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ADES International Holding
22 November 2018

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ADES International Holding Ltd

Q3 2018 Operational Update

London, 22 November 2018

Q3 2018 trading update - on track to meet full year expectations

(London & Dubai, 22 November 2018) ADES International Holding Ltd. ("ADES" or the "Group"), a leading oil & gas drilling and production services provider in the Middle East and North Africa (MENA), updates the market on its performance over the three and nine months to 30 September 2018 ("Q3" and "YTD", respectively). The financial information included below is unaudited.

Q3 Highlights

- YTD Recordable Injury Frequency Rate (RIFR) of 0.59, versus IADC worldwide standard rate at 0.69¹
- YTD utilisation rate at 83% (H1 2018: 80%)
- Backlog as of 30 September 2018 at \$437 million
- Revenue YTD of \$127 million, a 7% increase year on year, with Q3 2018 at \$47 million, up 23% on Q2 2018 and 52% on Q3 2017
- Cash and Cash Equivalents stood at \$186 million, giving a Net Debt of \$204 million

- Profit margins are in line with H1 2018
- Successful contract extension of Admarine V to the end of the year
- Successfully exercised ADES 3 one year extension option to October 2019

1According to the latest published ISP report by IADC as of announcement date

Recent news flow

- **Kuwait completion** - On 1 November 2018, ADES completed the acquisition of twelve land rigs in Kuwait from Weatherford International. The combined backlog was \$600 million from eight contracted rigs (including options).

Outlook

Trading in Q3 2018 has been in line with expectations with strong sequential progress.

For the remainder of 2018 we have good revenue visibility underpinned by the contracted backlog and recently acquired Weatherford assets in Kuwait, while expecting to complete on the remaining countries of the Weatherford acquisition before year-end. The Group therefore has confidence that its full year results for 2018 will meet management's expectations.

Commenting on the Group's performance, Dr. Mohamed Farouk, Chief Executive Officer of ADES International said:

"ADES has delivered a strong quarter and is performing well in the second half of 2018 based on higher utilisation rates and the positive impact of the recent rig acquisitions from Nabors Industries. I'm very pleased with the progress we are making against our strategic objectives. When combined with the recently acquired assets from Weatherford, our current cumulative backlog has reached \$1 billion. We have increasing confidence in delivering material growth into 2019, which is underpinned by our significant and growing backlog."

Enquiries

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About ADES International Holding (ADES)

ADES International Holding extends oil and gas drilling and production services through its subsidiaries and is a leading service provider in the Middle East and Africa, offering onshore and offshore contract drilling as well as workover and production services. Its over 2,500 employees serve clients including major national oil companies ("NOCs") such as Saudi Aramco, Kuwait Oil Company and Sonatrach as well as joint ventures of NOCs with global majors including BP and Eni. While maintaining a superior health, safety and environmental record, the Group currently has a fleet of thirteen jack-up offshore drilling rigs, fifteen onshore drilling rigs, a jack-up barge, and a mobile offshore production unit ("MOPU"), which includes a floating storage and offloading unit. For more information, visit investors.adihgroup.com.

Shareholder Information

LSE: ADES INT.HDG

Bloomberg: ADES:LN

Listed: May 2017

Shares Outstanding: 43.8 million

Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as "according to estimates", "aims", "anticipates", "assumes", "believes", "could", "estimates", "expects", "forecasts", "intends", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "should", "to the knowledge of", "will", "would" or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding business and management, future growth or profitability and general economic and regulatory conditions and other matters affecting the Group.

Forward-looking statements reflect the current views of the Group's management ("Management") on future events, which are based on the assumptions of the Management and involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the Group's actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

The Group's business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to differ materially from those expressed or implied by the forward-looking statements contained in this prospectus. The information, opinions and forward-looking statements contained in this communication speak only as at its date and are subject to change without notice. The Group does not undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

Terms and Definitions

Backlog - The total amount payable to the Company, based on firm commitments represented by signed drilling and services contracts, during the remaining term of an existing contract plus any optional client extension provided for in such contract, assuming the contracted rig will operate (and thus receive an operating day rate) for all calendar days both in the remaining term and in the optional extension period.

Recordable Injury Frequency Rate (RIFR) - The number of fatalities, lost time injuries, cases or substitute work and other injuries requiring medical treatment by a medical professional per 200,000 working hours

Utilisation Rate - The Company's calculation of its utilisation rate refers to its measure of the extent to which its assets under contract and available in the operational area are generating revenue under client contracts. The Company calculates its utilisation rate for each rig by dividing Utilisation Days by Potential Utilisation days under a contract.

Net Debt - Total interest-bearing loans and borrowings minus cash and cash equivalents.

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