



الخليج الدولية للخدمات ش.م.ق  
Gulf International Services o.s.c

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# Press Release

For the period ended 31 December, 2017

**GIS declares net profit of QR 85 million for the period ended December 31, 2017, moderately up on last year**

- Revenue of QR 2.5 billion for the period ended December 31, 2017.
- Total Assets of QR 10.4 billion as at December 31, 2017.
- Closing cash of QR 0.9 billion as at December 31, 2017.



**DOHA, QATAR-** 07/02/2018: 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, re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation, and catering services, announced its financial results for the period ended December 31, 2017, with revenue of QR 2.5 billion and net profit of QR 85 million, with a corresponding earnings per share of QR 0.46.

## Financial Results

### Revenue

Group revenue for the period ended December 31, 2017 was QR 2.5 billion, notably down on last year by ~17%. The aviation and drilling segments’ revenue remained flat on the previous year. The catering segment’s revenue was impacted by the demobilization of major contracts. General downturn in medical and general insurance business and rate reduction affected the insurance segment.

### Net Profit

The group’s net profit for the period ended December 31, 2017 closed at QR 85 million, up by 27% on last year, with an earnings per share of QR 0.46 for the year. The increase was primarily due to an increase in other income, as there was a one-off item relating to retirement of an asset in the drilling segment reducing the other income in the previous year. No such retirement during the year.

### Cash position

The cash position stood at QR 0.9 billion across all group companies as at December 31, 2017.

### Performance Improvement Efforts

The group is in the process of executing a series of initiatives to better utilize its asset base and to decrease its operating costs across the group companies. These initiatives include identification and short listing of a number of new opportunities, and further rationalization of the costs together with optimizing the utilization of operating assets and the supply chain.

### Proposed Dividend Distribution

For the period from the initial public offering in February 2008 to 2016, the group’s shareholders have received accumulated cash dividends of QR 2.6 billion, which is



equivalent to circa QR 14.2 per share, with an average payout ratio of approximately 55%. In addition, shareholders have received a total of 63 million additional shares through three bonus issuances.

The Board of Directors, after taking the current and future operating, investing, and financing needs of the business, believes that a dividend payment in 2017 will add further burden to the group's liquidity position, and will place many bottlenecks for future strategic development. As such, the Board of Directors has recommended no dividend for the 2017 and will instead use the funds for investment opportunities identified in the Company's growth strategy; where GIS will deploy the retained funds to invest in the group's activities, capturing the growing demand locally and internationally. We thank our shareholders for their continuous support during this difficult period.

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For more information about this press release, email [gis@qp.com.qa](mailto:gis@qp.com.qa) or visit

[www.gis.com.qa](http://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:** 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.

