



# Gulf International Services

## Investor Relations Presentation

30 September 2024

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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

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# About GIS

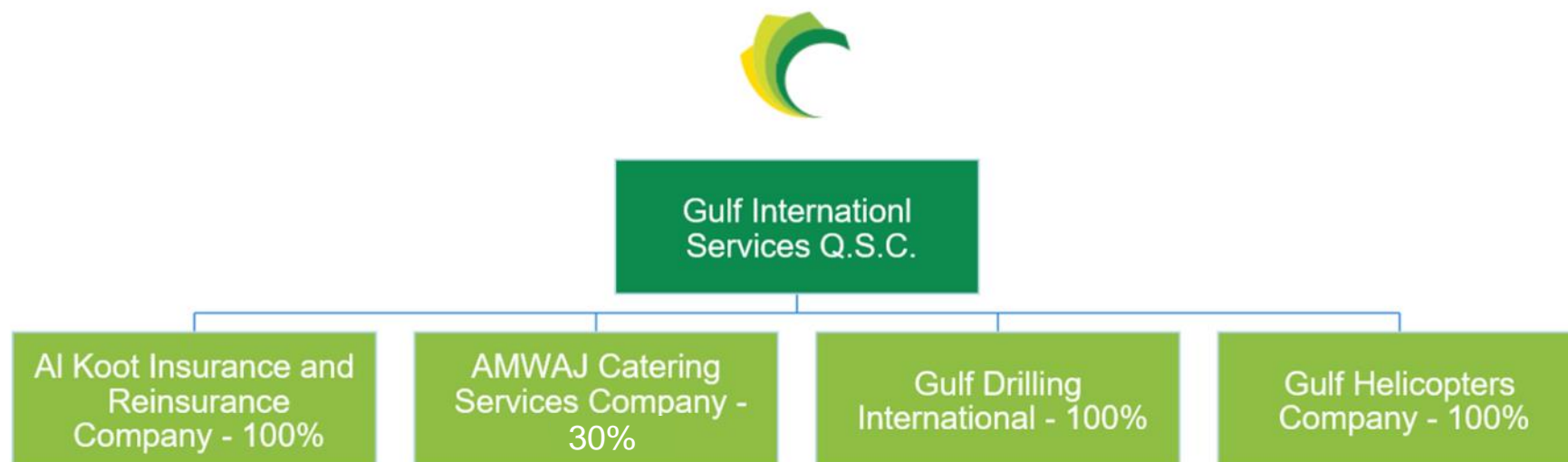
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- Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008.
- The authorized share capital is **QR 2 billion** with an issued share capital consisting of 1.85 Billion ordinary shares and 1 special share, 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 3 distinct segments - **insurance and reinsurance, drilling and aviation services**
- QatarEnergy owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~22.0%.

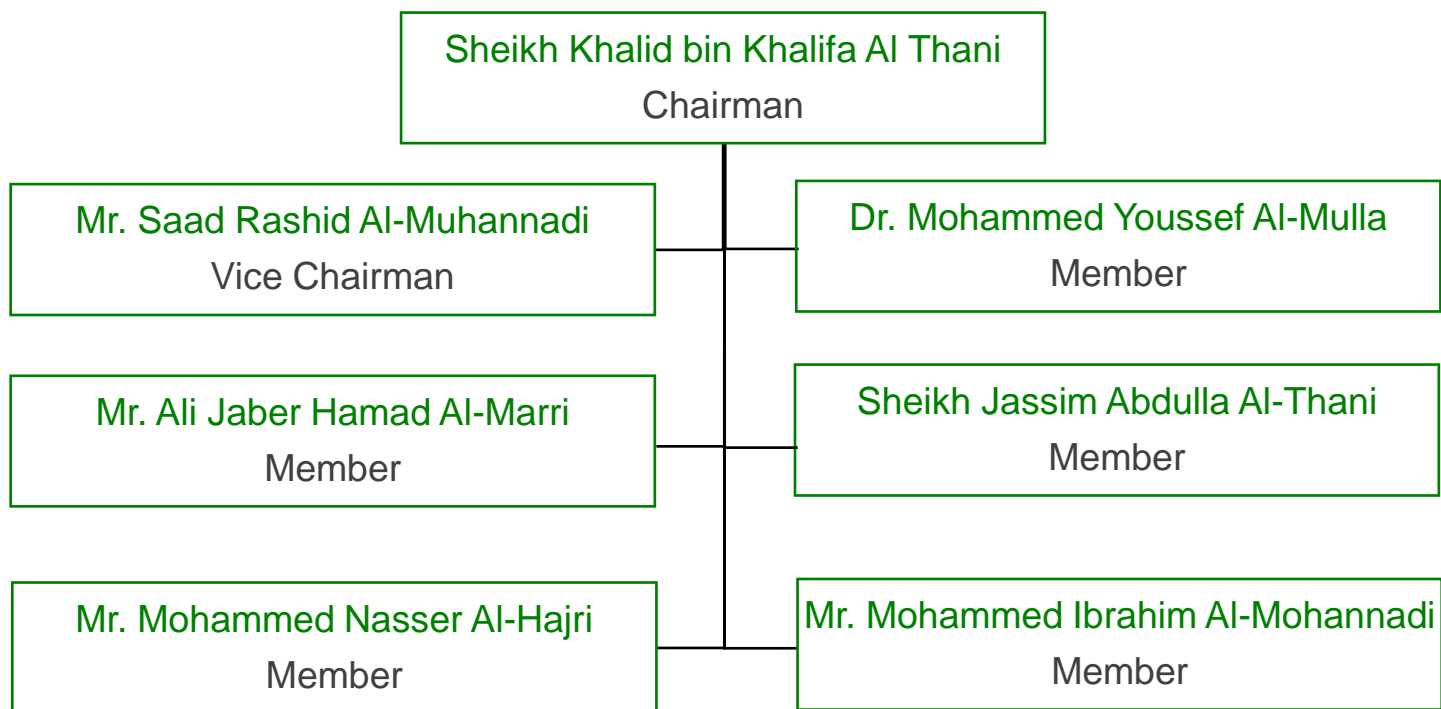


- Most of the subsidiaries are **fully** owned by GIS.
- Post-merger, GIS holds a **30%** ownership stake in **AMWAJ Catering**.



# 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% onshore 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.





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## Results at a glance (2016-2023)

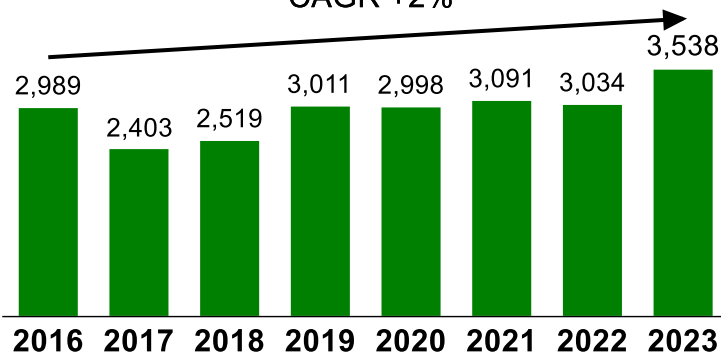
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# Results at a Glance (2016-2023)

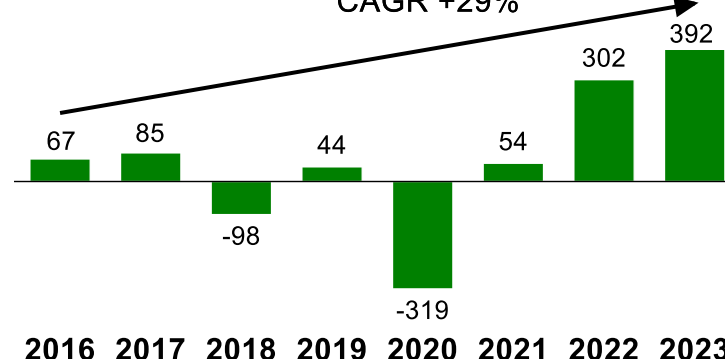
## Revenue (QR million)

CAGR +2%



## Net profit (QR million)

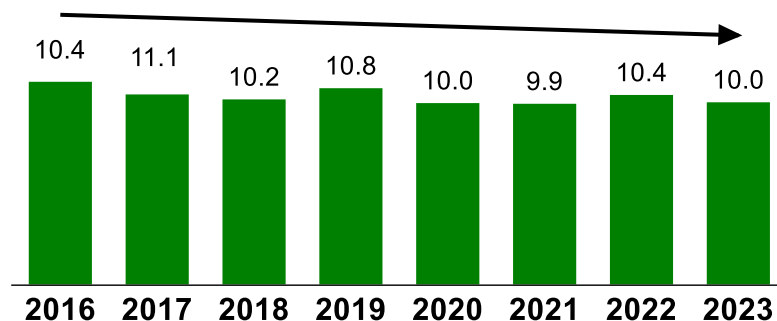
CAGR +29%



- **Revenue** for 2023 recovered significantly on account of constructive business dynamics with better macroeconomic context
- **Net profit** improved significantly post 2020, owing to robust market dynamics, with constructive macro-drivers, however, finance cost continue to weigh on the bottom-line results
- **Total Assets** remained relatively stable, after a significant increase amid GDI's acquisition of remaining stake and as well as, acquisition of new drilling assets in 2014
- **Total Debt** continue to weigh on Group's financial position

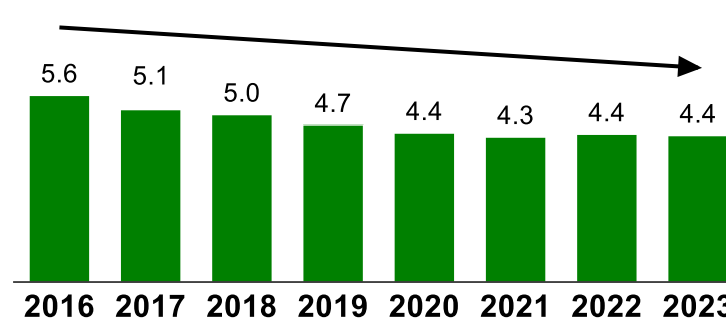
## Total Assets (QR billion)

CAGR -2%



## Total Debt (QR billion)

CAGR -3%



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## **Results at a glance (For the nine-month period ended 30 September 2024)**

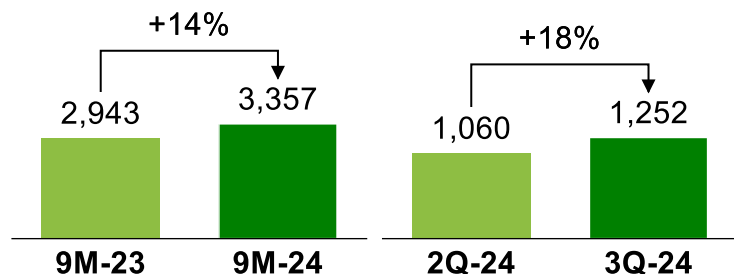
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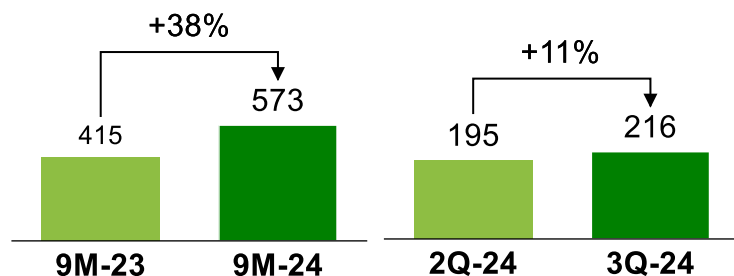
# Results at a Glance

For the nine-month period ended 30 September 2024

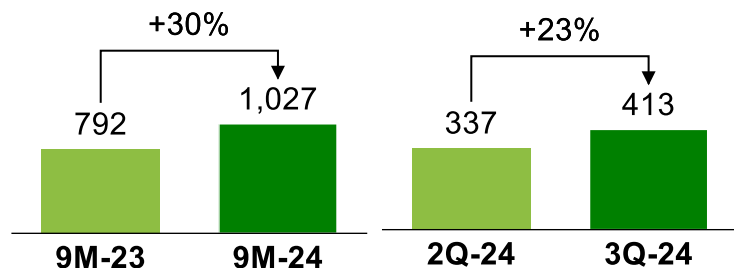
## Revenue (QR million)



## Net profit (QR million)



## EBITDA (QR million)



**9M-23 vs 9M-24:** All subsidiaries except for the catering witnessed growth in revenue compared to last year supported by improved day rates, higher asset utilization from the aviation and drilling segments and higher-flying hours in addition to improved premiums from the insurance segment.

**2Q-24 vs 3Q-24:** increased compared to the previous quarter, mainly on account of better revenue reported from the drilling and insurance segments. Drilling segment benefited mainly from the full consolidation reporting of Gulfdriill and Gulf Jackup following the transaction with Seadrill in addition to higher earned insurance premiums in Q3 compared to Q2 from the insurance segment.

**9M-23 vs 9M-24:** increased due to the the growth in Group revenues and reduction in finance costs on the back of the debt restructure in addition to increased profit reported from Amwaj which led to an overall increase in the group's net profit.

**2Q-24 vs 3Q-24:** Mainly supported by the enhanced bottom-line profitability in the drilling segment, attributed to the increase in revenues partially offset by reduction in profitability from the aviation segment due to reduction in revenue and lower profitability from the insurance segment due to higher net claims and re-insurance costs.

**9M-23 vs 9M-24:** EBITDA improved compared to the same period of last year, mainly due to higher revenues being partially offset by higher direct costs.

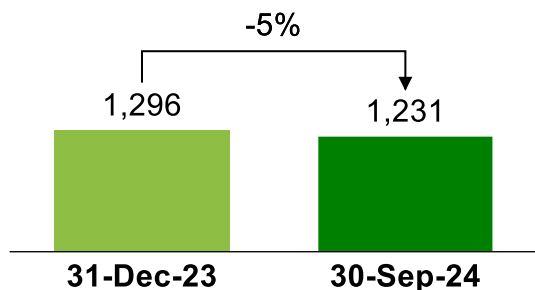
**2Q-24 vs 3Q-24:** EBITDA improved due to overall increase in Group's operating profit.



# Results at a Glance

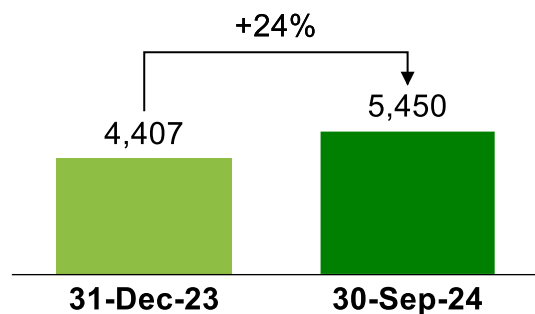
For the nine-month period ended 30 September 2024

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



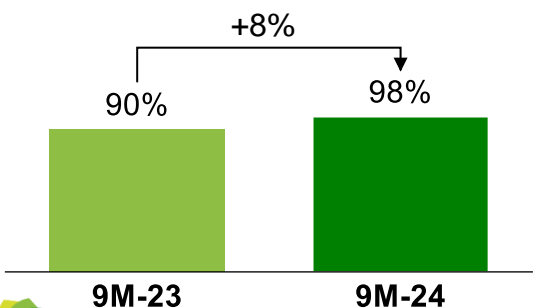
Cash balance declined compared to last year-end, mainly due to dividends payments for the financial year 2023 as well as the payment of 10% of the total transaction cost with Seadrill. Total cash includes QR 43 million of unclaimed dividends from shareholders.

## Total Debt (QR million)



Increased due to the new loan obtained to finance the purchase of the 3 Seadrill Jack-Up Rig Fleet and Related Joint Venture Interest in Qatar.

## Av. Rig Utilization (%)<sup>1</sup>



Rig utilization reached 98% all marketable rigs and lift boats were contracted and operated except for the below:

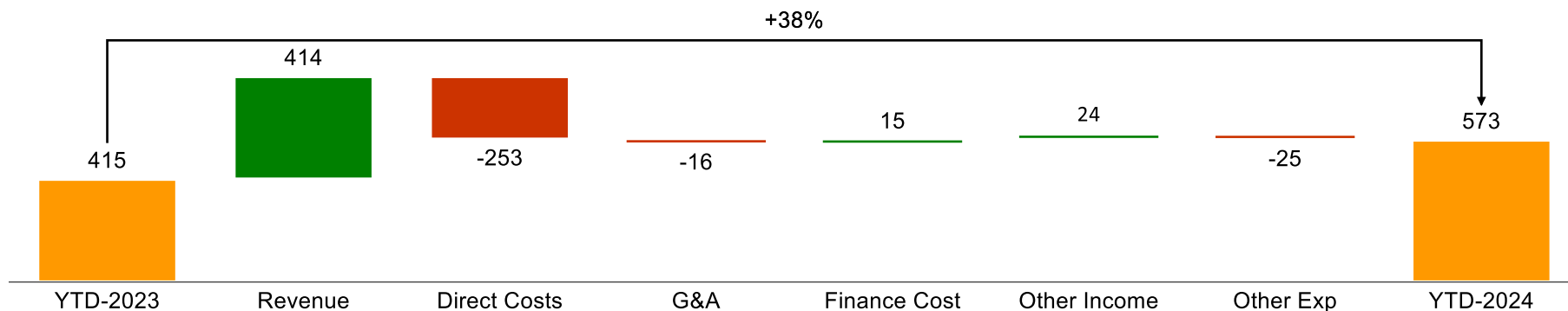
- One onshore rig went off-contract as of April 2024.



# Net Profit

For the nine-month period ended 30 September 2024

Amounts reported in QR' millions



Profitability increased mainly due to improved revenue noted across all the business segments except the catering, in addition to reduction in finance costs on the back of the new debt restructure and higher other income mainly in relation to improved investment income from the insurance segment.



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# Segmental Details

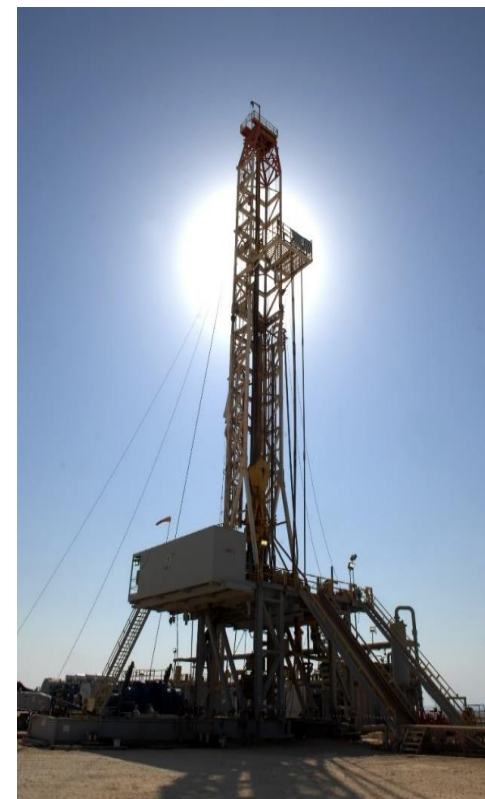
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# Segmental Details

## 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 formed a joint venture with Seadrill Limited, '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.
- In 2024, GDI acquired the remaining 50% stake of 'Gulf Drill JV' along with purchasing the 3 Seadrill Jack-Up Rig Fleet in Qatar. Gulf Drill became 100% owned subsidiary of GDI.
- 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:
  - 10 offshore rigs.
  - 7 onshore rigs
  - 1 Accommodation- Jackup
  - 2 lift boats





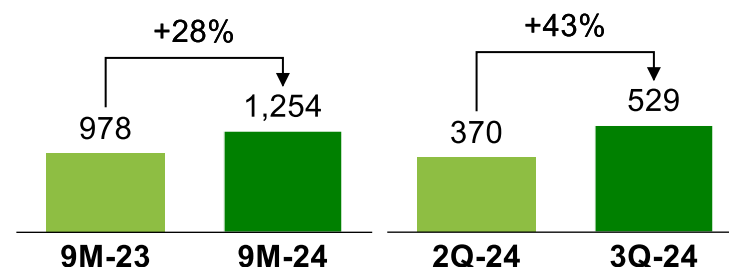
# Segmental Details

For the nine-month period ended 30 September 2024

## Drilling Segment

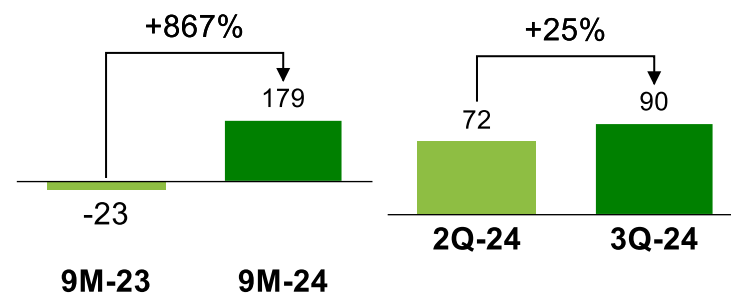
- **9M-23 vs 9M-24:** Revenue growth was predominantly driven by enhanced performance in the offshore rigs , lift boat and barge operation, supported by improved day rates and higher asset utilization. Moreover, the recent acquisition of the 3 Jack up rigs contributed positively to the revenue growth due to full consolidation reporting of revenue of Gulf Drill and Gulf Jack up.
- **2Q-24 vs 3Q-24:** Due to full quarter consolidated reporting of Gulf Drill and Gulf Jack up following the acquisition as compared to consolidating only few days in the previous quarter.

### Revenue QR million



- **9M-23 vs 9M-24:** This substantial improvement in bottom-line profitability is primarily driven by the growth in the segments topline, reduced finance costs, and one-off income from the transaction with Seadrill.
- **2Q-24 vs 3Q-24:** The improved result was mainly due to revenue increase as explained above.

### Net Profit/loss (before taxes) QR million



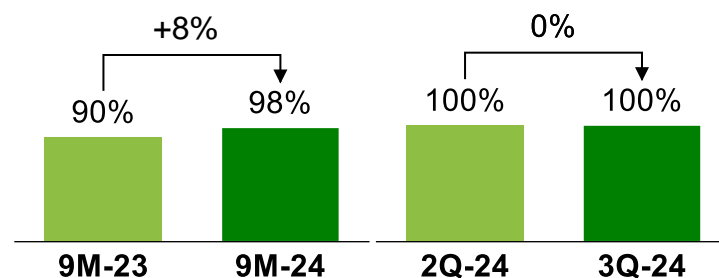
# Segmental Details

For the nine-month period ended 30 September 2024

## Drilling Segment

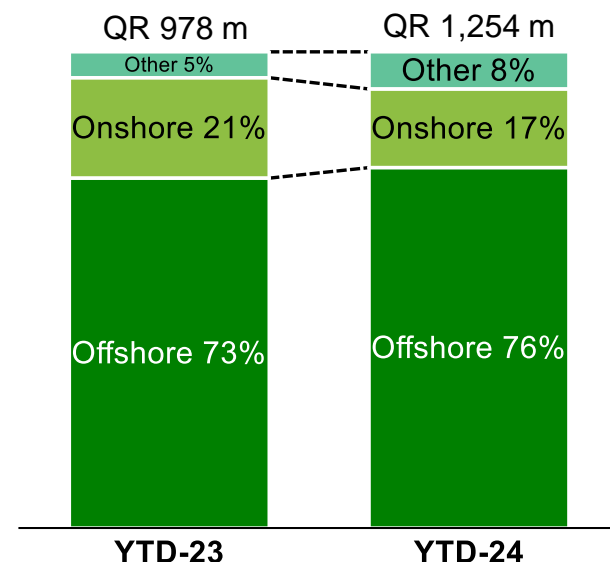
- **9M-23 vs 9M-24:** Rig utilization reached 98%. All rigs and lift boats are currently contracted except one onshore which became off-contract.
- **2Q-24 vs 3Q-24: Operating** Rig utilization stood at 100% with all rigs under contract are operating. However, Contract utilization stood at 94% due to one onshore rig going off-contract in the previous quarter.

### Rig utilization (%)<sup>1</sup>



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

### Revenue Mix



1: Rig utilization = Revenue earning days / days under contract

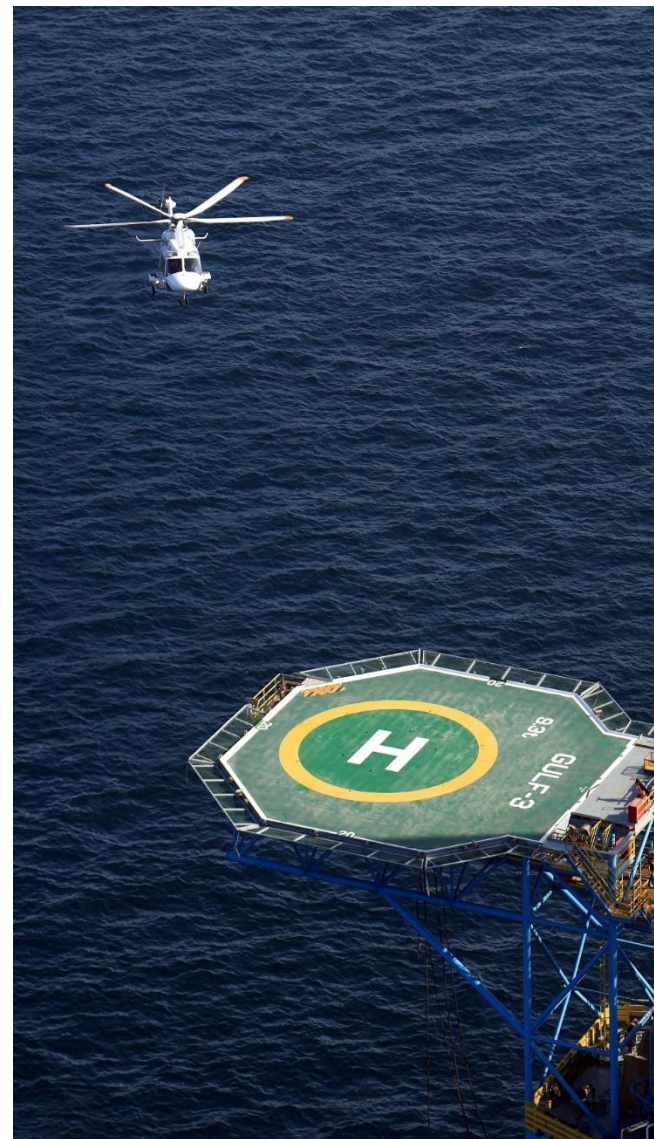
2: Contract Utilization = Days Under Contract / Maximum Day available



# Segmental Details

## Aviation Segment

- **Gulf Helicopter Company (GHC)** is one of the leading commercial aviation service provider. With global footprints extending from Europe , Africa and Middle East, with a fleet of **62 aircrafts**;
- **GHC has 3 Direct subsidiaries:**
  - **Al Maha Aviation Company:** 100% ownership.
  - **Redstar Havacilik Hizmetleri A.S.** In Turkey: 100% ownership
  - **Gulf Helicopters Investment & Leasing Company** (100%), Morocco
- **GHC has also investment in joint ventures in the following countries:**
  - **Air Ocean Maroc** (49%), Morocco
- **During the period, the Group divested United Helicharters Private Limited** which was previously a subsidiary of the Group.



# Segmental Details

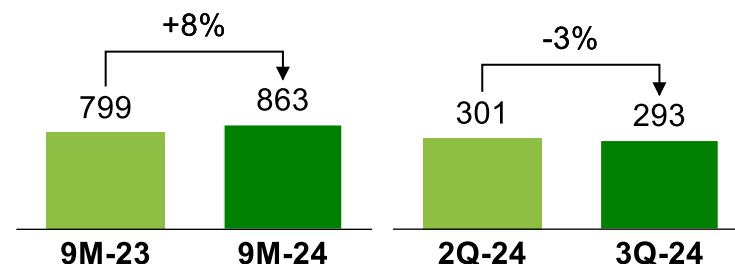
For the nine-month period ended 30 September 2024

## Aviation Segment

- **9M-23 vs 9M-24:** Revenue growth was largely attributed to increased flying hours in both domestic and international segments. The domestic segment also benefited from the deployment of aircraft from international segment, boosting fixed revenues. Meanwhile, international operations, particularly driven by the Turkish subsidiary witnessed growth due to increased flying hours and an expanded fleet size.
- **2Q-24 vs 3Q-24:** Decreased due to lower revenue reported from the MRO segment which was partially offset by improved revenue from the International operations.

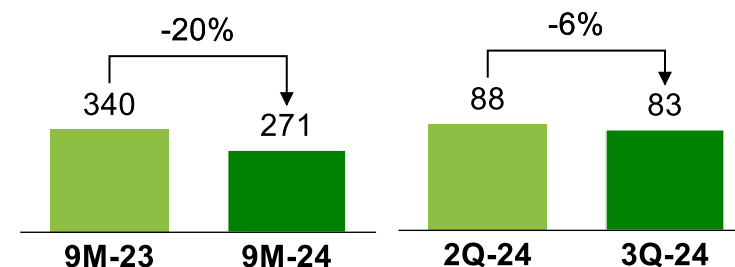
### Revenue

QR million



### Net profit (before taxes)

QR million



- **9M-23 vs 9M-24:** Reduction was driven by higher operational costs, largely related to scheduled maintenance of certain aircrafts. In addition to lower inflationary effect gain recorded as part of IAS 29 adjustment compared to the previous year. Moreover, lower finance income due to lower deposit rate and higher loss on foreign current revaluation further contributed to the reduction in net profits.
- **2Q-24 vs 3Q-24:** Q3-24 profitability decline versus Q2-24 was due to reduction in revenue which was partially offset by higher net monetary gain recorded in the current quarter which arises from the accounting impact of hyperinflation in Turkey.



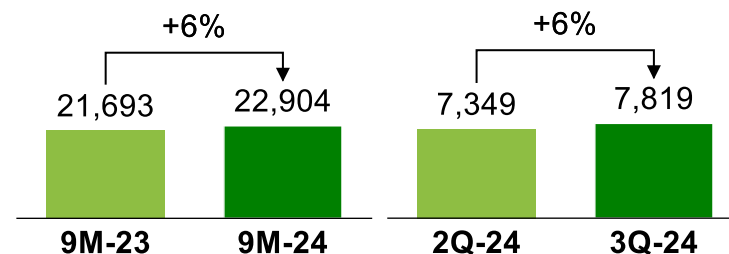
# Segmental Details

For the nine-month period ended 30 September 2024

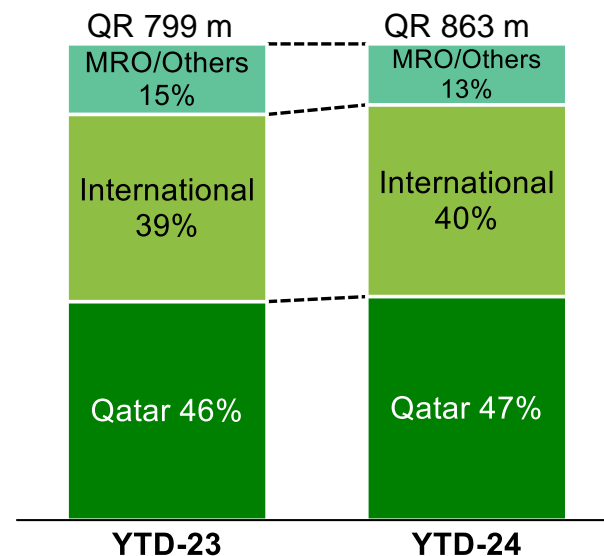
## Aviation Segment

- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations.
- Total flying hours increased by 6% on a year-on-year basis, where locally the flying hours increased by 6%, while within the international segment flying hours increased by 5%.

### Actual Flying hours



### Revenue Mix



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



# Segmental Details

## Insurance Segment

- **Alkoot insurance**, incorporated in 2003, is mainly engaged in business of medical and general insurance and reinsurance activities, in addition to 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.

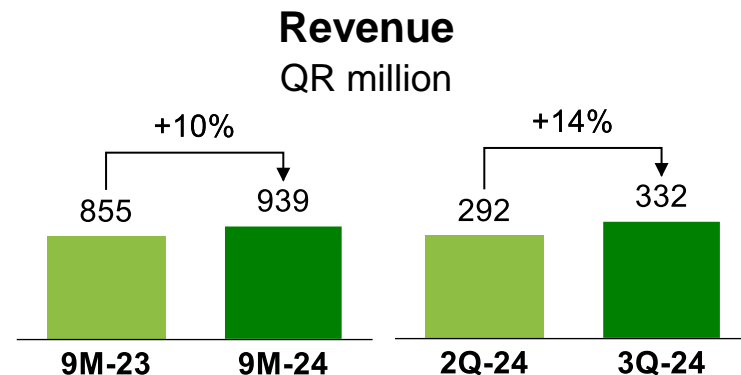


# Segmental Details

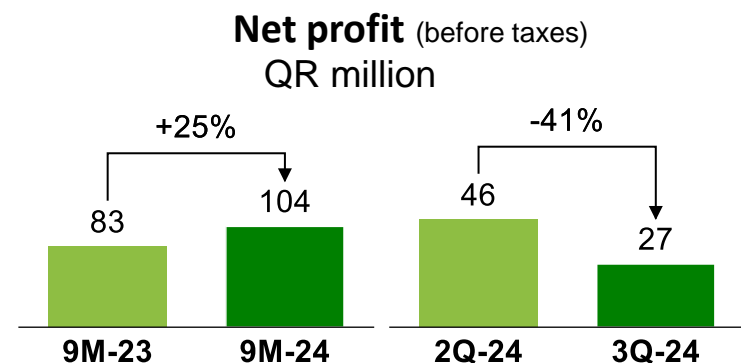
For the nine-month period ended 30 September 2024

## Insurance Segment

- **9M-23 vs 9M-24:** This upsurge in revenue was primarily attributed to the acquisition of new contracts in the medical line of business and the expansion of premiums in the general line of business.
- **2Q-24 vs 3Q-24:** Revenue increased due to higher earned premiums in the current quarter.



- **9M-23 vs 9M-24:** This enhancement in bottom-line profitability can be primarily attributed to the augmented revenue stream, complemented by the robust recovery of the segment's investment portfolio. The increase in the investment income can be predominantly attributed to the recovery of unrealized losses and gains recorded in the revaluation of held-for-trading investment securities, in addition to higher finance income derived from fixed deposits.
- **2Q-24 vs 3Q-24:** Segmental profitability for Q3-24 declined mainly due to surge in net claims reported and higher re-insurance costs which was partially offset by higher investment income.





# Segmental Details

For the nine-month period ended 30 September 2024

- **9M-23 vs 9M-24:** On year-on-year basis, claims incurred increased due to rise in medical claims on the back of new policies added.
- **2Q-24 vs 3Q-24:** On a quarter-by-quarter basis, incurred claims increased due to change in estimated claims.

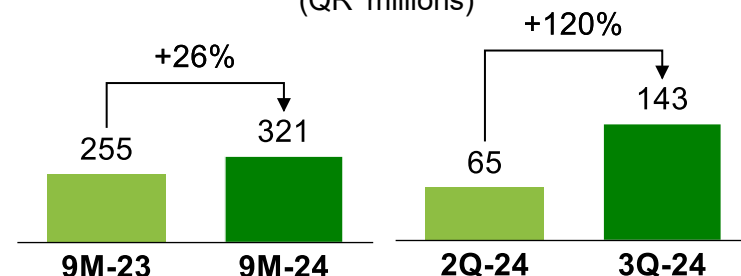
- **9M-23 vs 9M-24:** Investment income increased mainly due to favorable movement in market value of FVTPL investment in addition to higher finance income on the back of increase in interest rate from deposit.
- **2Q-24 vs 3Q-24:** Investment income increased compared to the previous quarter due to favorable movement in market value of FVTPL investment.

- General and medical insurance line of businesses remain equal contributors to the segment's revenue mix.

## Insurance Segment

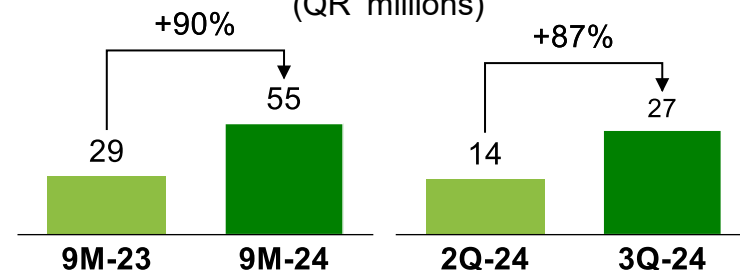
### Net claims incurred

(QR 'millions)



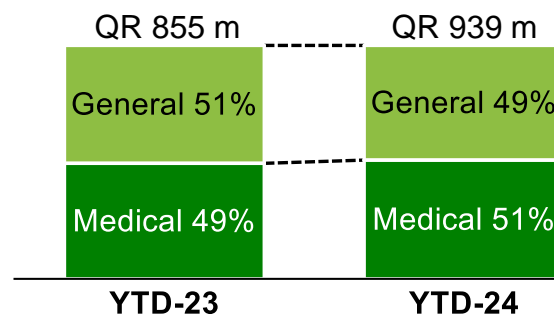
### Analysis of investment income on investment portfolio<sup>1</sup>

(QR 'millions)



<sup>1</sup>: 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.
- In 2023, Amwaj officially merged with Shaqab and Atyab. GIS new ownership in Amwaj is 30%.
- 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

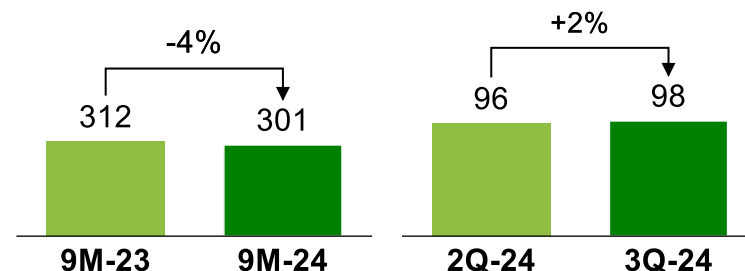
For the nine-month period ended 30 September 2024

## Catering Segment

### Revenue/Share of Revenue

QR million

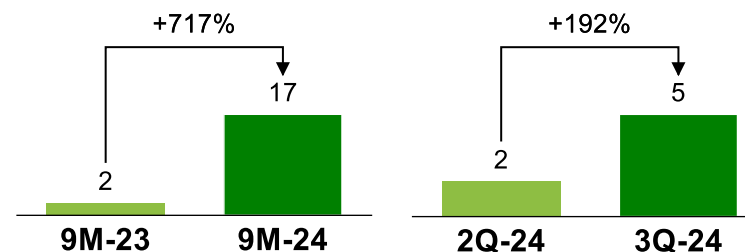
- **9M-23 vs 9M-24:** Revenue decreased compared to the previous year. last year revenue includes 100% Amwaj ownership. However current year revenue consider 30% share of revenue post merger.
- **2Q-24 vs 3Q-24:** Q3-24 share of revenue increased marginally by QR 2 million as compared to the previous quarter.



### Net Profit/Share of Net profit

QR million

- **9M-23 vs 9M-24:** The segment reported a share of net profit of QR 17 million as compared to QR 2 million in the previous year, increase in net profit is mainly driven by the impact of the new merger with Shaqab and Atyab.
- **2Q-24 vs 3Q-24:** Q3-24 share of profit increased mainly due non-accounting of income tax in the current quarter.



Note: Comparative figures for 9M-23 includes 100% Amwaj financials (pre-merger)



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# Governance Structure

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# 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 10/03/2024.
- 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

For further information, **Gulf International Services** can be contacted as follows:

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Email: [gis.investorrelations@qatarenergy.qa](mailto:gis.investorrelations@qatarenergy.qa) or [gis@qatarenergy.qa](mailto:gis@qatarenergy.qa)

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