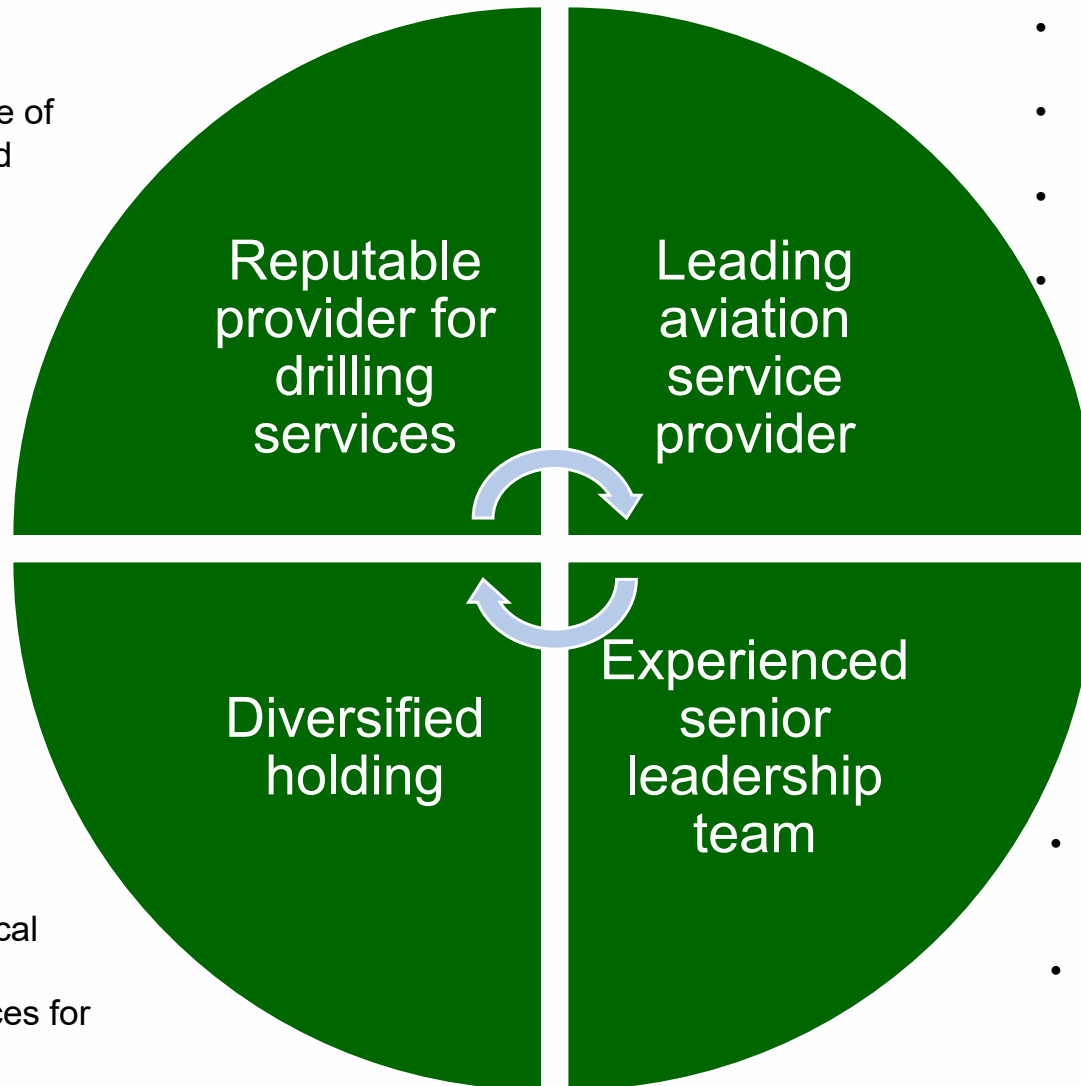
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The Board of Directors of the group consists of:



# 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.



- 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.

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



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# Results at a glance (2016-2023)

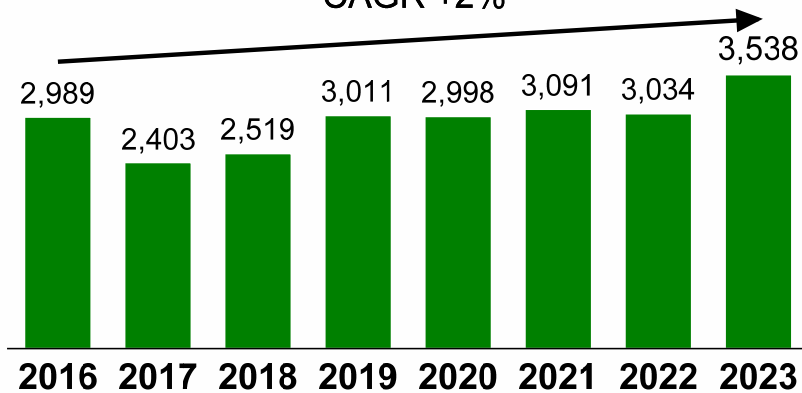
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# Results at a Glance (2016-2023)

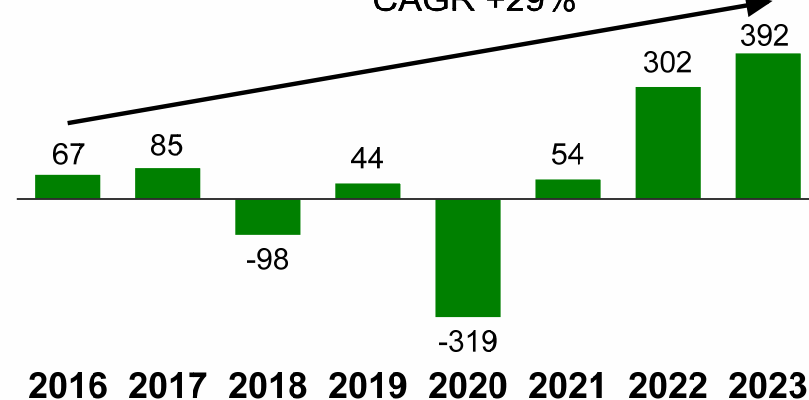
## Revenue (QR million)

CAGR +2%



## Net profit (QR million)

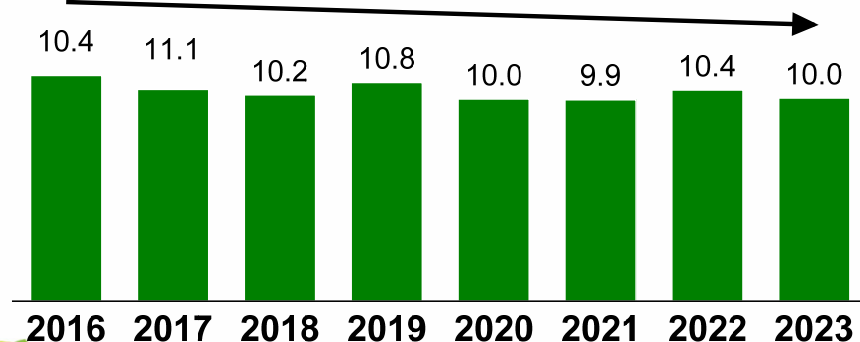
CAGR +29%



- **Revenue** for 2023 recovered significantly on account of constructive business dynamics with better macroeconomic context
- **Net profit** improved significantly post 2020, 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 the acquisition of the remaining stake of GDI's as well as, acquisition of new drilling assets in 2014
- **Total Debt** continue to weigh on Group's financial position

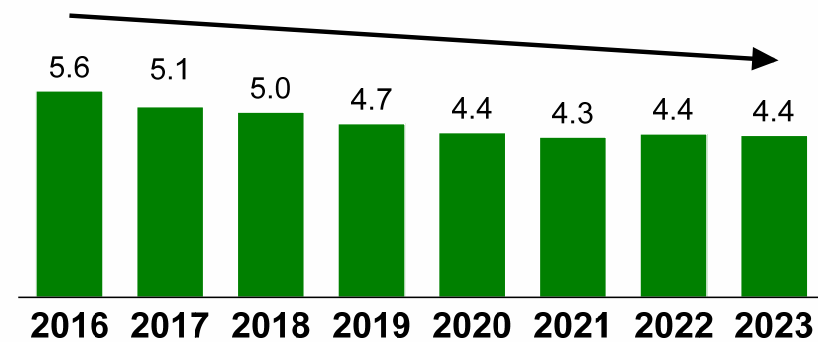
## Total Assets (QR billion)

CAGR -2%



## Total Debt (QR billion)

CAGR -3%



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**Results at a glance  
(For the six-month period  
ended 30 June 2024)**

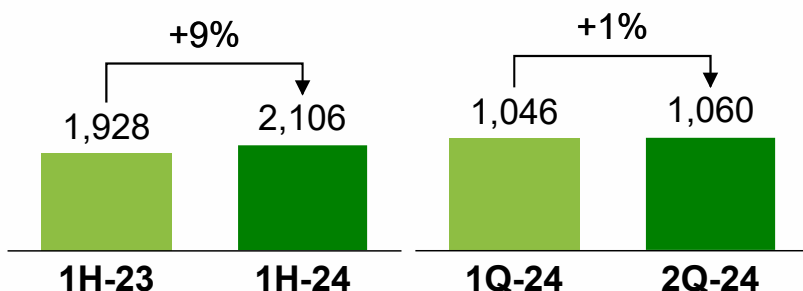
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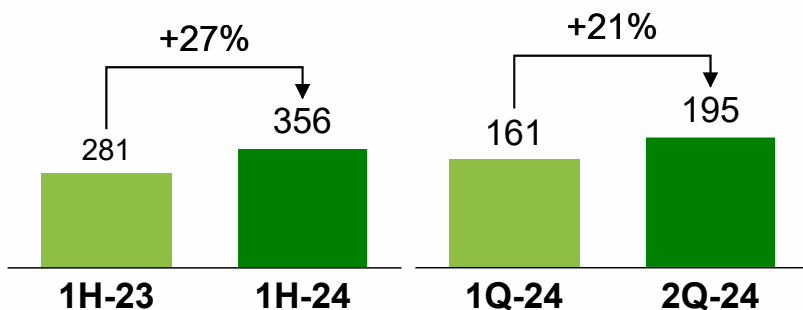
# Results at a Glance

For the six-month period ended 30 June 2024

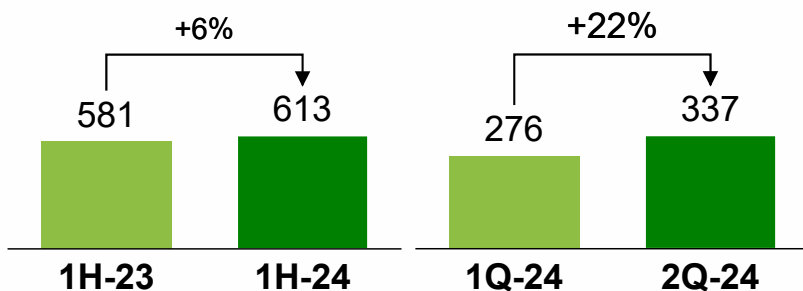
## Revenue (QR million)



## Net profit (QR million)



## EBITDA (QR million)



**H1-23 vs H1-24:** All segments except for the catering witnessed growth in revenue compared to last year supported by improved day rates, higher asset utilization from the aviation and drilling segments and higher-flying hours in addition to improved premiums from the insurance segment.

**1Q-24 vs 2Q-24:** slightly increased mainly due to improved revenue from the aviation and drilling segments. The aviation segment benefited from higher revenue generation from the MRO and international segments, while drilling segment benefited from higher utilization due to increased business activities and the consolidated reporting of Gulfdrill following the acquisition.

**H1-23 vs H1-24:** increased due to the the growth in Group revenues and reduction in finance costs on the back of the debt restructure for drilling segment. In addition to increased profit reported from Amwaj which led to an overall increase in the group's net profit.

**1Q-24 vs 2Q-24:** Growth in net profit was mainly supported by the growth in bottom-line profitability from the insurance and drilling segments supported by growth in revenue from the drilling segment and lower net claims reported from the insurance segment.

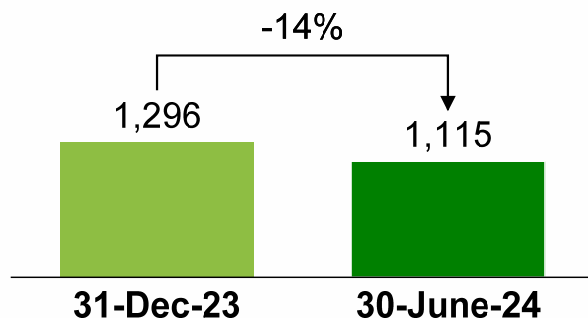
**H1-23 vs H1-24:** EBITDA improved compared to the same period of last year, mainly due to higher revenues being partially offset by higher direct costs.

**1Q-24 vs 2Q-24:** EBITDA improved due to overall increase in Group's operating profit.

# Results at a Glance

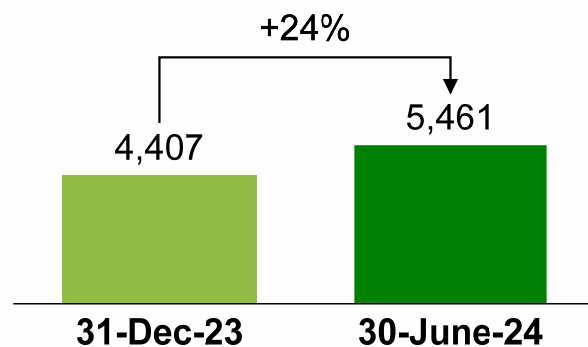
For the six-month period ended 30 June 2024

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



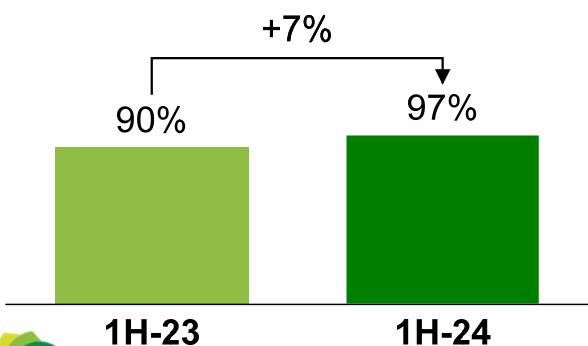
Cash balance declined compared to last year-end, mainly due to dividends payments for the financial year 2023. Total cash includes unclaimed dividends from shareholders.

## Total Debt (QR million)



Increased due to the new loan obtained to finance the purchase of the 3 Seadrill Jack-Up Rig Fleet and Related Joint Venture Interest in Qatar.

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



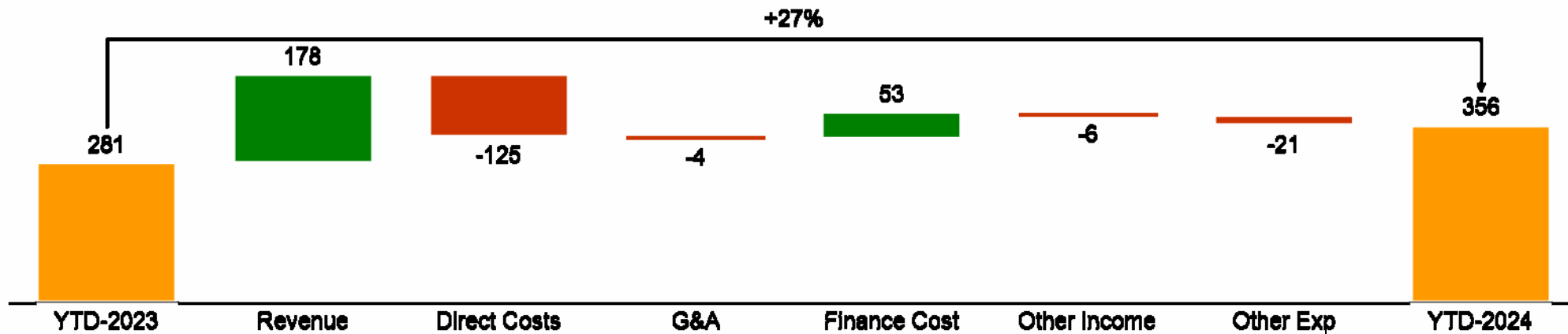
All marketable rigs and lift boats were contracted and operated except for the below:

- One onshore rig went off-contract as of April 2024.

# Net Profit

For the six-month period ended 30 June 2024

Amounts reported in QR' millions



Profitability increased mainly due to improved revenue noted across all the business segments except the catering, in addition to reduction in finance costs on the back of the new debt restructure.

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# Segmental Details

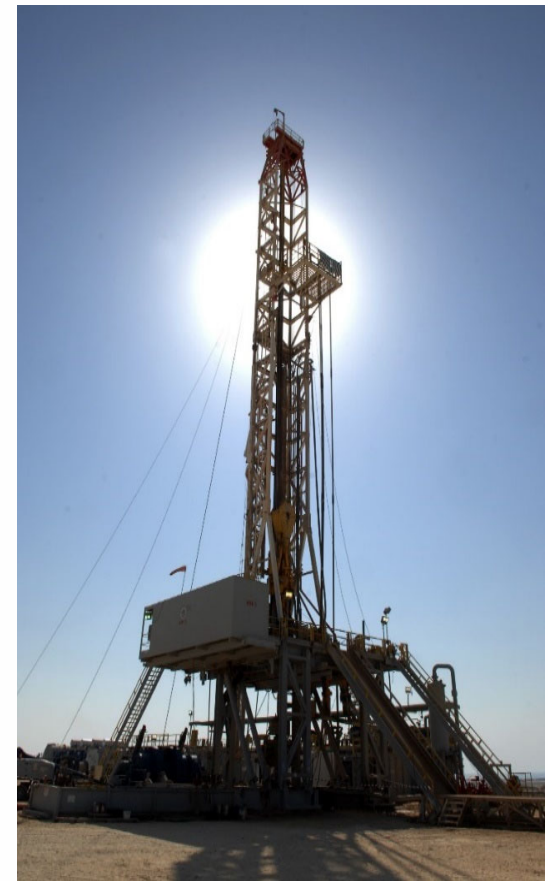
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# Segmental Details

## 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 formed a joint venture with Seadrill Limited, '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.
- In 2024, GDI acquired the remaining 50% stake of 'Gulf Drill JV' along with purchasing the 3 Seadrill Jack-Up Rig Fleet in Qatar. Gulf Drill became 100% owned subsidiary of GDI.
- 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:
  - 10 offshore rigs.
  - 7 onshore rigs
  - 1 Accommodation- Jackup
  - 2 lift boats





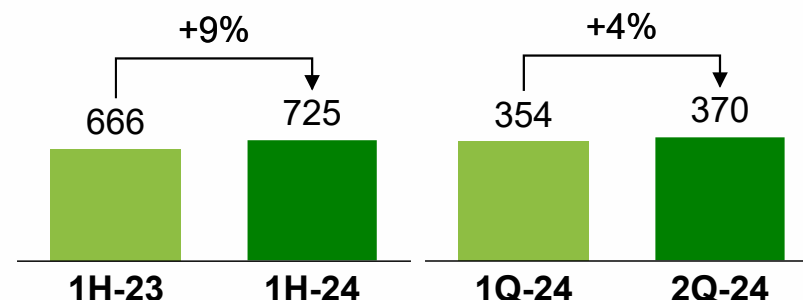
# Segmental Details

For the six-month period ended 30 June 2024

## Drilling Segment

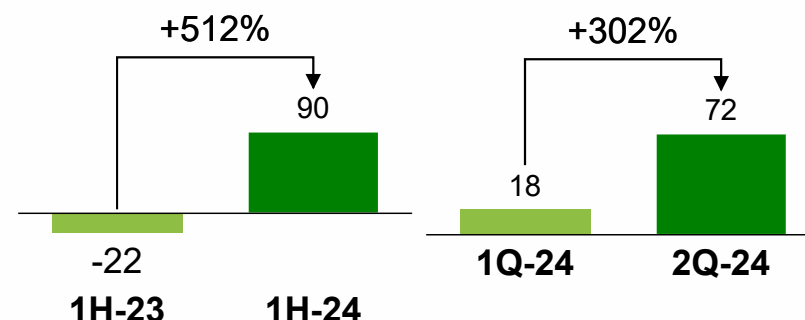
- H1-23 vs H1-24:** Revenue growth was on the back of improved revenue from the offshore, lift boat and barges operations driven by improved day rates for certain contracts, coupled with higher asset utilization. Overall basis, top line performance increase was partially offset by reduction in revenue from the onshore operations due to one of the onshore rigs going off contract during Q2-2024
- 1Q-24 vs 2Q-24:** Driven by higher utilization of a lift boat, which was fully operational during the second quarter, along with consolidated reporting of Gulfdrill following the acquisition.

### Revenue QR million



- H1-23 vs H1-24:** This significant improvement in bottom-line profitability can be primarily attributed to growth in segment's topline and reduction in finance cost, aided by a one-off income as a result of the transaction with Seadrill.
- 1Q-24 vs 2Q-24:** The improved result was mainly due to revenue increase as explained above coupled with reporting a one-off income as a result of the transaction with Seadrill.

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



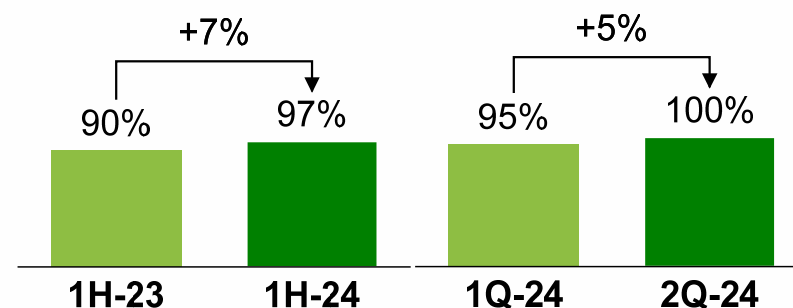
# Segmental Details

For the six-month period ended 30 June 2024

## Drilling Segment

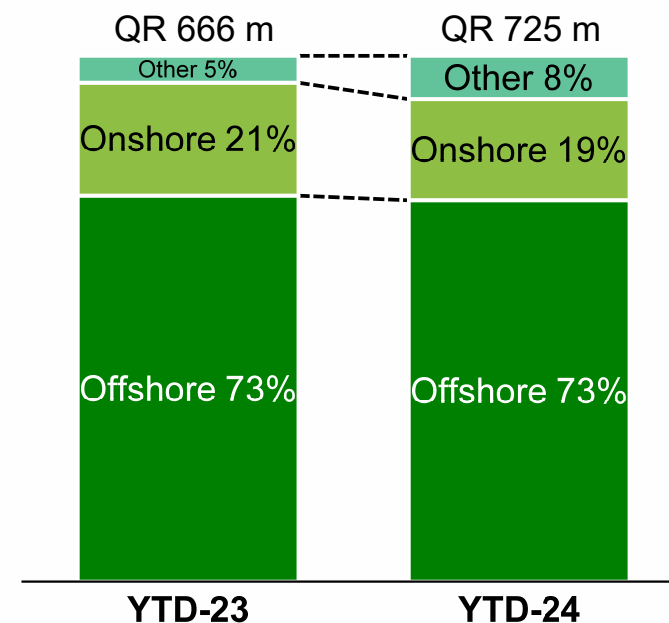
- **H1-23 vs H1-24:** All rigs and lift boats are currently contracted except one onshore which became off-contract.
- **2Q-24 vs 1Q-24:** Rig utilization improved compared to the previous quarter mainly due to higher utilization experienced from the lift boat and barge segment.

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



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

### Revenue Mix



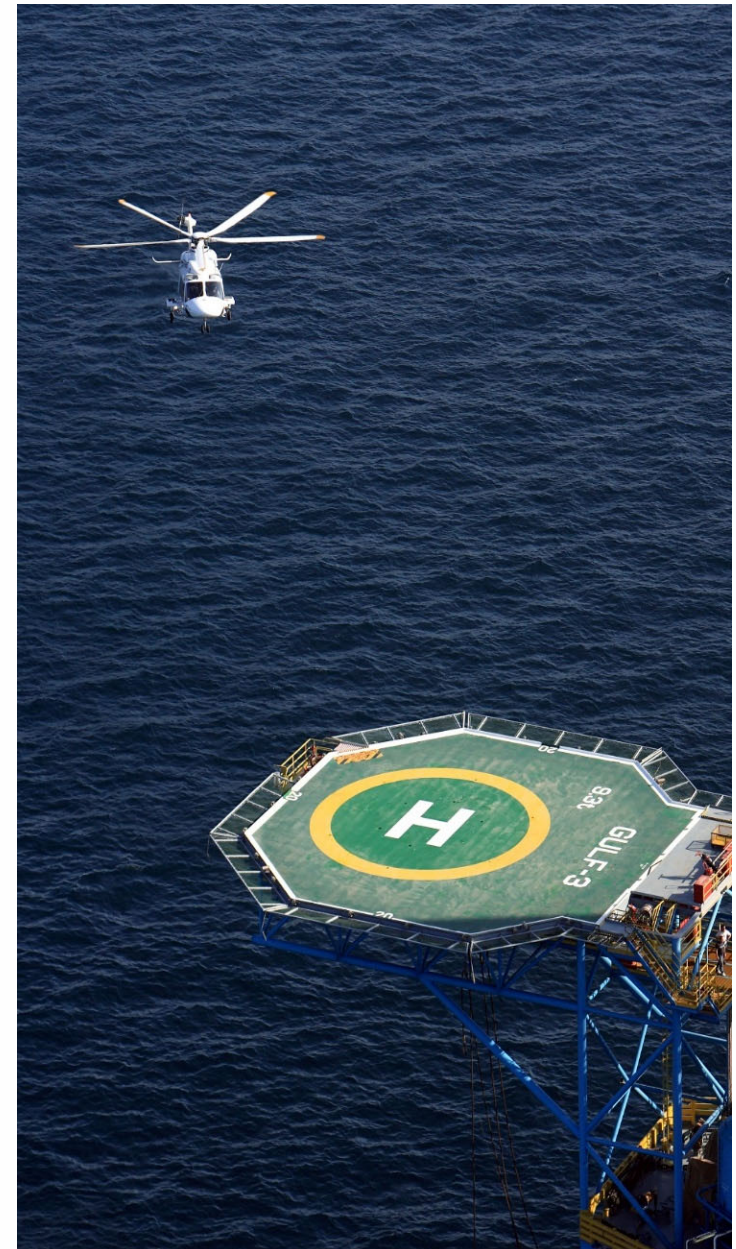
1: Rig utilization = Revenue earning days / days under contract

2: Contract Utilization = Days Under Contract / Maximum Day available

# Segmental Details

## Aviation Segment

- **Gulf Helicopter Company (GHC)** is one of the leading commercial aviation service provider. With global footprints extending from Europe , Africa and Middle East, with a fleet of **62 aircrafts**;
  
- **GHC has 3 Direct subsidiaries:**
  - **Al Maha Aviation Company: 100% ownership.**
  - **Redstar Havacilik Hizmetleri A.S. In Turkey: 100% ownership**
  - **Gulf Helicopters Investment & Leasing Company (100%), Morocco**
  
- **GHC has also investment in joint ventures in the following countries:**
  - **Air Ocean Maroc (49%), Morocco**



# Segmental Details

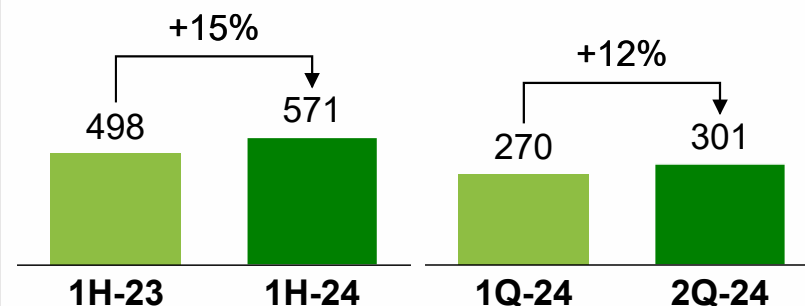
For the six-month period ended 30 June 2024

## Aviation Segment

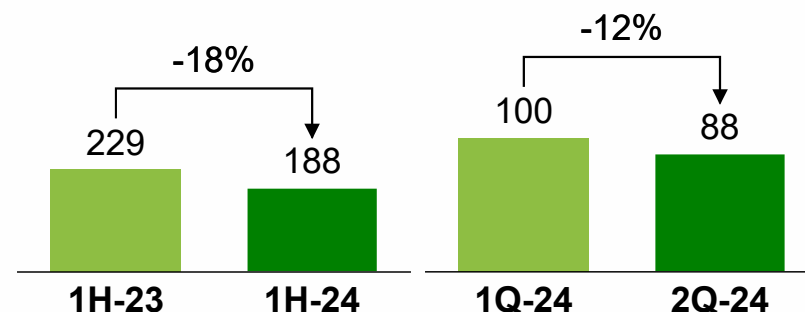
- **H1-23 vs H1-24:** Increased due to the increase in flying activities within both the domestic and international operations. Total flying hours experienced a year-on-year growth in domestic and international operations. The domestic segment benefited also from the additional aircraft mobilized from international operations to the domestic fleet contributing further to fixed revenue component. The international activities predominantly driven by the Turkish subsidiary benefited from increased flying hours and greater number of aircrafts.
- **1Q-24 vs 2Q-24:** Increased mainly due to additional revenue reported from the international and MRO segments.

- **H1-23 vs H1-24:** Bottom-line profitability reduced mainly due to previous year positive inflationary impact in relation to IAS 29 adjustment as compared to negative inflationary impact reported this year. Moreover, higher operational costs reported mainly in relation to scheduled maintenance of certain aircrafts which has been partially offset by higher share of profit from Morocco operations.
- **1Q-24 vs 2Q-24:** Reduced versus Q1-24 due to higher net monetary losses recorded in the current quarter as compared to the previous quarter arising from the accounting impact of hyperinflation in Turkey and higher revaluation loss on foreign currency exchange in addition to higher operational costs related to scheduled maintenance costs of certain aircrafts.

### Revenue QR million



### Net profit (before taxes) QR million



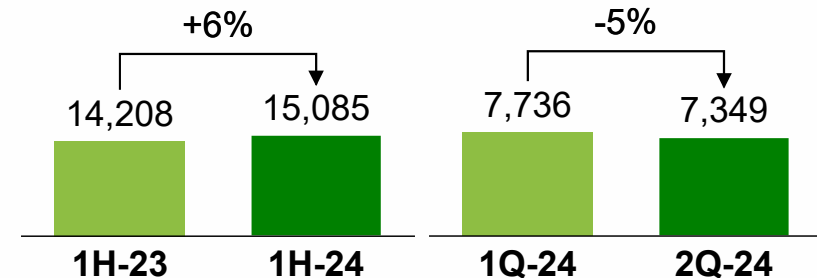
# Segmental Details

For the six-month period ended 30 June 2024

## Aviation Segment

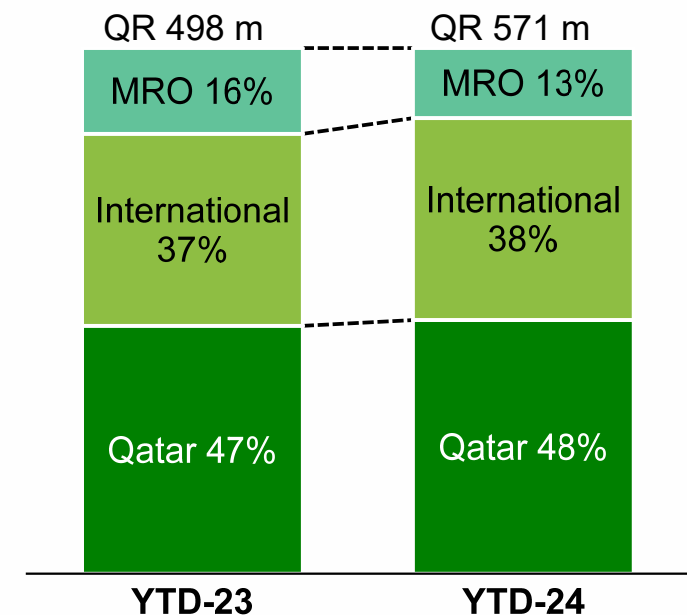
- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations.
- Total flying hours increased on a year-on-year basis, where local and international flying hours has increased

### Actual Flying hours



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

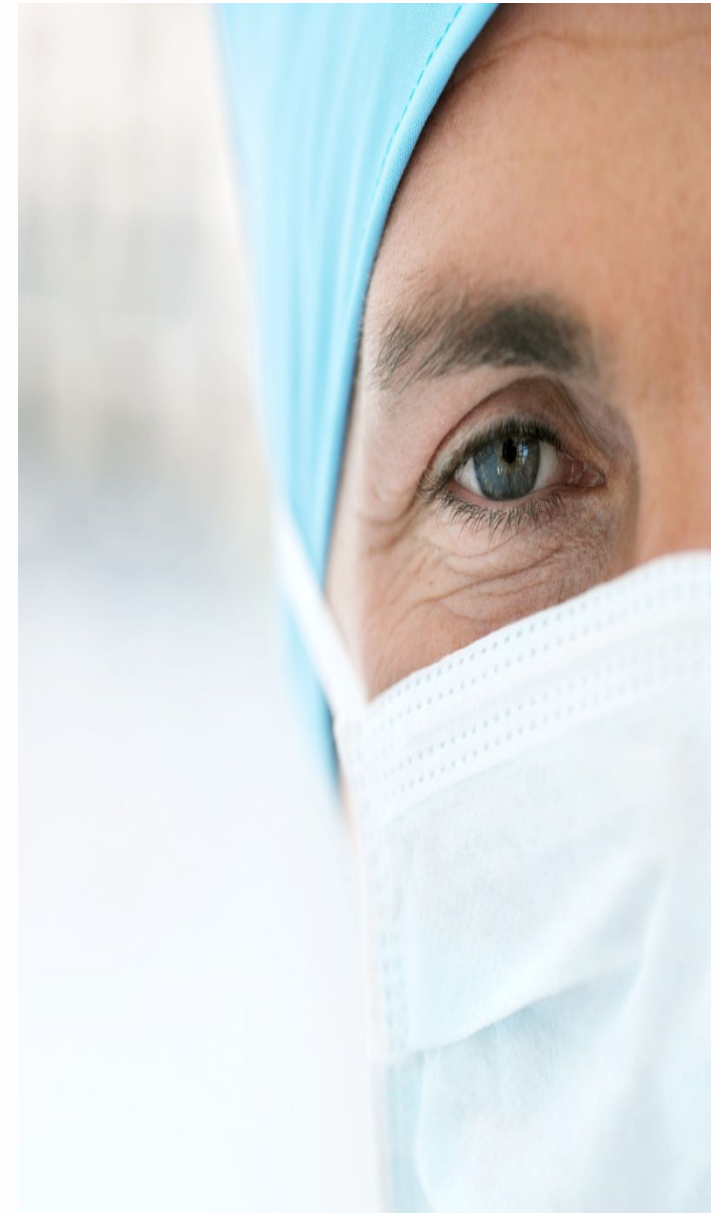
### Revenue Mix



# Segmental Details

## Insurance Segment

- **Alkoot insurance**, incorporated in 2003, is mainly engaged in business of medical and general insurance and reinsurance activities, in addition to 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.

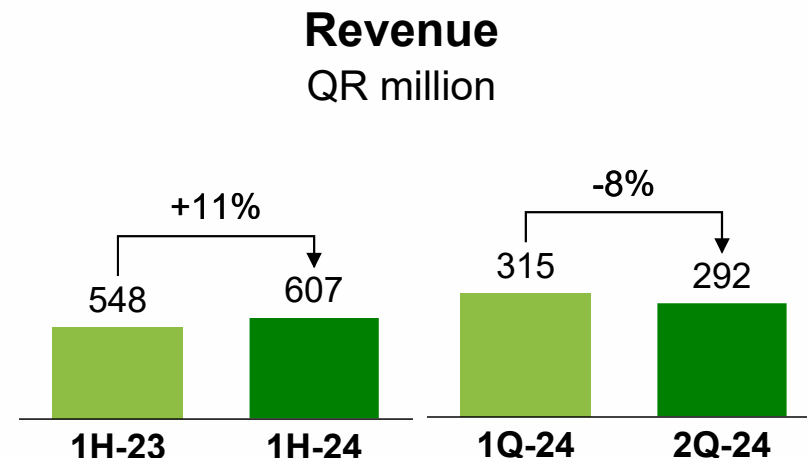


# Segmental Details

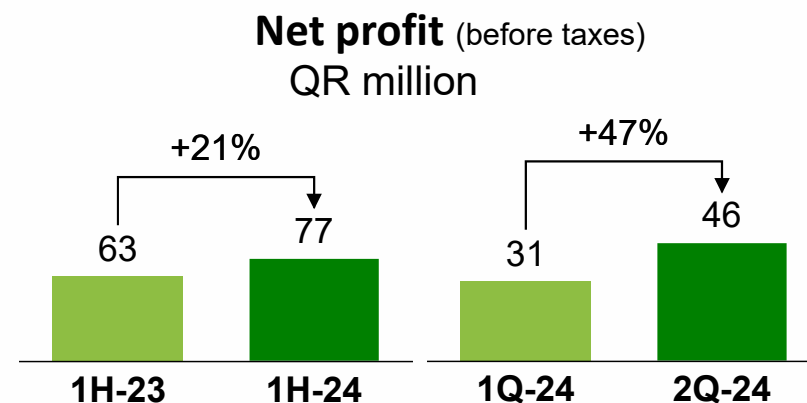
For the six-month period ended 30 June 2024

## Insurance Segment

- **H1-23 vs H1-24:** Increase in revenue was mainly linked to renewal of major contracts within the energy and medical line of business in addition to new contracts added within the energy business.
- **1Q-24 vs 2Q-24:** Revenue marginally down compared to the previous quarter due to expiry of certain policies in the current quarter.



- **H1-23 vs H1-24:** The increase in profit was mainly supported by improved revenue coupled with recovery of the segment's investment portfolio, noted on account of investment income for 1H-24 versus 1H-23. This increase was predominantly linked to the recovery in unrealized losses and gains booked on revaluation of held-for-trading investment securities, in addition to higher finance income on fixed deposits.
- **1Q-24 vs 2Q-24:** Higher profit mainly due lower net claims reported and lower re-insurance costs.



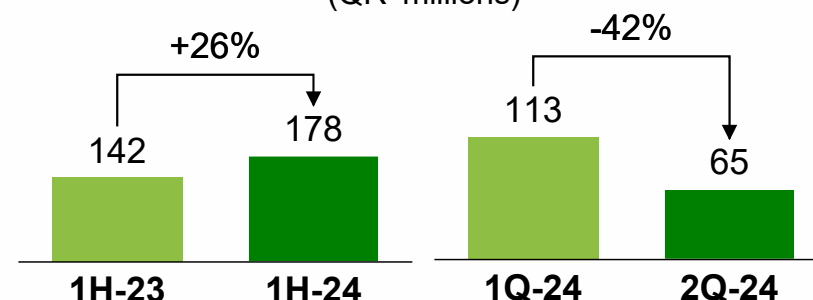
# Segmental Details

For the Six-month period ended 30 June 2024

## Insurance Segment

### Net claims incurred

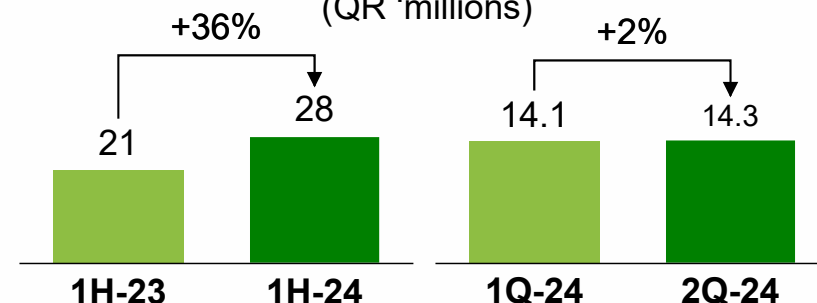
(QR 'millions)



- **H1-23 vs H1-24:** On year-on-year basis, claims incurred increased due to rise in medical claims on the back of new policies added.
- **1Q-24 vs 2Q-24:** On a quarter-by-quarter basis, incurred claims decreased due to increase in reinsurer share of claims.

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

(QR 'millions)

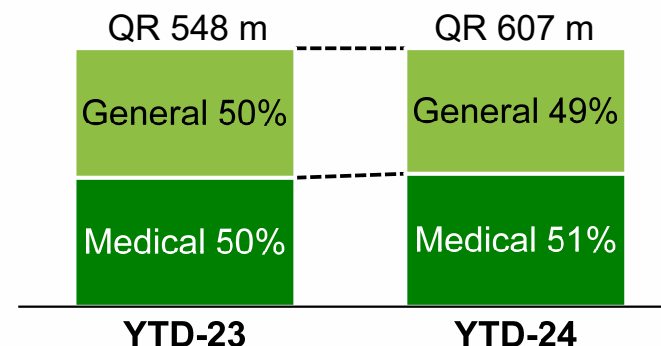


- **H1-23 vs H1-24:** Investment income increased mainly due to favorable movement in market value of FVTPL investment in addition to higher finance income on the back of increase in interest rate from deposit.
- **1Q-24 vs 2Q-24:** Investment income increased marginally compared to the previous quarter mainly due to higher finance income.

<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.

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

### 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.
- In 2023, Amwaj officially merged with Shaqab and Atyab. GIS new ownership in Amwaj is 30%.
- Amwaj Provides diverse services which include:
  - Business & Industrial catering
  - Corporate Hospitality & VIP dining
  - Cleaning & Janitorial Services
  - Camp Management
  - Pest Control
  - Office & Manpower Services



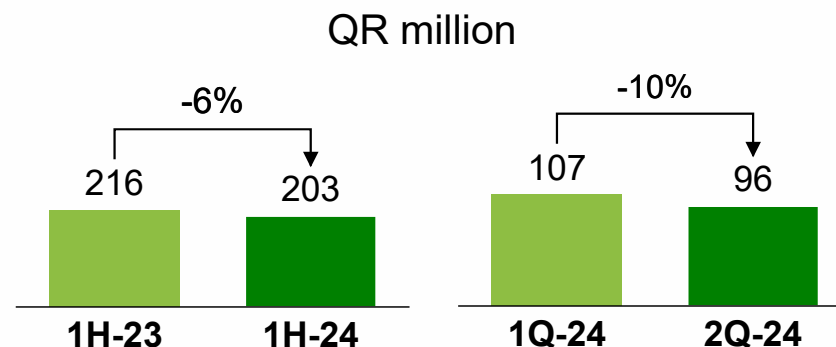
# Segmental Details

For the six-month period ended 30 June 2024

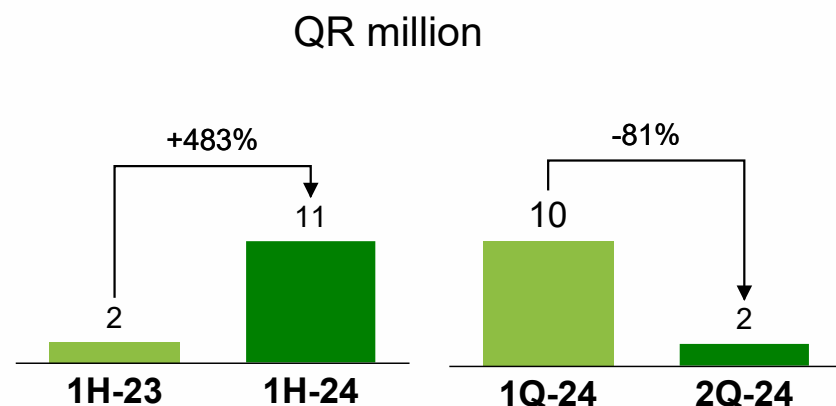
## Catering Segment

- **H1-23 vs H1-24:** Revenue decreased compared to the previous year. last year revenue includes 100% Amwaj ownership. However current year revenue consider 30% share of revenue post merger.
- **1Q-24 vs 2Q-24:** Segmental revenue witnessed a dip mainly due to a reduction in revenue from the catering and accommodation segments due to completion of contract related to the Asian cup and completion of shutdown.

### Revenue/Share of Revenue



### Net Profit/Share of Net profit



- **H1-23 vs H1-24:** The segment reported a higher share of net profit, increase in net profit is mainly driven by the impact of the new merger with Shaqab and Atyab
- **1Q-24 vs 2Q-24:** Reduction in profitability mainly due to reduction in revenue affected by the completion of certain catering contract and completion of shut down.

Note: Comparative figures for 2Q-23 includes 100% Amwaj financials (pre-merger)

Note: Revenue have been reported based on non-IFRS based proportionate consolidation

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# Governance Structure

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# Governance Structure

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## 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 10/03/2024.
- 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

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## 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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