



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

Press Release

For the period ended 31 March 2018

GIS declares its results for the period ended 31 March 2018

- Revenue of QR 628 million for the period ended 31 March 2018.
- Net profit of QR 9 million for the period ended 31 March 2018.
- Total Assets of QR 10.4 billion as at 31 March 2018.
- Closing cash of QR 882 million as at 31 March 2018.



DOHA, QATAR - 24/04/2018: Gulf International Services (“GIS” or “the group”; QE: GISS), the largest services group 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 2018 with revenue of QR 628 million and net profit of QR 9 million.

Financial Results

Revenue

The group’s revenue for the period ended 31 March 2018 was QR 628 million, up by 3% on the previous year. Revenue in the insurance segment improved significantly versus last year, while the drilling segment reported a moderate growth in revenue. Revenues in the aviation and catering segments were moderately down on last year. The improvement in the insurance segment was primarily due to a general growth in both the energy and medical lines of business, while the Drilling segment benefited from improved asset utilization. The aviation segment was affected by reduction in Qatar aviation operations, and the catering segment was impacted by the demobilization of major contracts.

Net Profit

The group’s net profit for the period ended 31 March 2018 closed at QR 9 million with earnings per share of QR 0.05. The group’s gross margin slightly improved due to marginally improved revenue, and a slight decrease in direct costs. However, the group’s profit margin was slightly down on last year due to higher finance costs driven by increased market rates for borrowing.

Cash Position

The group’s closing cash stood at QR 882 million across the group’s companies as at 31 March 2018.

Performance Improvement Efforts

GIS has commenced the execution of some of the opportunities identified during the recently concluded growth strategy initiatives. The group expects the benefits of these initiatives to materialize in the near future. GIS is continuously monitoring the outcome of these initiatives, and will adjust the execution plan to ensure the group’s goals are realized accordingly.

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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 QSC 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 QSC.

This presentation contains forward-looking statements concerning the financial condition, results of operations and businesses of Gulf International Services QSC. 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 QSC, 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 QSC, 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 QSC does not guarantee the accuracy of the historical statements contained herein.

GENERAL NOTES

Gulf International Services QSC's accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Gulf International Services QSC's 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 QSC 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 QSC 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 QSC through a comprehensive service directive. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

