



RNS Number : 2523J
ADES International Holding PLC
16 August 2019

For the purpose of the Transparency Directive the Home Member state of the issuer is the United Kingdom.

ADES International Holding PLC

H1 2019 Notification of Results

London, 16 August 2019

Notice of Results & Trading Update

(London & Dubai, 16 August 2019) ADES International Holding PLC. ("ADES" or the "Group"), a leading oil & gas drilling and production services provider in the Middle East and North Africa (MENA), is pleased to provide an update to the market on its preliminary, unaudited financial highlights over the six months ending 30 June 2019 and confirms that it will be announcing its interim results on 27 September 2019.

H1 2019 Highlights

- Revenue increased to US\$ 219.9 million, supported by the completion of the acquisitions, up by 2.8 times compared to H1 2018 (US\$ 79.7 million), while Q2 2019 revenue increased to US\$ 111.3 million compared to Q1 2019 (US\$ 108.7 million), a quarter-on-quarter growth of 2.4%.
- EBITDA increased to approximately US\$ 88.0 million reflecting a 40% margin, compared to H1 2018 (US\$ 37.8 million).
- Cash and Cash Equivalents stood at US\$ 40.3 million as of 30 June 2019 compared to US\$ 23.6 million in Q1 2019 (31 December 2018: US\$ 130 million). Net Debt of US\$ 614.0 million, as of 30 June 2019, reflects a period of significant investment to upgrade existing assets, purchase new build rigs and complete the Weatherford acquisition. The Group expects H2 2019 free cash flow generation to improve.
- In H1 2019, the Group secured new banking facilities and undertook a successful maiden 5-year bond issue which provided additional liquidity, headroom and financial flexibility. Additionally, to support business growth post acquisition, ADES replaced the

Letters of Guarantee associated with the Weatherford rigs. Due to these factors, finance charges (on a recurring basis) will be higher on a full year basis than expected. H1 2019 recurring finance charges for the Group are approximately US\$ 26.5 million.

Dr. Mohamed Farouk, Chief Executive Officer of ADES International said:

"ADES delivered a strong operational performance in the first half of the year. Our results were driven by the increasing contributions from the newly acquired rigs and were further supported by the steady ramp up of utilisation rates. We will provide further detail alongside our interim results in September. We expect the trend to continue into H2 2019 and as a consequence we expect our trading performance to be in line with the Board's expectations for the full year, although the higher finance charges will have a modest impact on the overall outturn for the financial year.

Meanwhile, our Integration Project is progressing smoothly and management continues to focus on leveraging further synergies from the acquisitions to help maximize value. To that end, we have successfully completed a synergies assessment phase and are working on the implementation phase.

We have also strengthened our balance sheet in the last six months with ample liquidity for our future growth requirements. The Group's optimized capital structure is now securely in place which is sufficient to support further growth requirements. As a result, we do not expect any further borrowings".

Enquiries

ADES International Holding

Hussein Badawy

Investor Relations Officer

ir@adesgroup.com

Instinctif

David Simonson

david.simonson@instinctif.com

Dinara Shikhametova

dinara.shikhametova@instinctif.com

Sarah Hourahane

sarah.hourahane@instinctif.com

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 North Africa, offering onshore and offshore contract drilling as well as workover and production services. Its c.4,000 employees serve clients including major national oil companies ("NOCs") such as Saudi Aramco and Kuwait Oil Company 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 thirty-four onshore drilling rigs, thirteen jack-up offshore 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 communication. 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

NORCKPDKOBKDAFD