



Gulf International Services

Investor Relations Presentation

31 December 2022

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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

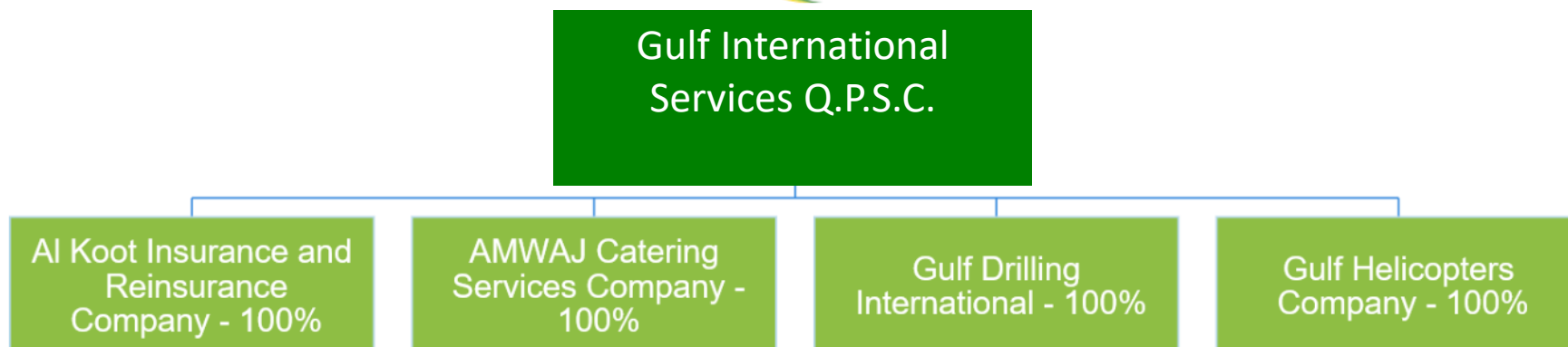
About GIS

- 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%.

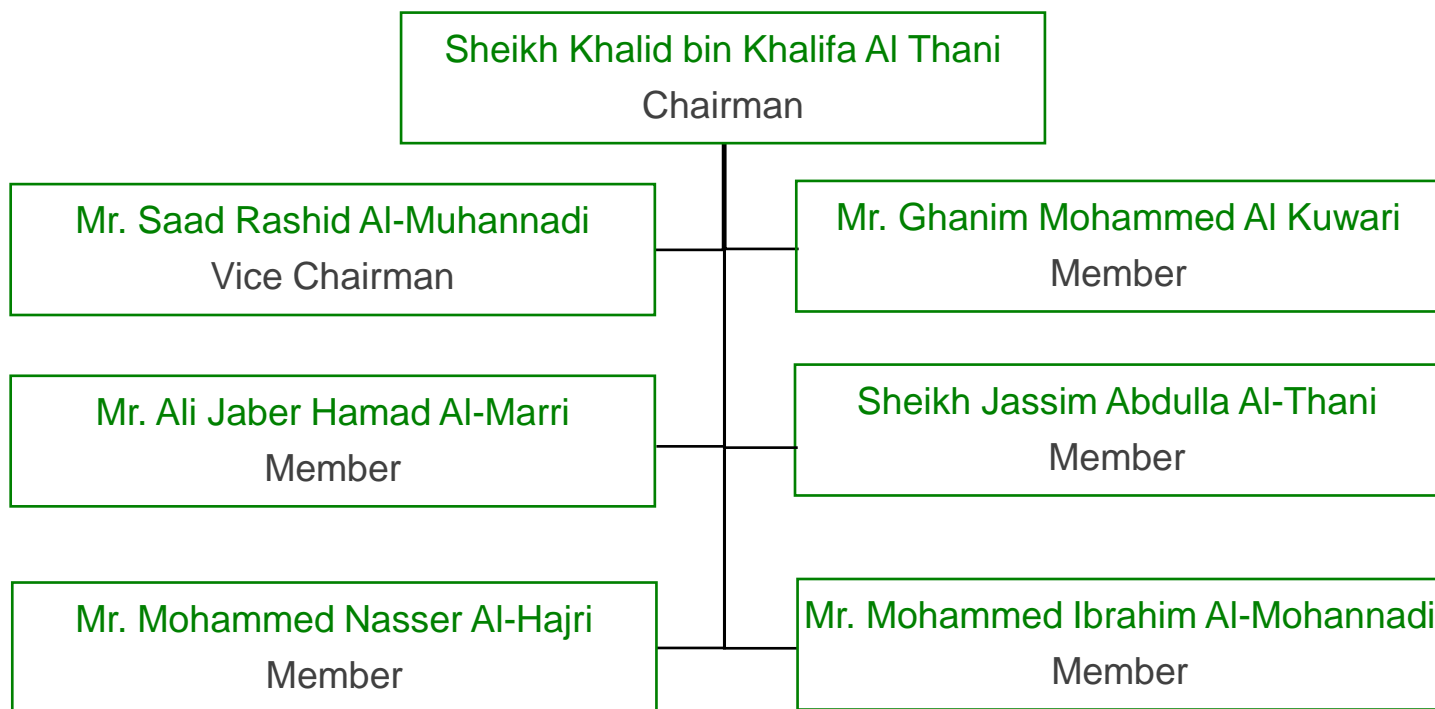


- All of the subsidiaries are **100%** owned by GIS.



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% on shore 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.

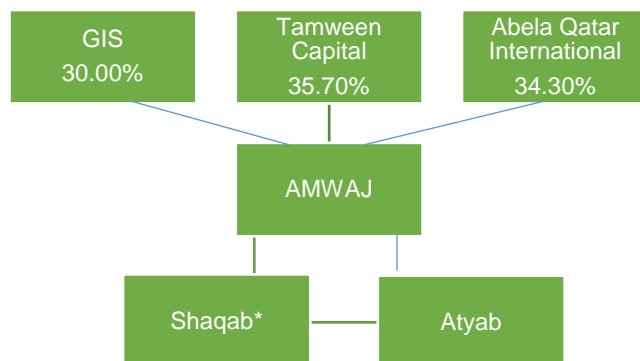


GIS initiatives Update (AMWAJ/ALKOOT)

AMWAJ MERGER:

- As per the latest press release on 20th Feb, 2023, GIS had concluded the negotiation to merger Amwaj with Shaqab & Atyab (subject to shareholder approval).
- This merger is expected to bring more value in terms of:
 - ✓ Better profits for GIS's shareholding in merged entity than standalone Amwaj.
 - ✓ Better synergies to support cost optimization and improve operational efficiency ~ delivering imminent value creation for its shareholders.
 - ✓ Merger is intended to be effective from 1st January 2023.

Shareholding Structure of merged Amwaj:



- ✓ **Final estimated fair equity value** of the merged entity as of Sep-2022 was mutually accepted and agreed to be **QAR 637 million**
- ✓ Would create **largest local Qatari Champion** in catering segment with sustainable value creation.
- ✓ Merger will combine Amwaj's solid brand and strong client base with incumbent shareholders' best-in-class management capabilities and proven record.
- ✓ Each shareholder will nominate two member to Amwaj Board of Directors.
- ✓ Shareholder approval of merger will be required during 13th March, 2023 Ordinary and Extra-Ordinary General Assembly meetings.

ALKOOT MERGER:

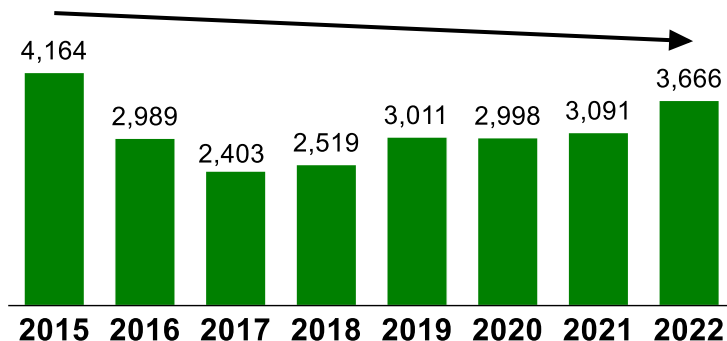
- GIS and DIG concluded that an initial principle agreement could not be reached. Accordingly, both parties have jointly decided to withdraw from these negotiations, as the proposed merger would not had achieved mutual interests related to the shareholders of both companies.

Results at a glance (2015-2022)

Results at a Glance (2015-2022)

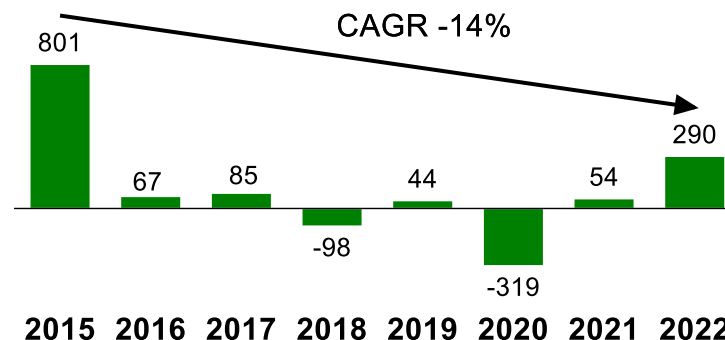
Revenue (QR million)

CAGR -2%



Net profit (QR million)

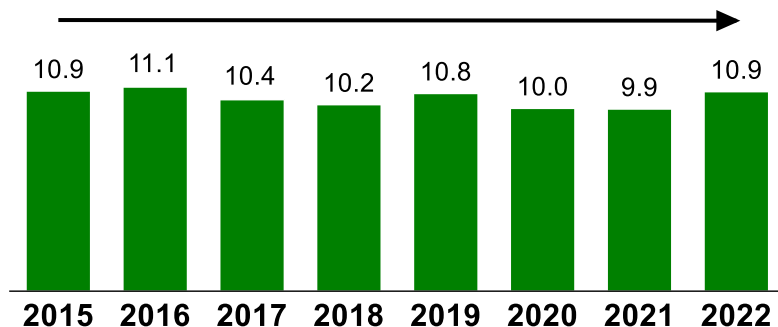
CAGR -14%



• **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

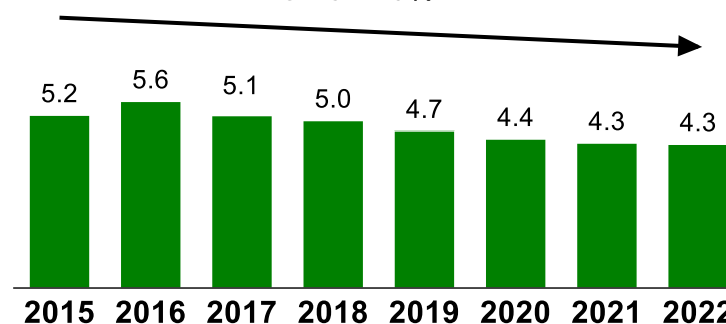
Total Assets (QR billion)

CAGR 0.0%



Total Debt (QR billion)

CAGR -3%



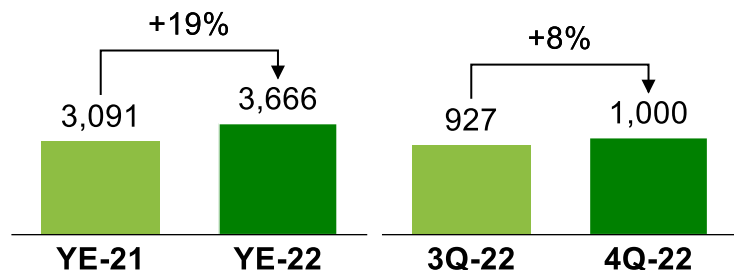
Results at a glance

(For the year ended 31 December 2022)

Results at a Glance

For the year ended 31 December 2022

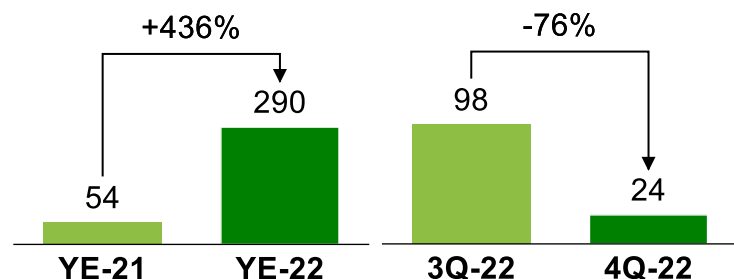
Revenue (QR million)



YE-22 vs YE-21: Revenue growth from aviation, drilling and catering segments led to an overall increase in the Group revenue. However, this was partially offset by negative growth noted in revenue from the insurance segment.

4Q-22 vs 3Q-22: Positive growth in Group revenue mainly on account of better revenue reported from the insurance, catering and drilling segments, which was slightly offset by negative movement in topline from the aviation segment.

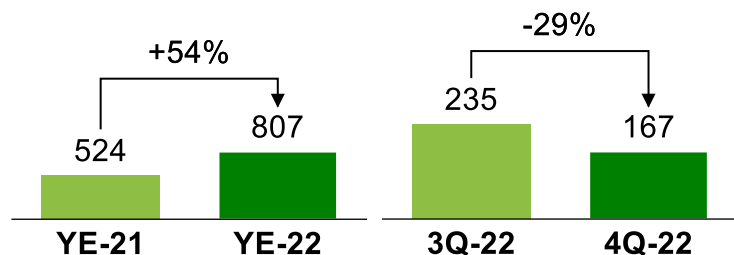
Net profit / (loss) (QR million)



YE-22 vs YE-21: Profitability improved significantly mainly due to the overall increase in revenues. This was partially offset by increase in direct costs, finance costs and significant decline in investment income from the insurance segment.

4Q-22 vs 3Q-22: Decline in Group's quarterly net earnings as lower profitability from drilling & aviation segments weighed on Group's profitability.

EBITDA (QR million)



YE-22 vs YE-21: EBITDA improved compared to last year mainly due to higher revenues, partially offset by slightly higher direct costs.

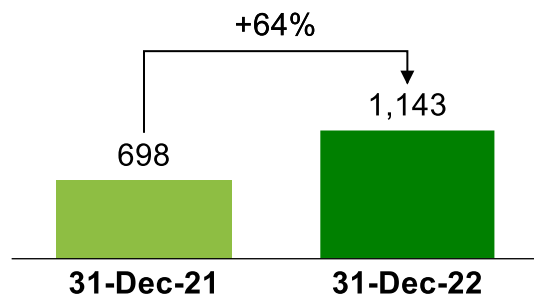
4Q-22 vs 3Q-22: EBITDA declined due to overall decline in Group's operating profits.



Results at a Glance

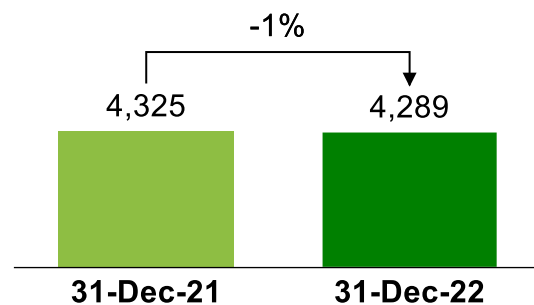
For the year ended 31 December 2022

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



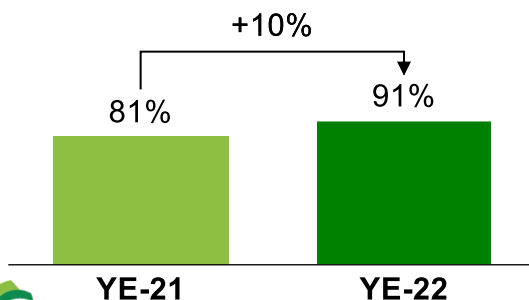
Cash balance improved compared to last year-end. Growth in cash and cash equivalents is mainly attributed to an overall increase in the Group's profitability, coupled with improved business dynamics.

Total Debt (QR million)



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

Av. Rig Utilization (%)¹

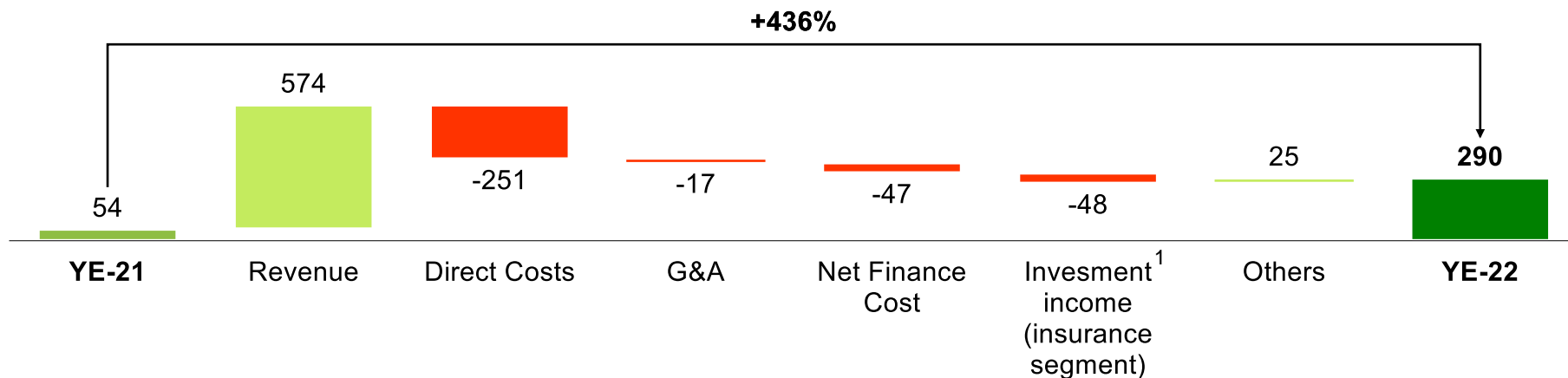


Rig utilization improved, mainly due to GDI-5, GDI-7 & GDI-8 being deployed during the year, in addition to the two liftboats being on contract.

Net Profit

For the year ended 31 December 2022

Amounts reported in QR' millions



Profitability improved mainly due to the overall increase in revenues. This was partially offset by increase in direct costs, general & admin. expense and net finance cost. Additionally, decline in investment income from insurance segment also adversely affected YE-22 profitability versus last year.

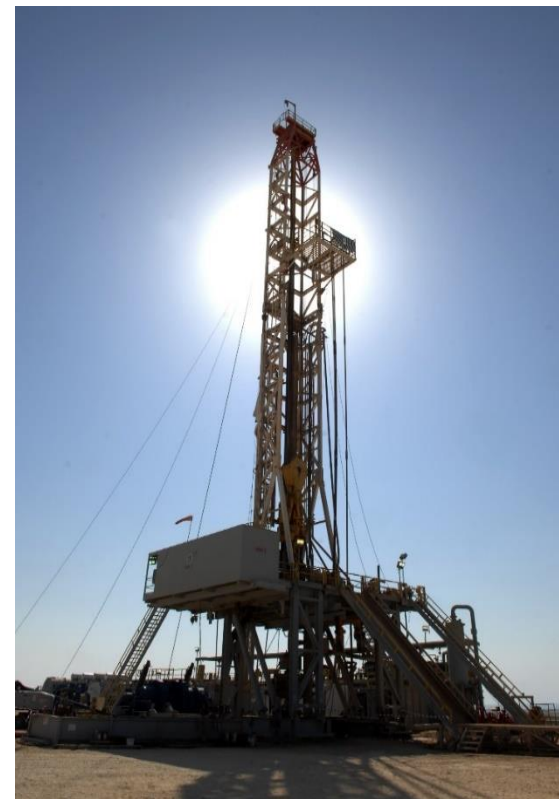


Segmental Details

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.
 - 8 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

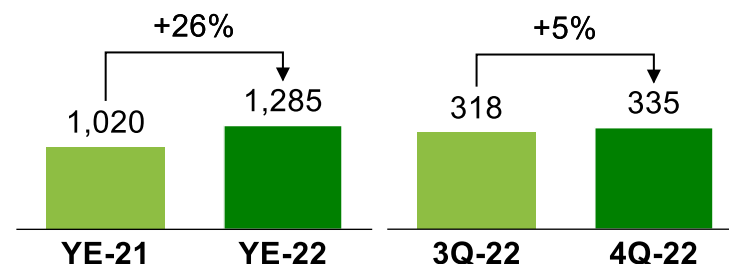
For the year ended 31 December 2022

Drilling Segment

- YE-22 vs YE-21: revenue increased mainly due to redeployment of two suspended onshore rigs during 3Q-21, application of new rig day-rates for the offshore fleet since July'21 and higher management fees with 100% deployment of Gulfdrill JV's fleet since 2Q-21.
- 4Q-22 vs 3Q-22: segmental revenue slightly improved mainly due to improvement in rig utilization, as another onshore rig (GDI-8) became operational during the quarter.

Revenue

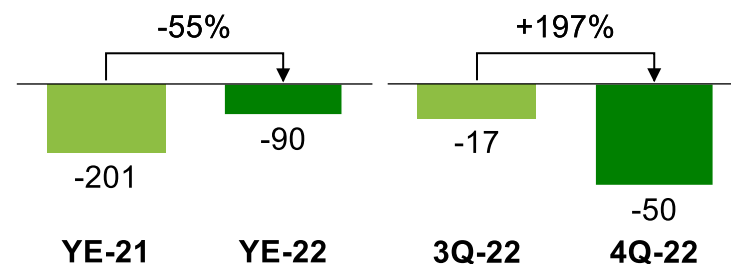
QR million



- YE-22 vs YE-21: reduction in losses was mainly attributed to growth in segmental revenue and better business dynamics.
- 4Q-22 vs 3Q-22: losses increased on a quarter-on-quarter basis mainly due higher accruals in relation to operational costs along with higher finance cost. This was partially offset by slightly higher revenues.

Net loss (before taxes)

QR million



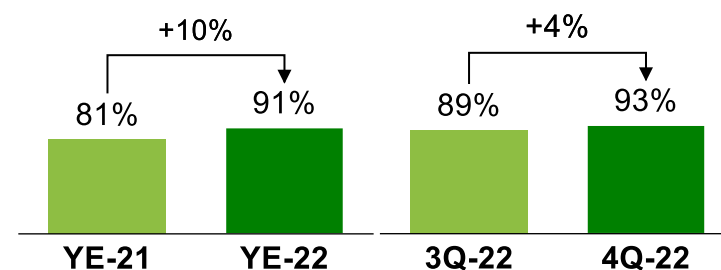
Segmental Details

For the year ended 31 December 2022

Drilling Segment

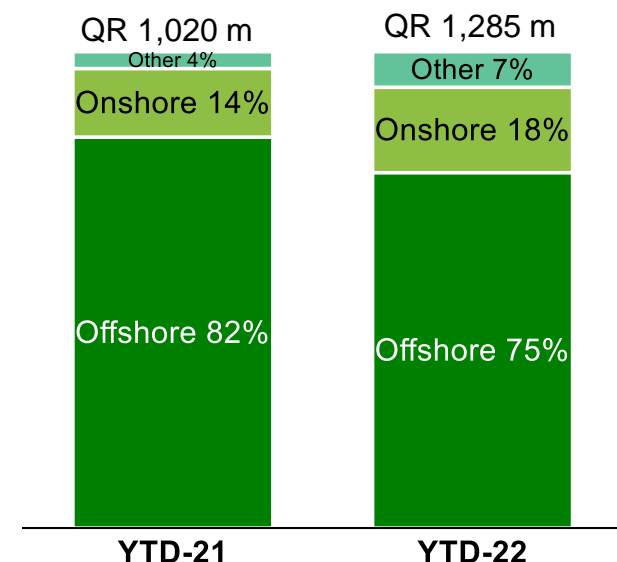
- YE-22 vs YE-21: Rig utilization improved, mainly due to GDI-5, GDI-7 & GDI-8 being deployed during the year, in addition to the two liftboats being on contract.
- 4Q-22 vs 3Q-22: Rig utilization improved, mainly as one GDI-8 became operational during 4Q-22.

Rig utilization (%)¹



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

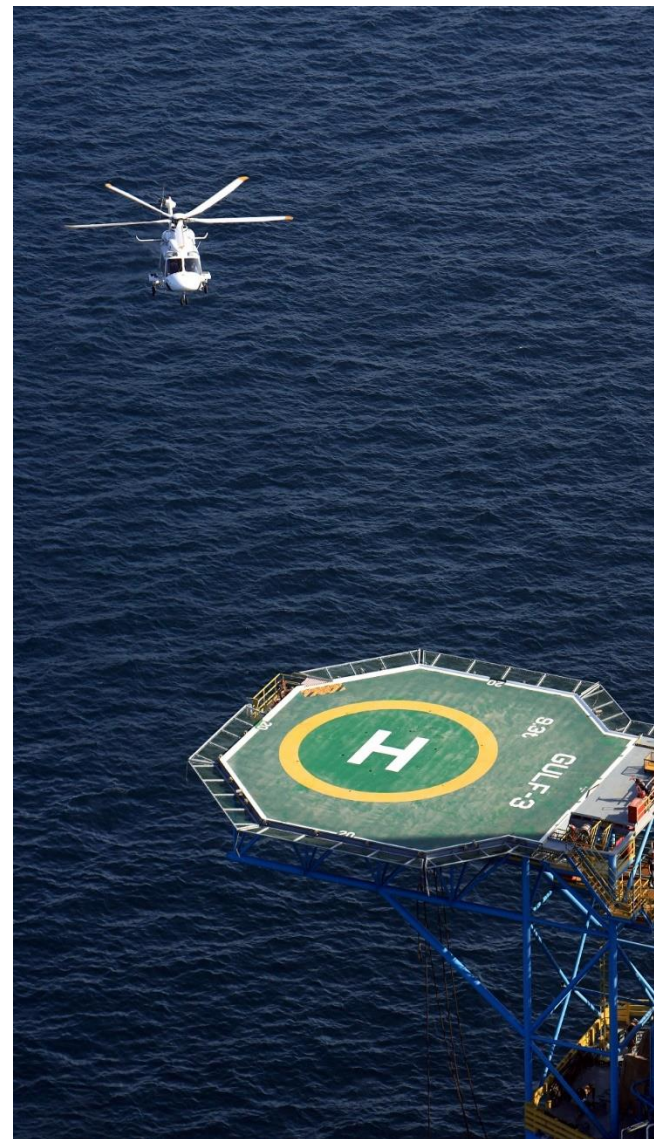
Revenue Mix



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 year ended 31 December 2022

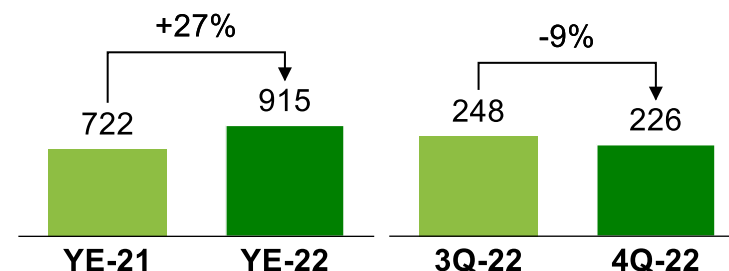
Aviation Segment

- YE-22 vs YE-21: increase was mainly attributed to higher flying hours, coupled with growth in revenue noted across all the operations.
- 4Q-22 vs 3Q-22: segment revenue declined, mainly due to lowered international flying activity, especially shortfall in revenue noted from the Turkish subsidiary & Angolan operations during the current quarter versus 3Q-22, coupled with reduction in revenue from MRO business.

- YE-22 vs YE-21: profitability improvement was mainly supported by overall growth in segmental revenues, despite the impacts of currency devaluation from Turkish subsidiary.
- 4Q-22 vs 3Q-22: quarter-on-quarter profitability declined mainly due to downward movement in segmental revenue on a quarter-on-quarter basis coupled with net monetary losses arising from hyperinflation from GHC's Turkish subsidiary.

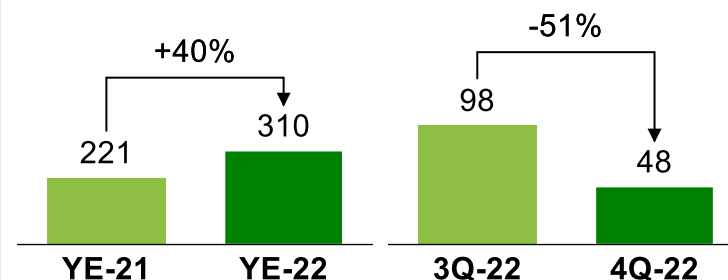
Revenue

QR million



Net profit (before taxes)

QR million



GHC recorded the highest net profit in its history



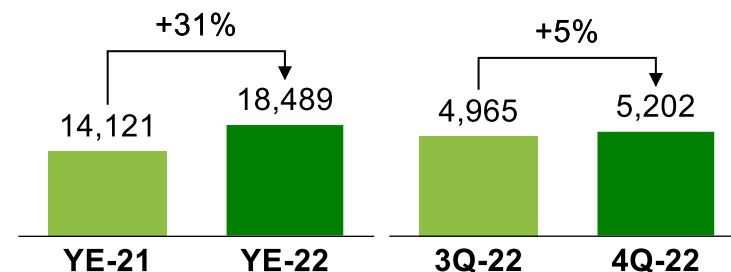
Segmental Details

For the year ended 31 December 2022

Aviation Segment

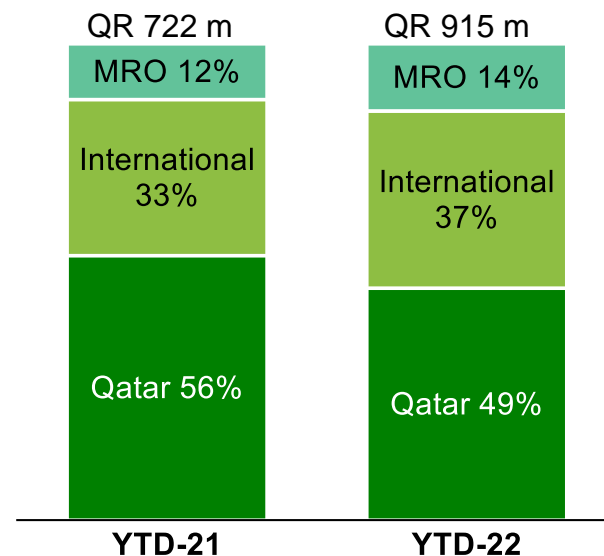
- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations.

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, 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

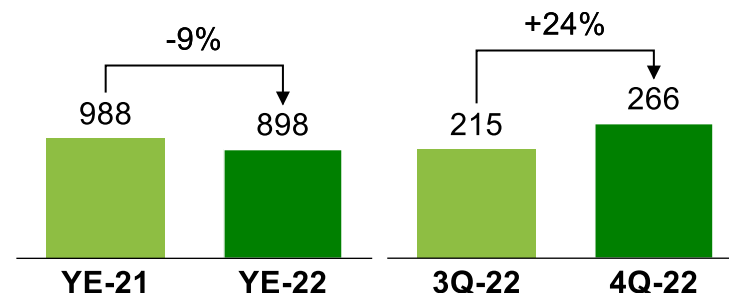
For the year ended 31 December 2022

Insurance Segment

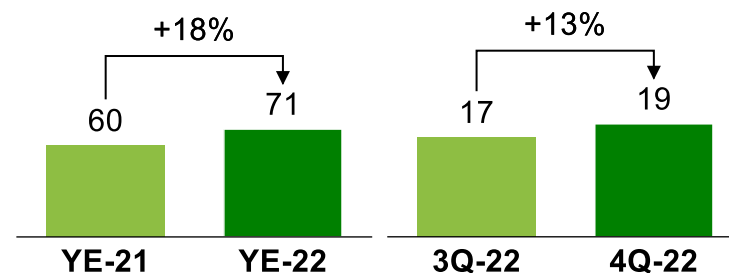
- YE-22 vs YE-21: Decline in revenue was mainly linked to loss of two insurance contracts within medical line of business. This decline was partially offset by growth in premiums from the general insurance line of business, on account of renewals of existing contracts with wider coverage scope.
- 4Q-22 vs 3Q-22: Segment revenue improved, mainly due to growth noted in premiums from the medical insurance line of business due to winning new contracts.

- YE-22 vs YE-21: The growth in bottom line profitability was mainly supported by an overall decline in claims. On the contrary, negative performance of segment's investment portfolio, weighed on the segment's profitability along with lowered revenue.
- 4Q-22 vs 3Q-22: Bottom line profitability improved mainly due to overall growth noted in the segmental revenue, being partially off-set by the negative performance of the segment's investment portfolio.

Revenue QR million



Net profit (before taxes) QR million



Segmental Details

For the year ended 31 December 2022

- YE-22 vs YE-21: Actual claims incurred declined on last year, mainly due to decrease in claims across the businesses (medical & general).
- 4Q-22 vs 3Q-22: Actual claims declined on a quarter-on-quarter basis, mainly due to decline in claims from general insurance line of business, being partially offset by the growth in claims from medical insurance.

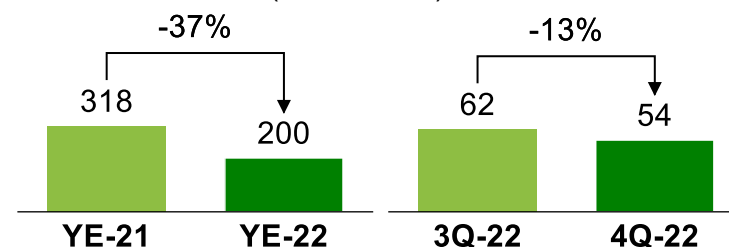
- YE-22 vs YE-21: Investment income significantly declined on last year predominantly as a result of unrealized losses booked on revaluation of held for trading investment securities due to volatilities in capital markets.
- 4Q-22 vs 3Q-22: Investment income declined as the capital markets turned negative leading to unrealized losses on revaluation of held for trading securities.

- General insurance leads the overall contribution to the segment's revenue mix.

Insurance Segment

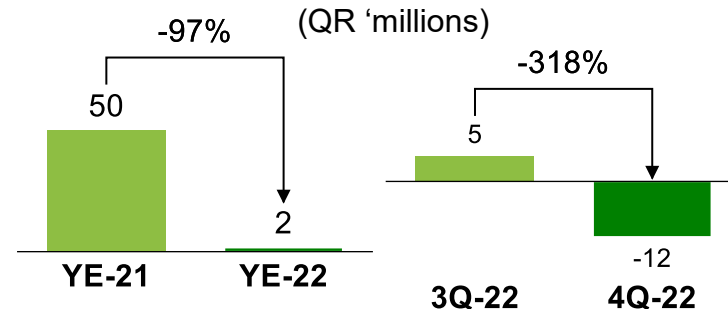
Actual claims incurred

(QR 'millions)



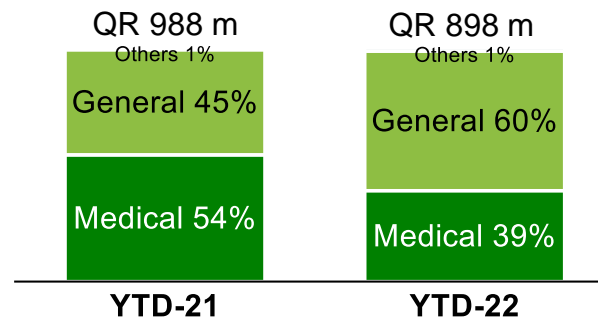
Analysis of investment income on investment portfolio¹

(QR 'millions)



¹: 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



Segmental Details

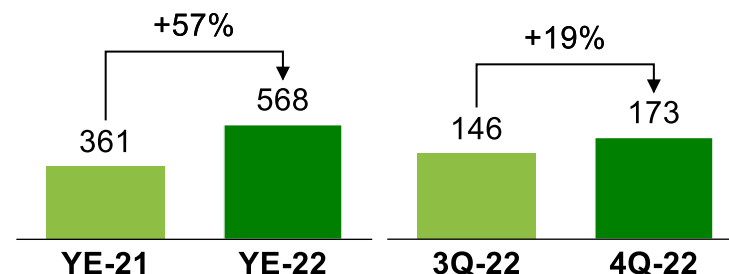
For the year ended 31 December 2022

Catering Segment

- YE-22 vs YE-21: Revenue improvement was mainly driven by the growth noted within the manpower segment on the back of realizations from a new contract won during latter part of last year.
- 4Q-22 vs 3Q-22: catering segment witnessed an increase in revenue during 4Q-22 mainly due to the realizations of the FIFA 2022 World Cup related contracts.

Revenue

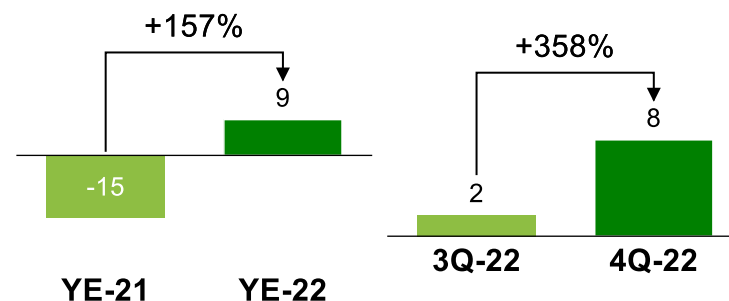
QR million



Net profit / (loss)

(before income taxes)

QR million



- YE-22 vs YE-21: Segment profitability improved mainly due to higher revenues and better margins.
- 4Q-22 vs 3Q-22: segmental profits improved mainly due to better revenue growth achieved during the current period.



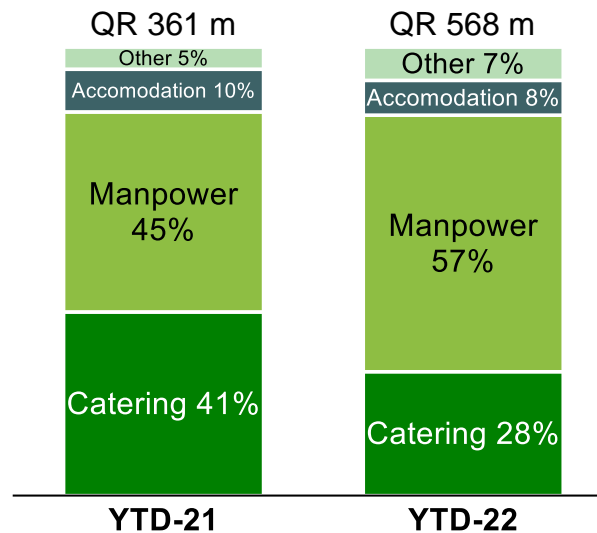
Segmental Details

For the year ended 31 December 2022

Catering Segment

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

Revenue mix



Governance Structure

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

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