



Gulf International Services

Investor Relations Presentation

30 June 2021

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 49% 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.
- Qatar Petroleum 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**.
- Qatar Petroleum owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~21.8%.

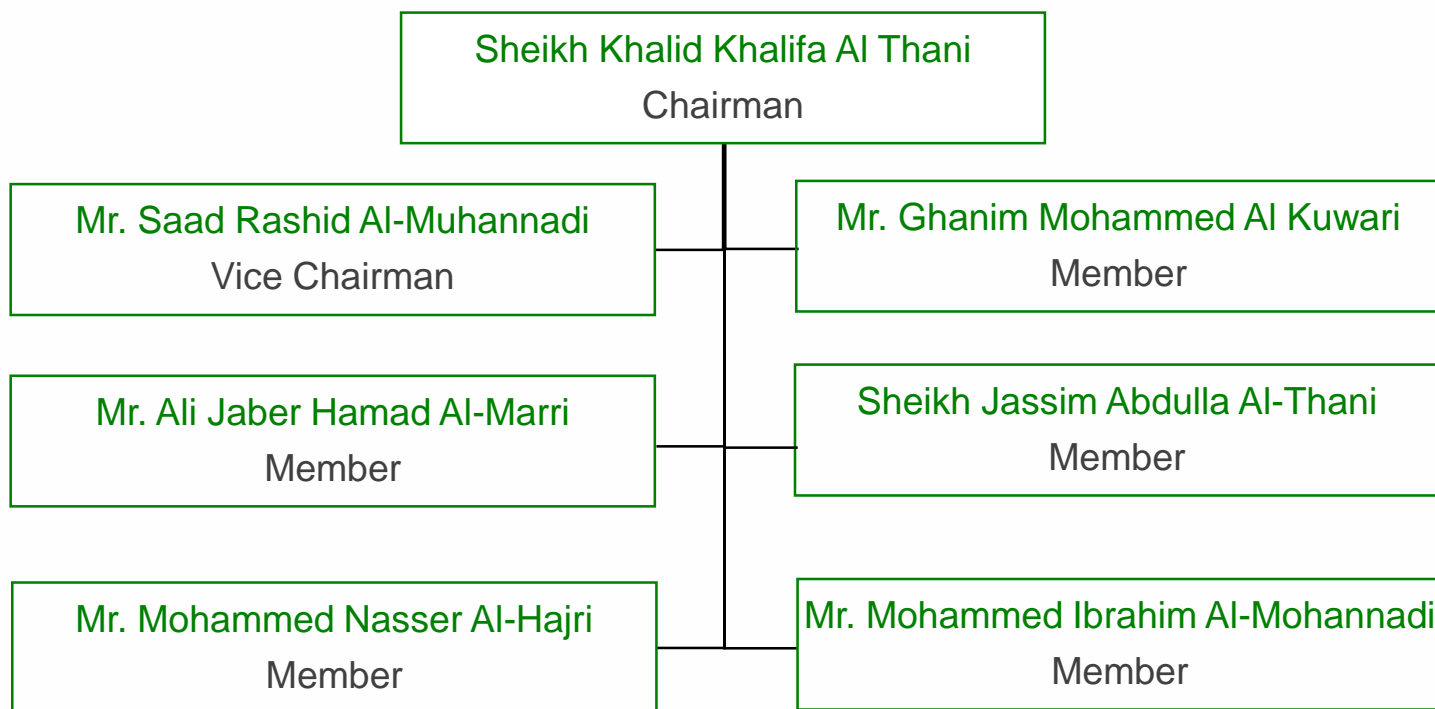


- All of the subsidiaries are **100%** owned by GIS.



Board of Directors

The Board of Directors of the group consists of:



Competitive Advantages

- The only Qatari drilling services provider in Qatar.
- Maintaining market share of over 50% of offshore and 100% on shore oil & gas drilling services.
- Modern fleet with 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 from across the globe.

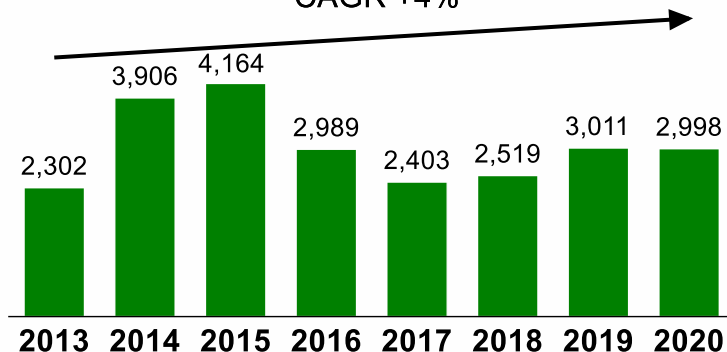


Results at a glance (2013-2020)

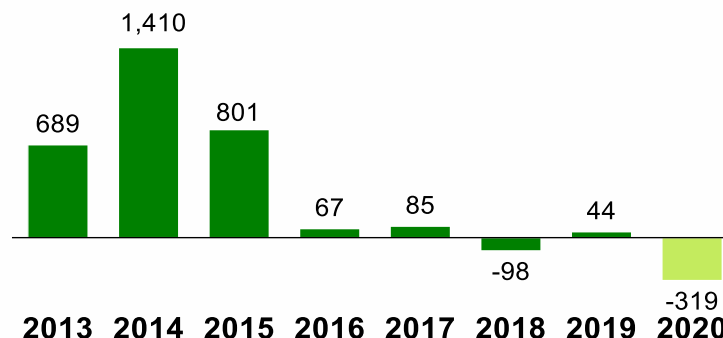
Results at a Glance (2013-2020)

Revenue (QR million)

CAGR +4%



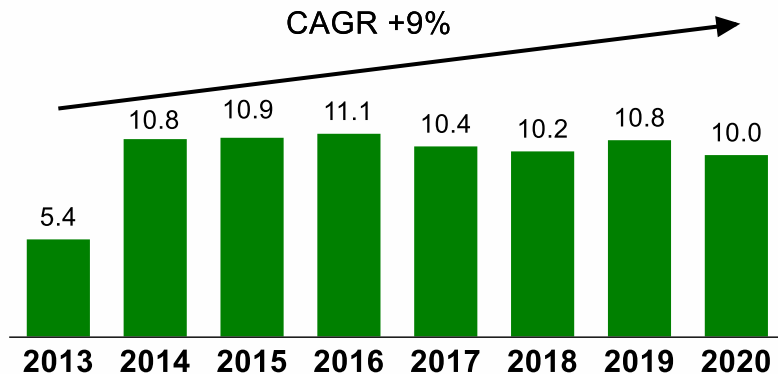
Net profit (QR million)



- **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.

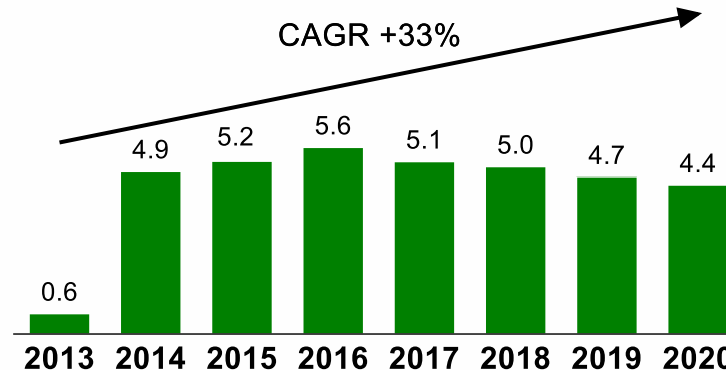
Total Assets (QR billion)

CAGR +9%



Total Debt (QR billion)

CAGR +33%



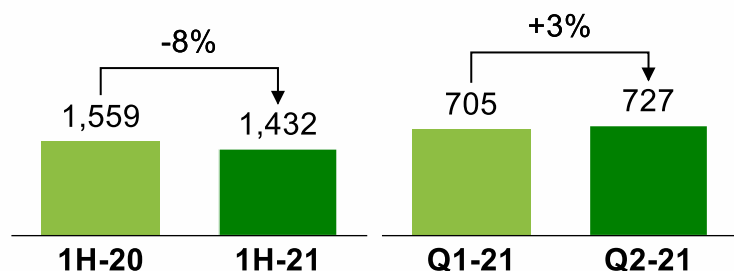
Results at a glance

(For the six-month period ended 30 June 2021)

Results at a Glance

For the six-month period ended 30 June 2021

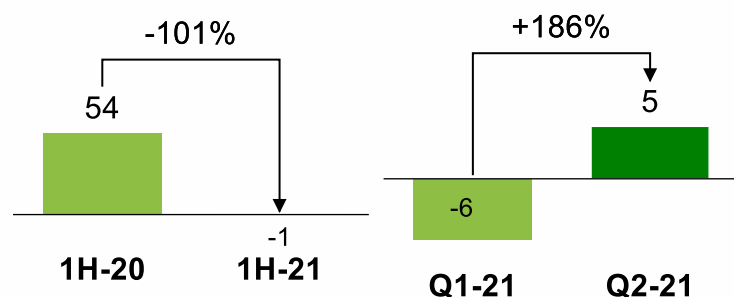
Revenue (QR million)



1H-21 vs 1H-20: Revenue decreased by 8% on last year. Revenue growth from insurance segment was entirely offset by revenue reduction from all the other segments. Topline performance of the Group continued to be impacted by the external challenges affecting the Group since the pandemic.

Q2-21 vs Q1-21: Revenue moderately increased in Q2-21, mainly on account of growth in revenue from aviation and drilling segments, offset by decline in revenue from insurance.

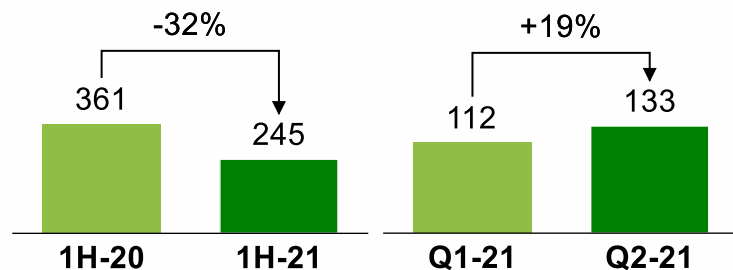
Net profit / (loss) (QR million)



1H-21 vs 1H-20: Profitability declined significantly, mainly due to the overall decline in revenues, partially offset by savings in general & admin. expenses, finance costs and positive movements on account of unrealized gains on revaluation of investment securities.

Q2-21 vs Q1-21: Profitability significantly improved versus Q1-21, mainly due to growth in bottom-line profitability across all the segments, on account of healthier topline by certain segments.

EBITDA (QR million)



1H-21 vs 1H-20: EBITDA declined compared to last year mainly due to an overall decline in operating profits.

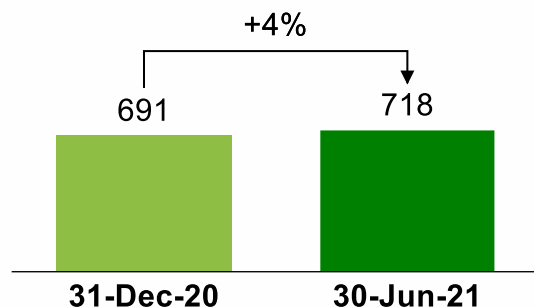
Q2-21 vs Q1-21: EBITDA improved due to continued optimization of operating expenses coupled with overall growth in revenue.



Results at a Glance

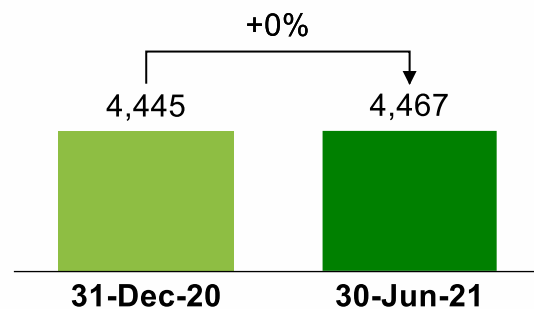
For the six-month period ended 30 June 2021

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



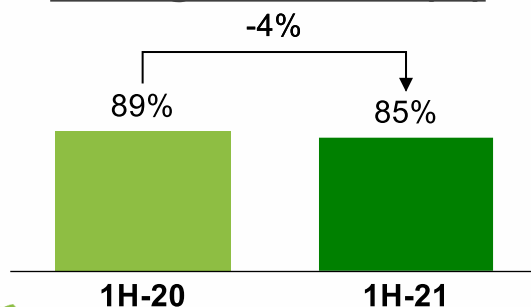
Cash balance marginally improved compared to last year-end, mainly due to the proceeds received from sale of investments and collection of receivable balances within the insurance segment.

Total Debt (QR million)



Total debt remained relatively flat compared to last year-end.

Av. Rig Utilization (%)¹



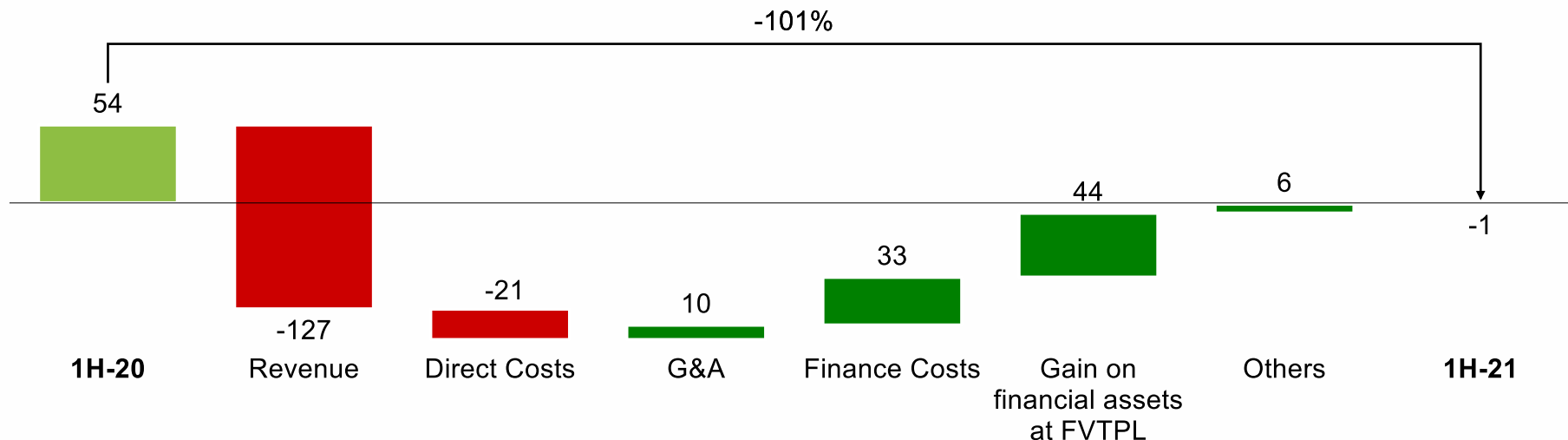
Rig utilization declined, mainly due to GDI 8 going off-contract.



Net Profit

For the six-month period ended 30 June 2021

Amounts reported in QR' millions



- **Revenue:** reduction by 8%. Revenue reduction was mainly impacted by the ongoing rig suspension and decline in rig rates since last year. On the other hand, the catering segment remain impacted by restrictions due to the pandemic.
- **Direct Costs:** at the Group level increased by 2%:
 - **Drilling:** increased by 9% mainly against deployment of the 3 remaining JV rigs;
 - **Aviation:** decreased by 8% due to lower repair and maintenance costs;
 - **Insurance:** increased mainly due to higher reinsurance costs and net claims;
 - **Catering:** reduced by 6% as a result of lower manpower costs amid loss of a contract.
- **G&A Expenses:** reduced by 10%
 - **Aviation:** savings of QR 2 mn compared to 1H-20;
 - **Drilling:** remained flat compared to same period last year;
 - **Insurance:** down by QR 6 mn mainly due to lower legal fees and other charges;
 - **Catering:** reduced by QR 1 mn;
 - **HO:** remained flat compared to 1H-20.
- **Finance Costs:** finance costs reduced by 34%, primarily as a result of lower interest rates;
- Gain on financial assets at FVTPL significantly up on 2020, as a result significant recovery in capital markets.



Segmental Details

Segmental Details

Drilling Segment

- **Gulf Drilling International (GDI)** incorporated in 2004 as a joint venture between Qatar Petroleum (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 is planned to commence operations in various phases in 2020 & 2021.



Segmental Details

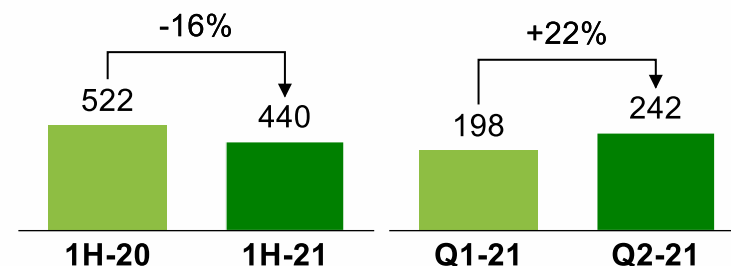
For the six-month period ended 30 June 2021

Drilling Segment

- 1H-21 vs 1H-20: revenue down by 16%, mainly due to continued rig suspension within the on-shore fleet, amid COVID-19 pandemic. Moreover, the rig day-rates, with effect from July 2020, were repriced with lesser rates, continue to affect the top-line performance.
- Q2-21 vs Q1-21: Q2-21 revenue improved by 22% versus Q1-21 mainly due to deployment of three additional rigs as part of Gulfdrrill JV's fleet during Q2-21, with rig management fee being reported as part of segmental revenue.

Revenue

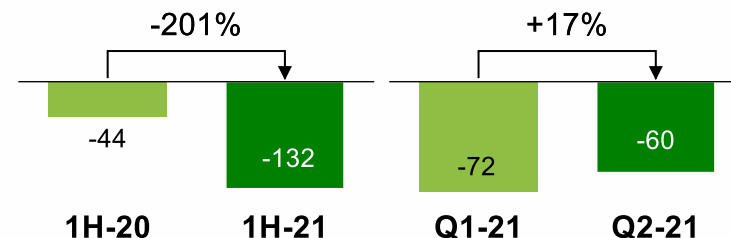
QR million



- 1H-21 vs 1H-20: Increase in net loss was primarily to a drop in revenue as explained above, partially offset by lower finance costs due to lower interest rates.
- Q2-21 vs Q1-21: The overall growth in segmental revenue for Q2-21 translated into better bottom-line performance for the segment versus Q1-21.

Net loss (before taxes)

QR million



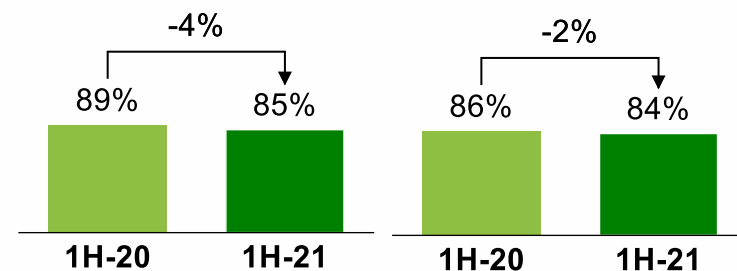
Segmental Details

For the six-month period ended 30 June 2021

Drilling Segment

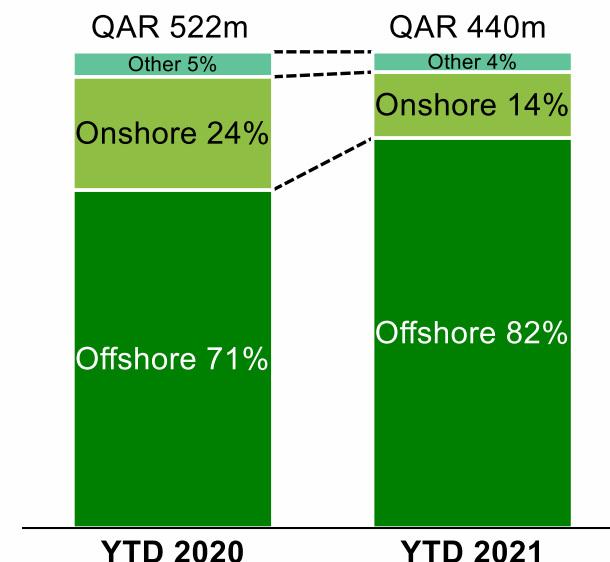
- Rig utilization declined mainly due to GDI 8 going off-contract since Nov-20.

Rig utilization (%)¹



- Offshore operations continue to contribute significantly to the segment's overall topline.
- Decline in onshore revenue was due to the overall decline in utilization rates for the onshore fleet.

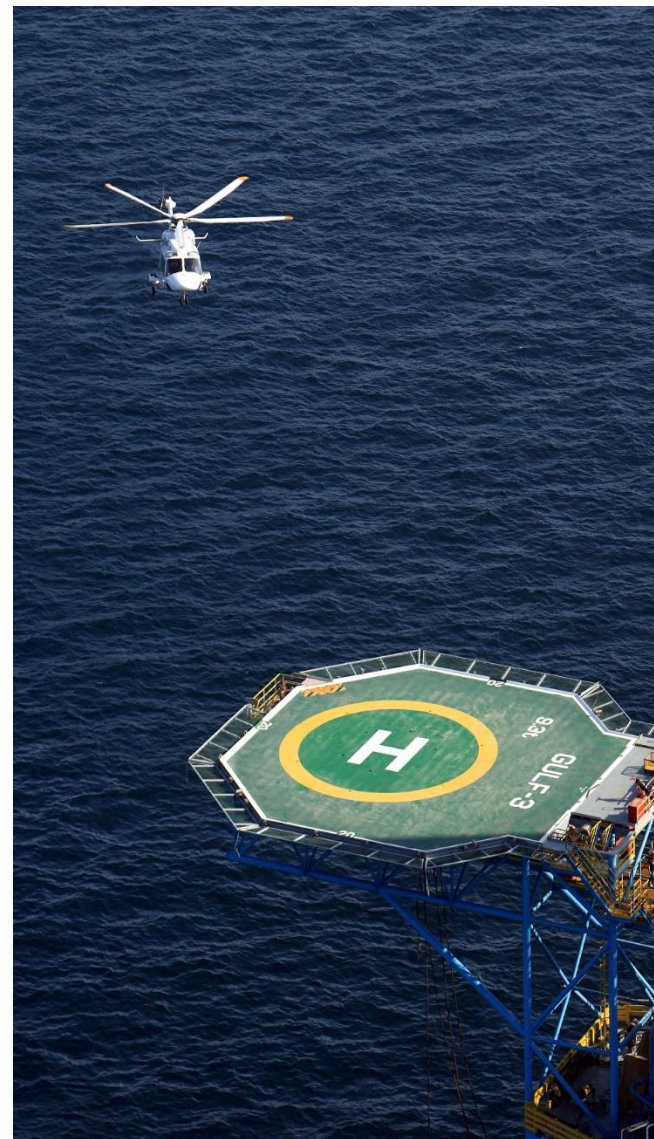
Revenue Mix



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 **59 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**
- **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

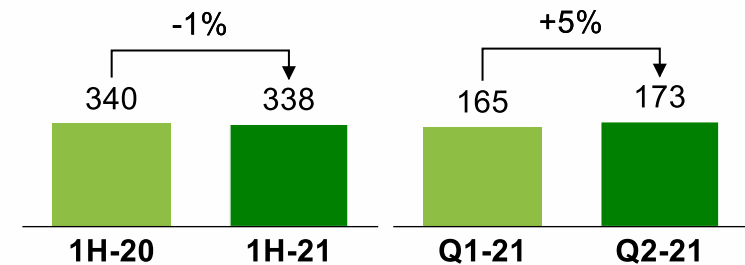
For the six-month period ended 30 June 2021

Aviation Segment

- 1H-21 vs 1H-20: The negative growth in revenue was mainly on the back of lower revenue from international segment. This was partially offset by increase in MRO revenue and improved flying activity on an overall basis.
- Q2-21 vs Q1-21: Segment revenue for Q2-21 versus Q1-21 increased by 5%, amid improved flying activity and MRO related revenue.

Revenue

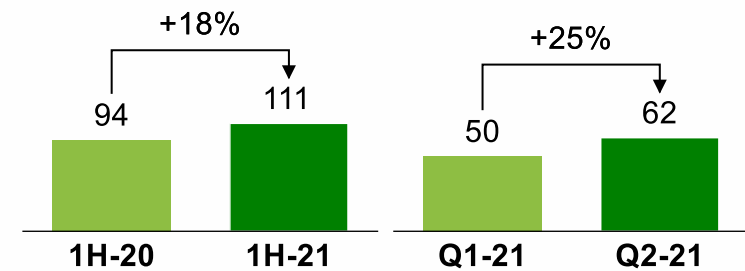
QR million



- 1H-21 vs 1H-20: Profitability improvement was mainly supported by realized savings in operating costs, due to lower repair and maintenance costs. This was slightly offset by overall decline in topline for the segment.
- Q2-21 vs Q1-21: Q2-21 profitability improved by 25% in comparison to previous quarter's bottom-line performance, mainly on the back of positive revenue growth.

Net profit / (loss) (before taxes)

QR million



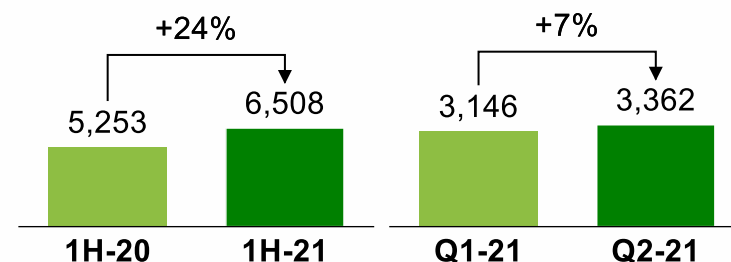
Segmental Details

For the six-month period ended 30 June 2021

Aviation Segment

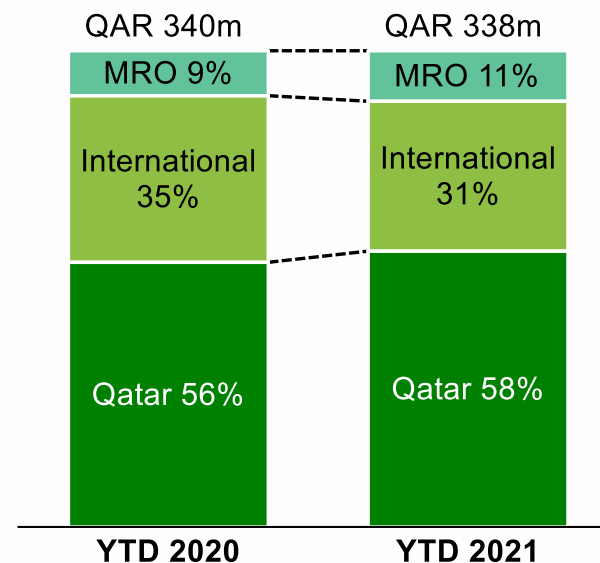
- COVID-19 related travel restrictions, which affected the transport demand last year for the oil and gas companies remained relaxed during the period. As a result, higher flying hours were recorded on an overall basis.

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, QP 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.

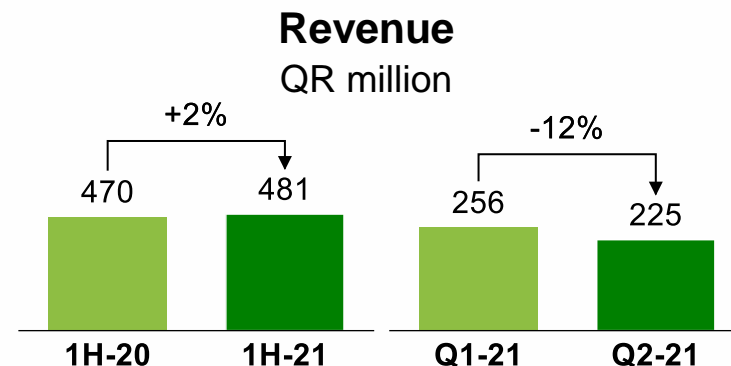


Segmental Details

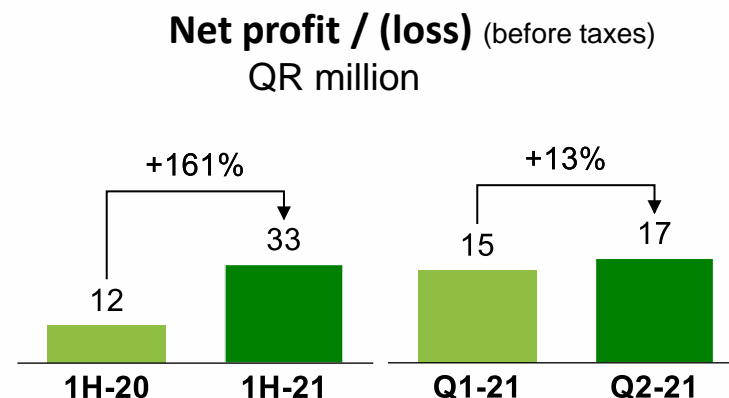
For the six-month period ended 30 June 2021

Insurance Segment

- 1H-21 vs 1H-20: growth in revenue was mainly due to higher premiums from general insurance segment, partially offset by decline in premiums from the medical line of business.
- Q2-21 vs Q1-21: Segment revenue for Q2-21 versus Q1-21 decreased by 12%, mainly due to lesser premiums with certain policies were expired without renewal.



- 1H-21 vs 1H-20: strong growth in bottom-line profitability was mainly supported by improvement in premiums, coupled with strong performance of the investment portfolio on the back of recovery in capital markets. This was partially off-set by higher claims incurred during the current period versus 1H-20.
- Q2-21 vs Q1-21: Q2-21 profitability improved by 13% in comparison to Q1-21, on the back of higher investment income and lowered claims, partially offset by decline in segmental revenue.

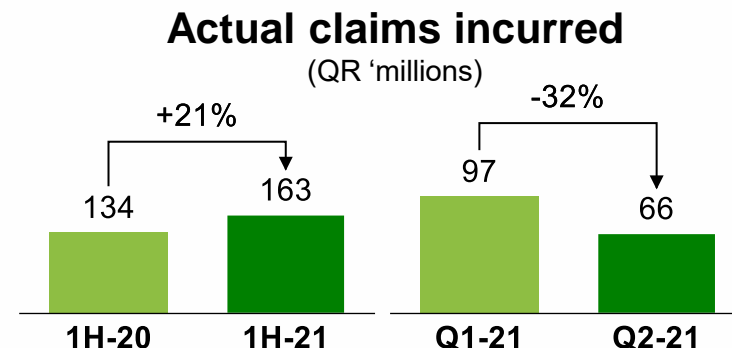


Segmental Details

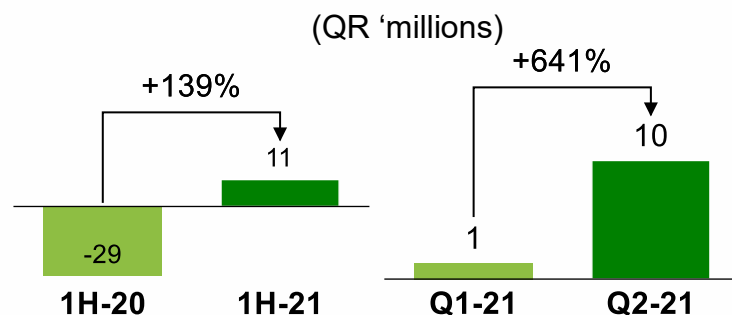
For the six-month period ended 30 June 2021

Insurance Segment

- Actual claims up on last year, mainly due to increase in medical insurance claims driven by increased doctors' consultations and minor medical procedures during the year with the ease of COVID-19 linked restrictions on hospitals during the year.

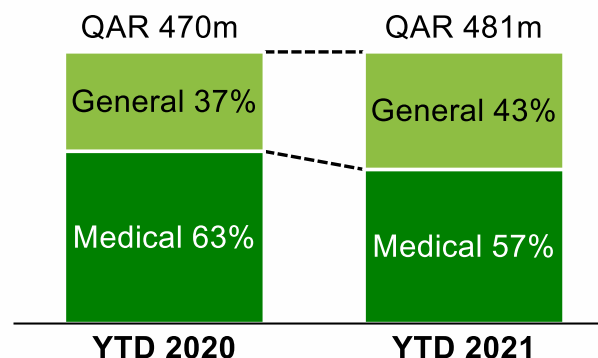


Analysis of unrealized income / (losses) on revaluation of investment securities



- Unrealized income on revaluation of investment securities significantly up on 2020, as a result significant recovery in capital markets.

Revenue Mix



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



Segmental Details

Catering Segment

- **Amwaj Catering Services Company**, incorporated in 2006 as a wholly-owned subsidiary of Qatar petroleum
- 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



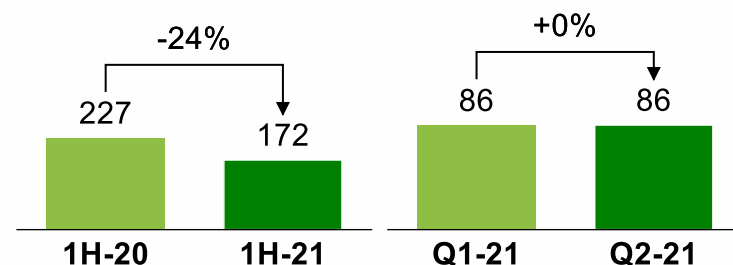
Segmental Details

For the six-month period ended 30 June 2021

Catering Segment

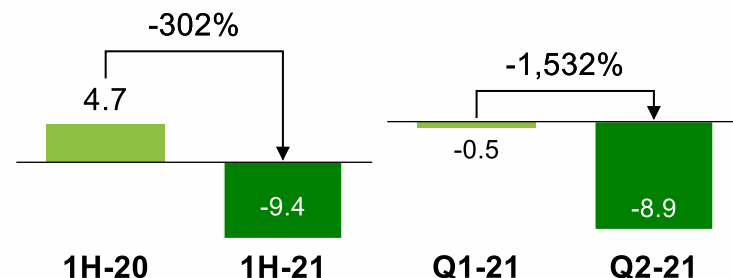
- 1H-21 vs 1H-20: Catering segment reported a revenue of QR 172 million, with a decline of 24% compared to 1H-20. This was mainly as a result of lowered number of meals served across majority of catering locations, due to COVID-19 restrictions. This was in addition to demobilization of some contracts within both manpower and catering contracts during Q4-20, which affected the overall revenue growth for 2021.
- Q2-21 vs Q1-21: Segment revenue for Q2-21 remained flat versus Q1-21.

Revenue
QR million



- 1H-21 vs 1H-20: segment reported a net loss of QR 9 million for six-month period ended 30 June 2021, compared to a net profit of QR 5 million for 1H-20, mainly due to lowered margins and declining revenues.
- Q2-21 vs Q1-21: Segment profitability declined on account of higher operational cost.

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



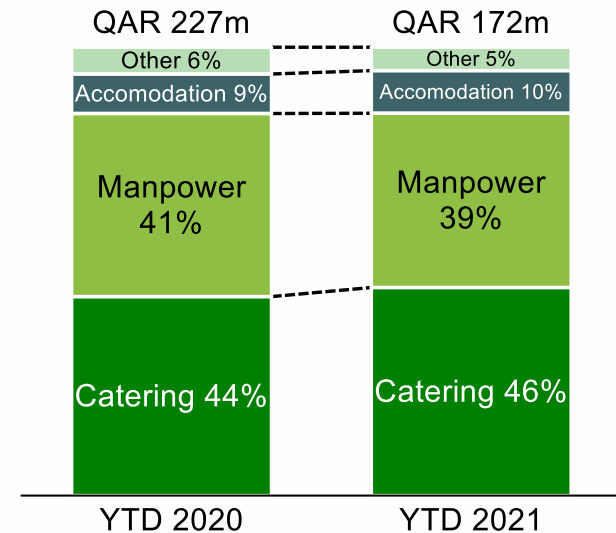
Segmental Details

For the six-month period ended 30 June 2021

Catering Segment

- Catering and manpower businesses continue to remain key contributors to the segment's 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 Qatar Petroleum, and four (4) Directors were elected with effect from 10/03/2021.
- QP 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 Qatar Petroleum 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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