



Gulf International Services

Investor Relations Presentation

30 September 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.
- 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 ~22.2%.

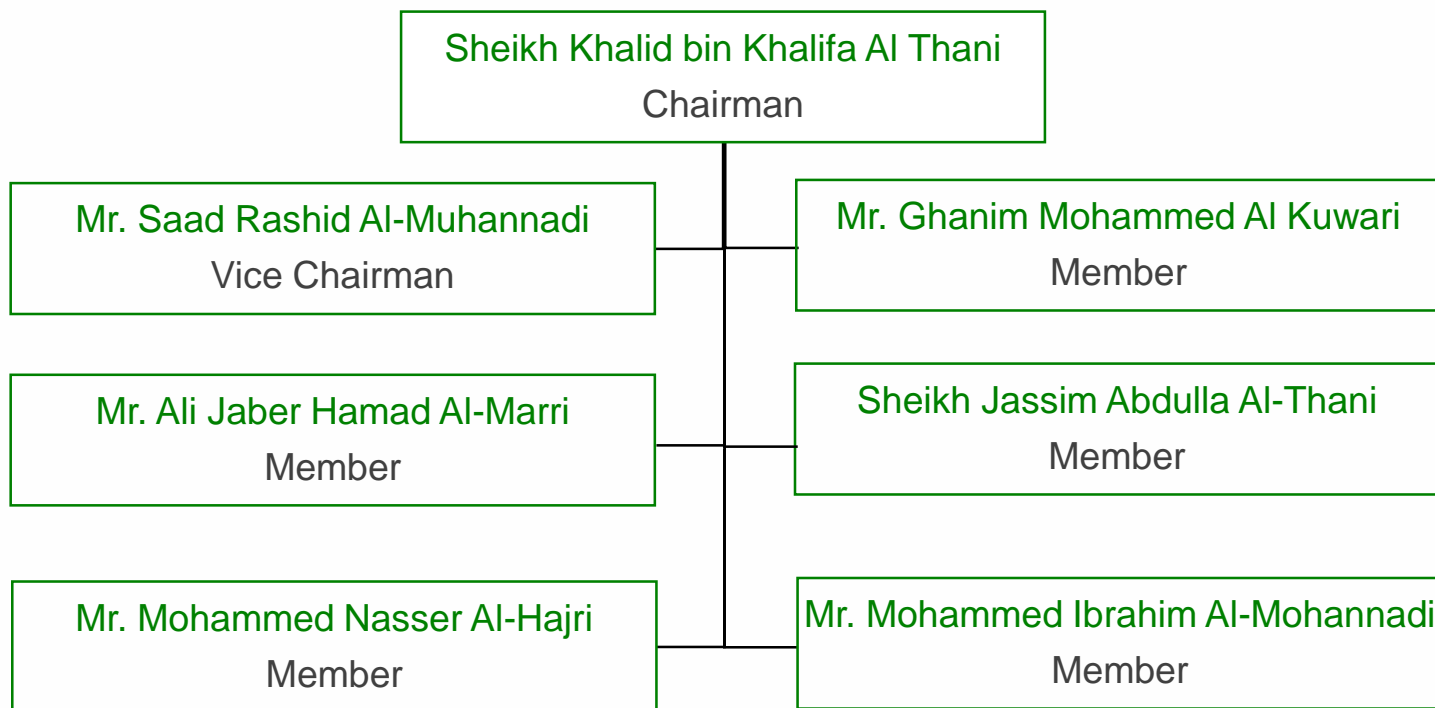


- All of the subsidiaries are **100%** owned by GIS.



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 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.

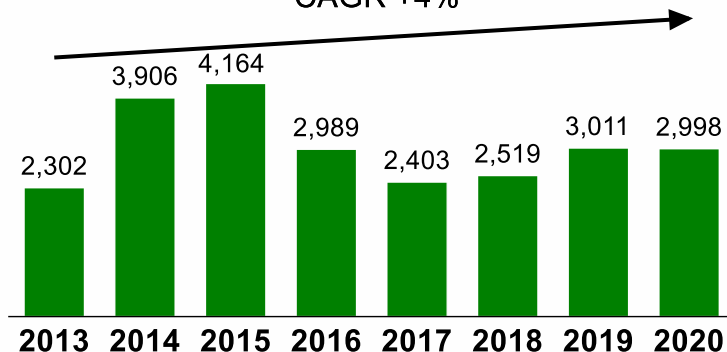


Results at a glance (2013-2020)

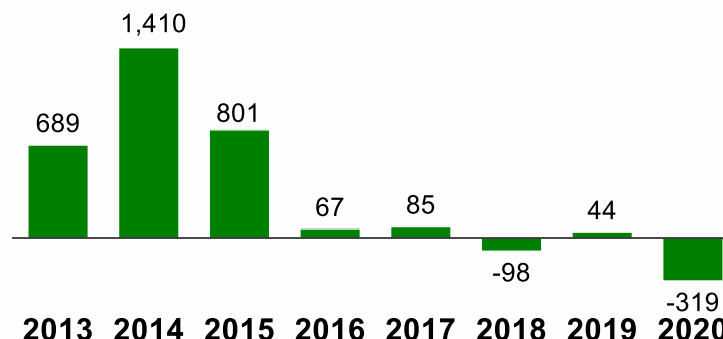
Results at a Glance (2013-2020)

Revenue (QR million)

CAGR +4%



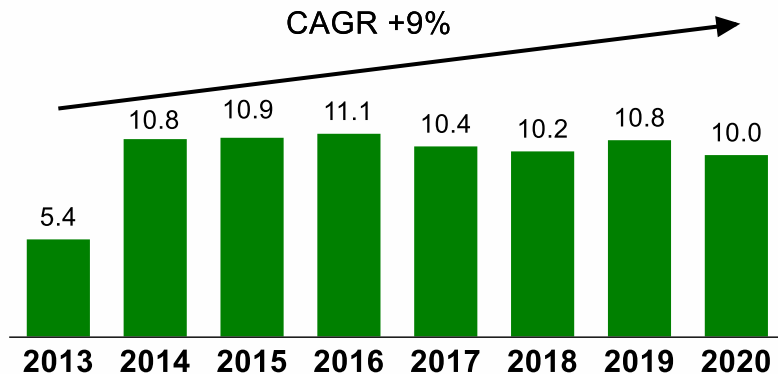
Net profit (QR million)



- **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.

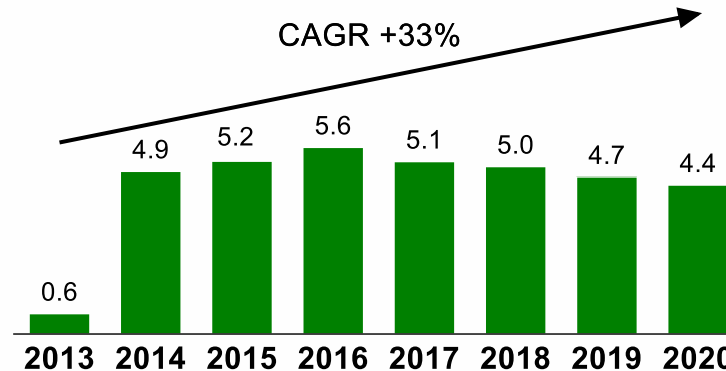
Total Assets (QR billion)

CAGR +9%



Total Debt (QR billion)

CAGR +33%



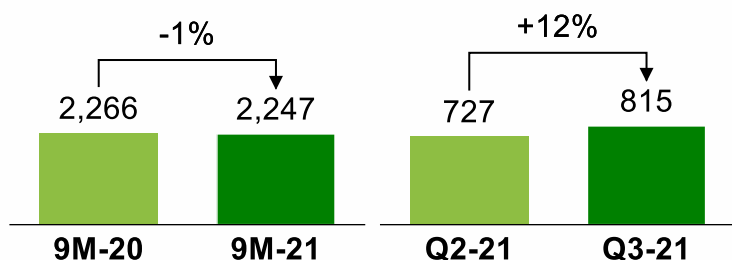
Results at a glance

(For the nine-month period ended 30 September 2021)

Results at a Glance

For the nine-month period ended 30 September 2021

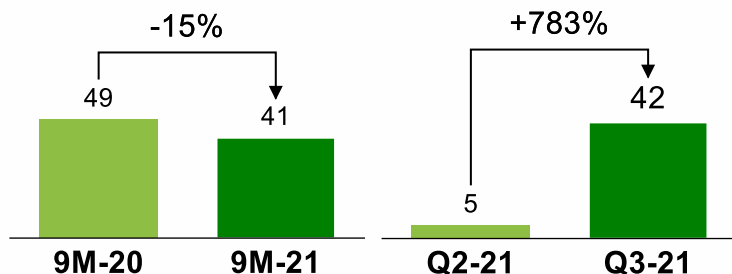
Revenue (QR million)



9M-21 vs 9M-20: Revenue decreased by 1% on last year. Revenue growth from insurance and aviation segments was entirely offset by revenue reduction from drilling and catering segments.

Q3-21 vs Q2-21: Revenue increased by 12% in Q3-21, mainly on account of growth in revenue from aviation, insurance and drilling segments, offset by decline in revenue from catering segment.

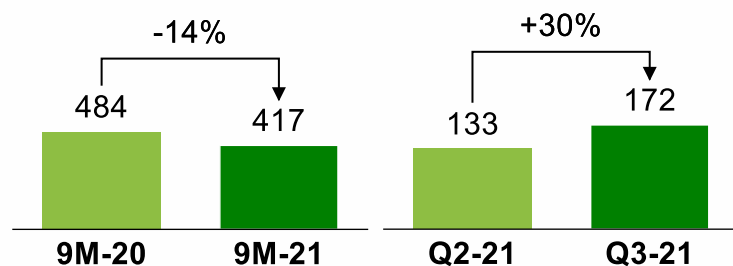
Net profit / (loss) (QR million)



9M-21 vs 9M-20: Profitability declined 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.

Q3-21 vs Q2-21: Profitability significantly improved versus Q2-21, mainly due to growth in profitability across aviation, insurance and drilling segments on account of healthier growth in revenue for the segments.

EBITDA (QR million)



9M-21 vs 9M-20: EBITDA declined compared to last year mainly due to reduced revenue and higher direct costs.

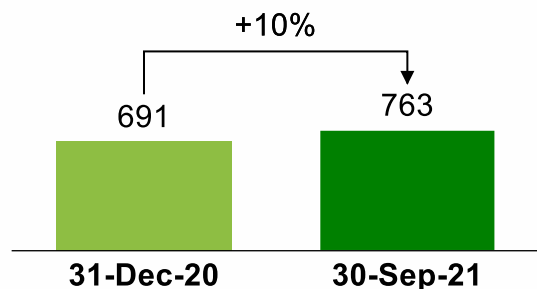
Q3-21 vs Q2-21: EBITDA improved due to overall growth in Group revenue with better gross margins.



Results at a Glance

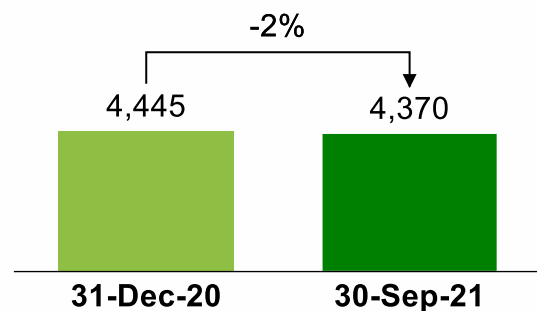
For the nine-month period ended 30 September 2021

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



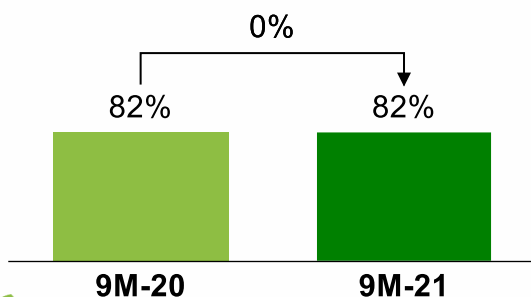
Cash balance marginally improved compared to last year-end, mainly due to the proceeds received from sale of investments and collection of receivable balances within the insurance segment.

Total Debt (QR million)



Total debt marginally declined by 2% compared to last year-end.

Av. Rig Utilization (%)¹



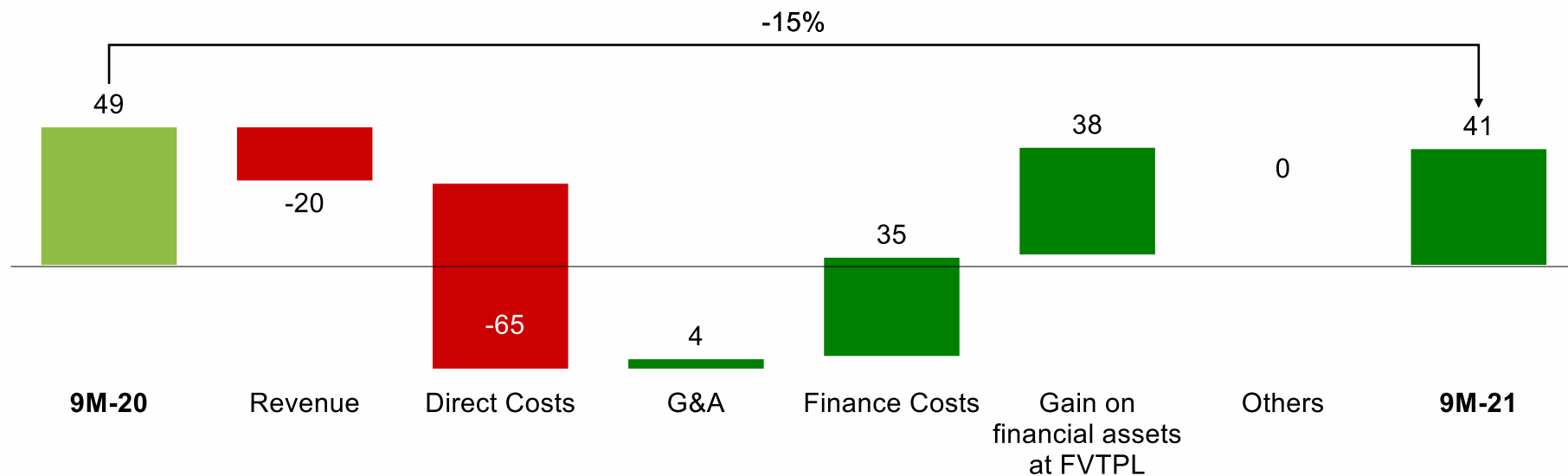
Rig utilization remained the same compared to last year.



Net Profit

For the nine-month period ended 30 September 2021

Amounts reported in QR' millions



Decline in revenue and increased direct cost led to an overall decline in profitability, partially offset by savings on account of general & administrative expenses and finance cost, coupled with unrealized gain on financial assets.



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 is planned to commence operations in various phases in 2020 & 2021.



Segmental Details

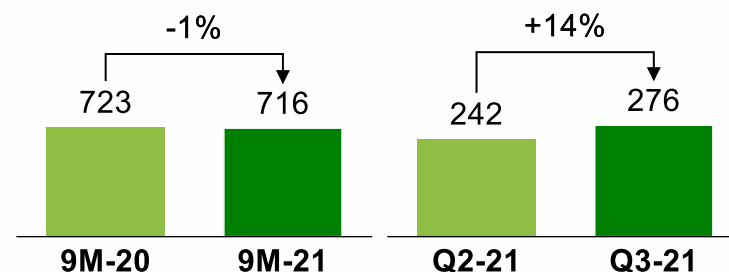
For the nine-month period ended 30 September 2021

Drilling Segment

- 9M-21 vs 9M-20: revenue down by 1%, mainly due to rig suspension within onshore fleet and rig day-rate reduction within offshore fleet, since previous year until Q2-21.
- Q3-21 vs Q2-21: Q3-21 revenue improved mainly due to deployment of two onshore rigs and better rig day-rates for the offshore fleet.

Revenue

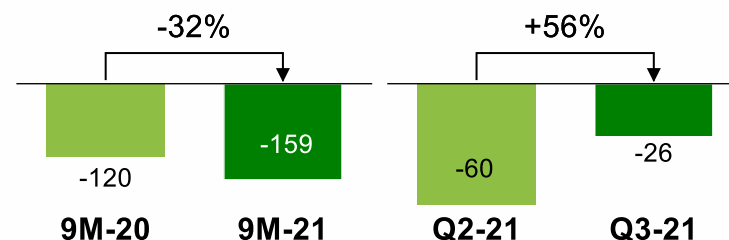
QR million



- 9M-21 vs 9M-20: Increase in net loss was primarily linked to drop in revenue, partially offset by lower finance costs.
- Q3-21 vs Q2-21: Overall growth in segmental revenue for Q3-21 translated into better bottom-line performance for the segment versus Q2-21.

Net loss (before taxes)

QR million



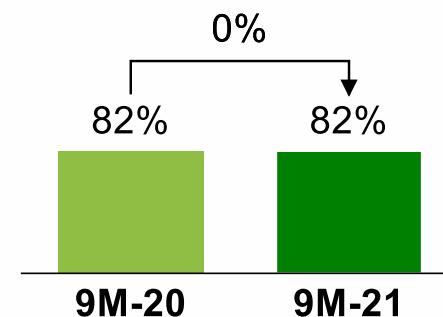
Segmental Details

For the nine-month period ended 30 September 2021

Drilling Segment

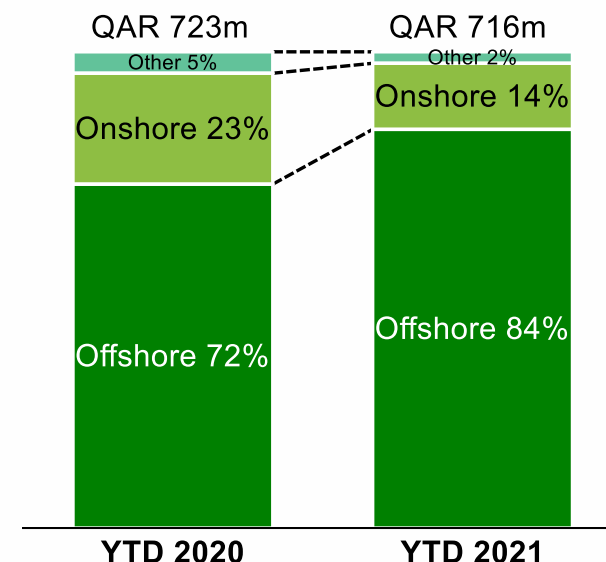
- Rig utilization remained the same compared to last year.

Rig utilization (%)¹



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

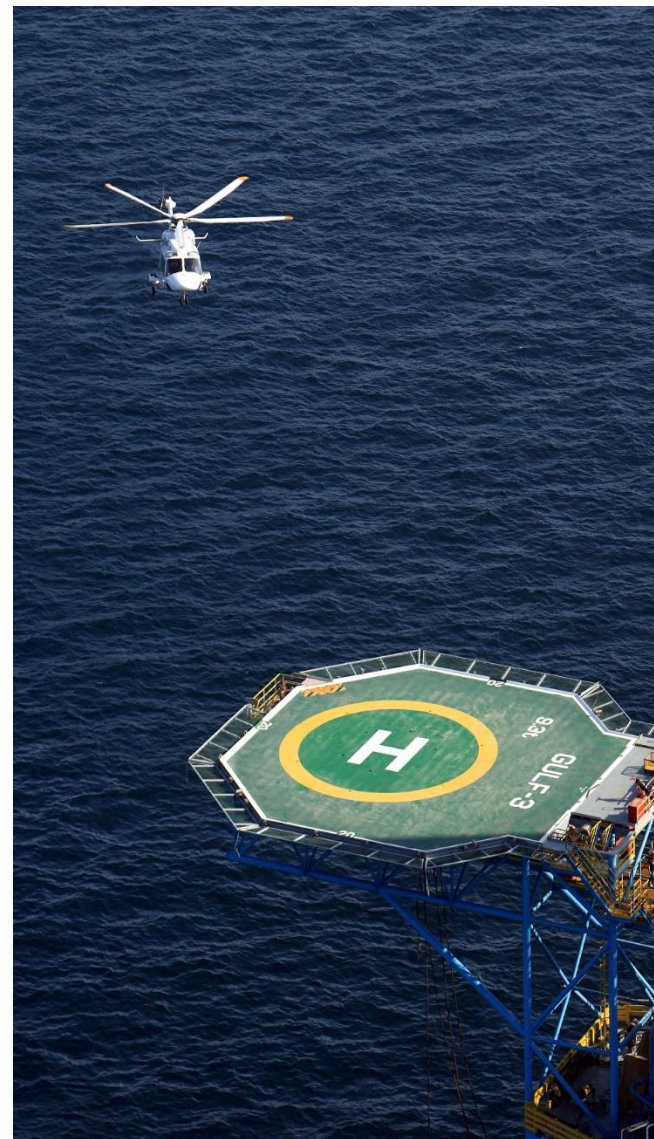
Revenue Mix



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 **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**

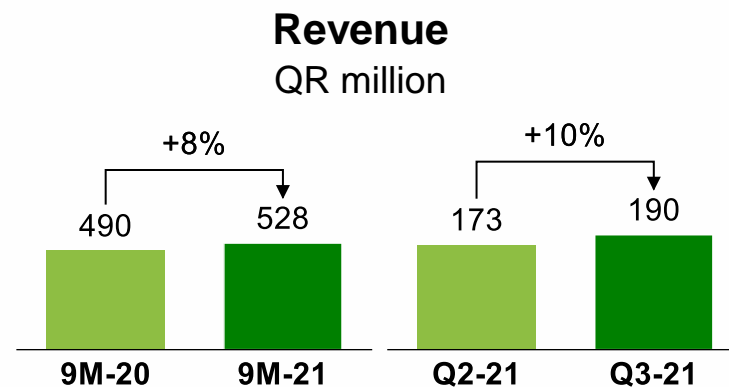


Segmental Details

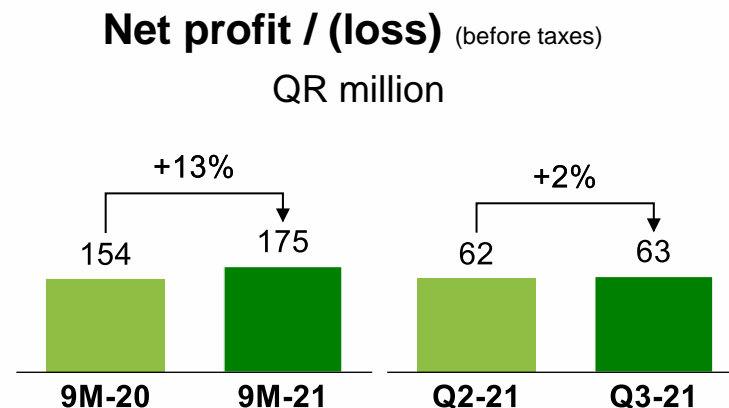
For the nine-month period ended 30 September 2021

Aviation Segment

- 9M-21 vs 9M-20: The increase was mainly attributed to higher flying hours, coupled with growth in revenue noted across all the operations.
- Q3-21 vs Q2-21: Segment revenue for Q3-21 versus Q2-21 increased by 10%, mainly due to improved flying activity coupled with better results from Turkish subsidiary.



- 9M-21 vs 9M-20: Profitability improvement was mainly supported by overall growth in segmental revenues.
- Q3-21 vs Q2-21: Q3-21 profitability improved by 2%, in line with positive revenue growth.



Note: 2020 segment profits have been reported before impact of income taxes and one-off non-cash capital gain of QR 268 million recognized during Q2-20

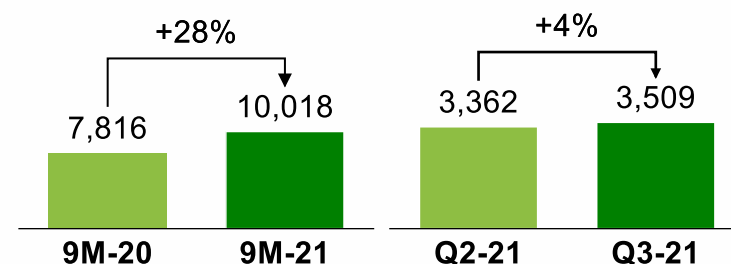
Segmental Details

For the nine-month period ended 30 September 2021

Aviation Segment

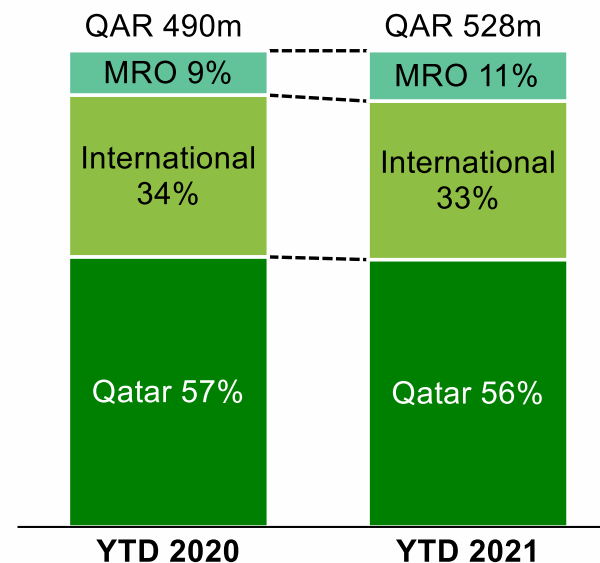
- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations on account of ease of restrictions.

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.

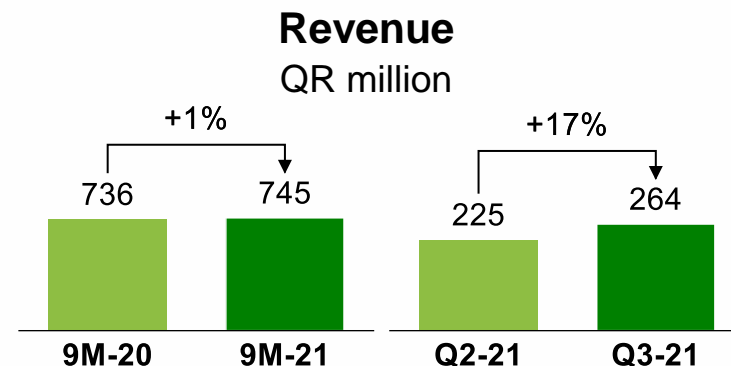


Segmental Details

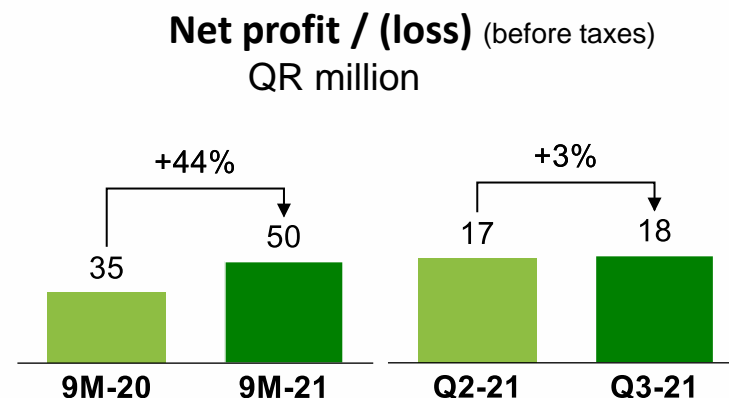
For the nine-month period ended 30 September 2021

Insurance Segment

- 9M-21 vs 9M-20: Growth in revenue was mainly due to higher premiums from general insurance segment, offset by decline in premiums from the medical line of business.
- Q3-21 vs Q2-21: Segment revenue for Q3-21 increased by 17%, mainly due to policy renewal within general insurance line of business.



- 9M-21 vs 9M-20: Strong growth in net earnings was mainly due to recovery in investment portfolio on the back of rebound in capital markets, partially off-set by higher claims incurred during 9M-21.
- Q3-21 vs Q2-21: Q3-21 profitability improved, mainly on account of revenue growth, offset by higher claims and reinsurance cost.



Segmental Details

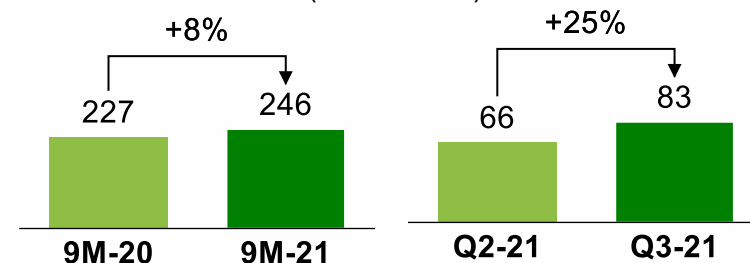
For the nine-month period ended 30 September 2021

Insurance Segment

- Actual claims up on last year, mainly due to increase in medical insurance claims, driven by ease of restrictions enabling more visits to hospitals and doctors' consultations.

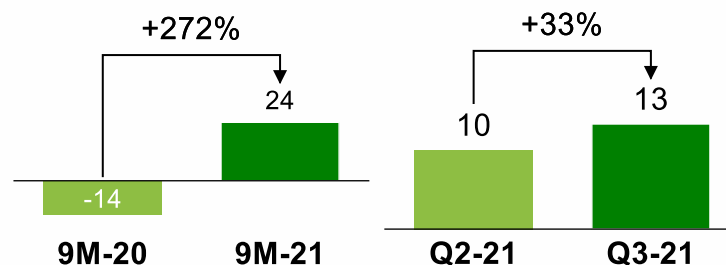
Actual claims incurred

(QR 'millions)



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

(QR 'millions)

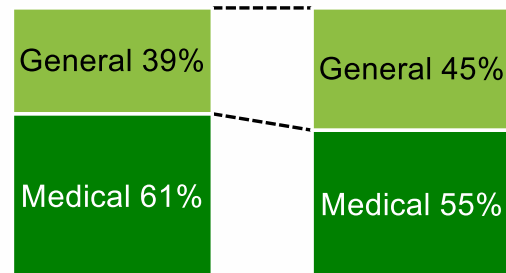


- Unrealized income on revaluation of investment securities significantly up on 2020, as a result significant recovery in capital markets.

Revenue Mix

QAR 736m

QAR 745m



YTD 2020

YTD 2021

- 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 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

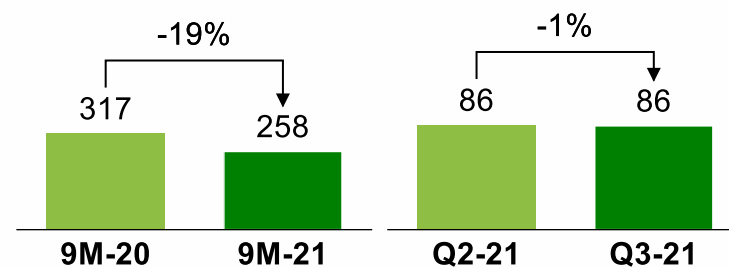
For the nine-month period ended 30 September 2021

Catering Segment

- 9M-21 vs 9M-20: a decline of 19% in segmental revenue, was mainly due to ongoing COVID-19 related restrictions resulted in lower number of meals being served across majority of catering locations, coupled with a loss of some contracts.
- Q3-21 vs Q2-21: Segment revenue for Q3-21 marginally declined by 1% due to loss of a catering contract during the current quarter.
- 9M-21 vs 9M-20: Net loss increased mainly due to lowered margins and declining revenues.
- Q3-21 vs Q2-21: Segment profitability remained negative on account of depressed margins.

Revenue

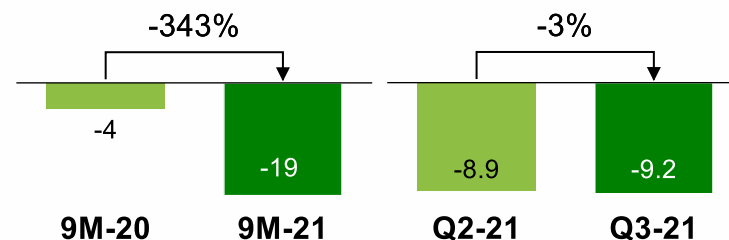
QR million



Net loss

(before income taxes)

QR million



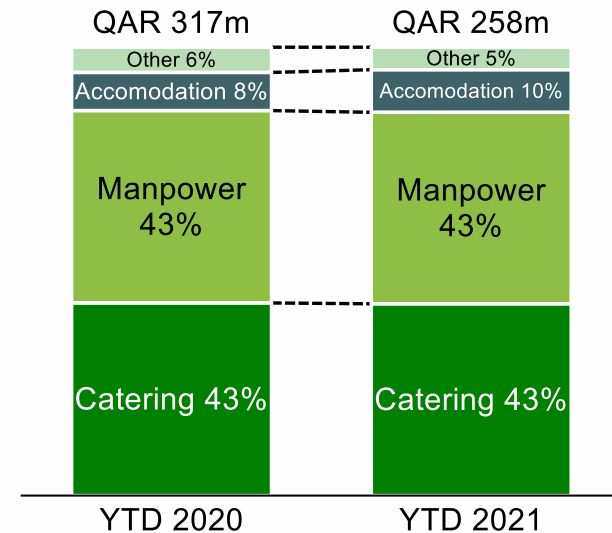
Segmental Details

For the nine-month period ended 30 September 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 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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