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Gulf International Services qsc

Press Release

For the period ended 30 June, 2018

GIS declares net profit of QR 34 million for the period ended 30 June, 2018

- Revenue of QR 1.3 billion for the period ended 30 June 2018.
- Net profit of QR 34 million for the period ended 30 June 2018.
- Results aided by revenue growth and continued efforts on cost optimization.
- Total Assets of QR 10.3 billion.



DOHA, QATAR - 05/08/2018: 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, has announced its financial results for the period ended 30 June 2018 with revenue of QR 1,310 million and net profit of QR 34 million.

Financial Results

Revenue

The group’s revenue for the period ended 30 June 2018 was QR 1,310 million, up by 4% on the previous year. Revenue in the insurance segment improved significantly versus last year, while the drilling segment reported a moderate growth in revenue. Revenue in the aviation segment reported a slight decrease, while the catering segment’s revenue was moderately down on last year. The improvement in the insurance segment was primarily due to growth in general insurance 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 demobilization of some projects and reduced camps occupancy.

Net Profit

The group’s net profit for the period ended 30 June 2018 closed at QR 34 million, significantly up by 116% on the same period of last year with earnings per share of QR 0.18, compared to QR 0.09 last year. The improvement on last year was primarily driven by a slight growth in revenue and cost reduction in the drilling segment following the aggressive cost optimization initiatives undertaken by the Company. The improvement achieved in the drilling segment was marginally offset by lower profit in the aviation segment due to reduced revenue from Qatar aviation operations. The effect of revenue decrease in Qatar aviation operations was somewhat offset by other operating revenues and reduced general and administrative expenses.

Performance Improvement Efforts

The group is in the execution phase of some of the opportunities identified by the growth strategy initiatives that were concluded last year. The initiatives include revenue growth and optimization, cost rationalization and efficiency improvements. The implementation is in different stages of progress with one of group companies having moved into advanced

stages and appointed a consultant specialized in transformation and implementation to assist in the implementation of the chosen strategies.

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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.

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

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.

