



Gulf International Services

Investor Relations Presentation

30 June 2022

DISCLAIMER

The companies in which Gulf International Services Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “GIS” and “the Group” are sometimes used for convenience in reference to Gulf International Services Q.P.S.C.

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

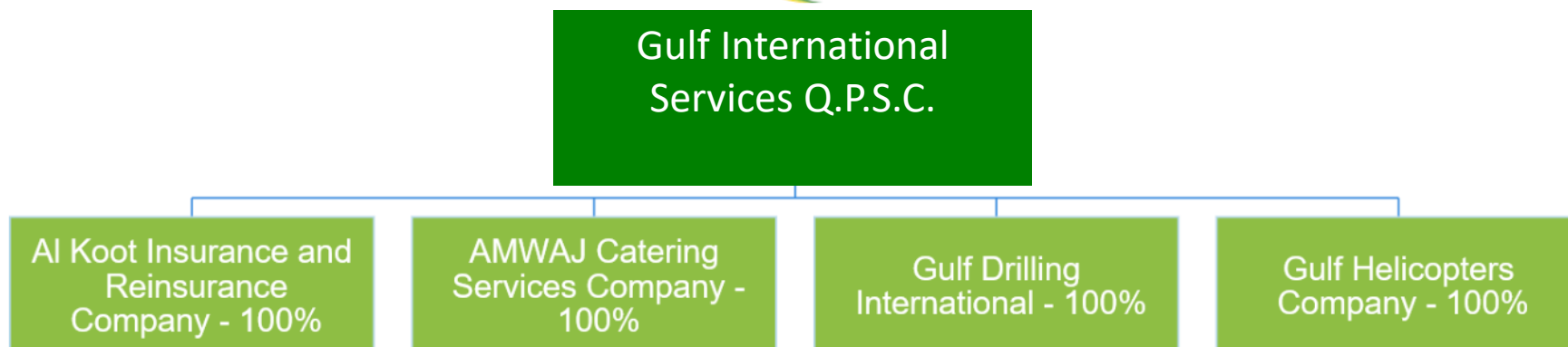
About GIS

- 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, helicopter transportation and catering services.
- QatarEnergy owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~22.3%.

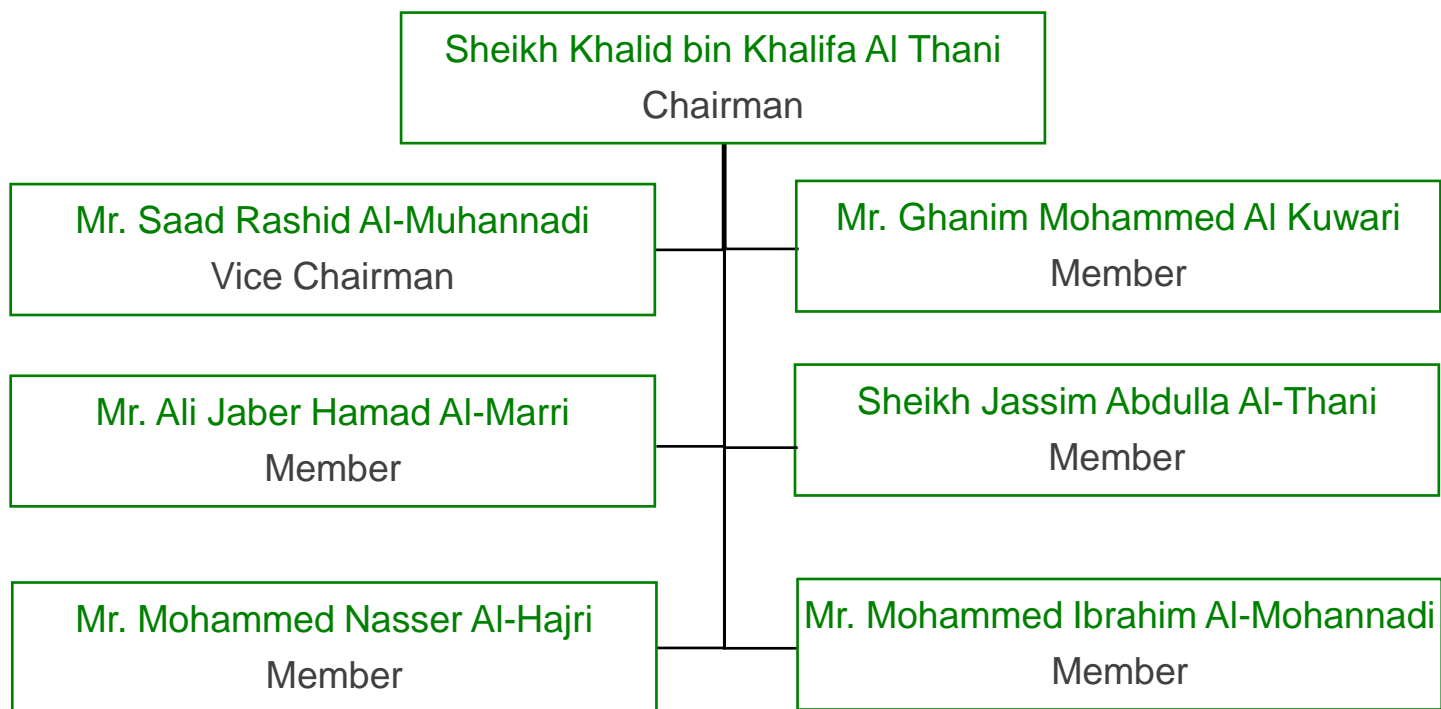


- All of the subsidiaries are 100% owned by GIS.



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.

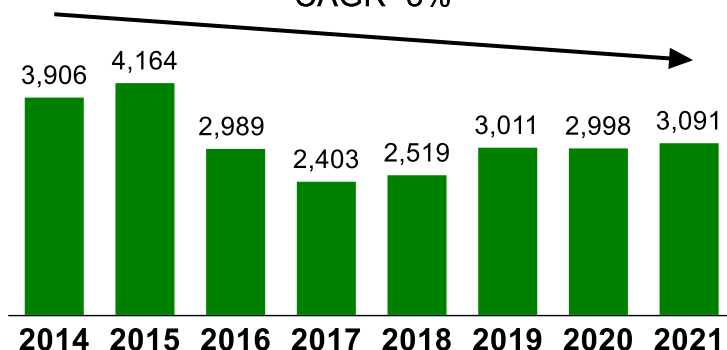


Results at a glance (2014-2021)

Results at a Glance (2014-2021)

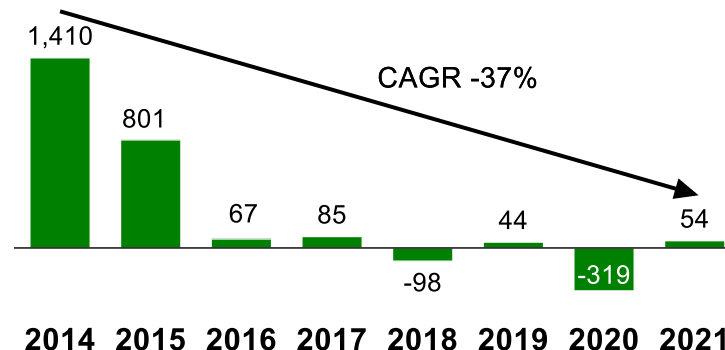
Revenue (QR million)

CAGR -3%



Net profit (QR million)

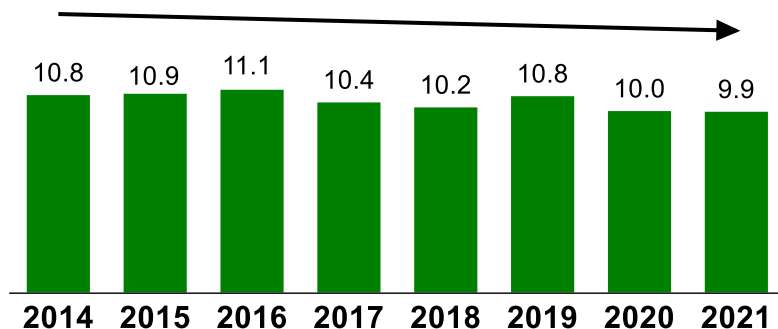
CAGR -37%



- **Revenue** peaked in 2015 with overall trajectory remained in line with cyclical movements in crude oil prices
- **Net profit** dropped after the peak in 2014, due to overall movements in revenue and increase in financing costs
- **Total Assets** significantly increased in 2014 due to acquisition of 30% stake in GDI and afterwards remained fairly stable
- **Total Debt** significantly increased in 2014 due to new financing obtained in relation to acquisition of the remaining stake in GDI, as well as, acquisition of new drilling assets.

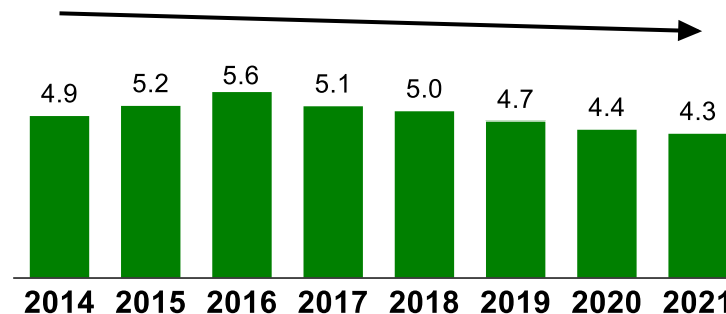
Total Assets (QR billion)

CAGR -1%



Total Debt (QR billion)

CAGR -2%



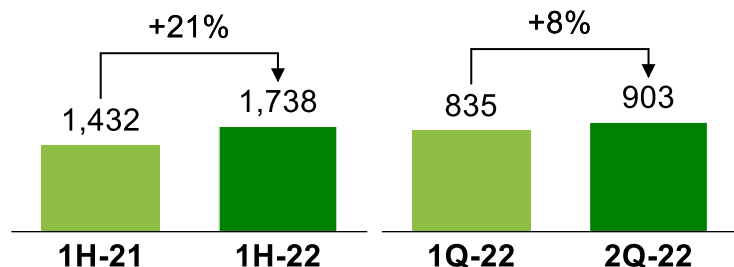
Results at a glance

(For the six-month period ended 30 June 2022)

Results at a Glance

For the six-month period ended 30 June 2022

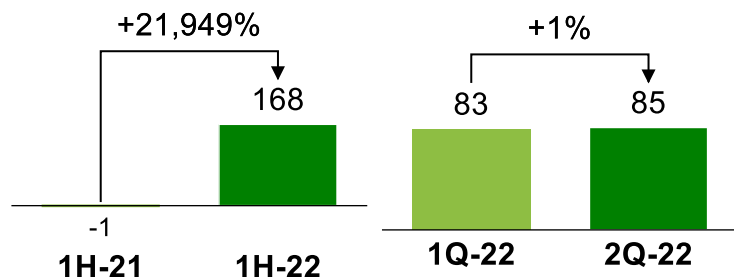
Revenue (QR million)



1H-22 vs 1H-21: Revenue growth from the aviation, drilling and catering segments led to an overall increase in the Group revenue. This was partially offset by a negative growth in revenue from the insurance segment.

2Q-22 vs 1Q-22: Positive growth in Group revenue was mainly on account of better revenue reported from the insurance, aviation and catering segments, which was slightly offset by negative movement in the topline from drilling segment.

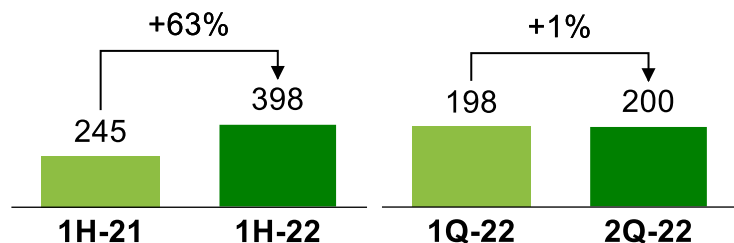
Net profit / (loss) (QR million)



1H-22 vs 1H-21: Profitability improved significantly mainly due to the overall increase in revenues. This was partially offset by increase in direct costs, general & administrative expenses and significant decline in investment income from insurance segment.

2Q-22 vs 1Q-22: Minimal growth in Group's net profit was reported as the negative movements in profitability from insurance, drilling and catering segments predominantly offset the aviation segment's continued growth in bottom-line profitability.

EBITDA (QR million)



1H-22 vs 1H-21: EBITDA improved compared to 1H-21 mainly due to higher revenues, partially offset by slightly higher costs.

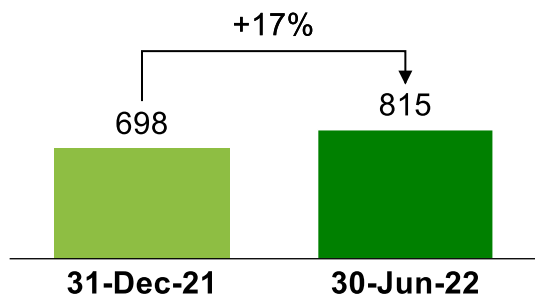
2Q-22 vs 1Q-22: EBITDA slightly improved mainly due to minimal growth in Group's operating profits.



Results at a Glance

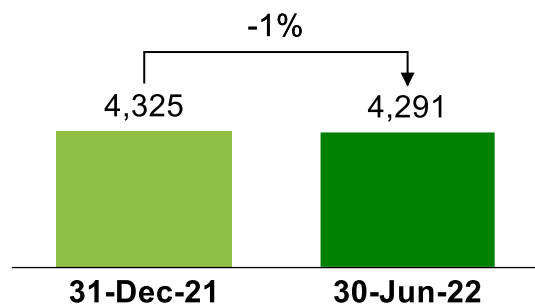
For the six-month period ended 30 June 2022

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



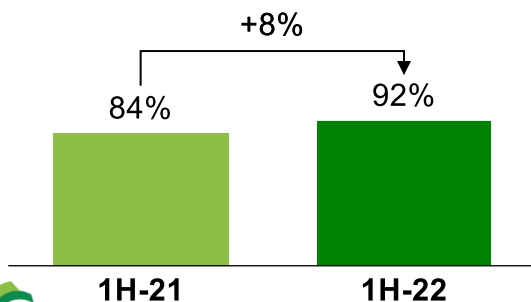
Cash balance improved compared to last year-end.

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

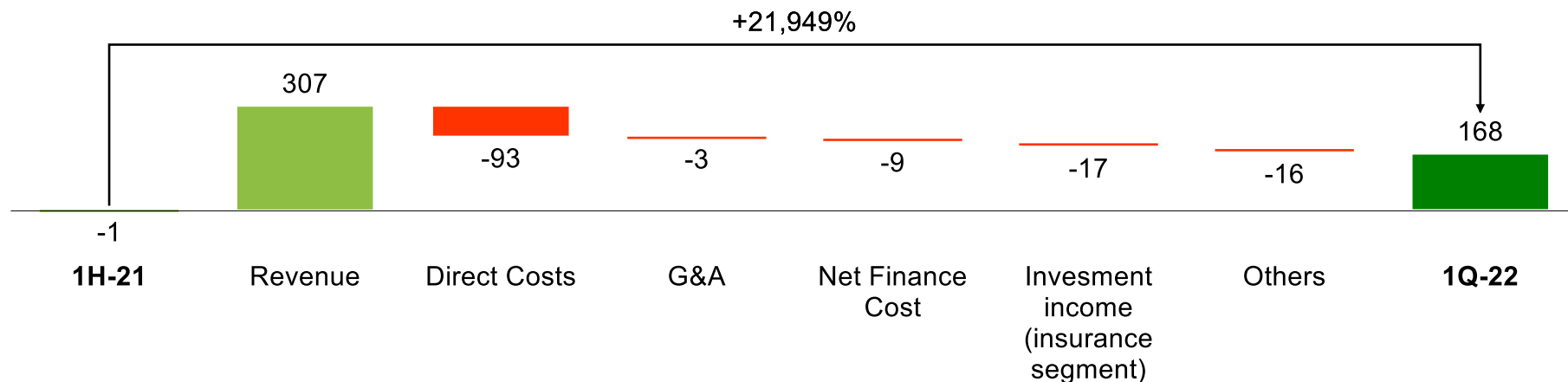


Rig utilization improved, mainly due to GDI 5 and GDI 7 being re-deployed in addition to Rumailah being on contract.

Net Profit

For the six-month period ended 30 June 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 & administrative expenses and net finance cost. Additionally, decline in investment income from insurance segment also adversely affected 1H-22 profitability versus 1H-21. Other expenses increased mainly due to foreign currency revaluation losses from GHC's Turkish subsidiary.



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.



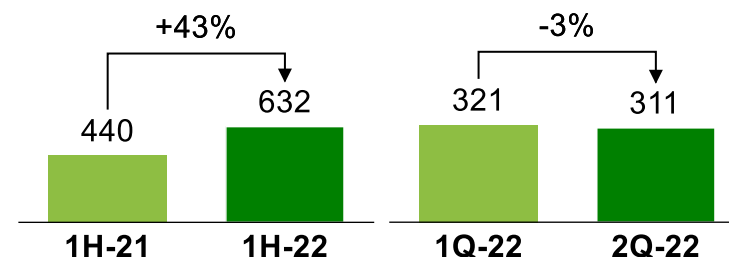
Segmental Details

For the six-month period ended 30 June 2022

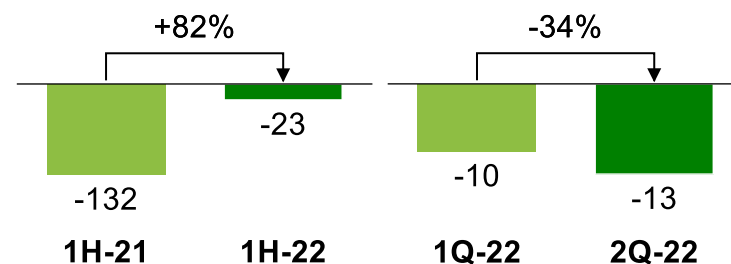
Drilling Segment

- 1H-22 vs 1H-21: revenue up by 43%, 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 GulfdriII JV's fleet since 2Q-21.
- 2Q-22 vs 1Q-22: decline in segmental revenue was mainly linked to a largescale overhaul of an offshore rig conducted during the current quarter, which affected overall rig utilization for 2Q-22 in comparison to 1Q-22.
- 1H-22 vs 1H-21: reduction in losses was mainly attributed to growth in segmental revenue.
- 2Q-22 vs 1Q-22: losses increased on a quarter-on-quarter basis mainly due to slightly lesser revenues.

Revenue QR million



Net loss (before taxes) QR million



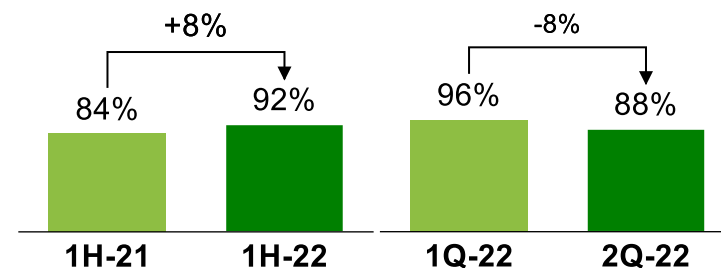
Segmental Details

For the six-month period ended 30 June 2022

Drilling Segment

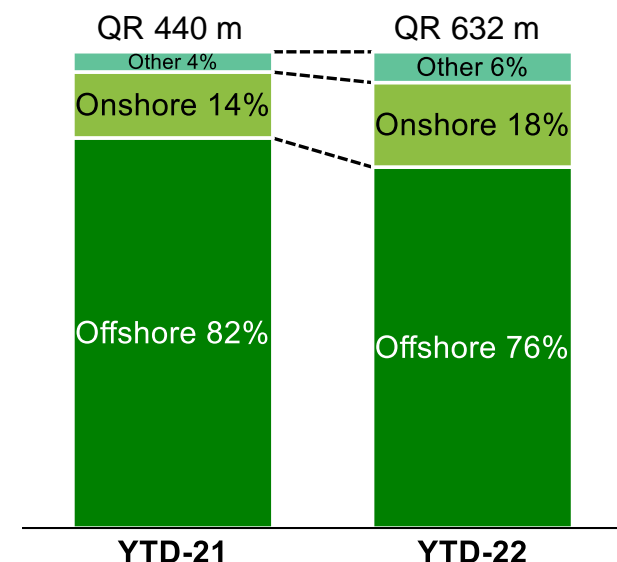
- 1H-22 vs 1H-21: Rig utilization improved, mainly due to GDI 5 and GDI 7 being re-deployed in addition to Rumailah being on contract.
- 2Q-22 vs 1Q-22: Rig utilization declined, as one of an off-shore rig underwent a largescale overhaul.

Rig utilization (%)¹



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

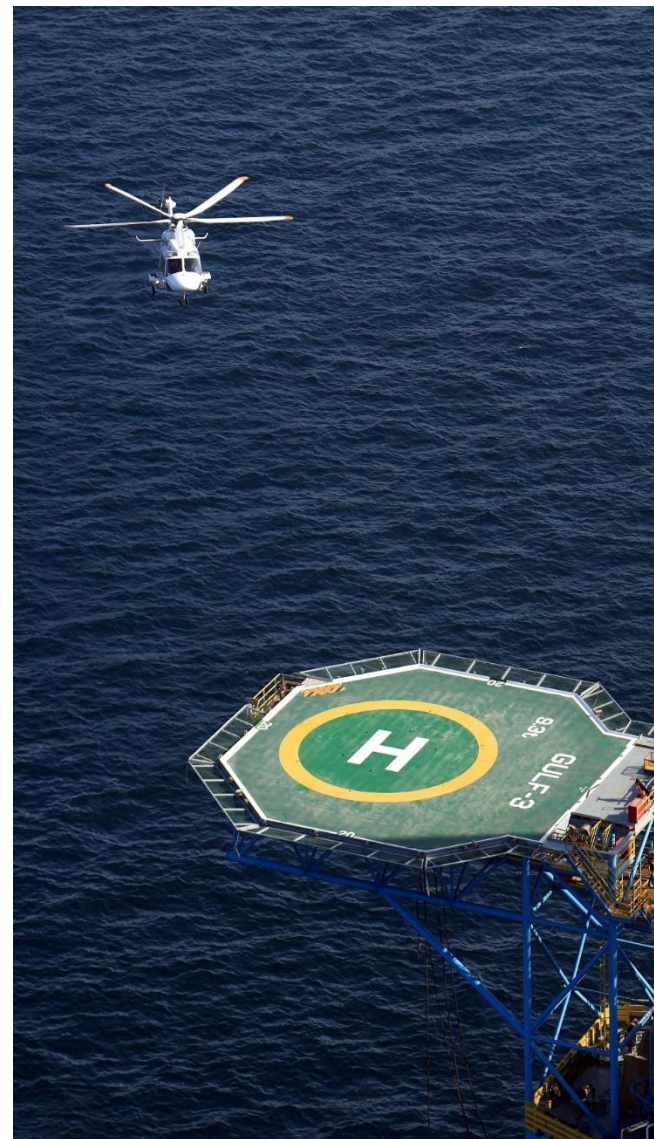
Revenue Mix



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 six-month period ended 30 June 2022

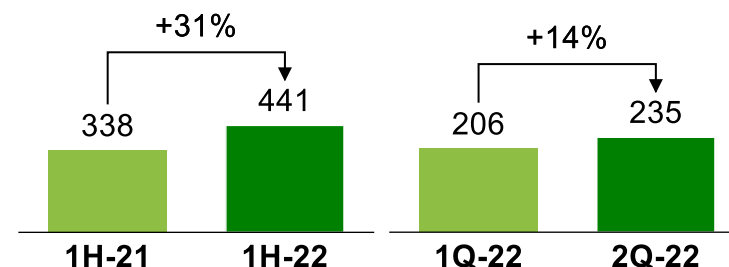
Aviation Segment

- 1H-22 vs 1H-21: increase was mainly attributed to higher flying hours, coupled with growth in revenue noted across all the operations.

- 2Q-22 vs 1Q-22: segment revenue for 2Q-22 increased by 14% versus 1Q-22, mainly due to continued improvement in domestic flying hours; higher revenue from the Turkish subsidiary; and additional revenue from Angola operations due to renewal of contract with better terms and additional aircraft.

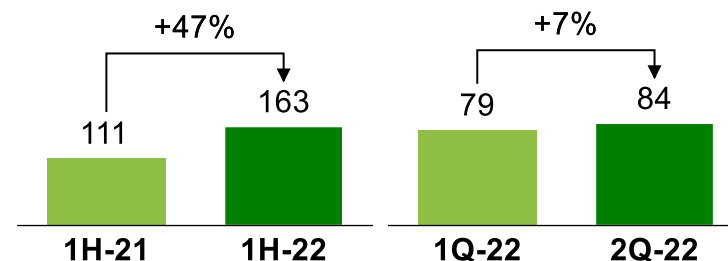
Revenue

QR million



Net profit (before taxes)

QR million



- 1H-22 vs 1H-21: profitability improvement was mainly supported by overall growth in segmental revenues, despite the impacts of currency devaluation from Turkish subsidiary.

- 2Q-22 vs 1Q-22: quarter-on-quarter profitability improved mainly due to positive sequential revenue growth and slightly lower foreign currency revaluation losses from the Turkish subsidiary.



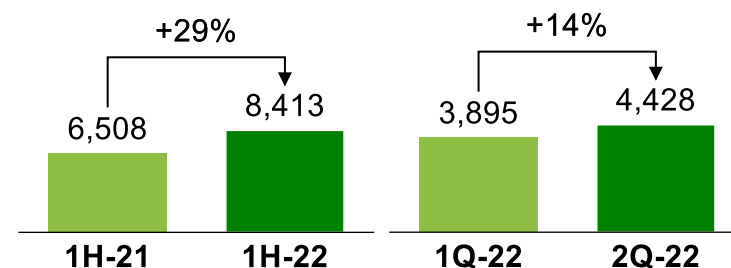
Segmental Details

For the six-month period ended 30 June 2022

Aviation Segment

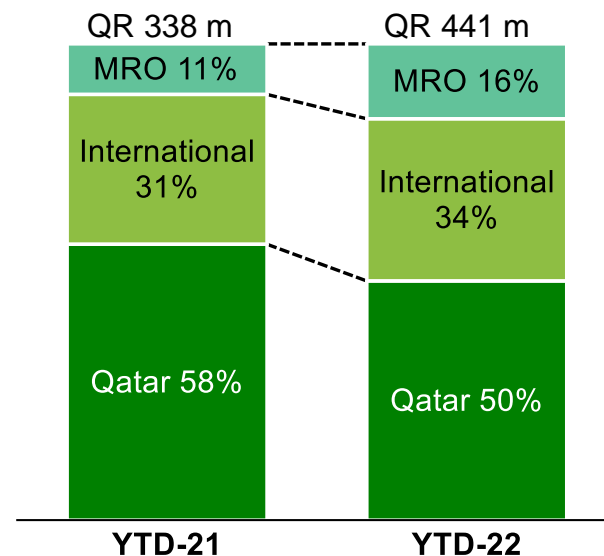
- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations.

Actual Flying hours



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

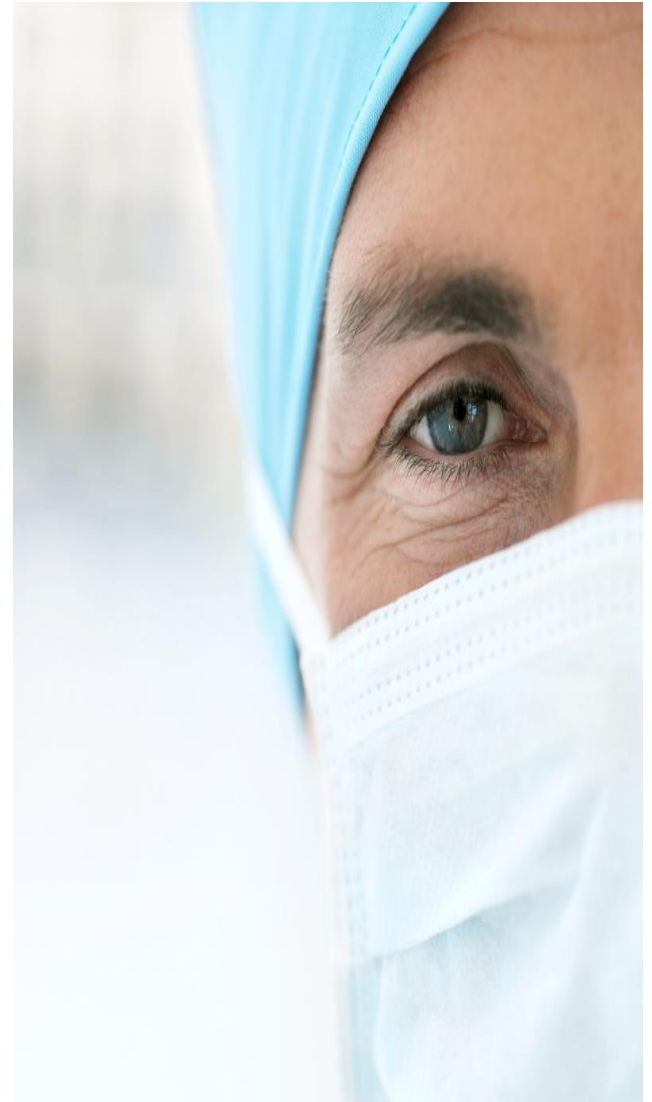
Revenue Mix



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.



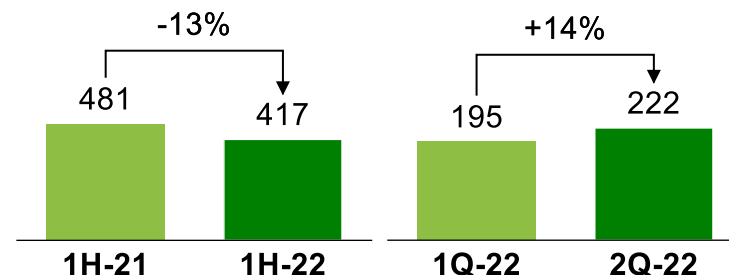
Segmental Details

For the six-month period ended 30 June 2022

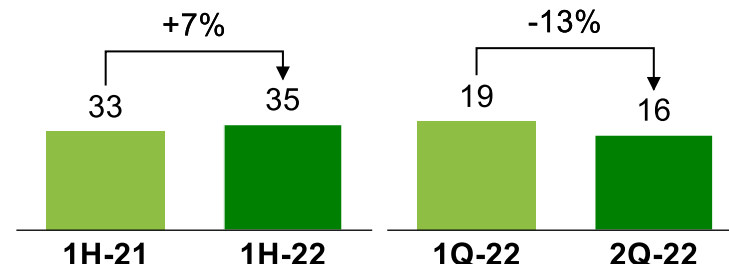
Insurance Segment

- 1H-22 vs 1H-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.
- 2Q-22 vs 1Q-22: Segment revenue for 2Q-22 increased by 14%, mainly due to renewal of certain insurance contracts with better pricing terms, higher volumes and/or wider coverage.
- 1H-22 vs 1H-21: The growth in bottom line profitability was mainly supported by an overall decline in claims, which decreased by 48% on a year-on-year basis. On the contrary, negative performance of segment's investment portfolio amid volatilities in capital markets, weighed on the segment's profitability, along with lowered revenue.
- 2Q-22 vs 1Q-22: The decline in bottom line profitability was mainly due to significantly lesser investment income reported during 2Q-22 versus 1Q-22. This was partially offset by better segmental revenue.

Revenue
QR million



Net profit / (loss) (before taxes)
QR million



Segmental Details

For the six-month period ended 30 June 2022

Insurance Segment

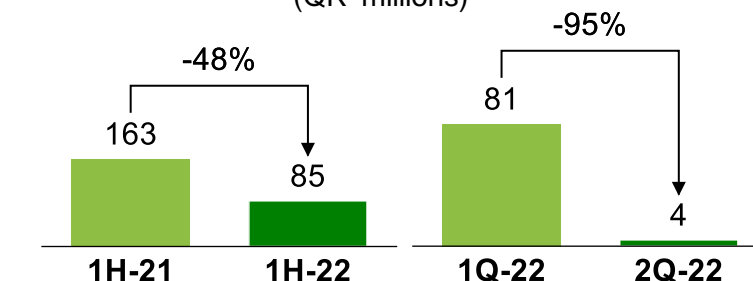
- Actual claims incurred down on last year and sequentially, due to decrease in medical insurance, as well as general insurance claims.

- Investment income significantly declined on last year and sequentially, predominantly as a result of unrealized losses booked on revaluation of held for trading investment securities due to volatilities in capital markets.

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

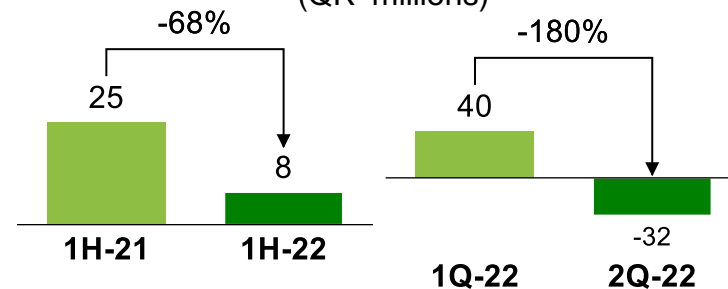
Actual claims incurred

(QR 'millions)



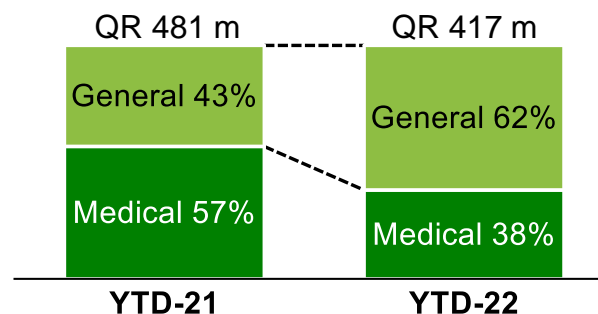
Analysis of investment income on investment portfolio¹

(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

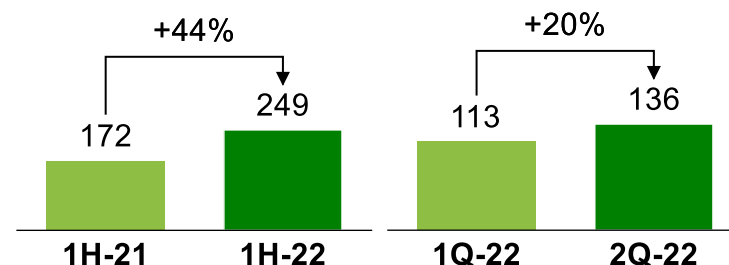
For the six-month period ended 30 June 2022

Catering Segment

- 1H-22 vs 1H-21: Revenue increase was mainly due to the growth in revenue within the manpower segment, on the back of realizations from a new contract won during last year. Additionally, certain contracts have been renewed within manpower segment, with broader scope improving overall service volumes for the segment.
- 2Q-22 vs 1Q-22: catering segment witnessed an increase in revenue during 2Q-22 due to improved revenue from the manpower services business.

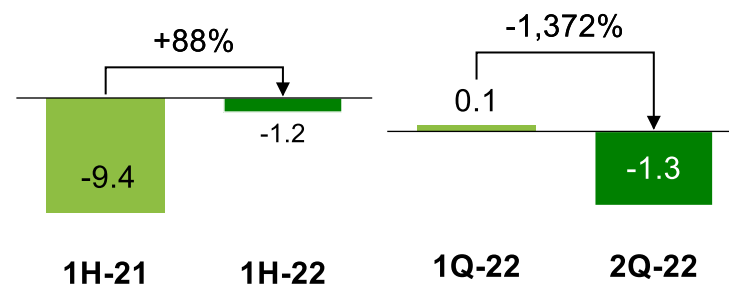
Revenue

QR million



Net profit / (loss)

(before income taxes)
QR million



- 1H-22 vs 1H-21: Segment profitability improved mainly due to higher revenues and better margins.
- 2Q-22 vs 1Q-22: segmental profits declined mainly due to higher operational costs pertaining to mobilization of a manpower contract won last year.



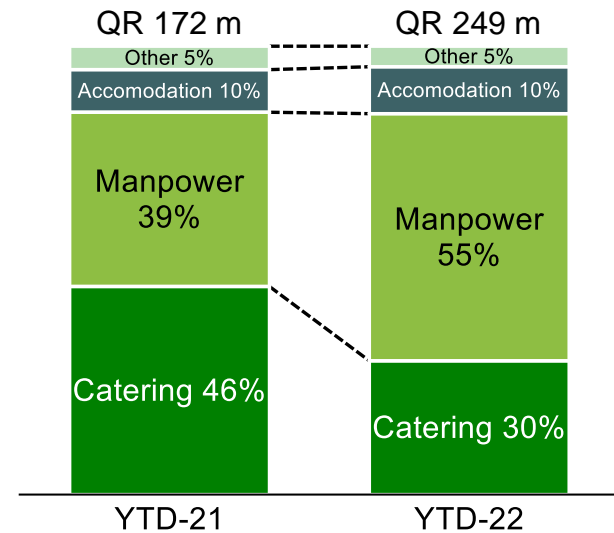
Segmental Details

For the six-month period ended 30 June 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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